Lewisville City Council

The agenda and backup items follow in one continuous document. However, to view documents individually, click on the bookmark tab at the left of the screen. A list of all documents contained in the packet should appear in a screen to the left. If it does not, click on the "Show/Hide Navigation Pane" button in the toolbar at the top of the page.

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A G E N D A

LEWISVILLE CITY COUNCIL MEETING
JUNE 6, 2016

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. Discussion of Flood Mitigation Assistance Grant

B. Discussion of Regular Agenda Items and Consent Agenda Items

REGULAR SESSION - 7:00 P.M.

A. **INVOCATION:** Deputy Mayor Pro Tem Vaughn

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

C. **PUBLIC HEARING: Consideration of an Ordinance Granting a Zone Change Request from General Business District (GB) to Planned Development-Townhouse Two District (PD-TH2) and Five Associated Variances on an Approximately 10.055-Acre Tract of Land out of the G.W. Hagler Survey, Abstract No. 572, Located on the Northeast Corner of Business SH 121 and Forestbrook Drive, as Requested by G&A Consultants, Inc. on Behalf of Heatley Properties Inc., the Property Owner (Case No. PZ-2016-05-13).**

ADMINISTRATIVE COMMENTS:

The purpose of the Planned Development (PD) zoning district is to accommodate innovative design concepts and provide flexibility in order to achieve a more desirable development. The subject site is an infill property along Business SH 121 impacted by a natural drainage system and limited access. The proposal offers 111 single family attached lots with increased amenities to its residents, additional open space and an increased level of landscaping in a gated community setting. The PD identifies the following five variances: a) to allow a private gated community with private streets to be maintained by the HOA; b) to allow alternate fencing in lieu of the required fencing material required by the Land Development Regulations and that all fencing be maintained by the HOA; c) to waive the alley requirement and allow front-entry; d) to allow radial lot lines for two attached units, and e) to allow a minimum 32.5-foot lot width with a 6.5-foot control of access for corner lots at intersections in lieu of the required minimum 40-foot lot width with a 20-ft control of access for corner lots at intersections. The Planning and Zoning Commission recommended unanimous approval (7-0) of the zone change request at their meeting of May 3, 2016.

RECOMMENDATION:

That the City Council approve the proposed ordinance and five associated variances as set forth in the caption above.

AVAILABLE FOR QUESTIONS:
- Nika Reinecke, Director of Economic Development and Planning
- Randi Rivera, G&A Consultants, Inc.

D. **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.

E. **CLOSED SESSION:** In Accordance with Texas Government Code, Subchapter D, Section 551.072 (Real Estate): Property Acquisition

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

G. **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.

AGENDA
LEWISVILLE CITY COUNCIL
JUNE 6, 2016

1. **APPROVAL OF MINUTES: City Council Minutes of the May 16, 2016, Workshop Session and Regular Session.**

2. **Approval of a Public Road Crossing License Agreement Between the Denton County Transportation Authority and the City of Lewisville for Jones Street; and Authorization for the City Manager to Execute the Agreement.**

ADMINISTRATIVE COMMENTS:

The proposed Jones Street Improvements from Mill Street to North Cowan Avenue will widen the existing crossing of the Denton County Transportation Authority (DCTA) rail tracks and requires a Public Road Crossing License Agreement to be executed between DCTA and the City of Lewisville. The License Agreement has been reviewed and approved by the attorneys for DCTA and City of Lewisville.

RECOMMENDATION:

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

3. **Approval of the City of Lewisville to Enter Into the FY 2015 Flood Mitigation Assistance Grant Award Contract; and Authorization for the City Manager to Execute the Necessary Documents.**

ADMINISTRATIVE COMMENTS:

The City has been awarded a grant in the amount of $1,193,878.80 under the Federal Emergency Management Agency FY 2015 Flood Mitigation Assistance (FMA) grant program. The purpose of the FMA grant program is to reduce or eliminate the risk of repetitive flood damage to buildings and structures insurable under the National Flood Insurance Program. The City will receive reimbursement of costs incurred pursuant to the grant contract, with the City contributing a 12.37% match of local funds (dependent on project execution). The performance period for the FY 2015 FMA grant is through October 30, 2018.

RECOMMENDATION:

That the City Council accept the grant and authorize the City Manager to execute the necessary documents as set forth in the caption above.

4. Approval of an Amendment to the Interlocal Cooperation Agreement for the Operation and Maintenance of Traffic Signals Between the Texas Department of Transportation and the City of Lewisville to Add the Maintenance of the Traffic Signals on FM 423 at Lake Highlands Drive and at Lone Star Ranch Parkway in the City of The Colony; and Authorization for the City Manager to Execute the Agreement.

ADMINISTRATIVE COMMENTS:

The City of Lewisville maintains several traffic signals along FM 423 within the City of The Colony, as part of an interlocal maintenance agreement with the Texas Department of Transportation. TxDOT is constructing two (2) new signals on FM 423 at the intersection of Lake Highlands Drive and at the intersection of Lone Star Ranch Parkway as part of the FM 423 widening project. TxDOT has requested that the City of Lewisville include these two signals with the other signals presently maintained along FM 423. The City will be reimbursed for the maintenance of these signals at the same labor and materials rates as set forth in the existing agreement. The City presently maintains the on-system signals on FM 423 at North Colony Boulevard, South Colony Boulevard, Quik Trip Driveway, Cougar Alley, Memorial Lane and the State Highway 121 Tollway. This item is considered an administrative action and was not submitted before the Transportation Board.

RECOMMENDATION:

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

AVAILABLE FOR QUESTIONS: - David Salmon, P.E. City Engineer

H. **REGULAR HEARINGS:**

5. Consideration of an Ordinance Authorizing the Issuance and Sale of City of Lewisville, Texas, General Obligation Refunding and Improvement Bonds, Series 2016; Levying a Tax in Payment Thereof; Authorizing the Execution and Delivery of a Bond Purchase Agreement, a Paying Agent/Registrar Agreement and an Escrow Agreement; Calling Certain Outstanding Bonds for Redemption; Approving the Official Statement; and Enacting Other Provisions Relating Thereto.

ADMINISTRATIVE COMMENTS:

The issuance of approximately $15,670,000 of City of Lewisville, Texas, General Obligation Refunding and Improvement Bonds, Series 2016 will provide funds for refunding of a portion of the City's Series 2007 General Obligation Refunding and Improvement Bonds, 2007A Combination Tax and Revenue Certificates of Obligation, 2007B Combination Tax and Revenue Certificates of Obligation and Series 2008 General Obligation Bonds and will provide design and construction of improvements to the City's streets, sidewalks and related improvements, design and construction of improvements to the City's parks, open spaces, trails, park and recreation facilities, design and construction of an indoor aquatic center, costs related to public art at certain improvements and facilities, and costs associated with the issuance of the bonds.

RECOMMENDATION:

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

AVAILABLE FOR QUESTIONS: - Boyd London and Jason Hughes
FirstSouthwest, a division of Hilltop Securities

6. Consideration of an Ordinance Authorizing the Issuance and Sale of City of Lewisville, Texas, Tax Notes, Series 2016; Levying a Tax in Payment Thereof; Approving the Sale Thereof; Authorizing the Execution and Delivery of a Purchase Agreement, Approving a Paying Agent/Registrar Agreement; Prescribing the Form of Said Notes; Approving the Official Statement and Enacting Other Provisions Relating to the Subject.

ADMINISTRATIVE COMMENTS:

The issuance of approximately $8,875,000 of City of Lewisville, Texas, Tax Notes, Series 2016 will finance the City's new public safety digital communication system, park land and improvements, and costs associated with the issuance of the notes.

RECOMMENDATION:

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

AVAILABLE FOR QUESTIONS: - Boyd London and Jason Hughes
FirstSouthwest, a division of Hilltop Securities

7. Consideration of an Ordinance Authorizing the Issuance and Sale of City of Lewisville, Texas, Waterworks and Sewer System Revenue Refunding and Improvement Bonds, Series 2016; Providing for the Security for and Payment of Said Bonds; Authorizing the Execution and Delivery of a Bond Purchase Agreement, a Paying Agent/Registrar Agreement and an Escrow Agreement; Calling Certain Outstanding Bonds for Redemption; Approving the Official Statement; and Enacting Other Provisions Relating Thereto.

ADMINISTRATIVE COMMENTS:

The issuance of approximately $11,565,000 of City of Lewisville, Texas, Waterworks and Sewer System Revenue Refunding and Improvement Bonds, Series 2016 will provide funds for refunding a portion of the City's Series 2008 Revenue Bonds and will provide new funding for constructing, acquiring and installing improvements, additions, and extensions to the City's waterworks and sewer system and costs associated with the issuance of the bonds.

RECOMMENDATION:

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

AVAILABLE FOR QUESTIONS: - Boyd London and Jason Hughes
FirstSouthwest, a division of Hilltop Securities

8. Consideration of the Preliminary Plat of Castle Hills - Realm West, Lots 1-17, 18X, 19-22, 23X, 24-32, and 33X, Block A; Lots 1X, 2-10, 11X, 12-23, Block B; Lots 1-9 and 10X, Block C; Lots 1-12, Block D, Designated Estate Townhouse (ETH) and Lots 1 and 2, Block E, Designated General Business Two (GB2); Located on 18.09-Acres of Land on the South Side of SH 121, Between Castle Hills Drive and Essex Boulevard; With Four Associated Variances; as Requested by Brian Dench, P.E. of Land Design, on Behalf of the Owner..

ADMINISTRATIVE COMMENTS:

The subject plat is located within Castle Hills in the City of Lewisville Extra Territorial Jurisdiction (ETJ) and is to be developed in accordance with the 1996 Castle Hills Agreement. The total site contains 18.09 acres of land to be developed in two phases; Phase I will contain 72 single-family detached residential lots, designated Estate Townhouse (ETH) and Phase II is designated General Business Two (GB2) for future commercial. The Preliminary Plat

identifies the following four variances: a) allow 41-foot street easement with 6-foot sidewalk and utility easements in lieu of the required 50-foot right of way; b) waive the alley requirement for lots less than 10,000 sq. ft. in area; c) allow for private streets and a gated community that the H.O.A. will maintain; d) allow public utilities in an easement under private paving. The Planning and Zoning Commission recommended unanimous approval of the plat and requested variances (4-0) at their May 17, 2016, meeting.

RECOMMENDATION:

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

AVAILABLE FOR QUESTIONS: - Jeff Kelly, P.E. – Assistant City Engineer
- Brian Dench, P.E. – Land Design

9. Consideration of a Variance to the Lewisville City Code, Section 4-28, Temporary Structures and Uses Regarding Three Temporary Buildings for Classroom Use to be Located at 1301 Waters Ridge Dr, as Requested by William Chandler on Behalf of Responsive Education Solutions, the Property Owner.

ADMINISTRATIVE COMMENTS:

Responsive Education Solutions desires to locate three temporary classrooms on the existing school property located at 1301 Waters Ridge Dr. The three temporary buildings are needed to accommodate additional students in the rapidly growing school. The construction of a new 2-story classroom building is scheduled to be completed by July 2017. The three temporary classroom buildings will be needed for the school year beginning in August 2016 through July 2017 and will be removed upon the completion of the new 2-story classroom building. Five similar variances have been granted since 2010.

RECOMMENDATION:

That the City Council consider the variance request provided that the temporary classroom be used for educational purposes only, and be removed upon completion of the new 2-story classroom building or August 31, 2017, whichever occurs first.

PRESENTATION: Cleve Joiner, Director of Neighborhood Services

10. <u>Second and Final Reading</u>: Consideration of an Ordinance Amending the Franchise Ordinance for the Collection of Residential Garbage, Refuse, Yard Waste, Bulky Waste, Recyclables; Apartment Recycling; and, Containerized Commercial Solid Waste With Waste Management of Texas, Inc. by Deleting Attachments C & D and Replacing With New Attachments.

<u>ADMINISTRATIVE COMMENTS</u>:

In April 2014, City Council approved a 10-year solid waste and recycling franchise agreement with Waste Management. After review of cost components and franchise fees collected in 2015, two revisions are needed to comply with the intent of the franchise. The first modification to Attachment C relates to the cost of service component which Waste Management retains for roll-off services. Modification to Attachment C is for Waste Management to retain the cost of service disposal rate for the first four tons in the cost of services component and all waste over four tons is billed by Waste Management to the customer. Secondly, Attachment D relates to the multifamily recycling program. Attachment D modification is to delete the descriptive size of the individual apartment collection bin stated as 18 gallon and replace with generic wording "apartment unit bin" as several concepts and collections practices are in place at multiple apartment complexes. The ordinance amendment requires two readings per the Charter. The first reading occurred on April 18, 2016. This will be the second and final reading.

<u>RECOMMENDATION</u>:

That the City Council approve the second and final reading of this ordinance as set forth in the caption above.

11. Consideration of an Ordinance Repealing Section 8-5 of the Lewisville City Code Concerning E-Cigarette Regulations.

ADMINISTRATIVE COMMENTS:

Section 8-5 of the Lewisville City Code bans the sale to minors of e-cigarettes, their component parts and liquid nicotine, bans the provision of samples of such to minors, and prohibits self-service merchandising of liquid nicotine or e-cigarettes and their components. In 2015, the Texas Legislature enacted Senate Bill 97, which, among other regulations, also enacts similar regulations with regard to minors and e-cigarettes, their components, parts, or accessories and liquid nicotine. The City's ordinance is now redundant and may cause confusion in enforcement. Therefore, it is recommended that the City repeal its e-cigarette regulation ordinance.

RECOMMENDATION:

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

12. Consideration of an Ordinance Amending Sections 3-156 and 3-159 of the Lewisville City Code Regarding Regulations for Keeping of Domestic Chickens in the City.

ADMINISTRATIVE COMMENTS:

At the April 11th workshop, staff briefed the City Council on current regulations for keeping domestic chickens within the City. At that meeting, City Council directed staff to eliminate the 7,500 square foot minimum lot size requirement and the ten-foot minimum setback from the homeowner's primary structure. The proposed ordinance makes these changes.

RECOMMENDATION:

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

AVAILABLE FOR QUESTIONS: - Claire Swann, Assistant City Manager
- Sherry Harper, Health and Animal Services Manager

13. Consideration of an Ordinance Amending the Lewisville City Code, Chapter 4, by Adopting the National Electric Code 2014 Edition With Local Amendments and Standards.

ADMINISTRATIVE COMMENTS:

City Council adopted the 2015 edition of the International Codes with NCTCOG amendments on May 2, 2016. After that meeting, staff realized that the National Electrical Code (NEC) was omitted from the agenda caption and therefore The NEC and its local amendments are being brought back to City Council for adoption.

RECOMMENDATION:

That the City Council adopt the 2014 National Electric Code with the proposed local amendments.

AVAILABLE FOR QUESTIONS: - Cleve Joiner, Director of Neighborhood Services

14. Discussion and Consideration of Appointments to Various City Boards/Commissions/Committees.

ADMINISTRATIVE COMMENTS:

On June 30, various terms of office on the City's boards, commissions, and committees will be expiring. Those positions have been identified and current appointees notified. The Board/Commission/Committee Appointment Process Notebooks have been created for City Council's review. Data sheets for members requesting reappointment and all new applicants have been included in the books along with attendance data for existing members requesting to be reappointed. City Council will need to identify interview teams, interview dates, and determine which team will interview which board, commission, or committee.

RECOMMENDATION:

That the City Council proceed with the appointment process to the various City Boards/Commissions/Committees; identify interview teams, interview dates, and determine which team will interview which board, commission, or committee.

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

AGENDA
LEWISVILLE CITY COUNCIL
JUNE 6, 2016

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

1. Section 551.072 (Real Estate): Property Acquisition

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

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

L. **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).

Flood Mitigation Assistance Grant Program

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Overview

Flood Mitigation Assistance (FMA) Grant Program

- Provides funds for projects that reduce or eliminate risk of flood damage to structures that are insured under the National Flood Insurance Program (NFIP).
- Funding is appropriated by Congress annually; highly competitive grant program.
- In the FY 2015 offering, 226 project sub-applications were submitted (17 from Texas) & 91 of those were selected (6 from Texas).

FY 2015 FEMA/TWDB

Program Priorities

- Property acquisition and structure demolition projects.
- Severe Repetitive Loss (SRL) and Repetitive Loss (RL) properties.
- Mitigation of risk to contiguous NFIP-insured properties.

Project Overview

Lewisville, TX

- NCTCOG provided Notice of Funding Opportunity (NOFO) in mid-2015; project sub-application was submitted in August 2015.
- Eligibility made possible by FEMA Approved Hazard Mitigation Action Plan (HazMAP). [*Recent Council adoption of 2016 Denton County Multi-Jurisdictional HazMAP at Feb. 1, 2016 Meeting]*
- Acquisition and demolition of identified flood prone residential structures (through voluntary participation), and reimbursement of associated eligible costs.

Project Overview

Lewisville, TX

TWDB provided official notice of intent to award last month (May 2016).

Total Project Cost	Federal Cost Share	Local Cost Share
$1,193,878.80	$1,046,285.00	$147,593.84*

**Local cost share varies by property loss type (per grant rules).*

Project Detail

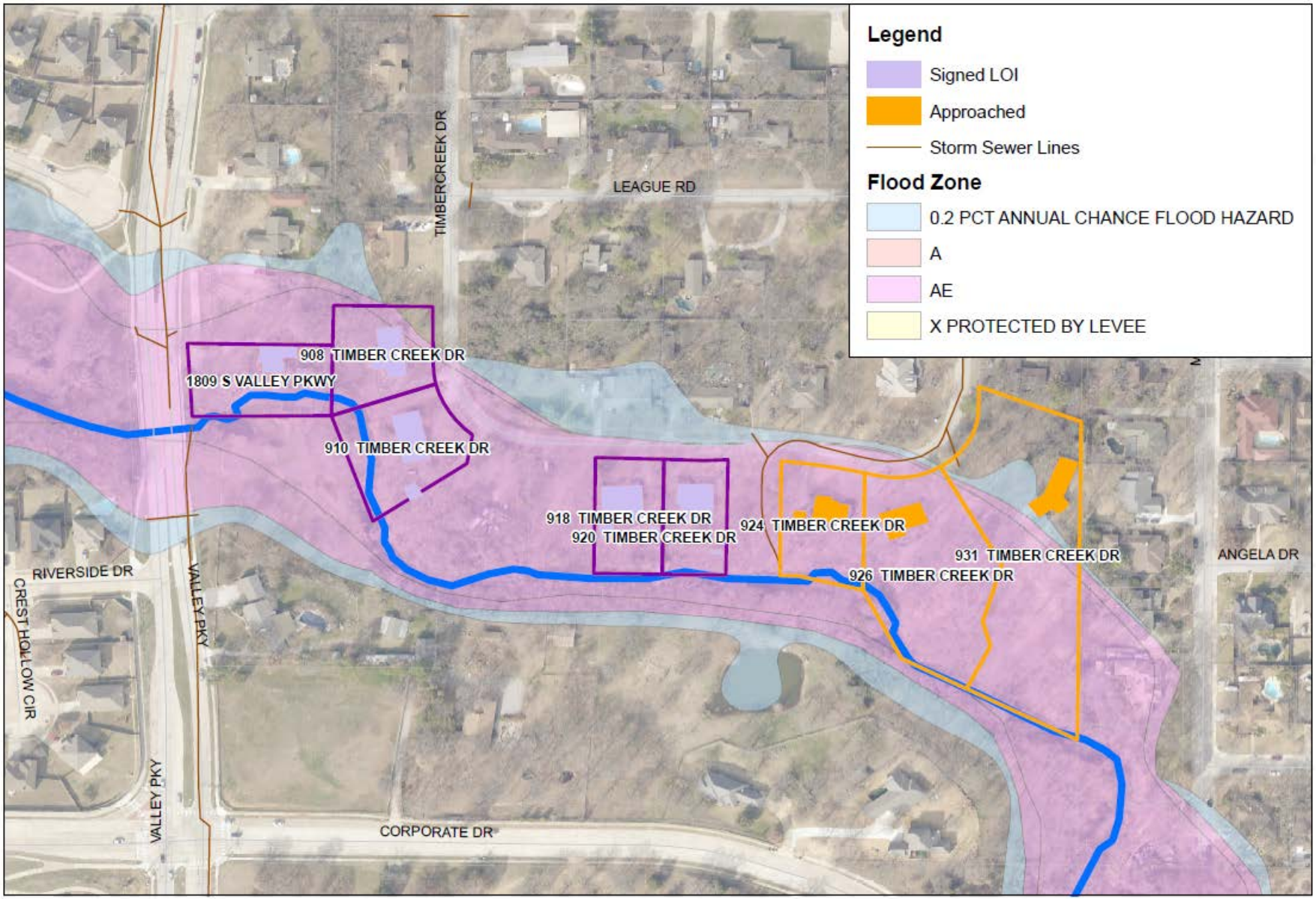
Timber Creek Acres – Lewisville, TX

- Submitted project was to acquire and demolish identified flood prone structures along the north bank of Timber Creek.
- The Timber Creek Acres neighborhood is located on the east side of South Valley Parkway and north of Corporate.
- 8 homes were approached for participation in grant application; 5 of them indicated interest thru signing a Letter of Interest (LOI).
- No floodplain ordinance to enforce when these homes were built.

Timbercreek Buy-Out Project

LEWISVILLE

0 500 Feet



Date: 3/18/2016

Data Source(s): City of Lewisville Office of Emergency Management, City of Lewisville Information and Technology Services (ITS)

Analysis of Projected Costs

Per sub-application submission and award. Projected costs were determined using recommended and reasonable methodologies for favorable return during cost-benefit analysis.

***Actual costs will likely vary.**

Address	Calculated Value (1.2 x DCAD)	Appraisal Fee	Closing Costs	Demolition Costs ($10/sq ft)	Pre-award application	Project Cost	FEMA Share $	Local Share $
1809 Valley	$216,000	$750	$7,500	$30,000	$200	$254,450	$229,005	$25,445
908 Timber Creek	$222,842.40	$750	$7,500	$21,720	$200	$253,012.40	$227,711	$25,301.24
910 Timber Creek	$108,000	$750	$7,500	$28,070	$200	$144,520	$144,520	$0
918 Timber Creek	$216,000	$750	$7,500	$33,060	$200	$257,510	$231,759	$25,751
920 Timber Creek	$249,836.40	$750	$7,500	$26,100	$200	$284,386.40	$213,289.80	$71,096.60
Total	**$1,012,678.80**	**$3,750**	**$37,500**	**$138,950**	**$1000**	**$1,193,878.80**	**$1,046,285**	**$147,593.84**

Property Acquisition

- **Eligible Cost:** Current market value of real property

Address	2015 DCAD Appraised Value	Calculated Value (1.2 x DCAD)	2016 DCAD Prelim Appraised Value	Difference (calc vs. prelim)	(Actual Cost) Current Market Value
1809 Valley	$180,000	$216,000	$140,756	($75,244.00)	?
908 Timber Creek	$185,702	$222,842.40	$222,595	($247.40)	?
910 Timber Creek	$90,000	$108,000	$85,000	($23,000.00)	?
918 Timber Creek	$180,000	$216,000	$237,207	$21,207.00	?
920 Timber Creek	$208,197	$249,836.40	$226,844	($22,992.40)	?
Total	**$843,899**	**$1,012,678.80**	**$912,402**	**($100,276.80)**	**?**

- State-certified real estate appraiser performs appraisal to determine current market value.

Closing

- Actual closing costs typically range from 2% to 5% of purchase price, and costs may include:

  - *Title search and transfer fees.*
  - *Title insurance.*
  - *Property surveys.*
  - *Deed fees (preparation/recordation).*

- Property owner must be able to convey free and clear title to property.

Demolition

- Must be completed within 90 days of settlement.
- Will include asbestos survey/testing and any necessary removal.
- Project award includes $10 per sq. foot in calculated eligible demolition costs.

Address	Demolition Costs ($10/sq ft)
1809 Valley	$30,000
908 Timber Creek	$21,720
910 Timber Creek	$28,070
918 Timber Creek	$33,060
920 Timber Creek	$26,100
Total	**$138,950**

910 Timber Creek

Severe Repetitive Loss
100% Federal Share

Year Built: 1976

2015 DCAD
Appraised Value:
$90,000

2016 DCAD
Appraised Value
(prelim): $85,000

1809 Valley Parkway

Repetitive Loss
90% Federal Share

Year Built: 1973

2015 DCAD
Appraised Value:
$180,000

2016 DCAD
Appraised Value
(prelim): $140,756

908 Timber Creek

Repetitive Loss
90% Federal Share

Year Built: 1973

2015 DCAD
Appraised Value:
$185,702

2016 DCAD
Appraised Value
(prelim): $222,595

918 Timber Creek

Repetitive Loss
90% Federal Share

Year Built: 1976

2015 DCAD
Appraised Value:
$180,000

2016 DCAD
Appraised Value
(prelim): $237,207

920 Timber Creek

Floodplain Structure
75% Federal Share

Year Built: 1976

2015 DCAD
Appraised Value:
$208,197

2016 DCAD
Appraised Value
(prelim): $226,844

Use of Open Space

- Goal of grant program is to mitigate flood risk
- Consult with Floodplain Manager and TWDB
- Uses may include…
  - Vegetative site stabilization
  - Public picnic pavilions (no walls)
  - Small-scale recreational courts
  - Ball fields
  - Bike and walking paths

Timeline

Performance period ends October 30, 2018, unless otherwise amended.

Action Item	Estimated Date
Property owners indicate interest	August 2015
Grant application submitted for review	August 2015
Official Intent to Award Provided	May 2016
City Returns Signed Contract to TWDB	By June 10, 2016
Property Owner Notification of Award	June 2016
Project Contract Executed	August 2016
City Kick Off Meeting with TWDB	Late Summer/Fall 2016
Property Owner Meeting	Late Summer/Fall 2016
Appraisal	Winter 2016
Agreement of Sale	Spring 2016
Closing	Summer 2017
Demolition	Summer 2017

For More Information:

Office of Emergency Management
Office Main Line: (972) 219-5089

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MEMORANDUM

TO: Donna Barron, City Manager

FROM: Nika Reinecke, Director of Economic Development and Planning

DATE: June 6, 2016

SUBJECT: **Public Hearing: Consideration of an Ordinance Granting a Zone Change Request from General Business District (GB) to Planned Development-Townhouse Two District (PD-TH2) and Five Associated Variances on an Approximately 10.055-Acre Tract of Land out of the G.W. Hagler Survey, Abstract No. 572; Located on the Northeast Corner of Business SH 121 and Forestbrook Drive; as Requested by G&A Consultants, Inc. on Behalf of Heatley Properties Inc., the Property Owner (Case No. PZ-2016-05-13).**

BACKGROUND

The Planned Development (PD) district allows for innovative community design concepts that may contain a mix of uses, and which may not meet all regulations of the City's standard zoning categories. The property for the proposed PD is currently vacant and is currently zoned General Business. The property is located on the northeast corner of SH 121 Business and Forestbrook Drive. Surrounding land uses and zoning are as follows:

North: Christian Community Action (CCA) Resale Shop zoned Light Industrial (LI)
South: Colonial Village at Oak Bend Apartments zoned Multi-Family 1 (MF1)
East: Forestbrook Apartments zoned Multi-Family 2 (MF2)
West: Westmount Apartments zoned MF2 and the Vista Ridge Bible Fellowship zoned GB

The developer for this community is Doug Tatum, who also constructed the Manors at Vista Ridge, which is located on the south side of Vista Ridge Mall Drive between MacArthur Boulevard and Lake Vista Drive. The Planning and Zoning Commission recommended unanimous approval (7-0) of the zone change request at their meeting of May 3, 2016.

ANALYSIS

The proposed PD will have a base zoning of Townhouse Two (TH2) and is proposed to be a gated community with private streets and a front-entry product. The concept plan identifies 111 single-family attached residential lots with minimum lot widths of 26 feet at the building line and minimum lot depths of 75 feet, for a total minimum lot area of 1,950 square feet.

Open Space
The site features a large open space lot that contains a natural drainage area with established tree growth, as well as other open space areas surrounding the perimeter of the site. Approximately 1.6 acres of the 10.055-acre site is designated as open space with approximately 1,800 linear feet

of walking trails, as well as benches interspersed along the trail, outdoor grilling areas, pet cleanup and/or watering stations and a shade structure. The community will be managed by a Home Owners Association (HOA), which will also be responsible for maintaining the private streets, the common areas and screening fences and walls. A minimum of one canopy tree is proposed on each residential lot, with additional trees proposed along side streets and along the Business SH 121 and Forestbrook Drive street frontages.

Development Standards
The minimum unit size is 1,800 square feet, with the exhibits illustrating unit sizes up to 2,650 square feet. Other distinguishing residential architectural standards include:

- Wood clad garage doors;
- Elevations with an Old English/Tudor inspired design theme including two or more of the following:
    a) wood shutters,
    b) brick and stone materials,
    c) stucco elements,
    d) half timbering,
    e) bay windows,
    f) clipped gables;
- All units shall have a two-car garage, and
- All facades that face SH 121 Business or Forestbrook Drive shall have a minimum of 75% brick or stone veneer per unit.

The proposed single-family attached units will range from two to eight attached units with a maximum three stories or 45 feet in height. All residential units will contain fire sprinkler systems. Minimum front yard setbacks are 17.5 feet with a 20-foot setback for garages. Side yards shall be a minimum of 5 feet with six and 6.5 feet at side streets and 5-foot rear yards. The maximum lot coverage by the main building and accessory buildings is 70%.

Variances
The following five variances are associated with this development:

a) <u>To allow a private gated community with private streets to be maintained by the HOA</u>

Section 6-94 (a) Lots

This section of the ordinance requires that each residential lot adjoin a public street. The applicants are requesting private streets with gated access maintained by the HOA. The private street pavement and subgrade will be constructed to City street standards. Gates will be equipped with devices acceptable to the Lewisville Fire Department to allow access to emergency vehicles. This variance has previously been granted for Manors at Vista Ridge,

Fireside Village, Enclaves at Silver Creek and sections of Castle Hills Golf Course Phases I, II and III. Staff recommends approval of this variance.

b) To allow alternate fencing in lieu of the required fencing material required by the Land Development Regulations and that all fencing be maintained by the HOA

Sections 6-142, 6-143 and 6-144 Screening Devices

The General Development Ordinance requires masonry thoroughfare screening walls along the street frontages of Business SH 121 and Forestbrook Drive. The PD proposes an HOA-maintained masonry wall along Business SH 121 and an alternate screening of ornamental metal fencing along Forestbrook Drive. The Forestbrook side will have an adjacent 43-foot wide open space with a meandering trail. This area is proposed to be landscaped with both canopy and ornamental trees. Along the eastern property line, the applicant is proposing to maintain the existing wood fence in lieu of the typical masonry wall required adjacent to multi-family. An ornamental fence with trees is also proposed in lieu of the required masonry wall along the north property line adjacent to the CCA Resale Shop, which is zoned Light Industrial. Staff has no objection to this variance request.

c) To waive the alley requirement and allow front-entry

Section 6-92(k) Alleys
This section requires alleys for all single family residential subdivisions. A front entry product provides a private larger back yard patio area for each unit and allows more land for open space with a walking trail. This variance has also been granted previously for other estate townhouse developments such as Castle Hills Golf Course Phases I, II and III, Fireside Village and Manors of Vista Ridge. Staff recommends approval of this variance.

d) To allow radial lot lines for two attached units

Section 6-94 (a) Lots

This section of the ordinance requires that side lines of lots shall be approximately at right angles to straight street lines and radial to curved street lines, except for single-family attached townhouse developments (three (3) units or more attached). This variance request applies to one area located at the north end of Street “B” identified as Lots 25 and 26, Block A. The two lots are located adjacent to an existing 30-foot drainage easement and 20-foot sewer easement that does not allow for a grouping of three town houses to eliminate this variance. Staff has no objection to this variance request.

e) To reduce the minimum 40-foot width with a 20-foot control of access for corner lots at residential intersections.

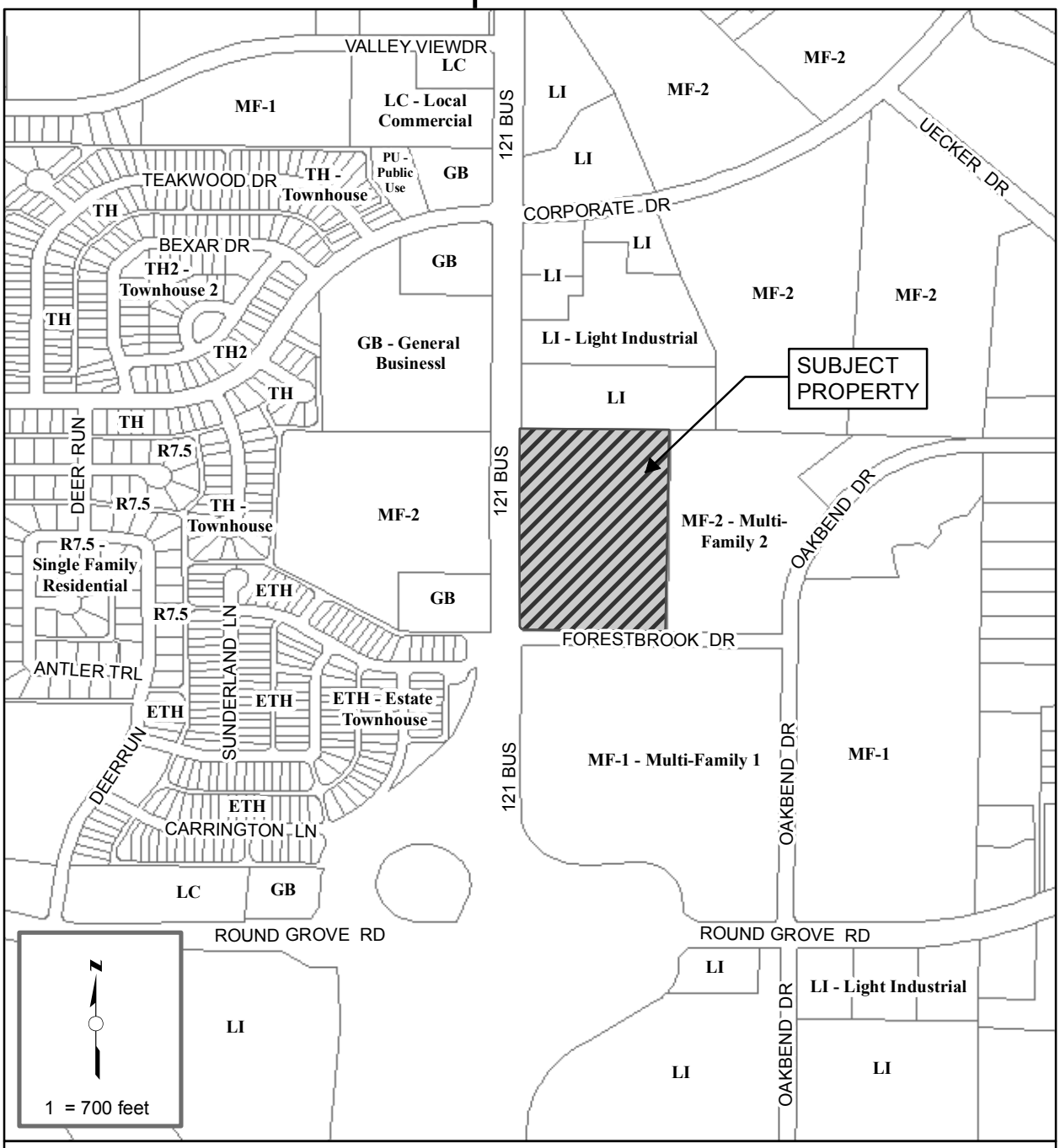
Section 6-94(e) Lots
This section requires corner lots at residential street intersections to have a 40-foot minimum lot width with a 20-foot control of access. The developer is requesting a minimum lot 32.5-foot lot width with a 6.5-control of access. Control of access is the distance from a street intersection measured from the intersecting right of way lines to the radius point of the first permitted driveway along the street. The variance will allow more lots on Blocks B and C. Since this is a gated community with limited access, staff recommends approval of this variance.

Summary
The purpose of the Planned Development zoning district is to accommodate innovative design concepts and provide flexibility in order to achieve a more desirable development. The subject site is an infill property along Business SH 121 impacted by a natural drainage system and limited access. The proposal offers 111 single family attached lots with increased amenities to its residents, additional open space and an increased level of landscaping in a gated community setting.

RECOMMENDATION

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

Location Map - Forestbrook Dr.



ZONING CASE NO. PZ-2016-05-13

APPLICANT NAME: G & A CONSULTANTS

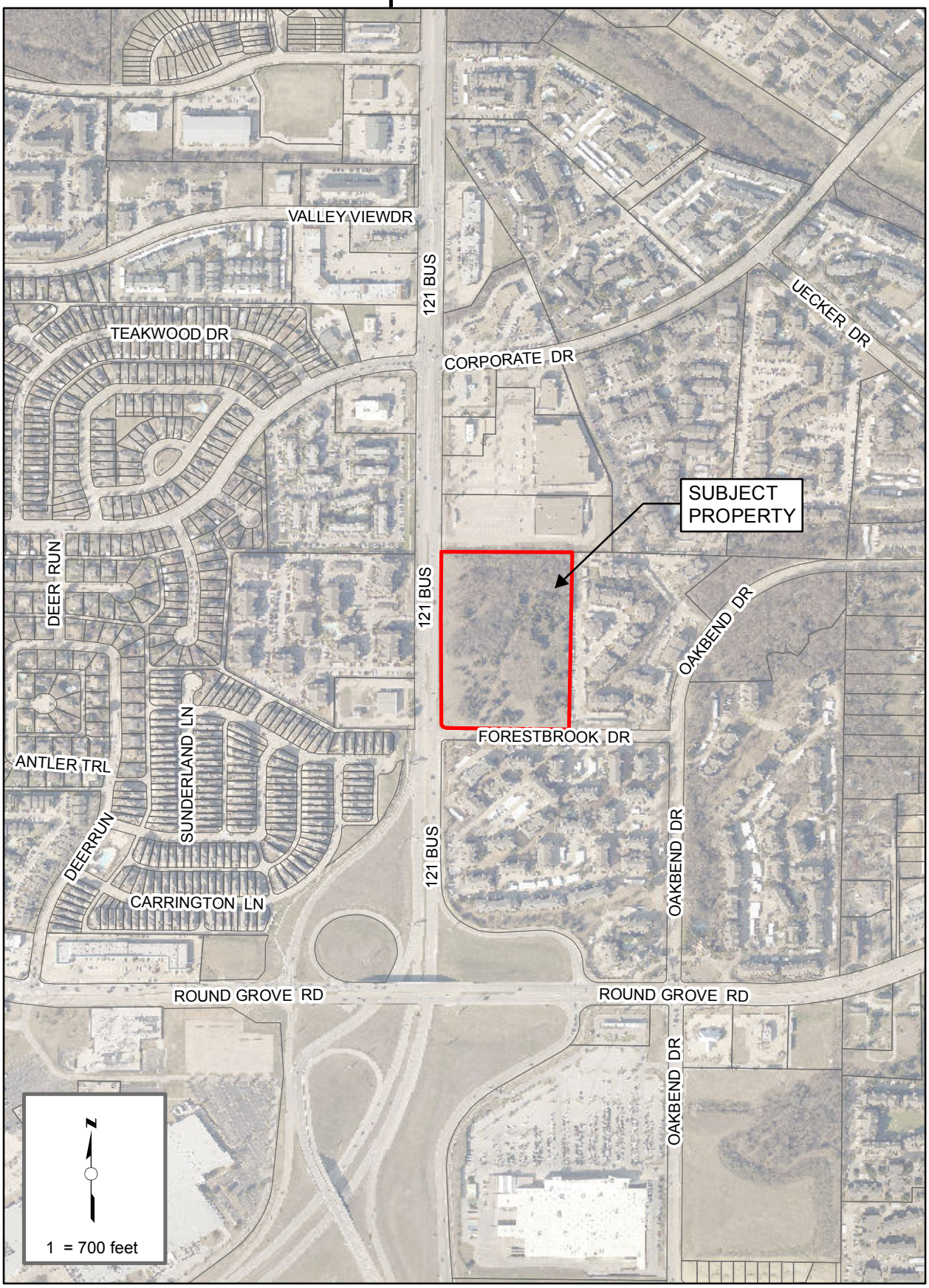
OWNER: HEATLEY PROPERTS, INC.

PROPERTY LOCATION: LOCATED ON THE NORTHEAST CORNER OF FORESTBROOK DRIVE AND SH 121 BUSINESS (10.055-ACRES)

CURRENT ZONING: GENERAL BUSINESS (GB)

REQUESTED ZONING: PLANNED DEVELOPMENT-TOWNHOUSE TWO (PD-TH-2)

Aerial Map - Forestbrook Dr.



MINUTES
PLANNING AND ZONING COMMISSION
MAY 3, 2016

Item 1:

The Lewisville Planning and Zoning Commission meeting was called to order at 6:30 p.m. Members present: James Davis, Steve Byars, John Lyng, Mary Ellen Miksa, Sean Kirk, Kristin Green and Alvin Turner.

Staff members present: Richard Luedke, Mary Paron-Boswell and Jeff Kelly

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B. **Public Hearing:** Consideration of a Zone Change Request from General Business District (GB) to Planned Development-Townhouse Two District (PD-TH2) on an Approximately 10.055-Acre Tract of Land out of the G.W. Hagler Survey, Abstract No. 572; Located on the Northeast Corner of Business SH 121 and Forestbrook Drive; as Requested by G&A Consultants on Behalf of Heatley Properties Inc., the Property Owner. (Case No. PZ-2016-05-13)

Staff gave a detailed presentation of the proposed PD zone change request that would create up to 111 townhouse units on the approximately 10 acres. Staff discussed the 1.6 acres of green space and 1,800 feet of trails that would surround the project and amenities that would be added to the green space. The screening walls and architectural features of the townhomes were also discussed and the applicant's existing development that this development is fashioned after. Staff indicated that there were five variances associated with this development that would be considered by City Council. Sean Kirk asked staff if this use was compatible with the area, since it was surrounded by apartments. Staff indicated that this was a compatible use since townhouses were more of a medium density product at 12 units to the acre versus single-family detached that have much lower densities.

The public hearing was opened and Randi Rivera, of G&A Consultants, spoke in favor of the zone change request and proposed development. She indicated that the developer's existing project, the Manors of Vista Ridge, was successful and this would be a very similar development. Randi presented a slideshow that provided pictures of the existing Manors of Vista Ridge development and detailed the screening to be provided around the site and the fact that it would be a gated community. She indicated that the property is undeveloped and had been for sale for many years with no interest; perhaps because it of its limited access, which would make it less desirable for retail development. She indicated that the site also had 20 feet of fall from one end to the other. Randi presented the concept plan and explained that they would be providing two and three-story housing options. The development would contain a full street width with the main entrance located on SH 121 Business. Forestbrook Drive would only allow residents to exit. A rejection lane would be provided for people who made a wrong turn or denied access through the gate an opportunity to exit back onto SH 121 Business without backing into the right-of-way.

James Davis asked about the types of trees proposed for the site. Randi indicated that they were proposing to have one canopy tree per lot and additional landscaping and evergreen trees in the in other open space areas. Kristin Green asked about the price point for the homes. Randi indicated that they would average $300,000. James Davis asked if this would be completed in one or multiple phases. Randi indicated that the intent is to develop in one phase. Sean Kirk asked if the Manors at Vista Ridge was completed. Doug Tatum, developer of the site, indicated that he estimated that it would take about another nine months to complete. Chaz Parker of Christian Community Action, located to the north of this site, indicated that he did not object to the development but had some questions that he wished to be addressed regarding the construction staging of the proposed development and the elevation and sloping issues at the site and how his property would be impacted. There being no one else present to speak, the public hearing was closed.

Sean Kirk asked Randi if there was any concern over the disparity and demographics of the area that might prevent this from being a successful project. Randi did not have concerns over the success of the project and added that the site would be a gated community offering an extra sense of security for the residents and that it was a good companion zoning adjacent to multi-family. Doug Tatum, developer of the project indicated there is a great deal of employment coming into the area and that a variety of housing options was important to serve the growing employment base. He believes he offers a price advantage for this type of development. Staff indicated that the 2025 plan calls for a variety of housing choices for its residents and that this proposal was in alignment with that goal. *A motion was made by Kristin Green to recommend approval of the zone change request, seconded by Steve Byars. The motion passed unanimously (7-0).*

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.

(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*.

(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 "GB", 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 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.

(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 17-26. – "PD" Planned Development District

(a) *General Purpose and Description.* The Planned Development District is a district which accommodates planned associations of uses developed as integral land use units such as industrial districts, offices, commercial or service centers, shopping centers, residential developments of multiple or mixed housing including attached single-family dwellings or any appropriate combination of uses which may be planned, developed, or operated as integral land use units either by a single owner or a combination of owners. A Planned Development (PD) District may be used to permit new or innovative concepts in land utilization not permitted by other zoning districts in this Ordinance. While greater flexibility is given to allow special conditions or restrictions, which would not otherwise allow the development to occur, procedures are established herein to ensure against misuse of increased flexibility. The minimum area for a Planned Development (PD) District shall be five (5) acres.

(b) *Permitted Uses.* An application for a PD District shall specify the base district(s), the use or the combination of uses proposed. Uses which may be permitted in a PD must be specified if not permitted in the base district. In the case of residential PD districts for single-family or duplex categories, the proposed lot area shall be no smaller than the lot sizes allowed in the base zoning district except for minor reductions in a small percentage of the lots in order to provide improved design. In selecting a base zoning district, the uses allowed in the base district must be similar or compatible with those allowed in the PD. PD designations shall not be attached to Special Use Permit (SUP) requirements. Special Use Permits allowed in a base zoning district are allowed in a PD only if specifically identified at the time of PD approval.

(c) *Planned Development Requirements*.

(1) Development requirements for each separate PD District shall be set forth in the amending Ordinance granting the PD District and shall include, but may not be limited to: uses, density, lot area, lot width, lot depth, yard depths and widths, building height, building elevations, building material coverage, floor area ratio, parking, access, screening, landscaping, accessory buildings, signs, lighting, hours of operation, project phasing or scheduling, management associations, and other requirements as the City Council and Planning and Zoning Commission may deem appropriate.

(2) In the PD District, uses shall conform to the standards and regulations of the base-zoning district to which it is most similar. The base zoning district shall be stated in the granting Ordinance. All applications to the City shall list all requested deviations from the standard requirements set forth throughout this Ordinance (applications without this list will be considered incomplete) specifically any deviation not requested is deemed to comply with this Ordinance even if shown graphically on a Site Plan. The Planned Development District shall conform to all other sections of this Ordinance unless specifically excluded in the granting Ordinance.

(3) The Ordinance granting a PD District shall include a statement as to the purpose and intent of the PD granted therein. A specific list is required of modifications in each district or districts and general statement citing the reason for the PD request.

(d) In establishing a Planned Development District in accordance with this section, the City Council shall approve and file as part of the amending Ordinance appropriate plans and standards for each Planned Development District. To facilitate understanding of the request during the review and public hearing process, the Planning and Zoning Commission and City Council shall require a Concept Plan. All PD applications shall have a written proposal explaining all aspects of the requested PD including any deviations from this Ordinance. The Concept Plan shall be submitted by the applicant at the time of the PD request. The plan shall show the applicant's intent for the use of the land within the proposed Planned Development District in a graphic manner and as may be required, supported by written documentation of proposals and standards for development. The City may prepare application form(s), which further describe and explain the following requirements:

(1) Residential Concept Plan - A Concept Plan for residential land use shall show the following:

a. General use
b. Thoroughfares
c. Preliminary lot arrangements
d. Size, type and location of buildings and building sites
e. Access
f. Density
g. Building height
h. Fire lanes
i. Screening
j. Landscaped areas
k. Project scheduling and phasing
l. Any other pertinent development data

(2) Non-Residential Concept Plan - A Concept Plan for uses other than residential uses shall set forth the land use proposals in a manner to adequately illustrate the type and nature of the proposed development. Data which may be submitted by the applicant, or required by the City staff, Planning and Zoning Commission, or City Council, may include but is not limited to the following:

a. Types of use(s)
b. Topography and boundary of PD area
c. Physical features of the site
d. Existing streets, alleys and easements
e. Location of future public facilities
f. Building height and location
g. Parking areas and ratios
h. Fire lanes
i. Project scheduling and phasing
j. Landscape plans
k. Screening
l. Building elevations
m. Any other information to adequately describe the proposed development and to provide data for approval which is to be used in drafting the required Engineering Site Plan.

(e) *Approval Process and Procedure*. The procedure for establishing a Planned Development District shall follow the procedure for zoning amendments as set forth in Section 17-37. This procedure is further expanded as follows for approval of Concept Plans.

(1) The Planning and Zoning Commission shall recommend and the City Council shall approve a Concept Plan in public hearings. One public hearing at the Planning and Zoning Commission and one at the City Council for the PD request is adequate when:

a. Information on the Concept Plan and attached application is sufficient to determine the appropriate use of the land and the required Engineering Site Plan and/or preliminary/final plat will not deviate substantially from it; or

b. The applicant submits adequate data with the request for the Planned Development District to fulfill the requirement for an Engineering Site Plan and/or preliminary/final plat.

(2) The amending Ordinance establishing the Planned Development District shall not be approved until the Concept Plan is approved.

(3) An Engineering Site Plan shall be submitted for approval within one (1) year from the date of approval of the Concept Plan for all or some portion of the Concept Plan. If an Engineering Site Plan is not submitted within one (1) year, the Concept Plan is subject to review by the Planning and Zoning Commission and City Council. If some portion of the project is not started within two (2) years, the Planning and Zoning Commission and City Council may review the original Concept Plan to ensure its continued validity. If the City determines the Concept Plan is not valid, a new Concept Plan must be approved prior to submittal of an Engineering Site Plan for the PD District. Although a new Concept Plan may be required to be approved, this does not affect the validity of the PD in terms of uses, density, and other development standards permitted in the PD.

(4) When a PD District is being considered, a written report from the Director of Economic Development and Planning or his/her designated representative, discussing the impact on planning, engineering, water utilities, electric, sanitation, building inspection, tax, police, fire, and traffic, and written comments from the applicable public agencies shall be submitted to the Planning and Zoning Commission prior to the Commission making any recommendations to the City Council.

(f) All Planned Development Districts approved in accordance with the provisions of this Ordinance in its original form, or by subsequent amendments thereto, shall be referenced on the Zoning District Map, and a list of such Planned Development Districts together with the category of uses permitted therein, shall be maintained as part of this Ordinance.

(g) *Planned Unit Development Ordinances Continued*. Prior to adoption of this Ordinance, the City Council has established various Planned Unit Development Districts, all of which are to be continued in full force and effect. The ordinances or parts of ordinances approved prior to this Ordinance shall be carried forth in full force and effect as are the conditions, restrictions, regulations, and requirements which apply to the respective Planned Unit Development Districts shown on the Zoning Map at the date of adoption of this Ordinance.

SECTION 17-14.5. - "TH-2" TOWNHOUSE TWO RESIDENTIAL DISTRICT REGULATIONS

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

(1) Single-family attached dwelling units, 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.
(2) Single-family detached dwelling units.
(3) Church worship facilities.
(4) Buildings and uses owned or operated by public governmental agencies.
(5) Real estate sales offices during the development of residential subdivisions, but not to exceed two (2) years.
(6) Schools, private, with full curriculum accredited by the State of Texas equivalent to that of a public elementary or high school.
(7) Temporary buildings for uses incidental to construction work on the premises, which buildings shall be removed upon the completion or abandonment of construction work.
(8) 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.
(9) A detached private garage with or without storeroom and/or utility room shall be permitted as an accessory building if it meets all requirements of a residential accessory building..
(10) A carport shall be permitted as an accessory building if it meets all requirements of a residential accessory building.
(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*. Attached living units shall not exceed thirty-five (35) feet or two and one-half (2-1/2) stories in height.

(c) *Area*.

(1) *Size of yards.*

a. *Front yard.* There shall be a front yard having a required depth of not less than seventeen and one-half (17.5) feet, except that the garage shall be set back a minimum of twenty (20) feet to be used for driveway and additional onsite parking. Where entrance to the garage is provided from an alley or easement in the rear, the minimum front yard shall be five (5) feet.

b. *Side yard.* There shall be a side yard on each side of a continuous row or group of dwellings, or on each side of a detached dwelling, of not less than six and one-half (6.5) feet. A side yard adjacent to a side street shall not be less than ten (10) feet. No side yard for allowable non-residential uses shall be less than twenty-five (25) feet.

c. *Rear yard.* There shall be a rear yard having a required depth of not less than five (5) feet if there is no rear entry for parking from an alley or easement. Where the entrance to the garage is provided from an easement serving a row of attached dwelling units, the minimum rear setback shall be seventeen and one-half (17.5) feet. Where the entrance to the garage is provided from an alley, the minimum setback shall be seventeen and one-half (17.5) feet, except that the garage shall be set back a minimum of twenty (20) feet to be used for driveway and additional onsite parking.

(2) *Size of lot.*

a. *Lot area.* No building shall be constructed on any lot less than seventeen hundred (1,700) square feet per dwelling unit, except that detached units shall be constructed on lots which are a minimum of five thousand (5,000) square feet per lot.

b. *Lot width*. The width of a lot shall not be less than twenty (20) feet at any point, except that lots for detached units shall have a lot width of not less than fifty (50) feet at the front and rear building lines, and forty (40) feet at the front property line.

c. *Lot depth.* The depth of a lot shall not be less than seventy-five (75) feet at any point.

(3) *Minimum dwelling size.* The minimum floor area of any dwelling unit, attached or detached, shall be twelve hundred (1,200) square feet, exclusive of any garages, breezeways and porches.

(4) *Lot coverage.* In no case shall more than seventy percent (70%) of the total lot area be covered by the combined area of the main buildings and accessory buildings.

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

LEWISVILLE
Deep Roots Strong Wings Bright Future

ZONE CHANGE APPLICATION

Owner/s (name): Heatley Properties, Inc.	
Company Name: Heatley Properties, Inc.	
Mailing Address: 9901 E Valley Ranch Pkwy Suite 2020 Irving TX 75063	
Work #: 972-888-9948	Cell #:
E-Mail: nathan@heatleycapital.com	
Owner Signature (Owner/s Must Sign & Submit Letter of Authorization):	Date: 2/5/2016
Printed Name:	

Applicant/Agent (name): Randi Rivera	
Company Name: G-A Consultants	
Mailing Address: 111 Hillside Dr Lewisville TX 75057	
Work #: 972-436-9712	Cell #:
E-Mail: randi@gacon.com	
Applicant/Agent Signature: Randi Rivera	Date: 2/5/2016
Printed Name: Randi Rivera	

Current Zoning: GB- General Business Requested Zoning: PD Acres: 10.057

Legal Description (Lot/ Block/Tract/Abstract): A0572A G W Hagler, Tr 1 Old DCAD TR #6

Address/Location: North of intersection of SH 121 Bus and Forestbrook

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: 2	**Zone Change Signs - $35 each.** 1 sign required for each 5 acres (max. 5 per site)	$ 70.00

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

SITE PLANNING CIVIL ENGINEERING PLATTING
CONSULTANTS, INC.
LAND SURVEYING LANDSCAPE ARCHITECTURE

April 26, 2016

Ms. Nika Reinecke
Director of Economic Development and Planning
City of Lewisville
131 Church St
Lewisville TX, 75057

RE: Manors at Forestbrook – PD Zoning Request
Letter of Intent
G&A Job No. 15207

Ms. Reinecke:

Please accept this letter, on behalf of Allegheny Land Company and Heatley Properties, Inc, as an explanation of the proposed PD Zoning Request for approximately 10 acres of land known as The Manors at Forestbrook, generally located northeast of the intersection of State Highway 121 Business and Forestbrook Drive.

The site is currently zoned GB – General Business. We are requesting a PD in order to create a high-quality, gated townhome development with open space amenities. While the townhome lifestyle usually offers minimal opportunity to enjoy the outdoors, the residents at The Manors of Forestbrook will have access to open space for walking trails and passive recreation. Additional amenities include seating areas, outdoor grilling areas, and a shade structure. Over 16% of the property is preserved as open space, featuring more than 1,800 linear feet of trails. We feel that this unique combination of higher-density residential and open space amenities make it a desirable addition to the City of Lewisville. The divided entrance and enhanced landscaping along SH 121 Business will be an attractive element of this gateway corridor into Lewisville.

There are many options for tying into existing offsite utilities for this property. The Forestbrook apartment complex stubbed out sanitary sewer and storm lines at both the southeastern and northeastern corners of the Manors at Forestbrook property. The sanitary sewer lines are both 8" lines, which is enough capacity to support this development. The storm system in the apartment complex was also designed to handle this site when fully developed. There is a 12" water line running along the north side of Forestbrook Drive and a 20" water line running along the east side of 121 Business that we plan on using.

In order to create a cohesive development, we will be requesting 5 variances to the General Development Ordinance, and a separate variance request letter has been submitted to be considered by City Council. We are submitting the preliminary plat today in order to begin the review process, and we will follow up with the final plat and construction plans once the preliminary plat is approved.

111 Hillside Drive • Lewisville, TX 75057 • P: 972.436.9712 • F: 972.436.9715
144 Old Town Road, Suite 2 • Argyle, TX 76226 • P: 940.240.1012 • F: 940.240.1028

Thank you in advance for your consideration of this request. Please do not hesitate to contact me with any questions or comments regarding this application.

Sincerely,

Randi L. Rivera

Randi L. Rivera, AICP

Z:\2015\15207\PDFs & Submittals\Zoning\2016.04.21 4TH SUBMITTAL\2016.04.12 LOI 15207.doc

Manors at Vista Ridge Example Photos

Manors at Vista Ridge
Example Photos

Manors at Vista Ridge Example Photos

Manors at Vista Ridge Example Photos

Manors at Vista Ridge Example Photos

Manors at Vista Ridge Example Photos

Manors at Vista Ridge Example Photos

Manors at Vista Ridge Example Photos

Manors at Vista Ridge Example Photos

Manors at Vista Ridge Example Photos

Manors at Vista Ridge
Example Photos

SITE PLANNING CIVIL ENGINEERING PLATTING
CONSULTANTS, INC.
LAND SURVEYING LANDSCAPE ARCHITECTURE

April 26, 2016

Ms. Nika Reinecke
Director of Economic Development and Planning
City of Lewisville
131 Church St
Lewisville TX, 75057

RE: Manors at Forestbrook – Variance Request Letter
Letter of Intent
G&A Job No. 15207

Ms. Reinecke:

Please accept this letter, on behalf of Allegheny Land Company and Heatley Properties, Inc, as an explanation of the requested variances for approximately 10 acres of land known as The Manors at Forestbrook, generally located northeast of the intersection of State Highway 121 Business and Forestbrook Drive.

A. We are requesting for the streets of The Manors at Forestbrook to be privately maintained by the Homeowner's Association, which is a variance to Sec. 6-92.

B. We are requesting for a variance to the fencing and screening requirements in Sec. 6-143 and 144. We would like to provide fences and screening as shown on the fencing plan, which will be maintained by the HOA. Requested fencing will be as follows:
    1. We are requesting a masonry fence with stone columns on Business 121. This wall will have enhanced stone sections at the entry, and may be up to 10% ornamental metal (not including entry/exit gates) to accommodate drainage channels.
    2. The fence along the north property line shall be ornamental metal with live screening.
    3. The existing board-on-board fence along the eastern property line shall be allowed to remain. The developer will coordinate with the managers of the apartment complex to make any improvements, if necessary.
    4. The fence along Forestbrook Drive shall be ornamental metal with live screening.

C. We are requesting a variance to the alley/rear-entry requirement in Sec. 6-92(k). The proposed front entry configuration allows more land to be preserved as open space.

D. We are requesting a variance to Section 6.94.a of the GDO, which states that radial lot lines are required for curved portions of the streets, except for townhouse developments with three or more attached units. We respectfully request that this ordinance should also apply to townhouse developments with two or more attached units.

E. We are requesting a variance to Section 6-94.e. of the GDO, which requires a minimum 40' lot width for corner lots, with a 20' control of access between the intersection and the driveway. Revised control-of-access distances have been labeled on the site plan, due to the narrow lot configurations.

Thank you in advance for your consideration of these requests. Please do not hesitate to contact me with any questions or comments regarding this application.

Sincerely,

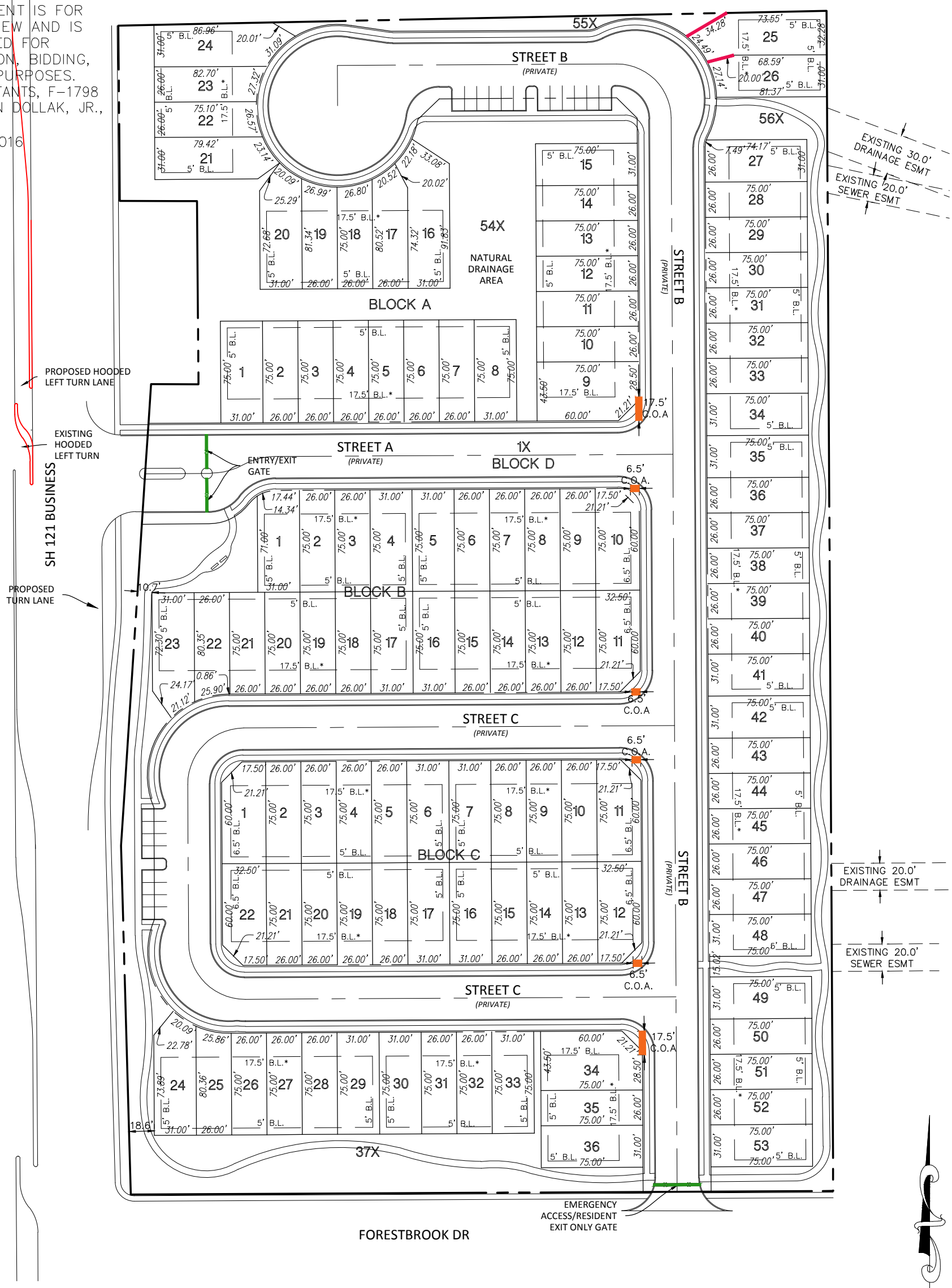
Randi L. Rivera

Randi L. Rivera, AICP

Z:\2015\15207\PDFs & Submittals\Zoning\2016.04.21 4TH SUBMITTAL\2016.04.26 VARIANCE LETTER 15207.doc

PRELIMINARY PLANS

THIS DOCUMENT IS FOR INTERIM REVIEW AND IS NOT INTENDED FOR CONSTRUCTION, BIDDING, OR PERMIT PURPOSES.
G&A CONSULTANTS, F-1798
ROBERT JOHN DOLLAK, JR., P.E. #86898
DATE 6/1/2016



"VARIANCES APPROVED BY CITY COUNCIL ON _____"

A. TO ALLOW THE STREETS OF THE MANORS AT FORESTBROOK TO BE PRIVATELY MAINTAINED BY THE HOA.
B. TO ALLOW FENCING AS SHOWN ON THE APPROVED FENCING AND SCREENING PLAN.
C. TO ALLOW ALL LOTS TO BE FRONT ENTRY.
D. TO ALLOW RADIAL LOT LINES FOR TOWNHOUSES IN ROWS OF TWO OR MORE
E. TO ALLOW A REVISED CONTROL OF ACCESS AREA AS SHOWN ON THE CONCEPT PLAN AND THIS EXHIBIT

VARIANCE EXHIBIT

10.055 Acres

in the

G.W. HAGLER SURVEY, ABSTRACT No. 572
CITY OF LEWISVILLE
DENTON COUNTY, TEXAS

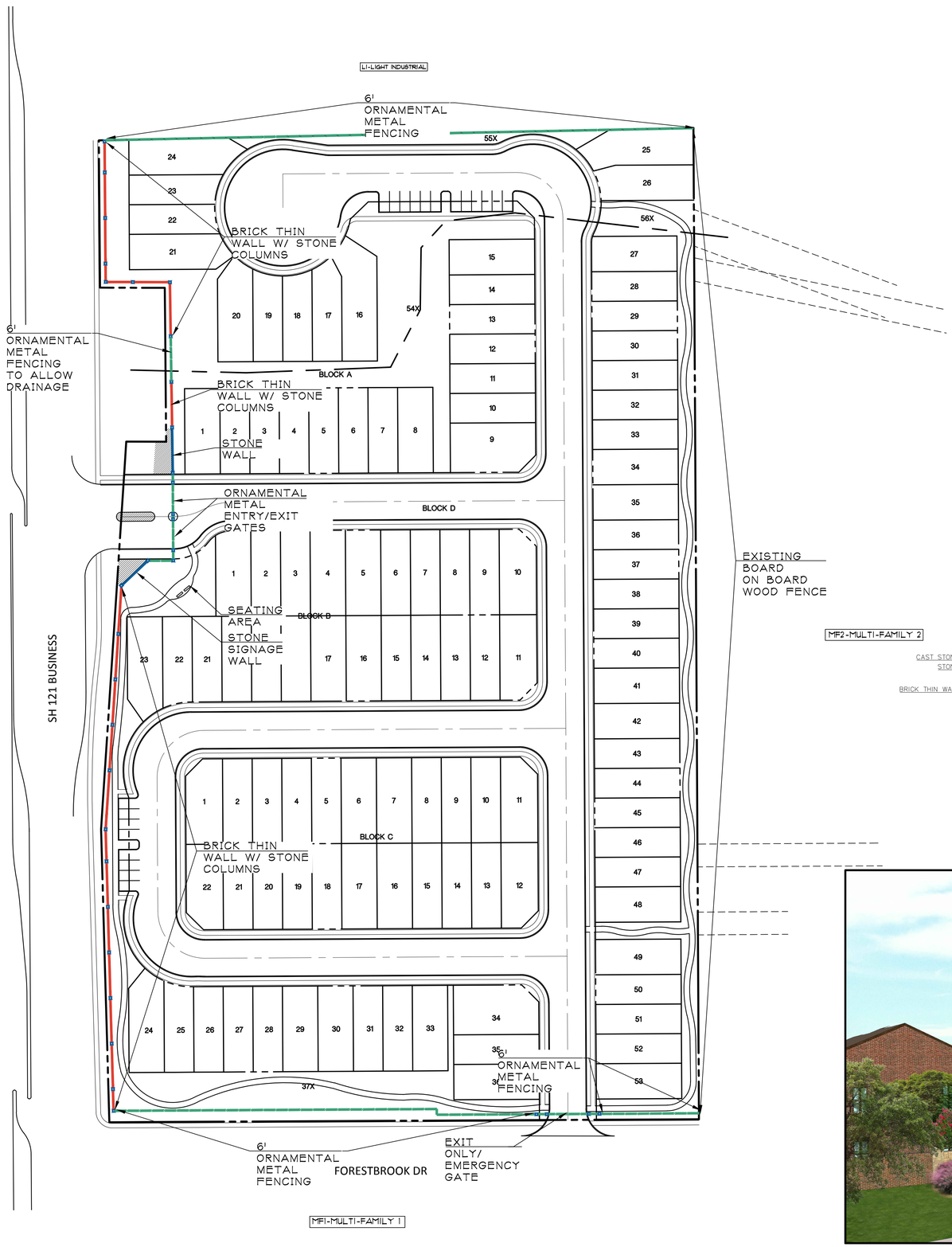
Revisions:

SITE PLANNING CIVIL ENGINEERING PLATTING
CONSULTANTS, LLC
LAND SURVEYING LANDSCAPE ARCHITECTURE
111 Hillside Drive • Lewisville, TX 75057 • P: 972.436.9712 • F: 972.436.9715
144 Old Town Blvd. North, Ste 2 • Argyle, TX 76226 • P: 940.240.1012 • F: 940.240.1028
TBPE Firm No. 1798 TBPLS Firm No. 10047700

VE

DRAWN BY: KL DATE: 05/31/2016 SCALE: 1" = 80' JOB. No. **15207**

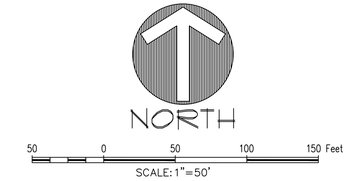
File: Z:\2015\15207\Drawings\Zoning\2016.05.31 VARIANCE EXHIBIT 15207
Plotted: 6/1/2016 9:07 AM, by Katie Lucas; Saved: 6/1/2016 8:12 AM, by Katie

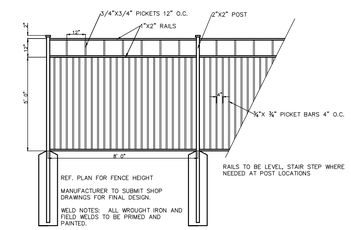


LEGEND

- 6' STONE COLUMN/WALL (MAINTAINED BY HOA)
- 6' BRICK THIN WALL (MAINTAINED BY HOA)
- 6' ORNAMENTAL METAL FENCE (MAINTAINED BY HOA)

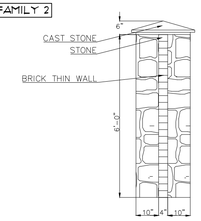
ALL PROPOSED FENCING AND SCREENING SHALL BE MAINTAINED BY THE MANORS AT FORESTBROOK HOA. EXISTING BOARD ON BOARD FENCING SHALL BE MAINTAINED BY FORESTBROOK APARTMENTS



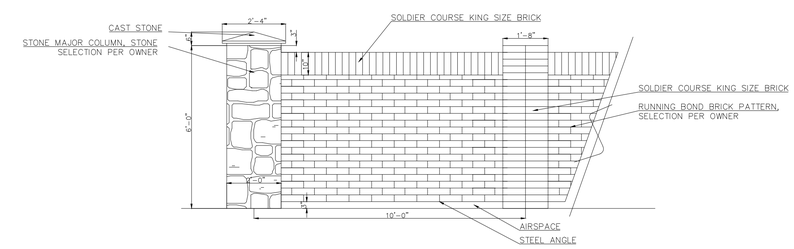


1. ORNAMENTAL METAL FENCE
1/2"=1'

MF2-MULTI-FAMILY 2



2. X-SECTION
not to scale



3. THIN WALL
not to scale

** TYPICAL SCHEMATIC DETAIL. FINAL FOOTING, AND WALL DESIGN MUST BE SIGNED AND SEALED BY STRUCTURAL ENGINEER.

PERSPECTIVE RENDERING

PRELIMINARY PLANS
THIS DOCUMENT IS FOR INTERIM REVIEW AND IS NOT INTENDED FOR CONSTRUCTION, BIDDING, OR PERMIT PURPOSES. LANDSCAPE ARCHITECT THOMAS MEURER TX # 3055 DATED 4/26/2016

REGISTERED LANDSCAPE ARCHITECT
THOMAS P. MEURER
3055
STATE OF TEXAS

ENVIRONS GROUP
LANDSCAPE ARCHITECTURE
a division of G & A Consultants, LLC.
111 Hillside Drive • Lewisville, TX 75057
P: 972.317.0276 • F: 972.436.9715

Manors @ Forestbrook
10.055 Acres
in the
G.W. HAGLER SURVEY, ABSTRACT No. 572
CITY OF LEWISVILLE
DENTON COUNTY, TEXAS

CONCEPT FENCE-SCREENING PLAN

Drawn By: TPM
Date: 03/11/2016
Scale: 1"=50'
Revisions:
04/12/2016

15207

L1

File: Z:\2015\15207\Drawings\Zoning\15207 CONCEPT FENCE-SCREENING PLAN
Plotted: 4/26/2016 8:17 AM, by William Sweetlove Saved: 4/26/2016 8:30 AM, by wilsom

ORDINANCE NO. _____

AN ORDINANCE OF THE LEWISVILLE CITY COUNCIL, AMENDING THE ZONING ORDINANCE BY REZONING AN APPROXIMATELY 10.055-ACRE TRACT OF LAND OUT OF THE G.W. HAGLER SURVEY, ABSTRACT NO. 572; LOCATED ON THE NORTHEAST CORNER OF BUSINESS SH 121 AND FORESTBROOK DRIVE; FROM GENERAL BUSINESS DISTRICT (GB) ZONING TO PLANNED DEVELOPMENT-TOWNHOUSE TWO DISTRICT (PD-TH2) ZONING; CORRECTING THE OFFICIAL ZONING MAP; PRESERVING ALL OTHER PORTIONS OF THE ZONING ORDINANCE; DETERMINING THAT THE PUBLIC INTERESTS AND GENERAL WELFARE DEMAND THIS ZONING CHANGE AND AMENDMENT THEREIN MADE; PROVIDING FOR A REPEALER, SEVERABILITY, AND 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 10.055-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 **PLANNED DEVELOPMENT – TOWNHOUSE TWO DISTRICT (PD-TH2) ZONING** and in compliance with the development standards, concept plan, concept landscape plan, concept fence-screening plan, conceptual elevations and floorplans, and perspective entry rendering, 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 6TH DAY OF JUNE, 2016.

APPROVED:

_____
Rudy Durham, MAYOR

ATTEST:

_____
Julie Heinze, CITY SECRETARY

APPROVED AS TO FORM:

_____
Lizbeth Plaster, CITY ATTORNEY

Exhibit A
Legal Description

Exhibit B
Development Standards
Concept Plan
Concept Landscape Plan
Concept Fence-Screening Plan
Conceptual Elevations and Floorplans
Perspective Entry Rendering

EXHIBIT A

Legal Description

10.055 Acres

BEING a tract of land situated in the G.W. Hagler Survey, Abstract No. 572 in the City of Lewisville, Denton County, Texas, and being that same tract of land described by deed to Heatley-Moist, Inc. as recorded under County Clerk's File No. 93-R0084011 of the Real Property Records of Denton County, Texas, and being more particularly described as follows:

BEGINNING at a Texas Department of Transportation (TXDOT) brass disc monument found at the southwest corner of said Heatley-Moist, Inc. tract and at the intersection of the east line of State Highway No. 121 the north line of Forest Brook Drive;

THENCE with the easterly line of said State Highway No. 121, the following courses and distances:

North 01 degrees 36 minutes 50 seconds West, a distance of 257.21 feet to a (TXDOT) brass disc monument found for corner;

North 03 degrees 42 minutes 53 seconds East, a distance of 340.96 feet to a (TXDOT) brass disc monument found for corner;

South 89 degrees 50 minutes 41 seconds East, a distance of 35.00 feet to a (TXDOT) brass disc monument found for corner;

North 00 degrees 29 minutes 27 seconds West, a distance of 135.04 feet to a (TXDOT) brass disc monument found for corner;

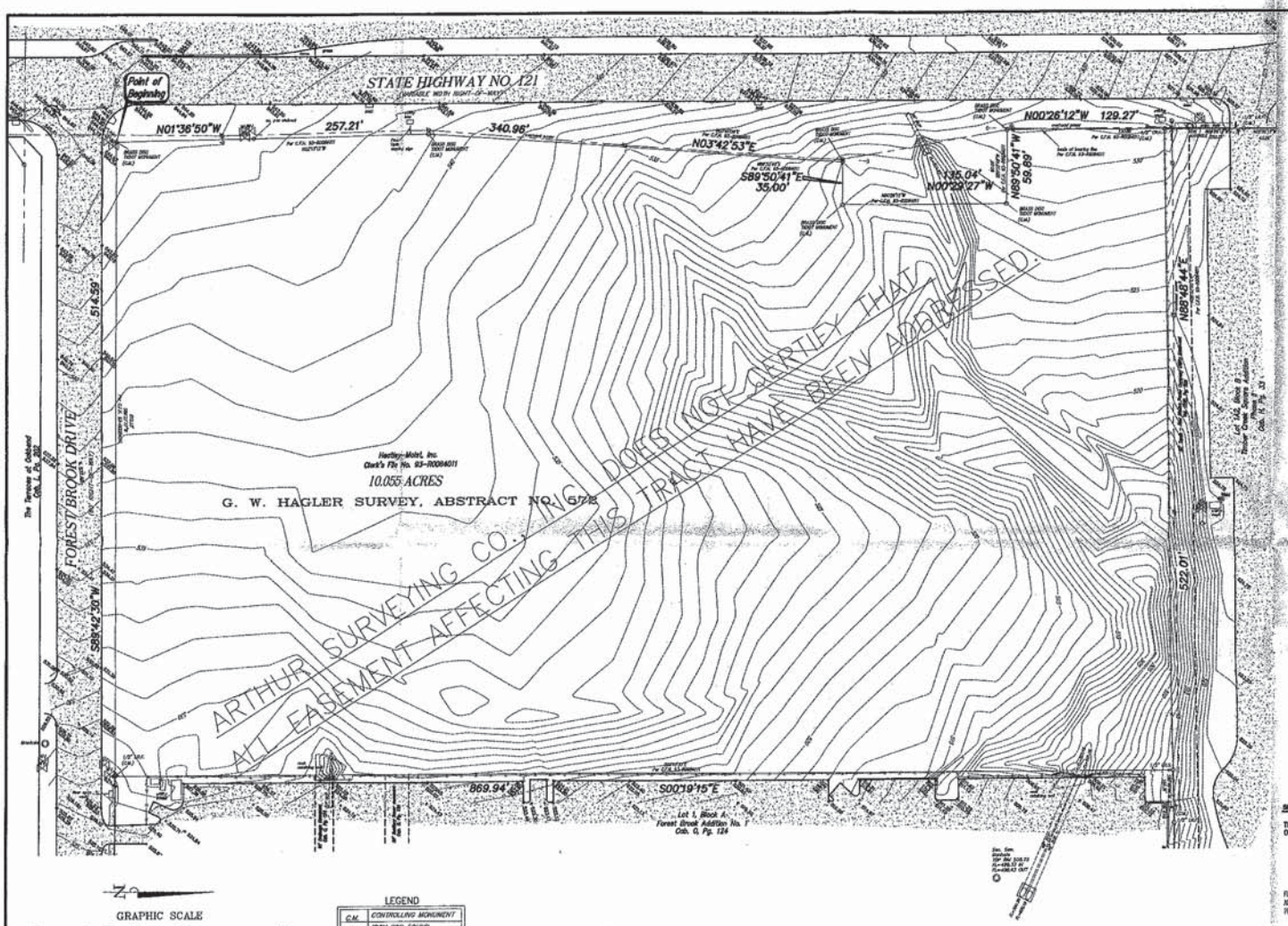
North 89 degrees 50 minutes 41 seconds West, a distance of 59.89 feet to a (TXDOT) brass disc monument found for corner;

North 00 degrees 26 minutes 12 seconds West, a distance of 129.97 feet to a ½ inch iron rod found at the southwest corner of Lot 1A2, Block B of the Timber Creek Square Addition, Phase II, an addition to the City of Lewisville as recorded in Cabinet H, Page 33 of the Plat Records of Denton County, Texas;

THENCE North 88 degrees 48 minutes 44 seconds East, with the south line of said Lot 1A2, a distance of 522.01 feet to a ½ inch iron rod set at the northwest corner of Lot 1, Block A of Forest Brook Addition No. 1, an addition to the City of Lewisville as recorded in Cabinet O, Page 124 of the Plat Records of Denton County, Texas;

THENCE South 00 degrees 19 minutes 15 seconds East, with the west line of said Lot 1, a distance of 869.94 feet to a ½ inch iron rod found at the southwest corner of said Lot 1 and in the north line of said Forest Brook Drive;

THENCE South 89 degrees 42 minutes 30 seconds West, with the north line of said Forest Brook Drive, a distance of 514.59 feet to the POINT OF BEGINNING and containing 10.055 acres of land more or less, and being subject to any and all easements that may affect.



DESCRIPTION
10.055 ACRES

BEING a tract of land situated in the G. W. Hagler Survey, Abstract No. 572 in the City of Lewisville, Denton County, Texas, and being that same tract of land described by deed to Hartley-Mobil, Inc. as recorded under County Clerk's File No. 93-R0084011 of the Real Property Records of Denton County, Texas, and being more particularly described as follows:

BEGINNING at a Texas Department of Transportation (TXDOT) brass disc monument found at the southwest corner of said Hartley-Mobil, Inc. tract and at the inter section of the east line of State Highway No. 121 the north line of Forest Brook Drive;

THENCE with the easterly line of said State Highway No. 121, the following courses and distances:

North 01 degrees 36 minutes 50 seconds West, a distance of 257.21 feet to a (TXDOT) brass disc monument found for corner;

North 03 degrees 42 minutes 53 seconds East, a distance of 340.96 feet to a (TXDOT) brass disc monument found for corner;

South 89 degrees 50 minutes 41 seconds East, a distance of 35.00 feet to a (TXDOT) brass disc monument found for corner;

North 00 degrees 29 minutes 27 seconds West, a distance of 135.04 feet to a (TXDOT) brass disc monument found for corner;

North 89 degrees 50 minutes 41 seconds West, a distance of 58.89 feet to a (TXDOT) brass disc monument found for corner;

North 00 degrees 26 minutes 12 seconds West, a distance of 129.27 feet to a 1/2 inch iron rod found at the southwest corner of Lot 1A2, Block B of Timber Creek Square Addition, Phase II, an addition to the City of Lewisville as recorded in Cabinet N, Page 33 of the Plat Records of Denton County, Texas;

THENCE North 88 degrees 48 minutes 44 seconds East, with the south line of said Lot 1A2, a distance of 522.01 feet to a 1/2 inch iron rod set at the northwest corner of Lot 1, Block A of Forest Brook Addition No. 1, an addition to the City of Lewisville as recorded in Cabinet G, Page 124 of the Plat Records of Denton County, Texas;

THENCE South 00 degrees 19 minutes 15 seconds East, with the west line of said Lot 1, a distance of 869.94 feet to a 1/2 inch iron rod found at the southwest corner of said Lot 1 and in the north line of said Forest Brook Drive;

THENCE South 89 degrees 42 minutes 30 seconds West, with the north line of said Forest Brook Drive, a distance of 514.59 feet to the POINT OF BEGINNING and containing 10.055 acres of land more or less, and being subject to any and all easements that may affect.

SURVEYOR'S CERTIFICATE

THE UNDERSIGNED, DOES HEREBY CERTIFY THAT THIS SURVEY WAS THIS DAY MADE ON THE GROUND OF THE PROPERTY LEGALLY DESCRIBED HEREON AND IS CORRECT.

FLOOD NOTE: IT IS MY OPINION THAT THE PROPERTY DESCRIBED HEREON IS NOT WITHIN A SPECIAL FLOOD HAZARD AREA ACCORDING TO THE FEDERAL EMERGENCY MANAGEMENT AGENCY FLOOD INSURANCE RATE MAP, COMMUNITY-PANEL NO. 480195 0065 F, PRESENT EFFECTIVE DATE OF MAP JANUARY 25, 2001 , HEREIN PROPERTY SITUATED WITHIN ZONE X (UNSHADED)

THIS SURVEY WAS PERFORMED WITHOUT BENEFIT OF A CURRENT TITLE COMMITMENT.

GRAPHIC SCALE

(IN FEET)
1 inch = 40 ft.

DATE:	4/16/2003
SCALE:	1"= 40'
CALC. BY:	M.B.A.
DRAWN BY:	M.B.A.
CHK. BY:	
JOB NO.:	230460

LEGEND

C.M.	CONTROLLING MONUMENT
I.R.F.	IRON ROD FOUND
I.R.S.	IRON ROD SET
	CUT X IN CONCRETE
	FENCE
	COVERED AREA
	CONCRETE
	ASPHALT
	TELEPHONE MANHOLE
	POWER POLE
	LIGHT POLE
WM	WATER METER
	WATER VALVE
	ASPHALT
	FIRE HYDRANT

BOUNDARY AND TOPOGRAPHIC SURVEY

10.055 ACRES

G. W. HAGLER SURVEY, ABSTRACT NO. 572

CITY OF LEWISVILLE

DENTON COUNTY, TEXAS

Arthur Surveying Co., Inc.
Professional Land Surveyors
P.O. Box 54 – Lewisville, Texas 75067
972-221-9439 Fax 972-221-4675

EXHIBIT B

THE MANORS AT FORESTBROOK
DEVELOPMENT STANDARDS

I. PROJECT LOCATION

The Manors at Forestbrook consists of approximately 10 acres of land situated at the northeast corner of the intersection of SH 121 Business and Forestbrook Drive and as generally described in Exhibit 1.

II. PURPOSE AND INTENT

A. Purpose: The purpose of the district is to create a gated residential community featuring townhomes and open space areas as shown in Exhibit 2.

1. The purpose of this district is:

   a. To provide development and land use flexibility within the framework of a Planned Development zoning district.

2. The intent of this district is:

   a. To design streets and homes which will contribute to creating safe neighborhoods.

   b. To provide an attractive environment for pedestrians, to include such things as trail amenities and open space.

   c. To stimulate positive economic growth in the surrounding area and to create a high quality development at the SH 121 Business gateway into Lewisville.

B. Applicability: These standards shall apply to all development within The Manors at Forestbrook boundaries, unless indicated otherwise.

C. Zoning Ordinance: All references herein to the City of Lewisville Zoning Ordinance shall be to the City of Lewisville Zoning Ordinance in effect on February 05, 2016.

III. DEFINITIONS

Open Space: Parks, greens, squares, courtyards, plazas, parkways, medians, and commons accessible by residents.

Shall: A term requiring compliance.

Should: A term encouraging compliance.

IV. LOT REGULATIONS

The Manors at Forestbrook will include lots based on the TH-2 – Townhouse Two residential district. The maximum number of dwelling units permitted within The Manors at Forestbrook development shall not exceed 111. The lot requirements shall be as follows:

1. Purpose: This lot type is designed to allow single family attached dwellings on lots of not less than one thousand nine hundred and fifty (1,950) square feet, together with the allowed incidental and accessory uses.

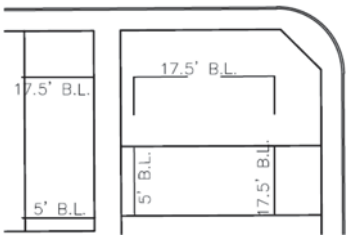
2. Permitted Uses: Land use shall comply with uses permitted for the TH-2 - Town House Two District of the City of Lewisville Zoning Ordinance.

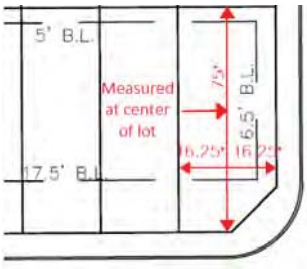
3. Height Regulations: No building shall exceed forty-five feet (45') or three (3) stories in height.

4. Area Regulations: The following minimum standards shall be required as measured from property lines:

Lot Size:	1,950 square feet minimum
Lot Coverage:	The combined area covered by all main buildings and accessory structures shall not exceed seventy percent (70%) of the total lot area.
Minimum Floor Area:	The minimum square footage of a dwelling unit shall be 1,800 square feet, exclusive of garages, breezeways, and porches.
Front Yard:	17.5 feet minimum; 20 feet minimum for garages. In a key lot configuration, the required 17.5 foot setback shall be provided on both streets.
Rear Yard:	5 feet minimum
Side Yard:	There shall be a side yard on each side of a continuous row or group of dwellings not less than 5 feet. A side yard adjacent to a street shall not be less than 6.5 feet.

Key Lot Configuration: Typical Lot Layout:





Lot Width:	26 feet minimum, measured at the front building line. The width of the lot shall not be less than 20 feet at any point.
Lot Depth:	75 feet minimum, measured at the center point of the lot
Garage:	A 20 foot setback for the front entry garage is required.
Maximum Number of Lots:	Maximum of 111 residential lots upon full build out of The Manors at Forestbrook development
Maximum Density:	The maximum density shall be 12 units per acre.

5. Attached Townhomes: All townhomes within The Manors at Forestbrook shall be attached in rows of at least two units and up to nine units. The lot layout shall match what is shown on the Zoning Concept Plan (Exhibit 2).

V. DEVELOPMENT AND DESIGN STANDARDS

A. Streets: The development shall be a front-entry product with mountable curbs.

Street Types: The following street types shall establish the criteria for streets allowed within The Manors at Forestbrook development.

1. Local Street (Local Street, 50' Private Street Easement)

Classification: Designed to provide access to residential areas.

Private Street Easement Width:	50'
Pavement Width:	33' B/B
Pavement Section:	concrete
Curb Radii:	25'
Minimum Centerline Radius for Curves:	200'

Minimum Tangent between Reverse Curves:	0’
Minimum Sidewalk Width:	4’
Parkway Width:	8.5’
Parking:	Allowed on one side of street, as designated on the Concept Plan

The City Engineer shall have the discretionary authority to consider and approve exceptions to the Street Design Standards, limited to grade and centerline curvature, based on compelling evidence of hardship on a case-by-case basis. All other exceptions to the Street Design Standards shall be approved by the City Council.

2. All streets will be privately owned and maintained by The Manors at Forestbrooks’s Homeowner’s Association. The HOA shall be responsible to repair street/concrete damaged by the City of Lewisville or the City of Lewisville’s contractor due to maintenance or repairs to the City-maintained storm sewer, sanitary sewer, or water lines.

3. On-street head-in parking shall be maintained by the HOA. No more than six spaces shall be allowed without a break.

4. Rollover/mountable curbs shall be required, and must comply with City of Lewisville Standards.

5. The access point on Forestbrook Drive shall be for emergency access and resident exit only.

B. **Screening and Fences:** All development within The Manors at Forestbrook shall comply with Chapter 4, Article X of the City of Lewisville Code of Ordinances, with the following modification:

1. Fencing around lots may be wrought iron (or tubular steel) or board-on-board.

2. Fencing facing open space, parks, floodplain, or flowage easement shall be wrought iron (or tubular steel).

3. External surface of retaining walls shall be constructed of masonry, stonework, or brick.

4. A 6 foot high masonry wall shall be constructed along SH 121 Business. Sections of masonry wall may be substituted with wrought iron (or tubular steel) as necessary to accommodate drainage channels. A maximum of 10% of the wall along SH 121 may be replaced with ornamental metal, not including entry/exit gates.

5. A wrought iron (or tubular steel) fence shall be constructed along Forestbrook Drive, and along the northern property line.

6. The Manors at Forestbrook shall be a gated community, and shall adhere to the City of Lewisville's requirements for gated communities.

7. The HOA of the Manors at Forestbrook shall be responsible for the maintenance of all fencing; any fence maintenance fees required by the City shall be waived.

C. **Landscape Standards:** All development within The Manors at Forestbrook shall comply with the City of Lewisville's Landscaping Ordinance.

1. A tree shall be planted along the private street easement every thirty feet on average, except when adjacent to open space or parking areas. Trees may be shade or ornamental varieties.

D. **Residential Architectural Standards:** All development within The Manors at Forestbrook shall comply with the City of Lewisville's Architectural Standards with the following requirements:

1. Proposed townhomes should generally comply with the attached elevations shown in Exhibit 4.

2. Garage doors shall be wood-clad.

3. All buildings shall be sprinklered.

4. Elevations should adhere to an Old English/Tudor inspired design theme. Elements shall include two or more of the following:

   a. Wood shutters

   b. Combination of brick and stone materials

   c. Stucco elements

   d. Half-timbering

   e. Bay windows

   f. Clipped gables

5. All units shall have a two-car garage at minimum.

6. Facades that face SH 121 Business or Forestbrook Drive shall have a minimum of 75 percent brick or stone per unit. The remaining 25 percent may include siding elements.

VI. PARK AND OPEN SPACE REQUIREMENTS

A. **Parks and Open Space:** Parks and Open Space shall be provided for as shown on the Concept Plan.

1. HOA. The Manors at Forestbrook's Homeowner's Association (the "HOA") shall maintain the open spaces, private streets, common areas, irrigation systems, landscaping, sidewalks, curb ramps, traffic signs, street lights, and screening walls within the subdivision, notwithstanding the provisions below. The City shall maintain and operate the water, wastewater, and storm water infrastructure. The HOA is responsible to repair concrete damaged by the City of Lewisville or the City of Lewisville's contractor due to maintenance or repairs to the City-maintained storm sewer, sanitary sewer, or water line.

2. City park fees shall be paid at the time of building permit.

VII. AMENITIES

1. Entry areas shall feature enhanced landscaping, as shown on the landscape plan. A divided entrance with enhanced landscaping shall also be required for the entrance off of SH 121 Business

2. There shall be a minimum of 16% acres of open space, or approximately 1.60 acres.

3. There shall be a minimum of 1,750 linear feet of 5' trails, in addition to the 4' sidewalk along the private streets.

4. In addition to the 5' trails, the developer must provide the following amenities in the open space areas:

   a. Benches

   b. Shade Structure

   c. Pet Cleanup and/or Watering Station

   d. Grilling/Barbecue Area

VIII. REQUESTED DEVIATIONS

A.

	Required: TH-2	**Requested: PD with TH-2**
Maximum Height:	2.5 stories or 35 feet	3 stories or 45 feet
Minimum Side Yard:	6.5' on each side of a continuous row, 10' adj. to street	5' on each side of a continuous row, 6.5' adj. to street
Minimum Lot Area:	1,700 SF	1,950 SF
Minimum Lot Width:	20 feet	26 feet at building line, not less than 20 feet at any point
Minimum Dwelling Size:	1,200 SF	1,800 SF

Exhibit 1

Legal Description

Legal Description

10.055 Acres

BEING a tract of land situated in the G.W. Hagler Survey, Abstract No. 572 in the City of Lewisville, Denton County, Texas, and being that same tract of land described by deed to Heatley-Moist, Inc. as recorded under County Clerk's File No. 93-R0084011 of the Real Property Records of Denton County, Texas, and being more particularly described as follows:

BEGINNING at a Texas Department of Transportation (TXDOT) brass disc monument found at the southwest corner of said Heatley-Moist, Inc. tract and at the intersection of the east line of State Highway No. 121 the north line of Forest Brook Drive;

THENCE with the easterly line of said State Highway No. 121, the following courses and distances:

North 01 degrees 36 minutes 50 seconds West, a distance of 257.21 feet to a (TXDOT) brass disc monument found for corner;

North 03 degrees 42 minutes 53 seconds East, a distance of 340.96 feet to a (TXDOT) brass disc monument found for corner;

South 89 degrees 50 minutes 41 seconds East, a distance of 35.00 feet to a (TXDOT) brass disc monument found for corner;

North 00 degrees 29 minutes 27 seconds West, a distance of 135.04 feet to a (TXDOT) brass disc monument found for corner;

North 89 degrees 50 minutes 41 seconds West, a distance of 59.89 feet to a (TXDOT) brass disc monument found for corner;

North 00 degrees 26 minutes 12 seconds West, a distance of 129.97 feet to a ½ inch iron rod found at the southwest corner of Lot 1A2, Block B of the Timber Creek Square Addition, Phase II, an addition to the City of Lewisville as recorded in Cabinet H, Page 33 of the Plat Records of Denton County, Texas;

THENCE North 88 degrees 48 minutes 44 seconds East, with the south line of said Lot 1A2, a distance of 522.01 feet to a ½ inch iron rod set at the northwest corner of Lot 1, Block A of Forest Brook Addition No. 1, an addition to the City of Lewisville as recorded in Cabinet O, Page 124 of the Plat Records of Denton County, Texas;

THENCE South 00 degrees 19 minutes 15 seconds East, with the west line of said Lot 1, a distance of 869.94 feet to a ½ inch iron rod found at the southwest corner of said Lot 1 and in the north line of said Forest Brook Drive;

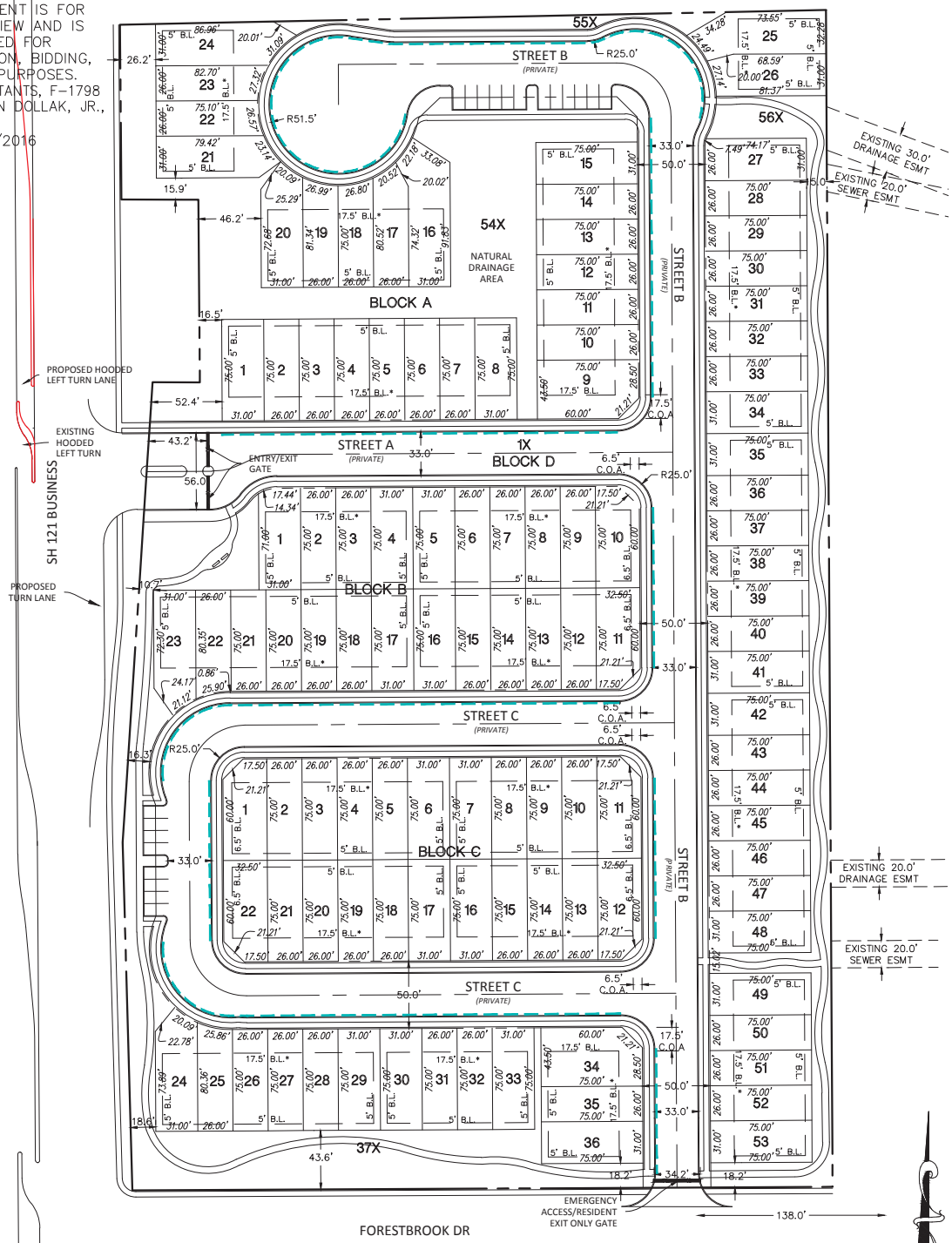
THENCE South 89 degrees 42 minutes 30 seconds West, with the north line of said Forest Brook Drive, a distance of 514.59 feet to the POINT OF BEGINNING and containing 10.055 acres of land more or less, and being subject to any and all easements that may affect.

Exhibit 2

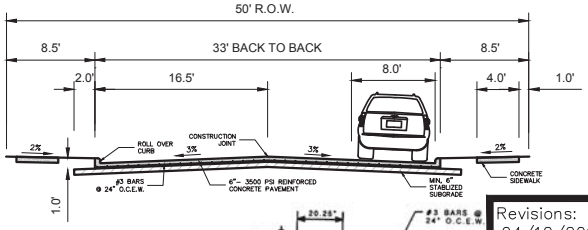
Zoning Concept Plan and Rendering

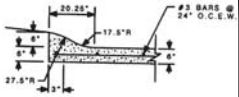
PRELIMINARY PLANS

THIS DOCUMENT IS FOR INTERIM REVIEW AND IS NOT INTENDED FOR CONSTRUCTION, BIDDING, OR PERMIT PURPOSES.
G&A CONSULTANTS, F-1798
ROBERT JOHN DOLLAK, JR., P.E. #86898
DATE 4/26/2016



PROPOSED PRIVATE STREET SECTION





ROLLOVER CURB
N.T.S.

PARKING SHALL BE ALLOWED ON ONLY ONE SIDE OF THE STREET, AS SHOWN BY BLUE DASHED LINE ON CONCEPT PLAN

* 20' SETBACK REQUIRED FOR GARAGES

– AT THE INTERSECTION OF STREET RIGHT-OF-WAY LINES, A 15'X15' TRIANGULAR AREA SHALL BE DEDICATED FOR RIGHT-OF-WAY

– PROJECT SHALL BE DEVELOPED IN ONE PHASE

CONCEPT PLAN

10.055 Acres

in the

G.W. HAGLER SURVEY, ABSTRACT No. 572
CITY OF LEWISVILLE
DENTON COUNTY, TEXAS

Revisions:
04/12/2016
04/25/2016

SITE PLANNING CIVIL ENGINEERING PLATTING
CONSULTANTS, LLC
LAND SURVEYING LANDSCAPE ARCHITECTURE
CP

TBPE Firm No. 1798 TBPLS Firm No. 10047700

DRAWN BY: KL DATE: 03/11/2016 SCALE: 1" = 80' JOB. No. **15207**

File: Z:\2015\15207\Drawings\Zoning\2016.03.11 Dimensional Site Plan
Plotted: 4/26/2016 9:58 AM, by Katie Lucas; Saved: 4/25/2016 5:07 PM, by Katie

LOT / BLOCK ANALYSIS			
LOT	BLOCK	SQUARE FEET	ACRES
1	BLOCK A	2,325	0.053
2	BLOCK A	1,950	0.045
3	BLOCK A	1,950	0.045
4	BLOCK A	1,950	0.045
5	BLOCK A	1,950	0.045
6	BLOCK A	1,950	0.045
7	BLOCK A	1,950	0.045
8	BLOCK A	2,325	0.053
9	BLOCK A	3,150	0.072
10	BLOCK A	1,950	0.045
11	BLOCK A	1,950	0.045
12	BLOCK A	1,950	0.045
13	BLOCK A	1,950	0.045
14	BLOCK A	1,950	0.045
15	BLOCK A	2,325	0.053
16	BLOCK A	3,281	0.075
17	BLOCK A	2,204	0.051
18	BLOCK A	1,995	0.046
19	BLOCK A	2,005	0.046
20	BLOCK A	2,629	0.060

LOT / BLOCK ANALYSIS			
LOT	BLOCK	SQUARE FEET	ACRES
21	BLOCK A	2,619	0.060
22	BLOCK A	1,983	0.046
23	BLOCK A	2,023	0.046
24	BLOCK A	2,942	0.068
25	BLOCK A	2,962	0.068
26	BLOCK A	2,566	0.059
27	BLOCK A	2,324	0.053
28	BLOCK A	1,950	0.045
29	BLOCK A	1,950	0.045
30	BLOCK A	1,950	0.045
31	BLOCK A	1,950	0.045
32	BLOCK A	1,950	0.045
33	BLOCK A	1,950	0.045
34	BLOCK A	2,325	0.053
35	BLOCK A	2,325	0.053
36	BLOCK A	1,950	0.045
37	BLOCK A	1,950	0.045
38	BLOCK A	1,950	0.045
39	BLOCK A	1,950	0.045
40	BLOCK A	1,950	0.045

LOT / BLOCK ANALYSIS			
LOT	BLOCK	SQUARE FEET	ACRES
41	BLOCK A	2,325	0.053
42	BLOCK A	2,325	0.053
43	BLOCK A	1,950	0.045
44	BLOCK A	1,950	0.045
45	BLOCK A	1,950	0.045
46	BLOCK A	1,950	0.045
47	BLOCK A	1,950	0.045
48	BLOCK A	2,325	0.053
49	BLOCK A	2,325	0.053
50	BLOCK A	1,950	0.045
51	BLOCK A	1,950	0.045
52	BLOCK A	1,950	0.045
53	BLOCK A	2,325	0.053
54X	BLOCK A	29,042	0.667
55X	BLOCK A	2,528	0.058
56X	BLOCK A	16,755	0.385
1	BLOCK B	2,308	0.053
2	BLOCK B	1,950	0.045
3	BLOCK B	1,950	0.045
4	BLOCK B	2,325	0.053

LOT / BLOCK ANALYSIS			
LOT	BLOCK	SQUARE FEET	ACRES
5	BLOCK B	2,325	0.053
6	BLOCK B	1,950	0.045
7	BLOCK B	1,950	0.045
8	BLOCK B	1,950	0.045
9	BLOCK B	1,950	0.045
10	BLOCK B	2,325	0.053
11	BLOCK B	2,325	0.053
12	BLOCK B	1,950	0.045
13	BLOCK B	1,950	0.045
14	BLOCK B	1,950	0.045
15	BLOCK B	1,950	0.045
16	BLOCK B	2,325	0.053
17	BLOCK B	2,325	0.053
18	BLOCK B	1,950	0.045
19	BLOCK B	1,950	0.045
20	BLOCK B	1,950	0.045
21	BLOCK B	1,950	0.045
22	BLOCK B	1,993	0.046
23	BLOCK B	2,607	0.060
24	BLOCK B	2,607	0.060

LOT / BLOCK ANALYSIS			
LOT	BLOCK	SQUARE FEET	ACRES
25	BLOCK B	1,993	0.046
26	BLOCK B	1,950	0.045
27	BLOCK B	1,950	0.045
28	BLOCK B	1,950	0.045
29	BLOCK B	2,325	0.053
30	BLOCK B	2,325	0.053
31	BLOCK B	1,950	0.045
32	BLOCK B	1,950	0.045
33	BLOCK B	2,325	0.053
34	BLOCK B	3,150	0.072
35	BLOCK B	1,950	0.045
36	BLOCK B	2,325	0.053
37X	BLOCK B	27,635	0.634
1	BLOCK C	2,325	0.053
2	BLOCK C	1,950	0.045
3	BLOCK C	1,950	0.045
4	BLOCK C	1,950	0.045
5	BLOCK C	1,950	0.045
6	BLOCK C	2,325	0.053
7	BLOCK C	2,325	0.053

LOT / BLOCK ANALYSIS			
LOT	BLOCK	SQUARE FEET	ACRES
8	BLOCK C	1,950	0.045
9	BLOCK C	1,950	0.045
10	BLOCK C	1,950	0.045
11	BLOCK C	2,325	0.053
12	BLOCK C	2,325	0.053
13	BLOCK C	1,950	0.045
14	BLOCK C	1,950	0.045
15	BLOCK C	1,950	0.045
16	BLOCK C	2,325	0.053
17	BLOCK C	2,325	0.053
18	BLOCK C	1,950	0.045
19	BLOCK C	1,950	0.045
20	BLOCK C	1,950	0.045
21	BLOCK C	1,950	0.045
22	BLOCK C	2,325	0.053
1X	BLOCK D	127,006	2.916

CONCEPT PLAN NOTES

10.055 Acres

in the

G.W. HAGLER SURVEY, ABSTRACT No. 572
CITY OF LEWISVILLE
DENTON COUNTY, TEXAS

Revisions:
04/12/2016
04/25/2016

SITE PLANNING CIVIL ENGINEERING PLATTING
CONSULTANTS, LLC
LAND SURVEYING LANDSCAPE ARCHITECTURE
CP

TBPE Firm No. 1798 TBPLS Firm No. 10047700

DRAWN BY: KL DATE: 03/11/2016 SCALE: 1" = 80' JOB. No. 15207

File: Z:\2015\15207\Drawings\Zoning\2016.03.11 Dimensional Site Plan
Plotted: 4/26/2016 9:59 AM, by Katie Lucas; Saved: 4/25/2016 5:07 PM, by Katie

Site Summary Table

Base Zoning:	Minimum Width:	Minimum Depth:	Maximum Height:	Maximum Density:	Front Yard Setback:	Side Yard Setback:	Rear Yard Setback:
TH-2	26'	75'	3 stories/ 45'	12 units per acre	17.5'/20' for garage	5'/6.5' adj. to ROW	5'
Total Number of Proposed Lots: 111							
Project will be developed in one phase							

SITE PLANNING CIVIL ENGINEERING PLATTING
CONSULTANTS, LLC
LAND SURVEYING LANDSCAPE ARCHITECTURE
TBPE Firm No. 1798 TBPLS Firm No. 10047700

PD Zoning Concept Plan
10.055 Acres

City of Lewisville
Denton County, Texas

N

100 0 100 200 300 Feet

G&A Job No. 15207 Date: April 12, 2016 By: KL
Z:\2015\15207\Drawings\Zoning\2016.02.04 Zoning Concept Plan.dwg

This concept plan is intended for conceptual developmental use and shall not be interpreted as an official or submitted document. All aerial and map images were attained from best available information. This plan is subject to change.

Exhibit 3

Landscape Plan

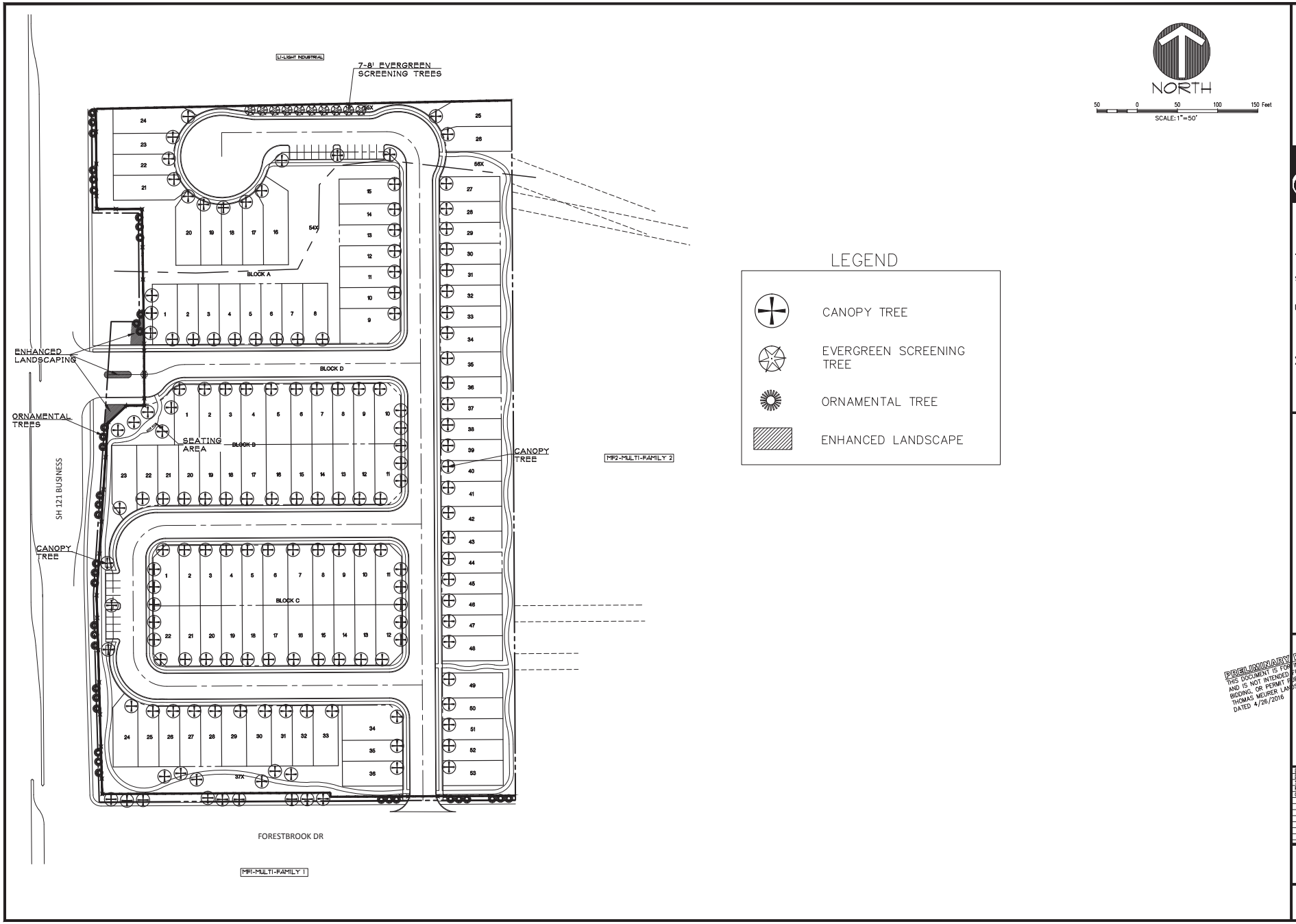
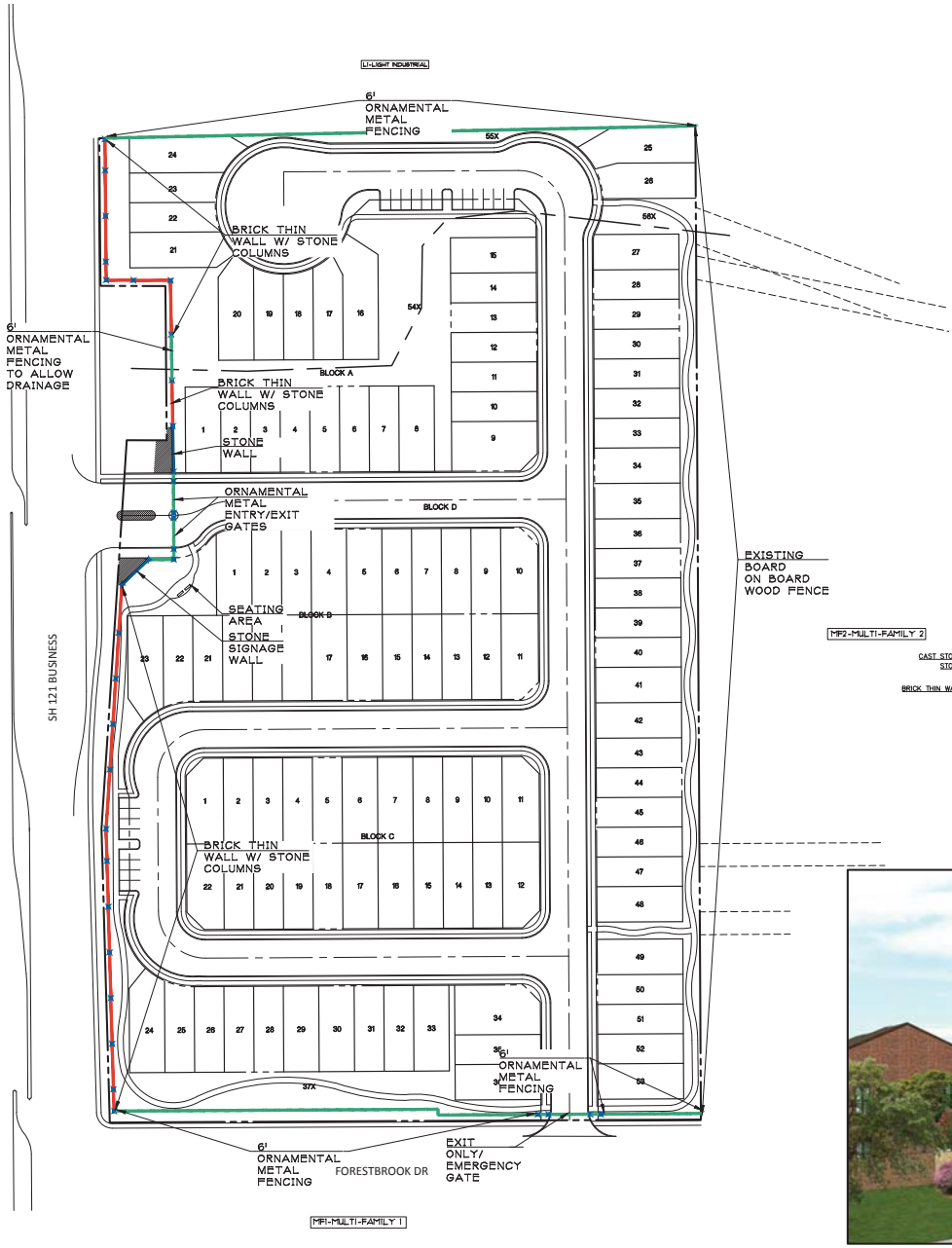

LI-LIGHT INDUSTRIAL
7-8' EVERGREEN SCREENING TREES
BLOCK A
BLOCK B
BLOCK C
BLOCK D
ENHANCED LANDSCAPING
ORNAMENTAL TREES
SEATING AREA
CANOPY TREE
SH 121 BUSINESS
MF2-MULTI-FAMILY 2
FORESTBROOK DR
MF1-MULTI-FAMILY 1
NORTH
SCALE: 1"=50'
LEGEND
CANOPY TREE
EVERGREEN SCREENING TREE
ORNAMENTAL TREE
ENHANCED LANDSCAPE
PRELIMINARY PLANS
THIS DOCUMENT IS FOR INTERIM REVIEW AND IS NOT INTENDED FOR CONSTRUCTION, BIDDING, OR PERMIT PURPOSES.
THOMAS MEURER LANDSCAPE ARCHITECT
DATED 4/26/2016
THOMAS P. MEURER
3055
STATE OF TEXAS
ENVIRONS GROUP
LANDSCAPE ARCHITECTURE
Manors @ Forestbrook
10.055 Acres
in the
G.W. HAGLER SURVEY, ABSTRACT No. 572
CITY OF LEWISVILLE
DENTON COUNTY, TEXAS
CONCEPT LANDSCAPE PLAN
Drawn By: TPM
Date: 03/11/2016
Scale: 1"=50'
Revisions:
04/12/2016
15207
L1

Exhibit 4

Fencing and Screening Plan



LEGEND

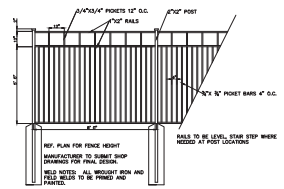
- 6' STONE COLUMN/WALL (MAINTAINED BY HOA)
- 6' BRICK THIN WALL (MAINTAINED BY HOA)
- 6' ORNAMENTAL METAL FENCE (MAINTAINED BY HOA)

ALL PROPOSED FENCING AND SCREENING SHALL BE MAINTAINED BY THE MANORS AT FORESTBROOK HOA. EXISTING BOARD ON BOARD FENCING SHALL BE MAINTAINED BY FORESTBROOK APARTMENTS

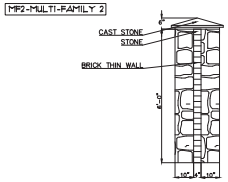
NORTH

50 0 50 100 150 Feet

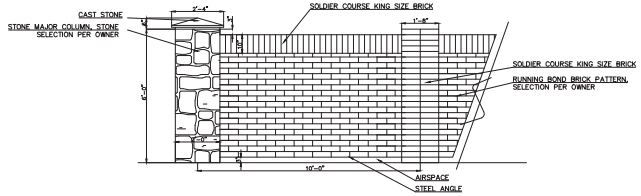
SCALE: 1"=50'



1. ORNAMENTAL METAL FENCE
1/2"=1'



2. X-SECTION
not to scale



3. THIN WALL
not to scale

** TYPICAL SCHEMATIC DETAIL. FINAL FOOTING, AND WALL DESIGN MUST BE SIGNED AND SEALED BY STRUCTURAL ENGINEER.

PERSPECTIVE RENDERING

PRELIMINARY PLANS
THIS DOCUMENT IS FOR INTERIM REVIEW AND IS NOT INTENDED FOR CONSTRUCTION, BIDDING, OR PERMIT PURPOSES.
THOMAS MEURER LANDSCAPE ARCHITECT
DATED 4/26/2016

THOMAS P. MEURER # 3055 LANDSCAPE ARCHITECT STATE OF TEXAS

ENVIRONS GROUP
LANDSCAPE ARCHITECTURE
a division of G & A Consultants, LLC.
1111 Hillside Drive • Lewisville, TX 75057
P: 972.317.0200 • F: 972.317.0215

Manors @ Forestbrook
10.055 Acres
in the
G.W. HAGLER SURVEY, ABSTRACT No. 572
CITY OF LEWISVILLE
DENTON COUNTY, TEXAS

CONCEPT FENCE-SCREENING PLAN

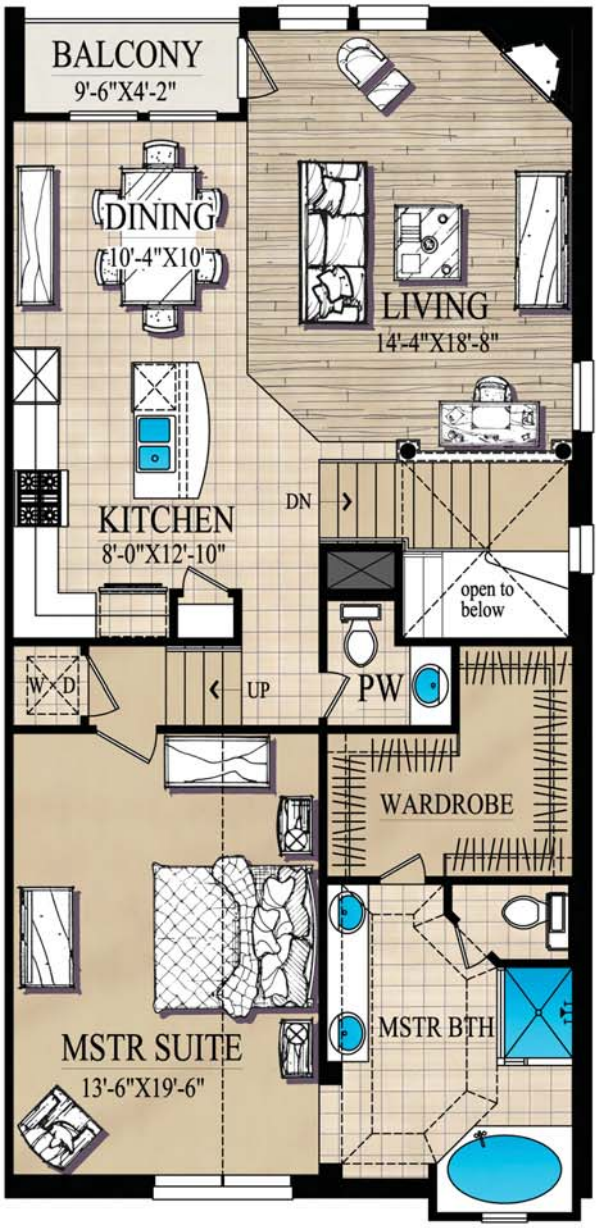
Drawn By: TPM
Date: 03/11/2016
Scale: 1" = 50'
Revisions:
04/12/2016

15207

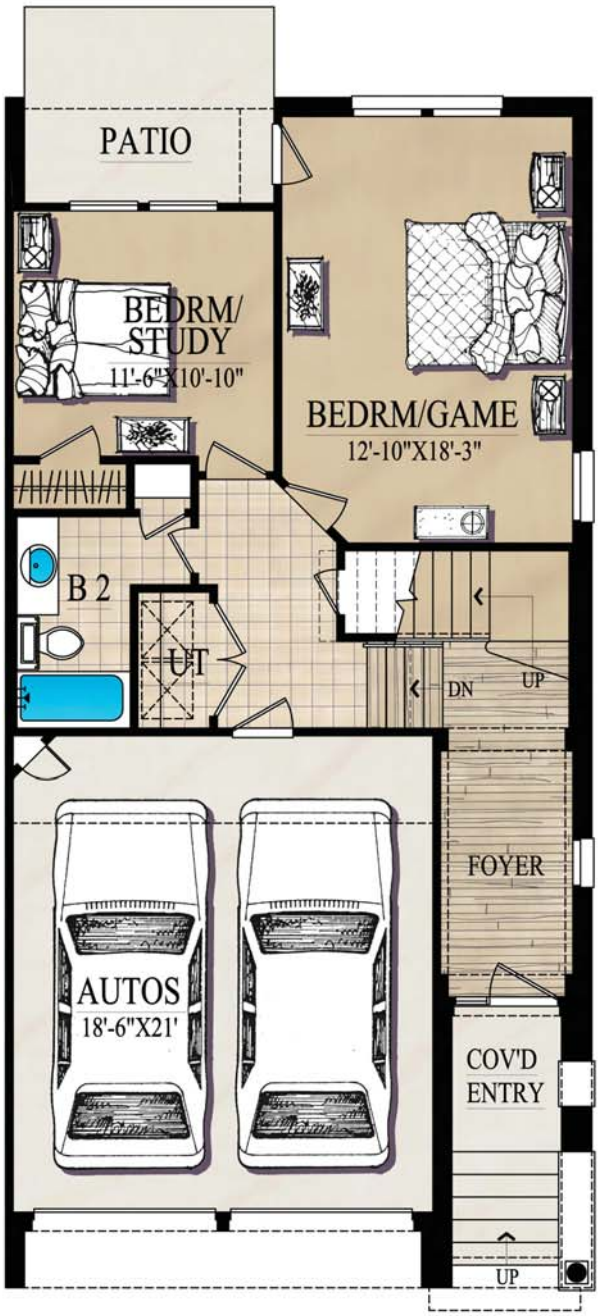
L1

Exhibit 5

Elevations and Floorplans



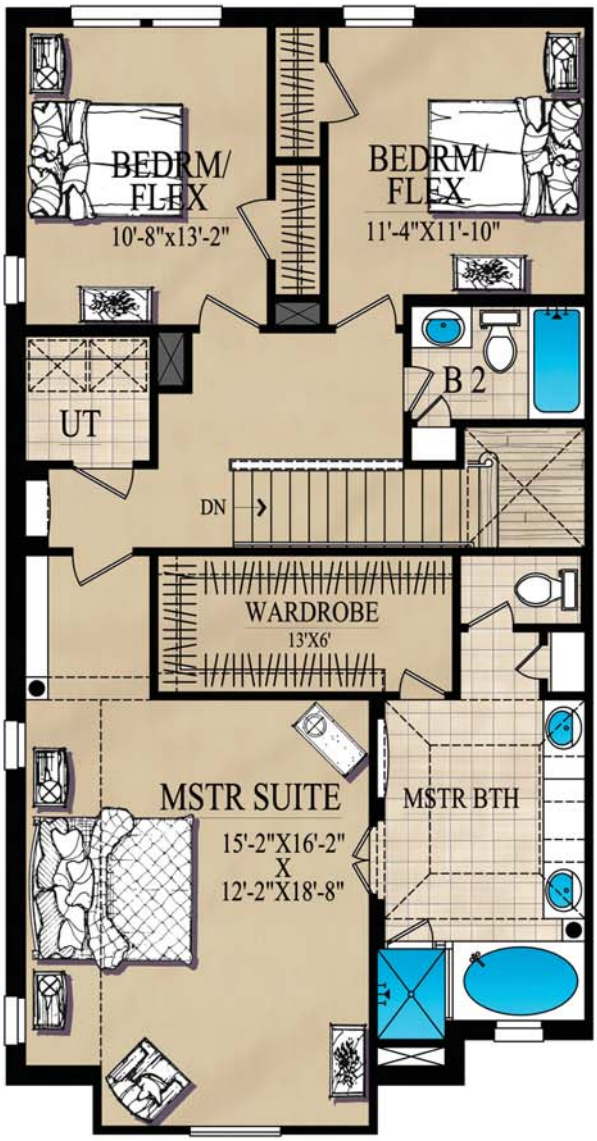
SECOND FLOOR



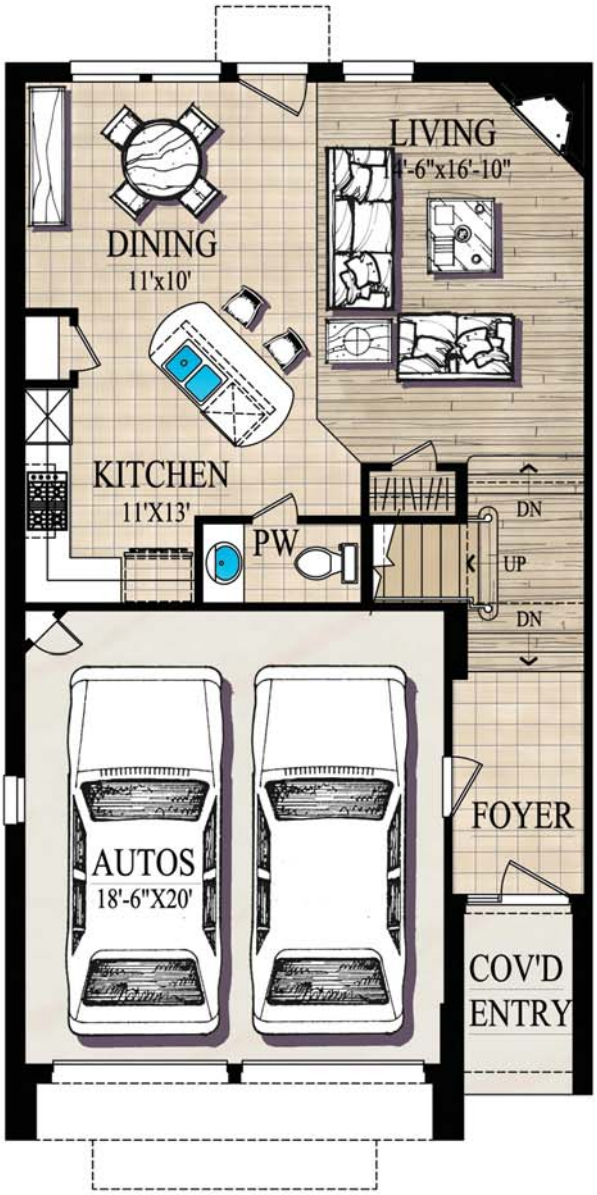
FIRST FLOOR

THE WINDSOR

2001 SQ. FT.



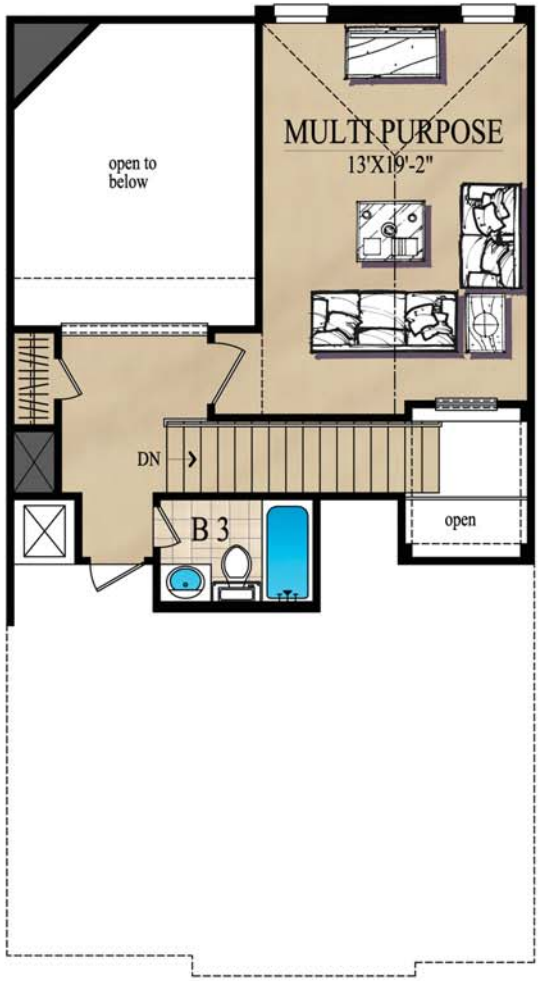
SECOND FLOOR



FIRST FLOOR

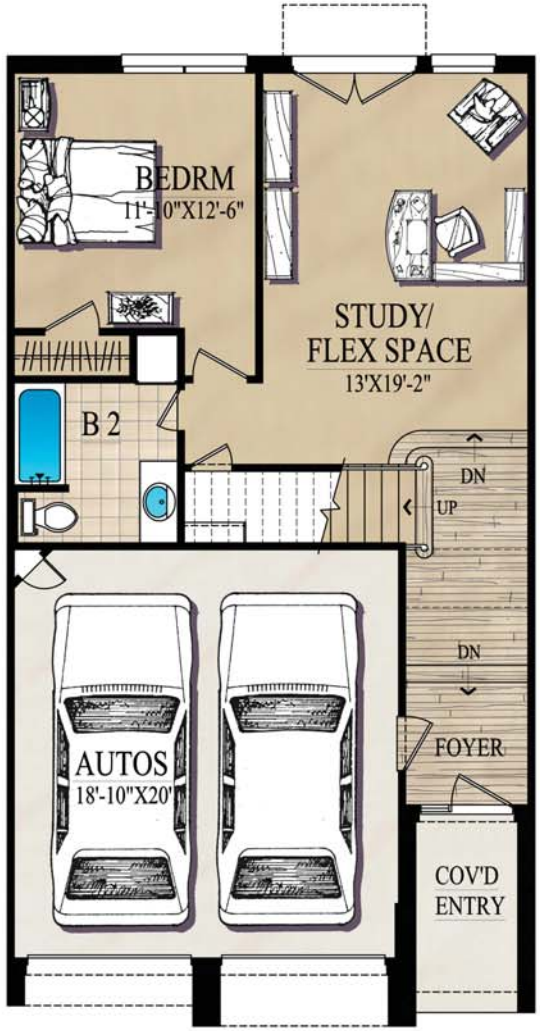
THE MADISON

1901 SQ. FT.



THIRD FLOOR

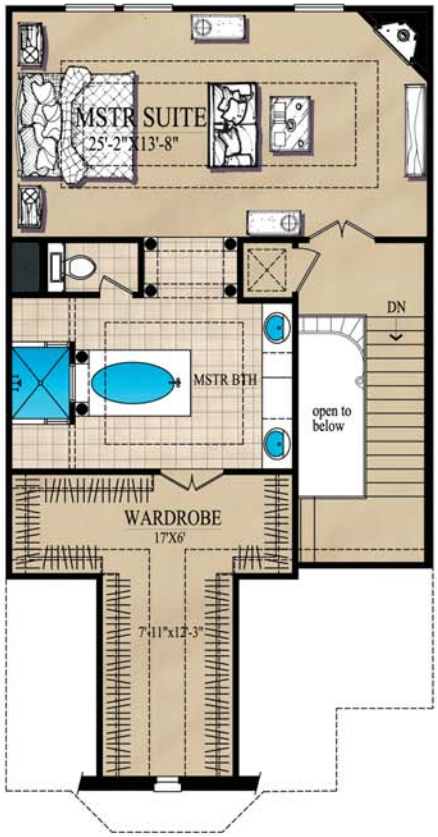
SECOND FLOOR



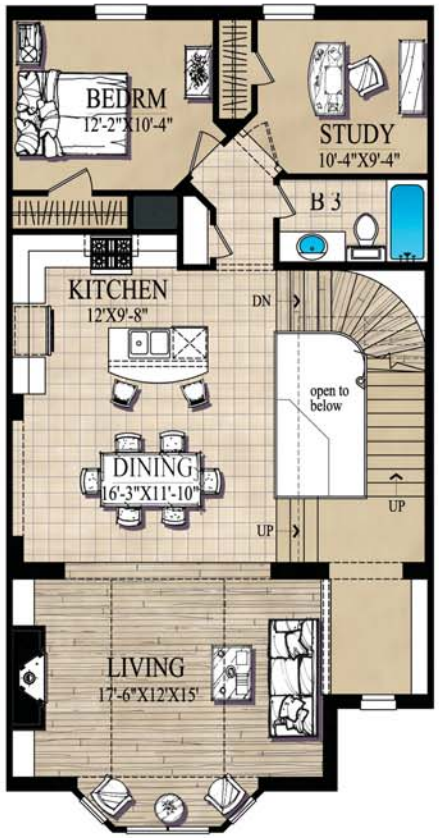
FIRST FLOOR

THE KENT

2273 SQ. FT.



THIRD FLOOR



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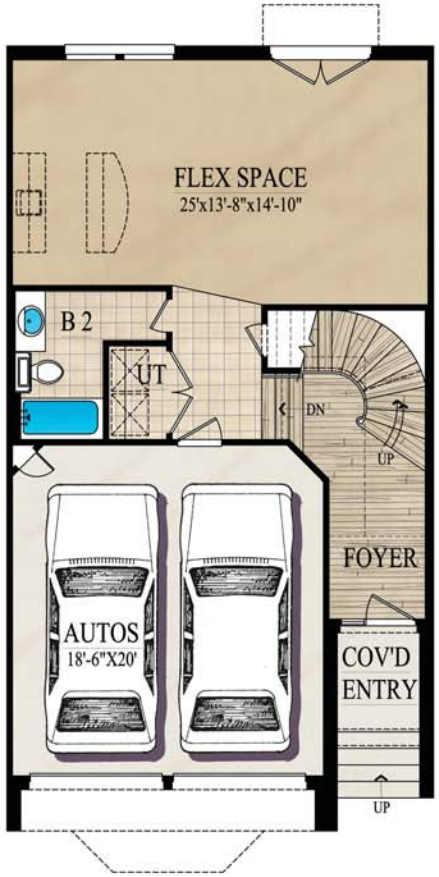
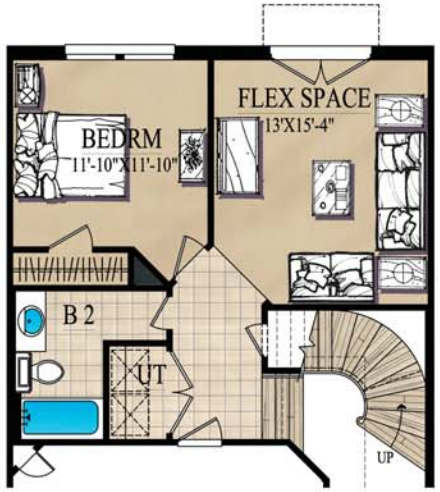


FIRST FLOOR



ALTERNATE FIRST FLOOR

THE CARRINGTON

2650 SQ. FT.

Exhibit 6

Perspective Entry Rendering

MANORS AT FORESTBROOK

MEMORANDUM

TO: Donna Barron, City Manager

FROM: David Salmon, P.E., City Engineer

VIA: Eric Ferris, Assistant City Manager

DATE: May21, 2016

SUBJECT: **Approval of a Public Road Crossing License Agreement Between the Denton County Transportation Authority and the City of Lewisville for Jones Street; and Authorization for the City Manager to Execute the Agreement.**

BACKGROUND

The Jones Street project will replace the existing two lane rural asphalt street with a three (3)-lane collector street (two (2) lanes westbound and one (1) lane eastbound), from Mill Street to Cowan Avenue. This project consists of providing for the design and construction of Jones Street with concrete pavement, drainage improvements, and a wider DCTA rail crossing. The purpose of the Jones Street improvement is to provide improved ingress and egress to/from the existing developments east of Mill Street including Village North Mobile Home Park on the south side of Jones Street due to the eventual closure of Cowan Avenue access to Mill Street associated with the Valley Ridge Boulevard project. The City Council approved the Cowan Avenue street change at the August 7, 2014 City Council meeting. As agreed to with neighborhood property owners and residents, and to minimize the impact to existing development, the Jones Street improvement will be substantially completed prior to closing the existing Cowan Avenue and Mill Street intersection. The proposed timeline for the Jones Street project is that it will be constructed by March 2017. The current timeline for the Valley Ridge Boulevard project is that it will be completed by late summer of 2017. In addition to the subject Jones Street improvements from Mill to Cowan, staff is also addressing additional access improvements discussed with the neighborhood during the public meetings involving the Cowan Avenue street change. A “mill & overlay” project has been completed on Crescent Street and Morningside Drive. The cul-de-sac turn around north of the KCS railroad as well as the “enhanced” trail/emergency access connection between Cowan Avenue and Valley Ridge will be constructed as part of the Valley Ridge project. Staff also applied for a Federal Lands Access Program (FLAP) Grant to complete improvements to the remainder of Jones Street east of Cowan and for the north end of Kealy Avenue. That grant application has been approved and design will begin in 2017 with construction occurring in fiscal years 20/21 and 21/22. Funding for the Jones and North Kealy project was also included in the 2015 GO Bond Program. In light of the grant, some of that funding will be used as the City’s required match. Staff is actively working with the

owners of the Village North community and property owners on Kealy Avenue to provide a gated emergency ingress/egress point from Kealy into Village North.

The City of Lewisville has negotiated with the DCTA for permission to have a City contractor enter the DART right-of-way to construct the approach pavement and drainage improvements on Jones Street on both sides of the rail crossing.

ANALYSIS

The Public Road Crossing License Agreement has been reviewed and approved by attorneys for both entities for the City Council consideration. Follow-up meetings between City staff and DCTA will result in the actual construction details for the improvements and the associated construction costs will be more closely estimated. The City will bear the costs of the grade crossing improvements as part of the Jones Street project. There is no one time or reoccurring license fee for the proposed crossing.

RECOMMENDATION:

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

AGREEMENT No. _____

PUBLIC ROAD CROSSING LICENSE AGREEMENT

THIS PUBLIC ROAD CROSSING LICENSE AGREEMENT ("License"), by and between **Denton County Transportation Authority** ("DCTA" or "Licensor"), a coordinated county transportation authority created pursuant to Chapter 460, Texas Transportation Code, as amended (the "Act") and the **City of Lewisville**, a Texas home rule municipality ("Licensee"), acting by and through its duly authorized official, whose mailing address is P.O. Box 299002, Lewisville, Texas 75029-9002 or street address, 151 W. Church Street, Lewisville, Texas 75057.

W I T N E S S E T H:

WHEREAS, pursuant to that certain *Transportation and Access Agreement and Easement* dated and effective May 25, 2010, between Licensor and Dallas Area Rapid Transit ("DART")("the DART Agreement"), Licensor operates and maintains a public rail transportation system within the former Missouri-Kansas-Texas rail corridor from Mile Post 742.42 in the City of Carrollton, Texas, to Mile Post 721.53 in the City of Denton, Texas, ("the Rail ROW"), which corridor is now owned by DART; and

WHEREAS, a portion of the Rail ROW is located within Licensee's incorporated limits; and

WHEREAS, Licensor has been granted authority to negotiate new grade crossing agreements affecting the Rail ROW subject to DART approval; and

WHEREAS, Licensee's public street known as "Jones Street" presently crosses the Rail ROW at-grade at Mile Post 735. ("the Jones Street Crossing" or "the Crossing")); and

WHEREAS, Licensee desires to widen the Jones Street Crossing; and

WHEREAS, Licensee and Licensor desire to enter into a license agreement relating to Licensee's continued use of the Jones Street Crossing and Licensee's rights and obligations relating to the construction, repair, and maintenance of improvements in the Rail ROW at the Jones Street Crossing; and

:

NOW, THEREFORE, for and in consideration of the promises and covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties, Licensor and Licensee agree as follows:

Article I
Grant of License; Purpose.

1.01 **Grant.** Licensor hereby grants this License to Licensee for the purpose of constructing and/or reconstructing (including widening), installing, repairing, and maintaining, an at-grade, three-lane, 47-foot wide public road crossing within a 70-foot wide right-of-way covering an area of approximately 7,000 square feet at the Jones Street Crossing more particularly as shown in Exhibit "A", attached hereto and incorporated herein for all pertinent purposes (the "Property").

1.02 Permitted Uses and Improvements. The term "public road crossing" as used in this License shall include the improvements and/or additions to concrete crossing material, pavement, grading, barricades, street lighting, drainage facilities, signs, pavement markings, active warning devices/signals, and approaches needed to widen or maintain the Jones Street Crossing (the "Permitted Improvements") which Licensor finds to be reasonable and necessary to allow the public to cross the Rail ROW with motor vehicles without damaging Licensor's rails or adjacent equipment and improvements (the "Permitted Uses").

1.03 No Public Dedication or Conveyance. The Property shall be used by Licensee and the public solely for the Permitted Uses and the Permitted Improvements. Licensor and Licensee acknowledge and agree that the granting of this License shall not be construed in any way to constitute a dedication to the public, a conveyance of any interest in real property, or a grant of any benefit to any third party.

Article II
Licensee's Obligations

In consideration of the grant of this License by Licensor to Licensee, Licensee agrees as follows:

2.01 Perform the Agreement. Licensee shall faithfully perform all of the covenants and agreements contained in this License to be performed by Licensee.

2.02 Responsibility for Construction of Crossing. Licensee shall be solely responsible for the payment of all costs related to constructing, reconstructing (including widening), repairing, and maintaining the Crossing, including the Permitted Improvements and any drainage structures that must be constructed in relation thereto. Licensor shall grant a right of entry to the Property to Licensee and its employees or contractors in order to perform the work authorized by this Agreement.

Article III
Term

This License shall begin on the Effective Date of this License, and shall be perpetual, subject to termination by either party as provided herein.

Article IV
License Non Exclusive

This License is non-exclusive and is subject to (a) any existing utility, drainage or communication facility located in, on, under, or upon the Property owned by Licensor, DART, any railroad, utility, or communication company, public or private; (b) to all vested rights presently owned by any railroad, utility or communication company, public or private, for the use of the Property for facilities presently located within the boundaries of the Property; and (c) to any existing lease, license or other interest in the Property granted by Licensor or DART to any individual, corporation or other entity, public or private.

Article V
Construction and Maintenance of Permitted Improvements

5.01 **Disclosure Regarding Electrical Powered Equipment.** Licensee understands and acknowledges that Licensor's or DART's use of the Property and adjoining property may include the use of electrically powered equipment. Notwithstanding Licensor's or DART's inclusion within its system of measures designed to reduce stray current which may cause corrosion, **Licensee is hereby warned that such measures may not prevent electrical current being present in proximity to the Permitted Improvements and that such presence could produce corrosive effects to the Permitted Improvements.**

5.02 **No Interference with Licensor.** All design, construction, reconstruction, replacement, removal, operation and maintenance of the Permitted Improvements on the Property shall be done in such a manner so as not to interfere in any way with the operations of Licensor or with any railroad operations.

5.03 **Review of Contract Documents.** During the design phase and prior to commencing construction on the Property, a copy of the construction plans showing the exact location, type and depth of the construction, and any working area, shall be submitted for written approval to Licensor when the construction is going to be within the area of Licensor's railroad operations. Such approval shall not be unreasonably withheld. No work shall commence until said plans have been approved by Licensor.

5.04 **Avoidance of Hazards**. Licensee agrees to construct or reconstruct, maintain, and/or repair the Permitted Improvements outside of the railroad ties in such a manner so as not to create a hazard to the use of the Property. To the extent allowed by law and in accordance with Licensee's agreement in Article XV, below, Licensee agrees to reimburse Licensor for costs related to the repair or replacement of any of Licensor's real or personal property within the area of the Crossing which may be damaged or destroyed as the result of the intentional or negligent acts of Licensee's employees, agents, contractors or subcontractors while any of them are engaged in the reconstruction, maintenance, and/or repair of the Permitted Improvements.

5.05 **Removal of Vegetation and Obstructions.** Licensee or its contractor shall remove all trees and other vegetation within the Rail ROW for a distance of 300 feet in all four quadrants where the Rail ROW intersects with the Crossing.

5.06 **Drainage Damages.** Licensee shall be responsible for maintaining any drainage structures constructed by or under the direction of Licensee in conjunction with the Permitted Improvements, or for which Licensee has responsibility to maintain in association with the use of the Permitted Improvements, and shall be liable for damage for any and all additional drainage created by the Permitted Improvements distributed onto the Rail ROW from the point of entry to the exit point of Licensor's property.

5.07 **Traffic Control During Construction.** Licensee shall provide traffic control, in accordance with the law, within the roadway adjacent to the Crossing during any construction, maintenance, and/or repair of the Permitted Improvements performed by Licensee, its employees, or contractors. Licensor shall provide traffic control, in accordance with the law, within the roadway adjacent to the Crossing during any construction, maintenance, and/or repair of the Permitted Improvements performed by Licensor, its employees, or contractors. Licensor shall also provide Licensee with prior notice that traffic control will be provided by Licensor for the reconstruction, maintenance, and/or repair of the Permitted Improvements within the railroad ties.

5.08 **Subsurface Installations**. Prior to commencement of any work within the Property or adjacent areas, Licensee shall be solely responsible for determining the location of any underground facilities installed within the area of the Property. **Absence of markers does not constitute a warranty by Licensor that there are no subsurface installations on the Property.**

Article VI
Governmental Approvals

Licensee, at its sole cost and expense, shall be responsible for and shall obtain, any and all licenses, permits, or other approvals from any and all governmental agencies, federal, state or local, and required to carry on any activity permitted herein.

Article VII
Licensor's Standard Contract and Insurance

No work on the Property shall be commenced by Licensee or any contractor for Licensee until such Licensee or contractor shall have executed Licensor's Standard Contractors Agreement covering such work, and Licensee or Licensee's contractor has furnished insurance coverage in such amounts and types as shall be satisfactory to Licensor.

Article VIII
Duty of Care in Construction

Licensee or its contractor shall use reasonable care to avoid damaging any existing buildings, equipment and vegetation located on the Property while performing any work on or about the Property and any adjacent property owned by or under the control of Licensee. If the failure to use reasonable care by Licensee or its contractor causes damage to the Property or any of Licensor's improvements located on the Property, Licensee shall immediately repair the damage at no cost or expense to Licensor or, in the case of property or equipment owned or leased by Licensor or located between the rail ties of the Crossing, reimburse Licensor for the costs of repairing or replacing such property or equipment which cost and expense Licensee agrees to pay upon demand.

Article IX
Environmental Compliance.

Licensee shall not use or permit the use of the Property for any purpose that may be in violation of any local, state or federal laws pertaining to health or the environment, including but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), the Resource Conservation and Recovery Act ("RCRA"), the Clean Water Act ("CWA") and the Clean Air Act ("CAA").

Article X
Mechanic's Liens Not Permitted

Licensee shall fully pay for all labor and materials used in, on, or about the Property and will not permit or suffer any mechanic's or materialmen's liens of any nature to be affixed against the Property by reason of any work done or materials furnished to the Property at Licensee's instance or request.

Article XI
Maintenance of Completed Improvements

11.01 Generally. After the Permitted Improvements have been completed, the active warning devices/signals and the grade crossing within the limits of the railroad ties shall be maintained by Licensor. Licensee shall maintain all other Permitted Improvements.

11.02 Licensor's Right to Repair; Reimbursement. Upon discovering that Licensee has failed to maintain the Permitted Improvements or Property as required by this Agreement, Licensor shall notify Licensee of such occurrence in writing. In the event Licensee shall not have remedied the failure within thirty (30) days from the date of such notice, Licensor shall have the right, but not the obligation to remedy such failure at the sole cost and expense of Licensee. In the event Licensor exercises its right to remedy Licensee's failure, Licensee agrees to immediately pay to Licensor all costs incurred by Licensor upon demand.

11.03 Reconstruction of Crossing. In the event reconstruction of the Permitted Improvements in the area of the Crossing within the limits of the railroad ties becomes necessary because deterioration or obsolescence of the crossing materials makes maintenance no longer reasonably possible, Licensor shall, upon written notice to Licensee of such condition of the Crossing, be relieved of Licensor's obligations to maintain the said area of the Crossing in accordance with Section 11.01 until the Crossing has been reconstructed. Licensor agrees to reconstruct the Crossing within the limits of the railroad ties upon reaching agreement with Licensee on the type of construction and materials to be used in reconstructing the area of the Crossing within the area of the railroad ties and upon allocation of funds by Licensee to pay Licensor for the costs related to such reconstruction. Upon completion of the reconstruction of the Crossing pursuant to this Section 11.03, Licensor shall recommence fully maintaining the Crossing in accordance with Section 11.01, above.

Article XII
Future Use by Licensor.

This License is made expressly subject and subordinate to the right of Licensor to use the Property for any purpose whatsoever.

Article XIII
Duration of License

This License shall terminate and be of no further force and effect (a) in the event Licensee shall discontinue or abandon the use of the Permitted Improvements; (b) in the event Licensee shall relocate the Permitted Improvements from the Property; or (c) upon termination in accordance with Article 16 of this License, whichever event first occurs.

Article XIV
Compliance with Laws and Regulations

Licensee agrees to abide by and be governed by all laws, ordinances and regulations of any and all governmental entities having jurisdiction over the Licensee and by railroad regulations, policies and operating procedures established by Licensor.

Article XV
Responsible for Its Own Actions

The parties hereto acknowledge that no party is an agent, servant, or employee of the other party, and each party agrees it is responsible for its own individual negligent acts or omissions or other tortious conduct as well as such acts and deeds of its contractors, agents, representatives, and employees during performance of this Agreement without waiving any governmental immunity available to the parties under Texas and other applicable laws, and without waiving any available defenses under Texas and other applicable laws. Nothing in this Article XV shall be construed to create or grant any rights, contractual or otherwise, in or to any third persons or entities.

Article XVI
Termination of License

16.01 **Methods of Termination.** This License may be terminated in any of the following ways:

A. Written agreement of both parties;

B. By either party, not later than thirty (30) days following failure of the other party to perform its obligations as set forth in this License following delivery of notice of such failure in the manner required by this License.

16.02 **Restoration of Property.** Upon termination of this License for any reason, Licensee, upon request by Licensor, shall remove all improvements and appurtenances owned by Licensee, situated in, under or attached to the Property and shall restore the Property to the condition existing at the date of execution of this License, at Licensee's sole expense.

Article XVII
Miscellaneous

17.01 **Notice.** When notice is permitted or required by this License, it shall be in writing and shall be deemed delivered when delivered in person or when placed, postage prepaid, in the U.S. Mail, Certified, Return Receipt Requested, and addressed to the parties at the following addresses:

LICENSOR: Denton County Transportation Authority
1955 Lakeway
Suite 260
Lewisville, Texas 75057
Attn: Chief Executive Officer

With Copy To: Peter G. Smith
Nichols, Jackson, Dillard, Hager & Smith, LLP
500 N. Akard, Suite 1800
Dallas, Texas 75201

LICENSEE: City of Lewisville
P. O. Box 299002
151 Church Street
Lewisville, TX 75029-9002
Attention: City Manager

With Copy To: City Engineer
City of Lewisville
P. O. Box 299002
151 Church Street
Lewisville, TX 75029-9002

Either party may from time to time designate another and different address for receipt of notice, by giving notice of such change of address.

17.02 Governing Law; Venue. This License shall be construed under and in accordance with the laws of the State of Texas. Any action brought by either party to enforce any provision of this License shall be commenced in a district court of Denton County, Texas.

17.03 Entirety and Amendments. This License embodies the entire agreement between the parties and supersedes all prior agreements and understandings, if any, relating to the Property and the matters addressed herein, and may be amended or supplemented only by a written instrument executed by the party against whom enforcement is sought.

17.04 Parties Bound. This License shall be binding upon and inure to the benefit of the executing parties and their respective successors and assigns.

17.05 Number and Gender. Words of any gender used in this License shall be held and construed to include any other gender; and words in the singular shall include the plural and vice versa, unless the text clearly requires otherwise.

17.06. Authorization. Licensee shall furnish to Licensor a certified copy of minutes or a Resolution adopted by the governing body of Licensee, authorizing the execution of this License on behalf of the Licensee, or other proof sufficient to establish the authority to execute this License.

17.07 No Joint Enterprise. The parties do not intend that this License be construed as finding that the parties have formed a joint enterprise. The purposes for which each party has entered into this License are separate and distinct. It is not the intent of any of the parties that a joint enterprise relationship is being entered into and the parties hereto specifically disclaim such relationship. This License does not constitute a joint enterprise, as there are no common pecuniary interests, no common purpose and no equal right of control among the parties hereto.

17.08 Assignment. Licensee shall not assign or transfer its rights under this License in whole or in part, or permit any other person or entity to use the License hereby granted without the prior written consent of Licensor, which Licensor **shall not unreasonably withhold.**

17.09 No Property Conveyance. Licensee understands, acknowledges, and agrees that this License is solely contractual and does not constitute a conveyance of an interest in real property.

17.10 Effective Date. This License shall become effective on the date it is signed by the authorized representatives of Licensor and Licensee.

17.11 Use of Current Funds. Each party performing services under this agreement shall pay for such services from current revenues available to the party.

IN WITNESS WHEREOF, the parties have executed this License in multiple originals on the dates indicated below.

LICENSOR: **DENTON COUNTY TRANSPORTATION AUTHORITY**

BY: _____
James C. Cline, Jr., P.E., President

Date:_____, 2016

LICENSEE: **CITY OF LEWISVILLE, TEXAS**

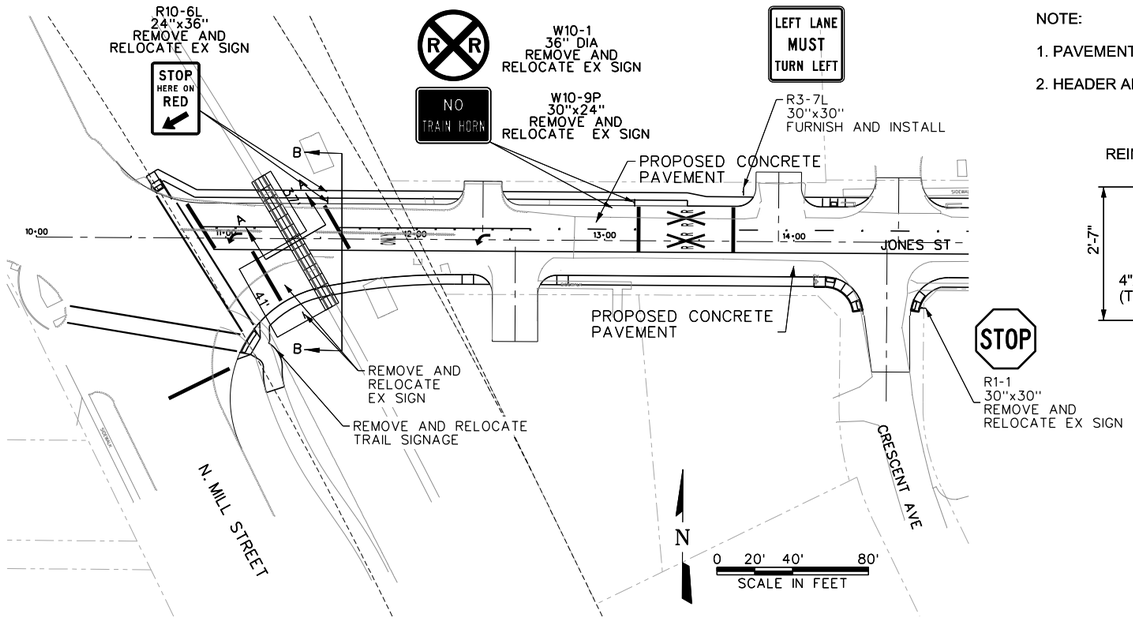
BY:_____

Printed Name:_____

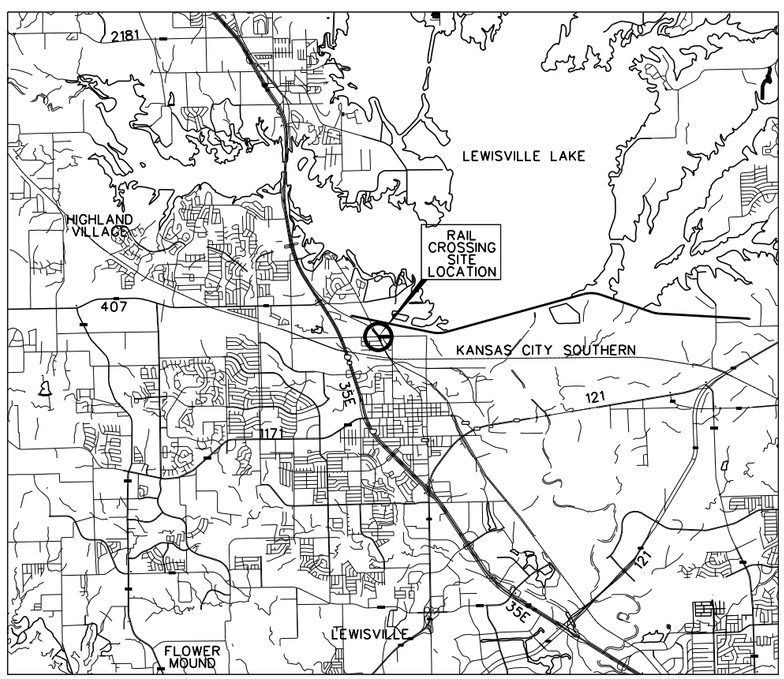
Title:_____

Date:_____, 2016

Exhibit “A”
Depiction of Property for Crossing



MILE POST CROSSING 735.25.
FRA DOT INVENTORY NUMBER 414 711 P.

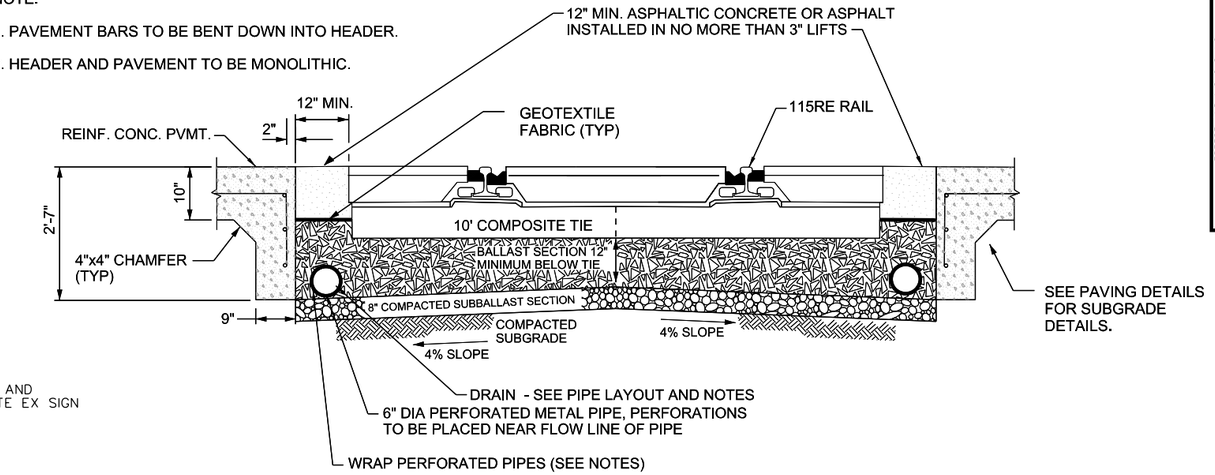


LOCATION MAP
N.T.S.

NOTE:

1. PAVEMENT BARS TO BE BENT DOWN INTO HEADER.

2. HEADER AND PAVEMENT TO BE MONOLITHIC.



A-A
TYPICAL BALLAST AND PAVEMENT DETAIL
NOT TO SCALE

NOTES:

1. CROSSING PANEL SUPPORT THROUGH THE CROSSING MUST BE UNIFORM. COMPOSITE TIE SPACING IS TO BE A MAXIMUM OF 19 1/2" CENTER TO CENTER.

2. CROSSING SITE IS TO BE INSPECTED PRIOR TO START OF INSTALLATION TO DETERMINE THAT PROPER DRAINAGE AND SURFACE SUPPORT IS PROVIDED, TRACK GRADE IS UNIFORM AND EXISTING TIES ARE AT LEAST 10' LONG.

3. IF CONDITIONS WARRANT, SITE IS TO BE OVER-EXCAVATED AND CROSSING DRAINAGE SYSTEM INSTALLED USE COMPACTED, WELL GRADED GRANULAR FILL; SUBBALLAST, GEOTEXTILE AND PERFORATED DRAINAGE PIPE (IF REQUIRED) INSTALLED PER DETAILS OF THIS DRAWING.

4. ADDITIONAL SITE DRAINAGE INCLUDING PROPER DRAINAGE AT EACH QUADRANT OF CROSSING SHALL BE COMPLETED TO ENSURE CROSSING DRAINAGE.

5. PRECAST PANELS ARE TO BE HANDLED AND SUPPORTED AT SPECIFIED LIFTING INSERT LOCATIONS ONLY. LIFTING EQUIPMENT AND CONNECTION INSERTS ARE TO BE PROPERLY SIZED TO HANDLE THE LENGTH OF PANELS BEING INSTALLED.

6. APPROACH ASPHALT ROADWAY PAVING IS TO MEET CITY OF LEWISVILLE SPECIFICATIONS AND INSTALLED ACCORDINGLY. ASPHALT IS TO BE PLACED WITH MAXIMUM 3" LIFTS.

7. GALVANIZED ELASTIC FASTENERS ARE TO BE USED WITHIN THE CROSSING AREA AND ON THE (5) TRANSITION TIES ON EACH SIDE OF THE CROSSING. SAFELOK CLIPS ARE TO BE USED ON COMPOSITE TIES CROSSINGS.

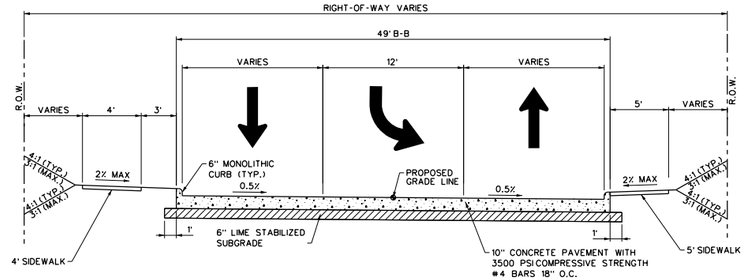
8. ALL RAIL JOINTS IN CROSSING AREA TO BE WELDED, DO NOT INSTALL BOLTED JOINT BARS.

9. ALL EXCEPTIONS TO THIS PLAN MUST BE APPROVED BY THE ENGINEER.

10. ALL TIES WITHIN CROSSING PANEL LIMITS SHALL INCLUDE CONFORMAL ELASTOMERIC BEARING PADS FOR 10'-0" COMPOSITE TIES.

11. TEN FOOT COMPOSITE TIES SHALL BE DESIGNED TO MEET THE PERFORMANCE REQUIREMENTS OF AREMA MANUAL FOR RAILWAY ENGINEERING CHAPTER 30.

12. LAG OMEGA CROSSING PANELS SHALL BE MANUFACTURED TO CONFORM TO BNSF/UP RAILROAD STANDARDS. SUBMIT SHOP DRAWINGS FOR APPROVAL PRIOR TO FABRICATION.



B-B
JONES ST
TYPICAL SECTION
NOT TO SCALE

FREESE AND NICHOLS, INC.
TEXAS REGISTERED ENGINEERING FIRM F-2144

STATE OF TEXAS
BRANDON J. HUFFORD
117072
REGISTERED PROFESSIONAL ENGINEER
APR 11 2016

FREESE AND NICHOLS
2711 North Haskell Avenue, Suite 3300
Dallas, Texas 75204
Phone - (214) 217-2200
Fax - (214) 217-2232
Web - www.freese.com

CITY OF LEWISVILLE
JONES STREET IMPROVEMENTS
CIVIL
EXHIBIT "A"

F&N JOB NO.	LEW14475
DATE	AUG 2015
DESIGNED	DH
DRAWN	CHM
REVISED	
CHECKED	
FILE NAME	CV-TRT-PL-RAILEXBT.sht

NO.	ISSUES	BY	DATE

VERIFY SCALE Bar is one inch on original drawing. If not one inch on this sheet, adjust scale.
0 1

SHEET
SEQ.

MicroStation V8 User: bjh Office: Dallas
LEW14475 N:\IF\Drawings\DCTA\CV-TRT-PL-RAILEXBT.sht
Plot Date: 4/11/2016 Plot Time: 07:44:27 AM Model: $MODEL$
Plot Scale: 80.0000 1 / in. Project: Freese and Nichols, Inc.
Date: Apr. 11, 2016 - 07:44:27 AM

Office: Dallas LEW14475 Date: Apr. 11, 2016 - 07:44:27 AM User: bjh File: N:\IF\Drawings\DCTA\CV-TRT-PL-RAILEXBT.sht

LOCATION MAP
FOR
JONES STREET EXISTING RAILROAD
CROSSING IMPROVEMENT

MEMORANDUM

TO: Donna Barron, City Manager

FROM: Josh Roberts, Emergency Administration Manager

VIA: Melinda Galler, Assistant City Manager

DATE: May 25, 2016

SUBJECT: **Approval of the City of Lewisville to Enter into the FY 2015 Flood Mitigation Assistance Grant Award Contract; and Authorization for the City Manager to Execute the Contract and Accept the Grant.**

BACKGROUND

The Office of Emergency Management received notice from the Texas Water Development Board that the City of Lewisville has been awarded a grant in the amount of $1,193,878.80 under the Federal Emergency Management Agency (FEMA) FY 2015 Flood Mitigation Assistance (FMA) grant program. The purpose of the FMA grant program is to reduce or eliminate the risk of repetitive flood damage to buildings and structures insurable under the National Flood Insurance Program (NFIP). This grant is awarded for the acquisition and demolition of identified properties along Timber Creek.

This will be the City's first ever award of this grant and the City is one of four jurisdictions in the State of Texas to have been awarded in the FY 2015 offering. As per grant guidelines the jurisdiction receives reimbursement of costs incurred pursuant to performance of the grant contract, with the jurisdiction contributing a 12.37% match of local funds (dependent on project execution). The performance period for the FY 2015 FMA grant is through October 30, 2018.

ANALYSIS

The properties identified in the grant project have a history of flood loss, and four of the five are severe repetitive loss or repetitive loss properties.

A benefit-cost analysis was performed to quantitatively compare the benefits and costs of the proposed mitigation project, and the analysis resulted in a favorable benefit-cost ratio. Participation in this grant program will reduce risk and mitigate future loss.

RECOMMENDATION

It is City staff's recommendation that the City Council accept the grant and authorize the City Manager to execute the necessary documents as set forth in the caption above.

STATE OF TEXAS TWDB Contract No. 1500011983

COUNTY OF TRAVIS Flood Mitigation Assistance Project Grant

CITY OF LEWISVILLE, TEXAS

This Contract (hereinafter CONTRACT) is entered into by and between the TEXAS WATER DEVELOPMENT BOARD, the Grantee serving as the administrator of the Federal Emergency Management Agency's Flood Mitigation Assistance Program, and the **CITY OF LEWISVILLE, TEXAS**, the Subgrantee.

SECTION I. SPECIFIC CONDITIONS AND EXCEPTIONS TO STANDARD AGREEMENT

ARTICLE I. DEFINITIONS: For the purposes of this CONTRACT, the following terms or phrases shall have the meaning ascribed therewith:

1. TWDB - The Texas Water Development Board, (RECIPIENT), Data Universal Number System (DUNS) No. 091209978 or its designated representative

2. FEMA - Federal Emergency Management Agency

3. FMA – Flood Mitigation Assistance Program, Catalog of Federal Domestic Assistance (CFDA) No. 97.029

4. 2 CFR PART 200 – Title 2 of the Code of Federal Regulations, PART 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards "SuperCircircular".

5. CONTRACTOR/SUBRECIPIENT – CITY OF LEWISVILLE, TEXAS, Contractor DUNS No. 078364312

6. EXECUTIVE ADMINISTRATOR - The Executive Administrator of the TWDB or its designated representative

7. PARTICIPANTS – N/A

8. REQUIRED INTERLOCAL AGREEMENT(S) – N/A

9. FEMA APPROVAL DATE - February 17, 2016

10. TWDB APPROVAL DATE – December 1, 2015

DRAFT

11. PROJECT AREA – The project area is more specifically defined in Exhibit B (the original grant application).

12. DEADLINE FOR CONTRACT EXECUTION – August 9, 2016

13. CONTRACT EFFECTIVE DATE – May 29, 2015

14. PROJECT COMPLETION DATE – October 30, 2018

15. TOTAL PROJECT COSTS – $1,193,878.80

16. FEDERAL SHARE OF THE TOTAL PROJECT COSTS - Not to exceed $1,046,284.96 or 87.63% of the overall total of eligible expenses

17. LOCAL SHARE OF THE TOTAL PROJECT COSTS – $147,593.84 or 12.37% of the overall total of eligible expenses

18. PAYMENT REQUEST SUBMISSION SCHEDULE – Quarterly

19. OTHER SPECIAL CONDITIONS AND EXCEPTIONS TO STANDARD AGREEMENT OF THIS CONTRACT –

    a. All costs must be incurred during the period of performance unless pre-award costs are approved. A total of $1,000.00 in pre-award expenses is an allowable expense and shall be considered for reimbursement under this CONTRACT.

    b. No reimbursement or advance shall be released until the CONTRACTOR submits a grant implementation plan and is approved by TWDB.

DRAFT

SECTION II. STANDARD AGREEMENT

ARTICLE I. RECITALS

WHEREAS, the CONTRACTOR applied through the TWDB for a FEMA project grant under the FMA program to mitigate specific flood problems as identified in Exhibit B, the original grant application which is incorporated herein and made a permanent part of this CONTRACT;

WHEREAS, the CONTRACTOR and PARTICIPANTS will commit cash and/or in-kind services to pay for the LOCAL SHARE OF THE TOTAL PROJECT COSTS;

WHEREAS, the CONTRACTOR is the entity that will receive grant funds and will be responsible for the execution of this CONTRACT and compliance with FMA requirements;

WHEREAS, on the FEMA APPROVAL AWARD DATE, the FEMA approved the CONTRACTOR's application for financial assistance;

NOW, THEREFORE, the TWDB and the CONTRACTOR agree as follows:

ARTICLE II. AGREEMENTS

1. The United States of America, through the Director of the FEMA, has agreed to fund to the CONTRACTOR, through the TWDB, the FEDERAL SHARE OF THE TOTAL PROJECT COSTS. By acceptance of the funds awarded, the CONTRACTOR agrees to abide by the terms and conditions of this CONTRACT as set forth in this document and the documents identified therein and made a part hereof by reference.

2. Services and activities provided under this CONTRACT shall be in strict compliance with the requirements of the Texas Government Code, Chapter 742, as well as Exhibit A, the FEMA Award Package.

3. The CONTRACTOR will provide Flood Mitigation Assistance to the PROJECT AREA, as delineated and described in Exhibit B, the original grant application, and according to the implementation plan approved by the TWDB.

ARTICLE III. PERIOD OF PERFORMANCE

The period of performance of this CONTRACT shall be from the CONTRACT EFFECTIVE DATE to the PROJECT COMPLETION DATE, unless otherwise amended.

DRAFT

ARTICLE IV. FEDERAL LAWS AND RULES THAT APPLY

The FEMA requires all grant recipients to comply with Federal laws and rules. These Federal laws and rules are listed in Article VIII of the FEMA award package (Exhibit A) which is incorporated herein and made a permanent part of this CONTRACT. The CONTRACTOR will comply with all Federal laws and rules listed in Exhibit A.

ARTICLE V. GENERAL TERMS AND CONDITIONS

The specific terms and conditions of this CONTRACT are as follows:

1. The TWDB shall reimburse the CONTRACTOR for costs determined by the FEMA to be allowable, allocable, and reasonable in accordance with 2 CFR PART 200.

2. The CONTRACTOR shall follow matching or cost sharing requirements found in 2 CFR PART 200, of the Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

3. The project will be administered by the CONTRACTOR as per the Hazard Mitigation Assistance (HMA) Unified Guidance in effect when the application (Exhibit B) was submitted to the FEMA which is available at www.fema.gov.

4. The CONTRACTOR shall transfer to the TWDB, for return to the FEMA, the appropriate share, based on the Federal support percentage, of any refund, rebate, credit, or other accounts arising from the performance of this CONTRACT, along with accrued interest, if any. The CONTRACTOR shall take necessary action to effect prompt collection of all monies due or which may become due and to cooperate with the TWDB and the FEMA in any claim or suit in connection with the amounts due.

5. Construction Project Requirements
   a. Acceptance of Federal funding requires the FEMA, the TWDB, and the CONTRACTOR to comply with all Federal, State, and Local laws prior to the start of any construction activity. Failure to obtain all appropriate Federal, State, and Local environmental permits and clearances may jeopardize Federal funding.
   b. Any changes to the TWDB and the FEMA approved scope of work (Exhibit A) will require re-evaluation by the TWDB and the FEMA for the CONTRACTOR compliance with the National Environmental Act and other laws and Executive Orders.
   c. If ground disturbing activities occur during construction, the CONTRACTOR must ensure monitoring of the ground disturbance and, if any potential archeological resources are discovered, the CONTRACTOR will immediately cease construction in that area and notify the TWDB and the FEMA.

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6. Copyright. The TWDB and the FEMA reserve a royalty-free nonexclusive and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use the work for governmental purposes. Any publication resulting from work performed under this CONTRACT shall include an acknowledgement of the FEMA financial support and a statement that the publication does not constitute an endorsement nor reflect the views by the FEMA or the TWDB.

7. No subsequent grant, monetary increase amendments, or time extension amendments will be approved unless all overdue financial or performance reports have been submitted by the CONTRACTOR to the TWDB. Exceptions to this policy can be approved only by the FEMA.

8. The CONTRACTOR agrees that by accepting funds under this CONTRACT to comply with all regulations listed in 2 CFR PART 200 for Equipment/supplies and must be in compliance with state laws and procedures.

9. No Debt Against the State. This CONTRACT does not create any debt by or on behalf of the State of Texas and the TWDB. The TWDB's obligations under this CONTRACT are contingent upon the availability of appropriated funds and the continued legal authority of the TWDB to enter into this CONTRACT.

10. Independent Contractor and Insurance. For the purposes of this CONTRACT, the CONTRACTOR will be considered an independent contractor and, therefore, solely responsible for liability resulting from negligent acts or omissions and shall act in an individual capacity and not as agents, employees, partners, joint ventures, or associates of one another. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purposes whatsoever. The CONTRACTOR shall obtain all necessary insurance, in the judgment of the CONTRACTOR, to protect itself from liability arising out of this CONTRACT.

11. Procurement Laws. The CONTRACTOR shall comply with applicable State of Texas procurement laws, rules and policies, as well as 2 CFR, PART 200.319 -326, Methods of Procurement to be followed, including but not limited to competitive bidding and the Professional Services Procurement Act, Government Code, Chapter 2254, relating to contracting with persons whose services are within the scope of practice of: accountants, architects, landscape architects, land surveyors, medical doctors, optometrists, professional engineers, real estate appraisers, professional nurses, and certified public accountants.

12. Right to Audit.
    a. The CONTRACTOR and its subcontractors shall maintain all financial accounting documents and records, including copies of all invoices and receipts for expenditures, relating to the work under this CONTRACT. The CONTRACTOR shall make such documents and records available for examination and audit by the Executive

Administrator or any other authorized entity of the State of Texas. The CONTRACTOR's financial accounting documents and records shall be kept and maintained in accordance with generally accepted accounting principles and for a minimum of seven years following the completion of the CONTRACT. By executing this CONTRACT, the CONTRACTOR accepts the authority of the Texas State Auditor's Office to conduct audits and investigations in connection with all state funds received pursuant to this CONTRACT. The CONTRACTOR shall comply with directives from the Texas State Auditor and shall cooperate in any such investigation or audit. The CONTRACTOR agrees to provide the Texas State Auditor with access to any information the Texas State Auditor considers relevant to the investigation or audit. The CONTRACTOR also agrees to include a provision in any subcontract related to this CONTRACT that requires the subcontractor to submit to audits and investigation by the Texas State Auditor's Office in connection with all state funds received pursuant to the subcontract.

b. The CONTRACTOR shall make such documents and records available for examination and audit by the federal government and records shall be kept and maintained in accordance with generally accepted accounting principles and for a minimum of seven years following the submission of the final Federal Financial Report.

13. Force Majeure. Unless otherwise provided, neither the CONTRACTOR nor the TWDB nor any agency of the State of Texas, shall be liable to the other for any delay in, or failure of performance, of a requirement contained in this CONTRACT caused by force majeure. The existence of such causes of delay or failure shall extend the period of performance until after the causes of delay or failure have been removed, provided the non-performing party exercises all reasonable due diligence to perform. Force majeure is defined as acts of God, war, strike, fires, explosions, or other causes that are beyond the reasonable control of either party and that by exercise of due foresight such party could not reasonably have been expected to avoid, and which, by the exercise of all reasonable due diligence, such party is unable to overcome. Each party must inform the other in writing with proof of receipt within five (5) business days of the existence of such force majeure or otherwise waive this right as a defense.

14. Severance Provision. Should any one (1) or more provisions of this CONTRACT be held to be null, void, voidable, or, for any reason whatsoever, of no force and effect, such provision(s) shall be construed as severable from the remainder of this CONTRACT and shall not affect the validity of all other provisions of this CONTRACT which shall remain in full force and effect.

15. Registration Requirement. Pursuant to the FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT OF 2006, Pub. L. 109-282, the CONTRACTOR will be required to obtain a Data Universal Numbering System (DUNS) Number and register with Central Contractor Registration (CCR), and maintain current registration at all times during which this Agreement is in effect.

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16. Indemnification. The CONTRACTOR(S) shall indemnify and hold the TWDB and the State of Texas harmless, to the extent the CONTRACTOR(S) may do so in accordance with state law, from any and all losses, damages, liability, or claims therefore, on account of personal injury, death, or property damage of any nature whatsoever caused by the CONTRACTOR(S), arising out of the activities and work conducted pursuant to this CONTRACT. The CONTRACTOR(S) is solely responsible for liability arising out of its negligent acts or omissions during the performance of this CONTRACT. This agreement does not create any third party cause of action and the CONTRACTOR(S) does not waive any immunity available under state law.

ARTICLE VI. STANDARDS OF PERFORMANCE.

1. Personnel. The CONTRACTOR shall assign only qualified personnel to perform the services required under this CONTRACT. The CONTRACTOR shall be responsible for ensuring that any subcontractor utilized shall also assign only qualified personnel. Qualified personnel are persons who are properly licensed to perform the work and who have sufficient knowledge, skills, and ability to perform the tasks and services required herein according to the standards of performance and care for their trade or profession.

2. Professional Standards. The CONTRACTOR shall provide the services and deliverables in accordance with applicable professional standards. The CONTRACTOR represents and warrants that he is authorized to acquire subcontractors with the requisite qualifications, experience, personnel, and other resources to perform in the manner required by this CONTRACT.

3. Antitrust. The CONTRACTOR represents and warrants that neither the CONTRACTOR nor any firm, corporation, partnership, or institution represented by the CONTRACTOR, or anyone acting for such firm, corporation, partnership, or institution has (1) violated the antitrust laws of the State of Texas under the Texas Business & Commerce Code, Chapter 15, of the Federal antitrust laws; or (2) communicated directly or indirectly the proposal resulting in this CONTRACT to any competitor or other person engaged in such line of business during the procurement process for this CONTRACT.

4. Conflict of Interest. The CONTRACTOR represents and warrants that the CONTRACTOR has no actual or potential conflicts of interest in providing the deliverables required by this CONTRACT to the State of Texas and the TWDB. CONTRACTOR represents that the provision of services under this CONTRACT will not create an appearance of impropriety. The CONTRACTOR also represents and warrants that, during the term of this CONTRACT, the CONTRACTOR will immediately notify the TWDB, in writing, of any potential conflict of interest that could adversely affect the TWDB by creating the appearance of a conflict of interest.

5. The CONTRACTOR represents and warrants that neither the CONTRACTOR nor any person or entity that will participate financially in this CONTRACT has received

compensation from the TWDB or any agency of the State of Texas for participation in the preparation of specifications for this CONTRACT. The CONTRACTOR represents and warrants that he has not given, offered to give, and does not intend to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to any public servant in connection with this CONTRACT.

6. Proprietary and Confidential Information. The CONTRACTOR warrants and represents that any information that is proprietary or confidential, and is received by the CONTRACTOR from the TWDB or any governmental entity, shall not be disclosed to third parties without the written consent of the TWDB or applicable governmental entity, whose consent shall not be unreasonably withheld.

7. Public Information Act. The CONTRACTOR acknowledges and agrees that all documents, in any media, generated in the performance of work conducted under this CONTRACT are subject to public disclosure under the Public Information Act, Government Code, Chapter 552. The CONTRACTOR shall produce all documents upon request of the TWDB within two (2) business days when the documents are required to comply with a request for information under the Public Information Act.

8. Accurate and Timely Record Keeping. The CONTRACTOR warrants and represents that he will keep timely, true, accurate and honest books and records relating to the work performed and the payments received under this CONTRACT according to generally accepted accounting standards. Further, the CONTRACTOR agrees to create such books and records at or about the time the transaction reflected in the books and records occurs.

9. Dispute Resolution. The CONTRACTOR and the TWDB agree to make a good faith effort to resolve any dispute relating to the work required under this CONTRACT through negotiation and mediation as provided by Government Code, Chapter 2260 relating to resolution of certain contract claims against the state. The CONTRACTOR and the TWDB further agree that they shall attempt to use any method of alternative dispute resolution mutually agreed upon to resolve any dispute arising under this CONTRACT if this CONTRACT is not subject to Government Code, Chapter 2260.

10. Contract Administration. The TWDB shall designate a contract manager for this CONTRACT. The contract manager will serve as the point of contact between the TWDB and the CONTRACTOR. The TWDB's contract manager shall supervise the TWDB's review of the CONTRACTOR's technical work, deliverables, draft reports, final report, payment requests, schedules, financial and budget administration, and similar matters. The contract manager does not have any express or implied authority to vary the terms of the CONTRACT, amend the CONTRACT in any way or waive strict performance of the terms or conditions of the CONTRACT.

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ARTICLE VII. DISTRIBUTING GRANT FUNDS

1. The TWDB agrees to compensate and reimburse the CONTRACTOR in a total amount not to exceed the FEDERAL SHARE OF THE TOTAL PROJECT COSTS for costs incurred and paid by the CONTRACTOR pursuant to performance of this CONTRACT. The CONTRACTOR will contribute local matching funds in sources and amounts defined as the LOCAL SHARE OF THE TOTAL PROJECT COSTS. The TWDB shall reimburse the CONTRACTOR for one hundred percent (100%) of FEDERAL SHARE OF THE TOTAL PROJECT COSTS of each invoice up to ninety percent (90%) of the total FEMA share pending the CONTRACTOR's performance and the TWDB's review and approval of project completion according to the specific close-out requirements for FMA, at which time the TWDB shall pay the remaining ten percent (10%) to the CONTRACTOR. The costs share per property is detailed in Exhibits A and B.

   Notwithstanding the above referenced paragraph, the TWDB may provide advance funds to the CONTRACTOR in order to minimize the time elapsing between the transfer of funds and their disbursement by the CONTRACTOR. Such advance funds shall be in compliance with the FEMA regulations, including but not limited to 2 CFR PART 200. The CONTRACTOR understands and agrees that it has no right to such advances, but that the TWDB, in its sole discretion, may from time to time agree to advance payments.

2. The CONTRACTOR shall submit a copy to the TWDB of all Requests for Qualifications, the scoresheets for all respondents, and the Statement of Qualifications submitted by the selected respondent (s) for which the CONTRACTOR enters into a subcontract.

3. The CONTRACTOR must submit an implementation plan for review and approval by the TWDB. The approved implementation plan will then become a permanent part of this CONTRACT as Exhibit C.

4. Requests for advance or reimbursement of subcontractor expenses will only be considered where such subcontractor procurement(s) have been submitted and where such subcontracts or agreements have been determined acceptable by the EXECUTIVE ADMINISTRATOR as described herein. The EXECUTIVE ADMINISTRATOR must provide written review and acceptance of contracts or agreements between the CONTRACTOR and subcontractor(s) and between such subcontractors and any other subcontractors prior to the CONTRACTOR finalizing such subcontracts or agreements. All subcontract agreements must include the DUNS number for the subcontractor. The purpose of this review is solely to ensure that the subcontracts and agreements are consistent with this CONTRACT and that the rights of the TWDB are protected. The CONTRACTOR understands that the CONTRACTOR should obtain its own legal review of subcontracts and agreements that the CONTRACTOR enters into. The CONTRACTOR agrees that the TWDB assumes no legal obligations under its subcontracts or agreements and is merely a third-party beneficiary of the same. Each

subcontract or agreement shall include a detailed budget estimate with specific cost details for each task or specific item of work to be performed by the subcontractor and for each category of reimbursable expenses. The subcontracts shall conform to the terms of the CONTRACT and include provisions which require subcontractor compliance with the TWDB rules. The CONTRACTOR must adhere to all requirements in state law and the TWDB rules pertaining to the procurement of professional services. Subcontracts for surveying activities will not be required.

5. The CONTRACTOR shall submit advance or payment requests and the required documentation for reimbursement according to the PAYMENT REQUEST SUBMISSION SCHEDULE and in accordance with the approved task and expense budgets contained in Exhibit D to this CONTRACT.

6. The CONTRACTOR has budget flexibility within task and expense budget categories to the extent that the resulting change in amount, in any one (1) task or expense category, does not exceed ten percent of the total authorized amount by this CONTRACT. Larger deviations shall require approval by EXECUTIVE ADMINISTRATOR or designee and the FEMA (as per 2 CFR PART 200 of the Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments) which will be documented through an Approved Budget Memorandum to the TWDB contract file. The CONTRACTOR will be required to provide written explanation for the overage and reallocation of the task and expense amount.

   For all reimbursement requests, including any subcontractor's expenses, the EXECUTIVE ADMINISTRATOR must have determined that the REQUIRED INTERLOCAL AGREEMENT(S) and contracts or agreements between the CONTRACTOR and the subcontractors are consistent with the terms of this CONTRACT. The CONTRACTOR is fully responsible for paying all charges by subcontractors prior to reimbursement by the TWDB.

7. The CONTRACTOR and its subcontractors shall maintain timely, true, and accurate financial accounting documents and records, including copies of invoices and receipts, and shall make them available for examination and audit by the EXECUTIVE ADMINISTRATOR. Accounting by the CONTRACTOR and its subcontractors shall be in a manner consistent with Generally Accepted Accounting Principles (GAAP).

8. If the CONTRACTOR chooses and is authorized by TWDB for the advance method for distribution of grant funds under Section I, Item 19 and submits a Request for Advance Checklist to the EXECUTIVE ADMINISTRATOR, the TWDB will advance to the CONTRACTOR the amount shown in Section I, Item 18, if applicable, but not to exceed the percent of the FEDERAL SHARE OF THE TOTAL PROJECT COSTS.

9. When the CONTRACTOR has incurred expenses sufficient to reconcile the advance received, the CONTRACTOR will submit a Request for Advance Checklist to the

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EXECUTIVE ADMINISTRATOR for another advance of the FEDERAL SHARE OF THE TOTAL PROJECT COSTS. The CONTRACTOR will attach to the Request for Advance Checklist, the most recent written performance report described in Article IX, Item 1 of this Section and the documentation listed in Item 10 below. Any expenses incurred by the CONTRACTOR above the amount of the previous advance will be reimbursed to the CONTRACTOR based on the percentage of the FEDERAL SHARE OF THE TOTAL PROJECT COSTS of this CONTRACT.

10. For reimbursement, the CONTRACTOR will submit a Payment Request Checklist and the documentation listed below, according to the PAYMENT SUBMISSION SCHEDULE. The Payment Request package will include the following:
    a. The most recent written performance report required by Article IX, Item 1 of this Section;
    b. Summary of total expenses incurred and amounts paid, including the following information:
        - CONTRACTOR's Vendor Identification Number;
        - TWDB Contract Number;
        - The reimbursement period: beginning (date) through ending (date);
        - TOTAL PROJECT COSTS for the reimbursement period broken down by budget categories contained in Exhibit D;
        - Total In-kind services, if applicable;
        - Less LOCAL SHARE OF THE TOTAL PROJECT COSTS for the billing period, if applicable;
        - Total FEDERAL SHARE OF THE TOTAL PROJECT COSTS for the billing period;
        - Total costs to be reimbursed by the TWDB for the billing period; and
        - Certification, signed by the CONTRACTOR's authorized representative, that the expenses submitted for the reimbursement period are a true and correct representation of amounts paid for work performed directly related to this CONTRACT.
    c. For direct expenses incurred by the CONTRACTOR for subcontracted work:
        - Copies of invoices from the subcontractor to the CONTRACTOR and proof of payment;
        - A spreadsheet showing the tasks that were performed; the percent and cost of each task completed; a total cost figure for each direct expense category contained in Exhibit D; and the total dollar amount paid to and due to the subcontractor(s). Any payments of expenses which the CONTRACTOR withholds from a subcontractor for the purposes of retainage, shall be considered to have been paid by the CONTRACTOR for purposes of determining expenses paid under the previous sentence; and
        - Copies of detailed, itemized invoices/receipts for other expenses (credit card summary receipts or statements are not acceptable).
    d. For direct expenses incurred by the CONTRACTOR other than subcontracted work:
        - A spreadsheet showing the tasks that were performed, the percent and cost of each

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task completed, and a total cost figure for each direct expense category contained in Exhibit D; and

- Copies of detailed, itemized invoices/receipts for other expenses (credit card summary receipts or statements are not acceptable).

e. For travel expenses for the CONTRACTOR(S) and/or subcontractors:

- Names, dates, work locations, time periods at work locations, itemization of and receipts for subsistence expenses of each employee, limited, however, travel is limited to the maximum amounts authorized by the U.S. General Services Administration, as amended or superseded. Receipts required for lodging;
- Copies of invoices or receipts for transportation costs or, if mileage costs, names, dates, and points of travel of individuals; and
- All other reimbursable travel expenses i.e., invoices or purchase vouchers showing reason for expense with receipts to evidence the amount incurred.

11. Within thirty (30) days of the EXECUTIVE ADMINISTRATOR's final accounting of the amounts expended by the CONTRACTOR and the amounts advanced by the TWDB to the CONTRACTOR, the CONTRACTOR will refund to the TWDB any advances not used for expenses approved by the EXECUTIVE ADMINISTRATOR. If the amounts expended by the CONTRACTOR exceed the amounts advanced by the TWDB, the EXECUTIVE ADMINISTRATOR will provide such differences to the CONTRACTOR, if not in excess of the FEDERAL SHARE OF THE TOTAL PROJECT COSTS.

12. Reimbursement Requests that lack required documentation will be denied or short paid if deficiencies are not resolved within 10 business days. Denied Reimbursement Requests or eligible expenses that were short paid must be resubmitted by the CONTRACTOR with the required documentation to be reconsidered for reimbursement within 30 business days

13. If for some reason the reimbursement request cannot be processed due to the need for an amendment to the CONTRACT, the CONTRACTOR will be required to resubmit the Payment Request Checklist dated after the execution of the amendment.

14. The CONTRACTOR is responsible for any food or entertainment expenses incurred by its own organization or that of its subcontractors, outside that of the travel expenses authorized and approved by the State of Texas under this CONTRACT.

15. The CONTRACTOR is responsible for submitting any final payment request and documentation for reimbursement, along with a request to release any retained funds, no later than 45 days following the PROJECT COMPLETION DATE. Failure to submit a timely final payment request may result in the release of the retained funds to the CONTRACTOR and a lapse and closure of any other remaining funding under this CONTRACT.

ARTICLE VIII. FINANCIAL REPORTS

1. The CONTRACTOR shall submit one (1) copy of the TWDB Quarterly Financial Report (TWDB QFR) and Federal Financial Report (FFR, SF-425) either through the mail to Contracting and Purchasing or by email to contracts@twdb.texas.gov within15 days following the end of each quarter of the project with the exception of the final Financial Status Report, which shall be due 45 days after project completion.

2. If applicable, the CONTRACTOR shall submit any other reports as stated in Exhibit A of this CONTRACT.

ARTICLE IX. PERFORMANCE REPORTING

1. Quarterly. The CONTRACTOR shall submit an original Program Performance Report (SF-PPR) and any supporting documentation to the TWDB's contract manager within 15 days following the end of each quarter in accordance with Article V, Item 3.

2. Final Report. The CONTRACTOR shall submit an original SF-PPR and SF-425 and any supporting documentation which details all the work performed under the CONTRACT according to the specific close-out requirements according to Article V, Item 3. The report shall be submitted to the TWDB's contract manager within 45days following project completion.

ARTICLE X. AMENDMENT, TERMINATION, AND STOP ORDERS

1. Notice. The TWDB, CONTRACTOR, or FEMA may terminate grant award agreements by giving written notice to the other party at least seven (7) calendar days prior to the effective date of the termination. All notices are to be transmitted via registered or certified mail, return receipt requested. The CONTRACTOR's authority to incur new costs will be terminated upon the date of receipt of the notice or the date set forth in the notice. Any costs incurred up to the earlier of the date of the receipt of the notice or the date of termination set forth in the notice will be negotiated for final payment. Closeout of the Grant Agreement will be commenced and processed as prescribed under Article V, Item 3.

2. Discontinuation of Work. Upon receiving notice of termination, the CONTRACTOR will discontinue work in accordance with the EXECUTIVE ADMINISTRATOR's termination instructions.

   Further, the CONTRACTOR will delay or terminate all applicable orders and subcontracts immediately

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3. Unpaid Balances. In the event that this CONTRACT is terminated, the TWDB's only liability will be to pay the CONTRACTOR the unpaid balance due the CONTRACTOR for work actually performed.

4. The EXECUTIVE ADMINISTRATOR may issue a Stop Work Order to the CONTRACTOR at any time. Upon receipt of such order, the CONTRACTOR shall discontinue all work under this CONTRACT and cancel all orders pursuant to this CONTRACT, unless the order directs otherwise. If the EXECUTIVE ADMINISTRATOR does not issue a Restart Order within 60 days after receipt by the CONTRACTOR of the Stop Work Order, the CONTRACTOR shall regard this CONTRACT terminated in accordance with the foregoing provisions.

5. The EXECUTIVE ADMINISTRATOR can extend the PROJECT COMPLETION DATE upon written approval from the FEMA. The CONTRACTOR should notify the EXECUTIVE ADMINISTRATOR in writing within ninety (90) days prior to the PROJECT COMPLETION DATE if an extension is required.

6. If termination of the CONTRACT occurs, the procedures described in 2 CFR PART 200, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, will be followed.

ARTICLE XI. CORRESPONDENCE, REPORTS, AND REIMBURSEMENTS

All correspondence, reports, and reimbursements related to this CONTRACT shall be made to the following addresses:

For the TWDB:

Contract Issues:
Texas Water Development Board
Attention: Contract Administration
P.O. Box 13231
Austin, Texas 78711-3231
Email: contracts@twdb.texas.gov

Payment Request Submission:
Texas Water Development Board
Attention: Accounts Payable
P.O. Box 13231
Austin, Texas 78711-3231
Email: invoice@twdb.texas.gov

Physical Address:
Stephen F. Austin State Office Building

For the CONTRACTOR:

Contract Issues:
Eric Hutmacher, Emergency Mngmt. Specialist
City of Lewisville
Office of Emergency Management
P.O. Box 299002
Lewisville, Texas 75029-9002
972-219-3431
Email: ehutmacher@cityoflewisville.com

Payment Request Submission:
Brenda Martin, Director of Financial Services
City of Lewisville
Finance Administration
P.O. Box 299001
Lewisville, TX 75029-9002
972-219-3775

1700 N. Congress Avenue
Austin, Texas 78701

Email: bmartin@cityoflewisville.com

Physical Address:

151 West Church Street
Lewisville, TX 75057

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IN WITNESS WHEREOF, the parties have caused this CONTRACT to be duly executed in duplicate originals.

TEXAS WATER DEVELOPMENT BOARD	**CITY OF LEWISVILLE**
_____	_____
_____	Donna Barron
Executive Administrator	City Manager
Date:_____	Date: _____

DRAFT

MEMORANDUM

TO: Donna Barron, City Manager

FROM: David Salmon, PE, City Engineer

VIA: Eric Ferris, Assistant City Manager

DATE: May 20, 2016

SUBJECT: **Approval of an Amendment to the Interlocal Cooperation Agreement for the Operation and Maintenance of Traffic Signals Between the Texas Department of Transportation and the City of Lewisville to Add the Maintenance of the Traffic Signals on FM 423 at Lake Highlands Drive and at Lone Star Ranch Parkway in the City of The Colony; and Authorize the City Manager to Execute the Agreement.**

BACKGROUND

The Texas Department of Transportation (TxDOT) is responsible for maintenance of traffic signals on State roadways within cities of less than 50,000 population as those smaller cities generally do not have the adequate staff capabilities. Once a city surpasses the 50,000 population threshold, TxDOT typically enters into an agreement with that City for it to take over the maintenance of the signals along the TxDOT roadways. The City of Lewisville has served as a partner to the Texas Department of Transportation for the maintenance of the TxDOT traffic signals within the City and several surrounding cities of less than 50,000 population since 1999. Lewisville's agreement covers TxDOT signals within the Cities of Coppell, Corinth, The Colony, Hickory Creek and Lake Dallas. In 2009, the original agreement was revised to allow for increased costs associated with the maintenance of the signals outside of the City and to amend the locations included. The City presently maintains several signals along FM 423 in The Colony including the signals at the Sam Rayburn Tollway Service Roads; at Memorial Lane; at Cougar Alley; at the QuikTrip Driveway; at South Colony Boulevard; and at North Colony Boulevard. TxDOT is constructing two additional signals on FM 423 at Lake Highlands Drive and at Lone Star Ranch Parkway as part of the FM 423 widening project that is now ongoing. The addition of the two signals at Lake Highlands Drive and at Lone Star Ranch Parkway will bring the total number of signals that are maintained by the City of Lewisville along the FM 423 corridor to eight signals. There are no changes proposed for any of the other cities included in the agreement. The Council approved a similar amendment to the agreement on August 03, 2015 for Lake Highlands Drive, however the previous amendment has not been ratified by all the Cities party to the agreement. Staff proposed to TXDOT that a new amendment be drafted that includes both new signals and suspending processing of the previous amendment.

ANALYSIS

The City of The Colony is below the population threshold of fifty thousand residents thus, TxDOT has requested that the City of Lewisville add these two new signals to the others already maintained by the City on FM 423.

The annual reimbursement from TxDOT to the City of Lewisville for maintaining the traffic signals on State roadways outside the City jurisdiction is as follows:

Fully Actuated Signals at Intersections with One (1) Controller:	$4,195.00 per year
Fully Actuated Signals at Intersections with Two (2) Controllers:	$5,120.00 per year

The above reimbursement costs were renegotiated in the year 2009 and were developed by the Public Services Department based on equipment costs and man-hours for engineering and maintenance. Since the two new fully actuated signals on FM 423 are at standard four-leg intersections with a single controller and cabinet respectively, the reimbursement to the City will be at the same rate as the other signals on FM 423 ($4,195.00 per year each). It is expected The Colony will surpass 50,000 population prior to the next census, thus the agreement will be amended to eliminate all signals within The Colony prior to or at that time. This item is considered an administrative action and was not submitted before the Transportation Board.

RECOMMENDATION

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

Texas Department of Transportation
4777 E. HWY 80, MESQUITE, TEXAS 75150 | WWW.TXDOT.GOV

April 28, 2016

Contract #18-0XXM5003
Amendment #2
Voluntary Interlocal Cooperation Agreement
For the Operation and Maintenance of Traffic Signals
City of Lewisville

Kevin Nims, PE
Traffic Engineering
City of Lewisville
PO Box 299002
Lewisville, TX 75029-9002

Dear Mr. Nims:

Please find attached, seven (7) original *Amendments #2* to the original *Voluntary Interlocal Cooperation Agreement for the Operation and Maintenance of Traffic Signals* for your review and approval. If all is satisfactory, please obtain authorized signatures on all originals, obtain a City Council Resolution and forward to the next city for their consideration, as discussed. After all cities have signed and attached a City Council Resolution, please return all seven (7) amendments to me for further processing. All will receive a fully executed original for their files and use.

Feel free to contact Angela Green at 214-320-4432, if needed.

Sincerely,

Andrew Oberlander, P.E.

Andrew R. Oberlander, P.E.
District Transportation Operations Engineer

Attachment

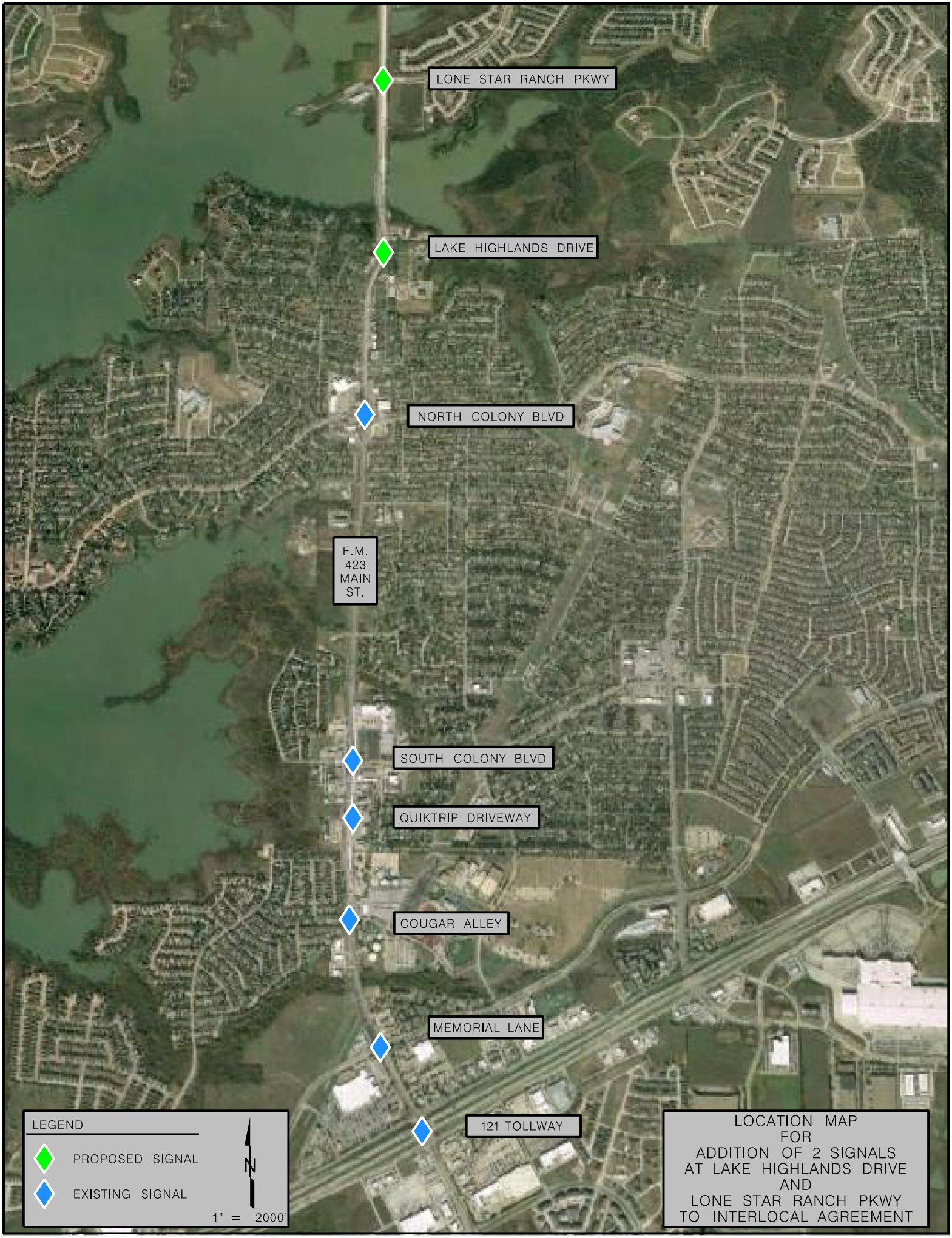
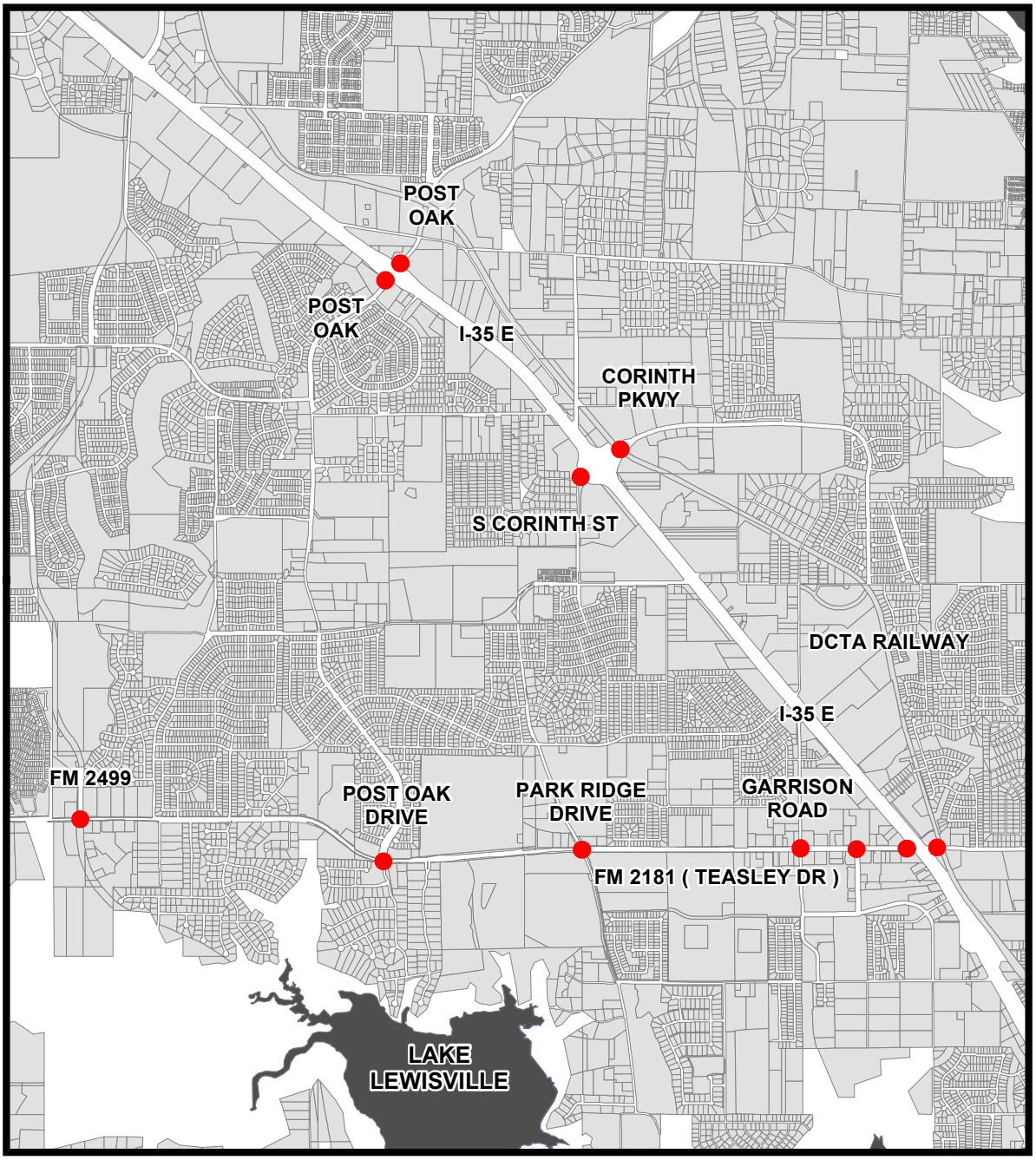

LONE STAR RANCH PKWY
LAKE HIGHLANDS DRIVE
NORTH COLONY BLVD
F.M. 423 MAIN ST.
SOUTH COLONY BLVD
QUIKTRIP DRIVEWAY
COUGAR ALLEY
MEMORIAL LANE
121 TOLLWAY
LEGEND
PROPOSED SIGNAL
EXISTING SIGNAL
N
1" = 2000'
LOCATION MAP
FOR
ADDITION OF 2 SIGNALS
AT LAKE HIGHLANDS DRIVE
AND
LONE STAR RANCH PKWY
TO INTERLOCAL AGREEMENT

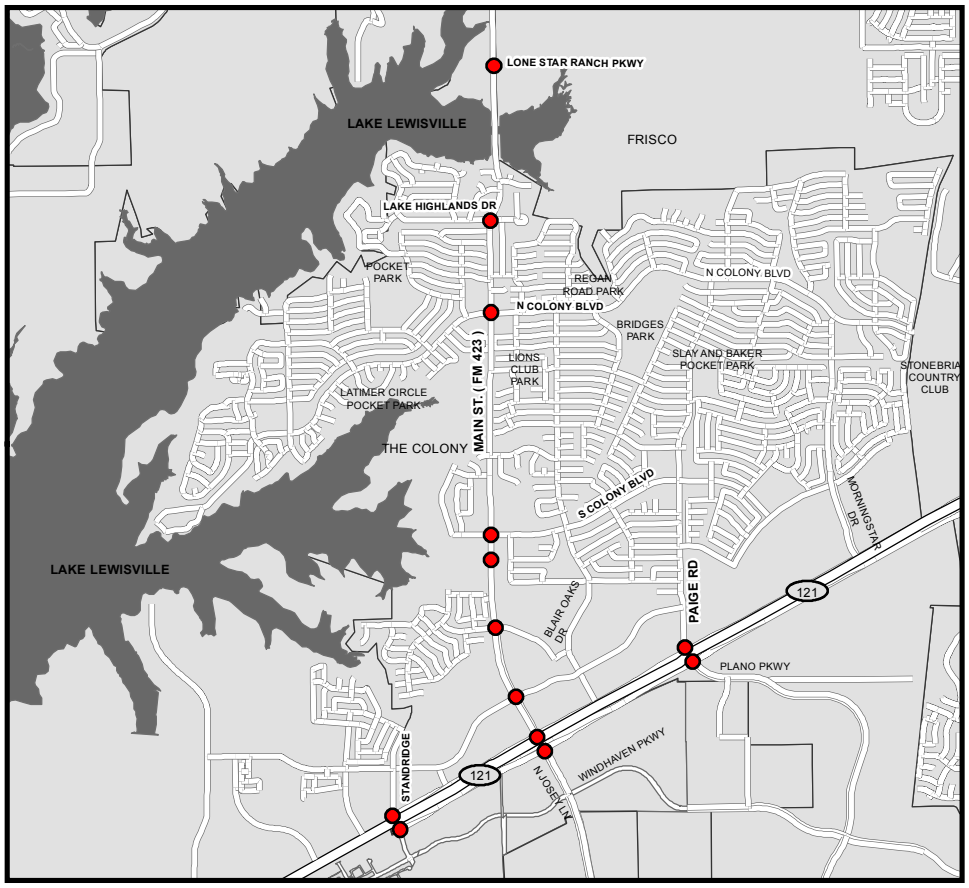
Exhibit 1A - Traffic Signal Locations in TxDOT Inter-local Cooperation Agreement



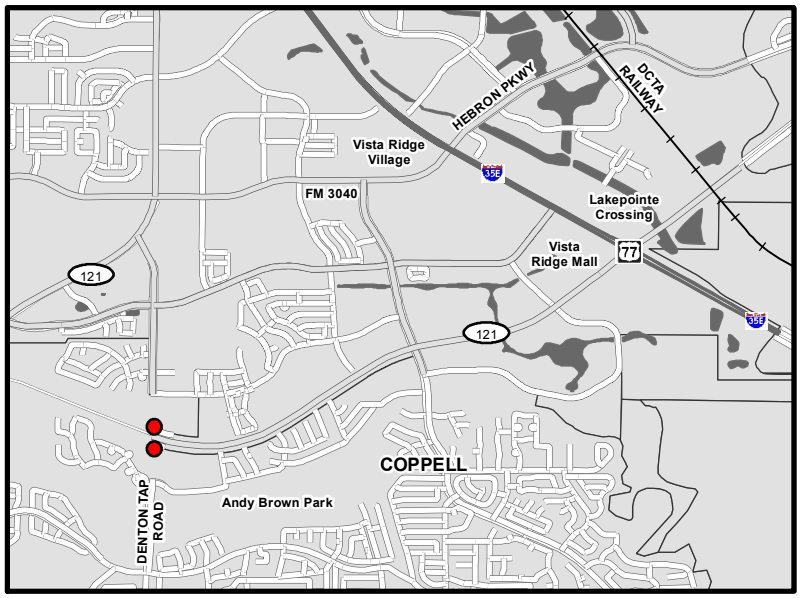
A. IH - 35 E AT CORINTH PKWY AND POST OAK (CITY OF CORINTH)

B. FM 2181 (TEASLEY DR AT FM 2499, POST OAK, PARKRIDGE/SYCAMORE BEND, TOWN HALL/ GARRISON AND IH - 35 E (IN CORINTH, HICKORY CREEK AND LAKE DALLAS)

Exhibit 1B - Traffic Signal Locations in Tx-DOT Inter-local Cooperation Agreement



FM 423 AND SH 121 IN THE COLONY



SH 121 AND DENTON TAP ROAD IN COPPELL

Contract # 18-0XXM5003

THE STATE OF TEXAS §

THE COUNTY OF TRAVIS §

AMENDMENT TO VOLUNTARY INTERLOCAL COOPERATION AGREEMENT FOR THE OPERATION AND MAINTENANCE OF TRAFFIC SIGNALS

Amendment Number 2

It is mutually understood and agreed by and between the undersigned contracting parties to the above numbered Voluntary Interlocal Cooperation Agreement for the Operation and Maintenance of Traffic Signals to amend said Agreement as follows:

Article 4 – Compensation (a) shall be voided in its entirety and replaced with the following:

Article 4 – Compensation (a) The maximum amount payable under this Agreement is $81,555 per year.

Exhibit 1-A shall be voided in its entirety and replaced with the attached EXHIBIT 1-B to add FM 423 at Lake Highlands and FM 423 at Lone Star Ranch Parkway.

This amendment shall become effective when fully executed. All other terms and conditions of the above numbered Voluntary Interlocal Cooperation Agreement for the Operation and Maintenance of Traffic Signals not hereby amended remain in full force and effect.

ADMINISTRATOR—CITY OF LEWISVILLE

By _____ Date _____

AUTHORIZED SIGNATURE

_____

TYPED OR PRINTED NAME AND TITLE

Title _____

LOCAL GOVERNMENT—CITY OF COPPELL

By _____ Date _____

AUTHORIZED SIGNATURE

_____

TYPED OR PRINTED NAME AND TITLE

Title _____

LOCAL GOVERNMENT—CITY OF CORINTH

By _____ Date _____

AUTHORIZED SIGNATURE

_____

TYPED OR PRINTED NAME AND TITLE

Title _____

LOCAL GOVERNMENT—CITY OF THE COLONY

By _____ Date _____
AUTHORIZED SIGNATURE

_____
TYPED OR PRINTED NAME AND TITLE

Title _____

LOCAL GOVERNMENT—TOWN OF HICKORY CREEK

By _____ Date _____
AUTHORIZED SIGNATURE

_____
TYPED OR PRINTED NAME AND TITLE

Title _____

LOCAL GOVERNMENT—CITY OF LAKE DALLAS

By _____ Date _____
AUTHORIZED SIGNATURE

_____
TYPED OR PRINTED NAME AND TITLE

Title _____

FOR THE STATE OF TEXAS

Executed for the Executive Director and approved for the Texas Transportation Commission for the purpose and effect of activating and/or carrying out the orders, established policies or work programs heretofore approved and authorized by the Texas Transportation Commission.

By _____ Date _____
James K. Selman, P.E.
Dallas District Engineer

EXHIBIT 1-B

Signalized intersections with one (1) controller on State Highways located within the Local Government of The Colony.

SH 121 at Standridge
SH 121 at FM 423/Crider
SH 121 at Paige/Plano Parkway
FM 423 at Lake Highlands
FM 423 at Lone Star Ranch Parkway
FM 423 at Memorial Drive
FM 423 at Cougar Alley
FM 423 at South Colony
FM 423 at North Colony
FM 423 at Quick Trip Driveway

Signalized intersections with one (1) controller on State Highways located within the Local Government of Coppell.

SH 121 at Denton Tap Road

Signalized intersections with one (1) controller on State Highways located within the Local Governments of Corinth, Hickory Creek and Lake Dallas.

IH35E at FM 2181 (Swisher)

Signalized intersections with one (1) controller on State Highways located within the Local Governments of Corinth and Hickory Creek.

FM 2181 (Teasley Drive) at Hickory Creek Blvd.
FM 2181 (Teasley Drive) at Town Hall/Garrison
FM 2181 (Teasley Drive) at Parkridge/Sycamore Bend

Signalized intersections with one (1) controller on State Highways located within the Local Government of Corinth.

FM 2181 at Post Oak
FM 2181 at FM 2499

Signalized intersections with two (2) controllers on State Highways located within the Local Government of Corinth.

IH35E at Corinth Parkway
IH 35E at Post Oak

MEMORANDUM

TO: Donna Barron, City Manager

FROM: Brenda Martin, Director of Finance

DATE: May 26, 2016

SUBJECT: **Series 2016 General Obligation Refunding and Improvement Bonds**

BACKGROUND

Attached for consideration is an Ordinance and other draft documents related to the issuance of City of Lewisville, Texas, General Obligation Refunding and Improvement Bonds, Series 2016. The estimated amount of $15,670,000 will provide design and construction of improvements to the City's streets, sidewalks and related drainage improvements, design and construction of improvements to the City's parks, open spaces, trails, park and recreation facilities, design and construction of an indoor aquatic center, costs related to public art at certain improvements and facilities, and costs associated with the issuance of the bonds. The authorization for this new money was approved by the voters this past November.

Also included in this estimated amount are funds for refunding a portion of General Obligation Refunding and Improvement Bonds, Series 2007, Combination Tax and Revenue Certificates of Obligations, Series 2007A, Combination Tax and Revenue Certificates of Obligations, Series 2007B, and General Obligation Bonds, Series 2008 in order to lower the overall debt service requirements of the City.

ANALYSIS

Estimated premium generated on the sale of the Bonds is anticipated to lower the par amount of the bonds. Premium on the bonds is generated when an investor pays more than 100 cents on the dollar for the bonds they are buying. For example, if an investor pays 105 cents on the dollar for a bond, 5 cents is considered premium. This premium may be used to 1) cover costs of issuance and 2) provide proceeds to pay off the bonds being refunded. Actual results of the sales will depend on actual market interest rates obtained on the day of pricing, June 6th.

Due to citizen involvement with the Lewisville 2025 plan and visioning process, interest is high with regard to upcoming capital projects within the community. Discussions with FirstSouthwest, a division of Hilltop Securities and the City's financial advisory firm, resulted with the addition of a retail order period on the day of sale that will allow a qualified Lewisville individual to bid for a

portion of the City's bonds being sold. Successful bids will be selected based on the lowest yield to the City. Results of the sale will be provided at the June 6, 2016 City Council meeting.

RECOMMENDATION

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

ORDINANCE NO. ____-__-2016

AUTHORIZING THE
ISSUANCE OF

CITY OF LEWISVILLE, TEXAS
GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS
SERIES 2016

Dated: June 1, 2016

Adopted: June 6, 2016

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SCHEDULE OF REFUNDED BONDS.....Schedule I

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LEWISVILLE, TEXAS, AUTHORIZING THE ISSUANCE AND SALE OF CITY OF LEWISVILLE, TEXAS, GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2016 IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____; LEVYING A TAX IN PAYMENT THEREOF; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, A PAYING AGENT/REGISTRAR AGREEMENT AND AN ESCROW AGREEMENT; CALLING CERTAIN OUTSTANDING BONDS FOR REDEMPTION; APPROVING THE OFFICIAL STATEMENT; AND ENACTING OTHER PROVISIONS RELATING THERETO

WHEREAS, there are presently outstanding certain obligations (the "Refunded Obligations") of the City of Lewisville, Texas (the "City") described on Schedule I hereto, which are secured by and payable from ad valorem taxes levied on property within the City in an amount sufficient to pay principal of and interest on such obligations as they become due within the limits prescribed by law; and

WHEREAS, the City now desires to refund such obligations described on Schedule I hereto; and

WHEREAS, Chapter 1207, Texas Government Code, as amended ("Chapter 1207") authorizes the City to issue refunding bonds for the purpose of refunding or defeasing the Refunded Obligations in advance of their maturities, and to accomplish such refunding or defeasance by depositing directly with a qualified escrow agent, the proceeds of such refunding bonds, together with other available funds, in an amount sufficient to provide for the payment or redemption of the Refunded Obligations, and provides that such deposit shall constitute the making of firm banking and financial arrangements for the discharge and final payment or redemption of the Refunded Obligations; and

WHEREAS, the City desires to authorize the execution of an escrow agreement in order to provide for the deposit of proceeds of the refunding bonds and, to the extent specified pursuant hereto, other lawfully available funds of the City, to pay the redemption price of the Refunded Obligations when due; and

WHEREAS, upon the issuance of the refunding bonds herein authorized and the deposit of funds referred to above, the Refunded Obligations shall no longer be regarded as being outstanding, except for the purpose of being paid pursuant to such deposit, and the pledges, liens, trusts and all other covenants, provisions, terms and conditions of the orders authorizing the issuance of the Refunded Obligations shall be, with respect to the Refunded Obligations, discharged, terminated and defeased; and

WHEREAS, the City Council hereby finds and determines that the issuance of the refunding bonds will result in a net present value debt service savings of $_____ and that the refunding contemplated in this Ordinance will benefit the City and that such benefit is sufficient consideration for the refunding of the Refunded Obligations; and

WHEREAS, the City also intends to issue bonds to finance improvements which the City Council determines to be necessary within the City; and

WHEREAS, the bonds hereinafter authorized were duly and favorably voted, as required by the Constitution and laws of the State of Texas, at an election held in the City; and

WHEREAS, at an election held on November 3, 2015, the following are among the purposes and amounts of the bonds which were authorized, reflecting any amount previously issued pursuant to each voted authorization, the amount therefrom being issued pursuant to this Ordinance, and the balance that remains unissued after the issuance of the bonds herein authorized, to wit:

Purpose	Amount Voted	Amount Previously Issued	Amount Being Issued	Unissued Balance
2015 Election				
Street Improvements	$71,600,000	$-0-	$1,275,000	$70,325,000
Park and Recreation Improvements	39,900,000	-0-	2,735,000	37,165,000
Fire Improvements	10,500,000	-0-	-0-	10,500,000
Aquatic Center	13,000,000	-0-	1,420,000	11,580,000

WHEREAS, the City Council has found and determined that it is necessary and in the best interest of the City and its citizens that it authorize by this Ordinance the issuance and delivery of its bonds for the purposes set forth herein in a single series at this time; and

WHEREAS, the meeting at which this Ordinance is considered is open to the public as required by law, and the public notice of the time, place and purpose of said meeting was given as required by Chapter 551, Texas Government Code, as amended; therefore

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

ARTICLE I

DEFINITIONS AND OTHER PRELIMINARY MATTERS

Section 1.01. Definitions.

Unless otherwise expressly provided or unless the context clearly requires otherwise in this Ordinance, the following terms shall have the meanings specified below:

"Bond" means any of the Bonds.

"Bond Date" means the date designated as the date of the Bonds by Section 3.02(a) of this Ordinance.

"Bond" or "Bonds" means the City's bonds authorized to be issued by Section 3.01 of this Ordinance and designated as "City of Lewisville, Texas, General Obligation Refunding and Improvement Bonds, Series 2016."

"Bond Purchase Agreement" means the Bond Purchase Agreement between the Underwriters and the City dated as of the date hereof.

"Business Day" means any day which is not a Saturday, Sunday or legal holiday, or day on which banking institutions in the State of Texas or the city in which the Designated Payment/Transfer Office is located are generally authorized or obligated by law or executive order to close.

"City" means the City of Lewisville, Texas.

"Closing Date" means the date of the initial delivery of and payment for the Bonds.

"Code" means the Internal Revenue Code of 1986, as amended, including applicable regulations, published rulings and court decisions.

"Designated Payment/Transfer Office" means (i) with respect to the initial Paying Agent/Registrar named herein, its office in Dallas, Texas, or at such other location designated by the Paying Agent/Registrar and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the City and such successor.

"DTC" means The Depository Trust Company of New York, New York, or any successor securities depository.

"DTC Participant" means brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

"Escrow Agent" means The Bank of New York Mellon Trust Company, N.A.

"Escrow Agreement" means the Escrow Agreement relating to the Bonds, by and between the Escrow Agent and the City.

"Escrow Fund" means the fund referred to in Section 12.1 of this Ordinance and established by the Escrow Agreement to hold cash and securities for the payment of principal and interest on the Refunded Obligations.

"Event of Default" means any event of default as defined in Section 10.01 of this Ordinance.

"Fiscal Year" means such fiscal year as shall from time to time be set by the City Council.

"Initial Bond" means the Initial Bond authorized by Section 3.04 of this Ordinance.

"Interest and Sinking Fund" means the interest and sinking fund established by Section 2.02 of this Ordinance.

"Interest Payment Date" means the date or dates on which interest on the Bonds is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being February 15 and August 15, commencing February 15, 2017.

"MSRB" means the Municipal Securities Rulemaking Board, or its successor.

"Owner" means the person who is the registered owner of a Bond or Bonds, as shown in the Register.

"Paying Agent/Registrar" means initially The Bank of New York Mellon Trust Company, National Association, or any successor thereto as provided in this Ordinance.

"Record Date" means the last Business Day of the month next preceding an Interest Payment Date.

"Register" means the bond register specified in Section 3.06(a) of this Ordinance.

"Representative" means the entity representing the Underwriters designated in the Bond Purchase Agreement.

"Rule" means SEC Rule 15c2-12, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

"Special Payment Date" means the Special Payment Date prescribed by Section 3.03(b) of this Ordinance.

"Special Record Date" means the Special Record Date prescribed by Section 3.03(b) of this Ordinance.

"Unclaimed Payments" means money deposited with the Paying Agent/Registrar for the payment of principal of, redemption premium, if any, or interest on the Bonds as the same come due and payable or money set aside for the payment of Bonds duly called for redemption prior to maturity.

"Underwriters" mean Raymond James and Stephens, Inc.

Section 1.02. Findings.

The declarations, determinations and findings declared, made and found in the preamble to this Ordinance are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.03. Table of Contents, Titles and Headings.

The table of contents, titles and headings of the Articles and Sections of this Ordinance have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Ordinance or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.04. Interpretation.

(a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) Any action required to be taken on a date which is not a Business Day shall be taken on the next succeeding Business Day and have the same effect as if taken on the date so required.

(c) This Ordinance and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Ordinance.

(d) Article and section references shall mean references to articles and sections of this Ordinance unless otherwise designated.

ARTICLE II

SECURITY FOR THE BONDS; INTEREST AND SINKING FUND

Section 2.01. Tax Levy.

(a) Pursuant to the authority granted by the Texas Constitution and the laws of the State of Texas, there shall be levied and there is hereby levied for the current year and for each succeeding year thereafter while any of the Bonds or any interest thereon is outstanding and unpaid, an ad valorem tax on each one hundred dollars valuation of taxable property within the City, at a rate sufficient, within the limit prescribed by law, to pay the debt service requirements of the Bonds, being (i) the interest on the Bonds, and (ii) a sinking fund for their redemption at maturity or a sinking fund of 2% per annum (whichever amount is greater), when due and payable, full allowance being made for delinquencies and costs of collection.

(b) The ad valorem tax thus levied shall be assessed and collected each year against all property appearing on the tax rolls of the City most recently approved in accordance with law and the money thus collected shall be deposited as collected to the Interest and Sinking Fund.

(c) Said ad valorem tax, the collections therefrom, and all amounts on deposit in or required hereby to be deposited to the Interest and Sinking Fund are hereby pledged and committed irrevocably to the payment of the principal of and interest on the Bonds when and as due and payable in accordance with their terms and this Ordinance.

Section 2.02. Interest and Sinking Fund.

(a) The City hereby establishes a special fund or account, to be designated the "City of Lewisville, Texas, General Obligation Refunding and Improvement Bonds, Series 2016, Interest and Sinking Fund," said fund to be maintained at an official depository bank of the City separate and apart from all other funds and accounts of the City.

(b) Money on deposit in or required by this Ordinance to be deposited to the Interest and Sinking Fund shall be used solely for the purpose of paying the interest on and principal of the Bonds when and as due and payable in accordance with their terms and this Ordinance.

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.01. Authorization.

The City's bonds to be designated "City of Lewisville, Texas, General Obligation Refunding and Improvement Bonds, Series 2016," are hereby authorized to be issued and delivered in accordance with the general laws of the State of Texas, including particularly, Chapter 1331, Texas Government Code, and Section 9.26 of the Charter of the City. The Bonds shall be issued in the aggregate principal amount of $_____, for the purpose of (i) acquiring, designing, developing, constructing, improving, extending and expanding streets, thoroughfares, sidewalks, bridges, and other public ways of the City, including streetscaping, street lighting, right-of-way protection, utility relocation and related storm drainage improvements and installing public art related to and being a part of some or all of the foregoing, and acquiring land and rights-of-way in connection with such public improvements in connection therewith, in and for the City; (ii) acquiring, developing, constructing, equipping, renovating and improving parks, trails, park and recreation facilities and open spaces for park and recreation purposes, in and for the City, and including acquiring, constructing, and installing public art related to and being part of some or all of the foregoing, including the acquisition of land in connection with such public improvements, (iii) acquiring, developing, constructing, and equipping, an indoor aquatic center, including pool facilities and water recreation facilities, in and for the City, including the acquisition of land in connection with such public improvements; (iv) providing funds to refund the Refunded Obligations; and (v) paying the costs of issuing the Bonds.

Section 3.02. Date, Denomination, Maturities and Interest.

(a) The Bonds shall be dated June 1, 2016. The Bonds shall be in fully registered form, without coupons, in the denomination of $5,000 or any integral multiple thereof, and shall be numbered separately from one upward or such other designation acceptable to the City and the Paying Agent/Registrar, except the Initial Bond, which shall be numbered T-1.

(b) The Bonds shall mature on February 15 in the years and in the principal amounts and shall bear interest at the per annum rates set forth in the following schedule:

Serial Bonds

Year	Principal Amount	Interest Rate	Year	Principal Amount	Interest Rate
2017			2026		
2018			2027		
2019			2028		
2020			2029		
2021			2030		
2021			2031		
2022			2032		
2022			2033		
2023			2034		
2023			2035		
2024			2036		
2025					

Term Bonds

Year	Principal Amount	Interest Rate
20__		
20__		

(c) Interest shall accrue and be paid on each Bond respectively until its maturity or prior redemption, from the later of the Closing Date or the most recent Interest Payment Date to which interest has been paid or provided for at the rates per annum for each respective maturity specified in the schedule contained in subsection (b) above. Such interest shall be payable semiannually on each Interest Payment Date until maturity or prior redemption. Interest on the Bonds shall be calculated on the basis of a 360-day year composed of 12 months of thirty (30) days each.

Section 3.03. Medium, Method and Place of Payment.

(a) The principal of and interest on the Bonds shall be paid in lawful money of the United States of America.

(b) Interest on the Bonds shall be payable to the Owners as shown in the Register at the close of business on the Record Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which date shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) Business Days prior to the Special Record Date by

United States mail, first class, postage prepaid, to the address of each Owner of a Bond appearing in the Register at the close of business on the last Business Day next preceding the date of mailing of such notice.

(c) Interest on each Bond shall be paid by check, dated as of the Interest Payment Date, and mailed on or before such Interest Payment Date, by first class United States mail, postage prepaid, by the Paying Agent/Registrar to each Owner at the address of each Owner as it appears in the Register, or by such other customary banking arrangements acceptable to the Paying Agent/Registrar and the Owner; provided, however, that such Owner shall bear all risk and expense of such other customary banking arrangements.

(d) The principal of each Bond shall be paid to the Owner thereof on the due date (whether at the maturity date or the date of prior redemption thereof) upon presentation and surrender of such Bond at the Designated Payment/Transfer Office.

(e) If the date for the payment of the principal of or interest on the Bonds is not a Business Day, the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date payment was due and no additional interest shall be due by reason of nonpayment on the date on which such payment is otherwise stated to be due and payable.

(f) Unclaimed Payments of amounts due hereunder shall be segregated in a special account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owner of the Bonds to which such Unclaimed Payments pertain. Subject to Title 6 of the Texas Property Code, any Unclaimed Payments remaining unclaimed by the Owners entitled thereto for three years after the applicable payment or redemption date shall be applied to the next payment or payments on the Bonds thereafter coming due and, to the extent any such money remains three years after the retirement of all outstanding Bonds, such money shall be paid to the City to be used for any lawful purpose. Thereafter, neither the City, the Paying Agent/Registrar nor any other person shall be liable or responsible to any holders of such Bonds for any further payment of such unclaimed moneys or on account of any such Bonds, subject to Title 6 of the Texas Property Code.

Section 3.04. Execution and Registration of Bonds.

(a) The Bonds shall be executed on behalf of the City by the Mayor and the City Secretary, by their manual or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the City had been manually impressed upon each of the Bonds.

(b) In the event that any officer of the City whose manual or facsimile signature appears on the Bonds ceases to be such officer before the authentication of such Bonds or before the delivery thereof, such manual or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Ordinance unless and until there appears thereon the Certificate of Paying Agent/Registrar substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Paying Agent/Registrar. It shall not be required that the same officer or authorized signatory of the Paying Agent/Registrar sign the Certificate of Paying Agent/Registrar on all of the Bonds. In lieu of the executed Certificate of Paying Agent/Registrar described above, the Initial Bond delivered at the Closing Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided herein, manually executed by the Comptroller of Public Accounts of the State of Texas, or by her duly authorized agent, which certificate shall be evidence that the Initial Bond has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the City, and that it has been registered by the Comptroller of Public Accounts of the State of Texas.

(d) On the Closing Date, one Initial Bond representing the entire principal amount of all Bonds, payable in stated installments to the Representative, or its designee, executed by the manual or facsimile signatures of the Mayor and City Secretary of the City, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts, will be delivered to the Representative or its designee. Upon payment for the Initial Bond, the Paying Agent/Registrar shall cancel the Initial Bond and deliver to DTC on behalf of the Underwriters, one registered definitive Bond for each year of maturity of the Bonds in the aggregate principal amount of all Bonds for such maturity, registered in the name of Cede & Co., as nominee of DTC.

Section 3.05. Ownership.

(a) The City, the Paying Agent/Registrar and any other person may treat the person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of making and receiving payment of the principal thereof, for the further purpose of making and receiving payment of the interest thereon, and for all other purposes (except interest will be paid to the person in whose name such Bond is registered on the Record Date or Special Record Date, as applicable), whether or not such Bond is overdue, and neither the City nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the Owner of a Bond shall be valid and effectual and shall discharge the liability of the City and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

Section 3.06. Registration, Transfer and Exchange.

(a) So long as any Bonds remain outstanding, the City shall cause the Paying Agent/Registrar to keep at the Designated Payment/Transfer Office a register (the "Register") in which, 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 this Ordinance.

(b) The ownership of a Bond may be transferred only upon the presentation and surrender of the Bond at the Designated Payment/Transfer Office with such endorsement or

other evidence of transfer as is acceptable to the Paying Agent/Registrar. No transfer of any Bond shall be effective until entered in the Register.

(c) The Bonds shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office for a Bond or Bonds of the same maturity and interest rate and in any denomination or denominations of any integral multiple of $5,000 and in an aggregate principal amount equal to the unpaid principal amount of the Bonds presented for exchange. The Paying Agent/Registrar is hereby authorized to authenticate and deliver Bonds exchanged for other Bonds in accordance with this Section.

(d) Each exchange Bond delivered by the Paying Agent/Registrar in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such exchange Bond is delivered.

(e) No service charge shall be made to the Owner for the initial registration, subsequent transfer, or exchange for a different denomination of any of the Bonds. The Paying Agent/Registrar, however, may require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer or exchange of a Bond.

(f) Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer, or exchange any Bond called for redemption, in whole or in part, within forty-five (45) calendar days prior to the date fixed for redemption; provided, however, such limitation shall not be applicable to an exchange by the Owner of the uncalled principal balance of a Bond.

Section 3.07. Cancellation.

All Bonds paid or redeemed before scheduled maturity in accordance with this Ordinance, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance with this Ordinance, shall be cancelled and proper records shall be made regarding such payment, redemption, exchange or replacement. The Paying Agent/Registrar shall dispose of cancelled Bonds in accordance with the record retention policies of the Paying Agent/Registrar.

Section 3.08. Temporary Bonds.

(a) Following the delivery and registration of the Initial Bond and pending the preparation of definitive Bonds, the proper officers of the City may execute and, upon the City's request, the Paying Agent/Registrar shall authenticate and deliver, one or more temporary Bonds that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any authorized denomination, substantially of the tenor of the definitive Bonds in lieu of which they are delivered, without coupons, and with such appropriate insertions, omissions, substitutions and other variations as the officers of the City executing such temporary Bonds may determine, as evidenced by their signing of such temporary Bonds.

(b) Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the benefit and security of this Ordinance.

(c) The City, without unreasonable delay, shall prepare, execute and deliver to the Paying Agent/Registrar the Bonds in definitive form; thereupon, upon the presentation and surrender of the Bonds in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall cancel the Bonds in temporary form and shall authenticate and deliver in exchange therefor Bonds of the same maturity and series, in definitive form, in the authorized denomination, and in the same aggregate principal amount, as the Bonds in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Owner.

Section 3.09. Replacement Bonds.

(a) Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding. The City or the Paying Agent/Registrar may require the Owner of such Bond to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event that any Bond is lost, apparently destroyed or wrongfully taken, the Paying Agent/Registrar, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding, provided that the Owner first:

(i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction or theft of such Bond;

(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar to save it and the City harmless;

(iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar and any tax or other governmental charge that is authorized to be imposed; and

(iv) satisfies any other reasonable requirements imposed by the City and the Paying Agent/Registrar.

(c) If, after the delivery of such replacement Bond, a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Bond from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the City or the Paying Agent/Registrar in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the Paying Agent/Registrar, in its

discretion, instead of issuing a replacement Bond, may pay such Bond if it has become due and payable or may pay such Bond when it becomes due and payable.

(e) Each replacement Bond delivered in accordance with this Section shall constitute an original additional contractual obligation of the City and shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

Section 3.10. Book-Entry Only System.

The definitive Bonds shall be initially issued in the form of a separate typewritten fully registered Bond for each of the maturities thereof. Upon initial issuance, the ownership of such Bonds shall be registered in the name of Cede & Co., as nominee of DTC, and except as provided in Section 3.11 hereof, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a Bondholder, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a Bondholder, as shown in the Register of any amount with respect to principal of or interest on the Bonds. Notwithstanding any other provision of this Ordinance to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Register as the absolute owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on the Bonds, for the purpose of all matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the respective owners, as shown in the Register as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an owner, as shown in the Register, shall receive a Bond certificate evidencing the obligation of the City to make payments of amounts due pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

Section 3.11. Successor Securities Depository; Transfer Outside Book-Entry Only System.

In the event that the City or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the City to

DTC, and that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, or in the event DTC discontinues the services described herein, the Issuer or the Paying Agent/Registrar shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance.

Section 3.12. Payments to Cede & Co.

Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bonds, and all notices with respect to such Bonds, shall be made and given, respectively, in the manner provided in the representation letter of the City to DTC.

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.01. Limitation on Redemption.

The Bonds shall be subject to redemption before their scheduled maturity only as provided in this Article IV.

Section 4.02. Optional Redemption.

(a) The City reserves the option to redeem Bonds maturing on and after February 15, 2026, in whole or in part in principal amounts of $5,000 or any integral multiple thereof before their respective scheduled maturity dates, on February 15, 2025, or on any date thereafter, such redemption date or dates to be fixed by the City, at a price equal to the principal amount of the Bonds so called for redemption plus accrued interest to the date fixed for redemption.

(b) If less than all of the Bonds are to be redeemed pursuant to an optional redemption, the City shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot the Bonds, or portions thereof, within such maturity or maturities and in such principal amounts for redemption.

(c) The City, at least forty-five (45) days before the redemption date, unless a shorter period shall be satisfactory to the Paying Agent/Registrar, shall notify the Paying Agent/Registrar of such redemption date and of the principal amount of Bonds to be redeemed.

Section 4.03. Mandatory Sinking Fund Redemption.

(a) The Bonds stated to mature on February 15 each of the years 20__ and 20__ (the "Term Bonds") are subject to scheduled mandatory redemption and will be redeemed by the City, in part at a price equal to the principal amount thereof, without premium, plus accrued interest to the redemption date, out of moneys available for such purpose in the Interest and Sinking Fund, on February 15 in the years and in the respective principal amounts as set forth in the following schedule:

Term Bonds Maturing February 15, 20

Redemption Date (February 15)	Principal Amount
20__	
20__*	

_____

(1) Stated maturity.

Term Bonds Maturing February 15, 20

Redemption Date (February 15)	Principal Amount
20__	
20__*	

_____

(1) Stated maturity.

(b) At least forty-five (45) days prior to each scheduled mandatory redemption date, the Paying Agent/Registrar shall select for redemption by lot, or by any other customary method that results in a random selection, a principal amount of Term Bonds equal to the aggregate principal amount of such Term Bonds to be redeemed, shall call such Term Bonds for redemption on such scheduled mandatory redemption date, and shall give notice of such redemption, as provided in Section 4.05.

(c) The principal amount of the Term Bonds required to be redeemed on any redemption date pursuant to subparagraph (a) of this Section 4.03 shall be reduced, at the option of the City, by the principal amount of any Term Bonds which, at least 45 days prior to the mandatory sinking fund redemption date (i) shall have been acquired by the City at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

Section 4.04. Partial Redemption.

(a) A portion of a single Bond of a denomination greater than $5,000 may be redeemed, but only in a principal amount equal to $5,000 or any integral multiple thereof. If such a Bond is to be partially redeemed, the Paying Agent/Registrar shall treat each $5,000 portion of the Bond as though it were a single Bond for purposes of selection for redemption.

(b) Upon surrender of any Bond for redemption in part, the Paying Agent/Registrar, in accordance with Section 3.06 of this Ordinance, shall authenticate and deliver an exchange Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered, such exchange being without charge, notwithstanding any provision of Section 3.06 to the contrary.

(c) The Paying Agent/Registrar shall promptly notify the City in writing of the principal amount to be redeemed of any Bond as to which only a portion thereof is to be redeemed.

Section 4.05. Notice of Redemption to Owners.

(a) The Paying Agent/Registrar shall give notice of any redemption of Bonds by sending notice by United States mail, first class, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond (or part thereof) to be redeemed, at the address shown in the Register at the close of business on the Business Day next preceding the date of mailing such notice.

(b) The notice shall state the redemption date, the redemption price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed.

(c) The City reserves the right to give notice of its election or direction to redeem Bonds under Section 4.02 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 City retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the City delivers a certificate of the City 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 where redemption has been rescinded shall remain Outstanding, and the rescission shall not constitute an Event of Default.

(d) Any notice so mailed shall be conclusively presumed to have been duly given, whether or not the registered owner receives such notice. Notice having been so given and subject, in the case of an optional redemption, to any rights or conditions reserved by the City in the notice, the certificates called for redemption shall become due and payable on the specified

redemption date, and notwithstanding that any obligation or portion thereof has not been surrendered for payment, interest on such obligation or portion thereof shall cease to accrue.

Section 4.06. Payment Upon Redemption.

(a) Before or on each redemption date, the City shall deposit with the Paying Agent/Registrar money sufficient to pay all amounts due on the redemption date and the Paying Agent/Registrar shall make provision for the payment of the Bonds to be redeemed on such date by setting aside and holding in trust an amount from the Interest and Sinking Fund or otherwise received by the Paying Agent/Registrar from the City and shall use such funds solely for the purpose of paying the principal of, redemption premium, if any, and accrued interest on the Bonds being redeemed.

(b) Upon presentation and surrender of any Bond called for redemption at the Designated Payment/Transfer Office on or after the date fixed for redemption, the Paying Agent/Registrar shall pay the principal of, redemption premium, if any, and accrued interest on such Bond to the date of redemption from the money set aside for such purpose.

Section 4.07. Effect of Redemption.

(a) Notice of redemption having been given as provided in Section 4.05 of this Ordinance and subject, in the case of an optional redemption under Section 4.02, to any conditions or rights reserved by the City under Section 4.04(c), the Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption and, unless the City defaults in its obligation to make provision for the payment of the principal thereof, redemption premium, if any, or accrued interest thereon, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

(b) If the City shall fail to make provision for payment of all sums due on a redemption date, then any Bond or portion thereof called for redemption shall continue to bear interest at the rate stated on the Bond until due provision is made for the payment of same.

ARTICLE V

PAYING AGENT/REGISTRAR

Section 5.01. Appointment of Initial Paying Agent/Registrar.

The Bank of New York Mellon Trust Company, National Association, is hereby appointed as the initial Paying Agent/Registrar for the Bonds.

Section 5.02. Qualifications.

Each Paying Agent/Registrar shall be a commercial bank, a trust company organized under the laws of the State of Texas, or any other entity duly qualified and legally authorized to serve as and perform the duties and services of paying agent and registrar for the Bonds.

Section 5.03. Maintaining Paying Agent/Registrar.

(a) At all times while any Bonds are outstanding, the City will maintain a Paying Agent/Registrar that is qualified under Section 5.02 of this Ordinance. The Mayor is hereby authorized and directed to execute an agreement with the Paying Agent/Registrar specifying the duties and responsibilities of the City and the Paying Agent/Registrar in substantially the form presented at this meeting, the form, terms and provisions of which are hereby approved. The signature of the Mayor shall be attested by the City Secretary.

(b) If the Paying Agent/Registrar resigns or otherwise ceases to serve as such, the City will promptly appoint a replacement, provided no such resignation shall be effective until a successor Paying Agent/Registrar has accepted the duties of Paying Agent/Registrar for the Bonds.

Section 5.04. Termination.

The City, upon not less than sixty (60) days' notice, reserves the right to terminate the appointment of any Paying Agent/Registrar by delivering to the entity whose appointment is to be terminated written notice of such termination, provided, that such termination shall not be effective until a successor Paying Agent/Registrar has been appointed and has accepted the duties of Paying Agent/Registrar for the Bonds.

Section 5.05. Notice of Change to Owners.

Promptly upon each change in the entity serving as Paying Agent/Registrar, the City will cause notice of the change to be sent to each Owner by first class United States mail, postage prepaid, at the address in the Register, stating the effective date of the change and the name and mailing address of the replacement Paying Agent/Registrar.

Section 5.06. Agreement to Perform Duties and Functions.

By accepting the appointment as Paying Agent/Registrar and executing the Paying Agent/Registrar Agreement, the Paying Agent/Registrar is deemed to have agreed to the

provisions of this Ordinance and that it will perform the duties and functions of Paying Agent/Registrar prescribed thereby.

Section 5.07. Delivery of Records to Successor.

If a Paying Agent/Registrar is replaced, such Paying Agent/Registrar, promptly upon the appointment of the successor, will deliver the Register (or a copy thereof) and all other pertinent books and records relating to the Bonds to the successor Paying Agent/Registrar.

ARTICLE VI

FORM OF THE BONDS

Section 6.01. Form Generally.

(a) The Bonds, including the Registration Certificate of the Comptroller of Public Accounts of the State of Texas to accompany the Initial Bond, the Certificate of the Paying Agent/Registrar, and the Assignment form to appear on each of the Bonds, (i) shall be substantially in the form set forth in this Article, with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance, and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by the City or by the officers executing such Bonds, as evidenced by their execution thereof.

(b) Any portion of the text of any Bonds may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Bonds.

(c) The definitive Bonds shall be typewritten, printed, lithographed, or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officers executing such Bonds, as evidenced by their execution thereof.

(d) The Initial Bond submitted to the Attorney General of the State of Texas may be typewritten and photocopied or otherwise reproduced.

Section 6.02. Form of the Bonds.

The form of the Bonds, including the form of the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, to accompany the Initial Bond, the form of Certificate of the Paying Agent/Registrar and the form of Assignment appearing on the Bonds, shall be substantially as follows:

(a) Form of Bonds.

REGISTERED REGISTERED

No. _____ $_____

United States of America
State of Texas

CITY OF LEWISVILLE, TEXAS
GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BOND
SERIES 2016

INTEREST RATE:	MATURITY DATE:	CLOSING DATE:	CUSIP NUMBER:
_____%	February 15, ____	July 6, 2016	_____ ___

The City of Lewisville, Texas (the "City"), in the Counties of Denton and Dallas, State of Texas, for value received, hereby promises to pay to

_____

or registered assigns, on the Maturity Date specified above, the sum of

_____ DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provided for, and to pay interest on such principal amount from the later of the Closing Date or the most recent interest payment date to which interest has been paid or provided for until payment of such principal amount has been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on February 15 and August 15 of each year, commencing February 15, 2017.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the designated office in Dallas, Texas, of The Bank of New York Mellon Trust Company, National Association, as Paying Agent/Registrar (the "Designated Payment/Transfer Office"), or, with respect to a successor paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the interest payment date, and will be mailed on or before such interest payment date, by first class United States mail, postage prepaid, by the Paying Agent/Registrar to the registered owner at the address shown on

the registration books kept by the Paying Agent/Registrar, or by such other customary banking arrangements acceptable to the Paying Agent/Registrar and the person to whom interest is to be paid; provided, however, that such person shall bear all risk and expense of such other customary banking arrangements. For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the last Business Day (as hereinafter defined) of the month next preceding such interest payment date; provided, however, that in the event of nonpayment of interest on a scheduled interest payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which date shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) Business Days (as hereinafter defined) prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each registered owner of a Bond appearing on the books of the Paying Agent/Registrar at the close of business on the last Business Day next preceding the date of mailing of such notice.

If the date for the payment of the principal of or interest on this Bond is not a Business Day, the date for such payment shall be the next succeeding day which is not a Saturday, Sunday or legal holiday, or day on which banking institutions in the State of Texas or the city in which the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are generally authorized or obligated by law or executive order to close (a "Business Day"), and payment on such date shall for all purposes be deemed to have been made on the original date payment was due.

This Bond is one of a series of fully registered bonds specified in the title hereof issued in the aggregate principal amount of $_____ (herein referred to as the "Bonds"), dated as of June 1, 2016, pursuant to Chapter 1331, Texas Government Code, as amended, and a certain ordinance of the City (the "Ordinance") for the purpose of (i) making certain public improvements described in the Ordinance; (ii) providing funds to refund the Refunded Obligations; and (iii) paying the costs of issuing the Bonds.

As provided in the Ordinance, and subject to certain limitations therein set forth, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar; thereupon, one or more new fully registered Bonds of the same stated maturity, of authorized denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

The City, the Paying Agent/Registrar, and any other person may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the person in whose name this Bond is registered on the "Record Date" or "Special Record Date," as applicable) and for all other purposes, whether or not this Bond be overdue, and neither the City, nor the Paying Agent/Registrar nor any other person shall be affected by notice to the contrary.

The City has reserved the option to redeem the Bonds maturing on or after February 15, 2026, in whole or in part, before their respective scheduled maturity dates, on February 15, 2025, or on any date thereafter, at a price equal to the principal amount of the Bonds so called for redemption plus accrued interest to the date fixed for redemption. If less than all of the Bonds are to be redeemed, the City shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot the Bonds, or portions thereof, within such maturity and in such principal amounts, for redemption.

The Bonds stated to mature on February 15 in each of the years 20__ and 20__ (the "Term Bonds") are subject to scheduled mandatory redemption and will be redeemed by the City, in part at a price equal to the principal amount thereof, without premium, plus accrued interest to the redemption date, out of moneys available for such purpose in the Interest and Sinking Fund, on February 15 in the years and in the respective principal amounts as set forth in the Ordinance.

Term Bonds Maturing February 15, 20__

Redemption Date (February 15)	Principal Amount
20__	
20__*	

_____

(1) Stated maturity.

At least forty-five (45) days prior to each scheduled mandatory redemption date, the Paying Agent/Registrar shall select for redemption by lot, or by any other customary method that results in a random selection, a principal amount of Term Bonds equal to the aggregate principal amount of such Term Bonds to be redeemed and shall call such Term Bonds for redemption on such scheduled mandatory redemption date.

The principal amount of the Term Bonds required to be redeemed on any mandatory sinking fund redemption date shall be reduced, at the option of the City, by the principal amount of any Term Bonds which, at least 45 days prior to the mandatory sinking fund redemption date (i) shall have been acquired by the City at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, or (ii) shall have been redeemed pursuant to an optional redemption and not previously credited to a mandatory sinking fund redemption.

Not less than thirty (30) days prior to a redemption date for the Bonds, the City shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to the Owners of the Bonds to be redeemed at the address of the Owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the Business Day next preceding the date of mailing such notice.

In the Ordinance, the City 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 City retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the City delivers a certificate of the City 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 City 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. Any notice so mailed shall be conclusively presumed to have been duly given, whether or not the registered owner receives such notice. Notice having been so given and subject, in the case of an optional redemption, to any rights or conditions reserved by the City in the notice, the certificates called for redemption shall become due and payable on the specified redemption date, and notwithstanding that any obligation or portion thereof has not been surrendered for payment, interest on such obligation or portion thereof shall cease to accrue.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law and has been authorized by a vote of the properly qualified electors of the City; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law; and that ad valorem taxes upon all taxable property in the City have been levied for and pledged to the payment of the debt service requirements of the Bonds, within the limit prescribed by law.

IN WITNESS WHEREOF, the City has caused this Bond to be executed by the manual or facsimile signature of the Mayor of the City and countersigned by the manual or facsimile signature of the City Secretary of the City, and the official seal of the City has been duly impressed or placed in facsimile on this Bond.

City Secretary, City of Lewisville, Texas	Mayor, City of Lewisville, Texas

[SEAL]

(b) Form of Comptroller's Registration Certificate.

The following Comptroller's Registration Certificate may be deleted from the definitive Bonds if such certificate on the Initial Bond is fully executed.

OFFICE OF THE COMPTROLLER	§	
OF PUBLIC ACCOUNTS	§	REGISTER NO. _____
OF THE STATE OF TEXAS	§	

I hereby certify that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this Bond has been examined by him as required by law, that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas, and that it is a valid and binding obligation of the City of Lewisville, Texas, and that this Bond has this day been registered by me.

Witness my hand and seal of office at Austin, Texas, _____.

_____
Comptroller of Public Accounts
of the State of Texas

[SEAL]

(c) Form of Certificate of Paying Agent/Registrar.

The following Certificate of Paying Agent/Registrar may be deleted from the Initial Bond if the executed Comptroller's Registration Certificate appears thereon.

CERTIFICATE OF PAYING AGENT/REGISTRAR

The records of the Paying Agent/Registrar show that the Initial Bond of this series of bonds was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and that this is one of the Bonds referred to in the within-mentioned Ordinance.

THE BANK OF NEW YORK MELLON TRUST
COMPANY, NATIONAL ASSOCIATION,
as Paying Agent/Registrar

Dated: _____ By: _____
Authorized Signatory

(d) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto (print or typewrite name, address and Zip Code of transferee):

_____

_____

_____

(Social Security or other identifying number: _____) the within Bond and all rights hereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration hereof, with full power of substitution in the premises.

Date: _____

_____

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be guaranteed in a manner acceptable to the Paying Agent/Registrar.

Signature Guaranteed:

_____

Authorized Signatory

(e) The Initial Bond shall be in the form set forth in paragraphs (a), (b) and (d) of this Section, except for the following alterations:

(i) immediately under the name of the Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below" and the words "CUSIP NUMBER" deleted; and

(ii) in the first paragraph of the Bond, the words "on the Maturity Date specified above, the sum of _____ DOLLARS" shall be deleted and the following will be inserted: "on February 15 in each of the years, in the principal installments and bearing interest at the per annum rates in accordance with the following schedule:

Years	Principal Installments	Interest Rates "

(Information to be inserted from
schedule in Section 3.02 of this Ordinance)

Section 6.03. CUSIP Registration.

The City may secure identification numbers through the CUSIP Services Bureau managed by S&P Capital IQ on behalf of the American Bankers Association, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and neither the City nor the attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Bonds.

Section 6.04. Legal Opinion.

The approving legal opinion of Bracewell LLP, Bond Counsel, may be printed on the reverse side of or attached to each Bond over the certification of the City Secretary of the City, which may be executed in facsimile.

ARTICLE VII

SALE AND DELIVERY OF BONDS, DEPOSIT OF PROCEEDS

Section 7.01. Sale of Bonds, Official Statement.

(a) The Bonds are hereby officially sold and awarded and shall be delivered to the Underwriters, in accordance with the terms and provisions of that certain Purchase Agreement relating to the Bonds between the City and the Underwriters, and dated the date of the passage of this Ordinance. The form and content of such Purchase Agreement are hereby approved, and the Mayor is hereby authorized and directed to execute and deliver such Purchase Agreement. It is hereby officially found, determined and declared that the terms of this sale are the most advantageous reasonably obtainable. The Bonds shall initially be registered in the name of the Raymond James, or its designee.

(b) The form and substance of the Preliminary Official Statement, and any addenda, supplement or amendment thereto, and the final Official Statement (the "Official Statement") presented to and considered at this meeting, are hereby in all respects approved and adopted, and the Preliminary Official Statement 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 City Secretary of the City are hereby authorized and directed to execute the same and deliver appropriate numbers of copies thereof to the Underwriters. The Official Statement as thus approved and delivered, with such appropriate variations as shall be approved by the Mayor of the City and the Underwriters, may be used by the Underwriters in the public offering and sale thereof. The use and distribution of the Preliminary Official Statement in the public offering of the Bonds by the Underwriters is hereby ratified, approved and confirmed. The City Secretary is hereby authorized and directed to include and maintain a copy of the Official Statement and any addenda, supplement or amendment thereto thus approved among the permanent records of this meeting. The use and distribution of the Official Statement and the preliminary public offering of the Bonds by the Underwriters is hereby ratified, approved and confirmed.

(c) All officers of the City are authorized to execute such documents, certificates and receipts, and to make such elections with respect to the tax-exempt status of the Bonds, as they may deem appropriate in order to consummate the delivery of the Bonds. Further, in connection with the submission of the record of proceedings for the Bonds to the Attorney General of the State of Texas for examination and approval of such Bonds, the appropriate officer of the City is hereby authorized and directed to issue a check of the City payable to the Attorney General of the State of Texas as a nonrefundable examination fee in the amount required by Chapter 1202, Texas Government Code (such amount to be the lesser of (i) 1/10th of 1% of the principal amount of the Bonds or (ii) $9,500).

(d) The obligation of the Underwriters to accept delivery of the Bonds is subject to the Underwriters being furnished with the final, approving opinion of Bracewell LLP, Bond Counsel for the City, which opinion shall be dated and delivered on the Closing Date.

Section 7.02. Control and Delivery of Bonds.

(a) The Mayor of the City is hereby authorized to have control of the Initial 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 of Texas and registration with, and initial exchange or transfer by, the Paying Agent/Registrar.

(b) After registration by the Comptroller of Public Accounts of the State of Texas, delivery of the Bonds shall be made to the Underwriters thereof under and subject to the general supervision and direction of the Mayor, against receipt by the City of all amounts due to the City under the terms of sale.

(c) In the event the Mayor or City Secretary is absent or otherwise unable to execute any document or take any action authorized herein, the 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 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 and City Secretary, respectively.

Section 7.03. Deposit of Proceeds.

(a) The amount of $_____ which includes premium received on the Bonds in the amount of $_____ shall be deposited to the Escrow Fund pursuant to the Escrow Agreement for the purpose of refunding the Refunded Obligations.

(b) The amount of $_____, which amount includes premium in the amount of $_____ received in connection with the sale of the Bonds, shall be deposited to a special construction fund held separate and apart and other monies of the City and shall be applied to the payment of the projects described in Section 3.01(i)-(iii) hereof.

(c) The remaining balance of Bond proceeds shall be used to pay the costs of issuing the Bonds, including underwriters' discount. Amounts remaining after payment of costs of

issuance shall be deposited to the Interest and Sinking Fund and applied to the payment of debt service on the Bonds.

ARTICLE VIII

INVESTMENTS

Section 8.01. Investments.

(a) Money in the Interest and Sinking Fund created by this Ordinance, at the option of the City, may be invested in such securities or obligations as permitted under applicable law as in effect on the date of the investment.

(b) Any securities or obligations in which money in the Interest and Sinking Fund is so invested shall be kept and held in trust for the benefit of the Owners and shall be sold and the proceeds of sale shall be timely applied to the making of all payments required to be made from the Interest and Sinking Fund.

Section 8.02. Investment Income.

(a) Interest and income derived from investment of the Interest and Sinking Fund or the special construction account referenced in Section 7.03(c) shall be credited to each respective account or Fund from which such investment was made.

(b) Interest and income derived from the investment of funds deposited to the Escrow Fund shall be applied as provided in the Escrow Agreement.

ARTICLE IX

PARTICULAR REPRESENTATIONS AND COVENANTS

Section 9.01. Payment of the Bonds.

On or before each Interest Payment Date for the Bonds and while any of the Bonds are outstanding and unpaid, there shall be made available to the Paying Agent/Registrar, out of the Interest and Sinking Fund, money sufficient to pay such interest on and principal of the Bonds as will accrue or mature on the applicable Interest Payment Date, maturity date or date of prior redemption. Such transfer of funds shall be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar not later than the close of business on the Business Day next preceding the date of payment for the Bonds.

Section 9.02. Other Representations and Covenants.

(a) The City will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Ordinance and in each Bond; the City will promptly pay or cause to be paid the principal of and interest on each Bond on the dates and at the places and manner prescribed in such Bond; and the City will, at the times and in the manner prescribed

by this Ordinance, deposit or cause to be deposited the amounts of money specified by this Ordinance.

(b) The City is duly authorized under the laws of the State of Texas to issue the Bonds; all action on its part for the creation and issuance of the Bonds has been duly and effectively taken; and the Bonds in the hands of the Owners thereof are and will be valid and enforceable obligations of the City in accordance with their terms.

Section 9.03. Provisions Concerning Federal Income Tax Exclusion.

(a) General. The City intends that the interest on the Bonds will be excludable from gross income for federal income tax purposes pursuant to sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable Treasury Regulations (the "Regulations"). The City covenants and agrees not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, would (i) cause the interest on the Bonds to be includable in the gross income, as defined in section 61 of the Code, for federal income tax purposes or (ii) result in the violation of or failure to satisfy any provision of Section 103 and 141 through 150 of the Code and the applicable Regulations that is applicable to the Bonds. In particular, the City covenants and agrees to comply with each requirement of this Section 9.03; provided, however, that the City will not be required to comply with any particular requirement of this Section 9.03 if the City has received an opinion of nationally recognized bond counsel ("Counsel's Opinion") that (i) such noncompliance will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds or (ii) compliance with some other requirement set forth in this Section 9.03 will satisfy the applicable requirements of the Code and the Regulations, in which case compliance with such other requirement specified in such Counsel's Opinion will constitute compliance with the corresponding requirement specified in this Section 9.03.

(b) No Private Use or Payment and No Private Loan Financing. The City covenants and agrees that it will make such use of the proceeds of the Bonds, including interest or other investment income derived from Bond proceeds, regulate the use of property financed, directly or indirectly, with such proceeds, and take such other and further action as may be required so that the Bonds will not be "private activity bonds" within the meaning of section 141 of the Code and the Regulations promulgated thereunder. Moreover, the City will certify, through an authorized officer, employee or agent, that, based upon all facts and estimates known or reasonably expected to be in existence on the date the Bonds are delivered, the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be "private activity bonds" within the meaning of section 141 of the Code and the Regulations promulgated thereunder.

(c) No Federal Guarantee. The City covenants and agrees not to take any action, or knowingly omit to take any action within its control, that, if taken or omitted, respectively, would cause the Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Code and the Regulations, except as permitted by section 149(b)(3) of the Code and the applicable Regulations thereunder.

(d) The City covenants and agrees not to take any action, or knowingly omit to take any action, and has not knowingly omitted and will not knowingly omit to take any action,

within its control, that, if taken or omitted, respectively, would cause the Bonds to be "hedge bonds" within the meaning of section 149(g) of the Code and the applicable Regulations thereunder.

(e) The City covenants and agrees that it will make such use of the proceeds of the Bonds, including interest or other investment income derived from Bond proceeds, regulate investments of proceeds of the Bonds, and take such other and further action as may be required so that the Bonds will not be "arbitrage bonds" within the meaning of section 148(a) of the Code and the applicable Regulations promulgated thereunder. Moreover, the City will certify, through an authorized officer, employee or agent, based upon all facts and estimates known or reasonably expected to be in existence on the date the Bonds are delivered, that the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of section 148(a) of the Code and the applicable Regulations promulgated thereunder.

(f) If the City does not qualify for an exception to the requirements of Section 148(f) of the Code relating to the required rebate to the United States, the City will take all necessary steps to comply with the requirement that certain amounts earned by the City on the investment of the "gross proceeds" of the Bonds (within the meaning of section 148(f)(6)(B) of the Code), be rebated to the federal government. Specifically, the City will (i) maintain records regarding the investment of the gross proceeds of the Bonds as may be required to calculate the amount earned on the investment of the gross proceeds of the Bonds separately from records of amounts on deposit in the funds and accounts of the City allocable to other bond issues of the City or moneys which do not represent gross proceeds of any bonds of the City, (ii) determine at such times as are required by applicable Regulations, the amount earned from the investment of the gross proceeds of the Bonds which is required to be rebated to the federal government, and (iii) pay, not less often than every fifth anniversary date of the delivery of the Bonds or on such other dates as may be permitted under applicable Regulations, all amounts required to be rebated to the federal government. Further, the City will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Bonds that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or a larger loss than would have resulted if the arrangement had been at arm's length and had the yield on the issue not been relevant to either party.

(g) Information Reporting. The City covenants and agrees to file or cause to be filed with the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Bonds are issued, an information statement concerning the Bonds, all under and in accordance with section 149(e) of the Code and the Regulations.

(h) Record Retention. The City will retain all pertinent and material records relating to the use and expenditure of the proceeds of the Refunded Bonds and the Bonds until three (3) years after the last Bond is redeemed, or such shorter period as authorized by subsequent guidance issued by the Department of Treasury, if applicable. All records will be kept in a manner that ensures their complete access throughout the retention period. For this purpose, it is acceptable that such records are kept either as hardcopy books and records or in an electronic

storage and retrieval system, provided that such electronic system includes reasonable controls and quality assurance programs that assure the ability of the City to retrieve and reproduce such books and records in the event of an examination of the Bonds by the Internal Revenue Service.

(i) Registration. The Bonds will be issued in registered form.

(j) Notwithstanding any other provision of this Ordinance, the City's obligations under the covenants and provisions of this Sections 9.04 will survive the defeasance and discharge of the Bonds for as long as such matters are relevant to the exclusion from gross income of interest on the Bonds for federal income tax purposes.

ARTICLE X

DEFAULT AND REMEDIES

Section 10.01. Events of Default.

Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an Event of Default:

(i) the failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the City, which default materially and adversely affects the rights of the Owners, including but not limited to, their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of sixty (60) days after notice of such default is given by any Owner to the City.

Section 10.02. Remedies for Default.

(a) Upon the happening of any Event of Default, then any Owner or an authorized representative thereof, including but not limited to, a trustee or trustees therefor, may proceed against the City for the purpose of protecting and enforcing the rights of the Owners under this Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Owners hereunder or any combination of such remedies.

(b) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Owners of Bonds then outstanding.

Section 10.03. Remedies Not Exclusive.

(a) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds or now or hereafter

existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Ordinance.

(b) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

ARTICLE XI

DISCHARGE

Section 11.01. Discharge.

The Bonds may be refunded, discharged or defeased in any manner permitted by applicable law.

ARTICLE XII

PAYMENT OF REFUNDED OBLIGATIONS; REDEMPTION OF REFUNDED OBLIGATIONS; APPROVAL OF ESCROW AGREEMENT; PURCHASE OF SECURITIES

Section 12.01. Escrow Agreement.

The Escrow Agreement, in substantially the form presented at this meeting, and its execution and delivery by the Mayor is hereby authorized and approved. The signature of the Mayor shall be attested by the City Secretary.

Section 12.02. Purchase of Securities.

The Mayor and the City Manager are each hereby authorized to make necessary arrangements for the purchase of the Securities referenced in the Escrow Agreement, as may be necessary for the Escrow Fund and any application for the acquisition of the Securities is hereby approved and ratified.

Section 12.03. Redemption and Payment of Refunded Obligations.

The Refunded Obligations are hereby called for redemption on the dates, in the principal amounts and at a redemption price equal to the principal amount thereof plus interest accrued thereon to the redemption dates all as set forth on Schedule I hereto. Following the deposit to the Escrow Fund as herein specified, the Refunded Obligations shall be payable solely from and secured by the cash and securities on deposit in the Escrow Fund.

Section 12.04. Notice of Deposit and Redemption.

The City Secretary is hereby authorized to cause notice of redemption to be given to the respective paying agent/registrar for the Refunded Obligations by delivery of a certified copy of this Ordinance. Each paying agent/registrar for the Refunded Obligations is hereby authorized and directed to give notice of deposit and notice of redemption with respect to the Refunded

Obligations as required under the ordinance pursuant to which the Refunded Obligations were issued.

ARTICLE XIII

CONTINUING DISCLOSURE UNDERTAKING

Section 13.01. Annual Reports.

(a) The City shall provide annually to the MSRB, (1) within six months after the end of each fiscal year of the City, financial information and operating data with respect to the City of the general type included in the final Official Statement, being information described in Tables 1-6 and 8-15, including financial statements of the City if audited financial statements of the City are then available, and (2) if not provided as part such financial information and operating data, audited financial statements of the City, when and if available. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles prescribed by the Generally Accepted Accounting Principles or such other accounting principles as the City may be required to employ, from time to time, by State law or regulation, and (ii) audited, if the City 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 12 months after any such fiscal year end, then the City shall file unaudited financial statements within such 12-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available.

(b) If the City changes its Fiscal Year, it will notify the MSRB of the change (and of the date of the new Fiscal Year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

(c) The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB or filed with the SEC.

Section 13.02. Material Event Notices.

(a) The City shall provide notice of any of the following events with respect to the Bonds to the MSRB in a timely manner and not more than 10 business days after the occurrence of the event:

(i) principal and interest payment delinquencies;

(ii) nonpayment related defaults, if material;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers, or their failure to perform;

(vi) adverse tax opinions, 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 status of the Bonds, or other material events affecting the tax status of the Bonds;

(vii) modifications to rights of Owners, if material;

(viii) bond calls, if material and tender offers;

(ix) defeasance;

(x) release, substitution, or sale of property securing repayment of the Bonds, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below;

(xiii) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of 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, if material; and

(xiv) appointment of a successor or additional paying agent/registrar or the change of name of a paying agent/registrar, if material.

For these purposes, any event described in the immediately preceding clause (xii) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets of business of the City.

(b) The City shall notify the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with Section 12.01 of this Ordinance by the time required by such Section.

Section 13.03. Limitations, Disclaimers and Amendments.

(a) The City shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, the City remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the City in any event will give notice of any deposit made in accordance with Article XI that causes the Bonds no longer to be Outstanding.

(b) The provisions of this Article are for the sole benefit of the Owners and beneficial owners of the Bonds, and nothing in this Article, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Article and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Article or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS ARTICLE, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(c) No default by the City in observing or performing its obligations under this Article shall comprise a breach of or default under the Ordinance for purposes of any other provisions of this Ordinance.

(d) Nothing in this Article is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

The provisions of this Article may be amended by the City 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 City, but only if (i) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds 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 (ii) either (A) the Owners of a majority in aggregate principal amount (or any greater amount required by any other provisions of this Ordinance that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (B) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Owners and beneficial owners of the Bonds. The provisions of this Article may also be amended from time to time or repealed by the

City if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the City's right to do so would not prevent underwriters of the initial public offering of the Bonds from lawfully purchasing or selling Bonds in such offering. If the City so amends the provisions of this Article, it shall include with any amended financial information or operating data next provided in accordance with Section 12.02 an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

ARTICLE XIV

AMENDMENTS TO ORDINANCE

Section 14.01. Amendments to Ordinance. (a) The City reserves the right to amend this Ordinance without the consent of or notice to any registered owners of the Bonds in any manner not detrimental to the interest of the Owners for the purpose of curing any ambiguity, inconsistency, manifest error, formal defect or omission in the Ordinance.

(b) The City reserves the right, but only with the written consent of the Owners of a majority in aggregate principal amount of the Bonds then outstanding, to amend, add to, or rescind any of the provisions of the Ordinance.

(c) Without the consent of the Owners of all of the Bonds then outstanding, no amendment, addition or rescission may (i) extend the time or times of payment of the principal of and interest on the Bonds, (ii) reduce the principal amount thereof, the redemption price, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of and interest on the Bonds; (iii) give any preference to any Bonds over any other Bond, or (iv) reduce the aggregate principal amount of Bonds required to be held by Owners for consent to any such amendment, addition or rescission.

ARTICLE XV

MISCELLANEOUS

Section 15.01. Changes to Ordinance.

The Mayor and Director of Finance, in consultation with Bond Counsel, is hereby authorized to make changes to the terms of this Ordinance if necessary or desirable to carry out the purposes hereof or in connection with the approval of the issuance of the Bonds by the Attorney General of Texas.

Section 15.02. Partial Invalidity.

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 the Ordinance.

Section 15.03. No Personal Liability.

No recourse shall be had for payment of the principal of or interest on any Bonds or for any claim based thereon, or on this Ordinance, against any official or employee of the City or any person executing any Bonds.

ARTICLE XVI

EFFECTIVE IMMEDIATELY

Section 16.01. Effective Immediately.

Notwithstanding the provisions of the City Charter, this Ordinance shall become effective immediately upon its adoption at this meeting pursuant to Section 1201.028, Texas Government Code.

PASSED AND ADOPTED this June 6, 2016.

SCHEDULE OF REFUNDED OBLIGATIONS

General Obligation Refunding and Improvement Bonds, Series 2007

Original Dated Date	Original Maturity Date	Interest Rates	Amount
5/15/2007	2/15/2018	4.000%	$1,280,000
	2/15/2019	4.000%	735,000
			$2,015,000

The 2018-2019 maturities will be redeemed prior to original maturity on February 15, 2017 at par.

Combination Tax and Revenue Certificates of Obligation, Series 2007A

Original Dated Date	Original Maturity Date	Interest Rates	Amount
5/15/2007	2/15/2018	4.000%	$ 630,000
	2/15/2019	4.000%	655,000
	2/15/2020	4.150%	685,000
	2/15/2021	4.250%	710,000
	2/15/2022	4.250%	745,000
			$3,425,000

The 2018-2022 maturities will be redeemed prior to original maturity on February 15, 2017 at par.

Combination Tax and Revenue Certificates of Obligation, Series 2007B

Original Dated Date	Original Maturity Date	Interest Rates	Amount
5/15/2007	2/15/2018	4.000%	$ 380,000
	2/15/2019	4.125%	430,000
	2/15/2020	4.150%	485,000
			$1,295,000

The 2018 and 2020 maturities will be redeemed prior to original maturity on February 15, 2017 at par.

General Obligation Bonds, Series 2008

Original Dated Date	Original Maturity Date	Interest Rates	Amount
5/15/2008	2/15/2020	4.125%	$ 700,000
	2/15/2021	4.250%	730,000
	2/15/2022	4.250%	765,000
	2/15/2023	4.375%	795,000
	2/15/2024	4.375%	830,000
			$3,820,000

The 2020-2024 maturities will be redeemed prior to original maturity on February 15, 2018 at par.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. These securities may not be sold nor may offers to buy be accepted prior to the time the Preliminary Official Statement is delivered in final form. Under no circumstances shall the Preliminary Official Statement 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 such jurisdiction.

FSCContinuingDisclosureServices
A Division of Hilltop Securities.
(See "Continuing Disclosure of Information" herein)

PRELIMINARY OFFICIAL STATEMENT

Dated _____, 2016

Ratings:
S&P: "AAA"
Fitch: "AAA"
See "OTHER INFORMATION – Ratings"

NEW ISSUE - Book-Entry-Only

In the opinion of Bond Counsel, under existing law, interest on the Bonds is excludable from gross income for federal income tax purposes and the Bonds are not "private activity bonds." See "TAX MATTERS" herein for a discussion of the opinion of Bond Counsel, including a description of alternative minimum tax consequences for corporations.

THE BONDS **WILL NOT** BE DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS

$15,670,000*
CITY OF LEWISVILLE, TEXAS
(Denton and Dallas Counties)
GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2016

Dated Date: June 1, 2016 **Due: February 15, as shown on page 2**
Interest to accrue from Date of Delivery

PAYMENT TERMS . . . Interest on the $15,670,000* City of Lewisville, Texas, General Obligation Refunding and Improvement Bonds, Series 2016 (the "Bonds") will accrue from the date of delivery to the Underwriters thereof (the "Date of Delivery"), will be payable February 15 and August 15 of each year, commencing February 15, 2017 until maturity or prior redemption and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of $5,000 or integral multiples thereof within a maturity. **No physical delivery of the Bonds will be made to the beneficial owners thereof.** Principal of and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "THE OBLIGATIONS - Book-Entry-Only System". The initial Paying Agent/Registrar is The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (see "THE OBLIGATIONS - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE . . . The Bonds are issued pursuant to the Constitution and general laws of the State of Texas (the "State"), including particularly Chapters 1207 and 1331, Texas Government Code, as amended, and an election held on November 3, 2015, and are direct obligations of the City of Lewisville, Texas (the "City"), payable from a direct and continuing annual ad valorem tax levied, within the limits prescribed by law, on all taxable property within the City, as provided in the ordinance authorizing the issuance of the Bonds (the "Bond Ordinance") (see "THE OBLIGATIONS - Authority for Issuance" and "THE OBLIGATIONS – Security and Source of Payment").

PURPOSE . . . Proceeds from the sale of the Bonds will be used to provide funds (i) to design, develop, construct, improve, extend, and expand streets, thoroughfares, sidewalks, bridges, and other public ways of the City, including streetlighting, right-of-way protection, and related storm drainage improvements; and including acquiring, constructing, and installing related public art, (ii) to acquire, develop, construct, equip, renovate and improve parks, trails, park and recreation facilities and open spaces for park and recreation purposes, in and for the City, and including acquiring, constructing, and installing related public art, (iii) to acquire, develop, construct, and equip an indoor aquatic center, including pool facilities and water recreation facilities, (iv) to refund a portion of the City's outstanding debt (the "Refunded Obligations") (see "PLAN OF FINANCING - Refunded Obligations" and "SCHEDULE I – SCHEDULE OF REFUNDED OBLIGATIONS") for debt service savings, and (v) to pay the costs associated with the issuance of the Bonds.

CUSIP PREFIX: 528810

MATURITY SCHEDULE & 9 DIGIT CUSIP
See Schedule on Page 2

SEPARATE ISSUES . . . The Bonds are being offered by the City concurrently with the "City of Lewisville, Texas, Tax Notes, Series 2016" (the "Notes"), under a common Official Statement, and the Bonds and the Notes are hereinafter sometimes referred to as the "Obligations". The Bonds and the Notes are separate and distinct securities offerings being issued and sold independently except for the common Official Statement, and while the Obligations share certain common attributes, each issue is separate from the other and should be reviewed and analyzed independently, including the type of obligation being offered, its terms for payment, the security for its payment, the rights of the holders, the tax status of its interest and other features.

LEGALITY . . . The Bonds are offered for delivery when, as and if issued and received by the Underwriters and subject to the approving opinion of the Attorney General of Texas and the opinion of Bracewell LLP, Bond Counsel, Dallas, Texas (see Appendix C, "Forms of Bond Counsel's Opinions"). Certain legal matters will be passed upon for by the Underwriters by McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Counsel for the Underwriters.

DELIVERY . . . It is expected that the Bonds will be available for delivery through DTC on July 6, 2016.

RAYMOND JAMES **STEPHENS INC.**

* Preliminary, subject to change.

CUSIP Prefix: 528810 [1]

MATURITY SCHEDULE*

15-Feb Maturity	Principal Amount	Interest Rate	Initial Yield	CUSIP Suffix[1]
2017	$ 1,670,000			
2018	3,165,000			
2019	1,935,000			
2020	1,960,000			
2021	1,540,000			
2022	1,600,000			
2023	940,000			
2024	975,000			
2025	200,000			
2026	210,000			
2027	220,000			
2028	230,000			
2029	240,000			
2030	250,000			
2031	260,000			
2032	275,000			

(Interest to accrue from the Date of Delivery)

(1) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Capital IQ on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. Neither the City, the Financial Advisor nor the Underwriters shall be responsible for the selection or correctness of the CUSIP numbers set forth herein.

OPTIONAL REDEMPTION . . . The City reserves the right, at its option, to redeem Bonds having stated maturities on and after February 15, 2026, in whole or in part in principal amounts of $5,000 or any integral multiple thereof, on February 15, 2025, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "THE OBLIGATIONS – Optional Redemption").

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. These securities may not be sold nor may offers to buy be accepted prior to the time the Preliminary Official Statement is delivered in final form. Under no circumstances shall the Preliminary Official Statement 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 such jurisdiction.

FSCContinuingDisclosureServices
A Division of Hilltop Securities.
(See "Continuing Disclosure of Information" herein)

PRELIMINARY OFFICIAL STATEMENT

Dated _____, 2016

Ratings:
S&P: "AAA
Fitch: "AAA"
See "OTHER INFORMATION – Ratings"

NEW ISSUE - Book-Entry-Only

In the opinion of Bond Counsel, under existing law, interest on the Notes is excludable from gross income for federal income tax purposes and the Notes are not "private activity bonds." See "TAX MATTERS" herein for a discussion of the opinion of Bond Counsel, including a description of alternative minimum tax consequences for corporations.

THE NOTES **WILL NOT** BE DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS

$8,875,000*
CITY OF LEWISVILLE, TEXAS
(Denton and Dallas Counties)
TAX NOTES, SERIES 2016

Dated Date: June 1, 2016 **Due: February 15, as shown on page 4**
Interest to accrue from Date of Delivery

PAYMENT TERMS . . . Interest on the $8,875,000* City of Lewisville, Texas, Tax Notes, Series 2016 (the "Notes") will accrue from the date of delivery to the Underwriters thereof (the "Date of Delivery"), will be payable February 15 and August 15 of each year, commencing February 15, 2017 until maturity and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Notes will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Notes may be acquired in denominations of $5,000 or integral multiples thereof within a maturity. **No physical delivery of the Notes will be made to the beneficial owners thereof.** Principal of and interest on the Notes will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Notes. See "THE OBLIGATIONS - Book-Entry-Only System". The initial Paying Agent/Registrar is The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (see "THE OBLIGATIONS - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE . . . The Notes are issued pursuant to the Constitution and general laws of the State of Texas (the "State"), including particularly Chapter 1431, Texas Government Code, as amended, and are direct obligations of the City of Lewisville, Texas (the "City"), payable from a direct and continuing annual ad valorem tax levied, within the limits prescribed by law, on all taxable property within the City, as provided in the ordinance authorizing the issuance of the Notes (the "Note Ordinance") (see "THE OBLIGATIONS - Authority for Issuance" and "THE OBLIGATIONS – Security and Source of Payment").

PURPOSE . . . Proceeds from the sale of the Notes will be used to provide funds to (i) purchase materials, supplies, equipment and machinery for various City departments including police and emergency services; (ii) construct park and recreation facilities and improvements including the acquisition of land, and (iii) pay the costs associated with the issuance of the Notes.

CUSIP PREFIX: 528810

MATURITY SCHEDULE & 9 DIGIT CUSIP
See Schedule on Page 4

SEPARATE ISSUES . . . The Notes are being offered by the City concurrently with the "City of Lewisville, Texas, General Obligation Refunding and Improvement Bonds, Series 2016" (the "Bonds"), under a common Official Statement, and the Bonds and the Notes are hereinafter sometimes referred to as the "Obligations". The Bonds and the Notes are separate and distinct securities offerings being issued and sold independently except for the common Official Statement, and while the Obligations share certain common attributes, each issue is separate from the other and should be reviewed and analyzed independently, including the type of obligation being offered, its terms for payment, the security for its payment, the rights of the holders, the tax status of its interest and other features.

LEGALITY . . . The Notes are offered for delivery when, as and if issued and received by the Underwriters and subject to the approving opinion of the Attorney General of Texas and the opinion of Bracewell LLP, Bond Counsel, Dallas, Texas (see Appendix C, "Forms of Bond Counsel's Opinions"). Certain legal matters will be passed upon for by the Underwriters by McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Counsel for the Underwriters.

DELIVERY . . . It is expected that the Notes will be available for delivery through DTC on July 6, 2016.

RAYMOND JAMES **STEPHENS INC.**

* Preliminary, subject to change.

CUSIP Prefix: 528810 [1]

MATURITY SCHEDULE*

15-Feb Maturity	Principal Amount	Interest Rate	Initial Yield	CUSIP Suffix[1]
2017	$ 2,100,000			
2018	1,990,000			
2019	1,695,000			
2020	1,620,000			
2021	1,005,000			
2022	225,000			
2023	240,000			

(Interest to accrue from the Date of Delivery)

(1) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Capital IQ on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. Neither the City, the Financial Advisor nor the Underwriters shall be responsible for the selection or correctness of the CUSIP numbers set forth herein.

NO OPTIONAL REDEMPTION . . . The Notes are not subject to redemption prior to maturity.

* Preliminary, subject to change.

This Official Statement, which includes the cover page and the Schedule and Appendices hereto, does not constitute an offer to sell or the solicitation of an offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation, or sale.

No dealer, broker, salesperson, or other person has been authorized to give information or to make any representation other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon.

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission (the "Rule"), this document constitutes an Official Statement of the City with respect to the Obligations that has been "deemed final" by the City as of its date except for the omission of no more than the information permitted by the Rule.

The information set forth herein has been obtained from the City and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the representation, promise, or guarantee of the Financial Advisor or the Underwriters. Any information and expressions of opinion herein contained are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or other matters described herein since the date hereof. See "CONTINUING DISCLOSURE OF INFORMATION" for a description of the City's undertaking to provide certain information on a continuing basis.

Neither the City, its Financial Advisor nor the Underwriters make any representation as to the accuracy, completeness, or adequacy of the information supplied by The Depository Trust Company for use in this Official Statement.

THIS OFFICIAL STATEMENT 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 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.

IN CONNECTION WITH THE OFFERING OF THE OBLIGATIONS THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE OBLIGATIONS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED MAY BE DISCONTINUED AT ANY TIME.

THE OBLIGATIONS ARE EXEMPT FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION AND CONSEQUENTLY HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE OBLIGATIONS IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTION IN WHICH THE OBLIGATIONS HAVE BEEN REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

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The cover page hereof, this page, the schedule and the appendices included herein and any addenda, supplement, or amendment hereto, are part of the Official Statement.

OFFICIAL STATEMENT SUMMARY

This summary is subject in all respects to the more complete information and definitions contained or incorporated in this Official Statement. The offering of the Obligations to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this summary from this Official Statement or to otherwise use it without the entire Official Statement.

THE CITY ..... The City of Lewisville, Texas (the "City"), is a political subdivision and municipal corporation of the State of Texas (the "State"), located in Denton and Dallas Counties, Texas. The City encompasses approximately 43 square miles (see "INTRODUCTION - Description of the City").

THE BONDS ..... The $15,670,000* General Obligation Refunding and Improvement Bonds, Series 2016 are scheduled to mature on February 15 in the years 2017 through 2032 (see "THE OBLIGATIONS - Description of the Obligations").

THE NOTES ..... The $8,875,000* Tax Notes, Series 2016 are scheduled to mature on February 15 in the years 2017 through 2023 (see "THE OBLIGATIONS – Description of the Obligations").

PAYMENT OF INTEREST ..... Interest on the Obligations accrues from the date of delivery to the Underwriters thereof (the "Date of Delivery"), and is payable February 15, 2017, and each August 15 and February 15 thereafter until maturity or, with respect to the Bonds, prior redemption (see "THE OBLIGATIONS - Description of the Obligations").

AUTHORITY FOR ISSUANCE..... The Bonds are issued pursuant to the Constitution and general laws of the State, including particularly Chapters 1207 and 1331, Texas Government Code, as amended, an election held on November 3, 2015 and an ordinance to be adopted by the City Council of the City (see "THE OBLIGATIONS - Authority for Issuance").

The Notes are issued pursuant to the Constitution and general laws of the State, including particularly Chapter 1431, Texas Government Code, as amended and an ordinance (the "Note Ordinance") authorizing the issuance of the Notes to be adopted by the City Council of the City (see "THE OBLGATIONS – Authority for Issuance").

SECURITY FOR THE OBLIGATIONS. The Obligations constitute direct obligations of the City, payable from a direct and continuing annual ad valorem tax levied, within the limits prescribed by law, on all taxable property located within the City (see "THE OBLIGATIONS - Security and Source of Payment").

OPTIONAL REDEMPTION ..... The City reserves the right, at its option, to redeem Bonds having stated maturities on and after February 15, 2026, in whole or in part in principal amounts of $5,000 or any integral multiple thereof, on February 15, 2025, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "THE OBLIGATIONS – Optional Redemption").

The Notes are not subject to redemption prior to maturity.

TAX EXEMPTION ..... In the opinion of Bond Counsel, under existing law, the interest on the Obligations is excludable from gross income for federal income tax purposes and the Obligations are not "private activity obligations." See "TAX MATTERS" for a discussion of the opinion of Bond Counsel, including a description of the alternative minimum tax consequences for corporations.

USE OF PROCEEDS..... Proceeds from the sale of the Bonds will be used to provide funds (i) to design, develop, construct, improve, extend, and expand streets, thoroughfares, sidewalks, bridges, and other public ways of the City, including streetlighting, right-of-way protection, and related storm drainage improvements; and including acquiring, constructing, and installing related public art, (ii) to acquire, develop, construct, equip, renovate and improve parks, trails, park and recreation facilities and open spaces for park and recreation purposes, in and for the City, and including acquiring, constructing, and installing related public art, (iii) to acquire, develop, construct, and equip an indoor aquatic center, including pool facilities and water recreation facilities, (iv) to refund a portion of the City's outstanding debt (the "Refunded Obligations") (see "PLAN OF FINANCING - Refunded Obligations" and "SCHEDULE I – SCHEDULE OF REFUNDED OBLIGATIONS") for debt service savings, and (v)to pay the costs associated with the issuance of the Bonds.

* Preliminary, subject to change.

Proceeds from the sale of the Notes will be used to provide funds (i) to design, develop, construct, improve and equip public safety facilities and improvements, including the acquisition of land therefor, (ii) to acquire, install and implement public safety equipment, including a digital communication system, and (iii) to pay the costs associated with the issuance of the Notes.

RATINGS ..... The Obligations and the presently outstanding tax-supported debt of the City are rated "AAA" by Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P") and "AAA" by Fitch Ratings ("Fitch"), in each case without regard to credit enhancement (see "OTHER INFORMATION - Ratings").

BOOK-ENTRY-ONLY SYSTEM..... The definitive Obligations will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Obligations may be acquired in denominations of $5,000 or integral multiples thereof within a maturity. No physical delivery of the Obligations will be made to the beneficial owners thereof. Principal of and interest on the Obligations will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Obligations (see "THE OBLIGATIONS - Book-Entry-Only System").

PAYMENT RECORD ..... The City has never defaulted on the payment of its tax-supported indebtedness.

SELECTED FINANCIAL INFORMATION

Fiscal Year Ended 9/30	Estimated City Population[1]	Assessed Valuation [2]	Per Capita Assessed Valuation	Net General Obligation (G.O.) Tax Debt[3]	Per Capita Net G. O. Tax Debt	Ratio of Net Tax Debt to Assessed Valuation	% Total Levy Collections
2012	96,000	$ 6,271,233,185	$ 65,325	$ 56,020,000	$ 584	0.89%	100.52%
2013	97,860	6,470,920,617	66,124	50,610,000	517	0.78%	100.03%
2014	98,330	6,874,511,196	69,913	57,665,000	586	0.84%	100.13%
2015	99,480	7,383,392,483	74,220	52,075,000	523	0.71%	100.04%
2016	100,670	7,957,760,161	79,048	57,785,000 [4]	574 [4]	0.73% [4]	98.88% [5]

(1) Source: City Officials.
(2) As reported by the Denton Central Appraisal District and Dallas Central Appraisal District on the City's annual Certified State Property Tax Board Reports; subject to change during the ensuing year.
(3) Does not include self-supporting debt. See Table 1 and Table 10 for additional information on self-supporting debt.
(4) Projected, excludes the Refunded Obligations; includes the Obligations. Preliminary, subject to change.
(5) Collections as of March 31, 2016.

GENERAL FUND CONSOLIDATED STATEMENT SUMMARY

	Fiscal Year Ending September 30,				
	2015	2014	2013	2012	2011
Beginning Balance	$ 31,643,561	$ 31,491,278	$ 31,072,847	$ 29,320,039	$ 26,768,340
Total Revenue	71,969,563	67,718,489	64,159,894	59,949,773	57,727,048
Total Expenditures	64,391,906	65,259,892	60,397,895	58,414,080	56,838,552
Net Transfers	(1,979,265)	(2,306,314)	(3,343,568)	217,115	1,663,203
Ending Balance	$ 37,241,953	$ 31,643,561	$ 31,491,278	$ 31,072,847	$ 29,320,039

For additional information regarding the City, please contact:

Brenda Martin Director of Finance City of Lewisville 151 W. Church Street Lewisville, Texas 75057 (972) 219-3775	or	W. Boyd London, Jr. Jason L. Hughes FirstSouthwest, a Division of Hilltop Securities Inc. 1201 Elm Street, Suite 3500 Dallas, Texas 75270 (214) 953-4000

CITY OFFICIALS, STAFF AND CONSULTANTS

ELECTED OFFICIALS

City Council	Length of Service	Term Expires	Occupation
Rudy Durham Mayor	22 Years	May, 2018	Chief Appraiser Denton Central Appraisal District
T.J. Gilmore Mayor Pro Tem	5 Years	May, 2017	Public Sector Sales Manager Waste Management
Leroy Vaughn Deputy Mayor Pro Tem	5 Years	May, 2017	Owner Voninamillion Home Solutions
R. Neil Ferguson Councilmember	4 Years	May, 2018	Technology Consultant
Brandon Jones Councilmember	Newly Elected	May, 2019	Senior Financial Auditor Dallas ISD
Brent Daniels Councilmember	1 Year	May, 2019	Owner Bahama Buck's

SELECTED ADMINISTRATIVE STAFF

Name	Position	Length of Service
Donna Barron	City Manager	26 Years
Melinda Galler	Assistant City Manager	28 Years
Eric Ferris	Assistant City Manager	30 Years
Claire Swann	Assistant City Manager	-* Years
Brenda Martin	Director of Finance	11 Years
Julie Heinze	City Secretary	17 Years
Lizbeth Plaster	City Attorney	11 Years
Nika Reinecke	Economic Development Director	9 Years

* Claire Swann started January 1, 2016 as Assistant City Manager of Development Services.

CONSULTANTS, ADVISORS AND INDEPENDENT AUDITORS

Auditors ..... Weaver and Tidwell, LLP
Dallas, Texas

Bond Counsel ..... Bracewell LLP
Dallas, Texas

Financial Advisor ..... FirstSouthwest, a Division of Hilltop Securities Inc.
Dallas, Texas

PRELIMINARY OFFICIAL STATEMENT

RELATING TO

$15,670,000*
CITY OF LEWISVILLE, TEXAS
GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2016

And

$8,875,000*
CITY OF LEWISVILLE, TEXAS
TAX NOTES, SERIES 2016

INTRODUCTION

This Official Statement, which includes the Schedule and Appendices hereto, provides certain information regarding the issuance of $15,670,000* City of Lewisville, Texas, General Obligation Refunding and Improvement Bonds, Series 2016 (the "Bonds") and $8,875,000* City of Lewisville, Texas, Tax Notes, Series 2016 (the "Notes" and together with the Bonds, the "Obligations"). Except as otherwise indicated herein, capitalized terms used in this Official Statement have the same meanings assigned to such terms in the respective ordinances to be adopted on the date of the sale of the Obligations which will authorize the issuance of the Obligations (respectively, the "Bond Ordinance" and the "Note Ordinance" and collectively, the "Ordinances").

There follows in this Official Statement descriptions of the Bonds and certain information regarding the City and its finances. 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 the City's Financial Advisor, FirstSouthwest, a Division of Hilltop Securities Inc., Dallas, Texas ("FirstSouthwest").

All financial and other information presented in this Official Statement has been provided by the City from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historic information and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or be repeated in the future (see "OTHER INFORMATION – Forward-Looking Statements Disclaimer").

DESCRIPTION OF THE CITY . . . The City is a political subdivision and municipal corporation of the State of Texas (the "State"), duly organized and existing under the laws of the State and the City's Home Rule Charter. The City was incorporated in 1925, and first adopted its Home Rule Charter in 1963; its Home Rule Charter was last amended in 2004. The City operates under a Council/Manager form of government with a City Council comprised of the Mayor and five Councilmembers elected for three-year terms. The City Manager is the chief administrative officer for the City. Some of the services that the City provides are: public safety (police and fire protection), highways and streets, water and sanitary sewer utilities, health and social services, culture-recreation, public improvements, planning and zoning, tourism and general administrative services. The 2010 Census population for the City was 95,290; the estimated 2016 population is 100,670. The City encompasses approximately 43 square miles.

PLAN OF FINANCING

PURPOSE . . . Proceeds from the sale of the Bonds will be used to provide funds (i) to design, develop, construct, improve, extend, and expand streets, thoroughfares, sidewalks, bridges, and other public ways of the City, including streetlighting, right-of-way protection, and related storm drainage improvements; and including acquiring, constructing, and installing related public art, (ii) to acquire, develop, construct, equip, renovate and improve parks, trails, park and recreation facilities and open spaces for park and recreation purposes, in and for the City, and including acquiring, constructing, and installing related public art, (iii) to acquire, develop, construct, and equip an indoor aquatic center, including pool facilities and water recreation facilities, (iv) to refund a portion of the City's outstanding debt (the "Refunded Obligations") (see "PLAN OF FINANCING - Refunded Obligations" and "SCHEDULE I – SCHEDULE OF REFUNDED OBLIGATIONS") for debt service savings, and (v)to pay the costs associated with the issuance of the Bonds.

Proceeds from the sale of the Notes will be used to provide funds (i) to to design, develop, construct, improve and equip public safety facilities and improvements, including the acquisition of land therefor, (ii) to acquire, install and implement public safety equipment, including a digital communication system, and (iii) to pay the costs associated with the issuance of the Notes.

* Preliminary, subject to change.

REFUNDED OBLIGATIONS . . . The principal and interest due on the Refunded Obligations are to be paid on the scheduled interest payments dates and the redemption dates of such Refunded Obligations, from funds to be deposited pursuant to a certain escrow agreement (the "Escrow Agreement") between the City and The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the "Escrow Agent"). The Ordinance provides that from the proceeds of the sale of the Bonds received from the Underwriters and other funds of the City, if any, the City will deposit with the Escrow Agent an amount which, together with the Federal Securities (defined below) purchased with a portion of the Bond proceeds and the interest to be earned on such Federal Securities, will be sufficient to accomplish the discharge and final payment of the Refunded Obligations on their redemption dates. Such funds will be held by the Escrow Agent in a special escrow account (the "Escrow Fund") and used to purchase obligations authorized by Chapter 1207, Texas Government Code (the "Federal Securities"). Under the Escrow Agreement, the Escrow Fund is irrevocably pledged to the payment of the principal of and interest on the Refunded Obligations.

Grant Thornton LLP, a nationally recognized accounting firm, will verify at the time of delivery of the Bonds to the Underwriters the mathematical accuracy of the schedules that demonstrate the Federal Securities will mature and pay interest in such amounts which, together with uninvested funds, if any, in the Escrow Fund, will be sufficient to pay, when due, the principal of and interest on the Refunded Obligations. **Such maturing principal of and interest on the Federal Securities will not be available to pay the Bonds** (see "OTHER INFORMATION - Verification of Arithmetical and Mathematical Computations").

By the deposit of the Federal Securities and cash, if necessary, with the Escrow Agent pursuant to the Escrow Agreement, the City will have effected the defeasance of all of the Refunded Obligations in accordance with the law. It is the opinion of Bond Counsel that as a result of such defeasance and in reliance upon the report of Grant Thornton LLP, the Refunded Obligations will be outstanding only for the purpose of receiving payments from the Federal Securities and any cash held for such purpose by the Escrow Agent and such Refunded Obligations will not be deemed as being outstanding obligations of the City payable from taxes or other revenues nor for the purpose of applying any limitation on the issuance of debt, and the City will have no further responsibility with respect to amounts available in the Escrow Fund for the payment of the Refunded Obligations from time to time, including any insufficiency therein caused by the failure to receive payment when due on the Federal Securities.

SOURCES AND USES OF OBLIGATION PROCEEDS . . . Proceeds from the sale of the Obligations, together with available City funds, if any, are expected to be expended as follows:

	The Bonds	The Notes
Principal Amount	$ -	$ -
Reoffering Premium		
Transfers from Prior Issue Debt Service Funds		
TOTAL SOURCES	$ -	$ -
Deposit to Escrow Fund	$ -	$ -
Deposit to Project Construction Fund		
Deposit to the Debt Service Fund		
Underwriters' Discount		
Costs of Issuance		
TOTAL USES	$ -	$ -

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THE OBLIGATIONS

DESCRIPTION OF THE OBLIGATIONS . . . The Obligations are dated June 1, 2016 (the "Dated Date"), and mature on February 15 in each of the years and in the amounts shown on pages 2 and 4 hereof. Interest on the Obligations will accrue from the date of delivery of the Obligations to the Underwriters thereof (the "Date of Delivery"), will be calculated on the basis of a 360-day year of twelve 30-day months, and will be payable on February 15 and August 15 of each year, commencing February 15, 2017, until maturity or, with respect to the Bonds, prior redemption. The definitive Obligations will be issued only in fully registered form in any integral multiple of $5,000 for any one maturity and will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. **No physical delivery of the Obligations will be made to the beneficial owners thereof.** Principal of and interest on the Obligations will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Obligations. See "THE OBLIGATIONS - Book-Entry-Only System" herein.

AUTHORITY FOR ISSUANCE . . . The Bonds are being issued pursuant to the Constitution and general laws of the State, particularly Chapters 1207 and 1331, Texas Government Code, as amended, an election held on November 3, 2015 and the Bond Ordinance.

The Notes are being issued pursuant to the Constitution and general laws of the State, particularly Chapter 1431, Texas Government Code, as amended and the Note Ordinance.

SECURITY AND SOURCE OF PAYMENT . . . The Obligations constitute direct obligations of the City and the principal thereof and interest thereon are payable from a direct and continuing annual ad valorem tax levied by the City, within the limits prescribed by law, upon all taxable property in the City, as provided in the respective Ordinances.

TAX RATE LIMITATION . . . All taxable property within the City is subject to the assessment, levy and collection by the City of a direct and continuing annual ad valorem tax to provide for the operations of the City, including the payment of principal of and interest on all ad valorem tax debt, within the limits prescribed by law. Article XI, Section 5, of the Texas Constitution is applicable to the City, and limits its maximum ad valorem tax rate to $2.50 per $100 Taxable Assessed Valuation for all City purposes. The Home Rule Charter of the City adopts the constitutionally authorized maximum tax rate of $2.50 per $100 Taxable Assessed Valuation. Administratively, the Attorney General of the State of Texas will permit allocation of $1.50 of the $2.50 maximum tax rate for all tax-supported debt service, as calculated at the time of issuance and based on a 90% collection rate.

OPTIONAL REDEMPTION . . . The City reserves the right, at its option, to redeem Bonds having stated maturities on and after February 15, 2026, in whole or in part in principal amounts of $5,000 or any integral multiple thereof, on February 15, 2025, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption.

The Note are not subject to redemption prior to maturity.

NOTICE OF REDEMPTION . . . Not less than 30 days prior to a redemption date for the Bonds, the City shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to the registered owners of the Bonds to be redeemed, in whole or in part, at the address of the registered owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice. In the Bond Ordinance, the City reserves the right to give notice of its election or direction to redeem Bonds pursuant to an optional redemption 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 City retains the right to rescind such notice at any time prior to the scheduled redemption date if the City delivers a certificate of the City 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 where redemption has been rescinded shall remain Outstanding, and the rescission shall not constitute an Event of Default. Further, in the case of a conditional redemption, the failure of the City 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.

ANY NOTICE SO MAILED SHALL BE CONCLUSIVELY PRESUMED TO HAVE BEEN DULY GIVEN, WHETHER OR NOT THE REGISTERED OWNER RECEIVES SUCH NOTICE. SUBJECT TO THE RIGHT OF THE CITY TO GIVE A CONDITIONAL NOTICE OF REDEMPTION AS DESCRIBED IN THE IMMEDIATELY PRECEDING PARAGRAPH, NOTICE HAVING BEEN SO GIVEN, THE BONDS CALLED FOR REDEMPTION SHALL BECOME DUE AND PAYABLE ON THE SPECIFIED REDEMPTION DATE, AND NOTWITHSTANDING THAT ANY BOND OR PORTION THEREOF HAS NOT BEEN SURRENDERED FOR PAYMENT, INTEREST ON SUCH BOND OR PORTION THEREOF SHALL CEASE TO ACCRUE.

BOOK-ENTRY-ONLY SYSTEM . . . *This section describes how ownership of the Obligations is to be transferred and how the principal of and interest on the Obligations are to be paid to and credited by The Depository Trust Company ("DTC"), New York, New York, while the Obligations 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 City and the Underwriters believe the source of such information to be reliable, but take no responsibility for the accuracy or completeness thereof.*

The City and the Underwriters cannot and do not give any assurance that (1) DTC will distribute payments of debt service on the Obligations, 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 Obligations), 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.

DTC will act as securities depository for the Obligations. The Obligations 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 Obligation certificate will be issued for each maturity of the Obligations, each in the aggregate principal amount of such maturity, 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 corporations, 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 corporations 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 Obligations under the DTC system must be made by or through Direct Participants, which will receive a credit for the Obligations on DTC's records. The ownership interest of each actual purchaser of each Obligation ("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 Obligations 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 Obligations, except in the event that use of the book-entry system for the Obligations is discontinued.

To facilitate subsequent transfers, all Obligations 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 Obligations 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 Obligations; DTC's records reflect only the identity of the Direct Participants to whose accounts such Obligations 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 Obligations may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Obligations, such as redemptions, tenders, defaults, and proposed amendments to the Obligation documents. For example, Beneficial Owners of Obligations may wish to ascertain that the nominee holding the Obligations 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 a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Obligations unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Obligations are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payment of principal and interest payments on the Obligations 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 City or the Paying Agent/Registrar, on the 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 nor its nominee, the Paying Agent/Registrar, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the 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 Obligations at any time by giving reasonable notice to the City or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, Obligation certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Obligation certificates will be printed and delivered.

Use of Certain Terms in Other Sections of this Official Statement. In reading this Official Statement, it should be understood that while the Obligations are in the Book-Entry-Only System references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Obligations, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Ordinance will be given only to DTC.

Information concerning DTC and the Book-Entry-Only System has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the City or the Underwriters.

Effect of Termination of Book-Entry-Only System. In the event the Book-Entry-Only System with respect to the Obligations is discontinued by DTC, or the use of the Book-Entry-Only System with respect to the Obligations is discontinued by the City, printed certificates will be issued to the registered owners of the Obligations, as the case may be, and the respective Obligations will be subject to transfer, exchange, and registration provisions as set forth in the Ordinances, summarized under "Transfer, Exchange, and Registration" below.

PAYING AGENT/REGISTRAR . . . The initial Paying Agent/Registrar is The Bank of New York Mellon Trust Company, N.A., Dallas, Texas. In the Ordinances, the City retains the right to replace the Paying Agent/Registrar. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Obligations are duly paid, and any successor Paying Agent/Registrar shall be a commercial bank or trust company organized under the laws of the State or other entity duly qualified and legally authorized to serve as and perform the duties and services of Paying Agent/Registrar for the Obligations. Upon any change in the Paying Agent/Registrar for the Obligations, the City agrees to promptly cause a written notice thereof to be sent to each registered owner of the Obligations by United States mail, first class, postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

PAYMENT . . . Interest on the Obligations shall be paid to the registered owners appearing on the registration books of the Paying Agent/Registrar at the close of business on the Record Date (defined below), and such interest shall be paid (i) by check sent United States Mail, first class postage prepaid to the address of the registered owner recorded in the registration books of the Paying Agent/Registrar or (ii) by such other method, acceptable to the Paying Agent/Registrar requested by, and at the risk and expense of, the registered owner. Principal of the Obligations will be paid to the registered owner at their stated maturity or, with respect to the Bonds, upon prior redemption, upon presentation to the designated payment/transfer office of the Paying Agent/Registrar; provided, however, that so long as Cede & Co. (or other DTC nominee) is the registered owner of the Obligations, all payments will be made as described under "THE OBLIGATIONS - Book-Entry-Only System" herein. If the date for the payment of the principal of or interest on the Obligations shall be a Saturday, Sunday, a legal holiday or a day when banking institutions in the city where the designated payment/transfer office of the Paying Agent/Registrar is located are authorized to close, then the date for such payment shall be the next succeeding day which is not such a day, and payment on such date shall have the same force and effect as if made on the date payment was due.

TRANSFER, EXCHANGE AND REGISTRATION . . . In the event the Book-Entry-Only System should be discontinued, printed certificates will be delivered to the registered owners and thereafter the Obligations may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender to the Paying Agent/Registrar and such transfer or exchange shall be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration, exchange and transfer. Obligations may be assigned by the execution of an assignment form on the respective Obligations or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. New Obligations will be delivered by the Paying Agent/Registrar, in lieu of the Obligations being transferred or exchanged, at the designated office of the Paying Agent/Registrar, or sent by United States mail, first class, postage prepaid, to the new registered owner or his designee. New Obligations registered and delivered in an exchange or transfer shall be in any integral multiple of $5,000 for any one maturity and for a like aggregate principal amount as the Obligations surrendered for exchange or transfer. See "THE OBLIGATIONS - Book-Entry-Only System" herein for a description of the system to be utilized initially in regard to ownership and transferability of the Obligations.

RECORD DATE FOR INTEREST PAYMENT . . . The record date ("Record Date") for the interest payable on the Obligations on any interest payment date means the close of business on the last business day of the preceding month.

In the event of a nonpayment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest ("Special Payment Date", which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each registered owner of an Obligation appearing on the registration books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

DEFEASANCE . . . The Ordinances provide that the City may discharge its obligations to the registered owners of any or all of the Bonds or Notes, as applicable, to pay principal and interest thereon in any manner permitted by law. Under current Texas law, such discharge may be accomplished either (i) by depositing with the Paying Agent/Registrar or any other lawfully authorized entity a sum of money equal to the principal of and all interest to accrue on such Bonds or Notes to maturity or, with respect to the Bonds, prior redemption or (ii) by depositing with the Paying Agent/Registrar or other lawfully authorized entity amounts sufficient, together with the investments earnings thereon, to provide for the payment and/or redemption of such Bonds; provided, that under current law, such deposits may be invested and reinvested only in (a) direct non-callable 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 City adopts or approves the proceedings authorizing the issuance of refunding obligations, 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 City adopts or approves the proceedings authorizing the issuance of refunding obligations to refund the Bonds or Notes, as applicable, 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 or Notes. If any of Bonds are to be redeemed prior to their respective dates of maturity, provision must have been made for the payment to the registered owners of such Bonds of the full amount to which such owner would be entitled and for giving notice of redemption as provided in the Bond Ordinance.

Under current State law, upon such deposit as described above, the Obligations shall no longer be regarded to be outstanding for any purpose other than the payment thereof. After firm banking and financial arrangements for the discharge and final payment or redemption of the Obligations have been made as described above, all rights of the City to initiate proceedings to call the Bonds for redemption or take any other action amending the terms of the Obligations are extinguished; provided, however, that the right to call the Bonds for redemption is not extinguished if the City: (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 Obligations. Because the Ordinances do not contractually limit such investments, registered owners 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 State law.

OBLIGATIONHOLDERS' REMEDIES . . . The Ordinances establish as "events of default" (i) the failure to make payment of principal of or interest on any of the Obligations when due and payable; or (ii) default in the performance of observance of any other covenant, agreement or obligation of the City, which default materially and adversely affects the rights of the related Owners, including but not limited to their prospect or ability to be repaid in accordance with the Ordinances, and the continuation thereof for a period of sixty days after notice of such default is given by any Owner to the City. **Under State law, there is no right to the acceleration of maturity of the Obligations upon the failure of the City to observe any covenant under the Ordinances.** Although a registered owner could presumably obtain a judgment against the City if a default occurred in any payment of the principal of or interest on any such Obligations, such judgment could not be satisfied by execution against any property of the City. Such registered owner's only practical remedy, if a default occurs, is a mandamus or mandatory injunction proceeding to compel the City, to assess and collect an annual ad valorem tax sufficient to pay principal of and interest on the Obligations as they become due. The enforcement of any such remedy may be difficult and time consuming and a registered owner could be required to enforce such remedy on a periodic basis. Moreover, there is no assurance that the remedy of mandamus will be available, as discussed in the next following paragraph.

On June 30, 2006, the Texas Supreme Court ruled in Tooke v. City of Mexia, 197 S.W.3rd 325 (Tex. 2006) ("Tooke") that a waiver of sovereign immunity must be provided for by statute in "clear and unambiguous" language. In so ruling, the Court declared that statutory language such as "sue and be sued", in and of itself, did not constitute a clear and unambiguous waiver of sovereign immunity. In Tooke, the Court noted the enactment in 2005 of sections 271.151-.160, Texas Local Government Code (the "Local Government Immunity Waiver Act"), which, according to the Court, waives "immunity from suit for contract claims against most local governmental entities in certain circumstances." The Local Government Immunity Waiver Act covers municipalities and relates to contracts entered into by municipalities for providing goods or services to municipalities. The City is not aware of any Texas court construing the Local Government Immunity Waiver Act in the context of whether contractual undertakings of local governments that relate to their borrowing powers are contracts covered by the Act. Neither the remedy of mandamus nor any other type of injunctive relief was at issue in Tooke, and it is unclear whether Tooke will be construed to have any effect with respect to the exercise of mandamus, as such remedy has been interpreted by Texas courts. In general, Texas courts have held that a writ of mandamus may be issued to require public officials to perform ministerial acts that clearly pertain to their duties. Texas courts have held that a ministerial act is defined as a legal duty that is prescribed and defined with a precision and certainty that leaves nothing to the exercise of discretion or judgment, though mandamus is not available to enforce purely contractual duties. However, mandamus may be used to require a public officer to perform legally-imposed ministerial duties necessary for the performance of a valid contract to which the State or a political subdivision of the State is a party (including the payment of monies due under a contract). Chapter 1371, Texas Government Code ("Chapter 1371"), which pertains to the issuance of public securities by issuers such as the City, permits the City to waive sovereign immunity in the proceedings authorizing its bonds, but in connection with the issuance of the Obligations, the City is not using the authority provided by Chapter 1371 and has not waived sovereign immunity in the proceedings authorizing the Obligations.

The Ordinances do not provide for the appointment of a trustee to represent the interest of the holders of the Obligations upon any failure of the City to perform in accordance with the terms of the Ordinances, or upon any other condition. Furthermore, the City is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code ("Chapter 9"). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, the pledge of taxes in support of a general obligation of a bankrupt entity is not specifically recognized as a security interest under Chapter 9. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or Obligationholders of an entity which has sought protection under Chapter 9. Therefore, should the City avail itself of Chapter 9 protection from creditors, the ability to enforce would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinion of Bond Counsel will note that the rights of holders of the Obligations are subject to the applicable provisions of the federal bankruptcy laws and any other similar laws affecting the rights of creditors of political subdivisions generally, and may be limited by general principles of equity which permit the exercise of judicial discretion.

AMENDMENTS TO ORDINANCE . . . The City may, without the consent of or notice to the Owners, from time to time and at any time amend the Ordinances in any manner not detrimental to the interests of the Owners, for the purpose of curing of any ambiguity, inconsistency, manifest error, or formal defect or omission in the Ordinances. In addition, the City may, with the written consent of the Owners of a majority in aggregate principal amount of the Obligations then outstanding, amend, add to or rescind any of the provisions of the Ordinances; provided, that, without the consent of the Owners of all Obligations then outstanding, no such amendment, addition, or rescission shall: (i) extend the time or times of payment of the principal of and interest on the Obligations, (ii) reduce the principal amount thereof, the redemption price, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of and interest on the Obligations; (iii) give any preference to any Obligations over any other Obligation, or (iv) reduce the aggregate principal amount of Obligations required to be held by Owners for consent to any such amendment, addition or rescission.

TAX INFORMATION

AD VALOREM TAX LAW . . . The appraisal of property within the City is the responsibility of the Denton Central Appraisal District and Dallas Central Appraisal District (collectively, the "Appraisal Districts"). Excluding agricultural and open-space land, which may be taxed on the basis of productive capacity, the Appraisal Districts are required under the Property Tax Code to appraise all property within the Appraisal Districts on the basis of 100% of its market value and is prohibited from applying any assessment ratios. In determining market value of property, different methods of appraisal may be used, including the cost method of appraisal, the income method of appraisal and the market data comparison method of appraisal, and the method considered most appropriate by the chief appraiser is to be used. 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 market value of the property in the most recent tax year, or (2) 110% of the appraised value of the residence homestead for the preceding tax year plus the market value of all new improvements to the property. The value placed upon property within the Appraisal Districts is subject to review by an Appraisal Review Board, consisting of members appointed by the Board of Directors of the respective Appraisal District. The Appraisal Districts are required to review the value of property within the Appraisal Districts at least every three years. The City may require annual review at its own expense, and is entitled to challenge the determination of appraised value of property within the City by petition filed with the Appraisal Review Board.

Reference is made to the V.T.C.A., Property Tax Code, for identification of property subject to taxation; property exempt or which may be exempted from taxation, if claimed; the appraisal of property for ad valorem taxation purposes; and the procedures and limitations applicable to the levy and collection of ad valorem taxes.

Article VIII of the State Constitution ("Article VIII") and State law provide for certain exemptions from property taxes, the valuation of agricultural and open-space lands at productivity value, and the exemption of certain personal property from ad valorem taxation.

Under Article VIII, Section 1-b, and State law, the governing body of a political subdivision, at its option, may grant an exemption of not less than $3,000 of the market value of the residence homestead of persons 65 years of age or older and the disabled from all ad valorem taxes thereafter levied by the political subdivision. Once authorized, such exemption may be repealed or decreased or increased in amount (i) by the governing body of the political subdivision or (ii) by a favorable vote of a majority of the qualified voters at an election called by the governing body of the political subdivision, which election must be called upon receipt of a petition signed by at least 20% of the number of qualified voters who voted in the preceding election of the political subdivision. In the case of a decrease, the amount of the exemption may not be reduced to less than $3,000 of the market value.

The surviving spouse of an individual who qualifies for the foregoing exemption for the residence homestead of a person 65 or older (but not the disabled) is entitled to an exemption for the same property in an amount equal to that of the exemption for which the deceased spouse qualified if (i) the deceased spouse died in a year in which the deceased spouse qualified for the exemption, (ii) the surviving spouse was at least 55 years of age at the time of the death of the individual's spouse and (iii) the property was the residence homestead of the surviving spouse when the deceased spouse died and remains the residence homestead of the surviving spouse.

In addition to any other exemptions provided by the Property Tax Code, the governing body of a political subdivision, at its option, may grant an exemption of up to 20% of the market value of residence homesteads, with a minimum exemption of $5,000. Senate Joint Resolution 1 ("SJRl "), passed during the 84th Texas Legislature, authorized a constitutional amendment to allow the Legislature to prohibit a municipality that adopts an optional homestead exemption from reducing or repealing the amount of the exemption. SJRl was approved by the voters in the November 2015 Constitutional election, and Senate Bill 1, also passed during the 84th Texas Legislature, prohibits municipalities from reducing or repealing the amount of their optional homestead exemption that was in place for the 2014 tax year for a period running through December 31, 2019.

In the case of residence homestead exemptions granted under Section 1-b, Article VIII, ad valorem taxes may continue to be levied against the value of homesteads exempted where ad valorem taxes have previously been pledged for the payment of debt if cessation of the levy would impair the obligation of the contract by which the debt was created.

Article VIII provides that eligible owners of both agricultural land (Section 1-d) and open-space land (Section 1-d-1), including open-space land devoted to farm or ranch purposes or open-space land devoted to timber production, may elect to have such property appraised for property taxation on the basis of its productive capacity. The same land may not be qualified under both Section 1-d and 1-d-1.

Nonbusiness personal property, such as automobiles or light trucks, are exempt from ad valorem taxation unless the governing body of a political subdivision elects to tax this property. Boats owned as nonbusiness property are exempt from ad valorem taxation.

State law and Section 2, Article VIII, mandate an additional property tax exemption for disabled veterans or the surviving spouse or children of a deceased veteran who died while on active duty in the armed forces; the exemption applies to either real or personal property with the amount of assessed valuation exempted ranging from $5,000 to a maximum of $12,000 depending upon the degree of disability or whether the exemption is applicable to a surviving spouse or children. Notwithstanding the foregoing, a disabled veteran who receives from the United States Department of Veterans Affairs or its successor 100% disability compensation due to a service-connected disability and a rating of 100% disabled or of individual unemployability is entitled to an exemption from taxation of the total appraised value of the veteran's residence homestead. Additionally, effective January 1, 2012, 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.

Following the approval by the voters at a November 5, 2013 statewide election, a partially disabled veteran or the surviving spouse of a partially disabled veteran is entitled to an exemption equal to the percentage of the veteran's disability, if the residence was donated at no cost to the veteran by a charitable organization.

Also approved by the November 5, 2013 election, was a constitutional amendment providing that the surviving spouse of a member of the armed forces who is killed in action is entitled to a property tax exemption for all or part of the market value of such surviving spouse's residences homestead, if the surviving spouse has not remarried since the service member's death and said property was the service member's residence homestead at the time of death. Such exemption is transferable to a different property of the surviving spouse, if the surviving spouse has not remarried, in an amount equal to the exemption received on the prior residence in the last year in which such exemption was received. House Joint Resolution 75 ("HJR75"), passed during the 84th Texas legislature, proposed a constitutional amendment that allows the Legislature to provide for an exemption from ad valorem taxation of all or part of the market value of the residence homestead of the surviving spouse of a 100 percent or totally disabled veteran and who would have had qualified for the full exemption before the law authorizing a residence homestead exemption took effect. The proposition authorized by HJR75 was approved by voters in the November 2015 constitutional election. As such, the surviving spouse of a totally disabled veteran who died on or before January 1, 2010 and who would have qualified for the full exemption on the homestead's entire value if it had been available at that time, will be entitled to an exemption from ad valorem taxation of all or part of the market value of the residence homestead if the spouse has not remarried.

Article VIII, Section 1-j, provides for "freeport property" to be exempted from ad valorem taxation. Freeport property is defined as goods detained in Texas for 175 days or less for the purpose of assembly, storage, manufacturing, processing or fabrication. Decisions to continue to tax may be reversed in the future; decisions to exempt freeport property are not subject to reversal.

Article VIII, Section 1-n of the Texas Constitution provides for the exemption from taxation of "goods in transit." Under Section 11.253 of the Texas Tax Code, "Goods-in-Transit" are exempt from taxation unless a taxing unit opts out of the exemption. Goods-in-Transit are defined as tangible personal property that: (i) is acquired in or imported into the state to be forwarded to another location in the state or outside the state; (ii) is detained at a location in the state in which the owner of the property does not have a direct or indirect ownership interest for assembling, storing, manufacturing, processing, or fabricating purposes by the person who acquired or imported the property; (iii) is transported to another location in the state or outside the state not later than 175 days after the date the person acquired the property in or imported the property into the state; and (iv) does not include oil, natural gas, petroleum products, aircraft, dealer's motor vehicle inventory, dealer's vessel and outboard motor inventory, dealer's heavy equipment inventory, or retail manufactured housing inventory. A taxpayer may receive only one of the freeport exemptions or the goods-in-transit exemptions for items of personal property.

The City and the other taxing bodies within its territory may agree to jointly create tax increment financing zones, under which the tax values on property in the zone are "frozen" at the value of the property at the time of creation of the zone (see "Tax Increment Financing Zone" below). Other overlapping taxing units may agree to contribute all or part of future ad valorem taxes levied and collected against the value of property in the zone in excess of the "frozen value" to pay or finance the costs of certain public improvements in the zone. Taxes levied by the City against the values of real property in the zone in excess of the "frozen value" are not available for general city use but are restricted to paying or financing "project costs" within the zone. The City also may enter into tax abatement agreements to encourage economic development. Under the agreements, a property owner agrees to construct certain improvements on its property. The City in turn agrees not to levy a tax on all or part of the increased value attributable to the improvements until the expiration of the agreement. The abatement agreement could last for a period of up to 10 years. (See "Tax Abatement Policy" below).

Cities are also authorized, pursuant to Chapter 380, Texas Local Government Code ("Chapter 380") to establish programs to promote state or local economic development and to stimulate business and commercial activity in the City. In accordance with a program established pursuant to Chapter 380, the City may make loans or grants of public funds for economic development purposes, however, no obligations secured by ad valorem taxes may be issued for such purposes unless approved by voters of the City.

Under Article VIII, Section 1-b(h) and State law, the governing body of a county, municipality, or junior college district may provide that the total amount of ad valorem taxes levied on the residence homestead of a disabled person or persons 65 years of age or older will not be increased above the amount of taxes imposed in the year such residence qualified for such limitation. Also, upon receipt of a petition signed by 5% of the registered voters of the county, municipality or junior college district, an election held to determine by majority vote whether to establish such a limitation on taxes paid on residence homestead of persons 65 years of age or older or of persons who are disabled. The above-referenced tax limitation is transferable to (1) a different residence homestead within the city and (2) to a surviving spouse so long as the property was the residence homestead of the surviving spouse when the deceased spouse died and remains the residence homestead of the surviving spouse and the spouse was at least 55 years of age at the time of the death of the individual's spouse. If improvements (other than repairs or improvements required to comply with governmental requirements) are made to the property, the value of the improvements is taxed at the then current tax rate, and the total amount of taxes imposed is increased to reflect the new improvements with the new amount of taxes then serving as the ceiling on taxes for the following years. Once established, the tax limitation may not be repealed or rescinded.

EFFECTIVE TAX RATE AND ROLLBACK TAX RATE . . . By each September 1 or as soon thereafter as practicable, the City Council adopts a tax rate per $100 taxable value for the current year. The City Council will be required to adopt the annual tax rate for the City before the later of September 30 or the 60th day after the date the certified appraisal roll is received by the City. If the City Council does not adopt a tax rate by such required date the tax rate for that tax year is the lower of the effective tax rate calculated for that tax year or the tax rate adopted by the City for the preceding tax year. The tax rate consists of two components: (1) a rate for funding of maintenance and operation expenditures, and (2) a rate for debt service.

Under the Property Tax Code, the City must annually calculate and publicize its "effective tax rate" and "rollback tax rate". A tax rate cannot be adopted by the City Council that exceeds the lower of the rollback tax rate or the effective tax rate until two public hearings have been held on the proposed tax rate following notice of such public hearings (including the requirement that notice be posted on the City's website if the City owns, operates or controls an internet website and public notice be given by television if the City has free access to a television channel) and the City Council has otherwise complied with the legal requirements for the adoption of such tax rate. If the adopted tax rate exceeds the rollback tax rate the qualified voters of the City by petition may require that an election be held to determine whether or not to reduce the tax rate adopted for the current year to the rollback tax rate.

"Effective tax rate" means the rate that will produce last year's total tax levy (adjusted) from this year's total taxable values (adjusted). "Adjusted" means lost values are not included in the calculation of last year's taxes and new values are not included in this year's taxable values.

"Rollback tax rate" means the rate that will produce last year's maintenance and operation tax levy (adjusted) from this year's values (adjusted) multiplied by 1.08 plus a rate that will produce this year's debt service from this year's values (unadjusted) divided by the anticipated tax collection rate.

The Property Tax Code provides that certain cities and counties in the State may submit a proposition to the voters to authorize an additional one-half cent sales tax on retail sales of taxable items. If the additional tax is levied, the effective tax rate and the rollback tax rate calculations are required to be offset by the revenue that will be generated by the sales tax in the current year.

Reference is made to the Property Tax Code for definitive requirements for the levy and collection of ad valorem taxes and the calculation of the various defined tax rates.

PROPERTY ASSESSMENT AND TAX PAYMENT . . . Property within the City is generally assessed as of January 1 of each year. Business inventory may, at the option of the taxpayer, be assessed as of September 1. Oil and gas reserves are assessed on the basis of a valuation process which uses an average of the daily price of oil and gas for the prior year. Taxes become due October 1 of the same year, and become delinquent on February 1 of the following year. Taxpayers 65 years old or older are permitted by State law to pay taxes on homesteads in four installments with the first due on February 1 of each year and the final installment due on August 1.

PENALTIES AND INTEREST . . . Charges for penalty and interest on the unpaid balance of delinquent taxes are made as follows:

Month	Cumulative Penalty	Cumulative Interest	Total
February	6%	1%	7%
March	7	2	9
April	8	3	11
May	9	4	13
June	10	5	15
July	12	6	18

After July, penalty remains at 12%, and interest increases at the rate of 1% each month. In addition, if an account is delinquent in July, a 15% attorney's collection fee is added to the total tax penalty and interest charge. Under certain circumstances, taxes which become delinquent on the homestead of a taxpayer 65 years old or older incur a penalty of 8% per annum with no additional penalties or interest assessed. In general, property subject to the City's lien may be sold, in whole or in parcels, pursuant to court order to collect the amounts due. Federal law does not allow for the collection of penalty and interest against an estate in bankruptcy. Federal bankruptcy law provides that an automatic stay of action by creditors and other entities, including governmental units, goes into effect with the filing of any petition in bankruptcy. The automatic stay prevents governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In many cases post-petition taxes are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

CITY APPLICATION OF TAX CODE. . . The City grants an exemption to the market value of the residence homestead of persons 65 years of age or older of $60,000; the disabled are also granted an exemption of $20,000.

The City has not granted an additional exemption of 20% of the market value of residence homesteads.

See Table 1 for a listing of the amounts of the exemptions described above.

Ad valorem taxes are not levied by the City against the exempt value of residence homesteads for the payment of debt.

The City does not tax nonbusiness personal property; and Denton County (the "County") collects taxes for the City.

The City does not permit split payments, and discounts are not allowed.

The City does not tax freeport property.

The City does not collect the additional one-half cent sales tax for reduction of ad valorem taxes.

The City has adopted a tax abatement policy.

The City has approved a freeze on the taxes of residence homesteads of persons 65 years of age and older or who are disabled. The freeze was effective beginning with the 2006 tax year.

TAX ABATEMENT POLICY. . . The City has established a tax abatement program to encourage economic development. In order to be considered for tax abatement, a project must meet qualified minimums pertaining to job creation and property value enhancement. The City grants abatements on a case by case basis. Since 1997, the City has approved 38 abatement agreements of which 8 are currently active.

TAX INCREMENT REINVESTMENT ZONES. . . In December 2001, the City Council established the Lewisville Tax Increment Reinvestment Zone Number One (the "TIRZ #1"). The TIRZ #1 is approximately 215 acres and is generally bounded by Interstate 35E on the west, Railroad Street on the east, College Street on the north and Purnell Street on the south.

The TIRZ #1 was originally established with a duration of 20 years. The City and the County both participate in the Tax Increment Fund created for the financing of the TIRZ #1. In 2007, the TIRZ #1 project and financing plans were revised to allow the TIRZ to remain in existence as long as outstanding debt remains and to allow the financing of public facilities. The City participates at 100% for the life of the TIRZ #1 and the County participates at 80% for 2016-2020 and 75% for 2021 through the expiration of the debt.

The amount of a taxing unit's "tax increment" for a year is the amount of property taxes levied by the taxing unit for that year on the captured appraised value of real property taxable by the taxing unit and located in the tax increment financing district, multiplied by the taxing unit's percentage level of participation. The captured appraised value is the total appraised value of the property for a year, less the tax increment base value of the taxing unit. The tax increment base value for a taxing unit is the total appraised value of all real property taxable by the taxing unit and located in the tax increment financing district as of January 1 of the year in which the City created the tax increment financing district. The Old Town Tax Increment Reinvestment Zone #1 has experienced an incremental increase in taxable value of $113,037,293 since inception. During the existence of a tax increment reinvestment zone, taxes levied by the City against the captured appraised value are restricted to paying project and financing costs within the zone and are not available for the payment of other obligations of the City, including the Obligations.

Projects in TIRZ #1 to date include parking improvements, wayfinding, infrastructure needs studies, sidewalk enhancements, beautification projects, the Medical Center of Lewisville Grand Theater (MCL Grand Theater), and the Wayne Ferguson Plaza. New mixed use projects, including residential units and restaurants, are underway. Three restaurants are expected to open in the fall of 2016 and the historic Lewisville Feed Mill is being converted into a restaurant with over $2 million in renovations and improvements. Uptown Village Townhome community has completed 40 units and is in the process of proceeding with phase 3 of the development for a total of 73 units including a pool and clubhouse in this phase.

In October 2008, the City Council established the Lewisville Tax Increment Reinvestment Zone Number Two (the "TIRZ #2"). The TIRZ #2 is approximately 427 acres and is located at the intersection of I-35E and SH 121 adjacent to the Denton County Transportation Authority rail stop.

TIRZ #2 has been established for a duration of 30 years. The City and the County both participate in the Tax Increment Fund created for the financing of the TIRZ #2. The City and the County each participate at 80% for the life of the TIRZ #2.

TIRZ #2 started with a base value of $9,097,649 and has added $67,268,115 in incremental value. During the existence of a tax increment reinvestment zone, taxes levied by the City against the captured appraised value are restricted to paying project and financing costs within the zone and are not available for the payment of other obligations of the City, including the obligations.

Projects in TIRZ #2 consist of urban residential, retail, recreation, and entertainment uses. The Denton County Transit Authority (DCTA) A-Train Station was completed in June 2011. Currently, the first three phases of the residential development have been completed and consist of 922 multi-family units within 4-story structures. The total number of residential units projected for this development at completion is 1,875. The City completed the building of a bridge over Timber Creek to connect the project to the I-35E frontage road. The Zone will expire in 2038 or at such time that subsequent debt issuance payments and obligations are paid in full.

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TABLE 1 - VALUATION, EXEMPTIONS AND GENERAL OBLIGATION DEBT

2015/16 Market Valuation Established by the Appraisal Districts (excluding totally exempt property)		$9,307,489,785
Less Exemptions/Reductions at 100% Market Value:		
Over 65 / Disabled Persons	$ 190,097,057	
Disabled Veterans	11,382,871	
Member Armed Services Surviving Spouse	181,689	
Community Housing Development Org.	45,754,667	
House Bill 366 Loss	153,855	
Freeport Loss	473,523,634	
Abatements	106,107,694	
10% Homestead Cap Loss	34,640,396	
Pollution Control	492,630	
Prorated Exempt Property	48,067	
Open-Space and Timberland Use Reductions	84,433,057	946,815,617
Adjustments (1)		(402,914,007)
2015/16 Net Taxable Assessed Valuation		$ 7,957,760,161
Total Tax-Supported Debt Payable from Ad Valorem Taxes (as of 4-1-16) (2)		
Outstanding General Obligation Debt (3)	$ 65,090,000	
The Bonds(4)	15,670,000	
The Notes(4)	8,875,000	$ 89,635,000
Less: Self-Supporting Debt (5)		31,850,000
Net General Obligation Debt Payable from Ad Valorem Taxes		$ 57,785,000
General Obligation Interest and Sinking Fund (as of 3-1-16)		$ 2,426,298
Ratio General Obligation Tax Debt to Net Taxable Assessed Valuation		1.13%

2016 Estimated Population - 100,670
Per Capita Taxable Assessed Valuation - $79,048
Per Capita Net General Obligation Debt Payable from Ad Valorem Taxes - $574

(1) Includes adjustments for properties under review, exemptions not listed above, taxable values of freeze properties and TIF increment values.
(2) Excludes the debt issued by the City that is payable from contract revenues paid by Denton County Fresh Water Supply Districts for improvements within the Lewisville-Castle Hills Public Improvement Districts. See "Schedule II – City Contract Revenue and Assessment Debt issued for the Castle Hills Public Improvement Districts" for a detailed description of this outstanding debt.
(3) Excludes the Refunded Obligations; preliminary, subject to change.
(4) Preliminary, subject to change.
(5) Certain of the City's general obligation debt service is currently supported by an appropriation from the City's General Fund from moneys derived by the City from other revenues, income or resources in advance of the time when ad valorem taxes are scheduled to be levied for any given year. The City currently intends to continue such appropriation, but is not legally required to do so, and the City may discontinue such practice in the future. For additional information see Table 10 and accompanying footnote.

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TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY

	Taxable Appraised Value for Fiscal Year Ended September 30,					
	2016		2015		2014	
Category	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	$3,316,535,697	35.63%	$3,033,075,276	35.47%	$2,803,565,097	35.58%
Real, Residential, Multi-Family	1,449,087,874	15.57%	1,273,999,203	14.90%	1,037,111,445	13.16%
Real, Vacant Lots/Tracts	185,528,971	1.99%	178,538,260	2.09%	176,355,437	2.24%
Real, Acreage (Land Only)	84,642,132	0.91%	87,170,277	1.02%	92,494,435	1.17%
Real, Farm and Ranch Improvements	50,844,385	0.55%	39,832,837	0.47%	34,109,202	0.43%
Real, Commercial and Industrial	2,452,472,408	26.35%	2,167,399,483	25.35%	2,088,982,854	26.51%
Real and Tangible Personal, Utilities	159,399,515	1.71%	142,208,389	1.66%	150,296,569	1.91%
Tangible Personal, Business	1,510,240,239	16.23%	1,532,238,651	17.92%	1,400,628,984	17.78%
Tangible Personal, Other	21,512,769	0.23%	21,822,734	0.26%	23,113,300	0.29%
Real Inventory	11,474,155	0.12%	11,301,832	0.13%	16,005,519	0.20%
Special Inventory	65,751,640	0.71%	62,693,359	0.73%	56,784,695	0.72%
Total Appraised Value Before Exemptions	$9,307,489,785	100.00%	$8,550,280,301	100.00%	$7,879,447,537	100.00%
Adjustments	(402,914,007)		(250,819,971)		(122,254,801)	
Less: Total Exemptions/Reductions	946,815,617		916,067,847		882,681,540	
Taxable Assessed Value	$7,957,760,161		$7,383,392,483		$6,874,511,196	

	Taxable Appraised Value for Fiscal Year Ended September 30,			
	2013		2012	
Category	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	$2,718,757,833	36.75%	$2,799,541,643	39.08%
Real, Residential, Multi-Family	927,079,471	12.53%	800,971,914	11.18%
Real, Vacant Lots/Tracts	138,761,476	1.88%	152,940,585	2.13%
Real, Acreage (Land Only)	120,510,548	1.63%	124,124,669	1.73%
Real, Farm and Ranch Improvements	3,324,392	0.04%	3,757,127	0.05%
Real, Commercial and Industrial	2,043,534,965	27.62%	1,916,142,276	26.75%
Real and Tangible Personal, Utilities	148,120,313	2.00%	136,276,793	1.90%
Tangible Personal, Business	1,225,138,104	16.56%	1,155,077,229	16.12%
Tangible Personal, Other	16,479,838	0.22%	22,589,475	0.32%
Real Inventory	11,387,094	0.15%	9,570,724	0.13%
Special Inventory	45,757,534	0.62%	43,255,507	0.60%
Total Appraised Value Before Exemptions	$7,398,851,568	100.00%	$7,164,247,942	100.00%
Adjustments	(63,049,285)		(110,261,286)	
Less: Total Exemptions/Reductions	864,881,666		782,753,471	
Taxable Assessed Value	$6,470,920,617		$6,271,233,185	

NOTE: Valuations shown are certified taxable assessed values reported by the Appraisal Districts to the State Comptroller of Public Accounts. Certified values are subject to change as contested values are resolved and the Appraisal Districts update records.

TABLE 3 - VALUATION AND GENERAL OBLIGATION DEBT HISTORY

Fiscal Year Ended 9/30	Estimated Population [1]	Taxable Assessed Valuation[2]	Taxable Assessed Valuation Per Capita	(Net) G.O. Tax Debt Outstanding at End of Year [3]	Ratio of (Net) G.O. Tax Debt to Taxable Assessed Valuation	(Net) G.O. Tax Debt Per Capita
2012	96,000	$6,271,233,185	$ 65,325	$56,020,000	0.89%	$ 584
2013	97,860	6,470,920,617	66,124	50,610,000	0.78%	517
2014	98,330	6,874,511,196	69,913	57,665,000	0.84%	586
2015	99,480	7,383,392,483	74,220	52,075,000	0.71%	523
2016	100,670	7,957,760,161	79,048	57,785,000 [4]	0.73% [4]	574 [4]

(1) Source: City Officials.
(2) As reported by the Appraisal Districts on the City's annual Certified State Property Tax Board Reports; subject to change during the ensuing year.
(3) Does not include self-supporting debt (see Tables 1 and 10 and accompanying footnotes).
(4) Projected, excludes the Refunded Obligations; includes the Obligations. Preliminary, subject to change.

TABLE 4 - TAX RATE, LEVY AND COLLECTION HISTORY

Fiscal Year Ended 9/30	Tax Rate	General Fund	Interest and Sinking Fund	Tax Levy	% Collected Fiscal Year of Tax Levy	% Total Levy Collections
2012	$ 0.44021	$ 0.32289	$ 0.11732	$ 28,925,178	99.62%	100.52%
2013	0.44021	0.32289	0.11732	29,949,696	99.63%	100.03%
2014	0.44021	0.32289	0.11732	31,844,644	99.63%	100.13%
2015	0.43609	0.31877	0.11732	33,934,555	99.64%	100.04%
2016	0.43609	0.31877	0.11732	36,761,196	98.66% [1]	98.88% [1]

(1) Collections through March 31, 2016.

TABLE 5 - TEN LARGEST TAXPAYERS

Name of Taxpayer	Nature of Property	2015/16 Taxable Assessed Valuation	% of Total Taxable Assessed Valuation
Digital Lewisville LLC	Community Website	$98,000,000	1.23%
SYSCO Food Services of Dallas LP	Manufacturer	84,483,675	1.06%
Vista Ridge Joint Venture	Commercial	68,796,566	0.86%
Alcatel-Lucent USA Inc.	Telecommunications	66,783,006	0.84%
Columbia Medical Center Lewisville	Medical	64,574,500	0.81%
TIC LAGO Vista LP etal.	Rental	64,492,950	0.81%
Teachers Insurance Annuity Association	Investments	54,067,029	0.68%
Madera Roe Investors SPE LLC Etal	Investments	49,725,000	0.62%
Cypress SPE LLC	Investments	47,800,000	0.60%
GTE Southwest Inc	Telecommunications	47,078,710	0.59%
		$ 645,801,436	8.10%

GENERAL OBLIGATION DEBT LIMITATION . . . No general obligation debt limitation is imposed on the City under current State law or the City's Home Rule Charter (see "THE OBLIGATIONS - Tax Rate Limitation").

TABLE 6 - TAX ADEQUACY [1]

Net Principal and Interest Requirements, 2016	$ 8,997,933
$0.1131 Tax Rate at 100% Collection Produces	$ 9,000,227
Net Average Annual Principal and Interest Requirements, 2016-2032	$ 4,554,305
$0.0573 Tax Rate at 100% Collection Produces	$ 4,559,797
Net Maximum Principal and Interest Requirements, 2017	$ 10,794,760
$0.1357 Tax Rate at 100% Collection Produces	$ 10,798,681

(1) Includes the Obligations; excludes self-supporting debt and the Refunded Obligations. Preliminary, subject to change.

TABLE 7 - ESTIMATED OVERLAPPING DEBT [1]

Expenditures of the various taxing entities within the territory of the City are paid out of ad valorem taxes levied by such entities on properties within the City. Such entities are independent of the City and may incur borrowings to finance their expenditures. This statement of direct and estimated overlapping ad valorem tax debt ("Tax Debt") was developed from information contained in "Texas Municipal Reports" published by the Municipal Advisory Council of Texas. Except for the amounts relating to the City, the City has not independently verified the accuracy or completeness of such information, and no person should rely upon such information as being accurate or complete. Furthermore, certain of the entities listed may have issued additional Tax Debt since the date hereof, and such entities may have programs requiring the issuance of substantial amounts of additional Tax Debt, the amount of which cannot be determined. The following table reflects the estimated share of overlapping Tax Debt of the City.

Taxing Jurisdiction	Total G.O. Tax Debt 4/1/2016	Estimated % Applicable	City's Overlapping G.O. Tax Debt 4/1/16	Authorized But Unissued Debt As Of 4/1/16
City of Lewisville	$ 57,785,000 [1]	100.00%	$ 57,785,000	$ 129,570,000 [2]
Lewisville Independent School District	1,177,472,053	28.72%	338,169,974	-
Coppell Independent School District	212,350,850	0.95%	2,017,333	7,185,000
Denton County	634,275,000	11.73%	74,400,458	118,408,296
Dallas County	73,655,000	0.03%	22,097	6,200,000
Dallas County Community College District	303,215,000	0.03%	90,965	-
Dallas County Hospital District	728,005,000	0.03%	218,402	-
Dallas County Schools	54,700,000	0.03%	16,410	-
Denton County Levee Improvement District #1	9,035,000	68.46%	6,185,361	4,115,000
Denton County RUD #1	-	0.00%	-	18,565,000
Total Direct and Overlapping G. O. Tax Debt			$ 478,905,998	
Ratio of Direct and Overlapping G. O. Tax Debt to Taxable Assessed Valuation			6.02%	
Per Capita Overlapping G. O. Tax Debt			$ 4,757.19	

(1) Excludes self-supporting debt and the Refunded Obligations. Includes the Obligations. Preliminary, subject to change.
(2) Excludes the new money portion of the Bonds.

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DEBT INFORMATION

TABLE 8 - PRO-FORMA GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

Fiscal Year Ending 9/30	Outstanding Debt Service[1]			The Bonds[2]		The Notes[3]		Total Gross Debt Service Requirements	Less: Self Supporting Debt Requirements	Total Net Debt Service Requirements	% of Principal Retired
	Principal	Interest	Total	Principal	Interest	Principal	Interest				
2016	$ 9,945,000	$ 3,001,536	$ 12,946,536	$ -	$ -	$ -	$ -	$ 12,946,536	$ 3,948,603	$ 8,997,933	
2017	8,015,000	2,455,663	10,470,663	1,670,000	540,238	2,100,000	144,570	14,925,471	4,130,711	10,794,760	
2018	5,790,000	2,204,738	7,994,738	3,165,000	437,450	1,990,000	195,650	13,782,838	3,877,832	9,905,006	
2019	5,900,000	2,006,731	7,906,731	1,935,000	386,450	1,695,000	155,850	12,079,031	3,907,944	8,171,087	
2020	5,105,000	1,809,256	6,914,256	1,960,000	318,100	1,620,000	121,950	10,934,306	3,301,225	7,633,081	56.10%
2021	5,165,000	1,604,156	6,769,156	1,540,000	253,700	1,005,000	40,950	9,608,806	3,273,000	6,335,806	
2022	5,125,000	1,391,325	6,516,325	1,600,000	198,300	225,000	20,850	8,560,475	3,300,300	5,260,175	
2023	5,700,000	1,168,569	6,868,569	940,000	139,500	240,000	9,600	8,197,669	3,430,994	4,766,675	
2024	5,025,000	943,603	5,968,603	975,000	101,200	-	-	7,044,803	3,478,247	3,566,556	
2025	3,740,000	752,931	4,492,931	200,000	76,700	-	-	4,769,631	2,008,125	2,761,506	81.54%
2026	3,530,000	590,675	4,120,675	210,000	66,450	-	-	4,397,125	2,051,000	2,346,125	
2027	3,740,000	427,625	4,167,625	220,000	55,700	-	-	4,443,325	2,092,500	2,350,825	
2028	2,945,000	288,300	3,233,300	230,000	45,600	-	-	3,508,900	1,165,925	2,342,975	
2029	2,055,000	189,256	2,244,256	240,000	36,200	-	-	2,520,456	1,162,881	1,357,575	
2030	1,035,000	127,581	1,162,581	250,000	26,400	-	-	1,438,981	1,162,581	276,400	96.96%
2031	1,085,000	82,838	1,167,838	260,000	16,200	-	-	1,444,038	1,167,838	276,200	
2032	1,135,000	28,025	1,163,025	275,000	5,500	-	-	1,443,525	1,163,025	280,500	100.00%
	$ 75,035,000	$ 19,072,808	$ 94,107,808	$ 15,670,000	$ 2,703,688	$ 8,875,000	$ 689,420	$ 122,045,916	$ 44,622,730	$ 77,423,186	

(1) "Outstanding Debt" does not include lease/purchase obligations or the Refunded Obligations. Preliminary, subject to change. Excludes the debt issued by the City that is payable from contract revenues paid by Denton County Fresh Water Supply Districts. See "Schedule II – Lewisville-Castle Hills Public Improvement District" for a detailed description of this outstanding debt.

(2) Average life of the Bonds - 4.543 years. Interest calculated at an average rate for purposes of illustration. Preliminary, subject to change.

(3) Average life of the Notes - 2.504 years. Interest calculated at an average rate for purposes of illustration. Preliminary, subject to change.

TABLE 9 - INTEREST AND SINKING FUND BUDGET PROJECTION

Net Tax Supported Debt Service Requirements, Fiscal Year Ending 9/30/16		$ 8,997,933
Budgeted Interest and Sinking Fund, 9/30/15	$ 2,476,935	
Budgeted Interest and Sinking Fund Tax Levy	9,433,490	
Paying Agent Fees	7,758	
Estimated Investment Income	$ (5,000)	$ 11,913,183
Estimated Balance, 9/30/16		$ 2,915,250

TABLE 10 – COMPUTATION OF SELF-SUPPORTING DEBT

4B Economic Development Corporation Net Revenues for fiscal year ending 9/30/15	$ 4,757,701
Less: 2016 Requirements for Sales Tax Revenue Bonds	-
Balance Available for Other Purposes	$ 4,757,701
2016 Requirements for 4B Tax Revenue Self-Supporting General Obligation Debt(1)	$ 2,688,837
Percentage of Sales Tax Revenue Certificates of Obligation Self-Supporting	100.00%
Tax Increment Reinvestment Zone Net Revenues for fiscal year ending 9/30/15	$ 1,220,870
Less: 2016 Requirements for Revenue Bonds	-
Balance Available for Other Purposes	$ 1,220,870
2016 Requirements for Tax Increment Reinvestment Zone Revenue Self-Supporting General Obligation Debt(2)	$ 601,694
Percentage of Increment Tax Revenue Certificates of Obligation Self-Supporting	100.00%
Waterwork and Sewer System Revenues available for Debt Service as of 9/30/15	$ 13,724,702
Less: 2016 Requirements for Revenue Bonds	6,277,460
Balance Available for Other Purposes	$ 7,447,242
2016 Requirements for Waterworks and Sewer Revenue Self-Supporting General Obligation Debt(3)	$ 658,072
Percentage of System Revenue General Obligation Debt Self-Supporting	100.00%

(1) Includes portions of the Combination Tax and Revenue Certificates of Obligation, Series 2007A, General Obligation Refunding and Improvement Bonds, Series 2012, General Obligation Refunding Bonds, Series 2015, and the Bonds payable from sales tax revenues. In the event of insufficient revenues, the City will be required to assess and collect ad valorem taxes to pay debt service on the general obligation debt.

(2) Includes a portion of the Combination Tax and Revenue Certificates of Obligation, Series 2007B, General Obligation Refunding Bonds, Series 2015 and the Bonds payable from property tax increment financing revenues. In the event of insufficient revenues, the City will be required to assess and collect ad valorem taxes to pay debt service on the general obligation debt.

(3) Includes a portion of the General Obligation Refunding Bonds, Series 2010 payable from waterworks and sewer system revenues. In the event of insufficient revenues, the City will be required to assess and collect ad valorem taxes to pay debt service on the general obligation debt.

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TABLE 11 - AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS

Purpose	Date Authorized	Amount Authorized	Amount Previously Issued	Amount Being Issued	Unissued Balance
Streets	11/3/2015	$ 71,600,000	$ -	$ 1,275,000 (1)	$ 70,325,000
Parks and Recreation	11/3/2015	39,900,000	-	2,735,000 (1)	37,165,000
Police and Fire	11/3/2015	10,500,000	-	-	10,500,000
Aquatic Center	11/3/2015	13,000,000	-	1,420,000	11,580,000
Totals		$ 135,000,000	$ -	$ 5,430,000	$ 129,570,000

(1) Preliminary, subject to change.

ANTICIPATED ISSUANCE OF ADDITIONAL GENERAL OBLIGATION DEBT . . . The City does not anticipate the issuance of additional general obligation debt in the next 12 months.

TABLE 12 - OTHER OBLIGATIONS

The City has no unfunded debt outstanding as of April 30, 2015.

PENSION PLAN . . . The City participates as one of 860 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained by writing to TMRS, P.O. Box 149153, Austin, TX 78714-9153 or by calling 800-924-8677. In addition, the report is available on TMRS' website at www.TMRS.com.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided - TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven actuarially equivalent payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits, also known as the matching ratio, are 200% of the employee's accumulated contributions and are only payable in the form of an annuity.

In addition, the City granted on annually repeating (automatic) basis a monetary credit referred to as an updated service credit (USC) which is a theoretical amount which takes into account salary increases or plan improvements. If at any time during their career an employee earns a USC, this amount remains in their account earning interest at 5% until retirement. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer match plus employer-financed monetary credits, such as USC, with interest were used to purchase an annuity.

The City elected to increase the annuities (annuity increases) of its retirees, either annually or on an annually repeating basis, effective January 1 of a calendar year. The City has adopted annuity increases at the rate of 70% of the increase (if any) in the Consumer Price Index all Urban Consumers (CPI-U) between the December preceding the member's retirement date and the December one year before the effective date of the increase, minus any previously granted increases.

A summary of plan provisions for the City are as follows:

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service retirement Eligibility	20 years at any age, 5 years at age 60 and above
Updated Service Credit	75% Repeating
Annuity Increase to retirees	70% of CPI Repeating

The City does not participate in Social Security.

At the December 31, 2014 valuation and measurement date, the following employees were covered by the benefit terms:

Retirees or beneficiaries currently receiving benefits	326
Inactive employees entitled to but not yet receiving benefits	244
Active employees	699
	1,269

Contributions - Under the state law governing TMRS, the contribution rate for each city is determined annually by the consulting actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City of Lewisville were required to contribute 7% of their annual gross earnings during the fiscal year. For fiscal year 2015, the City made contributions of 17.43% for the months in 2014 and 16.88% for the months in 2015 which were the actuarially required contributions.

Net Pension Liability - The City's Net Pension Liability (NPL) was measured as of December 31, 2014, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

The Total Pension Liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.0% per year
Overall payroll growth	3.0% per year
Investment Rate of Return	7.0%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2014, valuation were based on the results of actuarial experience studies. This experience study was for the period January 1, 2006 through December 31, 2009, first used in the December 31, 2010 valuation. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation.

The long-term expected rate of return on pension plan investments is 7.0%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Geometric Real Rate of Return (Expected minus inflation)
Domestic equity	17.50%	4.80%
International equities	17.50%	6.05%
core fixed income	30.00%	1.50%
Non-core fixed income	10.00%	3.50%
Real return	5.00%	1.75%
Real estate	10.00%	5.25%
Absolute return	5.00%	4.25%
Private equity	5.00%	8.50%
	100.00%	

Discount Rate - The discount rate used to measure the Total Pension Liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that employee contributions will remain at the current 7% and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (c)
Balance at 12/31/13	$236,230,579	$200,071,341	$ 36,159,238
Changes for the year:			
Service cost	7,057,241	-	7,057,241
Interest	16,497,518	-	16,497,518
Change of benefit terms	-	-	-
Difference between expected and actual experience	(2,478,575)	-	(2,478,575)
Changes of assumptions	-	-	-
Contributions-employer	-	7,599,062	(7,599,062)
Contributions-employees	-	3,052,739	(3,052,739)
Net investment income	-	11,446,366	(11,446,366)
Benefit payments, including refunds of employee contributions	(8,160,747)	(8,160,747)	-
Amotization of prior year assets	-	-	-
Administrative expense	-	(119,494)	119,494
Other changes	-	(9,824)	9,824
Net changes	12,915,437	13,808,102	(892,665)
Balance at 12/31/14	$249,146,016	$213,879,443	$ 35,266,573

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 7.0%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

1% Decrease 6.0%	Current Single Rate Assumption 7.0%	1% Increase 8.0%
$ 72,873,745	$ 35,266,573	$ 4,560,303

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - For the year ended September 30, 2015, the City recognized pension expense of $6,701,009.

At September 30, 2015, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	$ 8,092,552	$ -
Differences between actuarial assumptions and actual experience	-	2,041,514
Changes in actuarial assumptions used	-	-
Differences between projected and actual investment earnings	2,046,902	-
Total	$ 10,139,454	$ 2,041,514

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of $8,092,552 will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2015 (i.e. recognized in the city's financial statements September 30, 2016). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Year Ended Dec 31	
2015	$ 74,665
2016	74,665
2017	74,665
2018	74,663
2019	(293,270)
Total	$ 5,388

Subsequent Event - Pursuant to TMRS policy of conducting experience studies every four years, the TMRS Board at their July 31, 2015 meeting determined that they would be changing certain actuarial assumptions including reducing the long term expected rate of return from the current 7% to 6.75% and changing the inflation assumption from 3% to 2.5%. Reduction of expected investment return and related discount rate will increase projected pension liabilities. Reducing the inflation assumption reduces liabilities as future annuity levels and future cost of living adjustments are not projected to be as large as originally projected. While the actual impact on the City's valuation for December 31, 2015 is not known the City does expect some downward pressure on its funded status and upward pressure on its 2017 actuarially determined contribution due to this change. Accordingly, the City does not anticipate an impact that would deter from continuing to fund pension contributions at the annual required contribution rates in the coming years.

Other Post-Employment Benefits

The City provides $15,000 in life insurance upon retirement for employees with ten years of service with the City of Lewisville. Prior to October 1, 2013, the City purchased fully paid life insurance policies upon retirement for eligible employees. Beginning October 1, 2013, the City began purchasing life insurance through the City's group life insurance vendor. Premiums are now paid monthly for the coverage at a rate of $1.50 per $1,000 of coverage or $22.50 per month. The City had 29 eligible retirees in fiscal year 2014-15 resulting in an annual expenditure of $5,243.

Lewisville OPEB Liability Trust Fund - The City established an irrevocable trust in 2008 for the systematic funding of post-employment health benefits as a single-employer, defined benefit plan. Plan assets may be used only for the payment or reimbursement of benefits provided to retirees, in accordance with the terms of the plan.

Summary of Significant Accounting Policies - Financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized when due. The City's contributions are recognized when due and the City has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

Plan Descriptions and Contribution Information - The City provides comprehensive group medical benefits for employees at retirement who meet the eligibility requirements for postretirement benefits. Eligibility requirements are (1) age 60 and 5 years of service with the City, or (2) 20 years of service with Texas Municipal Retirement System, the City's pension provider. Election must be made at time of retirement to remain in the plan. Continuation of coverage is subject to the payment of required contributions by participating retirees and dependents. The City contributes a fixed amount toward each retiree's monthly premium, based on the tenure with the City. The City's substantive plan places a zero percent (0%) cap on future contribution increases. The employee remains on the plan until age 65 when they are moved to a fully insured Medicare supplement plan. The City contributes a flat $50 per month toward the retiree's fully insured premium.

Membership of the plan consists of the following at October 1, 2014, the date of the latest actuarial valuation:

Number of retirees and beneficiaries receiving benefit	53
Active plan members	641

Funding Status and Funding Progress –Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress presents multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Schedule of Funding Status and Funding Progress

Actuarial Valuation Date	10/1/2014	10/1/2013	10/1/2012
Actuarial Value of Assets	$ 4,202,400	$ 3,743,700	$ 3,333,200
Actuarial Accrued Liability (AAL)	4,536,100	4,614,500	4,787,900
Unfunded AAL (UAAL)	333,700	870,800	1,454,700
Funded Ratio	92.6%	81.1%	69.6%
Covered Payroll	43,130,733	42,175,565	40,159,830
UAAL as a Percentage of Covered Payroll	0.8%	2.1%	3.6%

The schedule of employer contributions present trend information about the amounts contributed to the plan by the City in comparison to the Annual Required Contribution (ARC), an amount that is actuarially determined in accordance with the parameters of GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Schedule of Employer Contributions and Net OPEB Obligation

Contribution Year	9/30/2015	9/30/2014	9/30/2013
Annual Required Contribution	$ 175,700	$ 224,000	$ 366,600
interest on net OPEB obligation	-	-	-
Adjustment to annual required contribution	-	-	-
Annual OPEB cost	$ 175,700	$ 224,000	$ 366,600
Contributions made	175,700	224,000	366,600
Change in OPEB obligation	$ -	$ -	$ -
Net OPEB obligation (asset)-beginning of year	-	-	-
Net OPEB obligation (asset)-end of year	$ -	$ -	$ -
Percentage of annual OEB cost contributed	100.0%	100.0%	100.0%

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.

The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets consistent with the long-term perspectives of the calculations.

Actuarial Assumptions

Valuation date	10/1/2014	10/1/2013	10/1/2012
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization method	Level Dollar, Open	Level Dollar, Open	Level Dollar, Open
Amortization period	30 Years	30 Years	30 Years
Asset valuation method	Market*	Market*	Market*
Actuarial assumptions:			
Investment rate of return	7.5%	7.5%	7.5%
General inflation	3.0%	3.0%	3.0%

* A time period for smoothing of the asset valuation has not been established at this time. The fund has a limited history of market performance since its establishment in 2008. The next full reassessment of asset valuation will be completed in 2016. At that time it is expected that a 3, 5 or 10 year moving market approach will be utilized.

Healthcare cost trend rate is assumed to be greater than 3% annually, however is not applicable for purposes of this valuation, since the City's future costs are set at a fixed amount.

The Lewisville OPEB Liability Trust Fund does not issue a separate financial report. Additional information can be found in the Agency and Trust Funds section of the City's Comprehensive Annual Financial Report.

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FINANCIAL INFORMATION

TABLE 13 – CHANGES IN NET ASSETS

	Governmental Activities Fiscal Year Ended September 30,				
	2015	2014	2013	2012	2011
Revenues:					
Program Revenues:					
Charges for Service	$ 14,736,307	$ 13,824,396	$ 13,124,152	$ 11,965,843	$ 12,592,913
Operating Grants and Contributions	2,112,550	3,439,677	2,415,909	2,497,973	2,190,754
Capital Grants and Contributions	17,073,948	23,980,160	4,745,018	15,109,861	3,579,450
General Revenues:					
Property Taxes	33,461,203	31,594,277	29,734,268	28,968,709	27,921,537
Other Taxes	41,329,491	38,961,880	36,531,801	31,075,385	26,851,578
Intergovernmental	-	-	624,125	-	-
Interest on Investments	828,823	371,766	210,934	365,045	459,600
Other	1,137,672	1,244,947	820,768	405,166	1,080,654
Total Revenues	$ 110,679,994	$ 113,417,103	$ 88,206,975	$ 90,387,982	$ 74,676,486
Expenditures:					
General Government	$ 14,889,822	$ 14,937,012	$ 13,005,019	$ 11,987,014	$ 10,997,464
Public Safety	43,314,229	42,102,487	40,983,264	39,275,855	38,558,345
Public & Development Services	24,838,325	26,636,252	25,089,041	25,527,286	24,634,802
Culture, Parks & Recreation	10,590,147	9,453,483	9,377,831	9,487,780	9,585,769
Interest on Long-Term Debt	4,630,523	3,929,397	2,602,891	2,666,807	2,603,426
Total Expenses	$ 98,263,046	$ 97,058,631	$ 91,058,046	$ 88,944,742	$ 86,379,806
Transfers	$ 3,743,920	$ 3,814,737	$ 3,735,515	$ 3,985,048	$ 3,924,530
Increase (Decrease) in Net Assets	16,160,868	20,173,209	884,444	5,428,288	(7,778,790)
Beginning Net Assets	379,139,967	359,594,793	358,710,349	353,282,061	361,060,851
Prior Period Adjustment	(19,220,219)	(628,035)	-	-	-
Ending Net Assets	$ 376,080,616	$ 379,139,967	$ 359,594,793	$ 358,710,349	$ 353,282,061

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TABLE 13A - GENERAL FUND REVENUES AND EXPENDITURE HISTORY

	Fiscal Years Ended September 30,				
	2015	2014	2013	2012	2011
Revenues:					
Property & Other Taxes	$ 56,980,740	$ 53,801,074	$ 50,753,584	$ 47,885,587	$ 45,475,116
Licenses and Permits	2,928,356	2,344,395	2,375,771	1,741,153	2,210,218
Intergovernmental	3,920	-	-	-	-
Charges for Services	7,276,264	6,228,323	6,051,283	5,680,893	5,543,470
Recreation	953,054	1,104,643	1,093,266	1,097,600	1,106,993
Fine and Forfeitures	2,907,155	3,090,645	2,954,961	2,874,525	2,752,316
Investment Earnings	191,313	77,542	48,905	92,756	113,628
Miscellaneous	728,761	1,071,867	882,124	577,259	525,307
Total Revenues	$ 71,969,563	$ 67,718,489	$ 64,159,894	$ 59,949,773	$ 57,727,048
Expenditures:					
General Government	$ 841,809	$ 1,206,261	$ 1,037,537	$ 773,798	$ 812,759
Mayor and Council	98,229	81,273	58,749	61,180	53,592
Administrative and Legal	2,030,322	2,299,893	2,137,540	2,121,269	2,256,040
Community Relations / Tourism	881,455	814,659	734,229	655,259	595,806
Police	20,549,038	20,234,248	19,461,171	19,308,354	18,560,759
Fire	17,166,670	16,632,033	16,110,146	15,645,706	15,048,873
Public Services	4,802,362	4,621,054	4,311,378	4,079,005	4,186,316
Parks and Leisure	6,366,503	6,178,955	5,971,888	5,923,550	5,893,223
Development Services	6,029,045	5,558,049	5,124,103	4,922,007	4,722,496
Finance	1,332,686	1,281,225	1,274,041	1,256,264	1,258,681
Human Resources	784,669	728,779	700,099	681,970	681,627
Information Technology	2,514,679	2,017,243	1,966,765	2,011,503	1,927,474
Municipal Court	894,137	903,904	878,494	874,779	829,641
Capital Outlay	100,302	2,702,316	631,755	99,436	11,265
Total Expenditures	$ 64,391,906	$ 65,259,892	$ 60,397,895	$ 58,414,080	$ 56,838,552
Total Other Financing Sources (Uses)-Net	$ (1,979,265)	$ (2,306,314)	$ (3,343,568)	$ 217,115	$ 1,663,203
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	$ 5,598,392	$ 152,283	$ 418,431	$ 1,752,808	$ 2,551,699
Beginning Fund Balance	31,643,561	31,491,278	31,072,847	29,320,039	26,768,340
Ending Fund Balance	$ 37,241,953	$ 31,643,561	$ 31,491,278	$ 31,072,847	$ 29,320,039

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TABLE 14 - MUNICIPAL SALES TAX HISTORY [1]

The City has adopted the Municipal Sales and Use Tax Act, Chapter 321, Tax Code, which grants the City the power to impose and levy a 1% Local Sales and Use Tax within the City; the proceeds are credited to the General Fund and are not pledged to the payment of the Bonds. Collections and enforcements are effected through the offices of the Comptroller of Public Accounts of the State of Texas, who remits the proceeds of the tax, after deduction of a 2% service fee, to the City monthly. At an election held September 14, 2002, voters in the City approved the imposition of an additional sales and use tax of one-quarter of one percent (0.25%) for parks and library purposes. The tax went into effect January 1, 2003, and collections began in March, 2003. Said additional sales tax is collected solely for the benefit of a nonprofit corporation established by the City to administer the sales tax collections and projects and may be pledged to secure payment of sales tax revenue bond issues. At an election held November 8, 2011, voters in the City approved the imposition of an additional sales and use tax of one-eighth of one percent (.125%) for a crime control and prevention district and an additional sales and use tax of one-eighth of one percent (.125%) for a fire control, prevention and emergency medical services district. These taxes went into effect April 1, 2012, and collections began June 2012. Said additional sales taxes are to be collected solely for the benefit of these two districts established by the City and may be pledged to secure payments of sales tax revenue bond issues.

Fiscal Year Ended 9/30	Total 1% City Collected [1]	% of Ad Valorem Tax Levy	Equivalent of Ad Valorem Tax Rate	Per Capita
2012	$ 20,272,196	70.08%	$ 0.3233	$ 211.17
2013	22,178,339	74.05%	0.3427	226.63
2014	23,504,086	73.81%	0.3419	239.03
2015	25,887,678	76.29%	0.3506	260.23
2016	8,946,059 [2]	24.34%	0.1124	88.87

(1) Does not include ¼% sales tax for 4B Economic Development Corporation effective 1/01/03 and does not include ¼% sales tax each for the Lewisville Crime Control and Prevention and Lewisville Fire Control, Prevention, and Emergency Medical Services Districts effective April 1, 2012.
(2) Collections through March 2016.

FINANCIAL POLICIES

Basis of Accounting . . . The City's accounting records of the governmental fund revenues and expenditures are recognized on the modified accrual basis. Revenues are recognized in the accounting period in which they are available and measurable. Expenditures are recognized in the accounting period in which the fund liability occurred, if measurable, except for unmatured interest on general long-term debt.

Proprietary Fund revenues and expenses are recognized on the full accrual basis. Revenues are recognized in the accounting period in which they are earned. Expenses are recognized in the accounting period in which they are incurred.

Fund Balances . . . It is the City's policy that all funds with outstanding long-term debt will maintain working capital resources at a minimum of 20% of operating expenditure budget.

Use of Bond Proceeds . . . The City's policy is to use bonds for capital expenditures only. Such revenues are never to be used to fund normal City operations.

Budgetary Procedures . . . The City operates on an October through September fiscal year. Each year in July, the City Manager submits a budget of estimated revenues and expenditures to the City Council. Subsequently, the City Council will hold work sessions to discuss and amend the budget to coincide with their direction of the City. Various public hearings may be held to comply with state and local statutes. The City Council will adopt a budget prior to the start of the fiscal year. If the Council fails to adopt a budget then the existing budget will continue to be in effect.

During the fiscal year, budgetary control is maintained by verification of appropriation availability prior to all purchases. Actual operations are compared to the amounts set forth in the budget. Departmental appropriations that have not been expended lapse at the end of the fiscal year. Therefore, funds that were budgeted and not used by the departments during the fiscal year are not available for their use unless appropriated in the ensuing fiscal year's budget.

INVESTMENTS

The City invests its investable funds in investments authorized by State law in accordance with investment policies approved by the City Council. Both state law and the City investment policies are subject to change.

LEGAL INVESTMENTS . . . Under State law, the City is authorized to invest in (1) obligations of the United States or its agencies and instrumentalities, including letters of credit; (2) direct obligations of the State of Texas or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which is guaranteed or insured by or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) certificates of deposit and share certificates meeting the requirements of the Texas Public Funds Investment Act (Chapter 2256, Texas Government Code, as amended) (i) that are issued by or through an institution that has its main office or a branch office in Texas and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, or are secured as to principal by obligations described in clauses (1) through (6) or in any other manner and amount provided by law for City deposits; or (ii) where (a) the funds are invested by the City through (I) a broker that has its main office or a branch office in the State of Texas and is selected from a list adopted by the City as required by law or (II) a depository institution that has its main office or a branch office in the State of Texas that is selected by the City; (b) the broker or the depository institution selected by the City arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City; (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the City appoints the depository institution selected under (a) above, a custodian as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the City with respect to the certificates of deposit; (8) fully collateralized repurchase agreements that have a defined termination date, are fully secured by a combination of cash and obligations described in clause (1) which are pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (9) securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (6) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than "A" or its equivalent or (c) cash invested in obligations described in clauses (1) through (6) above, clauses (11) through (13) below, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the City, held in the City's name and deposited at the time the investment is made with the City or a third party designated by the City; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State of Texas; and (iv) the agreement to lend securities has a term of one year or less; (10) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least "A-1" or "P-1" or the equivalent by at least one nationally recognized credit rating agency; (11) commercial paper with a stated maturity of 270 days or less that is rated at least "A-1" or "P-1" or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank, (12) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission that have a dollar weighted average stated maturity of 90 days or less and include in their investment objectives the maintenance of a stable net asset value of $1 for each share; and (13) no-load mutual funds registered with the Securities and Exchange Commission that have an average weighted maturity of less than two years, invest exclusively in obligations described in this paragraph, and are continuously rated as to investment quality by at least one nationally recognized investment rating firm of not less than "AAA" or its equivalent. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described in the next succeeding paragraph.

The City may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than AAA or AAAm or an equivalent by at least one nationally recognized rating service. The City is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

INVESTMENT POLICIES . . . Under State law, the City is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that includes a list of authorized investments for City funds, maximum allowable stated maturity of any individual investment, the maximum average dollar-weighted maturity allowed for pooled fund groups, the maximum average dollar-weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the Public Funds Investment Act. All City funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each funds' investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under State law, City investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." At least quarterly the investment officers of the City shall submit an investment report detailing: (1) the investment position of the City, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, the ending market value and the fully accrued interest for the reporting period of each pooled fund group, (4) the book value and market value of each separately listed asset at the end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategy statements and (b) state law. No person may invest City funds without express written authority from the City Council.

ADDITIONAL PROVISIONS . . . Under State law the City is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt an order or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the said order or resolution; (3) require any investment officers' with personal business relationships or relatives with firms seeking to sell securities to the entity to disclose the relationship and file a statement with the Texas Ethics Commission and the City Council; (4) require the registered principal of firms seeking to sell securities to the City to: (a) receive and review the City's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude attesting to these requirements; (5) perform an annual audit of the management controls on investments and adherence to the City's investment policy; (6) provide specific investment training for the Treasurer, Chief Financial Officer and investment officers; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse repurchase agreement; (8) restrict its investment in mutual funds in the aggregate to no more than 15percent of its monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service, and to invest no portion of bond proceeds, reserves and funds held for debt service, in mutual funds; and (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; (10) at least annually review, revise and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

TABLE 15 - CURRENT INVESTMENTS

As of March 31, 2016, the City's investable funds were invested in the following categories:

Description	Market Value	% of Portfolio	Book Value	% of Portfolio
TexPool	$ 20,490,292	12.09%	$ 20,490,292	12.10%
Governmental Securities	148,939,065	87.91%	148,865,858	87.90%
Total	$169,429,357	100.00%	$169,356,150	100.00%

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TAX MATTERS

TAX EXEMPTION . . . In the opinion of Bracewell LLP, Bond Counsel, under existing law, (i) interest on the Obligations is excludable from gross income for federal income tax purposes, and (ii) the Obligations are not "private activity obligations" under the Internal Revenue Code of 1986, as amended (the "Code"), and, as such, interest on the Obligations is not subject to the alternative minimum tax on individuals and corporations, except as described below in the discussion regarding the adjusted current earnings adjustment for corporations.

The Code imposes a number of requirements that must be satisfied for interest on state or local obligations, such as the Obligations, to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of bond proceeds and the source of repayment of bonds, limitations on the investment of bond proceeds prior to expenditure, a requirement that excess arbitrage earned on the investment of proceeds be paid periodically to the United States and a requirement that the issuer file an information report with the Internal Revenue Service (the "Service"). The City has covenanted in the Ordinance that it will comply with these requirements.

Bond Counsel's opinion will assume continuing compliance with the covenants of the Ordinance pertaining to those sections of the Code that affect the exclusion from gross income of interest on the Obligations for federal income tax purposes and, in addition, will rely on representations by the City, the City's Financial Advisor and the Underwriters with respect to matters solely within the knowledge of the City, the City's Financial Advisor and the Underwriters, respectively, which Bond Counsel has not independently verified Bond Counsel will further rely on the report (the "Report") of Grant Thornton, LLP, certified public accountants, regarding the mathematical accuracy of certain computations. If the City should fail to comply with the covenants in the Ordinance or if the foregoing representations or Report should be determined to be inaccurate or incomplete, interest on the Obligations could become includable in gross income from the date of delivery of the Obligations, regardless of the date on which the event causing such inclusion occurs.

The Code also imposes a 20% alternative minimum tax on the "alternative minimum taxable income" of a corporation if the amount of such alternative minimum tax is greater than the amount of the corporation's regular income tax. Generally, the alternative minimum taxable income of a corporation (other than any S corporation, regulated investment company, REIT or REMIC), includes 75% of the amount by which its "adjusted current earnings" exceeds its other "alternative minimum taxable income." Because interest on tax-exempt obligations, such as the Obligations, is included in a corporation's "adjusted current earnings," ownership of the Obligations could subject a corporation to alternative minimum tax consequences.

Except as stated above, Bond Counsel will express no opinion as to any federal, state or local tax consequences resulting from the receipt or accrual of interest on, or acquisition, ownership or disposition of, the Obligations.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on Bond Counsel's knowledge of facts as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of result and are not binding on the Service; rather, such opinions represent Bond Counsel's legal judgment based upon its review of existing law and in reliance upon the representations and covenants referenced above that it deems relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations are includable in gross income for federal income tax purposes. No assurance can be given as to whether or not the Service will commence an audit of the Obligations. If an audit is commenced, in accordance with its current published procedures, the Service is likely to treat the City as the taxpayer and the Owners may not have a right to participate in such audit. Public awareness of any future audit of the Obligations could adversely affect the value and liquidity of the Obligations regardless of the ultimate outcome of the audit.

ADDITIONAL FEDERAL INCOME TAX CONSIDERATIONS

COLLATERAL TAX CONSEQUENCES . . . Prospective purchasers of the Obligations should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to financial institutions, life insurance and property and casualty insurance companies, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, low and middle income taxpayers otherwise qualifying for the health insurance premium assistance credit and individuals otherwise qualifying for the earned income credit. In addition, certain foreign corporations doing business in the United States may be subject to the "branch profits tax" on their effectively connected earnings and profits, including tax-exempt interest such as interest on the Obligations. These categories of prospective purchasers should consult their own tax advisors as to the applicability of these consequences. Prospective purchasers of the Obligations should also be aware that, under the Code, taxpayers are required to report on their returns the amount of tax-exempt interest, such as interest on the Obligations, received or accrued during the year.

TAX ACCOUNTING TREATMENT OF ORIGINAL ISSUE PREMIUM . . . The issue price of all or a portion of the Obligations may exceed the stated redemption price payable at maturity of such Obligations. Such Obligations (the "Premium Obligations") are considered for federal income tax purposes to have "bond premium" equal to the amount of such excess. The basis of a Premium Obligation in the hands of an initial owner is reduced by the amount of such excess that is amortized during the period such initial owner holds such Premium Obligation in determining gain or loss for federal income tax purposes. This reduction in basis will increase the amount of any gain or decrease the amount of any loss recognized for federal income tax purposes on the sale or other taxable disposition of a Premium Obligation by the initial owner. No corresponding deduction is allowed for federal income tax purposes for the reduction in basis resulting from amortizable bond premium. The amount of premium on a Premium Obligation that is amortizable each year (or shorter period in the event of a sale or disposition of a Premium Obligation) is determined using the yield to maturity on the Premium Obligation based on the initial offering price of such Obligation.

The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of Premium Obligations that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above. All owners of Premium Obligations should consult their own tax advisors with respect to the determination for federal, state, and local income tax purposes of amortized bond premium upon the redemption, sale or other disposition of a Premium Obligation and with respect to the federal, state, local, and foreign tax consequences of the purchase, ownership, and sale, redemption or other disposition of such Premium Obligations.

TAX ACCOUNTING TREATMENT OF ORIGINAL ISSUE DISCOUNT OBLIGATIONS . . . The issue price of all or a portion of the Obligations may be less than the stated redemption price payable at maturity of such Obligations (the "Original Issue Discount Obligations"). In such case, the difference between (i) the amount payable at the maturity of each Original Issue Discount Obligation, and (ii) the initial offering price to the public of such Original Issue Discount Obligation constitutes original issue discount with respect to such Original Issue Discount Obligation in the hands of any owner who has purchased such Original Issue Discount Obligation in the initial public offering of the Obligations. Generally, such initial owner 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 Obligation equal to that portion of the amount of such original issue discount allocable to the period that such Original Issue Discount Obligation continues to be owned by such owner. Because original issue discount is treated as interest for federal income tax purposes, the discussions regarding interest on the Obligations under the captions TAX MATTERS – Tax Exemption," "TAX MATTERS - Additional Federal Income Tax Considerations - Collateral Tax Consequences" and "TAX MATTERS - Tax Legislative Changes" generally applies, and should be considered in connection with the discussion in this portion of the Official Statement.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Obligation prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Obligation 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 Obligation was held by such initial owner) is includable in gross income.

The foregoing discussion assumes that (i) the Underwriters has purchased the Obligations for contemporaneous sale to the public and (ii) all of the Original Issue Discount Obligations have been initially offered, and a substantial amount of each maturity thereof has been sold, to the general public in arm's-length transactions for a price (and with no other consideration being included) not more than the initial offering prices thereof stated on the inside cover page of this Official Statement. Neither the City nor Bond Counsel has made any investigation or offers any comfort that the Original Issue Discount Obligations will be offered and sold in accordance with such assumptions.

Under existing law, the original issue discount on each Original Issue Discount Obligation accrues 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 Obligations 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 Obligation 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 (i) 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 (ii) the amounts payable as current interest during such accrual period on such Obligation.

The federal income tax consequences of the purchase, ownership, and redemption, sale or other disposition of Original Issue Discount Obligations that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above. All owners of Original Issue Discount Obligations should consult their own tax advisors with respect to the determination for federal, state, and local income tax purposes of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Obligations 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 Obligations.

TAX LEGISLATIVE CHANGES . . . Current law may change so as to directly or indirectly reduce or eliminate the benefit of the exclusion of interest on the Obligations from gross income for federal income tax purposes. Any proposed legislation, whether or not enacted, could also affect the value and liquidity of the Obligations. Prospective purchasers of the Obligations should consult with their own tax advisors with respect to any proposed, pending or future legislation.

CONTINUING DISCLOSURE OF INFORMATION

In the Ordinances, the City has made the following agreement for the benefit of the holders and beneficial owners of the Obligations. The City is required to observe the agreement for so long as it remains obligated to advance funds to pay the Obligations. Under the agreement, the City will be obligated to provide certain updated financial information and operating data annually, and timely notice of certain specified events, to the Municipal Securities Rulemaking Board (the "MSRB"). This information will be available free of charge from the MSRB via the Electronic Municipal Market Access ("EMMA") system at www.emma.msrb.org <http://www.emma.msrb.org/>.

ANNUAL REPORTS . . . The City shall provide annually to the MSRB, (1) within six months after the end of each fiscal year of the City, financial information and operating data with respect to the City of the general type included in the final Official Statement, being information of the type described in Tables 1 through 6 and 8 through 15, including financial statements of the City if audited financial statements of the City are then available, and (2) if not provided as part such financial information and operating data, audited financial statements of the City, when and if available. Any financial statements to be provided shall be (i) prepared in accordance with the accounting principles appended to the Official Statement, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and (ii) audited, if the City commissions an audit of such financial 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 12 months after any such fiscal year end, then the City shall file unaudited financial statements within such 12-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available.

The City's current fiscal year end is September 30. If the City changes its fiscal year, it will file notice of the change (and of the date of the new fiscal year end) with the MSRB prior to the next date by which the City otherwise would be required to provide financial information and operating data as set forth above.

CERTAIN EVENT NOTICES . . . The City shall notify the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of the event, of any of the following events with respect to the Obligations: (1) Principal and interest payment delinquencies; (2) Non-payment related defaults, if material; (3) Unscheduled draws on debt service reserves reflecting financial difficulties; (4) Unscheduled draws on credit enhancements reflecting financial difficulties; (5) Substitution of credit or liquidity providers, or their failure to perform; (6) Adverse tax opinions, 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 status of the Obligations, or other material events affecting the tax status of the Obligations; (7) modifications to rights of holders of the Obligations, if material; (8) Bond calls, if material, and tender offers; (9) Defeasances; (10) Release, substitution, or sale of property securing repayment of the Obligations, if material; (11) Rating changes; (12) Bankruptcy, insolvency, receivership or similar event of the City; (13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, 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, if material; and (14) Appointment of a successor or additional Paying Agent/Registrar or change in the name of the Paying Agent/Registrar, if material.

For these purposes, any event described in the immediately preceding clause (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets of business of the City.

AVAILABILITY OF INFORMATION . . . All information and documentation filings required to be made by the City in accordance with its undertaking made for the Obligations will be made with the MSRB in electronic format in accordance with MSRB guidelines. Access to such filings will be provided by the MSRB, without charge to the general public, at www.emma.msrb.org.

LIMITATIONS AND AMENDMENTS . . . The City has agreed to update information and to provide notices of certain events only as described above. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The City makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Obligations at any future date. The City 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 of Obligations may seek a writ of mandamus to compel the City to comply with its agreement.

The City 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 City, if (i) the agreement, as amended, would have permitted an underwriter to purchase or sell Obligations in the offering described herein 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 (ii) either (a) the holders of a majority in aggregate principal amount of the outstanding Obligations consent to the amendment or (b) any person unaffiliated with the City (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Obligations. The City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Obligations in the primary offering of the Obligations. If the City so amends the agreement, it has agreed to include with the next financial information and operating data 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 City entered into certain undertakings under SEC Rule 15c2-12 with respect to obligations issued by the City for the benefit of Lewisville Castle Hills Public Improvement District No. 5, Lewisville Castle Hills Public Improvement District No. 6 and Lewisville Castle Hills Public Improvement District No. 7 (collectively, the “Castle Hills Districts”). In those undertakings, the City undertook to provide financial and operating information relating to the Castle Hills Districts and the developer of the Castle Hills Districts that was provided to the City by the Castle Hills Districts. In 2015, the Castle Hills Districts failed to provide such financial and operating information to the City in time for the City to file such information with the EMMA system within the required time frame. Such information was subsequently filed approximately three months late.

The City and the Castle Hills Districts have engaged FirstSouthwest to provide continuing disclosure services related to debt issued for the benefit of the Castle Hills Districts.

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OTHER INFORMATION

RATINGS

The Obligations and the presently outstanding tax-supported debt of the City are rated "AAA" by S&P and "AAA" by Fitch, in each case without regard to credit enhancement. An explanation of the significance of such ratings may be obtained from the company furnishing the rating. The ratings reflect only the respective views of such organizations and the City makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by any or all of such rating companies, if in the judgment of any or all companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings, by any rating company, may have an adverse effect on the market price of the Obligations.

LITIGATION

It is the opinion of the City Attorney that there is no pending litigation against the City that would have a material adverse financial impact upon the City or its operations.

REGISTRATION AND QUALIFICATION OF OBLIGATIONS FOR SALE

The sale of the Obligations has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2). The Obligations have not been approved or disapproved by the Securities and Exchange Commission, nor has the United States Securities and Exchange Commission passed upon the accuracy or adequacy of the Official Statement. The Obligations have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Obligations been qualified under the securities acts of any jurisdiction. The City assumes no responsibility for qualification of the Obligations under the securities laws of any jurisdiction in which the Obligations may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Obligations shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code) provides that the Obligations are negotiable instruments, investment securities governed by Chapter 8, Texas Business and Commerce Code, and are legal and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking funds of municipalities or other political subdivisions or public agencies of the State of Texas. With respect to investment in the Obligations by municipalities or other political subdivisions or public agencies of the State of Texas, the Public Funds Investment Act, Chapter 2256, Texas Government Code, requires that the Obligations be assigned a rating of at least "A" or its equivalent as to investment quality by a national rating agency. See "OTHER INFORMATION - Ratings" herein. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Obligations are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Obligations are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those deposits to the extent of their market value. No review by the City has been made of the laws in other states to determine whether the Obligations are legal investments for various institutions in those states.

LEGAL MATTERS

The City will furnish a complete transcript of proceedings incident to the authorization and issuance of the Obligations, including the approving legal opinions of the Attorney General of the State of Texas to the effect that the Initial Bond and Initial Note are valid and binding obligations of the City, and based upon examination of such transcript of proceedings, the approving legal opinions of Bond Counsel to the effect that the Obligations issued in compliance with the provisions of the Ordinances are valid and legally binding obligations of the City and the interest on the Bonds and the Notes is excludable from gross income for federal income tax purposes under existing law and the Bonds and the Notes are not private activity bonds, subject to the matters described under "TAX MATTERS" herein. The forms of such opinions are attached hereto as Appendix C. Bond Counsel was not requested to participate, and did not take part, in the preparation of the Official Statement, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Obligations in the Official Statement under the captions "PLAN OF FINANCING" (except for the subcaption “Sources and Uses of Obligation Proceeds”), "THE OBLIGATIONS" (except for the subcaptions "Book-Entry-Only System" and “Obligationholders’ Remedies”), "TAX MATTERS” and "CONTINUING DISCLOSURE OF INFORMATION" (except for the subcaption “Compliance with Prior Undertakings”) and the subcaptions “Registration and Qualification of Obligations for Sale,” "Legal Investments and Eligibility to Secure Public Funds in Texas", and "Legal Matters" (except for the last two sentences of the first paragraph) under the caption "OTHER INFORMATION" and is of the opinion that the information relating to the Obligations and the legal issues contained under such captions and subcaptions is an accurate and fair description of the laws and legal issues addressed therein and, with respect to the Obligations, such information conforms to the Ordinances. The legal fees to be paid Bond Counsel for services

rendered in connection with the issuance of the Obligations are contingent on the sale and delivery of the Obligations. The legal opinions will accompany the Obligations deposited with DTC or will be printed on the Obligations in the event of the discontinuance of the Book-Entry-Only System. Certain legal matters will be passed upon for the Underwriters by McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Counsel to the Underwriters. The legal fees to be paid to Underwriters' Counsel for services rendered in connection with the issuance of the Obligations are contingent on the sale and delivery of the Obligations.

The various legal opinions to be delivered concurrently with the delivery of the Obligations 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 the 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.

AUTHENTICITY OF FINANCIAL DATA AND OTHER INFORMATION

The financial data and other information contained herein have been obtained from City records, audited financial statements and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and resolutions contained in this Official Statement are made subject to all of the provisions of such statutes, documents and resolutions. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

VERIFICATION OF ARITHMETICAL AND MATHEMATICAL COMPUTATIONS

Grant Thornton LLP, a firm of independent public accountants, will deliver to the City, on or before the settlement date of the Obligations, its verification report indicating that it has verified, in accordance with attestation standards established by the American Institute of Certified Public Accountants, the mathematical accuracy of (a) the mathematical computations of the adequacy of the cash and the maturing principal of and interest on the Federal Securities, to pay, when due, the maturing principal of, interest on and related call premium requirements, if any, of the Refunded Obligations and (b) the mathematical computations of yield used by Bond Counsel to support its opinion that interest on the Obligations will be excluded from gross income for federal income tax purposes. Such verification will be relied upon by Bond Counsel in rendering its opinions with respect to the exclusion from gross income of interest on the Obligations for federal income tax purposes and with respect to defeasance of the Refunded Obligations.

The verification performed by Grant Thornton LLP will be solely based upon data, information and documents provided to Grant Thornton LLP by FirstSouthwest on behalf of the City. Grant Thornton LLP has restricted its procedures to recalculating the computations provided by FirstSouthwest on behalf of the City and has not evaluated or examined the assumptions or information used in the computations.

UNDERWRITERS

The Underwriters have agreed, subject to certain conditions, to purchase the Bonds from the City, at an underwriting discount of $_____. The Underwriters will be obligated to purchase all of the Bonds if any Bonds are purchased. The Bonds to be offered to the public may be offered and sold to certain dealers (including the Underwriters and other dealers depositing Bonds into investment trusts at prices lower than the public offering prices of such Bonds and such public offering prices may be changed, from time to time by the Underwriters.

The Underwriters have agreed, subject to certain conditions, to purchase the Notes from the City, at an underwriting discount of $_____. The Underwriters will be obligated to purchase all of the Notes if any Notes are purchased. The Notes to be offered to the public may be offered and sold to certain dealers (including the Underwriters and other dealers depositing Notes into investment trusts at prices lower than the public offering prices of such Notes and such public offering prices may be changed, from time to time by the Underwriters.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

FINANCIAL ADVISOR

FirstSouthwest is employed as Financial Advisor to the City in connection with the issuance of the Obligations. The Financial Advisor's fee for services rendered with respect to the sale of the Obligations is contingent upon the issuance and delivery of the Obligations. FirstSouthwest waives the right to submit a bid for the Obligations, either independently or as a member of a syndicate organized to submit a bid for the Obligations. FirstSouthwest, in its capacity as Financial Advisor, has relied on the opinion of Bond Counsel and has not verified and does not assume any responsibility for the information, covenants and

representations contained in any of the legal documents with respect to the federal income tax status of the Obligations, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Financial Advisor to the City has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the City and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

FORWARD-LOOKING STATEMENTS DISCLAIMER

The statements contained in this Official Statement, an in any other information provided by the City, that are not purely historical, are forward-looking statements, including statements regarding the City's expectation, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on the information available to the City on the date hereof, and the City assumes no obligation to update any such forward-looking statements. The City's 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 judgments 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 City. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

MISCELLANEOUS

The financial data and other information continued in this Official Statement have been obtained from the City's records, audited financial statements and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and resolutions contained in this Official Statement are made subject to all of the provisions of such statutes, documents and resolutions. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

The Ordinances authorizing the issuance of the Obligations will also approve the form and content of this Official Statement, and any addenda, supplement or amendment thereto, and authorize its further use in the reoffering of the Obligations by the Underwriters.

_____
Mayor
City of Lewisville, Texas

ATTEST:

_____
City Secretary

Schedule I

SCHEDULE OF REFUNDED OBLIGATIONS*

General Obligaton Refunding and Improvement Bonds, Series 2007

Original Dated Date	Original Maturity Date	Interest Rates	Amount
5/15/2007	2/15/2018	4.000%	$ 1,280,000
	2/15/2019	4.000%	735,000
			$ 2,015,000

The 2018 – 2019 maturities will be redeemed prior to original maturity on February 15, 2017 at par.

Combination Tax and Revenue Certificates of Obligation, Series 2007A

Original Dated Date	Original Maturity Date	Interest Rates	Amount
5/15/2007	2/15/2018	4.000%	$ 630,000
	2/15/2019	4.000%	655,000
	2/15/2020	4.150%	685,000
	2/15/2021	4.250%	710,000
	2/15/2022	4.250%	745,000
			$ 3,425,000

The 2018 – 2022 maturities will be redeemed prior to original maturity on February 15, 2017 at par.

Combination Tax and Revenue Certificates of Obligation, Series 2007B

Original Dated Date	Original Maturity Date	Interest Rates	Amount
5/15/2007	2/15/2018	4.000%	$ 380,000
	2/15/2019	4.125%	430,000
	2/15/2020	4.150%	485,000
			$ 1,295,000

The 2018 - 2020 maturities will be redeemed prior to original maturity on February 15, 2017 at par.

General Obligation Bonds, Series 2008

Original Dated Date	Original Maturity Date	Interest Rates	Amount
5/15/2008	2/15/2020	4.125%	$ 700,000
	2/15/2021	4.250%	730,000
	2/15/2022	4.250%	765,000
	2/15/2023	4.375%	795,000
	2/15/2024	4.375%	830,000
			$ 3,820,000

The 2020 – 2024 maturities will be redeemed prior to original maturity on February 15, 2018 at par.

* Preliminary, subject to change.

Schedule II

CITY AND CONTRACT REVENUE AND ASSESSMENT DEBT ISSUED FOR THE CASTLE HILLS PUBLIC IMPROVEMENT DISTRICTS

1) The City's currently outstanding $6,675,000 Combination Contract Revenue and Special Assessment Refunding and Capital Improvement Bonds, Series 1998, are special limited obligations of the City payable from certain contract revenues paid by Denton County Fresh Water Supply District #1-B. The contract revenues are payable from the proceeds of continuing, direct ad valorem taxes, without legal limitation as to rate or amount, levied against all taxable property within District #1-B. These bonds are further payable and secured by a pledge of and lien on certain special assessment revenues levied by District #1-B against benefited property within the Public Improvement District No. 1 that is conterminous with the boundaries of District #1-B. The special assessment revenues are collected only to the extent that contract revenues are insufficient to make payments on these bonds in any given calendar year. These bonds are not secured by and are not payable from ad valorem taxes levied by the City.

2) The City's currently outstanding $745,000 Combination Contract Revenue and Special Assessment Bonds, Series 2002, are special limited obligations of the City payable from certain contract revenues paid by Denton County Fresh Water Supply District #1-D. The contract revenues are payable from the proceeds of continuing, direct ad valorem taxes, without legal limitation as to rate or amount, levied against all taxable property within District #1-D. These bonds are further payable and secured by a pledge of and lien on certain special assessment revenues levied by District #1-D against benefited property within the Public Improvement District that is coterminous with the boundaries of District #1-D. The special assessment revenues are collected only to the extent that contract revenues are insufficient to make payments on these bonds in any given calendar year. These bonds are not secured by and are not payable from ad valorem taxes levied by the City.

3) The City's currently outstanding $15,665,000 Combination Contract Revenue and Special Assessment Capital Improvement Bonds, Series 2008, are special limited obligations of the City payable from certain contract and special assessment revenues paid by Denton County Fresh Water Supply District #1-F. For this issue, no more than 90% of the principal and interest payment on the bonds is from ad valorem taxes (contract revenues) and no less than 10% is payable from special assessment revenues. The Bonds subject to special mandatory redemption prior to maturity from prepayments of Special Assessments. The contract revenues are payable from the proceeds of continuing direct ad valorem taxes, without legal limitation as to rate or amount, levied against all taxable property within the District #1-F. These bonds are further payable and secured by a pledge of and lien on certain special assessment revenues levied against benefited property within the Public Improvement District that is coterminous with the boundaries of District #1-F. These bonds are not secured by and are not payable from ad valorem taxes levied by the City.

4) The City's currently outstanding $2,840,000 Combination Contract Revenue and Special Assessment Refunding and Utility System Bonds, Series 2011, are special limited obligations of the City payable from certain contract revenues paid by Denton County Fresh Water Supply District #1-E. The contract revenues are payable from the proceeds of continuing, direct ad-valorem taxes, without legal limitation as to rate or amount, levied by District #1-E against all taxable property within the District #1-E. These bonds are further payable and secured by a pledge of and lien on certain special assessment revenues levied against benefited property within the Public Improvement District that is coterminous with the boundaries of District #1-E. The special assessment revenues are collected only to the extent that the contract revenues are insufficient to make payment on these bonds in any given year. These bonds are not secured by and are not payable from ad valorem taxes levied by the City.

5) The City's currently outstanding $2,965,000 Combination Contract Revenue and Special Assessment Utility System Bonds, Series 2011, are special limited obligations of the City payable from certain contract revenues paid by Denton County Fresh Water Supply District #1-F. For this issue, no more than 90% of the principal and interest payment on the bonds is from ad valorem taxes (contract revenues) and no less than 10% is payable from special assessment revenues. The Bonds subject to special mandatory redemption prior to maturity from prepayments of Special Assessments. The contract revenues are payable from the proceeds of continuing, direct ad-valorem taxes, without legal limitation as to rate or amount, levied by District #1-F against all taxable property within the District #1-F. These bonds are further payable and secured by a pledge of and lien on certain special assessment revenues levied against benefited property within the Public Improvement District that is coterminous with the boundaries of District #1-F. The Bonds are subject to special mandatory redemption from prepayments of Special Assessments. These bonds are not secured by and are not payable from ad valorem taxes levied by the City.

6) The City's currently outstanding $5,355,000 Combination Contract Revenue and Special Assessment Road System Bonds, Series 2011, are special limited obligations of the City payable from certain contract revenues paid by Denton County Fresh Water Supply District #1-F. For this issue, no more than 90% of the principal and interest payment on the bonds is from ad valorem taxes (contract revenues) and no less than 10% is payable from special assessment revenues. The contract revenues are payable from the proceeds of continuing, direct ad-valorem taxes, without legal limitation as to rate or amount, levied by District #1-F against all taxable property within the District #1-F. These bonds are further payable and secured by a pledge of and lien on certain special assessment revenues levied against benefited property within the Public

Improvement District that is coterminous with the boundaries of District #1-F. The bonds are subject to special mandatory redemption from prepayments of Special Assessments. These bonds are not secured by and are not payable from ad valorem taxes levied by the City. The Bonds subject to special mandatory redemption prior to maturity from prepayments of Special Assessments.

7) The City's currently outstanding $13,640,000 Combination Contract Revenue and Special Assessment Refunding Bonds, Series 2013, are special limited obligations of the City payable from certain contract revenues paid by Denton County Fresh Water Supply District #1-D. The contract revenues are payable from the proceeds of continuing, direct ad valorem taxes, without legal limitation as to rate or amount, levied by District #1-D against all taxable property within the District #1-D. These bonds are further payable and secured by a pledge of and lien on certain special assessment revenues levied against benefited property within the Public Improvement District that is coterminous with the boundaries of District #1-D. The special assessment revenues are collected only to the extent that contract revenues are insufficient to make payments on these bonds in any given calendar year. These bonds are not secured by and are not payable from ad valorem taxes levied by the City.

8) The City's currently outstanding $3,255,000 Combination Contract Revenue and Special Assessment Utility System Bonds, Series 2014, are special limited obligations of the City payable from certain contract and special assessment revenues paid by Denton County Fresh Water Supply District #1-G. For this issue, no more than 99% of the principal and interest payment on the bonds is from ad valorem taxes (contract revenues) and no less than 1% is payable from special assessment revenues. The contract revenues are payable from the proceeds of continuing direct ad valorem taxes, without legal limitation as to rate or amount, levied by District #1-G against all taxable property within the District #1-G. These bonds are further payable and secured by a pledge of and lien on certain special assessment revenues levied against benefited property within the Public Improvement District that is coterminous with the boundaries of District #1-G. These bonds are not secured by and are not payable from ad valorem taxes levied by the City. The Bonds are subject to special mandatory redemption prior to maturity from prepayments of Assessments.

9) The City's currently outstanding $4,495,000 Combination Contract Revenue and Special Assessment Road System Bonds, Series 2014, are special limited obligations of the City payable from certain contract and special assessment revenues paid by Denton County Fresh Water Supply District #1-G. For this issue, no more than 99% of the principal and interest payment on the bonds is from ad valorem taxes (contract revenues) and no less than 1% is payable from special assessment revenues. The contract revenues are payable from the proceeds of continuing direct ad valorem taxes, without legal limitation as to rate or amount, levied by District #1-G against all taxable property within the District #1-G. These bonds are further payable and secured by a pledge of and lien on certain special assessment revenues levied against benefited property within the Public Improvement District that is coterminous with the boundaries of District #1-G. These bonds are not secured by and are not payable from ad valorem taxes levied by the City. The Bonds are subject to special mandatory redemption prior to maturity for prepayments of Assessments.

10) The City's currently outstanding $1,360,000 Combination Contract Revenue and Special Assessment Utility System Bonds, Series 2014, are special limited obligations of the City payable from certain contract and special assessment revenues paid by Denton County Fresh Water Supply District #1-C. For this issue, no more than 99% of the principal and interest payment on the bonds is from ad valorem taxes (contract revenues) and no less than 1% is payable from special assessment revenues. The contract revenues are payable from the proceeds of continuing direct ad valorem taxes, without legal limitation as to rate or amount, levied by District #1-C against all taxable property within the District #1-C. These bonds are further payable and secured by a pledge of and lien on certain special assessment revenues levied against benefited property within the Public Improvement District that is coterminous with the boundaries of District #1-C. These bonds are not secured by and are not payable from ad valorem taxes levied by the City. The Bonds are subject to special mandatory redemption prior to maturity from prepayments of Assessments.

11) The City's currently outstanding $1,405,000 Combination Contract Revenue and Special Assessment Road System Bonds, Series 2014, are special limited obligations of the City payable from certain contract and special assessment revenues paid by Denton County Fresh Water Supply District #1-C. For this issue, no more than 90% of the principal and interest payment on the bonds is from ad valorem taxes (contract revenues) and no less than 10% is payable from special assessment revenues. The contract revenues are payable from the proceeds of continuing direct ad valorem taxes, without legal limitation as to rate or amount, levied by District #1-C against all taxable property within the District #1-C. These bonds are further payable and secured by a pledge of and lien on certain special assessment revenues levied against benefited property within the Public Improvement District that is coterminous with the boundaries of District #1-C. These bonds are not secured by and are not payable from ad valorem taxes levied by the City. The Bonds subject to special mandatory redemption prior to maturity from prepayments of Assessments.

12) The City's currently outstanding $3,630,000 Combination Contract Revenue and Special Assessment Utility System Bonds, Series 2014, are special limited obligations of the City payable from certain contract and special assessment revenues paid by Denton County Fresh Water Supply District #1-F. For this issue, no more than 90% of the principal and interest payment on the bonds is from ad valorem taxes (contract revenues) and no less than 10% is payable from special assessment revenues. The contract revenues are payable from the proceeds of continuing, direct ad-valorem taxes, without legal limitation as to rate or amount, levied against all taxable property within the District #1-F. These bonds are further payable and secured by a pledge of and lien on certain special assessment revenues levied by District #1-F against benefited property within the Public Improvement District that is coterminous with the boundaries of District #1-F. The special assessment revenues are collected only to the extent that the contract revenues are insufficient to make payment on these bonds in any given year. These bonds are not secured by and are not payable from ad valorem taxes levied by the City. The Bonds are subject to special mandatory redemption prior to maturity from prepayments of Special Assessments.

13) The City's currently outstanding $7,310,000 Combination Contract Revenue and Special Assessment Utility System Bonds, Series 2014, are special limited obligations of the City payable from certain contract and special assessment revenues paid by Denton County Fresh Water Supply District #1-H. For this issue, no more than 99% of the principal and interest payment on the bonds is from ad valorem taxes (contract revenues) and no less than 1% is payable from special assessment revenues. The contract revenues are payable from the proceeds of continuing direct ad valorem taxes, without legal limitation as to rate or amount, levied against all taxable property within District #1-H. These bonds are further payable and secured by a pledge of and lien on certain special assessment revenues levied by District #1-H against benefited property within the Public Improvement District that is coterminous with the boundaries of District #1-H. These bonds are not secured by and are not payable from ad valorem taxes levied by the City. The Bonds are subject to special mandatory redemption prior to maturity from prepayments of Assessments.

14) The City's currently outstanding $1,200,000 Combination Contract Revenue and Special Assessment Road System Bonds, Series 2014, are special limited obligations of the City payable from certain contract and special assessment revenues paid by Denton County Fresh Water Supply District #1-H. For this issue, no more than 99% of the principal and interest payment on the bonds is from ad valorem taxes (contract revenues) and no less than 1% is payable from special assessment revenues. The contract revenues are payable from the proceeds of continuing direct ad valorem taxes, without legal limitation as to rate or amount, levied against all taxable property within District #1-H. These bonds are further payable and secured by a pledge of and lien on certain special assessment revenues levied by District #1-H against benefited property within the Public Improvement District that is coterminous with the boundaries of District #1-H. These bonds are not secured by and are not payable from ad valorem taxes levied by the City. The Bonds are subject to special mandatory redemption prior to maturity from prepayments of Assessments.

15) The City's currently outstanding $4,005,000 Combination Contract Revenue and Special Assessment Refunding Bonds, Series 2015, are special limited obligations of the City payable from certain contract revenues paid by Denton County Fresh Water Supply District #1-B. The contract revenues are payable from the proceeds of continuing, direct ad valorem taxes, without legal limitation as to rate or amount, levied by District #1-B against all taxable property within the District. These bonds are further payable and secured by a pledge of and lien on certain special assessment revenues levied against benefited property within the Public Improvement District That is coterminous with the boundaries of District #1-B. The special assessment revenues are collected only to the extent that contract revenues are insufficient to make payments on these bonds in any given calendar year. These bonds are not secured by and are not payable from ad valorem taxes levied by the City.

16) The City's currently outstanding $8,490,000 Combination Contract Revenue and Special Assessment Refunding Bonds, Series 2015, are special limited obligations of the City payable from certain contract revenues paid by Denton County Fresh Water Supply District #1-D. The contract revenues are payable from the proceeds of continuing, direct ad valorem taxes, without legal limitation as to rate or amount, levied by District #1-D against all taxable property within the District #1-D. These bonds are further payable and secured by a pledge of and lien on certain special assessment revenues levied against benefited property within the Public Improvement District that is coterminous with the boundaries of District #1-D. The special assessment revenues are collected only to the extent that contract revenues are insufficient to make payments on these bonds in any given calendar year. These bonds are not secured by and are not payable from ad valorem taxes levied by the City.

17) The City's currently outstanding $19,535,000 Combination Contract Revenue and Special Assessment Refunding Capital Improvement Bonds, Series 2015, are special limited obligations of the City payable from certain contract revenues paid by Denton County Fresh Water Supply District #1-E. The contract revenues are payable from the proceeds of continuing, direct ad-valorem taxes, without legal limitation as to rate or amount, levied against all taxable property within the District #1-E. These bonds are further payable and secured by a pledge of and lien on certain special assessment revenues levied by District #1-E against benefited property within the Public Improvement District that is coterminous with the boundaries of District #1-E. The special assessment revenues are collected only to the extent that the contract revenues are insufficient to make payment on these bonds in any given year. These bonds are not secured by and are not payable from ad valorem taxes levied by the City.

18) The City's currently outstanding $10,950,000 Combination Contract Revenue and Special Assessment Utility System Bonds, Series 2015, are special limited obligations of the City payable from certain contract revenues paid by Denton County Fresh Water Supply District #1-G. The contract revenues are payable from the proceeds of continuing, direct ad-valorem taxes, without legal limitation as to rate or amount, levied by District #1-G against all taxable property within the District #1-GE. These bonds are further payable and secured by a pledge of and lien on certain special assessment revenues levied against benefited property within the Public Improvement District that is coterminous with the boundaries of District #1-G. The special assessment revenues are collected only to the extent that the contract revenues are insufficient to make payment on these bonds in any given year. These bonds are not secured by and are not payable from ad valorem taxes levied by the City. The Bonds are subject to special mandatory redemption from prepayments of Special Assessments

APPENDIX A

GENERAL INFORMATION REGARDING THE CITY

THE CITY

The City of Lewisville was incorporated in 1925. The current charter was adopted in 1963 and amended as recently as 2004. Lewisville is a home-rule city and operates under the Council-Manager form of government. The City Council is comprised of the Mayor and five members and is responsible for enacting ordinances, resolutions and regulations governing the City. In addition, the City Council appoints the members of various boards and commissions, the City Manager, City Attorney, City Judge, and City Secretary. As chief administrative officer, the City Manager is responsible for implementing Council policies, overseeing municipal operation, and appointing and supervising the various department directors.

The City provides the full range of municipal services as authorized by statute or charter. This includes public safety (police and fire), streets, water and sewer utilities, sanitation, health and social services, parks and leisure services, public improvements, community development with planning and zoning, tourism and general administrative services.

The following list includes the major employers in the City:

Employer	Number of Employees	Percentage of Total City Employment
JP Morgan Chase	2,158	3.61%
Lewisville Independent School District (Lewisville employment only)	2,104	3.52%
Vista Ridge Mall (all outlets)	1,950	3.27%
Xerox Corporation	850	1.42%
Wal-Mart (all City locations)	850	1.42%
City of Lewisville	758	1.27%
Medical Center of Lewisville	756	1.27%
SYSCO	560	0.94%
Orthofix	450	0.75%
Med-Fusion	450	0.75%
Total	10,886	18.22%

Source: City of Lewisville Economic Development and Budget Departments, Texas Workforce Commission and North Central Texas Council of Governments.

ECONOMIC CONDITIONS AND OUTLOOK

The City of Lewisville continues to experience positive annual population and new commercial growth. Between the years 2000 to 2010, Lewisville's population increased by 22.6% from 77,737 to 95,290 per the official Census data of 2010. The current population estimate from the North Central Texas Council of Governments (NCTCOG) is 100,670. As Lewisville is primarily developed with little vacant land, the City has gained a tremendous number of infill development and redevelopment projects that has aided in the rejuvenation of the City's old housing stock. Estimates are for residential population to be approximately 140,000 at the time of build-out around 2030. Lewisville's daytime population is expected to exceed its residential population by 2030 due to the large number of employers located in Lewisville. With Lewisville's continued pro-business policies, the City maintains its economic prosperity. Highlights include:

- Majestic Airport Center is a master-planned Industrial park with over 160 acres of land and more than 3 million square feet of Class A warehouse and distribution facilities. Phases I & II are complete, which includes DFW's first 1 million square foot speculative industrial building. Kellogg relocated their southwest regional distribution facility to Majestic Airport Center in 2012, occupying 1 million square feet and creating 300 new jobs. Jafra Cosmetics, Cabin Innovations, Hagemeyer North America Inc., Sonexus Health, and Ranger Air Aviation currently occupy the development, taking advantage of the Foreign Trade Zones and Triple Freeport exemption in place. Essilor of America is one of the newer additions to the Majestic Airport Center occupying 169,000 square feet with 90 employees. Planning is underway for an additional three new mid-sized flex industrial buildings ranging from 250,000 to 400,000 square feet currently under construction. An agreement with Bed, Bath and Beyond was approved in December of 2015 for their Texas E-Commerce facility occupying 780,000 square feet with over $100 million in real and businesses personal property investment and a large projected sales tax generation from the facility.

- Two new buildings for warehouse/distribution facilities were completed at Lakepointe Crossing on State Highway 121 (SH-121). The Flooring Services, Inc. includes more than 421,000 square feet of commercial space. The new complex will bring all of The Flooring Services' business locations in North Texas into one location. The company employs 300 people in Lewisville and is expected to grow in future years.

- FedEx Freight Center started construction in 2014 for their 129,914 square feet regional ground facility. The project is expected to be operational in first quarter of 2016.

- Lakeside Office Center II completed an 80,964 square foot building and has leased 40,000 square feet for the expansion of TIAA-CREF Financial Services located in the same business park.

- Mary Kay Inc., announced the relocation of their research and development and manufacturing facility from Dallas to Lewisville in November of 2015. They are constructing a new 330,000 square foot facility in Lewisville in 2016.

- Revitalization of aging shopping centers has become a priority in Lewisville with three centers currently redeveloped or under construction. Details on two of these developments:

    - Birmingham Management completed their $5.0 million revitalization of Lewisville West shopping center that included new architecture and tenants.
    - Old Orchard West shopping center on Main Street completed construction of a new 88,000 square foot WinCo grocery store. The original shopping center was built in 1970s and is being revitalized with new façade improvements and new branding totaling over $17 million in new investment.

- Panera Bread, a bakery and café, opened and is operating in the former location of Johnny Carino's on Hebron Road east of Interstate 35 East (I-35E).

- Mattito's, a Tex-Mex restaurant, opened in the old Fox and Hound restaurant building just north of Corporate Drive along I-35E. This is Mattito's fifth location and includes over eight thousand square feet including an outdoor patio area.

MAJOR INITIATIVES

Tax Increment Reinvestment Zone Number 1—The City of Lewisville continues to revitalize Old Town Lewisville. The Old Town Tax Increment Reinvestment Zone was created in December 2001, with participation between the City and Denton County. The Old Town Tax Increment Reinvestment Zone has experienced an incremental increase in taxable value of $113,037,293 since inception. Tax increment revenues from the Zone are used to finance infrastructure improvements and public facilities to stimulate revitalization of Old Town. Projects to date include parking improvements, wayfinding, infrastructure needs studies, sidewalk enhancements, beautification projects, the Medical Center of Lewisville Grand Theater (MCL Grand Theater), and the Wayne Ferguson Plaza. The Zone expires in 2028.

- Three new restaurants are currently under construction in Old Town: Cavalli Pizza, Twisted Root Burger and Prohibition Chicken. All three will be built on the north side of Church Street across the street from the City-owned Medical Center of Lewisville Grand Theater.

- The historic Lewisville Feed Mill is also being converted into a restaurant with over $2 million in renovations and improvements.

- The Uptown Village Townhome community has completed 40 units and is in the process of proceeding with phase 3 of the development for a total of 73 units including a pool and clubhouse in this phase.

- Ground work is continuing with final plat approved for South Village, a new mixed use project, including 4,000 square feet of office/retail space and 75 new residential units in an expected price range of $250,000 to $350,000.

- The City is working with business owners on Main Street in the Old Town Center District to redesign and improve the rear façade of those businesses. As a first step, a meeting was held in December 2015 with the business owners to explain and discuss the program and process that will take place. The City will fund the design portion of the project.

Tax Increment Reinvestment Zone Number 2—This Zone was created in October 2008, with participation between the City and Denton County. This Zone started with a base value of $9,097,649 and has added $67,268,115 in incremental value. The Zone will expire in 2038.

- Tax increment revenues from the Zone are used to finance infrastructure improvements for a 427 acre mixed-use development. The development, also known as Hebron 121 Station, is at the northeast corner of I-35E and SH-121. The project consists of urban residential, retail, recreation, and entertainment uses.

- The Denton County Transit Authority (DCTA) A-Train Station was completed in June 2011 and ridership continues to grow along this line.

- The first three phases of the residential development have been completed and consist of 922 multi-family units within 4-story structures. The total number of residential units projected for this development at completion is 1,875.

- The City completed the building of a bridge over Timber Creek to connect the Hebron 121 Station project to the I-35E frontage road in October 2015 as part of the City's commitment in the development agreement with the Riverside Development LP.

- The City also completed planning for the remainder of the Zone by rezoning the land from Light Industrial to Mixed Use in order to accomplish the goals of the plan for office, retail and hotel uses.

Lewisville 2025 Plan—The Lewisville 2025 Vision Plan commenced in March of 2013 in anticipation of the City's centennial celebration in 2025 to establish a course for creating a community reflective of citizens values and aspirations. Public input and discussion garnered hundreds of ideas and suggestions from all stakeholders in the City. The planning project successfully ended with the adoption of the plan in June 2014 providing the City with a road map for future growth and prioritizing projects and strategies for action for the next 10 years. Some of the major accomplishments thus far:

- **Green Centerpiece**—A Memorandum of Understanding (MOU) was approved with the University of North Texas (UNT) in December 2014 related to adding the City of Lewisville to the Corps of Engineers (COE) lease and funding cost of operations for the Lewisville Lake Environmental Learning Area (LLELA). This nature preserve located along the City's northeast side provides numerous nature opportunities and outdoor activities. In addition to the City, UNT and COE, Lewisville Independent School District has joined as a partner and a committee has been convened to develop a master strategy for operations of LLELA. The City and UNT agreed on an initial funding strategy whereby UNT funds research and restoration activities and the City funds recreation education, maintenance and gate operations. The City has contracted with Texas Audubon to conduct a feasibility study to determine the financial viability of an Audubon-operated nature center at LLELA. LLELA operations have expanded with the City's involvement to seven days a week for hiking, fishing, camping, boating and other outdoor activities.

- **Extending The Green**—NCTCOG awarded the City a $1.5 million grant (City match of $506,000) for a new City trail along Garden Ridge and Valley Parkway.

- **Sustainability**—Changes were made to the City's trash/recycling franchise agreement to encourage diversion and recycling. For example, once a week trash, larger recycling carts, multi-family recycling, and additional options are being made available.

- **Old Town**—Wayne Ferguson Plaza was completed and dedicated in time for the Western Days Festival.

- **Thriving Neighborhoods**—A Neighborhood Enhancement program was created to encourage a formal network of neighborhoods that will focus on neighborhood identity, code enforcement, infrastructure and improvements, public safety, and aesthetics.

- **Identity Focal Point**—I-35E Corridor Plan was adopted in November 2014 providing guidelines for public and private development along the corridor.

- **Communications and Marketing**—Digital billboard advertising space was acquired as a result of Economic Development Agreements to reduce billboards along I-35E. This will allow access to six (6) billboards available for citywide marketing and event advertising with an annual benefit of over $300,000.

Major Roadway Projects—Construction is ongoing on the I-35E expansion. The project will widen the interstate from 10 to 16 lanes between Interstate-635 and US Highway 380. The expansion will include free lanes, managed/tolled lanes, and additional new frontage lanes. The City completed a two year project for a Corridor Redevelopment Plan to guide public improvements, private developments, business retention, and new business recruitment along the corridor. An extension of the plan, the I-35 Identity Plan, was developed to create aesthetic treatments and non-vehicular travel options at highly visible overpasses and underpasses.

The City is at 90% design on two major thoroughfares to provide maximum connectivity in the City. Corporate Drive and Valley Ridge Boulevard will provide additional means of access to businesses and residents. The estimated cost of the improvements for Corporate Drive and Valley Ridge Boulevard are $29 million and $17 million, respectively. These projects were done with a funding partnership between the City and Denton County with regional toll revenues being allocated for 80% of the construction cost and the City responsible for the 20% match.

Residential Growth - A significant number of new residential subdivisions are underway in Lewisville including a 156 acre annexation of land into the City for a master planned community. The new residential developments have a higher price point than the existing residential stock and are estimated to be in $250,000 to $400,000 price range. These projects include:

Project	Location	Residence Type	Planned Units	Status/Completed
Highpoint Oak Estates	Southwest corner of V'ista Ridge Mall Drive and Denton Tap Road	Single family	85	16
The Hills ov Vista Ridge	Oakbend and Vista Ridge Mall Drive	Single family	124	45
Wyndale Meadows	East of FM 544 and south of SH 121	Single family	105	86
Crescent Estates	Summit Lane south of College Parkway	Single family	62	25
Verona by DR Horton	North side of FM 407 next to McGee Lane	Single family	138	13
Fireside Village	College Parkway and Summit Avenue	Single family	33	Broken ground
Lakewood Hills	Josey Lane and Windhaven Parkway	Single family	523	Broken ground
Pine Prairie Apartments	Lake Ridge Road and Leora Lane	Multi-family	596	Completion stage
Broadstone Lakeridge Apartments	Lake Ridge Road and Leora Lane and Marina Vista	Multi-family	301	Completion stage
The Manors at Vista Ridge	Vista Ridge Mall area	Multi-family (Townhomes)	72	46
Windhaven Crossing	SH121 and is bisected by the Atchison, Topeka and Santa Fe Railroad	Multi-family (Townhomes)	367	

These projects are indicative of the City's economic prosperity and the continued pro-business policies by the City.

EDUCATION

The Lewisville Independent School District ("LISD") encompasses 13 communities and 127 square miles. LISD presently has 40 elementary schools, one early childhood center, 15 intermediate schools, five high schools, three ninth grade campuses, two ninth and tenth grade campuses, two career centers, one learning centers, a night high school, and a virtual learning academy. All LISD campuses received the "Met Standard" accountability rating by the Texas Education Agency in the areas of student achievement, student progress, closing performance gaps, and postsecondary readiness. Serving more than 53,000 students, LISD has experienced a period of rapid growth adding over 22,000 students in an eleven year period. While LISD has continued to grow, the rate of growth has slowed to approximately 200-500 students per year.

School Year	School Enrollment District Wide
2006-07	48,890
2007-08	49,449
2008-09	50,038
2009-10	50,664
2010-11	51,298
2011-12	51,782
2012-13	52,396
2013-14	52,696
2014-15	52,989
2015-16	53,400

BUILDING PERMIT VALUES

Fiscal	Commercial		Residential		Other [2]	
Year	Number	Amount	Number	Amount	Number	Amount
2011	211	$ 210,975,650	184	$ 15,631,885	417	$ 2,663,612
2012	161	51,528,426	176	18,602,597	389	2,079,812
2013	166	61,598,837	340	32,552,007	458	2,485,927
2014	153	49,608,616	229	20,252,230	443	2,421,327
2015	87	125,973,960	801	79,250,114	275	2,988,263
2016 [1]	21	47,323,908	194	49,116,872	66	1,442,258

(1) As of March 24, 2016.
(2) This section represents miscellaneous commercial and residential non-building permits that include, but are not limited to, demolitions, relocations, swimming pools, and fences.

APPENDIX B

EXCERPTS FROM THE

CITY OF LEWISVILLE, TEXAS

ANNUAL FINANCIAL REPORT

For the Year Ended September 30, 2015

The information contained in this Appendix consists of excerpts from the City of Lewisville, Texas Comprehensive Annual Financial Report for the Year Ended September 30, 2015, and is not intended to be a complete statement of the City's financial condition. Reference is made to the complete Report for further information.

APPENDIX C

FORMS OF BOND COUNSEL'S OPINIONS

Purchase Contract

$_____
City of Lewisville, Texas
(Denton and Dallas Counties, Texas)
General Obligation Refunding and Improvement Bonds, Series 2016

June 6, 2016

Mayor and Members of the City Council
City of Lewisville, Texas
151 W. Church Street
Lewisville, Texas 75057

Ladies and Gentlemen:

The undersigned, Raymond James & Associates, Inc. (the "Representative"), acting on its own behalf and on behalf of Stephens, Inc. (collectively, the "Underwriters"), offers to enter into the following agreement with the City of Lewisville, Texas (the "Issuer") which, upon the Issuer's written acceptance of this offer (the "Contract"), will be binding upon the Issuer and upon the Underwriters. This offer is made subject to the Issuer's written acceptance hereof on or before 10:00 p.m., Central time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriters upon notice delivered to the Issuer at any time prior to the acceptance hereof by the Issuer. Terms not otherwise defined in this Contract shall have the same meanings set forth in the Bond Ordinance (as defined herein) or in the Official Statement (as defined herein). The Representative has been duly authorized by the Underwriters to execute this Contract and to act for the Underwriters in all capacities hereunder.

1. Purchase and Sale of the Bonds. Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriters hereby agree, jointly and severally, to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Underwriters, all, but not less than all, of the Issuer's $_____ General Obligation Refunding and Improvement Bonds, Series 2016 (hereinafter referred to as the "Bonds").

Inasmuch as this purchase and sale represents a negotiated transaction, the Issuer acknowledges and agrees that: (i) the transaction described in by this Contract is an arm's length, commercial transaction between the Issuer and the Underwriters in which each Underwriter is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the Issuer; (ii) the Underwriters have not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction described herein and the discussions, undertakings and procedures leading thereto (irrespective of whether any Underwriter has provided other services or is currently providing other services to the Issuer on other matters); (iii) each Underwriter is acting solely in its capacity as underwriter for its own account, (iv) the only obligations the Underwriters have to the Issuer with respect to the transaction described herein expressly are set forth in this Contract; (v) the Issuer has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate; (vi) the Issuer recognizes

that the Underwriters expect to profit from the acquisition and potential distribution of the Bonds; and (vii) the Underwriters have provided to the Issuer prior disclosures under Rule G-17 of the Municipal Securities Rulemaking Board (the "MSRB"), which have been received by the Issuer. The Issuer has engaged a registered municipal advisor to advise it on this transaction and has consulted its own financial, municipal, legal, accounting, tax and/or other advisors, as applicable, to the extent it deems appropriate.

The Bonds are to be issued, secured and sold under the provisions of an ordinance (the "Bond Ordinance") adopted by the City Council of the Issuer on June 6, 2016, and shall have the terms and features (including those with respect to rates) as set forth in the Bond Ordinance. The principal amount of the Bonds to be issued, the dated date therefor, the maturities, redemption provisions, yields and interest rates per annum are set forth in Schedule I attached hereto. The Bonds shall otherwise have such terms and provisions as set forth and described in the Official Statement referred to below.

The purchase price for the Bonds shall be $_____ (representing the principal amount of the Bonds, plus a net original issue premium of $_____ and less an underwriting discount of $_____).

Delivered to the Issuer herewith as a good faith deposit is a corporate check of the Representative payable to the order of the Issuer in the amount of $156,700. In the event the Issuer accepts this Contract, such check shall be held uncashed by the Issuer until the time of Closing (as defined herein), at which time such check shall be returned uncashed to the Representative. In the event that the Issuer does not accept this Contract, such check will be immediately returned to the Representative. Should the Issuer fail to deliver the Bonds at the Closing, or should the Issuer be unable to satisfy the conditions of the obligations of the Underwriters to purchase, accept delivery of and pay for the Bonds, as set forth in this Contract (unless waived by the Underwriters), or should such obligations of the Underwriters be terminated for any reason permitted by this Contract, such check shall immediately be returned to the Representative. In the event that the Underwriters fail (other than for a reason permitted hereunder) to purchase, accept delivery of and pay for the Bonds at the Closing as herein provided, such check shall be cashed and the amount thereof retained by the Issuer as and for fully liquidated damages for such failure of the Underwriters, and, except as set forth in Sections 8 and 10 hereof, no party shall have any further rights against the other hereunder. The Underwriters and the Issuer understand that in such event the Issuer's actual damages may be greater or may be less than such amount. Accordingly, the Underwriters hereby waive any right to claim that the Issuer's actual damages are less than such amount, and the Issuer's acceptance of this Contract shall constitute a waiver of any right the Issuer may have to additional damages from the Underwriters. Immediately following the Closing, the Issuer shall return the good faith check to the Representative. The Representative hereby agrees not to stop or cause payment on the check to be stopped unless the Issuer has breached any of the terms of this Contract.

2. Public Offering. The Underwriters agree to make a bona fide public offering of all of the Bonds at a price or yield not to exceed the public offering prices or yields set forth on page 2 of the Official Statement and may subsequently change such offering prices or yields without any requirement of prior notice. The Underwriters may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at prices or yields lower than the public offering prices or yields stated on page 2 of the Official Statement;

provided that on or before the Closing, the Representative shall execute and deliver to Bracewell LLP, Dallas, Texas ("Bond Counsel") an issue price certificate for the Bonds prepared by Bond Counsel verifying the initial offering prices to the public at which the Underwriters reasonably expected to sell or in fact sold a substantial amount of each stated maturity of the Bonds to the public.

3. The Official Statement.

(a) Preliminary Official Statement. The Issuer previously has delivered, or caused to be delivered, copies of a Preliminary Official Statement, dated [May 27], 2016, relating to the Bonds (the "Preliminary Official Statement"), to the Underwriters for their use in determining interest in the Bonds. The Issuer prepared the Preliminary Official Statement for use by the Underwriters in connection with the public offering, sale and distribution of the Bonds. The Issuer hereby ratifies and approves the use by the Underwriters of the Preliminary Official Statement prior to the date hereof, and until the availability of the final Official Statement, in connection with the public offering of the Bonds. The Issuer hereby represents and warrants that it deemed the Preliminary Official Statement final, within the meaning of Rule 15c2-12 issued by the United States Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Rule"), as of its date, except for the omission of information specified in Section (b)(1) of the Rule, as permitted by Section (b)(1) of the Rule. The Issuer hereby confirms that it does not object to the distribution of the Preliminary Official Statement in electronic form.

(b) Final Official Statement. The Issuer shall prepare and provide, or cause to be provided, to the Underwriters as soon as practicable after the date of the Issuer's acceptance of this Contract (but, in any event, not later than within seven business days after the Issuer's acceptance of this Contract and in sufficient time to accompany any confirmation that requests payment from any customer) a final Official Statement which is complete as of the date of its delivery to the Underwriters, in such quantity and formats as the Representative shall reasonably request, and in any event in a "designated electronic format" (as defined in MSRB Rule G-32), in order for the Underwriters to comply with Section (b)(4) of the Rule and the rules of the MSRB. Such final Official Statement shall be substantially in the form of the Preliminary Official Statement, with only such changes therein as shall have been accepted by the Underwriters or as shall be permitted by the Rule or the rules of the MSRB. Such final Official Statement, including the cover page, all exhibits, appendices, maps, pictures, diagrams, reports and statements included or incorporated therein or attached thereto, and any amendments and supplements thereto that may be authorized for use with respect to the Bonds, is herein referred to as the "Official Statement." The Issuer hereby authorizes the Underwriters to use the Official Statement and the information contained therein in connection with the public offering and the sale of the Bonds. The Issuer hereby confirms that it does not object to the distribution of the Official Statement in electronic form. If, for any reason, the Issuer is unable or otherwise fails to deliver the final Official Statement to the Underwriters in compliance with this paragraph, the Issuer shall deliver the Preliminary Official Statement, including all amendments and supplements thereto, to the Underwriters in a "designated electronic format" at least one business day before the date of the Closing. The Issuer additionally shall provide, or cause to be provided, to the Underwriters on or before the date of the Closing (and, in any event, not later than within five business days of the date of the Closing) a copy of the fully executed Escrow Agreement (as hereinafter defined) in a "designated electronic format".

(c) If, after the date of this Contract to and including the date the Underwriters are no longer required to provide an Official Statement to potential customers who request the same pursuant to the Rule (the earlier of (i) 90 days from the "end of the underwriting period", as defined in the Rule, and (ii) the time when the Official Statement is available to any person from the MSRB, but in no case less than 25 days after the "end of the underwriting period" for the Bonds), the Issuer becomes aware of any fact or event which might or would cause the Official Statement, as then supplemented or amended, 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, not misleading, or if it is necessary to amend or supplement the Official Statement to comply with law, the Issuer will notify the Underwriters (and for the purposes of this clause provide the Underwriters with such information as the Representative may from time to time reasonably request), and if, in the reasonable opinion of the Representative, such fact or event requires preparation and publication of a supplement or amendment to the Official Statement, the Issuer will prepare and furnish, at the Issuer's sole expense, in such quantity and in formats as the Representative shall reasonably request, and in a "designated electronic format", in order for the Underwriters to comply with Section (b)(4) of the Rule and the rules of the MSRB, copies of either amendments or supplements to the Official Statement so that the statements in the Official Statement as so amended and supplemented 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 not misleading or so that the Official Statement will comply with law; provided, however, that for all purposes of this Contract (including, without limitation, the representations made in Sections 4(h), (i) and (j)) and any certificate delivered by the Issuer in accordance herewith, the Issuer makes no representations with respect to the descriptions in the Preliminary Official Statement or the Official Statement of The Depository Trust Company, New York, New York ("DTC"), or its book-entry-only system. If such notification shall be subsequent to the Closing, the Issuer shall furnish such legal opinions, certificates, instruments and other documents as the Representative may reasonably request to evidence the truth and accuracy of such supplement or amendment to the Official Statement. Additionally, if amendments are made to the Escrow Agreement during the period described above, the Issuer will prepare and provide, or cause to be provided, at the Issuer's sole expense, to the Underwriters a copy of the amendment or amendments to the Escrow Agreement in a "designated electronic format".

(d) The Representative hereby agrees to timely file the Official Statement and the Escrow Agreement (and any amendments thereto) with the MSRB in the format prescribed by the MSRB. Unless otherwise notified in writing by the Underwriters, the Issuer can assume that the "end of the underwriting period" for purposes of the Rule is the date of the Closing.

4. Representations, Warranties, and Covenants of the Issuer. The Issuer hereby represents and warrants to and covenants with the Underwriters that:

(a) The Issuer is a body politic and corporate, a home rule municipality and a political subdivision of the State of Texas (the "State") duly created, organized and existing under the laws of the State and the Issuer's home rule charter (the "Charter"), and has full legal right, power and authority pursuant to the Constitution and general laws of the State, including Chapters 1207 and 1331, Texas Government Code, as amended (collectively, the "Act"), and at the date of the Closing will continue to have full legal

right, power and authority under the Charter and the Act (i) to adopt the Bond Ordinance, (ii) to enter into, execute and deliver the this Contract, any escrow or deposit agreement pertaining to the discharge of the obligations of the Issuer that are being refunded by the Bonds (the "Escrow Agreement"), and all documents required hereunder and thereunder to be executed and delivered by the Issuer (this Contract, the Escrow Agreement and the Bond Ordinance, which contains the Undertaking (as defined in Section 6(i)(2) hereof), are hereinafter referred to as the "Issuer Documents"), (iii) to sell, issue and deliver the Bonds to the Underwriters as provided herein, and (iv) to carry out and consummate the transactions described in the Issuer Documents and the Official Statement, and the Issuer has complied, and will at the Closing be in compliance, in all material respects with the terms of the Act and the Issuer Documents as they pertain to such transactions;

(b) By all necessary official action of the Issuer prior to or concurrently with the acceptance of this Contract, the Issuer has duly authorized all necessary action to be taken by it for the (i) adoption of the Bond Ordinance and the issuance and sale of the Bonds, (ii) approval of the Preliminary Official Statement and the Official Statement, (iii) approval, execution and delivery of, and the performance by the Issuer of the obligations on its part contained in, the Bonds and the Issuer Documents and (iv) consummation by the Issuer of all other transactions described in the Official Statement, the Issuer Documents and any and all such other agreements and documents as may be required to be executed, delivered and/or received by the Issuer in order to carry out, give effect to, and consummate the transactions described herein and in the Official Statement;

(c) The Issuer Documents constitute legal, valid and binding obligations of the Issuer, enforceable in accordance with their respective terms, subject to principles of sovereign immunity of political subdivisions, bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; the Bonds, when issued, delivered and paid for, in accordance with the Bond Ordinance and this Contract, will constitute legal, valid and binding obligations of the Issuer entitled to the benefits of the Bond Ordinance and enforceable in accordance with their terms, subject to principles of sovereign immunity of political subdivisions, bankruptcy, insolvency, reorganization, moratorium and other similar laws, and principles of equity relating to or affecting the enforcement of creditors' rights. Upon the issuance, authentication and delivery of the Bonds as aforesaid, the Bond Ordinance will provide, for the benefit of the holders, from time to time, of the Bonds, for the levy and collection of an annual ad valorem tax, levied within the limits prescribed by law, for the payment of the Bonds;

(d) To its knowledge, the Issuer is not in breach of or default in any material respect under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer is, or any of its property or assets are, otherwise subject, and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the Issuer under any of the foregoing; and the execution and delivery of the

Bonds and the Issuer Documents and the adoption of the Bond Ordinance and compliance with the provisions on the Issuer's part contained therein, will not conflict with or constitute a material breach of or default under any constitutional provision, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer is, or to which any of its property or assets are, otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Issuer to be pledged to secure the Bonds or under the terms of any such law, regulation or instrument, except as provided by the Bonds and the Bond Ordinance;

(e) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matters which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Issuer of its obligations under the Issuer Documents and the Bonds, have been duly obtained, except for (i) such approvals, consents and orders as may be required under the Blue Sky or securities laws of any jurisdiction in connection with the offering and sale of the Bonds and (ii) the opinion of the Attorney General of the State approving the Bonds as required by law and the registration of the Bonds by the Comptroller of Public Accounts of the State (which approval and registration shall have been duly obtained or effected on or before the date of Closing);

(f) The Bonds and the Bond Ordinance conform to the descriptions thereof contained in the Official Statement under the captions "PLAN OF FINANCING" and "THE OBLIGATIONS"; the proceeds of the sale of the Bonds will be applied generally as described in the Official Statement under the subcaption "PLAN OF FINANCING - Sources and Uses of Obligation Proceeds" and will be used for the purposes described in the Official Statement under the subcaption "PLAN OF FINANCING - Purpose"; and the Undertaking (as defined in Section 6(i)(2) hereof) conforms to the description thereof contained in the Official Statement under the caption "CONTINUING DISCLOSURE OF INFORMATION";

(g) Except as may be described in the Official Statement, there is no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the knowledge of the Issuer, threatened against the Issuer, (i) contesting the due organization and valid corporate existence of the Issuer or the titles of its officers to their respective offices, (ii) affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the levy, assessment and/or collection of taxes pledged to the payment of principal of and interest on the Bonds pursuant to the Bond Ordinance, (iii) contesting or affecting the validity or enforceability of the Bonds or the Issuer Documents, (iv) contesting the exclusion from gross income of interest on the Bonds for federal income tax purposes, (v) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or (vi) contesting the powers of the Issuer or any authority for the issuance of the Bonds, the

adoption of the Bond Ordinance or the execution and delivery of the Issuer Documents, nor, to the knowledge of the Issuer, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds or the Issuer Documents;

(h) As of the date thereof, the Preliminary Official Statement did 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;

(i) At the time of the Issuer's acceptance hereof and (unless the Official Statement is amended or supplemented pursuant to paragraph (c) of Section 3 of this Contract) at all times subsequent thereto during the period up to and including the date of Closing, the Official Statement does not and 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 they were made, not misleading;

(j) If the Official Statement is supplemented or amended pursuant to paragraph (c) of Section 3 of this Contract, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the date of Closing, the Official Statement 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 they were made, not misleading;

(k) The Issuer will apply, or cause to be applied, the proceeds from the sale of the Bonds as provided in and subject to all of the terms and provisions of the Bond Ordinance and will not take or omit to take any action within its control which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds;

(l) The Issuer will furnish such information and execute such instruments and take such action in cooperation with the Underwriters as the Representative may reasonably request, at no expense to the Issuer, (A) to (y) qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Representative may designate and (z) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions and (B) to continue such qualifications in effect so long as required for the distribution of the Bonds (provided, however, that the Issuer will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and will advise the Representative immediately of receipt by the Issuer of any notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose;

(m) The financial statements of, and other financial information regarding, the Issuer contained in the Official Statement fairly present the financial position of the Issuer as of the dates and for the periods therein set forth, (i) the audited financial statements have been prepared in accordance with generally accepted accounting principles consistently applied and (ii) the other financial information has been determined on a basis substantially consistent with that of the Issuer's audited financial statements included in the Official Statement. Prior to the Closing, the Issuer will not take any action within or under its control that will cause an adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the Issuer from that described in the Official Statement. Except as may be described in the Official Statement, the Issuer is not a party to any litigation or other proceeding pending or, to its knowledge, threatened which, if decided adversely to the Issuer, would have a materially adverse effect on the financial condition of the Issuer;

(n) Other than the "City of Lewisville, Texas, Tax Notes, Series 2016" (the "Notes" and, together with the Bonds, the "Obligations"), prior to the Closing, the Issuer will not offer or issue any bonds, notes or other obligations for borrowed money or take action to incur any material liabilities, direct or contingent (except in the ordinary course of business), payable from or secured by any of the revenues or assets which will secure the Bonds without the prior approval of the Representative, such approval not to be unreasonably withheld;

(o) Any certificate, signed by any official of the Issuer authorized to do so in connection with the transactions described in this Contract, shall be deemed a representation and warranty by the Issuer to the Underwriters as to the statements made therein;

(p) The Issuer, to the extent heretofore requested by the Representative in writing, has delivered to the Underwriters true, correct, complete and legible copies of all information, applications, reports or other documents of any nature whatsoever submitted to any rating agency for the purpose of obtaining a rating for the Bonds and, in each instance, true, correct, complete and legible copies of all correspondence or other communications relating thereto; and

(q) To the knowledge and belief of the Issuer, the Official Statement contains information, including financial information and operating data, as required by the Rule. Except as may be described in the Official Statement, during the last five years, the Issuer has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule.

5. Closing.

(a) At 10:00 a.m. Central time, on July 6, 2016, or at such other time and date as shall have been mutually agreed upon by the Issuer and the Underwriters (the "Closing"), the Issuer will, subject to the terms and conditions hereof, deliver the initial Bond to The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the "Paying Agent/Registrar"), as the entity appointed by the Issuer and agreed to by the Underwriters to make delivery of the Bonds, duly executed and authenticated, together with the other documents hereinafter mentioned, and the

Paying Agent/Registrar, as the entity appointed by the Issuer and agreed to by the Underwriters to make delivery of the Bonds, will, subject to the terms and conditions hereof, accept such delivery and the Underwriters will pay the purchase price of the Bonds as set forth in Section 1 of this Contract in immediately available funds to the order of the Issuer. Payment for the Bonds as aforesaid shall be made at the offices of the Paying Agent/Registrar, or such other place as shall have been mutually agreed upon by the Issuer and the Representative.

(b) Delivery of the Bonds in definitive form shall be made through DTC, utilizing the book-entry-only form of issuance. The definitive Bonds shall be delivered in definitive fully registered form, bearing CUSIP numbers without coupons, with one Bond for each maturity of the Bonds, registered in the name of Cede & Co., all as provided in the Bond Ordinance, and shall be made available to the Underwriters at least one business day before the Closing for purposes of inspection at the offices of DTC or, if the Bonds are to be held in safekeeping for DTC by the Paying Agent/Registrar pursuant to DTC's FAST system, at the designated payment office of the Paying Agent/Registrar. In addition, the Issuer and the Underwriters agree that there shall be a preliminary Closing held at such place as the Issuer and the Underwriters shall mutually agree, commencing at least 24 hours prior to the Closing; provided, however, that such preliminary Closing shall not be required if Bond Counsel provides a complete Transcript of Proceedings acceptable to counsel for the Underwriters at least 24 hours prior to the Closing.

6. Closing Conditions. The Underwriters have entered into this Contract in reliance upon the representations, warranties and agreements of the Issuer contained herein, and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Issuer of its obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriters' obligations under this Contract to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the Issuer of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions, including the delivery by the Issuer of such documents as are enumerated herein, in form and substance reasonably satisfactory to the Representative, unless waived in writing by the Representative on behalf of the Underwriters:

(a) The representations and warranties of the Issuer contained herein shall be true, complete and correct in all material respects on the date hereof and on and as of the date of the Closing, as if made on the date of the Closing;

(b) The Issuer shall have performed and complied with all agreements and conditions required by this Contract to be performed or complied with by it prior to or at the Closing;

(c) At the time of the Closing, (i) the Issuer Documents and the Bonds shall be in full force and effect and shall not have been amended, modified or supplemented, and the Official Statement shall not have been supplemented or amended, except in any such case as may have been agreed to by the Representative; and (ii) all actions of the Issuer required to be taken by the Issuer shall be performed in order for Bond Counsel and Underwriters' Counsel to deliver their respective opinions referred to hereafter;

(d) At the time of the Closing, all official action of the Issuer relating to the Bonds and the Issuer Documents shall be in full force and effect and shall not have been amended, modified or supplemented;

(e) At or prior to the Closing, the Bond Ordinance shall have been duly adopted by the governing body of the Issuer in accordance with law and the Issuer shall have duly executed and delivered and the Paying Agent/Registrar shall have duly authenticated the Bonds;

(f) At the time of the Closing, there shall not have occurred any change or any development involving a prospective change in the condition, financial or otherwise, or in the revenues or operations of the Issuer, from that set forth in the Official Statement that, in the reasonable judgment of the Representative, is material and adverse and that makes it, in the reasonable judgment of the Representative, impracticable to market the Bonds on the terms and in the manner described in the Official Statement;

(g) The Issuer shall not currently be in default on the payment of principal or interest on any of its outstanding obligations for borrowed money;

(h) All steps to be taken and all instruments and other documents to be executed, and all other legal matters in connection with the transactions described in this Contract shall be reasonably satisfactory in legal form and effect to the Representative;

(i) At or prior to the Closing, the Underwriters shall have received copies of each of the following documents:

(1) The Official Statement, and each supplement or amendment thereto, if any, and the reports and audits referred to or appearing in the Official Statement;

(2) The Bond Ordinance, with such supplements or amendments as may have been agreed to by the Representative, which shall include an undertaking of the Issuer which satisfies the requirements of section (b)(5)(i) of the Rule (the "Undertaking");

(3) The approving opinion of Bond Counsel with respect to the Bonds, in substantially the form and substance attached to the Official Statement as Appendix C;

(4) A supplemental opinion of Bond Counsel addressed to the Underwriters, substantially to the effect that:

(i) the Bond Ordinance has been duly adopted by the Issuer and is in full force and effect;

(ii) the Bonds are exempted securities under the Securities Act of 1933, as amended (the "1933 Act"), and the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), and it is not necessary, in

connection with the offering and sale of the Bonds, to register the Bonds under the 1933 Act or to qualify the Bond Ordinance under the Trust Indenture Act; and

(iii) such firm was not requested to participate, and did not take part, in the preparation of the Official Statement, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Bonds and the Bond Ordinance in the Official Statement under the captions "PLAN OF FINANCING" (except under the subcaption "Sources and Uses of Obligation Proceeds"), "THE OBLIGATIONS" (exclusive of the information under the subcaptions "Book-Entry-Only System" and "Obligationholders' Remedies"), "TAX MATTERS" and "CONTINUING DISCLOSURE OF INFORMATION" (except for the subcaptions "Availability of Information" and "Compliance with Prior Undertakings") and the subcaptions "Registration and Qualification of Obligations for Sale", "Legal Matters" (except for the last two sentences of the first paragraph thereof) and "Legal Investments and Eligibility to Secure Public Funds in Texas" under the caption "OTHER INFORMATION", and such firm is of the opinion that the information relating to the Bonds and the legal issues contained under such captions and subcaptions is an accurate and fair description of the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the Bond Ordinance.

The supplemental opinion of Bond Counsel will also state that the Underwriters are entitled to rely upon the opinion of Bond Counsel delivered in accordance with the provisions of Section 6(i)(3) of this Contract.

(5) An opinion of McCall, Parkhurst & Horton L.L.P., as counsel for the Underwriters, dated the date of the Closing, addressed to the Underwriters, substantially in the form attached hereto as Exhibit A;

(6) A certificate, dated the date of Closing, of an appropriate official of the Issuer, to the effect that (i) the representations and warranties of the Issuer 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) except as may be described in the Official Statement, no litigation or proceeding or tax challenge against the Issuer is pending or, to such person's knowledge, threatened in any court or administrative body nor, to such person's knowledge, is there a basis for litigation which would (a) contest the right of the members or officials of the Issuer to hold and exercise their respective positions, (b) contest the due organization and valid existence of the Issuer, (c) contest the validity, due authorization and execution of the Bonds or the Issuer Documents, (d) attempt to limit, enjoin or otherwise restrict or prevent the Issuer from functioning and/or levying and/or collecting ad valorem taxes and making payments on the Bonds pursuant to the Bond Ordinance, or contest the pledge of ad valorem taxes to the payment of the

principal of and interest on the Bonds, (e) contest the accuracy, completeness or the fairness of the Preliminary Official Statement or the Official State or (f) contest the redemption of the Refunded Obligations; (iii) the Bond Ordinance was duly adopted by the Issuer, is in full force and effect and has not been modified, amended or repealed, and this Contract has been duly executed and delivered by an authorized official of the Issuer and is in full force and effect and has not been modified, amended or repealed; (iv) to such person's knowledge, no event affecting the Issuer has occurred since the date of the Official Statement which should be disclosed in the Official Statement 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, in light of the circumstances under which they were made, not misleading in any respect as of the time of Closing, and the information contained in the Official Statement is correct in all material respects and, as of the date of the Official Statement did not, and as of the date of the Closing does 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 made therein, in light of the circumstances under which they were made, not misleading; and (v) there has not been any materially adverse change in the financial condition of the Issuer since September 30, 2015, the latest date as of which audited financial information is available;

(7) A certificate of the Issuer in form and substance satisfactory to Bond Counsel and counsel to the Underwriters setting forth the facts, estimates and circumstances in existence on the date of the Closing, which establish that 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"), and any applicable regulations (whether final, temporary or proposed) issued pursuant to the Code;

(8) Any other certificates and opinions required by the Bond Ordinance for the issuance thereunder of the Bonds;

(9) Evidence satisfactory to the Representative that the Bonds have been rated "AAA" by Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, and "AAA" by Fitch Ratings, each without regard to credit enhancement, and that such ratings are in effect as of the date of Closing;

(10) An executed copy of the Escrow Agreement;

(11) A copy of a special report prepared by Grant Thornton LLP, addressed to the Issuer, Bond Counsel and the Underwriters, verifying (i) the arithmetical computations of the adequacy of the maturing principal and interest on the Federal Securities and uninvested cash on hand, if any, under the Escrow Agreement to pay, when due, the principal of and interest on the Refunded Obligations, and (ii) the computation of the yields with respect to the Federal Securities and the Obligations;

(12) An opinion or certificate, dated on or prior to the date of Closing, of the Attorney General of the State, approving the Bonds as required by law, and the registration certificate of the Comptroller of Public Accounts of the State; and

(13) Such additional legal opinions, certificates, instruments and other documents as the Representative or counsel to the Underwriters may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the Issuer's representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Issuer on or prior to the date of the Closing of all the respective agreements then to be performed and conditions then to be satisfied by the Issuer.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Contract shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance reasonably satisfactory to the Representative.

If the Issuer shall be unable to satisfy the conditions to the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds contained in this Contract, or if the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Contract, this Contract shall terminate and neither the Underwriters nor the Issuer shall be under any further obligation hereunder, except that the respective obligations of the Issuer and the Underwriters set forth in Sections 1 (with respect to the good faith check), 4 and 8 hereof shall continue in full force and effect.

7. Termination. The Representative shall have the right to cancel the Underwriters' obligation to purchase the Bonds (to be evidenced by a written notice to the Issuer terminating the obligation of the Underwriters to accept delivery of and pay for the Bonds) if, between the date of this Contract and the date of the Closing, the market price or marketability of the Bonds shall be materially adversely affected, in the sole judgment of the Representative, reasonably exercised, by the occurrence of any of the following:

(a) legislation shall be enacted by or introduced in the Congress of the United States or recommended to the Congress for passage by the President of the United States, or the Treasury Department of the United States or the Internal Revenue Service or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, a decision by a court of the United States or of the State or the United States Tax Court shall be rendered, or an order, ruling, regulation (final, temporary or proposed), press release, statement or other form of notice by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed, the effect of any or all of which would be to impose, directly or indirectly, federal income taxation upon interest received on obligations of the general character of the Bonds or the interest on the Bonds as described in the Official Statement, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences of any of the transactions described herein;

(b) legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the 1933 Act, or that the Bond Ordinance is not exempt from qualification under or other requirements of the Trust Indenture Act, or that the issuance, offering, or sale of obligations of the general character of the Bonds, including any or all underlying arrangements, as described herein or in the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect;

(c) any state blue sky or securities commission or other governmental agency or body in any jurisdiction in which more than twenty percent (20%) of the Bonds have been offered and sold shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto;

(d) a general suspension of trading in securities on the New York Stock Exchange or any other national securities exchange, the establishment of minimum prices on any such 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;

(e) the New York Stock Exchange or other 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, underwriters and/or broker-dealers;

(f) any amendment to the federal or State Constitution or action by any federal or state court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the Issuer, its property, income, securities (or interest thereon), or the validity or enforceability of the assessment, levy and/or collection of the ad valorem taxes pledged to pay the principal of and interest on the Bonds;

(g) any event occurring, or information becoming known which, in the reasonable judgment of the Representative, makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of material fact or omits 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 they were made, not misleading;

(h) there shall have occurred since the date of this Contract any materially adverse change in the affairs or financial condition of the Issuer, except for changes which the Official Statement discloses are expected to occur, if any;

(i) there shall have occurred (whether or not foreseeable) any (a) new material outbreak of hostilities involving the United States (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;

(j) any fact or event shall exist or have existed that, in the Representative's reasonable judgment, requires or has required an amendment of or supplement to the Official Statement;

(k) there shall have occurred or any published notice shall have been given of any intended review for possible downgrade, downgrading, suspension, withdrawal or negative change in credit watch status by any national rating service to any of the Issuer's outstanding obligations secured in a like manner as the Bonds (including any rating to be accorded the Bonds);

(l) the purchase of and payment for the Bonds by the Underwriters, or the resale of the Bonds by the Underwriters, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission; provided, however, that such prohibition occurs after the date of this Contract and is not caused by the action, or failure to act, of any of the Underwriters;

(m) the Issuer is unable on the date of Closing to fund the Escrow Fund created pursuant to the terms of the Escrow Agreement; or

(n) a material disruption in securities settlement, payment or clearance services in the United States shall have occurred and shall be continuing at the date of Closing.

With respect to the conditions described in subparagraphs (e) and (l) above, the Underwriters are not aware of any current, pending or proposed law or government inquiry or investigation as of the date of execution of this Contract which would permit the Representative to invoke Underwriters' termination rights hereunder.

8. Expenses.

(a) The Underwriters 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 preparation and printing of the Bonds, the Preliminary Official Statement and the Official Statement; (ii) the fees and disbursements of Bond Counsel and counsel to the Issuer, if any; (iii) the fees and disbursements of the Financial Advisor to the Issuer; (iv) the fees and disbursements of the Paying Agent/Registrar for the Bonds, the paying agent for the Refunded Obligations, the Escrow Agent, the verification agent and any engineers, accountants and other experts, consultants or advisers retained by the Issuer, if any; (v) the fees of the Attorney General of the State; and (vi) the fees for bond ratings.

(b) The Underwriters shall pay (i) the cost of preparation and printing of this Contract, the Blue Sky Survey and Legal Investment Memorandum, if any; (ii) all advertising expenses in connection with the public offering of the Bonds; and (iii) all other expenses

incurred by the Underwriters in connection with the public offering of the Bonds, including the fees and disbursements of counsel retained by the Underwriters.

(c) The Issuer acknowledges that the Underwriters will pay from the Underwriters' expense allocation of the underwriting discount certain expenses incurred by the Underwriters which are incidental to implementing this Contract and the issuance of the Bonds, including, but not limited to, the applicable per bond assessment charged by the Municipal Advisory Council of Texas. The Municipal Advisory Council of Texas is a non-profit corporation whose purpose is to collect, maintain and distribute information relating to issuing entities of municipal securities.

(d) The Issuer acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Bonds.

9. Notices. Any notice or other communication to be given to the Issuer under this Contract may be given by delivering the same in writing at its address set forth above, Attention: Ms. Brenda Martin, Director of Finance, and any notice or other communication to be given to the Underwriters under this Contract 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.

10. Parties in Interest. This Contract shall constitute the entire agreement between the Issuer and the Underwriters and is made solely for the benefit of the Issuer and the Underwriters (including successors or assigns of the Underwriters) and no other person shall acquire or have any right hereunder or by virtue hereof. This Contract may not be assigned by the Issuer. All of the Issuer's representations, warranties and agreements contained in this Contract shall remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of any of the Underwriters and (ii) delivery of and payment for the Bonds pursuant to this Contract. All of the Issuer's representations and warranties contained in this Contract shall remain operative and in full force and effect, regardless of any termination of this Contract.

11. Interested Party Disclosure Forms. Each of the Underwriters has delivered to the Issuer notarized Certificate of Interested Parties Forms 1295 generated by the Texas Ethics Commission's (the "TEC") electronic portal (the "Forms 1295"), signed by an authorized agent of each respective entity, prior to the execution of this Contract by the Issuer and the Representative. The Issuer hereby confirms receipt of the Forms 1295 from each Underwriter and agrees to acknowledge such forms with the TEC through its electronic filing application within thirty (30) days of the date of this Contract.

12. Effectiveness. This Contract shall become effective upon the acceptance hereof by the Issuer and shall be valid and binding at the time of such acceptance.

13. Choice of Law. This Contract shall be governed by and construed in accordance with the laws of the State.

14. Severability. If any provision of this Contract 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 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 Contract invalid, inoperative or unenforceable to any extent whatever.

15. Business Day. For purposes of this Contract, "business day" means any day on which the New York Stock Exchange is open for trading.

16. Section Headings. Section headings have been inserted in this Contract as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Contract and will not be used in the interpretation of any provisions of this Contract.

17. Counterparts. This Contract 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.

18. 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 Underwriters with any liability, or be held liable to the Underwriters under any term or provision of this Contract, or because of execution or attempted execution, or because of any breach or attempted or alleged breach of this Contract.

19. Entire Agreement. This Contract represents the entire agreement between the Issuer and the Underwriters with respect to the preparation of the Preliminary Official Statement and the Official Statement, the conduct of the offering, and the purchase and sale of the Bonds.

[Remainder of page left blank intentionally]

If the Issuer agrees with the foregoing, please sign the enclosed counterpart of this Contract and return it to the Representative. This Contract shall become a binding agreement between the Issuer and the Underwriters when at least the counterpart of this Contract shall have been signed by or on behalf of each of the parties hereto.

Very truly yours,

RAYMOND JAMES & ASSOCIATES, INC. and
STEPHENS, INC.,
the "Underwriters"

By: RAYMOND JAMES & ASSOCIATES, INC.,
as Representative of the Underwriters

By: _____
Authorized Officer

ACCEPTANCE:

ACCEPTED AND AGREED TO at _____ a.m./p.m. Central Time on _____, 2016.

CITY OF LEWISVILLE, TEXAS

By: _____
Mayor

Schedule I

$_____
City of Lewisville, Texas
General Obligation Refunding and Improvement Bonds,
Series 2016

Dated Date: June 1, 2016
Delivery Date: July 6, 2016
(Interest to accrue from the Delivery Date)

Year (February 15)	Principal Amount	Interest Rate	Initial Yield
2017	,000		
2018	,000		
2019	,000		
2020	,000		
2021	,000		
2022	,000		
2023	,000		
2024	,000		
2025	,000		
2026	,000		
2027	,000		
2028	,000		
2029	,000		
2030	,000		
2031	,000		
2032	,000		

[* Yield shown is yield to first call date, February 15, 2025.]

Optional Redemption. The Bonds maturing on and after February 15, 2026, are subject to redemption prior to stated maturity, at the option of the Issuer, in whole or in part, in principal amounts of $5,000 or any integral multiple thereof, on February 15, 2025, or any date thereafter, at a redemption price equal to the principal amount thereof plus accrued interest to the date fixed for redemption.

Exhibit A

Form of Opinion of McCall, Parkhurst & Horton L.L.P., as Counsel to the Underwriters

[Closing Date]

Raymond James & Associates, Inc.
Stephens, Inc.
c/o Raymond James & Associates, Inc.
5956 Sherry Lane, Suite 1900
Dallas, Texas 75225

Re: $_____ City of Lewisville, Texas, General Obligation Refunding and Improvement Bonds, Series 2016

Ladies and Gentlemen:

We have acted as counsel for you as the underwriters of the above-referenced Bonds (the "Bonds"), issued under and pursuant to an ordinance (the "Ordinance") of the City of Lewisville, Texas (the "City") on June 6, 2016 (the "Bond Ordinance") authorizing the issuance of the Bonds, which Bonds you are purchasing pursuant to a Purchase Contract dated June 6, 2016. All capitalized undefined terms used herein shall have the meaning set forth in the Purchase Contract.

In connection with this opinion letter, we have considered such matters of law and of fact, and have relied upon such certifications and other information furnished to us, as we have deemed appropriate as a basis for our opinion set forth below. We are not expressing any opinion or views herein on the authorization, issuance, delivery, validity of the Bonds and we have assumed, but not independently verified, that the signatures on all documents and Bonds that we have examined are genuine.

Based on and subject to the foregoing, we are of the opinion that, under existing laws, the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Bond Ordinance is not required to be qualified under the Trust Indenture Act of 1939, as amended.

Because the primary purpose of our professional engagement as your counsel was not to establish factual matters, and because of the wholly or partially nonlegal character of many of the determinations involved in the preparation of the Official Statement dated June 6, 2016 (the "Official Statement") and because the information in the Official Statement included under the captions and subcaptions "THE OBLIGATIONS - Book-Entry-Only System", "TAX MATTERS" and "CONTINUING DISCLOSURE OF INFORMATION - Compliance with Prior Undertakings" and Appendices B and C thereto were prepared by others who have been engaged to review or provide such information, we are not passing on and do not assume any responsibility for the information contained under such headings and in the appendices, and, except as set forth in the last sentence of this paragraph, we are not passing on and do not assume any responsibility for the accuracy, completeness or fairness of other statements contained in the Official Statement (including any appendices, schedules and exhibits thereto) and we make no representation that we have independently verified the accuracy, completeness or fairness of such statements. In the course of our participation in the preparation of the Official Statement as your counsel, we had discussions with representatives of the City, including its Financial

Advisor and Bond Counsel, regarding the contents of the Official Statement. In the course of such activities, no facts came to our attention which would lead us to believe that the Official Statement (except for the financial statements and other financial and statistical data contained therein, the information set forth under the captions and subcaptions "THE OBLIGATIONS - Book-Entry-Only System", "TAX MATTERS" and "CONTINUING DISCLOSURE OF INFORMATION - Compliance with Prior Undertakings" and Appendices B and C thereto, as to which we express no opinion), as of its date 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.

In addition, based upon (i) our understanding of Rule 15c2-12 of the United States Securities and Exchange Commission (the "Rule") and interpretive guidance published by the United States Securities and Exchange Commission relating thereto; (ii) our review of the continuing disclosure undertaking of the Issuer contained in the Bond Ordinance; and (iii) the inclusion in the Official Statement of a description of the specifics of such undertaking, and in reliance on the opinion of Bond Counsel that the Bond Ordinance has been duly adopted by the Issuer and is in full force and effect and constitutes a valid and legally binding obligation of the Issuer enforceable in accordance with its terms, we have no reason to believe that such undertaking does not meet the requirements of paragraph (b)(5)(i) of the Rule and, accordingly, we advise you that such undertaking provides a suitable basis for you, as the underwriters of the Bonds, and any other broker, dealer or municipal securities dealer acting as a Participating Underwriter (as defined in the Rule) in connection with the offering of the Bonds, to make a reasonable determination that the Issuer has met the qualifications of paragraph (b)(5)(i) of the Rule.

This opinion letter may be relied upon by only you and only in connection with the transaction to which reference is made above and may not be used or relied upon by any other person for any purposes whatsoever without our prior written consent.

Respectfully,

PAYING AGENT/REGISTRAR AGREEMENT
between

CITY OF LEWISVILLE, TEXAS

and

THE BANK OF NEW YORK MELLON TRUST COMPANY,
NATIONAL ASSOCIATION

Pertaining to

City of Lewisville, Texas
General Obligation Refunding and Improvement Bonds
Series 2016

And

City of Lewisville, Texas
Tax Notes
Series 2016

Dated as of June 1, 2016

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PAYING AGENT/REGISTRAR AGREEMENT

THIS PAYING AGENT/REGISTRAR AGREEMENT (the or this "Agreement"), dated as of June 1, 2016, is by and between the CITY OF LEWISVILLE, TEXAS (the "Issuer"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION (the "Bank"), a national banking association duly organized and existing under the laws of the United States of America.

WHEREAS, the Issuer has duly authorized and provided for the issuance of its General Obligation Refunding and Improvement Bonds, Series 2016 (the "Bonds") and its Tax Notes, Series 2016 (the "Notes" and together with the Bonds, the "Obligations"), each dated June 1, 2016, to be issued as registered securities without coupons; and

WHEREAS, all things necessary to make the Obligations the valid obligations of the Issuer, in accordance with their terms, will be taken upon the issuance and delivery thereof; and

WHEREAS, the Issuer is desirous that the Bank act as the Paying Agent of the Issuer in paying the principal, redemption premium, if any, and interest on the Obligations, in accordance with the terms thereof, and that the Bank act as Registrar for the Obligations; and

WHEREAS, the Issuer has duly authorized the execution and delivery of this Agreement; and all things necessary to make this Agreement the valid agreement of the Issuer, in accordance with its terms, have been done;

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE I

APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

Section 1.01. Appointment.

(a) The Issuer hereby appoints the Bank to act as Paying Agent with respect to the Obligations in paying to the Owners of the Obligations the principal, redemption premium, if any, and interest on all or any of the Obligations.

(b) The Issuer hereby appoints the Bank as Registrar with respect to the Obligations.

(c) The Bank hereby accepts its appointment, and agrees to act as, the Paying Agent and the Registrar.

Section 1.02. Compensation.

(a) As compensation for the Bank's services as Paying Agent/Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in Annex A hereto for the first year of this Agreement, or such part thereof, as this Agreement shall be in effect, and thereafter while this Agreement is in effect, the fees and amounts set forth in the Bank's current fee schedule then in effect for services as Paying Agent/Registrar for municipalities, which shall be supplied to the

Issuer on or before 90 days prior to the close of the Fiscal Year of the Issuer, and shall be effective upon the first day of the following Fiscal Year.

(b) In addition, the Issuer agrees to reimburse the Bank upon its request for all reasonable expenses, disbursements, and advances incurred or made by the Bank in accordance with any of the provisions hereof, including the reasonable compensation and the expenses and disbursements of its agents and counsel.

ARTICLE II

DEFINITIONS

Section 2.01. Definitions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms have the following meanings when used in this Agreement:

"Bank Office" means the Bank's office at 2001 Bryan Street, 10th Floor, Dallas, Texas 75201. The Bank will notify the Issuer in writing of any change in location of the Bank Office.

"Financial Advisor" means First Southwest Company, its successors and assigns.

"Fiscal Year" means the fiscal year of the Issuer.

"Issuer Request" and "Issuer Order" means a written request or order signed in the name of the Issuer by an authorized representative of the Issuer and delivered to the Bank.

"Legal Holiday" means a day on which the Bank is required or authorized by applicable law to be closed.

"Ordinance" means collectively, the respective resolution, order or ordinance of the governing body of the Issuer pursuant to which the Obligations are issued, certified by the Secretary of the governing body or any other officer of the Issuer and delivered to the Bank.

"Owner" means the Person in whose name an Obligation is registered in the Register.

"Paying Agent" means the Bank when it is performing the functions associated with the terms in this Agreement.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization, or government or any agency or political subdivision of a government.

"Predecessor Obligations" of any particular Obligation means every previous Obligation evidencing all or a portion of the same obligation as that evidenced by such particular Obligation (and, for the purposes of this definition, any Obligation registered and delivered under Section 4.06 in lieu of a mutilated, lost, destroyed or stolen Obligation shall be deemed to evidence the same obligation as the mutilated, lost, destroyed or stolen Obligation).

"Record Date" means the last business day of the month next preceding an interest payment date established by the Ordinance.

"Register" means a register in which the Issuer shall provide for the registration and transfer of Obligations.

"Responsible Officer" when used with respect to the Bank means the Chairman or Vice Chairman of the Board of Directors, the Chairman or Vice Chairman of the Executive Committee of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"Stated Maturity" means the date or dates specified in the Ordinance as the fixed date on which the principal of the Obligations is due and payable or the date fixed in accordance with the terms of the Ordinance for redemption of the Obligations, or any portion thereof, prior to the fixed maturity date.

Section 2.02. Other Definitions. The terms "Bank," "Issuer" and "Agreement" have the meanings assigned to them in the opening paragraphs of this Agreement.

ARTICLE III

PAYING AGENT

Section 3.01. Duties of Paying Agent.

(a) The Bank, as Paying Agent and on behalf of the Issuer, shall pay to the Owner, at the Stated Maturity and upon the surrender of the Obligation or Obligations so maturing at the Bank Office, the principal amount of the Obligation or Obligations then maturing, and redemption premium, if any, provided that the Bank shall have been provided by or on behalf of the Issuer adequate funds to make such payment.

(b) The Bank, as Paying Agent and on behalf of the Issuer, shall pay interest when due on the Obligations to each Owner of the Obligations (or their Predecessor Obligations) as shown in the Register at the close of business on the Record Date, provided that the Bank shall have been provided by or on behalf of the Issuer adequate funds to make such payments; such payments shall be made by computing the amount of interest to be paid each Owner, preparing the checks, and mailing the checks on each interest payment date addressed to each Owner's address as it appears in the Register on the Record Date.

Section 3.02. Payment Dates. The Issuer hereby instructs the Bank to pay the principal of, redemption premium, if any, and interest on the Obligations at the dates specified in the Ordinance.

ARTICLE IV

REGISTRAR

Section 4.01. Transfer and Exchange.

(a) The Issuer shall keep the Register at the Bank Office, and subject to such reasonable written regulations as the Issuer may prescribe, which regulations shall be furnished to the Bank herewith or subsequent hereto by Issuer Order, the Issuer shall provide for the registration and transfer of the Obligations. The Bank is hereby appointed "Registrar" for the purpose of registering and transferring the Obligations as herein provided. The Bank agrees to maintain the Register while it is Registrar. The Bank agrees to at all times maintain a copy of the Register at its office located in the State of Texas.

(b) The Bank as Registrar hereby agrees that at any time while any Obligation is outstanding, the Owner may deliver such Obligation to the Registrar for transfer or exchange, accompanied by instructions from the Owner, or the duly authorized designee of the Owner, designating the persons, the maturities, and the principal amounts to and in which such Obligation is to be transferred and the addresses of such persons; the Registrar shall thereupon, within not more than three (3) business days, register and deliver such Obligation or Obligations as provided in such instructions. The provisions of the Ordinance shall control the procedures for transfer or exchange set forth herein to the extent such procedures are in conflict with the provisions of the Ordinance.

(c) Every Obligation surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed in a manner satisfactory to the Bank, duly executed by the Owner thereof or his attorney duly authorized in writing.

(d) The Bank may request any supporting documentation it feels necessary to effect a re-registration.

Section 4.02. The Obligations. The Issuer shall provide an adequate inventory of unregistered Obligations to facilitate transfers. The Bank covenants that it will maintain the unregistered Obligations in safekeeping and will use reasonable care in maintaining such unregistered Obligations in safekeeping, which shall be not less than the care it maintains for debt securities of other governments or corporations for which it serves as registrar, or which it maintains for its own securities.

Section 4.03. Form of Register.

(a) The Bank as Registrar will maintain the records of the Register in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Register in any form other than a form which the Bank has currently available and currently utilizes at the time.

(b) The Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

Section 4.04. List of Owners.

(a) The Bank will provide the Issuer at any time requested by the Issuer, upon payment of the cost, if any, of reproduction, a copy of the information contained in the Register. The Issuer may also inspect the information in the Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

(b) The Bank will not release or disclose the content of the Register to any person other than to, or at the written request of, an authorized officer or employee of the Issuer, except upon receipt of a subpoena or court order or as otherwise required by law. Upon receipt of a subpoena or court order the Bank will notify the Issuer so that the Issuer may contest the subpoena or court order.

Section 4.05. Cancellation of Obligations. All Obligations surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Bank, shall be promptly cancelled by it and, if surrendered to the Issuer, shall be delivered to the Bank and, if not already cancelled, shall be promptly cancelled by the Bank. The Issuer may at any time deliver to the Bank for cancellation any Obligations previously certified or registered and delivered which the Issuer may have acquired in any manner whatsoever, and all Obligations so delivered shall be promptly cancelled by the Bank. All cancelled Obligations held by the Bank shall be disposed of pursuant to the Securities Exchange Act of 1934.

Section 4.06. Mutilated, Destroyed, Lost, or Stolen Obligations.

(a) Subject to the provisions of this Section 4.06, the Issuer hereby instructs the Bank to deliver fully registered Obligations in exchange for or in lieu of mutilated, destroyed, lost, or stolen Obligations as long as the same does not result in an overissuance.

(b) If (i) any mutilated Obligation is surrendered to the Bank, or the Issuer and the Bank receives evidence to their satisfaction of the destruction, loss, or theft of any Obligation, and (ii) there is delivered to the Issuer and the Bank such security or indemnity as may be required by the Bank to save and hold each of them harmless, then in the absence of notice to the Issuer or the Bank that such Obligation has been acquired by a bona fide purchaser, the Issuer shall execute, and upon its request the Bank shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Obligation, a new Obligation of the same stated maturity and of like tenor and principal amount bearing a number not contemporaneously outstanding.

(c) Every new Obligation issued pursuant to this Section in lieu of any mutilated, destroyed, lost, or stolen Obligation shall constitute a replacement of the prior obligation of the Issuer, whether or not the mutilated, destroyed, lost, or stolen Obligation shall be at any time enforceable by anyone, and shall be entitled to all the benefits of the Ordinance equally and ratably with all other outstanding Obligations.

(d) Upon the satisfaction of the Bank and the Issuer that a Obligation has been mutilated, destroyed, lost, or stolen, and upon receipt by the Bank and the Issuer of such indemnity or security as they may require, the Bank shall cancel the Obligation number on the

Obligation registered with a notation in the Register that said Obligation has been mutilated, destroyed, lost, or stolen; and a new Obligation shall be issued of the same series and of like tenor and principal amount bearing a number, according to the Register, not contemporaneously outstanding.

(e) The Bank may charge the Owner the Bank's fees and expenses in connection with issuing a new Obligation in lieu of or exchange for a mutilated, destroyed, lost, or stolen Obligation.

(f) The Issuer hereby accepts the Bank's current blanket bond for lost, stolen, or destroyed Obligations and any future substitute blanket bond for lost, stolen, or destroyed Obligations that the Bank may arrange, and agrees that the coverage under any such blanket bond is acceptable to it and meets the Issuer's requirements as to security or indemnity. The Bank need not notify the Issuer of any changes in the security or other company giving such bond or the terms of any such bond, provided that the amount of such bond is not reduced below the amount of the bond on the date of execution of this Agreement. The blanket bond then utilized by the Bank for lost, stolen, or destroyed Obligations by the Bank is available for inspection by the Issuer on request.

Section 4.07. Transaction Information to Issuer. The Bank will, within a reasonable time after receipt of written request from the Issuer, furnish the Issuer information as to the Obligations it has paid pursuant to Section 3.01, Obligations it has delivered upon the transfer or exchange of any Obligations pursuant to Section 4.01, and Obligations it has delivered in exchange for or in lieu of mutilated, destroyed, lost or stolen Obligations pursuant to Section 4.06 of this Agreement.

ARTICLE V

THE BANK

Section 5.01. Duties of Bank. The Bank undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof. The Bank is also authorized to transfer funds relating to the closing and final delivery of the Obligations in the manner disclosed in the closing memorandum as prepared by the Issuer's financial advisor or other agent. The Bank may act on a facsimile or e-mail transmission of the closing memorandum acknowledged by the financial advisor of the Issuer as the final closing memorandum. The Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions.

Section 5.02. Reliance on Documents, Etc.

(a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

(b) The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts.

(c) No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

(d) The Bank may rely and shall be protected in acting or refraining from acting upon any ordinance, resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, certificate, note, security, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality of the foregoing statement, the Bank need not examine the ownership of any Obligations, but is protected in acting upon receipt of Obligations containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Owner or an attorney-in-fact of the Owner. The Bank shall not be bound to make any investigation into the facts or matters stated in an ordinance, resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, certificate, note, security, or other paper or document supplied by Issuer.

(e) The Bank may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon.

(f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

Section 5.03. Recitals of Issuer.

(a) The recitals contained herein and in the Obligations shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

(b) The Bank shall in no event be liable to the Issuer, any Owner or Owners, or any other Person for any amount due on any Obligation except as otherwise expressly provided herein with respect to the liability of the Bank for its duties under this Agreement.

Section 5.04. May Hold Obligations. The Bank, in its individual or any other capacity, may become the Owner or pledgee of Obligations and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent.

Section 5.05. Money Held by Bank.

(a) Money held by the Bank hereunder need not be segregated from any other funds provided appropriate accounts are maintained.

(b) The Bank shall be under no liability for interest on any money received by it hereunder.

(c) Subject to the provisions of Title 6, Texas Property Code, any money deposited with the Bank for the payment of the principal, redemption premium, if any, or interest on any

Obligation and remaining unclaimed for three years after final maturity of the Obligation has become due and payable will be paid by the Bank to the Issuer, and the Owner of such Obligation shall thereafter look only to the Issuer for payment thereof, and all liability of the Bank with respect to such monies shall thereupon cease.

(d) The Bank will comply with the reporting requirements of Chapter 74 of the Texas Property Code.

(e) The Bank shall deposit any moneys received from the Issuer into a trust account to be held in a paying agent capacity for the payment of the Obligations, with such moneys in the account that exceed the deposit insurance, available to the Issuer, provided by the Federal Deposit Insurance Corporation to be fully collateralized with securities or obligations that are eligible under the laws of the State of Texas and to the extent practicable under the laws of the United States of America to secure and be pledged as collateral for trust accounts until the principal and interest on the Obligations have been presented for payment and paid to the owner thereof. Payments made from such trust account shall be made by check drawn on such trust account unless the owner of such Obligations shall, at its own expense and risk, request such other medium of payment.

Section 5.06. Indemnification. To the extent permitted by law, the Issuer agrees to indemnify the Bank, its officers, directors, employees, and agents for, and hold them harmless against, any loss, liability, or expense incurred without negligence or bad faith on their part arising out of or in connection with its acceptance or administration of the Bank's duties hereunder, and under Article V of the Ordinance, including the cost and expense (including its counsel fees) of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement.

Section 5.07. Interpleader. The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demands or controversy over its persons as well as funds on deposit in a court of competent jurisdiction within the State of Texas; waive personal service of any process; and agree that service of process by certified or registered mail, return receipt requested, to the address set forth in this Agreement shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction within the State of Texas to determine the rights of any person claiming any interest herein.

ARTICLE VI

MISCELLANEOUS PROVISIONS

Section 6.01. Amendment. This Agreement may be amended only by an agreement in writing signed by both of the parties hereof.

Section 6.02. Assignment. This Agreement may not be assigned by either party without the prior written consent of the other.

Section 6.03. Notices. Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the Issuer or

the Bank shall be mailed or delivered to the Issuer or the Bank, respectively, at the addresses shown below:

(a) if to the Issuer: City of Lewisville, Texas
151 West Church Street
Lewisville, Texas 75057
Attention: Chief Financial Officer

(b) if to the Bank: The Bank of New York Mellon Trust Company, National Association
2001 Bryan Street, 10th Floor
Dallas, Texas 75201
Attention: Corporate Trust Department

Section 6.04. Bank to Give Notice of Change. The Bank hereby agrees that it will give notice to the Issuer, to the registered owners and to the Municipal Securities Rulemaking Board of (a) any change in the name of the Bank after the date hereof, (b) any change in the location of the Designated Payment/Transfer Office or a change in the mailing address of the Bank, and (c) any merger or other change in the corporate structure affecting the name, location and address of the Bank, in each case within ten (10) business days of the effective date of such change .

Section 6.05. Effect of Headings. The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

Section 6.06. Successors and Assigns. All covenants and agreements herein by the Issuer shall bind its successors and assigns, whether so expressed or not.

Section 6.07. Separability. If any provision herein 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.

Section 6.08. Benefits of Agreement. Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

Section 6.09. Entire Agreement. This Agreement and the Ordinance constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar, and if any conflict exists between this Agreement and the Ordinance, the Ordinance shall govern.

Section 6.10. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 6.11. Termination.

(a) This Agreement will terminate on the date of final payment by the Bank issuing its checks for the final payment of principal, redemption premium, if any, and interest of the Obligations.

(b) This Agreement may be earlier terminated upon sixty (60) days written notice by either party; provided, that, no termination shall be effective until a successor has been appointed by the Issuer and has accepted the duties imposed by this Agreement. A resigning Paying Agent/Registrar may petition any court of competent jurisdiction for the appointment of a successor Paying Agent/Registrar if an instrument of acceptance by a successor Paying Agent/Registrar has not been delivered to the resigning Paying Agent/Registrar within sixty (60) days after the giving of notice of resignation.

(c) The provisions of Section 1.02 and of Article Five shall survive and remain in full force and effect following the termination of this Agreement.

Section 6.12. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Texas.

[Execution Pages Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

CITY OF LEWISVILLE, TEXAS

By: _____
Mayor

ATTEST:

_____
City Secretary

THE BANK OF NEW YORK MELLON TRUST
COMPANY, NATIONAL ASSOCIATION,
as Paying Agent/Registrar

By: _____
Title: _____

ANNEX “A”

SCHEDULE OF FEES FOR SERVICE AS PAYING AGENT/REGISTRAR

ESCROW AGREEMENT

Between

CITY OF LEWISVILLE, TEXAS

and

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N. A.

Pertaining to

City of Lewisville, Texas
General Obligation Refunding and Improvement Bonds,
Series 2016

Dated as of June 1, 2016

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Exhibit A — Verification Report of Grant Thornton LLP

ESCROW AGREEMENT

THIS ESCROW AGREEMENT, dated as of June 1, 2016 (herein, together with any amendments or supplements hereto, called the "Agreement"), entered into by and between the CITY OF LEWISVILLE, TEXAS (the "Issuer"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N. A., a national banking association organized under the laws of the United States of America, as escrow agent (herein, together with any successor in such capacity, called the "Escrow Agent").

W I T N E S S E T H :

WHEREAS, the Issuer has heretofore issued and there presently remain outstanding the obligations (the "Refunded Obligations") of the Issuer listed and described in the Verification Report of Grant Thornton LLP (the "Report") attached hereto as Exhibit A and incorporated herein by reference for all purposes;

WHEREAS, the Refunded Obligations are scheduled to mature or have been called for early redemption in such years, bear interest at such rates, and are payable at such times and in such amounts as are set forth in the Report; and

WHEREAS, when firm banking arrangements have been made for the payment of principal and interest to the maturity dates or redemption dates of the Refunded Obligations, then the Refunded Obligations shall no longer be regarded as outstanding except for the purpose of receiving payment from the funds provided for such purpose; and

WHEREAS, Chapter 1207, Texas Government Code, as amended ("Chapter 1207"), authorizes the Issuer to issue refunding bonds and to deposit the proceeds from the sale thereof, and any other available funds or resources, with a place of payment for such Refunded Obligations, if made before such payment dates and in sufficient amounts, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Obligations; and

WHEREAS, the Escrow Agent is a place of payment of the Refunded Obligations and is otherwise qualified to act as an escrow agent under Chapter 1207; and

WHEREAS, Chapter 1207 authorizes the Issuer to enter into an escrow agreement with the Escrow Agent with respect to the safekeeping, investment, administration and disposition of any such deposit, upon such terms and conditions as the Issuer and the Escrow Agent may agree, provided that such deposits may be invested only in obligations authorized by Chapter 1207, and which shall mature and/or bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment of principal and interest on the Refunded Obligations when due; and

WHEREAS, Chapter 1207 makes it the duty of the Escrow Agent to comply with the terms of this Agreement and timely make available to the other places of payment, if any, for the Refunded Obligations the amounts required to provide for the payment of the principal of and interest on such obligations when due, and in accordance with their terms, but solely from the funds, in the manner, and to the extent provided in this Agreement; and

WHEREAS, the Escrow Agent is the paying agent for each series of the Refunded Obligations; and

WHEREAS, the issuance, sale, and delivery of the City of Lewisville, Texas General Obligation Refunding and Improvement Bonds, Series 2016 (the "Bonds"), have been duly authorized for the purpose, among others, of obtaining the funds required to provide for the payment of the principal of the Refunded Obligations at their respective maturity or redemption dates and the interest thereon to such maturity or redemption dates; and

WHEREAS, the Issuer desires that, concurrently with the delivery of the Bonds to the purchasers thereof, a portion of the proceeds of the Bonds shall be applied to purchase certain "Federal Securities" (as herein defined) for deposit to the credit of the Escrow Fund created pursuant to the terms of this Agreement and to establish a beginning cash balance (if needed) in such Escrow Fund; and

WHEREAS, the Federal Securities shall mature and the interest thereon shall be payable at such times and in such amounts as will provide moneys which, together with cash balances from time to time on deposit in the Escrow Fund, will be sufficient to pay the interest on the Refunded Obligations as it accrues and becomes payable and the principal of the Refunded Obligations on their maturity dates or redemption dates; and

WHEREAS, the Escrow Agent is a party to this Agreement and hereby acknowledges its acceptance of the terms and provisions hereof;

NOW, THEREFORE, in consideration of the mutual undertakings, promises and agreements herein contained, the sufficiency of which hereby is acknowledged, and to secure the full and timely payment of principal of and the interest on the Refunded Obligations, the Issuer and the Escrow Agent mutually undertake, promise, and agree for themselves and their respective representatives and successors, as follows:

ARTICLE I
DEFINITIONS AND INTERPRETATIONS

Section 1.01 Definitions. Unless the context clearly indicates otherwise, the following terms shall have the meanings assigned to them below when they are used in this Agreement:

"Beginning Cash Balance" means the funds described in the Report.

"Code" means the Internal Revenue Code of 1986, as amended, including applicable regulations, published rulings and court decisions thereunder.

"Escrow Fund" means the fund created in Section 3.01 of this Agreement to be administered by the Escrow Agent pursuant to the provisions of this Agreement.

"Federal Securities" means noncallable obligations of the United States of America, including noncallable obligations of which the full and timely payment of the principal and interest are unconditionally guaranteed by the United States of America, that mature and/or bear interest payable at such times and in such amounts sufficient without reinvestment to provide for

the scheduled payment of the principal of and interest on the Refunded Obligations. Investments in mutual funds and unit investment trusts are prohibited.

"Refunded Obligations Paying Agent" means The Bank of New York Mellon Trust Company, N. A., as paying agent/registrar for each series of the Refunded Obligations.

Section 1.02 Other Definitions. The terms "Agreement," "Issuer," "Escrow Agent," "Refunded Obligations," and "Bonds," when they are used in this Agreement, shall have the meanings assigned to them in the preamble to this Agreement.

Section 1.03 Interpretations. The titles and headings of the articles and sections of this Agreement have been inserted for convenience and reference only and are not to be considered a part hereof and shall not in any way modify or restrict the terms hereof. This Agreement and all of the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to achieve the intended purpose of providing for the refunding of the Refunded Obligations in accordance with applicable law.

ARTICLE II
DEPOSIT OF FUNDS AND FEDERAL SECURITIES

Section 2.01 Deposits in the Escrow Fund. Concurrently with the sale and delivery of the Bonds the Issuer shall deposit, or cause to be deposited, with the Escrow Agent, for deposit in the Escrow Fund, the Beginning Cash Balance and the Federal Securities described in the Report. The Escrow Agent shall, upon the receipt thereof, acknowledge such receipt to the Issuer in writing.

ARTICLE III
CREATION AND OPERATION OF ESCROW FUND

Section 3.01 Escrow Fund. The Escrow Agent hereby creates on its books a special trust and irrevocable escrow fund to be known as the City of Lewisville, Texas, General Obligation Refunding and Improvement Bonds, Series 2016 Escrow Fund (the "Escrow Fund") for the purpose of paying the principal of and interest on the Refunded Obligations as described in the Report, in order to make firm banking arrangements therefor. The Escrow Agent hereby agrees that upon receipt thereof it will deposit to the credit of the Escrow Fund the Beginning Cash Balance and the Federal Securities described in the Report. Such deposit, all proceeds therefrom, and all cash balances from time to time on deposit therein (a) shall be the property of the Escrow Fund, (b) shall be applied only in strict conformity with the terms and conditions of this Agreement, and (c) to the extent needed to pay the principal and interest requirements on the Refunded Obligations, are hereby irrevocably pledged to the payment of the principal of and interest on the Refunded Obligations, which payment shall be made by timely transfers of such amounts at such times as are provided for in Section 3.02 hereof. When the final transfers have been made for the payment of such principal of and interest on the Refunded Obligations, any balance then remaining in the Escrow Fund shall be transferred to the Issuer, and the Escrow Agent shall thereupon be discharged from any further duties hereunder.

Section 3.02 Payment of Principal and Interest. The Escrow Agent is hereby irrevocably instructed to transfer, from the cash balances from time to time on deposit in the

Escrow Fund, to each Refunded Obligations Paying Agent, the amounts required to pay the principal of the Refunded Obligations at their respective maturity date or dates as of which such Refunded Obligations have been called for earlier redemption, and interest thereon when due, in the amounts and at the times shown in the Report attached hereto.

Section 3.03 Sufficiency of Escrow Fund. The Issuer represents that the successive receipts of the principal of and interest on the Federal Securities will assure that the cash balance on deposit from time to time in the Escrow Fund will be at all times sufficient to provide moneys for transfer to each Refunded Obligations Paying Agent, at the times and in the amounts required to pay the interest on the Refunded Obligations as such interest comes due and the principal of the Refunded Obligations as such principal comes due, all as more fully set forth in the Report. The Escrow Agent shall promptly give notice of any insufficiency to the Issuer, but the Escrow Agent shall not in any manner be responsible for any insufficiency of funds in the Escrow Fund.

Section 3.04 Trust Funds. The Escrow Agent shall hold at all times the Escrow Fund, the Federal Securities and all other assets of the Escrow Fund wholly segregated from all other funds and securities on deposit with the Escrow Agent; it shall never allow the Federal Securities or any other assets of the Escrow Fund to be commingled with any other funds or securities of the Escrow Agent; and it shall hold and dispose of the assets of the Escrow Fund only as set forth herein. The Federal Securities and other assets of the Escrow Fund shall always be maintained by the Escrow Agent as trust funds for the benefit of the owners of the Refunded Obligations, and a special account thereof shall at all times be maintained on the books of the Escrow Agent. The owners of the Refunded Obligations shall be entitled to a preferred claim and first lien upon the Federal Securities, the proceeds thereof, and all other assets of the Escrow Fund. The amounts received by the Escrow Agent under this Agreement shall not be considered as a banking deposit by the Issuer, and the Escrow Agent shall have no right or title with respect thereto except as a trustee and Escrow Agent under the terms of this Agreement. The amounts received by the Escrow Agent under this Agreement shall not be subject to warrants, drafts or checks drawn by the Issuer or, except to the extent expressly herein provided, by a place of payment for the Refunded Obligations.

Section 3.05 Security for Cash Balances. Cash balances from time to time on deposit in the Escrow Fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a pledge of direct noncallable obligations of, or noncallable obligations unconditionally guaranteed by, the United States of America, having a market value at least equal to such cash balances.

ARTICLE IV
SUBSTITUTION OF FEDERAL SECURITIES

Section 4.01 In General. Except as provided in Section 4.02 and 4.03 hereof, the Escrow Agent shall not have any power or duty to make substitutions for the Federal Securities described in the Report, or to sell, transfer, or otherwise dispose of such Federal Securities.

Section 4.02 Substitution of Federal Securities at Bond Closing. Concurrently with the sale and delivery of the Bonds, the Issuer, at its option, may substitute cash or Federal Securities for the Federal Securities listed in the Report, but only if such cash and/or Federal Securities:

(a) are in an amount, and/or mature in an amount, which, together with any cash substituted for such obligations, is equal to or greater than the amount payable on the maturity date of the obligation listed in the Report for which such obligation is substituted, and

(b) mature on or before the maturity date of the obligation listed in the Report for which such obligation is substituted.

The Issuer may at any time substitute the Federal Securities listed in the Report, which, as permitted by the preceding sentence, were not deposited to the credit of the Escrow Fund, for the cash and/or obligations that were substituted concurrently with the sale and delivery of the Bonds for such Federal Securities, provided, that upon any such substitution the Escrow Agent receives (i) a new verification report from a firm of independent certified public accountants as to the sufficiency of the Federal Securities to provide for the payment of the Refunded Obligations (assuming such substitution has been made and assuming a zero percent reinvestment rate) and (ii) an opinion of bond counsel to the effect that such substitution shall not affect the tax-exempt status of interest on the Refunded Obligations or the Bonds.

Section 4.03 Substitution of Federal Securities following Bond Closing. (a) At the written request of the Issuer, and upon compliance with the conditions hereinafter stated, the Escrow Agent shall sell, transfer, otherwise dispose of or request the redemption of all or any portion of the Federal Securities and apply the proceeds therefrom to purchase Refunded Obligations or other Federal Securities. Any such transaction may be effected by the Escrow Agent only if (1) the Escrow Agent shall have received a written opinion from a firm of independent certified public accountants that such transaction will not cause the amount of money and securities in the Escrow Fund to be reduced below an amount which will be sufficient, when added to the interest to accrue thereon and assuming a zero percent reinvestment rate, to provide for the payment of principal of and interest on the remaining Refunded Obligations as they become due, and (2) the Escrow Agent shall have received the unqualified written legal opinion of nationally recognized bond counsel or tax counsel acceptable to the Issuer and the Escrow Agent to the effect that (A) such transaction will not cause any of the Bonds to be an "arbitrage bond" within the meaning of the Code or otherwise adversely affect the tax-exempt status of the Refunded Obligations or the Bonds, and (B) that such transaction complies with the Constitution and laws of the State of Texas.

(b) The foregoing provisions of substitution notwithstanding, the Escrow Agent shall be under no obligation to effect the substitution of the Federal Securities in the manner contemplated by Subsection 4.03(a) if the Issuer fails to deliver or cause to be delivered to the Escrow Agent no later than three Business Days prior to the proposed date such substitution is to be effected a written certificate setting forth in reasonable detail the maturity dates and maturity amounts of the Federal Securities to be substituted and the proposed date such substitution is to occur.

Section 4.04 Allocation of Certain Federal Securities. The maturing principal of and interest on the Federal Securities may be applied to the payment of any Refunded Obligations and no allocation or segregation of the receipts of principal or interest from such Federal Securities is required.

Section 4.05 Arbitrage. The Issuer hereby covenants and agrees that it shall never request the Escrow Agent to exercise any power hereunder or permit any part of the money in the Escrow Fund or proceeds from the sale of Federal Securities to be used directly or indirectly to acquire any securities or obligations if the exercise of such power or the acquisition of such securities or obligations would cause any Bonds or Refunded Obligations to be an "arbitrage bond" within the meaning of Section 148 of the Code.

ARTICLE V
APPLICATION OF CASH BALANCES

Section 5.01 In General. Except as provided in Sections 5.02 and 5.03 hereof, neither the Issuer nor the Escrow Agent shall reinvest any moneys deposited to or held as part of the Escrow Fund.

Section 5.02 Reinvestment in SLGS. Cash balances in the Escrow Fund shall be reinvested as set forth in the Report.

Section 5.03 Reinvestment of Cash Balances. At the written request of the Issuer, and upon compliance with the conditions hereinafter stated, the Escrow Agent shall permit or cause the reinvestment of cash balances in the Escrow Fund, pending the use thereof to pay when due the principal of and interest on the Refunded Obligations, in Federal Securities which obligations must mature on or before the respective dates needed for payment of the Refunded Obligations. Any such modification must include (i) an opinion of nationally recognized bond counsel that such transaction does not adversely affect the tax-exempt nature of the Bonds or the Refunded Obligations and complies with the Constitution and laws of the State of Texas and (ii) a verification report by a firm of independent certified public accountants verifying the sufficiency of the Escrow Fund and the yield on the investment thereof.

ARTICLE VI
RECORDS AND REPORTS

Section 6.01 Records. The Escrow Agent will keep books of record and account in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocations and application of the money and Federal Securities deposited to the Escrow Fund and all proceeds thereof, and such books shall be available for inspection at reasonable hours and under reasonable conditions by the Issuer and the owners of the Refunded Obligations.

Section 6.02 Reports. While this Agreement remains in effect, the Escrow Agent at least annually shall prepare and send to the Issuer a written report summarizing all transactions relating to the Escrow Fund during the preceding year, including, without limitation, credits to the Escrow Fund as a result of interest payments on or maturities of the Federal Securities and transfers from the Escrow Fund for payments on the Refunded Obligations or otherwise, together with a detailed statement of all Federal Securities and the cash balance on deposit in the Escrow Fund as of the end of such period.

ARTICLE VII
CONCERNING THE PAYING AGENTS AND ESCROW AGENT

Section 7.01 Representations. The Escrow Agent hereby represents that it has all necessary power and authority to enter into this Agreement and undertake the obligations and responsibilities imposed upon it herein, and that it will carry out all of its obligations hereunder.

Section 7.02 Limitation on Liability. The liability of the Escrow Agent to transfer funds for the payment of the principal of and interest on the Refunded Obligations shall be limited to the proceeds of the Federal Securities and the cash balances from time to time on deposit in the Escrow Fund. Notwithstanding any provision contained herein to the contrary, neither the Escrow Agent nor any place of payment for the Refunded Obligations shall have any liability whatsoever for the insufficiency of funds from time to time in the Escrow Fund or any failure of the obligors of the Federal Securities to make timely payment thereon, except for the obligation to notify the Issuer promptly of any such occurrence.

The recitals herein and in the proceedings authorizing the Bonds shall be taken as the statements of the Issuer and shall not be considered as made by, or imposing any obligation or liability upon, the Escrow Agent. The Escrow Agent is not a party to the proceedings authorizing the Bonds or the Refunded Obligations and is not responsible for nor bound by any of the provisions thereof (except as a place of payment or a paying agent/registrar therefor). In its capacity as Escrow Agent, it is agreed that the Escrow Agent need look only to the terms and provisions of this Agreement.

The Escrow Agent makes no representations as to the value, conditions or sufficiency of the Escrow Fund, or any part thereof, or as to the title of the Issuer thereto, or as to the security afforded thereby or hereby, and the Escrow Agent shall not incur any liability or responsibility in respect to any of such matters.

It is the intention of the parties hereto that the Escrow Agent shall never be required to use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder.

The Escrow Agent shall not be liable for any action taken or neglected to be taken by it in good faith in any exercise of reasonable care and believed by it to be within the discretion or power conferred upon it by this Agreement, nor shall the Escrow Agent be responsible for the consequences of any error of judgment; and the Escrow Agent shall not be answerable for any loss unless the same shall have been through its negligence or want of good faith.

Unless it is specifically otherwise provided herein, the Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the Issuer with respect to arrangements or contracts with others, with the Escrow Agent's sole duty hereunder being to safeguard the Escrow Fund, to dispose of and deliver the same in accordance with this Agreement. If, however, the Escrow Agent is called upon by the terms of this Agreement to determine the occurrence of any event or contingency, the Escrow Agent shall be obligated, in making such determination, only to exercise reasonable care and diligence, and in event of error in making such determination the

Escrow Agent shall be liable only for its own misconduct or its negligence. In determining the occurrence of any such event or contingency the Escrow Agent may request from the Issuer or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of such event or contingency, and in this connection may make inquiries of, and consult with, among others, the Issuer at any time.

Section 7.03 Compensation. Concurrently with the sale and delivery of the Bonds, the Issuer shall pay to the Escrow Agent the sum of $_____ the sufficiency of which is hereby acknowledged by the Escrow Agent to pay its fee for performing the services of Escrow Agent hereunder and for all expenses incurred or to be incurred by it as Escrow Agent in the administration of this Agreement. In the event that the Escrow Agent is requested to perform any extraordinary services hereunder, the Issuer hereby agrees to pay reasonable fees to the Escrow Agent for such extraordinary services and to reimburse the Escrow Agent for all expenses incurred by the Escrow Agent in performing such extraordinary services, and the Escrow Agent hereby agrees to look only to the Issuer for the payment of such fees and reimbursement of such expenses. The Escrow Agent hereby agrees that in no event shall it ever assert any claim or lien against the Escrow Fund for any fees for its services whether regular or extraordinary, as Escrow Agent, or in any other capacity, or for reimbursement for any of its expenses. The Escrow Agent's fee does not include the cost of publication, printing costs, or reasonable out-of-pocket expenses of the Escrow Agent. In its capacity as Refunded Obligations Paying Agent, the Escrow Agent agrees to bill the Issuer directly under its current agreement with the Issuer for such future paying agency services and covenants that in no event shall it ever assert any claim or lien against the Escrow Fund for any fees for its paying agency services.

Section 7.04 Successor Escrow Agents. (a) If at any time the Escrow Agent or its legal successor or successors should become unable, through operation of law or otherwise, to act as Escrow Agent hereunder, or if its property and affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy or for any other reason, a vacancy shall forthwith exist in the office of Escrow Agent hereunder. In such event the Issuer, by appropriate action, promptly shall appoint an Escrow Agent to fill such vacancy. If no successor Escrow Agent shall have been appointed by the Issuer within 60 days, a successor may be appointed by the owners of a majority in principal amount of the Refunded Obligations then outstanding by an instrument or instruments in writing filed with the Issuer, signed by such owners or by their duly authorized attorneys-in-fact. If, in a proper case, no appointment of a successor Escrow Agent shall be made pursuant to the foregoing provisions of this section within three months after a vacancy shall have occurred, the owner of any Refunded Obligation may apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Such court may thereupon, after such notice, if any, as it may deem proper, prescribe and appoint a successor Escrow Agent.

(b) The Escrow Agent may at any time resign and be discharged from the trust hereby created by giving not less than 60 days' written notice to the Issuer; provided, that, no such resignation shall take effect unless: (i) a successor Escrow Agent shall have been appointed by the owners of the Refunded Obligations or by the Issuer as herein provided; (ii) such successor Escrow Agent shall have accepted such appointment; (iii) the successor Escrow Agent shall have agreed to accept the fees currently in effect for the Escrow; and (iv) the Escrow Agent shall have

paid over to the successor Escrow Agent a proportional part of the Escrow Agent's fee hereunder. Such resignation shall take effect immediately upon compliance with the foregoing requirements.

(c) Any successor Escrow Agent shall be qualified to serve as Escrow Agent under the provisions of Chapter 1207.

(d) Any successor Escrow Agent shall execute, acknowledge and deliver to the Issuer and the Escrow Agent an instrument accepting such appointment hereunder, and the Escrow Agent shall execute and deliver an instrument transferring to such successor Escrow Agent, subject to the terms of this Agreement, all the rights, powers and trusts of the Escrow Agent hereunder. Upon the request of any such successor Escrow Agent, the Issuer shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor Escrow Agent all such rights, powers and duties. The Escrow Agent shall pay over to its successor Escrow Agent a proportional part of the Escrow Agent's fee hereunder.

ARTICLE VIII
MISCELLANEOUS

Section 8.01 Notice. Any notice, authorization, request, or demand required or permitted to be given hereunder, shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid, addressed as follows:

To the Escrow Agent:	The Bank of New York Mellon Trust Company, N. A. 2001 Bryan Street, 10th Floor Dallas, Texas 75201 Attention: Issuer Services
To the Issuer:	City of Lewisville, Texas 151 W. Church Street Lewisville, Texas 75057 Attention: City Manager
To the Rating Agencies:	Standard & Poor's Rating Group 25 Broadway New York, New York 10004 Fitch Investors Service, L.P. 4514 Cole Avenue, Suite 600 Dallas, Texas 75205

The United States Post Office registered or certified mail receipt showing delivery of the aforesaid shall be conclusive evidence of the date and fact of delivery. Either party hereto may change the address to which notices are to be delivered by giving to the other party not less than ten (10) days prior notice thereof.

Section 8.02 Termination of Responsibilities. Upon the taking of all the actions as described herein by the Escrow Agent, the Escrow Agent shall have no further obligations or responsibilities hereunder to the Issuer, the owners of the Refunded Obligations or to any other person or persons in connection with this Agreement.

Section 8.03 Binding Agreement. This Agreement shall be binding upon the Issuer and the Escrow Agent and their respective successors and legal representatives, and shall inure solely to the benefit of the owners of the Refunded Obligations, the Issuer, the Escrow Agent and their respective successors and legal representatives.

Section 8.04 Severability. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. In the event any one or more provisions hereof are held to be invalid, illegal or unenforceable the Issuer shall promptly notify each of the rating agencies then maintaining a rating on the Refunded Obligations.

Section 8.05 Texas Law Governs. This Agreement shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Texas.

Section 8.06 Time of the Essence. Time shall be of the essence in the performance of obligations from time to time imposed upon the Escrow Agent by this Agreement.

Section 8.07 Effective Date of Agreement. This Agreement shall be effective upon receipt by the Escrow Agent of the funds and the Federal Securities described in the Report, together with the specific sums stated in subsections (a) and (b) of Section 7.03 for Escrow Agent and paying agency fees, expenses, and services.

Section 8.08 Modification of Agreement. This Agreement shall be binding upon the Issuer and the Escrow Agent and their respective successors and legal representatives and shall inure solely to the benefit of the holders of the Refunded Obligations, the Issuer, the Escrow Agent and their respective successors and legal representatives. Furthermore, no alteration, amendment or modification of any provision of this Agreement (1) shall alter the firm financial arrangements made for the payment of the Refunded Obligations or (2) shall be effective unless (i) prior written consent of such alteration, amendment or modification shall have been obtained from the holders of all Refunded Obligations outstanding at the time of such alteration, amendment or modification and (ii) such alteration, amendment or modification is in writing and signed by the parties hereto; provided, however, the Issuer and the Escrow Agent may, without the consent of holders of the Refunded Obligations, amend or modify the terms and provisions of this Agreement to cure in a manner not adverse to the holders of the Refunded Obligations any ambiguity, formal defect or omission in this Agreement. Prior notice of any such modification shall be given to each rating agency then maintaining a rating on the Refunded Obligations.

Section 8.09 Indemnification. To the extent permitted by law, the Issuer agrees to indemnify the Escrow Agent, its officers, directors, employees and agents for, and hold them harmless against, any loss, liability, or expense incurred without negligence or bad faith on their

part arising out of or in connection with its acceptance or administration of the Escrow Agent's duties under this Agreement, including the cost and expense (including its counsel fees) of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement.

ARTICLE IX
ACKNOWLEDGMENT OF RECEIPT OF NOTICE OF REDEMPTION OF REFUNDED OBLIGATIONS

Section 9.01 Acknowledgment of Receipt of Notice of Redemption. The Escrow Agent, as paying agent/registrar for the Refunded Obligations, by its execution of this Escrow Agreement hereby acknowledges receipt of the Ordinance authorizing the issuance of the Bonds, the receipt of such Ordinance constituting written notice of redemption of such Refunded Obligations as described in the Report. The Escrow Agent hereby agrees to provide or cause to be provided to the registered owners of the Refunded Obligations notice of deposit and notice of redemption at the times and in the manner required by the respective ordinance authorizing the issuance thereof.

[Execution Page Follows]

IN WITNESS WHEREOF, this Escrow Agreement has been executed in multiple counterparts, each one of which shall constitute one and the same original Agreement, as of the date and year appearing on the first page of this Agreement.

CITY OF LEWISVILLE, TEXAS

By:_____
Mayor

ATTEST:

_____
City Secretary

THE BANK OF NEW YORK MELLON TRUST COMPANY, N. A, as Escrow Agent

By:_____
Title:_____

EXHIBIT A

VERIFICATION REPORT OF GRANT THORNTON LLP

MEMORANDUM

TO: Donna Barron, City Manager

FROM: Brenda Martin, Director of Finance

DATE: May 26, 2016

SUBJECT: **Series 2016 Tax Notes**

BACKGROUND

Attached for consideration is an Ordinance and other draft documents related to the issuance of City of Lewisville, Texas, Tax Notes, Series 2016. The estimated amount of $8,875,000 will provide funds related to the new public safety digital communication system, park land and improvements and costs associated with the issuance of the notes.

ANALYSIS

Estimated premium generated on the sale of the Bonds is anticipated to lower the par amount of the bonds. Premium on the bonds is generated when an investor pays more than 100 cents on the dollar for the bonds they are buying. For example, if an investor pays 105 cents on the dollar for a bond, 5 cents is considered premium. This premium may be used to 1) cover costs of issuance and 2) provide proceeds to pay off the bonds being refunded. Actual results of the sales will depend on actual market interest rates obtained on the day of pricing, June 6th.

Due to citizen involvement with the Lewisville 2025 plan and visioning process, interest is high with regard to upcoming capital projects within the community. Discussions with FirstSouthwest, a division of Hilltop Securities and the City's financial advisory firm, resulted with the addition of a retail order period on the day of sale that will allow a qualified Lewisville individual to bid for a portion of the City's bonds being sold. Successful bids will be selected based on the lowest yield to the City. Results of the sale will be provided at the June 6, 2016 City Council meeting.

RECOMMENDATION

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

ORDINANCE

AUTHORIZING THE ISSUANCE OF

$_____
CITY OF LEWISVILLE, TEXAS
TAX NOTES
SERIES 2016

Dated: June 1, 2016

Adopted: June 6, 2016

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AN ORDINANCE OF THE CITY OF LEWISVILLE, TEXAS, AUTHORIZING THE ISSUANCE AND SALE OF CITY OF LEWISVILLE, TEXAS, TAX NOTES, SERIES 2016, IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____; LEVYING A TAX IN PAYMENT THEREOF; APPROVING THE SALE THEREOF; AUTHORIZING THE EXECUTION AND DELIVERY OF A PURCHASE AGREEMENT, APPROVING A PAYING AGENT/REGISTRAR AGREEMENT; PRESCRIBING THE FORM OF SAID NOTES; APPROVING THE OFFICIAL STATEMENT AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, pursuant to Chapter 1431, Texas Government Code (the "Act"), the governing body of a municipality is authorized to issue the notes hereinafter authorized (the "Notes") to pay contractual obligations incurred or to be incurred for the purposes set forth in Section 3.01 hereof; and

WHEREAS, this governing body (the "City Council") of the City of Lewisville, Texas (the "City"), hereby finds and determines that it is necessary and in the best interest of the City and its citizens to issue such Notes for the purposes herein described and that such Notes shall be payable from and secured by ad valorem taxes levied, within the limits prescribed by law, on all taxable property within the City; and

WHEREAS, the Notes hereinafter authorized shall mature before the seventh anniversary of the date that the Attorney General of the State of Texas approves the Notes, as required by the Act; and

WHEREAS, it is affirmatively found that this City Council is authorized to proceed with the issuance and sale of such Notes as authorized by the Constitution and laws of the State of Texas, particularly the Act; and

WHEREAS, the City Council has found and determined that it is necessary and in the best interest of the City and its citizens that it authorize by this Ordinance the issuance and delivery of its Notes in a single series at this time; and

WHEREAS, it is officially found, determined, and declared that the meeting at which this Ordinance has been adopted was open to the public and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting, including this Ordinance, was given, all as required by the applicable provisions of Chapter 551, Texas Government Code, as amended; Now Therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LEWISVILLE:

ARTICLE I

DEFINITIONS AND OTHER PRELIMINARY MATTERS

Section 1.01. Definitions.

Unless otherwise expressly provided or unless the context clearly requires otherwise, in this Ordinance the following terms shall have the meanings specified below:

"Closing Date" means the date of the initial delivery of and payment for the Notes.

"Code" means the Internal Revenue Code of 1986, as amended, including applicable regulations, published rulings and court decisions relating thereto.

"Designated Payment/Transfer Office" means (i) with respect to the initial Paying Agent/Registrar named herein, its office in Dallas, Texas, or at such other location designated by the Paying Agent/Registrar and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the City and such successor.

"Event of Default" means any Event of Default as defined in Section 10.01.

"Initial Note" means the Note described in Section 3.04(d) and 6.02(d).

"Interest and Sinking Fund" means the interest and sinking fund established by Section 8.01(a).

"Interest Payment Date" means the date or dates upon which interest on the Notes is scheduled to be paid until the maturity of the Notes, such dates being February 15 and August 15 of each year commencing February 15, 2017.

"Note" or "Notes" means any of the Notes.

"Notes" means the City's notes entitled "City of Lewisville, Texas, Tax Notes, Series 2016" authorized to be issued by Section 3.01.

"Ordinance" means this Ordinance.

"Original Issue Date" means the Closing Date.

"Owner" means the person who is the registered owner of a Note or Notes, as shown in the Register.

"Paying Agent/Registrar" means initially The Bank of New York Mellon Trust Company, N.A., or any successor thereto as provided in this Ordinance.

"Paying Agent/Registrar Agreement" means the Paying Agent/Registrar Agreement between the City and the Paying Agent/Registrar relating to the Notes.

"Purchase Agreement" means the purchase agreement between the City and the Underwriters pertaining to the sale of the Notes.

"Record Date" means the last business day of the month next preceding an Interest Payment Date.

"Register" means the Register specified in Section 3.06(a).

"Representative" means the entity representing the Underwriters, if any, designated in the Purchase Agreement.

"Special Payment Date" means the Special Payment Date prescribed by Section 3.03(b).

"Special Record Date" means the Special Record Date prescribed by Section 3.03(b).

"Unclaimed Payments" means money deposited with the Paying Agent/Registrar for the payment of the principal of or interest on Notes as the same become due and payable and remaining unclaimed by the Owners of such Notes for 90 days after the applicable payment or redemption date.

"Underwriters" means Raymond James and Stephens, Inc.

Section 1.02. Other Definitions.

The terms "City Council" and "City" shall have the meaning assigned in the preamble to this Ordinance.

Section 1.03. Findings.

The declarations, determinations and findings declared, made and found in the preamble to this Ordinance are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.04. Table of Contents, Titles and Headings.

The table of contents, titles and headings of the Articles and Sections of this Ordinance have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Ordinance or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.05. Interpretation.

(a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) Article and section references shall mean references to articles and sections of this Ordinance unless designated otherwise.

(c) This Ordinance and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Ordinance.

ARTICLE II

SECURITY FOR THE NOTES

Section 2.01. Tax Levy for Payment of the Notes.

(a) The City Council hereby declares and covenants that it will provide and levy a tax legally and fully sufficient for payment of the Notes, it having been determined that the existing and available taxing authority of the City for such purpose is adequate to permit a legally sufficient tax in consideration of all other outstanding obligations of the City.

(b) In order to provide for the payment of the debt service requirements on the Notes, being (i) the interest on the Notes, and (ii) a sinking fund for their payment at maturity or a sinking fund of two percent per annum (whichever amount is the greater), there is hereby levied for the current year and each succeeding year thereafter, while the Notes or interest thereon remain outstanding and unpaid, an ad valorem tax on each one hundred dollars valuation of taxable property within the City at a rate sufficient, within the limit prescribed by law, to pay such debt service requirements, full allowance being made for delinquencies and costs of collection.

(c) The tax levied by this Section shall be assessed and collected each year and deposited into the Interest and Sinking Fund for the payment of the debt service requirements on the Notes, and the tax shall not be diverted to any other purpose.

(d) Said ad valorem tax, the collections therefrom, and all amounts on deposit in or required hereby to be deposited to the Interest and Sinking Fund are hereby pledged and committed irrevocably to the payment of the principal of and interest on the Notes when and as due and payable in accordance with their terms and this Ordinance.

(e) If the liens and provisions of this Ordinance shall be discharged in a manner permitted by Article XI, then the collection of such ad valorem tax may be suspended or appropriately reduced, as the facts may permit, and further deposits to the Interest and Sinking Fund may be suspended or appropriately reduced, as the facts may permit.

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE NOTES

Section 3.01. Authorization.

The City's notes to be designated "City of Lewisville, Texas, Tax Notes, Series 2016," are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas, particularly Chapter 1431, Texas Government Code, as amended, in the aggregate principal amount of $_____ for the public purpose of providing funds to: (i) acquire and install public safety equipment including a public safety digital radio system; (ii) construct park

and recreation facilities and improvements including the acquisition of land; and (iii) pay the costs associated with the issuance of the Notes.

Section 3.02. Date, Denomination, Maturities, Numbers and Interest.

(a) The Notes shall be dated the date of their delivery to the Underwriters, shall be in fully registered form, without coupons, in the denomination of $5,000 or any integral multiple thereof, and shall be numbered separately from one upward or such other designation acceptable to the City and the Paying Agent/Registrar and the Initial Note shall be numbered No. T-1.

(b) The Notes shall mature on February 15 in the years and in the principal installments set forth in the following schedule;

Serial Notes

Maturity	Principal Amount	Interest Rate
2017	$_____	_____%
2018		
2019		
2020		
2021		
2022		
2023		

Term Notes

Maturity	Principal Amount	Interest Rate
2017	$_____	._____%

(c) Interest shall accrue and be paid on each Note, respectively, until the payment of the principal amount thereof shall have been paid or provided for, from the later of the Closing Date or the most recent Interest Payment Date to which interest has been paid or provided for. Such interest shall be payable semiannually on each February 15 and August 15 of each year, commencing on February 15, 2017, until maturity or prior redemption. Interest on the Notes shall be calculated on the basis of a 360-day year composed of twelve 30-day months.

Section 3.03. Medium, Method and Place of Payment.

(a) The principal of and interest on the Notes shall be paid in lawful money of the United States of America as provided in this Section.

(b) Interest on the Notes shall be payable to the Owners whose names appear in the Register at the close of business on the Record Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest

(the "Special Payment Date," which shall be at least 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Owner of a Note appearing on the books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

(c) Interest on the Notes shall be paid by check (dated as of the Interest Payment Date) and sent by the Paying Agent/Registrar to the person entitled to such payment, United States mail, first class postage prepaid, to the address of such person as it appears in the Register or by such other customary banking arrangements acceptable to the Paying Agent/Registrar and the person to whom interest is to be paid; provided, however, that such person shall bear all risk and expenses of such other customary banking arrangements.

(d) The principal of each Note shall be paid to the person in whose name such Note is registered on the due date thereof (whether at the maturity date or the date of prior redemption thereof) upon presentation and surrender of such Note at the Designated Payment/Transfer Office.

(e) If a date for the payment of the principal of or interest on the Notes is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the City in which the Designated Payment/Transfer Office is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which such banking institutions 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.

(f) Subject to any applicable escheat, unclaimed property, or similar law, including Title 6 of the Texas Property Code, Unclaimed Payments remaining unclaimed by the Owners entitled thereto for three years after the applicable payment or redemption date shall be paid to the City and thereafter neither the City, the Paying Agent/Registrar, nor any other person shall be liable or responsible to any Owners of such Notes for any further payment of such unclaimed moneys or on account of any such Notes.

Section 3.04. Execution and Initial Registration.

(a) The Notes shall be executed on behalf of the City by the Mayor and City Secretary of the City, by their manual or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Notes shall have the same effect as if each of the Notes had been signed manually and in person by each of said officers, and such facsimile seal on the Notes shall have the same effect as if the official seal of the City had been manually impressed upon each of the Notes.

(b) In the event that any officer of the City whose manual or facsimile signature appears on the Notes ceases to be such officer before the authentication of such Notes or before the delivery thereof, such manual or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Note shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Ordinance unless and until there appears thereon the Certificate of Paying Agent/Registrar substantially in the form provided in this Ordinance, duly

authenticated by manual execution of the Paying Agent/Registrar. It shall not be required that the same authorized representative of the Paying Agent/Registrar sign the Certificate of Paying Agent/Registrar on all of the Notes. In lieu of the executed Certificate of Paying Agent/Registrar described above, the Initial Note delivered on the Closing Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided in this Ordinance, manually executed by the Comptroller of Public Accounts of the State of Texas or by his duly authorized agent, which certificate shall be evidence that the Initial Note has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the City, and has been registered by the Comptroller.

(d) On the Closing Date, one Note (the "Initial Note") representing the entire principal amount of the Notes, executed by manual or facsimile signature of the Mayor and City Secretary of the City, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas, will be delivered to the Underwriters or their designee against payment therefor. Upon payment for the Initial Note, the Paying Agent/Registrar shall cancel the Initial Note and deliver to DTC, on behalf of the Underwriters, one typewritten Note for each maturity representing the aggregate principal amount for each respective maturity, registered in the name of Cede & Co., as nominee for DTC. To the extent the Paying Agent/Registrar is eligible to participate in DTC's FAST System, as evidenced by agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Notes in safekeeping for DTC.

Section 3.05. Ownership.

(a) The City, the Paying Agent/Registrar and any other person may treat the person in whose name any Note is registered as the absolute owner of such Note for the purpose of making and receiving payment of the principal thereof and premium, if any, thereon, for the further purpose of making and receiving payment of the interest thereon (subject to the provisions herein that interest is to be paid to the person in whose name the Note is registered on the Record Date), and for all other purposes, whether or not such Note is overdue, and neither the City nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the person deemed to be the Owner of any Note in accordance with this Section shall be valid and effectual and shall discharge the liability of the City and the Paying Agent/Registrar upon such Note to the extent of the sums paid.

Section 3.06. Registration, Transfer and Exchange.

(a) So long as any Notes remain outstanding, the City shall cause the Paying Agent/Registrar to keep at the Designated Payment/Transfer Office a register (the "Register") in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Notes in accordance with this Ordinance.

(b) The ownership of a Note may be transferred only upon the presentation and surrender of the Note at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar. No transfer of any Note shall be effective until entered in the Register.

(c) The Notes shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for a Note or Notes of the same maturity and interest rate and in any denomination or denominations of any integral multiple of $5,000 and in an aggregate principal amount equal to the unpaid principal amount of the Notes presented for exchange. The Paying Agent/Registrar is hereby authorized to authenticate and deliver Notes exchanged for other Notes in accordance with this Section.

(d) Each exchange Note delivered by the Paying Agent/ Registrar in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Ordinance to the same extent as the Note or Notes in lieu of which such exchange Note is delivered.

(e) No service charge shall be made to the Owner for the initial registration, subsequent transfer, or exchange for any different denomination of any of the Notes. The Paying Agent/Registrar, however, may require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer or exchange of a Note.

(f) Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer, or exchange any Note called for redemption, in whole or in part, where such redemption is scheduled to occur within forty-five (45) calendar days after the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the Owner of the uncalled principal balance of a Note.

Section 3.07. Cancellation and Authentication.

All Notes paid or redeemed before scheduled maturity in accordance with this Ordinance, and all Notes in lieu of which exchange Notes or replacement Notes are authenticated and delivered in accordance with this Ordinance, shall be cancelled upon the making of proper records regarding such payment, redemption, exchange or replacement. The Paying Agent/Registrar shall dispose of the cancelled Notes in accordance with the Securities Exchange Act of 1934.

Section 3.08. Temporary Notes.

(a) Following the delivery and registration of the Initial Note and pending the preparation of definitive Notes, the proper officers of the City may execute and, upon the City's request, the Paying Agent/Registrar shall authenticate and deliver, one or more temporary Notes that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any denomination, substantially of the tenor of the definitive Notes in lieu of which they are delivered, without coupons, and with such appropriate insertions, omissions, substitutions and other variations as the officers of the City executing such temporary Notes may determine, as evidenced by their signing of such temporary Notes.

(b) Until exchanged for Notes in definitive form, such Notes in temporary form shall be entitled to the benefit and security of this Ordinance.

(c) The City, without unreasonable delay, shall prepare, execute and deliver to the Paying Agent/Registrar the Notes in definitive form; thereupon, upon the presentation and

surrender of the Note or Notes in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall cancel the Notes in temporary form and authenticate and deliver in exchange therefor a Note or Notes of the same maturity and series, in definitive form, in the authorized denomination, and in the same aggregate principal amount, as the Note or Notes in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Owner.

Section 3.09. Replacement Notes.

(a) Upon the presentation and surrender to the Paying Agent/Registrar, at the Designated Payment/Transfer Office, of a mutilated Note, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Note of like tenor and principal amount, bearing a number not contemporaneously outstanding. The City or the Paying Agent/Registrar may require the Owner of such Note to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event that any Note is lost, apparently destroyed or wrongfully taken, the Paying Agent/Registrar, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Note has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Note of like tenor and principal amount, bearing a number not contemporaneously outstanding, provided that the Owner first:

(i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction or theft of such Note;

(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar and the City to save them harmless;

(iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar and any tax or other governmental charge that is authorized to be imposed; and

(iv) satisfies any other reasonable requirements imposed by the City and the Paying Agent/Registrar.

(c) If, after the delivery of such replacement Note, a bona fide purchaser of the original Note in lieu of which such replacement Note was issued presents for payment such original Note, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Note from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the City or the Paying Agent/Registrar in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Note has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Note, may pay such Note.

(e) Each replacement Note delivered in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Ordinance to the same extent as the Note or Notes in lieu of which such replacement Note is delivered.

Section 3.10. Book-Entry Only System.

(a) Notwithstanding any other provision hereof, upon initial issuance of the Notes, the ownership of the Notes shall be registered in the name of Cede & Co., as nominee of DTC. The definitive Notes shall be initially issued in the form of a single separate fully registered certificate for each of the maturities thereof.

(b) With respect to Notes registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Notes. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Notes, (ii) the delivery to any DTC Participant or any other person, other than a Noteholder, as shown on the Register, of any notice with respect to the Notes, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a Noteholder, as shown in the Register of any amount with respect to principal of or interest on the Notes. Notwithstanding any other provision of this Ordinance to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Note is registered in the Register as the absolute owner of such Note for the purpose of payment of principal of and interest on such Notes, for the purpose of all matters with respect to such Note, for the purpose of registering transfer with respect to such Note, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Notes only to or upon the order of the respective owners, as shown in the Register as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of and interest on the Notes to the extent of the sum or sums so paid. No person other than an owner, as shown in the Register, shall receive a certificate evidencing the obligation of the City to make payments of amounts due pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

(c) The Representations Letter previously executed and delivered by the City, and applicable to the City's obligations delivered in book-entry-only form to DTC as securities depository, is hereby ratified and approved for the Notes.

Section 3.11. Successor Securities Depository; Transfer Outside Book-Entry Only System.

In the event that the City or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the Representations Letter of the City to DTC, or in the event DTC discontinues the services described herein, the City or the Paying

Agent/Registrar shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Notes to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Notes and transfer one or more separate Notes to DTC Participants having Notes credited to their DTC accounts. In such event, the Notes shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Noteholders transferring or exchanging Notes shall designate, in accordance with the provisions of this Ordinance.

Section 3.12. Payments to Cede & Co.

Notwithstanding any other provision of this Ordinance to the contrary, so long as any Notes are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Notes, and all notices with respect to such Notes, shall be made and given, respectively, in the manner provided in the blanket letter of representation of the City to DTC.

ARTICLE IV

REDEMPTION OF NOTES BEFORE MATURITY

Section 4.01. No Optional Redemption.

The Notes shall not be subject to optional redemption before their scheduled maturity.

Section 4.02. Mandatory Sinking Fund Redemption.

(a) The Notes stated to mature on February 15, 20__ (the "Term Notes"), are subject to scheduled mandatory redemption and will be redeemed by the City, in part at a price equal to the principal amount thereof, without premium, plus accrued interest to the redemption date, out of moneys available for such purpose in the Interest and Sinking Fund, on the dates and in the respective principal amounts as set forth in the following schedule:

Term Notes Maturing February 15, 20__

Redemption Date	Principal Amount
February 15, 20__	
February 15, 20__*	

*maturity

(b) At least ten (10) days prior to each scheduled mandatory redemption date, the Paying Agent/Registrar shall select for redemption by lot, or by any other customary method that results in a random selection, a principal amount of Term Notes equal to the aggregate principal

amount of such Term Notes to be redeemed, shall call such Term Notes for redemption on such scheduled mandatory redemption date.

(c) The principal amount of the Term Notes required to be redeemed on any redemption date pursuant to subparagraph (a) of this Section 4.03 shall be reduced, at the option of the City, by the principal amount of any Term Notes which, at least 15 days prior to the mandatory sinking fund redemption date (i) shall have been acquired by the City at a price not exceeding the principal amount of such Term Notes plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

Section 4.03. Payment Upon Redemption.

(a) Before or on each redemption date, the City shall deposit with the Paying Agent/Registrar money sufficient to pay all amounts due on the redemption date and the Paying Agent/Registrar shall make provision for the payment of the Notes to be redeemed on such date by setting aside and holding in trust such amounts as are received by the Paying Agent/Registrar from the City and shall use such funds solely for the purpose of paying the principal of, redemption premium, if any, and accrued interest on the Notes being redeemed.

(b) Upon presentation and surrender of any Note called for redemption at the Designated Payment/Transfer Office of the Paying Agent/Registrar on or after the date fixed for redemption, the Paying Agent/Registrar shall pay the principal of, redemption premium, if any, and accrued interest on such Note to the date of redemption from the money set aside for such purpose.

Section 4.04. Effect of Redemption.

(a) The Notes or portions thereof called for redemption shall become due and payable on the date fixed for redemption and, unless the City defaults in its obligation to make provision for the payment of the principal thereof, redemption premium, if any, or accrued interest thereon, such Notes or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Notes are presented and surrendered for payment on such date.

(b) If the City shall fail to make provision for payment of all sums due on a redemption date, then any Note or portion thereof called for redemption shall continue to bear interest at the rate stated on the Note until due provision is made for the payment of same by the City.

ARTICLE V

PAYING AGENT/REGISTRAR

Section 5.01. Appointment of Initial Paying Agent/Registrar.

The Bank of New York Mellon Trust Company, N.A., is hereby appointed as the initial Paying Agent/Registrar for the Notes.

Section 5.02. Qualifications.

Each Paying Agent/Registrar shall be a commercial bank, a trust company organized under the laws of the State of Texas, or any other entity duly qualified and legally authorized to serve as and perform the duties and services of paying agent and registrar for the Notes.

Section 5.03. Maintaining Paying Agent/Registrar.

(a) At all times while any Notes are outstanding, the City will maintain a Paying Agent/Registrar that is qualified under Section 5.02 of this Ordinance. The Mayor is hereby authorized and directed to execute an agreement with the Paying Agent/Registrar specifying the duties and responsibilities of the City and the Paying Agent/Registrar. The signature of the Mayor shall be attested by the City Secretary.

(b) If the Paying Agent/Registrar resigns or otherwise ceases to serve as such, the City will promptly appoint a replacement.

Section 5.04. Termination.

The City, upon not less than 60 days notice, reserves the right to terminate the appointment of any Paying Agent/Registrar by delivering to the entity whose appointment is to be terminated written notice of such termination, provided, that such termination shall not be effective until a successor Paying Agent/Registrar has been appointed and has accepted the duties of Paying Agent/Registrar for the Notes.

Section 5.05. Notice of Change.

Promptly upon each change in the entity serving as Paying Agent/Registrar, the City will cause notice of the change to be sent to each Owner and any bond insurer by first class United States mail, postage prepaid, at the address in the Register, stating the effective date of the change and the name and mailing address of the replacement Paying Agent/Registrar.

Section 5.06. Agreement to Perform Duties and Functions.

By accepting the appointment as Paying Agent/Registrar, and executing the Paying Agent/Registrar Agreement, the Paying Agent/Registrar is deemed to have agreed to the provisions of this Ordinance and that it will perform the duties and functions of Paying Agent/Registrar prescribed thereby.

Section 5.07. Delivery of Records to Successor.

If a Paying Agent/Registrar is replaced, such Paying Agent, promptly upon the appointment of the successor, will deliver the Register (or a copy thereof) and all other pertinent books and records relating to the Notes to the successor Paying Agent/Registrar.

ARTICLE VI

FORM OF THE NOTES

Section 6.01. Form Generally.

(a) The Notes, including the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Certificate of the Paying Agent/Registrar, and the Assignment form to appear on each of the Notes, (i) shall be substantially in the form set forth in this Article, with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance, and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by the City or by the officers executing such Notes, as evidenced by their execution thereof.

(b) Any portion of the text of any Notes may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Notes.

(c) The Notes, including the Initial Note submitted to the Attorney General of Texas and any temporary Notes, shall be typed, printed, lithographed, photocopied or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officers executing such Notes, as evidenced by their execution thereof.

Section 6.02. Form of Notes.

The form of Notes, including the form of the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the form of Certificate of the Paying Agent/Registrar and the form of Assignment appearing on the Notes, shall be substantially as follows:

(a) [Form of Note]

REGISTERED REGISTERED

No. _____ $_____

United States of America
State of Texas

CITY OF LEWISVILLE, TEXAS
TAX NOTES
SERIES 2016

INTEREST RATE	MATURITY DATE	CLOSING DATE	CUSIP NUMBER
_____%	March 1, ____	July 6, 2016	_____ ___

#5181231.1

The City of Lewisville (the "City") in the Counties of Dallas and Denton, State of Texas, for value received, hereby promises to pay to

_____

or registered assigns, on the Maturity Date specified above, the sum of

_____ DOLLARS

unless this Note shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Closing Date specified above or the most recent interest payment date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on February 15 and August 15 of each year, commencing February 15, 2017.

The principal of this Note shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Note at the corporate trust office in Dallas, Texas (the "Designated Payment/Transfer Office"), of The Bank of New York Mellon Trust Company, N.A., as initial Paying Agent/Registrar, or, with respect to a successor Paying Agent/Registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Note is payable by check dated as of the interest payment date, mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangements acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the person to whom interest is to be paid. For the purpose of the payment of interest on this Note, the registered owner shall be the person in whose name this Note is registered at the close of business on the "Record Date," which shall be the last business day of the month next preceding such interest payment date; provided, however, that in the event of nonpayment of interest on a scheduled interest payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Owner of a Note appearing on the books of the Paying Agent/Registrar at the close of business on the last business day preceding the date of mailing such notice.

If a date for the payment of the principal of or interest on the Notes is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the City in which the Designated Payment/Transfer Office is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which such banking institutions 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.

This Note is one of a series of fully registered notes specified in the title hereof, dated as of June 1, 2016, issued in the aggregate principal amount of $_____ (herein referred to as the "Notes") pursuant to a certain ordinance of the City Council of the City (the "Ordinance") for the public purpose of providing funds for the public purpose, as described in the Ordinance, for and within the City, and to pay the costs of issuance related to the Notes.

The Notes and the interest thereon are payable from the levy of a direct and continuing ad valorem tax levied, within the limit prescribed by law, against all taxable property in the City as described and provided in the Ordinance.

The Notes are not subject to optional redemption prior to maturity.

The Notes stated to mature on February 15, 20__ (the "Term Notes"), are subject to scheduled mandatory redemption and will be redeemed by the City, in part at a price equal to the principal amount thereof, without premium, plus accrued interest to the redemption date, out of moneys available for such purpose in the Interest and Sinking Fund, on the dates and in the respective principal amounts as set forth in the following schedule:

Term Notes Maturing February 15, 20_

Redemption Date	Principal Amount
February 15, 20__	
February 15, 20__*	

*maturity

At least ten (10) days prior to each scheduled mandatory redemption date, the Paying Agent/Registrar shall select for redemption by lot, or by any other customary method that results in a random selection, a principal amount of Term Notes equal to the aggregate principal amount of such Term Notes to be redeemed, shall call such Term Notes for redemption on such scheduled mandatory redemption date.

The principal amount of the Term Notes required to be redeemed on any redemption date shall be reduced, at the option of the City, by the principal amount of any Term Notes which, at least 15 days prior to the mandatory sinking fund redemption date (i) shall have been acquired by the City at a price not exceeding the principal amount of such Term Notes plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation.

The City reserves the right to give notice of its election or direction to redeem Notes 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 City retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the City delivers a certificate of the City 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 Notes 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 City 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.

As provided in the Ordinance, and subject to certain limitations therein set forth, this Note is transferable upon surrender of this Note for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar, and, thereupon, one or more new fully registered Notes of the same stated maturity, of authorized denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer or exchange any Note called for redemption where such redemption is scheduled to occur within 45 calendar days of the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Note.

The City, the Paying Agent/Registrar, and any other person may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the person in whose name this Note is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not this Note be overdue, and neither the City nor the Paying Agent/Registrar shall be affected by notice to the contrary.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Note and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Notes have been properly done and performed and have happened in regular and due time, form and manner, as required by law; and that the total indebtedness of the City, including the Notes, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, this Note has been duly executed on behalf of the City, under its official seal, in accordance with law.

_____	_____
City Secretary City of Lewisville, Texas	Mayor City of Lewisville, Texas

(b) [Form of Certificate of Paying Agent/Registrar]

CERTIFICATE OF PAYING AGENT/REGISTRAR

This is one of the Notes referred to in the within mentioned Ordinance. The series of Notes of which this Note is a part was originally issued as one Initial Note which was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.
as Paying Agent/Registrar

By:_____
Authorized Signatory

Dated: _____

(c) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto (print or typewrite name, address and Zip Code of transferee): _____

_____

(Social Security or other identifying number: _____) the within Note and all rights hereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Note on the books kept for registration hereof, with full power of substitution in the premises.

Date: _____

Signature Guaranteed By:

_____

_____

Authorized Signatory

_____

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Note in every particular and must be guaranteed in a manner acceptable to the Paying Agent/Registrar.

(d) The following Registration Certificate of Comptroller of Public Accounts shall appear on the Initial Note:

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER	§	
OF PUBLIC ACCOUNTS	§	REGISTER NO. _____
THE STATE OF TEXAS	§	

I HEREBY CERTIFY THAT there is on file and of record in my office a certificate to the effect that the Attorney General of the State of Texas has approved this Note, and that this Note has been registered this day by me.

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____.

_____

Comptroller of Public Accounts of the
State of Texas

[SEAL]

(e) The Initial Note shall be numbered T-1 and shall be in the form set forth in paragraphs (a), (b) and (d) of this Section, except for the following alterations:

(i) immediately under the name of the Note, the words the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below" and the words "CUSIP NUMBER" deleted; and

(ii) in the first paragraph of the Note, the words "on the Maturity Date specified above" shall be deleted and the following will be inserted: "on February 15 in each of the years, in the principal installments and bearing interest at the per annum rates in accordance with the following schedule:

Years	Principal Installments	Interest Rate

(Information to be inserted from Section 3.02 of this Ordinance)

Section 6.03. CUSIP Registration.

The City may secure identification numbers through the CUSIP Services Bureau managed by S&P Capital IQ on behalf of the American Bankers Association and may authorize the printing of such numbers on the face of the Notes. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Notes shall be of no significance or effect as regards the legality thereof and neither the City nor the attorneys approving said Notes as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Notes.

Section 6.04. Legal Opinion.

The approving legal opinion of Bracewell LLP, Bond Counsel, may be printed on each Note over the certification of the City Secretary of the City, which may be executed in facsimile.

ARTICLE VII

SALE OF THE NOTES; CONTROL AND DELIVERY OF THE NOTES

Section 7.01. Sale of Notes.

(a) The Notes are hereby officially sold and awarded and shall be delivered to the Underwriters, in accordance with the terms and provisions of that certain Purchase Agreement relating to the Notes between the City and the Underwriters, and dated the date of the passage of this Ordinance. The form and content of such Purchase Agreement are hereby approved, and the Mayor is hereby authorized and directed to execute and deliver such Purchase Agreement. It is hereby officially found, determined and declared that the terms of this sale are the most advantageous reasonably obtainable. The Notes shall initially be registered in the name of Raymond James, or its designee.

(b) All officers and officials of the City are authorized to take such actions and to execute such documents, certificates and receipts, and to make such elections with respect to the tax-exempt status of the Notes, as they may deem necessary and appropriate in order to consummate the delivery of the Notes. Further, in connection with the submission of the record of proceedings for the Notes to the Attorney General of the State of Texas for examination and

approval of such Notes, the appropriate officer of the City is hereby authorized and directed to issue a check of the City payable to the Attorney General of the State of Texas as a nonrefundable examination fee in the amount required by Chapter 1202, Texas Government Code (such amount to be the lesser of (i) 1/10th of 1% of the principal amount of the Notes or (ii) $9,500).

(c) The obligation of the Underwriters identified in subsection (a) of this Section to accept delivery of the Notes is subject to the Underwriters being furnished with the final, approving opinion of Bracewell LLP, Bond Counsel for the City, which opinion shall be dated as of and delivered on the Closing Date.

Section 7.02. Control and Delivery of Notes.

(a) The Mayor is hereby authorized to have control of the Initial Note 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 of Texas, and registration with, and initial exchange or transfer by, the Paying Agent/Registrar.

(b) After registration by the Comptroller of Public Accounts, delivery of the Notes shall be made to the Underwriters under and subject to the general supervision and direction of the Mayor, against receipt by the City of all amounts due to the City under the terms of sale.

(c) In the event the Mayor or City Secretary is absent or otherwise unable to execute any document or take any action authorized herein, the Mayor Pro Tem and the 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 and the City Secretary shall for the purposes of this Ordinance have the same force and effect as if such duties were performed by the Mayor and City Secretary, respectively.

ARTICLE VIII

CREATION OF FUNDS AND ACCOUNTS; DEPOSIT OF PROCEEDS; INVESTMENTS

Section 8.01. Creation of Funds.

(a) The City hereby establishes the following special funds or accounts:

(i) The City of Lewisville, Texas, Tax Notes, Series 2016, Interest and Sinking Fund; and

(ii) The City of Lewisville, Texas, Tax Notes, Series 2016, Project Fund.

(b) Each of said funds or accounts shall be maintained at an official depository of the City.

Section 8.02. Interest and Sinking Fund.

(a) The taxes levied under Section 2.01 shall be deposited to the credit of the Interest and Sinking Fund at such times and in such amounts as necessary for the timely payment of the principal of and interest on the Notes.

(b) If the amount of money in the Interest and Sinking Fund is at least equal to the aggregate principal amount of the outstanding Notes plus the aggregate amount of interest due and that will become due and payable on such Notes, no further deposits to that fund need be made.

(c) Money on deposit in the Interest and Sinking Fund shall be used to pay the principal of and interest on the Notes as such become due and payable.

Section 8.03. Project Fund.

(a) Money on deposit in the Project Fund, including investment earnings thereof, shall be used for the purposes specified in Section 3.01 of this Ordinance.

(b) All amounts remaining in the Project Fund after the accomplishment of the purposes for which the Notes are hereby issued, including investment earnings of the Project Fund, shall be deposited into the Interest and Sinking Fund.

Section 8.04. Security of Funds.

All moneys on deposit in the funds referred to in this Ordinance shall be secured in the manner and to the fullest extent required by the laws of the State of Texas for the security of public funds, and moneys on deposit in such funds shall be used only for the purposes permitted by this Ordinance.

Section 8.05. Deposit of Proceeds.

(a) The amount of $_____, which includes premium in the amount of $_____ received on the Notes, shall be deposited to the Project Fund, such moneys to be dedicated and used for the purposes specified in Section 3.01.

(b) The remaining balance of Note proceeds shall be used to pay the costs of issuance of the Notes. All amounts remaining after payment of costs of issuance shall be deposited into the Interest and Sinking Fund.

Section 8.06. Investments.

(a) Money in the Interest and Sinking Fund and the Project Fund, at the option of the City, may be invested in such securities or obligations as permitted under applicable law.

(b) Any securities or obligations in which money is so invested shall be kept and held in trust for the benefit of the Owners and shall be sold and the proceeds of sale shall be timely applied to the making of all payments required to be made from the fund from which the investment was made.

Section 8.07. Investment Income.

Interest and income derived from investment of any fund created by this Ordinance shall be credited to such fund.

ARTICLE IX

PARTICULAR REPRESENTATIONS AND COVENANTS

Section 9.01. Payment of the Notes.

While any of the Notes are outstanding and unpaid, there shall be made available to the Paying Agent/Registrar, out of the Interest and Sinking Fund, money sufficient to pay the interest on and the principal of the Notes, as applicable, as will accrue or mature on each applicable Interest Payment Date.

Section 9.02. Other Representations and Covenants.

(a) The City will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Ordinance and in each Note; the City will promptly pay or cause to be paid the principal of and interest on each Note on the dates and at the places and manner prescribed in such Note; and the City will, at the times and in the manner prescribed by this Ordinance, deposit or cause to be deposited the amounts of money specified by this Ordinance.

(b) The City is duly authorized under the laws of the State of Texas to issue the Notes; all action on its part for the creation and issuance of the Notes has been duly and effectively taken; and the Notes in the hands of the Owners thereof are and will be valid and enforceable obligations of the City in accordance with their terms.

Section 9.03. Provisions Concerning Federal Income Tax Exclusion.

The City intends that the interest on the Notes shall be excludable from gross income for purposes of federal income taxation pursuant to sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable regulations promulgated thereunder the ("Regulations"). The City covenants and agrees not to take any action, or knowingly omit to take any action within its control, that if taken or omitted, respectively, would cause the interest on the Notes to be includable in the gross income, as defined in section 61 of the Code, of the holders thereof for purposes of federal income taxation. In particular, the City covenants and agrees to comply with each requirement of Sections 9.03 through 9.11 of this Article IX; provided, however, that the City shall not be required to comply with any particular requirement of Sections 9.03 through 9.11 of this Article IX if the City has received an opinion of nationally recognized bond counsel ("Counsel's Opinion") that such noncompliance will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Notes or if the City has received a Counsel's Opinion to the effect that compliance with some other requirement set forth in Sections 9.03 through 9.11 of this Article IX will satisfy the applicable requirements of the Code, in which case compliance with such other requirement specified in such Counsel's Opinion shall constitute compliance with the corresponding requirement specified in Sections 9.03 through 9.11 of this Article IX.

Section 9.04. No Private Use or Payment and No Private Loan Financing.

The City shall certify, through an authorized officer, employee or agent, that, based upon all facts and estimates known or reasonably expected to be in existence on the date the Notes are delivered, the proceeds of the Notes will not be used in a manner that would cause the Notes to be "private activity notes" within the meaning of section 141 of the Code and the Regulations. The City covenants and agrees that it will make such use of the proceeds of the Notes, including interest or other investment income derived from Note proceeds, regulate the use of property financed, directly or indirectly, with such proceeds, and take such other and further action as may be required so that the Notes will not be "private activity notes" within the meaning of section 141 of the Code and the Regulations.

Section 9.05. No Federal Guaranty.

The City covenants and agrees not to take any action, or knowingly omit to take any action within its control, that, if taken or omitted, respectively, would cause the Notes to be "federally guaranteed" within the meaning of section 149(b) of the Code and the Regulations, except as permitted by section 149(b)(3) of the Code and the Regulations.

Section 9.06. Notes are not Hedge Notes.

The City covenants and agrees not to take any action, or knowingly omit to take any action, and has not knowingly omitted and will not knowingly omit to take any action, within its control, that, if taken or omitted, respectively, would cause the Notes to be "hedge notes" within the meaning of section 149(g) of the Code and the Regulations.

Section 9.07. No-Arbitrage Covenant.

The City shall certify, through an authorized officer, employee or agent, that, based upon all facts and estimates known or reasonably expected to be in existence on the date the Notes are delivered, the City will reasonably expect that the proceeds of the Notes will not be used in a manner that would cause the Notes to be "arbitrage notes" within the meaning of section 148(a) of the Code and the Regulations. Moreover, the City covenants and agrees that it will make such use of the proceeds of the Notes including interest or other investment income derived from Note proceeds, regulate investments of proceeds of the Notes and take such other and further action as may be required so that the Notes will not be "arbitrage notes" within the meaning of section 148(a) of the Code and the Regulations.

Section 9.08. Arbitrage Rebate.

If the City does not qualify for an exception to the requirements of Section 148(f) of the Code, the City will take all necessary steps to comply with the requirement that certain amounts earned by the City on the investment of the "gross proceeds" of the Notes (within the meaning of section 148(f)(6)(B) of the Code), be rebated to the federal government. Specifically, the City will (i) maintain records regarding the investment of the gross proceeds of the Notes as may be required to calculate the amount earned on the investment of the gross proceeds of the Notes separately from records of amounts on deposit in the funds and accounts of the City allocable to other note issues of the City or moneys which do not represent gross proceeds of any notes of the City, (ii)

calculate at such times as are required by the Regulations, the amount earned from the investment of the gross proceeds of the Notes which is required to be rebated to the federal government, and (iii) pay, not less often than every fifth anniversary date of the delivery of the Notes or on such other dates as may be permitted under the Regulations, all amounts required to be rebated to the federal government. Further, the City will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Notes that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or a larger loss than would have resulted if the arrangement had been at arm's length and had the yield on the issue not been relevant to either party.

Section 9.09. Information Reporting.

The City covenants and agrees to file or cause to be filed with the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Notes are issued, an information statement concerning the Notes, all under and in accordance with section 149(e) of the Code and the Regulations.

Section 9.10. Continuing Obligation.

Notwithstanding any other provision of this Ordinance, the City's obligations under the covenants and provisions of Sections 9.03 through 9.09 and Section 9.11 of this Article IX shall survive the defeasance and discharge of the Notes.

ARTICLE X

DEFAULT AND REMEDIES

Section 10.01. Events of Default.

Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an "Event of Default," to-wit:

(i) the failure to make payment of the principal of, redemption premium, if any, or interest on any of the Notes when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the City, the failure to perform which materially, adversely affects the rights of the Owners, including but not limited to, their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of 60 days after notice of such default is given by any Owner to the City.

Section 10.02. Remedies for Default.

(a) Upon the happening of any Event of Default, then and in every case any Owner or an authorized representative thereof, including but not limited to, a trustee or trustees therefor, may proceed against the City for the purpose of protecting and enforcing the rights of the Owners under

this Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Owners hereunder or any combination of such remedies.

(b) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Owners of Notes then outstanding.

Section 10.03. Remedies Not Exclusive.

(a) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Notes or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Notes shall not be available as a remedy under this Ordinance.

(b) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

ARTICLE XI

DISCHARGE

Section 11.01. Discharge.

The City reserves the right to defease, discharge or refund the Notes in any manner permitted by applicable law.

ARTICLE XII

CONTINUING DISCLOSURE UNDERTAKING

Section 12.01. Annual Reports.

(a) The City shall provide annually to the MSRB, (1) within six months after the end of each fiscal year of the City, financial information and operating data with respect to the City of the general type included in the final Official Statement, being information described in Tables 1-6 and 8-15, including financial statements of the City if audited financial statements of the City are then available, and (2) if not provided as part such financial information and operating data, audited financial statements of the City, when and if available. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles prescribed by the Generally Accepted Accounting Principles or such other accounting principles as the City may be required to employ, from time to time, by State law or regulation, and (ii) audited, if the City 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 12 months after any such fiscal year end, then the City shall file unaudited financial statements within such

12-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available.

(b) If the City changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

(c) The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific referenced to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB or filed with the SEC.

Section 12.02. Disclosure Event Notices.

(a) The City shall notify the MSRB, in a timely manner not in excess of ten (10) Business Days after the occurrence of the event, of any of the following events with respect to the Notes:

(i) Principal and interest payment delinquencies;

(ii) Non-payment related defaults, if material;

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties;

(v) Substitution of credit or liquidity providers, or their failure to perform;

(vi) Adverse tax opinions, 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 status of the Notes, or other material events affecting the tax status of the Notes;

(vii) Modifications to rights of holders of the Notes, if material;

(viii) Note calls, if material, and tender offers;

(ix) Defeasances;

(x) Release, substitution, or sale of property securing repayment of the Notes, if material;

(xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership or similar event of the City;[1]

[1] For the purposes of the event identified in (xii), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for an obligated person in a proceeding

(xiii) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, 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, if material; and

(xiv) Appointment of a successor Paying Agent/Registrar or change in the name of the Paying Agent/Registrar, if material.

(b) The City shall provide to the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner, notice of a failure by the City to provide required annual financial information and notices of material events in accordance with Sections 12.1 and 12.2. All documents provided to the MSRB pursuant to this section shall be accompanied by identifying information as prescribed by the MSRB.

Section 12.03. Limitations, Disclaimers and Amendments.

(a) The City shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, the City remains an "obligated person" with respect to the Notes within the meaning of the Rule, except that the City in any event will give notice of any redemption calls and any defeasances that cause the City to be no longer an "obligated person."

(b) The provisions of this Article are for the sole benefit of the Owners and beneficial owners of the Notes, and nothing in this Article, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Article and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Article or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Notes at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY CERTIFICATE OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS ARTICLE, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF

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under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(c) No default by the City in observing or performing its obligations under this Article shall constitute a breach of or default under the Ordinance for purposes of any other provisions of this Ordinance.

(d) Nothing in this Article is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

(e) The provisions of this Article may be amended by the City 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 City, but only if (1) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell Notes in the primary offering of the Notes 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 (ii) either (A) the Owners of a majority in aggregate principal amount (or any greater amount required by any other provisions of this Ordinance that authorizes such an amendment) of the Outstanding Notes consent to such amendment or (B) an entity or individual person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Owners and beneficial owners of the Notes. If the City so amends the provisions of this Article, it shall include with any amended financial information or operating data next provided in accordance with Section 12.1 an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in type of financial information or operating data so provided.

ARTICLE XIII

AMENDMENTS

Section 13.01. Amendments.

This Ordinance shall constitute a contract with the Owners, be binding on the City, and shall not be amended or repealed by the City so long as any Note remains outstanding except as permitted in this Section. The City may, without consent of or notice to any Owners, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Owners, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the written consent of the Owners of the Notes holding a majority in aggregate principal amount of the Notes then outstanding, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all Owners of outstanding Notes, no such amendment, addition, or rescission shall (i) extend the time or times of payment of the principal of and interest on the Notes, reduce the principal amount thereof, the redemption price, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of or interest on the Notes, (ii) give any preference to any Note over any other Note, or (iii) reduce the aggregate principal amount of Notes required to be held by Owners for consent to any such amendment, addition, or rescission.

ARTICLE XIV

MISCELLANEOUS

Section 14.01. Changes to Ordinance.

The Mayor and Director of Finance, in consultation with Bond Counsel, is hereby authorized to make changes to the terms of this Ordinance if necessary or desirable to carry out the purposes hereof or in connection with the approval of the issuance of the Notes by the Attorney General of Texas.

Section 14.02. Partial Invalidity.

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 the Ordinance.

Section 14.03. No Personal Liability.

No recourse shall be had for payment of the principal of or interest on any Notes or for any claim based thereon, or on this Ordinance, against any official or employee of the City or any person executing any Notes.

ARTICLE XV

EFFECTIVE IMMEDIATELY

Section 15.01. Effectiveness.

This Ordinance shall become effective immediately upon its adoption at this meeting pursuant to Section 1201.028, Texas Government Code.

PASSED AND ADOPTED this 6th day of June, 2016.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. These securities may not be sold nor may offers to buy be accepted prior to the time the Preliminary Official Statement is delivered in final form. Under no circumstances shall the Preliminary Official Statement 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 such jurisdiction.

FSCContinuingDisclosureServices
A Division of Hilltop Securities.
(See "Continuing Disclosure of Information" herein)

PRELIMINARY OFFICIAL STATEMENT

Dated _____, 2016

Ratings:
S&P: "AAA"
Fitch: "AAA"
See "OTHER INFORMATION – Ratings"

NEW ISSUE - Book-Entry-Only

In the opinion of Bond Counsel, under existing law, interest on the Bonds is excludable from gross income for federal income tax purposes and the Bonds are not "private activity bonds." See "TAX MATTERS" herein for a discussion of the opinion of Bond Counsel, including a description of alternative minimum tax consequences for corporations.

THE BONDS **WILL NOT** BE DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS

$15,670,000*
CITY OF LEWISVILLE, TEXAS
(Denton and Dallas Counties)
GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2016

Dated Date: June 1, 2016 **Due: February 15, as shown on page 2**
Interest to accrue from Date of Delivery

PAYMENT TERMS . . . Interest on the $15,670,000* City of Lewisville, Texas, General Obligation Refunding and Improvement Bonds, Series 2016 (the "Bonds") will accrue from the date of delivery to the Underwriters thereof (the "Date of Delivery"), will be payable February 15 and August 15 of each year, commencing February 15, 2017 until maturity or prior redemption and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of $5,000 or integral multiples thereof within a maturity. **No physical delivery of the Bonds will be made to the beneficial owners thereof.** Principal of and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "THE OBLIGATIONS - Book-Entry-Only System". The initial Paying Agent/Registrar is The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (see "THE OBLIGATIONS - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE . . . The Bonds are issued pursuant to the Constitution and general laws of the State of Texas (the "State"), including particularly Chapters 1207 and 1331, Texas Government Code, as amended, and an election held on November 3, 2015, and are direct obligations of the City of Lewisville, Texas (the "City"), payable from a direct and continuing annual ad valorem tax levied, within the limits prescribed by law, on all taxable property within the City, as provided in the ordinance authorizing the issuance of the Bonds (the "Bond Ordinance") (see "THE OBLIGATIONS - Authority for Issuance" and "THE OBLIGATIONS – Security and Source of Payment").

PURPOSE . . . Proceeds from the sale of the Bonds will be used to provide funds (i) to design, develop, construct, improve, extend, and expand streets, thoroughfares, sidewalks, bridges, and other public ways of the City, including streetlighting, right-of-way protection, and related storm drainage improvements; and including acquiring, constructing, and installing related public art, (ii) to acquire, develop, construct, equip, renovate and improve parks, trails, park and recreation facilities and open spaces for park and recreation purposes, in and for the City, and including acquiring, constructing, and installing related public art, (iii) to acquire, develop, construct, and equip an indoor aquatic center, including pool facilities and water recreation facilities, (iv) to refund a portion of the City's outstanding debt (the "Refunded Obligations") (see "PLAN OF FINANCING - Refunded Obligations" and "SCHEDULE I – SCHEDULE OF REFUNDED OBLIGATIONS") for debt service savings, and (v) to pay the costs associated with the issuance of the Bonds.

CUSIP PREFIX: 528810

MATURITY SCHEDULE & 9 DIGIT CUSIP
See Schedule on Page 2

SEPARATE ISSUES . . . The Bonds are being offered by the City concurrently with the "City of Lewisville, Texas, Tax Notes, Series 2016" (the "Notes"), under a common Official Statement, and the Bonds and the Notes are hereinafter sometimes referred to as the "Obligations". The Bonds and the Notes are separate and distinct securities offerings being issued and sold independently except for the common Official Statement, and while the Obligations share certain common attributes, each issue is separate from the other and should be reviewed and analyzed independently, including the type of obligation being offered, its terms for payment, the security for its payment, the rights of the holders, the tax status of its interest and other features.

LEGALITY . . . The Bonds are offered for delivery when, as and if issued and received by the Underwriters and subject to the approving opinion of the Attorney General of Texas and the opinion of Bracewell LLP, Bond Counsel, Dallas, Texas (see Appendix C, "Forms of Bond Counsel's Opinions"). Certain legal matters will be passed upon for by the Underwriters by McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Counsel for the Underwriters.

DELIVERY . . . It is expected that the Bonds will be available for delivery through DTC on July 6, 2016.

RAYMOND JAMES **STEPHENS INC.**

* Preliminary, subject to change.

CUSIP Prefix: 528810 [1]

MATURITY SCHEDULE*

15-Feb Maturity	Principal Amount	Interest Rate	Initial Yield	CUSIP Suffix[1]
2017	$ 1,670,000			
2018	3,165,000			
2019	1,935,000			
2020	1,960,000			
2021	1,540,000			
2022	1,600,000			
2023	940,000			
2024	975,000			
2025	200,000			
2026	210,000			
2027	220,000			
2028	230,000			
2029	240,000			
2030	250,000			
2031	260,000			
2032	275,000			

(Interest to accrue from the Date of Delivery)

(1) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Capital IQ on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. Neither the City, the Financial Advisor nor the Underwriters shall be responsible for the selection or correctness of the CUSIP numbers set forth herein.

OPTIONAL REDEMPTION . . . The City reserves the right, at its option, to redeem Bonds having stated maturities on and after February 15, 2026, in whole or in part in principal amounts of $5,000 or any integral multiple thereof, on February 15, 2025, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "THE OBLIGATIONS – Optional Redemption").

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. These securities may not be sold nor may offers to buy be accepted prior to the time the Preliminary Official Statement is delivered in final form. Under no circumstances shall the Preliminary Official Statement 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 such jurisdiction.

FSCContinuingDisclosureServices
A Division of Hilltop Securities.
(See "Continuing Disclosure of Information" herein)

PRELIMINARY OFFICIAL STATEMENT

Dated _____, 2016

Ratings:
S&P: "AAA
Fitch: "AAA"
See "OTHER INFORMATION – Ratings"

NEW ISSUE - Book-Entry-Only

In the opinion of Bond Counsel, under existing law, interest on the Notes is excludable from gross income for federal income tax purposes and the Notes are not "private activity bonds." See "TAX MATTERS" herein for a discussion of the opinion of Bond Counsel, including a description of alternative minimum tax consequences for corporations.

THE NOTES **WILL NOT** BE DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS

$8,875,000*
CITY OF LEWISVILLE, TEXAS
(Denton and Dallas Counties)
TAX NOTES, SERIES 2016

Dated Date: June 1, 2016 **Due: February 15, as shown on page 4**
Interest to accrue from Date of Delivery

PAYMENT TERMS . . . Interest on the $8,875,000* City of Lewisville, Texas, Tax Notes, Series 2016 (the "Notes") will accrue from the date of delivery to the Underwriters thereof (the "Date of Delivery"), will be payable February 15 and August 15 of each year, commencing February 15, 2017 until maturity and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Notes will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Notes may be acquired in denominations of $5,000 or integral multiples thereof within a maturity. **No physical delivery of the Notes will be made to the beneficial owners thereof.** Principal of and interest on the Notes will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Notes. See "THE OBLIGATIONS - Book-Entry-Only System". The initial Paying Agent/Registrar is The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (see "THE OBLIGATIONS - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE . . . The Notes are issued pursuant to the Constitution and general laws of the State of Texas (the "State"), including particularly Chapter 1431, Texas Government Code, as amended, and are direct obligations of the City of Lewisville, Texas (the "City"), payable from a direct and continuing annual ad valorem tax levied, within the limits prescribed by law, on all taxable property within the City, as provided in the ordinance authorizing the issuance of the Notes (the "Note Ordinance") (see "THE OBLIGATIONS - Authority for Issuance" and "THE OBLIGATIONS – Security and Source of Payment").

PURPOSE . . . Proceeds from the sale of the Notes will be used to provide funds to (i) purchase materials, supplies, equipment and machinery for various City departments including police and emergency services; (ii) construct park and recreation facilities and improvements including the acquisition of land, and (iii) pay the costs associated with the issuance of the Notes.

CUSIP PREFIX: 528810

MATURITY SCHEDULE & 9 DIGIT CUSIP
See Schedule on Page 4

SEPARATE ISSUES . . . The Notes are being offered by the City concurrently with the "City of Lewisville, Texas, General Obligation Refunding and Improvement Bonds, Series 2016" (the "Bonds"), under a common Official Statement, and the Bonds and the Notes are hereinafter sometimes referred to as the "Obligations". The Bonds and the Notes are separate and distinct securities offerings being issued and sold independently except for the common Official Statement, and while the Obligations share certain common attributes, each issue is separate from the other and should be reviewed and analyzed independently, including the type of obligation being offered, its terms for payment, the security for its payment, the rights of the holders, the tax status of its interest and other features.

LEGALITY . . . The Notes are offered for delivery when, as and if issued and received by the Underwriters and subject to the approving opinion of the Attorney General of Texas and the opinion of Bracewell LLP, Bond Counsel, Dallas, Texas (see Appendix C, "Forms of Bond Counsel's Opinions"). Certain legal matters will be passed upon for by the Underwriters by McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Counsel for the Underwriters.

DELIVERY . . . It is expected that the Notes will be available for delivery through DTC on July 6, 2016.

RAYMOND JAMES **STEPHENS INC.**

* Preliminary, subject to change.

CUSIP Prefix: 528810 [1]

MATURITY SCHEDULE*

15-Feb Maturity	Principal Amount	Interest Rate	Initial Yield	CUSIP Suffix[1]
2017	$ 2,100,000			
2018	1,990,000			
2019	1,695,000			
2020	1,620,000			
2021	1,005,000			
2022	225,000			
2023	240,000			

(Interest to accrue from the Date of Delivery)

(1) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Capital IQ on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. Neither the City, the Financial Advisor nor the Underwriters shall be responsible for the selection or correctness of the CUSIP numbers set forth herein.

NO OPTIONAL REDEMPTION . . . The Notes are not subject to redemption prior to maturity.

* Preliminary, subject to change.

This Official Statement, which includes the cover page and the Schedule and Appendices hereto, does not constitute an offer to sell or the solicitation of an offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation, or sale.

No dealer, broker, salesperson, or other person has been authorized to give information or to make any representation other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon.

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission (the "Rule"), this document constitutes an Official Statement of the City with respect to the Obligations that has been "deemed final" by the City as of its date except for the omission of no more than the information permitted by the Rule.

The information set forth herein has been obtained from the City and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the representation, promise, or guarantee of the Financial Advisor or the Underwriters. Any information and expressions of opinion herein contained are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or other matters described herein since the date hereof. See "CONTINUING DISCLOSURE OF INFORMATION" for a description of the City's undertaking to provide certain information on a continuing basis.

Neither the City, its Financial Advisor nor the Underwriters make any representation as to the accuracy, completeness, or adequacy of the information supplied by The Depository Trust Company for use in this Official Statement.

THIS OFFICIAL STATEMENT 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 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.

IN CONNECTION WITH THE OFFERING OF THE OBLIGATIONS THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE OBLIGATIONS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED MAY BE DISCONTINUED AT ANY TIME.

THE OBLIGATIONS ARE EXEMPT FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION AND CONSEQUENTLY HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE OBLIGATIONS IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTION IN WHICH THE OBLIGATIONS HAVE BEEN REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

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The cover page hereof, this page, the schedule and the appendices included herein and any addenda, supplement, or amendment hereto, are part of the Official Statement.

OFFICIAL STATEMENT SUMMARY

This summary is subject in all respects to the more complete information and definitions contained or incorporated in this Official Statement. The offering of the Obligations to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this summary from this Official Statement or to otherwise use it without the entire Official Statement.

THE CITY ..... The City of Lewisville, Texas (the "City"), is a political subdivision and municipal corporation of the State of Texas (the "State"), located in Denton and Dallas Counties, Texas. The City encompasses approximately 43 square miles (see "INTRODUCTION - Description of the City").

THE BONDS ..... The $15,670,000* General Obligation Refunding and Improvement Bonds, Series 2016 are scheduled to mature on February 15 in the years 2017 through 2032 (see "THE OBLIGATIONS - Description of the Obligations").

THE NOTES ..... The $8,875,000* Tax Notes, Series 2016 are scheduled to mature on February 15 in the years 2017 through 2023 (see "THE OBLIGATIONS – Description of the Obligations").

PAYMENT OF INTEREST ..... Interest on the Obligations accrues from the date of delivery to the Underwriters thereof (the "Date of Delivery"), and is payable February 15, 2017, and each August 15 and February 15 thereafter until maturity or, with respect to the Bonds, prior redemption (see "THE OBLIGATIONS - Description of the Obligations").

AUTHORITY FOR ISSUANCE..... The Bonds are issued pursuant to the Constitution and general laws of the State, including particularly Chapters 1207 and 1331, Texas Government Code, as amended, an election held on November 3, 2015 and an ordinance to be adopted by the City Council of the City (see "THE OBLIGATIONS - Authority for Issuance").

The Notes are issued pursuant to the Constitution and general laws of the State, including particularly Chapter 1431, Texas Government Code, as amended and an ordinance (the "Note Ordinance") authorizing the issuance of the Notes to be adopted by the City Council of the City (see "THE OBLGATIONS – Authority for Issuance").

SECURITY FOR THE OBLIGATIONS. The Obligations constitute direct obligations of the City, payable from a direct and continuing annual ad valorem tax levied, within the limits prescribed by law, on all taxable property located within the City (see "THE OBLIGATIONS - Security and Source of Payment").

OPTIONAL REDEMPTION ..... The City reserves the right, at its option, to redeem Bonds having stated maturities on and after February 15, 2026, in whole or in part in principal amounts of $5,000 or any integral multiple thereof, on February 15, 2025, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "THE OBLIGATIONS – Optional Redemption").

The Notes are not subject to redemption prior to maturity.

TAX EXEMPTION ..... In the opinion of Bond Counsel, under existing law, the interest on the Obligations is excludable from gross income for federal income tax purposes and the Obligations are not "private activity obligations." See "TAX MATTERS" for a discussion of the opinion of Bond Counsel, including a description of the alternative minimum tax consequences for corporations.

USE OF PROCEEDS..... Proceeds from the sale of the Bonds will be used to provide funds (i) to design, develop, construct, improve, extend, and expand streets, thoroughfares, sidewalks, bridges, and other public ways of the City, including streetlighting, right-of-way protection, and related storm drainage improvements; and including acquiring, constructing, and installing related public art, (ii) to acquire, develop, construct, equip, renovate and improve parks, trails, park and recreation facilities and open spaces for park and recreation purposes, in and for the City, and including acquiring, constructing, and installing related public art, (iii) to acquire, develop, construct, and equip an indoor aquatic center, including pool facilities and water recreation facilities, (iv) to refund a portion of the City's outstanding debt (the "Refunded Obligations") (see "PLAN OF FINANCING - Refunded Obligations" and "SCHEDULE I – SCHEDULE OF REFUNDED OBLIGATIONS") for debt service savings, and (v)to pay the costs associated with the issuance of the Bonds.

* Preliminary, subject to change.

Proceeds from the sale of the Notes will be used to provide funds (i) to design, develop, construct, improve and equip public safety facilities and improvements, including the acquisition of land therefor, (ii) to acquire, install and implement public safety equipment, including a digital communication system, and (iii) to pay the costs associated with the issuance of the Notes.

RATINGS ..... The Obligations and the presently outstanding tax-supported debt of the City are rated "AAA" by Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P") and "AAA" by Fitch Ratings ("Fitch"), in each case without regard to credit enhancement (see "OTHER INFORMATION - Ratings").

BOOK-ENTRY-ONLY SYSTEM..... The definitive Obligations will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Obligations may be acquired in denominations of $5,000 or integral multiples thereof within a maturity. No physical delivery of the Obligations will be made to the beneficial owners thereof. Principal of and interest on the Obligations will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Obligations (see "THE OBLIGATIONS - Book-Entry-Only System").

PAYMENT RECORD ..... The City has never defaulted on the payment of its tax-supported indebtedness.

SELECTED FINANCIAL INFORMATION

Fiscal Year Ended 9/30	Estimated City Population[1]	Assessed Valuation [2]	Per Capita Assessed Valuation	Net General Obligation (G.O.) Tax Debt[3]	Per Capita Net G. O. Tax Debt	Ratio of Net Tax Debt to Assessed Valuation	% Total Levy Collections
2012	96,000	$ 6,271,233,185	$ 65,325	$ 56,020,000	$ 584	0.89%	100.52%
2013	97,860	6,470,920,617	66,124	50,610,000	517	0.78%	100.03%
2014	98,330	6,874,511,196	69,913	57,665,000	586	0.84%	100.13%
2015	99,480	7,383,392,483	74,220	52,075,000	523	0.71%	100.04%
2016	100,670	7,957,760,161	79,048	57,785,000 [4]	574 [4]	0.73% [4]	98.88% [5]

(1) Source: City Officials.
(2) As reported by the Denton Central Appraisal District and Dallas Central Appraisal District on the City's annual Certified State Property Tax Board Reports; subject to change during the ensuing year.
(3) Does not include self-supporting debt. See Table 1 and Table 10 for additional information on self-supporting debt.
(4) Projected, excludes the Refunded Obligations; includes the Obligations. Preliminary, subject to change.
(5) Collections as of March 31, 2016.

GENERAL FUND CONSOLIDATED STATEMENT SUMMARY

	Fiscal Year Ending September 30,				
	2015	2014	2013	2012	2011
Beginning Balance	$ 31,643,561	$ 31,491,278	$ 31,072,847	$ 29,320,039	$ 26,768,340
Total Revenue	71,969,563	67,718,489	64,159,894	59,949,773	57,727,048
Total Expenditures	64,391,906	65,259,892	60,397,895	58,414,080	56,838,552
Net Transfers	(1,979,265)	(2,306,314)	(3,343,568)	217,115	1,663,203
Ending Balance	$ 37,241,953	$ 31,643,561	$ 31,491,278	$ 31,072,847	$ 29,320,039

For additional information regarding the City, please contact:

Brenda Martin Director of Finance City of Lewisville 151 W. Church Street Lewisville, Texas 75057 (972) 219-3775	or	W. Boyd London, Jr. Jason L. Hughes FirstSouthwest, a Division of Hilltop Securities Inc. 1201 Elm Street, Suite 3500 Dallas, Texas 75270 (214) 953-4000

CITY OFFICIALS, STAFF AND CONSULTANTS

ELECTED OFFICIALS

City Council	Length of Service	Term Expires	Occupation
Rudy Durham Mayor	22 Years	May, 2018	Chief Appraiser Denton Central Appraisal District
T.J. Gilmore Mayor Pro Tem	5 Years	May, 2017	Public Sector Sales Manager Waste Management
Leroy Vaughn Deputy Mayor Pro Tem	5 Years	May, 2017	Owner Voninamillion Home Solutions
R. Neil Ferguson Councilmember	4 Years	May, 2018	Technology Consultant
Brandon Jones Councilmember	Newly Elected	May, 2019	Senior Financial Auditor Dallas ISD
Brent Daniels Councilmember	1 Year	May, 2019	Owner Bahama Buck's

SELECTED ADMINISTRATIVE STAFF

Name	Position	Length of Service
Donna Barron	City Manager	26 Years
Melinda Galler	Assistant City Manager	28 Years
Eric Ferris	Assistant City Manager	30 Years
Claire Swann	Assistant City Manager	-* Years
Brenda Martin	Director of Finance	11 Years
Julie Heinze	City Secretary	17 Years
Lizbeth Plaster	City Attorney	11 Years
Nika Reinecke	Economic Development Director	9 Years

* Claire Swann started January 1, 2016 as Assistant City Manager of Development Services.

CONSULTANTS, ADVISORS AND INDEPENDENT AUDITORS

Auditors ..... Weaver and Tidwell, LLP
Dallas, Texas

Bond Counsel ..... Bracewell LLP
Dallas, Texas

Financial Advisor ..... FirstSouthwest, a Division of Hilltop Securities Inc.
Dallas, Texas

PRELIMINARY OFFICIAL STATEMENT

RELATING TO

$15,670,000*
CITY OF LEWISVILLE, TEXAS
GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2016

And

$8,875,000*
CITY OF LEWISVILLE, TEXAS
TAX NOTES, SERIES 2016

INTRODUCTION

This Official Statement, which includes the Schedule and Appendices hereto, provides certain information regarding the issuance of $15,670,000* City of Lewisville, Texas, General Obligation Refunding and Improvement Bonds, Series 2016 (the "Bonds") and $8,875,000* City of Lewisville, Texas, Tax Notes, Series 2016 (the "Notes" and together with the Bonds, the "Obligations"). Except as otherwise indicated herein, capitalized terms used in this Official Statement have the same meanings assigned to such terms in the respective ordinances to be adopted on the date of the sale of the Obligations which will authorize the issuance of the Obligations (respectively, the "Bond Ordinance" and the "Note Ordinance" and collectively, the "Ordinances").

There follows in this Official Statement descriptions of the Bonds and certain information regarding the City and its finances. 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 the City's Financial Advisor, FirstSouthwest, a Division of Hilltop Securities Inc., Dallas, Texas ("FirstSouthwest").

All financial and other information presented in this Official Statement has been provided by the City from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historic information and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or be repeated in the future (see "OTHER INFORMATION – Forward-Looking Statements Disclaimer").

DESCRIPTION OF THE CITY . . . The City is a political subdivision and municipal corporation of the State of Texas (the "State"), duly organized and existing under the laws of the State and the City's Home Rule Charter. The City was incorporated in 1925, and first adopted its Home Rule Charter in 1963; its Home Rule Charter was last amended in 2004. The City operates under a Council/Manager form of government with a City Council comprised of the Mayor and five Councilmembers elected for three-year terms. The City Manager is the chief administrative officer for the City. Some of the services that the City provides are: public safety (police and fire protection), highways and streets, water and sanitary sewer utilities, health and social services, culture-recreation, public improvements, planning and zoning, tourism and general administrative services. The 2010 Census population for the City was 95,290; the estimated 2016 population is 100,670. The City encompasses approximately 43 square miles.

PLAN OF FINANCING

PURPOSE . . . Proceeds from the sale of the Bonds will be used to provide funds (i) to design, develop, construct, improve, extend, and expand streets, thoroughfares, sidewalks, bridges, and other public ways of the City, including streetlighting, right-of-way protection, and related storm drainage improvements; and including acquiring, constructing, and installing related public art, (ii) to acquire, develop, construct, equip, renovate and improve parks, trails, park and recreation facilities and open spaces for park and recreation purposes, in and for the City, and including acquiring, constructing, and installing related public art, (iii) to acquire, develop, construct, and equip an indoor aquatic center, including pool facilities and water recreation facilities, (iv) to refund a portion of the City's outstanding debt (the "Refunded Obligations") (see "PLAN OF FINANCING - Refunded Obligations" and "SCHEDULE I – SCHEDULE OF REFUNDED OBLIGATIONS") for debt service savings, and (v)to pay the costs associated with the issuance of the Bonds.

Proceeds from the sale of the Notes will be used to provide funds (i) to to design, develop, construct, improve and equip public safety facilities and improvements, including the acquisition of land therefor, (ii) to acquire, install and implement public safety equipment, including a digital communication system, and (iii) to pay the costs associated with the issuance of the Notes.

* Preliminary, subject to change.

REFUNDED OBLIGATIONS . . . The principal and interest due on the Refunded Obligations are to be paid on the scheduled interest payments dates and the redemption dates of such Refunded Obligations, from funds to be deposited pursuant to a certain escrow agreement (the "Escrow Agreement") between the City and The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the "Escrow Agent"). The Ordinance provides that from the proceeds of the sale of the Bonds received from the Underwriters and other funds of the City, if any, the City will deposit with the Escrow Agent an amount which, together with the Federal Securities (defined below) purchased with a portion of the Bond proceeds and the interest to be earned on such Federal Securities, will be sufficient to accomplish the discharge and final payment of the Refunded Obligations on their redemption dates. Such funds will be held by the Escrow Agent in a special escrow account (the "Escrow Fund") and used to purchase obligations authorized by Chapter 1207, Texas Government Code (the "Federal Securities"). Under the Escrow Agreement, the Escrow Fund is irrevocably pledged to the payment of the principal of and interest on the Refunded Obligations.

Grant Thornton LLP, a nationally recognized accounting firm, will verify at the time of delivery of the Bonds to the Underwriters the mathematical accuracy of the schedules that demonstrate the Federal Securities will mature and pay interest in such amounts which, together with uninvested funds, if any, in the Escrow Fund, will be sufficient to pay, when due, the principal of and interest on the Refunded Obligations. **Such maturing principal of and interest on the Federal Securities will not be available to pay the Bonds** (see "OTHER INFORMATION - Verification of Arithmetical and Mathematical Computations").

By the deposit of the Federal Securities and cash, if necessary, with the Escrow Agent pursuant to the Escrow Agreement, the City will have effected the defeasance of all of the Refunded Obligations in accordance with the law. It is the opinion of Bond Counsel that as a result of such defeasance and in reliance upon the report of Grant Thornton LLP, the Refunded Obligations will be outstanding only for the purpose of receiving payments from the Federal Securities and any cash held for such purpose by the Escrow Agent and such Refunded Obligations will not be deemed as being outstanding obligations of the City payable from taxes or other revenues nor for the purpose of applying any limitation on the issuance of debt, and the City will have no further responsibility with respect to amounts available in the Escrow Fund for the payment of the Refunded Obligations from time to time, including any insufficiency therein caused by the failure to receive payment when due on the Federal Securities.

SOURCES AND USES OF OBLIGATION PROCEEDS . . . Proceeds from the sale of the Obligations, together with available City funds, if any, are expected to be expended as follows:

	The Bonds	The Notes
Principal Amount	$ -	$ -
Reoffering Premium		
Transfers from Prior Issue Debt Service Funds		
TOTAL SOURCES	$ -	$ -
Deposit to Escrow Fund	$ -	$ -
Deposit to Project Construction Fund		
Deposit to the Debt Service Fund		
Underwriters' Discount		
Costs of Issuance		
TOTAL USES	$ -	$ -

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)

THE OBLIGATIONS

DESCRIPTION OF THE OBLIGATIONS . . . The Obligations are dated June 1, 2016 (the "Dated Date"), and mature on February 15 in each of the years and in the amounts shown on pages 2 and 4 hereof. Interest on the Obligations will accrue from the date of delivery of the Obligations to the Underwriters thereof (the "Date of Delivery"), will be calculated on the basis of a 360-day year of twelve 30-day months, and will be payable on February 15 and August 15 of each year, commencing February 15, 2017, until maturity or, with respect to the Bonds, prior redemption. The definitive Obligations will be issued only in fully registered form in any integral multiple of $5,000 for any one maturity and will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. **No physical delivery of the Obligations will be made to the beneficial owners thereof.** Principal of and interest on the Obligations will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Obligations. See "THE OBLIGATIONS - Book-Entry-Only System" herein.

AUTHORITY FOR ISSUANCE . . . The Bonds are being issued pursuant to the Constitution and general laws of the State, particularly Chapters 1207 and 1331, Texas Government Code, as amended, an election held on November 3, 2015 and the Bond Ordinance.

The Notes are being issued pursuant to the Constitution and general laws of the State, particularly Chapter 1431, Texas Government Code, as amended and the Note Ordinance.

SECURITY AND SOURCE OF PAYMENT . . . The Obligations constitute direct obligations of the City and the principal thereof and interest thereon are payable from a direct and continuing annual ad valorem tax levied by the City, within the limits prescribed by law, upon all taxable property in the City, as provided in the respective Ordinances.

TAX RATE LIMITATION . . . All taxable property within the City is subject to the assessment, levy and collection by the City of a direct and continuing annual ad valorem tax to provide for the operations of the City, including the payment of principal of and interest on all ad valorem tax debt, within the limits prescribed by law. Article XI, Section 5, of the Texas Constitution is applicable to the City, and limits its maximum ad valorem tax rate to $2.50 per $100 Taxable Assessed Valuation for all City purposes. The Home Rule Charter of the City adopts the constitutionally authorized maximum tax rate of $2.50 per $100 Taxable Assessed Valuation. Administratively, the Attorney General of the State of Texas will permit allocation of $1.50 of the $2.50 maximum tax rate for all tax-supported debt service, as calculated at the time of issuance and based on a 90% collection rate.

OPTIONAL REDEMPTION . . . The City reserves the right, at its option, to redeem Bonds having stated maturities on and after February 15, 2026, in whole or in part in principal amounts of $5,000 or any integral multiple thereof, on February 15, 2025, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption.

The Note are not subject to redemption prior to maturity.

NOTICE OF REDEMPTION . . . Not less than 30 days prior to a redemption date for the Bonds, the City shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to the registered owners of the Bonds to be redeemed, in whole or in part, at the address of the registered owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice. In the Bond Ordinance, the City reserves the right to give notice of its election or direction to redeem Bonds pursuant to an optional redemption 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 City retains the right to rescind such notice at any time prior to the scheduled redemption date if the City delivers a certificate of the City 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 where redemption has been rescinded shall remain Outstanding, and the rescission shall not constitute an Event of Default. Further, in the case of a conditional redemption, the failure of the City 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.

ANY NOTICE SO MAILED SHALL BE CONCLUSIVELY PRESUMED TO HAVE BEEN DULY GIVEN, WHETHER OR NOT THE REGISTERED OWNER RECEIVES SUCH NOTICE. SUBJECT TO THE RIGHT OF THE CITY TO GIVE A CONDITIONAL NOTICE OF REDEMPTION AS DESCRIBED IN THE IMMEDIATELY PRECEDING PARAGRAPH, NOTICE HAVING BEEN SO GIVEN, THE BONDS CALLED FOR REDEMPTION SHALL BECOME DUE AND PAYABLE ON THE SPECIFIED REDEMPTION DATE, AND NOTWITHSTANDING THAT ANY BOND OR PORTION THEREOF HAS NOT BEEN SURRENDERED FOR PAYMENT, INTEREST ON SUCH BOND OR PORTION THEREOF SHALL CEASE TO ACCRUE.

BOOK-ENTRY-ONLY SYSTEM . . . *This section describes how ownership of the Obligations is to be transferred and how the principal of and interest on the Obligations are to be paid to and credited by The Depository Trust Company ("DTC"), New York, New York, while the Obligations 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 City and the Underwriters believe the source of such information to be reliable, but take no responsibility for the accuracy or completeness thereof.*

The City and the Underwriters cannot and do not give any assurance that (1) DTC will distribute payments of debt service on the Obligations, 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 Obligations), 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.

DTC will act as securities depository for the Obligations. The Obligations 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 Obligation certificate will be issued for each maturity of the Obligations, each in the aggregate principal amount of such maturity, 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 corporations, 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 corporations 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 Obligations under the DTC system must be made by or through Direct Participants, which will receive a credit for the Obligations on DTC's records. The ownership interest of each actual purchaser of each Obligation ("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 Obligations 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 Obligations, except in the event that use of the book-entry system for the Obligations is discontinued.

To facilitate subsequent transfers, all Obligations 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 Obligations 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 Obligations; DTC's records reflect only the identity of the Direct Participants to whose accounts such Obligations 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 Obligations may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Obligations, such as redemptions, tenders, defaults, and proposed amendments to the Obligation documents. For example, Beneficial Owners of Obligations may wish to ascertain that the nominee holding the Obligations 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 a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Obligations unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Obligations are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payment of principal and interest payments on the Obligations 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 City or the Paying Agent/Registrar, on the 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 nor its nominee, the Paying Agent/Registrar, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the 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 Obligations at any time by giving reasonable notice to the City or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, Obligation certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Obligation certificates will be printed and delivered.

Use of Certain Terms in Other Sections of this Official Statement. In reading this Official Statement, it should be understood that while the Obligations are in the Book-Entry-Only System references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Obligations, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Ordinance will be given only to DTC.

Information concerning DTC and the Book-Entry-Only System has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the City or the Underwriters.

Effect of Termination of Book-Entry-Only System. In the event the Book-Entry-Only System with respect to the Obligations is discontinued by DTC, or the use of the Book-Entry-Only System with respect to the Obligations is discontinued by the City, printed certificates will be issued to the registered owners of the Obligations, as the case may be, and the respective Obligations will be subject to transfer, exchange, and registration provisions as set forth in the Ordinances, summarized under "Transfer, Exchange, and Registration" below.

PAYING AGENT/REGISTRAR . . . The initial Paying Agent/Registrar is The Bank of New York Mellon Trust Company, N.A., Dallas, Texas. In the Ordinances, the City retains the right to replace the Paying Agent/Registrar. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Obligations are duly paid, and any successor Paying Agent/Registrar shall be a commercial bank or trust company organized under the laws of the State or other entity duly qualified and legally authorized to serve as and perform the duties and services of Paying Agent/Registrar for the Obligations. Upon any change in the Paying Agent/Registrar for the Obligations, the City agrees to promptly cause a written notice thereof to be sent to each registered owner of the Obligations by United States mail, first class, postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

PAYMENT . . . Interest on the Obligations shall be paid to the registered owners appearing on the registration books of the Paying Agent/Registrar at the close of business on the Record Date (defined below), and such interest shall be paid (i) by check sent United States Mail, first class postage prepaid to the address of the registered owner recorded in the registration books of the Paying Agent/Registrar or (ii) by such other method, acceptable to the Paying Agent/Registrar requested by, and at the risk and expense of, the registered owner. Principal of the Obligations will be paid to the registered owner at their stated maturity or, with respect to the Bonds, upon prior redemption, upon presentation to the designated payment/transfer office of the Paying Agent/Registrar; provided, however, that so long as Cede & Co. (or other DTC nominee) is the registered owner of the Obligations, all payments will be made as described under "THE OBLIGATIONS - Book-Entry-Only System" herein. If the date for the payment of the principal of or interest on the Obligations shall be a Saturday, Sunday, a legal holiday or a day when banking institutions in the city where the designated payment/transfer office of the Paying Agent/Registrar is located are authorized to close, then the date for such payment shall be the next succeeding day which is not such a day, and payment on such date shall have the same force and effect as if made on the date payment was due.

TRANSFER, EXCHANGE AND REGISTRATION . . . In the event the Book-Entry-Only System should be discontinued, printed certificates will be delivered to the registered owners and thereafter the Obligations may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender to the Paying Agent/Registrar and such transfer or exchange shall be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration, exchange and transfer. Obligations may be assigned by the execution of an assignment form on the respective Obligations or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. New Obligations will be delivered by the Paying Agent/Registrar, in lieu of the Obligations being transferred or exchanged, at the designated office of the Paying Agent/Registrar, or sent by United States mail, first class, postage prepaid, to the new registered owner or his designee. New Obligations registered and delivered in an exchange or transfer shall be in any integral multiple of $5,000 for any one maturity and for a like aggregate principal amount as the Obligations surrendered for exchange or transfer. See "THE OBLIGATIONS - Book-Entry-Only System" herein for a description of the system to be utilized initially in regard to ownership and transferability of the Obligations.

RECORD DATE FOR INTEREST PAYMENT . . . The record date ("Record Date") for the interest payable on the Obligations on any interest payment date means the close of business on the last business day of the preceding month.

In the event of a nonpayment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest ("Special Payment Date", which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each registered owner of an Obligation appearing on the registration books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

DEFEASANCE . . . The Ordinances provide that the City may discharge its obligations to the registered owners of any or all of the Bonds or Notes, as applicable, to pay principal and interest thereon in any manner permitted by law. Under current Texas law, such discharge may be accomplished either (i) by depositing with the Paying Agent/Registrar or any other lawfully authorized entity a sum of money equal to the principal of and all interest to accrue on such Bonds or Notes to maturity or, with respect to the Bonds, prior redemption or (ii) by depositing with the Paying Agent/Registrar or other lawfully authorized entity amounts sufficient, together with the investments earnings thereon, to provide for the payment and/or redemption of such Bonds; provided, that under current law, such deposits may be invested and reinvested only in (a) direct non-callable 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 City adopts or approves the proceedings authorizing the issuance of refunding obligations, 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 City adopts or approves the proceedings authorizing the issuance of refunding obligations to refund the Bonds or Notes, as applicable, 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 or Notes. If any of Bonds are to be redeemed prior to their respective dates of maturity, provision must have been made for the payment to the registered owners of such Bonds of the full amount to which such owner would be entitled and for giving notice of redemption as provided in the Bond Ordinance.

Under current State law, upon such deposit as described above, the Obligations shall no longer be regarded to be outstanding for any purpose other than the payment thereof. After firm banking and financial arrangements for the discharge and final payment or redemption of the Obligations have been made as described above, all rights of the City to initiate proceedings to call the Bonds for redemption or take any other action amending the terms of the Obligations are extinguished; provided, however, that the right to call the Bonds for redemption is not extinguished if the City: (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 Obligations. Because the Ordinances do not contractually limit such investments, registered owners 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 State law.

OBLIGATIONHOLDERS' REMEDIES . . . The Ordinances establish as "events of default" (i) the failure to make payment of principal of or interest on any of the Obligations when due and payable; or (ii) default in the performance of observance of any other covenant, agreement or obligation of the City, which default materially and adversely affects the rights of the related Owners, including but not limited to their prospect or ability to be repaid in accordance with the Ordinances, and the continuation thereof for a period of sixty days after notice of such default is given by any Owner to the City. **Under State law, there is no right to the acceleration of maturity of the Obligations upon the failure of the City to observe any covenant under the Ordinances.** Although a registered owner could presumably obtain a judgment against the City if a default occurred in any payment of the principal of or interest on any such Obligations, such judgment could not be satisfied by execution against any property of the City. Such registered owner's only practical remedy, if a default occurs, is a mandamus or mandatory injunction proceeding to compel the City, to assess and collect an annual ad valorem tax sufficient to pay principal of and interest on the Obligations as they become due. The enforcement of any such remedy may be difficult and time consuming and a registered owner could be required to enforce such remedy on a periodic basis. Moreover, there is no assurance that the remedy of mandamus will be available, as discussed in the next following paragraph.

On June 30, 2006, the Texas Supreme Court ruled in Tooke v. City of Mexia, 197 S.W.3rd 325 (Tex. 2006) ("Tooke") that a waiver of sovereign immunity must be provided for by statute in "clear and unambiguous" language. In so ruling, the Court declared that statutory language such as "sue and be sued", in and of itself, did not constitute a clear and unambiguous waiver of sovereign immunity. In Tooke, the Court noted the enactment in 2005 of sections 271.151-.160, Texas Local Government Code (the "Local Government Immunity Waiver Act"), which, according to the Court, waives "immunity from suit for contract claims against most local governmental entities in certain circumstances." The Local Government Immunity Waiver Act covers municipalities and relates to contracts entered into by municipalities for providing goods or services to municipalities. The City is not aware of any Texas court construing the Local Government Immunity Waiver Act in the context of whether contractual undertakings of local governments that relate to their borrowing powers are contracts covered by the Act. Neither the remedy of mandamus nor any other type of injunctive relief was at issue in Tooke, and it is unclear whether Tooke will be construed to have any effect with respect to the exercise of mandamus, as such remedy has been interpreted by Texas courts. In general, Texas courts have held that a writ of mandamus may be issued to require public officials to perform ministerial acts that clearly pertain to their duties. Texas courts have held that a ministerial act is defined as a legal duty that is prescribed and defined with a precision and certainty that leaves nothing to the exercise of discretion or judgment, though mandamus is not available to enforce purely contractual duties. However, mandamus may be used to require a public officer to perform legally-imposed ministerial duties necessary for the performance of a valid contract to which the State or a political subdivision of the State is a party (including the payment of monies due under a contract). Chapter 1371, Texas Government Code ("Chapter 1371"), which pertains to the issuance of public securities by issuers such as the City, permits the City to waive sovereign immunity in the proceedings authorizing its bonds, but in connection with the issuance of the Obligations, the City is not using the authority provided by Chapter 1371 and has not waived sovereign immunity in the proceedings authorizing the Obligations.

The Ordinances do not provide for the appointment of a trustee to represent the interest of the holders of the Obligations upon any failure of the City to perform in accordance with the terms of the Ordinances, or upon any other condition. Furthermore, the City is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code ("Chapter 9"). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, the pledge of taxes in support of a general obligation of a bankrupt entity is not specifically recognized as a security interest under Chapter 9. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or Obligationholders of an entity which has sought protection under Chapter 9. Therefore, should the City avail itself of Chapter 9 protection from creditors, the ability to enforce would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinion of Bond Counsel will note that the rights of holders of the Obligations are subject to the applicable provisions of the federal bankruptcy laws and any other similar laws affecting the rights of creditors of political subdivisions generally, and may be limited by general principles of equity which permit the exercise of judicial discretion.

AMENDMENTS TO ORDINANCE . . . The City may, without the consent of or notice to the Owners, from time to time and at any time amend the Ordinances in any manner not detrimental to the interests of the Owners, for the purpose of curing of any ambiguity, inconsistency, manifest error, or formal defect or omission in the Ordinances. In addition, the City may, with the written consent of the Owners of a majority in aggregate principal amount of the Obligations then outstanding, amend, add to or rescind any of the provisions of the Ordinances; provided, that, without the consent of the Owners of all Obligations then outstanding, no such amendment, addition, or rescission shall: (i) extend the time or times of payment of the principal of and interest on the Obligations, (ii) reduce the principal amount thereof, the redemption price, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of and interest on the Obligations; (iii) give any preference to any Obligations over any other Obligation, or (iv) reduce the aggregate principal amount of Obligations required to be held by Owners for consent to any such amendment, addition or rescission.

TAX INFORMATION

AD VALOREM TAX LAW . . . The appraisal of property within the City is the responsibility of the Denton Central Appraisal District and Dallas Central Appraisal District (collectively, the "Appraisal Districts"). Excluding agricultural and open-space land, which may be taxed on the basis of productive capacity, the Appraisal Districts are required under the Property Tax Code to appraise all property within the Appraisal Districts on the basis of 100% of its market value and is prohibited from applying any assessment ratios. In determining market value of property, different methods of appraisal may be used, including the cost method of appraisal, the income method of appraisal and the market data comparison method of appraisal, and the method considered most appropriate by the chief appraiser is to be used. 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 market value of the property in the most recent tax year, or (2) 110% of the appraised value of the residence homestead for the preceding tax year plus the market value of all new improvements to the property. The value placed upon property within the Appraisal Districts is subject to review by an Appraisal Review Board, consisting of members appointed by the Board of Directors of the respective Appraisal District. The Appraisal Districts are required to review the value of property within the Appraisal Districts at least every three years. The City may require annual review at its own expense, and is entitled to challenge the determination of appraised value of property within the City by petition filed with the Appraisal Review Board.

Reference is made to the V.T.C.A., Property Tax Code, for identification of property subject to taxation; property exempt or which may be exempted from taxation, if claimed; the appraisal of property for ad valorem taxation purposes; and the procedures and limitations applicable to the levy and collection of ad valorem taxes.

Article VIII of the State Constitution ("Article VIII") and State law provide for certain exemptions from property taxes, the valuation of agricultural and open-space lands at productivity value, and the exemption of certain personal property from ad valorem taxation.

Under Article VIII, Section 1-b, and State law, the governing body of a political subdivision, at its option, may grant an exemption of not less than $3,000 of the market value of the residence homestead of persons 65 years of age or older and the disabled from all ad valorem taxes thereafter levied by the political subdivision. Once authorized, such exemption may be repealed or decreased or increased in amount (i) by the governing body of the political subdivision or (ii) by a favorable vote of a majority of the qualified voters at an election called by the governing body of the political subdivision, which election must be called upon receipt of a petition signed by at least 20% of the number of qualified voters who voted in the preceding election of the political subdivision. In the case of a decrease, the amount of the exemption may not be reduced to less than $3,000 of the market value.

The surviving spouse of an individual who qualifies for the foregoing exemption for the residence homestead of a person 65 or older (but not the disabled) is entitled to an exemption for the same property in an amount equal to that of the exemption for which the deceased spouse qualified if (i) the deceased spouse died in a year in which the deceased spouse qualified for the exemption, (ii) the surviving spouse was at least 55 years of age at the time of the death of the individual's spouse and (iii) the property was the residence homestead of the surviving spouse when the deceased spouse died and remains the residence homestead of the surviving spouse.

In addition to any other exemptions provided by the Property Tax Code, the governing body of a political subdivision, at its option, may grant an exemption of up to 20% of the market value of residence homesteads, with a minimum exemption of $5,000. Senate Joint Resolution 1 ("SJRl "), passed during the 84th Texas Legislature, authorized a constitutional amendment to allow the Legislature to prohibit a municipality that adopts an optional homestead exemption from reducing or repealing the amount of the exemption. SJRl was approved by the voters in the November 2015 Constitutional election, and Senate Bill 1, also passed during the 84th Texas Legislature, prohibits municipalities from reducing or repealing the amount of their optional homestead exemption that was in place for the 2014 tax year for a period running through December 31, 2019.

In the case of residence homestead exemptions granted under Section 1-b, Article VIII, ad valorem taxes may continue to be levied against the value of homesteads exempted where ad valorem taxes have previously been pledged for the payment of debt if cessation of the levy would impair the obligation of the contract by which the debt was created.

Article VIII provides that eligible owners of both agricultural land (Section 1-d) and open-space land (Section 1-d-1), including open-space land devoted to farm or ranch purposes or open-space land devoted to timber production, may elect to have such property appraised for property taxation on the basis of its productive capacity. The same land may not be qualified under both Section 1-d and 1-d-1.

Nonbusiness personal property, such as automobiles or light trucks, are exempt from ad valorem taxation unless the governing body of a political subdivision elects to tax this property. Boats owned as nonbusiness property are exempt from ad valorem taxation.

State law and Section 2, Article VIII, mandate an additional property tax exemption for disabled veterans or the surviving spouse or children of a deceased veteran who died while on active duty in the armed forces; the exemption applies to either real or personal property with the amount of assessed valuation exempted ranging from $5,000 to a maximum of $12,000 depending upon the degree of disability or whether the exemption is applicable to a surviving spouse or children. Notwithstanding the foregoing, a disabled veteran who receives from the United States Department of Veterans Affairs or its successor 100% disability compensation due to a service-connected disability and a rating of 100% disabled or of individual unemployability is entitled to an exemption from taxation of the total appraised value of the veteran's residence homestead. Additionally, effective January 1, 2012, 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.

Following the approval by the voters at a November 5, 2013 statewide election, a partially disabled veteran or the surviving spouse of a partially disabled veteran is entitled to an exemption equal to the percentage of the veteran's disability, if the residence was donated at no cost to the veteran by a charitable organization.

Also approved by the November 5, 2013 election, was a constitutional amendment providing that the surviving spouse of a member of the armed forces who is killed in action is entitled to a property tax exemption for all or part of the market value of such surviving spouse's residences homestead, if the surviving spouse has not remarried since the service member's death and said property was the service member's residence homestead at the time of death. Such exemption is transferable to a different property of the surviving spouse, if the surviving spouse has not remarried, in an amount equal to the exemption received on the prior residence in the last year in which such exemption was received. House Joint Resolution 75 ("HJR75"), passed during the 84th Texas legislature, proposed a constitutional amendment that allows the Legislature to provide for an exemption from ad valorem taxation of all or part of the market value of the residence homestead of the surviving spouse of a 100 percent or totally disabled veteran and who would have had qualified for the full exemption before the law authorizing a residence homestead exemption took effect. The proposition authorized by HJR75 was approved by voters in the November 2015 constitutional election. As such, the surviving spouse of a totally disabled veteran who died on or before January 1, 2010 and who would have qualified for the full exemption on the homestead's entire value if it had been available at that time, will be entitled to an exemption from ad valorem taxation of all or part of the market value of the residence homestead if the spouse has not remarried.

Article VIII, Section 1-j, provides for "freeport property" to be exempted from ad valorem taxation. Freeport property is defined as goods detained in Texas for 175 days or less for the purpose of assembly, storage, manufacturing, processing or fabrication. Decisions to continue to tax may be reversed in the future; decisions to exempt freeport property are not subject to reversal.

Article VIII, Section 1-n of the Texas Constitution provides for the exemption from taxation of "goods in transit." Under Section 11.253 of the Texas Tax Code, "Goods-in-Transit" are exempt from taxation unless a taxing unit opts out of the exemption. Goods-in-Transit are defined as tangible personal property that: (i) is acquired in or imported into the state to be forwarded to another location in the state or outside the state; (ii) is detained at a location in the state in which the owner of the property does not have a direct or indirect ownership interest for assembling, storing, manufacturing, processing, or fabricating purposes by the person who acquired or imported the property; (iii) is transported to another location in the state or outside the state not later than 175 days after the date the person acquired the property in or imported the property into the state; and (iv) does not include oil, natural gas, petroleum products, aircraft, dealer's motor vehicle inventory, dealer's vessel and outboard motor inventory, dealer's heavy equipment inventory, or retail manufactured housing inventory. A taxpayer may receive only one of the freeport exemptions or the goods-in-transit exemptions for items of personal property.

The City and the other taxing bodies within its territory may agree to jointly create tax increment financing zones, under which the tax values on property in the zone are "frozen" at the value of the property at the time of creation of the zone (see "Tax Increment Financing Zone" below). Other overlapping taxing units may agree to contribute all or part of future ad valorem taxes levied and collected against the value of property in the zone in excess of the "frozen value" to pay or finance the costs of certain public improvements in the zone. Taxes levied by the City against the values of real property in the zone in excess of the "frozen value" are not available for general city use but are restricted to paying or financing "project costs" within the zone. The City also may enter into tax abatement agreements to encourage economic development. Under the agreements, a property owner agrees to construct certain improvements on its property. The City in turn agrees not to levy a tax on all or part of the increased value attributable to the improvements until the expiration of the agreement. The abatement agreement could last for a period of up to 10 years. (See "Tax Abatement Policy" below).

Cities are also authorized, pursuant to Chapter 380, Texas Local Government Code ("Chapter 380") to establish programs to promote state or local economic development and to stimulate business and commercial activity in the City. In accordance with a program established pursuant to Chapter 380, the City may make loans or grants of public funds for economic development purposes, however, no obligations secured by ad valorem taxes may be issued for such purposes unless approved by voters of the City.

Under Article VIII, Section 1-b(h) and State law, the governing body of a county, municipality, or junior college district may provide that the total amount of ad valorem taxes levied on the residence homestead of a disabled person or persons 65 years of age or older will not be increased above the amount of taxes imposed in the year such residence qualified for such limitation. Also, upon receipt of a petition signed by 5% of the registered voters of the county, municipality or junior college district, an election held to determine by majority vote whether to establish such a limitation on taxes paid on residence homestead of persons 65 years of age or older or of persons who are disabled. The above-referenced tax limitation is transferable to (1) a different residence homestead within the city and (2) to a surviving spouse so long as the property was the residence homestead of the surviving spouse when the deceased spouse died and remains the residence homestead of the surviving spouse and the spouse was at least 55 years of age at the time of the death of the individual's spouse. If improvements (other than repairs or improvements required to comply with governmental requirements) are made to the property, the value of the improvements is taxed at the then current tax rate, and the total amount of taxes imposed is increased to reflect the new improvements with the new amount of taxes then serving as the ceiling on taxes for the following years. Once established, the tax limitation may not be repealed or rescinded.

EFFECTIVE TAX RATE AND ROLLBACK TAX RATE . . . By each September 1 or as soon thereafter as practicable, the City Council adopts a tax rate per $100 taxable value for the current year. The City Council will be required to adopt the annual tax rate for the City before the later of September 30 or the 60th day after the date the certified appraisal roll is received by the City. If the City Council does not adopt a tax rate by such required date the tax rate for that tax year is the lower of the effective tax rate calculated for that tax year or the tax rate adopted by the City for the preceding tax year. The tax rate consists of two components: (1) a rate for funding of maintenance and operation expenditures, and (2) a rate for debt service.

Under the Property Tax Code, the City must annually calculate and publicize its "effective tax rate" and "rollback tax rate". A tax rate cannot be adopted by the City Council that exceeds the lower of the rollback tax rate or the effective tax rate until two public hearings have been held on the proposed tax rate following notice of such public hearings (including the requirement that notice be posted on the City's website if the City owns, operates or controls an internet website and public notice be given by television if the City has free access to a television channel) and the City Council has otherwise complied with the legal requirements for the adoption of such tax rate. If the adopted tax rate exceeds the rollback tax rate the qualified voters of the City by petition may require that an election be held to determine whether or not to reduce the tax rate adopted for the current year to the rollback tax rate.

"Effective tax rate" means the rate that will produce last year's total tax levy (adjusted) from this year's total taxable values (adjusted). "Adjusted" means lost values are not included in the calculation of last year's taxes and new values are not included in this year's taxable values.

"Rollback tax rate" means the rate that will produce last year's maintenance and operation tax levy (adjusted) from this year's values (adjusted) multiplied by 1.08 plus a rate that will produce this year's debt service from this year's values (unadjusted) divided by the anticipated tax collection rate.

The Property Tax Code provides that certain cities and counties in the State may submit a proposition to the voters to authorize an additional one-half cent sales tax on retail sales of taxable items. If the additional tax is levied, the effective tax rate and the rollback tax rate calculations are required to be offset by the revenue that will be generated by the sales tax in the current year.

Reference is made to the Property Tax Code for definitive requirements for the levy and collection of ad valorem taxes and the calculation of the various defined tax rates.

PROPERTY ASSESSMENT AND TAX PAYMENT . . . Property within the City is generally assessed as of January 1 of each year. Business inventory may, at the option of the taxpayer, be assessed as of September 1. Oil and gas reserves are assessed on the basis of a valuation process which uses an average of the daily price of oil and gas for the prior year. Taxes become due October 1 of the same year, and become delinquent on February 1 of the following year. Taxpayers 65 years old or older are permitted by State law to pay taxes on homesteads in four installments with the first due on February 1 of each year and the final installment due on August 1.

PENALTIES AND INTEREST . . . Charges for penalty and interest on the unpaid balance of delinquent taxes are made as follows:

Month	Cumulative Penalty	Cumulative Interest	Total
February	6%	1%	7%
March	7	2	9
April	8	3	11
May	9	4	13
June	10	5	15
July	12	6	18

After July, penalty remains at 12%, and interest increases at the rate of 1% each month. In addition, if an account is delinquent in July, a 15% attorney's collection fee is added to the total tax penalty and interest charge. Under certain circumstances, taxes which become delinquent on the homestead of a taxpayer 65 years old or older incur a penalty of 8% per annum with no additional penalties or interest assessed. In general, property subject to the City's lien may be sold, in whole or in parcels, pursuant to court order to collect the amounts due. Federal law does not allow for the collection of penalty and interest against an estate in bankruptcy. Federal bankruptcy law provides that an automatic stay of action by creditors and other entities, including governmental units, goes into effect with the filing of any petition in bankruptcy. The automatic stay prevents governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In many cases post-petition taxes are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

CITY APPLICATION OF TAX CODE. . . The City grants an exemption to the market value of the residence homestead of persons 65 years of age or older of $60,000; the disabled are also granted an exemption of $20,000.

The City has not granted an additional exemption of 20% of the market value of residence homesteads.

See Table 1 for a listing of the amounts of the exemptions described above.

Ad valorem taxes are not levied by the City against the exempt value of residence homesteads for the payment of debt.

The City does not tax nonbusiness personal property; and Denton County (the "County") collects taxes for the City.

The City does not permit split payments, and discounts are not allowed.

The City does not tax freeport property.

The City does not collect the additional one-half cent sales tax for reduction of ad valorem taxes.

The City has adopted a tax abatement policy.

The City has approved a freeze on the taxes of residence homesteads of persons 65 years of age and older or who are disabled. The freeze was effective beginning with the 2006 tax year.

TAX ABATEMENT POLICY. . . The City has established a tax abatement program to encourage economic development. In order to be considered for tax abatement, a project must meet qualified minimums pertaining to job creation and property value enhancement. The City grants abatements on a case by case basis. Since 1997, the City has approved 38 abatement agreements of which 8 are currently active.

TAX INCREMENT REINVESTMENT ZONES. . . In December 2001, the City Council established the Lewisville Tax Increment Reinvestment Zone Number One (the "TIRZ #1"). The TIRZ #1 is approximately 215 acres and is generally bounded by Interstate 35E on the west, Railroad Street on the east, College Street on the north and Purnell Street on the south.

The TIRZ #1 was originally established with a duration of 20 years. The City and the County both participate in the Tax Increment Fund created for the financing of the TIRZ #1. In 2007, the TIRZ #1 project and financing plans were revised to allow the TIRZ to remain in existence as long as outstanding debt remains and to allow the financing of public facilities. The City participates at 100% for the life of the TIRZ #1 and the County participates at 80% for 2016-2020 and 75% for 2021 through the expiration of the debt.

The amount of a taxing unit's "tax increment" for a year is the amount of property taxes levied by the taxing unit for that year on the captured appraised value of real property taxable by the taxing unit and located in the tax increment financing district, multiplied by the taxing unit's percentage level of participation. The captured appraised value is the total appraised value of the property for a year, less the tax increment base value of the taxing unit. The tax increment base value for a taxing unit is the total appraised value of all real property taxable by the taxing unit and located in the tax increment financing district as of January 1 of the year in which the City created the tax increment financing district. The Old Town Tax Increment Reinvestment Zone #1 has experienced an incremental increase in taxable value of $113,037,293 since inception. During the existence of a tax increment reinvestment zone, taxes levied by the City against the captured appraised value are restricted to paying project and financing costs within the zone and are not available for the payment of other obligations of the City, including the Obligations.

Projects in TIRZ #1 to date include parking improvements, wayfinding, infrastructure needs studies, sidewalk enhancements, beautification projects, the Medical Center of Lewisville Grand Theater (MCL Grand Theater), and the Wayne Ferguson Plaza. New mixed use projects, including residential units and restaurants, are underway. Three restaurants are expected to open in the fall of 2016 and the historic Lewisville Feed Mill is being converted into a restaurant with over $2 million in renovations and improvements. Uptown Village Townhome community has completed 40 units and is in the process of proceeding with phase 3 of the development for a total of 73 units including a pool and clubhouse in this phase.

In October 2008, the City Council established the Lewisville Tax Increment Reinvestment Zone Number Two (the "TIRZ #2"). The TIRZ #2 is approximately 427 acres and is located at the intersection of I-35E and SH 121 adjacent to the Denton County Transportation Authority rail stop.

TIRZ #2 has been established for a duration of 30 years. The City and the County both participate in the Tax Increment Fund created for the financing of the TIRZ #2. The City and the County each participate at 80% for the life of the TIRZ #2.

TIRZ #2 started with a base value of $9,097,649 and has added $67,268,115 in incremental value. During the existence of a tax increment reinvestment zone, taxes levied by the City against the captured appraised value are restricted to paying project and financing costs within the zone and are not available for the payment of other obligations of the City, including the obligations.

Projects in TIRZ #2 consist of urban residential, retail, recreation, and entertainment uses. The Denton County Transit Authority (DCTA) A-Train Station was completed in June 2011. Currently, the first three phases of the residential development have been completed and consist of 922 multi-family units within 4-story structures. The total number of residential units projected for this development at completion is 1,875. The City completed the building of a bridge over Timber Creek to connect the project to the I-35E frontage road. The Zone will expire in 2038 or at such time that subsequent debt issuance payments and obligations are paid in full.

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TABLE 1 - VALUATION, EXEMPTIONS AND GENERAL OBLIGATION DEBT

2015/16 Market Valuation Established by the Appraisal Districts (excluding totally exempt property)		$9,307,489,785
Less Exemptions/Reductions at 100% Market Value:		
Over 65 / Disabled Persons	$ 190,097,057	
Disabled Veterans	11,382,871	
Member Armed Services Surviving Spouse	181,689	
Community Housing Development Org.	45,754,667	
House Bill 366 Loss	153,855	
Freeport Loss	473,523,634	
Abatements	106,107,694	
10% Homestead Cap Loss	34,640,396	
Pollution Control	492,630	
Prorated Exempt Property	48,067	
Open-Space and Timberland Use Reductions	84,433,057	946,815,617
Adjustments (1)		(402,914,007)
2015/16 Net Taxable Assessed Valuation		$ 7,957,760,161
Total Tax-Supported Debt Payable from Ad Valorem Taxes (as of 4-1-16) (2)		
Outstanding General Obligation Debt (3)	$ 65,090,000	
The Bonds(4)	15,670,000	
The Notes(4)	8,875,000	$ 89,635,000
Less: Self-Supporting Debt (5)		31,850,000
Net General Obligation Debt Payable from Ad Valorem Taxes		$ 57,785,000
General Obligation Interest and Sinking Fund (as of 3-1-16)		$ 2,426,298
Ratio General Obligation Tax Debt to Net Taxable Assessed Valuation		1.13%

2016 Estimated Population - 100,670
Per Capita Taxable Assessed Valuation - $79,048
Per Capita Net General Obligation Debt Payable from Ad Valorem Taxes - $574

(1) Includes adjustments for properties under review, exemptions not listed above, taxable values of freeze properties and TIF increment values.
(2) Excludes the debt issued by the City that is payable from contract revenues paid by Denton County Fresh Water Supply Districts for improvements within the Lewisville-Castle Hills Public Improvement Districts. See "Schedule II – City Contract Revenue and Assessment Debt issued for the Castle Hills Public Improvement Districts" for a detailed description of this outstanding debt.
(3) Excludes the Refunded Obligations; preliminary, subject to change.
(4) Preliminary, subject to change.
(5) Certain of the City's general obligation debt service is currently supported by an appropriation from the City's General Fund from moneys derived by the City from other revenues, income or resources in advance of the time when ad valorem taxes are scheduled to be levied for any given year. The City currently intends to continue such appropriation, but is not legally required to do so, and the City may discontinue such practice in the future. For additional information see Table 10 and accompanying footnote.

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TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY

	Taxable Appraised Value for Fiscal Year Ended September 30,					
	2016		2015		2014	
Category	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	$3,316,535,697	35.63%	$3,033,075,276	35.47%	$2,803,565,097	35.58%
Real, Residential, Multi-Family	1,449,087,874	15.57%	1,273,999,203	14.90%	1,037,111,445	13.16%
Real, Vacant Lots/Tracts	185,528,971	1.99%	178,538,260	2.09%	176,355,437	2.24%
Real, Acreage (Land Only)	84,642,132	0.91%	87,170,277	1.02%	92,494,435	1.17%
Real, Farm and Ranch Improvements	50,844,385	0.55%	39,832,837	0.47%	34,109,202	0.43%
Real, Commercial and Industrial	2,452,472,408	26.35%	2,167,399,483	25.35%	2,088,982,854	26.51%
Real and Tangible Personal, Utilities	159,399,515	1.71%	142,208,389	1.66%	150,296,569	1.91%
Tangible Personal, Business	1,510,240,239	16.23%	1,532,238,651	17.92%	1,400,628,984	17.78%
Tangible Personal, Other	21,512,769	0.23%	21,822,734	0.26%	23,113,300	0.29%
Real Inventory	11,474,155	0.12%	11,301,832	0.13%	16,005,519	0.20%
Special Inventory	65,751,640	0.71%	62,693,359	0.73%	56,784,695	0.72%
Total Appraised Value Before Exemptions	$9,307,489,785	100.00%	$8,550,280,301	100.00%	$7,879,447,537	100.00%
Adjustments	(402,914,007)		(250,819,971)		(122,254,801)	
Less: Total Exemptions/Reductions	946,815,617		916,067,847		882,681,540	
Taxable Assessed Value	$7,957,760,161		$7,383,392,483		$6,874,511,196	

	Taxable Appraised Value for Fiscal Year Ended September 30,			
	2013		2012	
Category	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	$2,718,757,833	36.75%	$2,799,541,643	39.08%
Real, Residential, Multi-Family	927,079,471	12.53%	800,971,914	11.18%
Real, Vacant Lots/Tracts	138,761,476	1.88%	152,940,585	2.13%
Real, Acreage (Land Only)	120,510,548	1.63%	124,124,669	1.73%
Real, Farm and Ranch Improvements	3,324,392	0.04%	3,757,127	0.05%
Real, Commercial and Industrial	2,043,534,965	27.62%	1,916,142,276	26.75%
Real and Tangible Personal, Utilities	148,120,313	2.00%	136,276,793	1.90%
Tangible Personal, Business	1,225,138,104	16.56%	1,155,077,229	16.12%
Tangible Personal, Other	16,479,838	0.22%	22,589,475	0.32%
Real Inventory	11,387,094	0.15%	9,570,724	0.13%
Special Inventory	45,757,534	0.62%	43,255,507	0.60%
Total Appraised Value Before Exemptions	$7,398,851,568	100.00%	$7,164,247,942	100.00%
Adjustments	(63,049,285)		(110,261,286)	
Less: Total Exemptions/Reductions	864,881,666		782,753,471	
Taxable Assessed Value	$6,470,920,617		$6,271,233,185	

NOTE: Valuations shown are certified taxable assessed values reported by the Appraisal Districts to the State Comptroller of Public Accounts. Certified values are subject to change as contested values are resolved and the Appraisal Districts update records.

TABLE 3 - VALUATION AND GENERAL OBLIGATION DEBT HISTORY

Fiscal Year Ended 9/30	Estimated Population [1]	Taxable Assessed Valuation[2]	Taxable Assessed Valuation Per Capita	(Net) G.O. Tax Debt Outstanding at End of Year [3]	Ratio of (Net) G.O. Tax Debt to Taxable Assessed Valuation	(Net) G.O. Tax Debt Per Capita
2012	96,000	$6,271,233,185	$ 65,325	$56,020,000	0.89%	$ 584
2013	97,860	6,470,920,617	66,124	50,610,000	0.78%	517
2014	98,330	6,874,511,196	69,913	57,665,000	0.84%	586
2015	99,480	7,383,392,483	74,220	52,075,000	0.71%	523
2016	100,670	7,957,760,161	79,048	57,785,000 [4]	0.73% [4]	574 [4]

(1) Source: City Officials.
(2) As reported by the Appraisal Districts on the City's annual Certified State Property Tax Board Reports; subject to change during the ensuing year.
(3) Does not include self-supporting debt (see Tables 1 and 10 and accompanying footnotes).
(4) Projected, excludes the Refunded Obligations; includes the Obligations. Preliminary, subject to change.

TABLE 4 - TAX RATE, LEVY AND COLLECTION HISTORY

Fiscal Year Ended 9/30	Tax Rate	General Fund	Interest and Sinking Fund	Tax Levy	% Collected Fiscal Year of Tax Levy	% Total Levy Collections
2012	$ 0.44021	$ 0.32289	$ 0.11732	$ 28,925,178	99.62%	100.52%
2013	0.44021	0.32289	0.11732	29,949,696	99.63%	100.03%
2014	0.44021	0.32289	0.11732	31,844,644	99.63%	100.13%
2015	0.43609	0.31877	0.11732	33,934,555	99.64%	100.04%
2016	0.43609	0.31877	0.11732	36,761,196	98.66% [1]	98.88% [1]

(1) Collections through March 31, 2016.

TABLE 5 - TEN LARGEST TAXPAYERS

Name of Taxpayer	Nature of Property	2015/16 Taxable Assessed Valuation	% of Total Taxable Assessed Valuation
Digital Lewisville LLC	Community Website	$98,000,000	1.23%
SYSCO Food Services of Dallas LP	Manufacturer	84,483,675	1.06%
Vista Ridge Joint Venture	Commercial	68,796,566	0.86%
Alcatel-Lucent USA Inc.	Telecommunications	66,783,006	0.84%
Columbia Medical Center Lewisville	Medical	64,574,500	0.81%
TIC LAGO Vista LP etal.	Rental	64,492,950	0.81%
Teachers Insurance Annuity Association	Investments	54,067,029	0.68%
Madera Roe Investors SPE LLC Etal	Investments	49,725,000	0.62%
Cypress SPE LLC	Investments	47,800,000	0.60%
GTE Southwest Inc	Telecommunications	47,078,710	0.59%
		$ 645,801,436	8.10%

GENERAL OBLIGATION DEBT LIMITATION . . . No general obligation debt limitation is imposed on the City under current State law or the City's Home Rule Charter (see "THE OBLIGATIONS - Tax Rate Limitation").

TABLE 6 - TAX ADEQUACY [1]

Net Principal and Interest Requirements, 2016	$ 8,997,933
$0.1131 Tax Rate at 100% Collection Produces	$ 9,000,227
Net Average Annual Principal and Interest Requirements, 2016-2032	$ 4,554,305
$0.0573 Tax Rate at 100% Collection Produces	$ 4,559,797
Net Maximum Principal and Interest Requirements, 2017	$ 10,794,760
$0.1357 Tax Rate at 100% Collection Produces	$ 10,798,681

(1) Includes the Obligations; excludes self-supporting debt and the Refunded Obligations. Preliminary, subject to change.

TABLE 7 - ESTIMATED OVERLAPPING DEBT [1]

Expenditures of the various taxing entities within the territory of the City are paid out of ad valorem taxes levied by such entities on properties within the City. Such entities are independent of the City and may incur borrowings to finance their expenditures. This statement of direct and estimated overlapping ad valorem tax debt ("Tax Debt") was developed from information contained in "Texas Municipal Reports" published by the Municipal Advisory Council of Texas. Except for the amounts relating to the City, the City has not independently verified the accuracy or completeness of such information, and no person should rely upon such information as being accurate or complete. Furthermore, certain of the entities listed may have issued additional Tax Debt since the date hereof, and such entities may have programs requiring the issuance of substantial amounts of additional Tax Debt, the amount of which cannot be determined. The following table reflects the estimated share of overlapping Tax Debt of the City.

Taxing Jurisdiction	Total G.O. Tax Debt 4/1/2016	Estimated % Applicable	City's Overlapping G.O. Tax Debt 4/1/16	Authorized But Unissued Debt As Of 4/1/16
City of Lewisville	$ 57,785,000 [1]	100.00%	$ 57,785,000	$ 129,570,000 [2]
Lewisville Independent School District	1,177,472,053	28.72%	338,169,974	-
Coppell Independent School District	212,350,850	0.95%	2,017,333	7,185,000
Denton County	634,275,000	11.73%	74,400,458	118,408,296
Dallas County	73,655,000	0.03%	22,097	6,200,000
Dallas County Community College District	303,215,000	0.03%	90,965	-
Dallas County Hospital District	728,005,000	0.03%	218,402	-
Dallas County Schools	54,700,000	0.03%	16,410	-
Denton County Levee Improvement District #1	9,035,000	68.46%	6,185,361	4,115,000
Denton County RUD #1	-	0.00%	-	18,565,000
Total Direct and Overlapping G. O. Tax Debt			$ 478,905,998	
Ratio of Direct and Overlapping G. O. Tax Debt to Taxable Assessed Valuation			6.02%	
Per Capita Overlapping G. O. Tax Debt			$ 4,757.19	

(1) Excludes self-supporting debt and the Refunded Obligations. Includes the Obligations. Preliminary, subject to change.
(2) Excludes the new money portion of the Bonds.

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DEBT INFORMATION

TABLE 8 - PRO-FORMA GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

Fiscal Year Ending 9/30	Outstanding Debt Service[1]			The Bonds[2]		The Notes[3]		Total Gross Debt Service Requirements	Less: Self Supporting Debt Requirements	Total Net Debt Service Requirements	% of Principal Retired
	Principal	Interest	Total	Principal	Interest	Principal	Interest				
2016	$ 9,945,000	$ 3,001,536	$ 12,946,536	$ -	$ -	$ -	$ -	$ 12,946,536	$ 3,948,603	$ 8,997,933	
2017	8,015,000	2,455,663	10,470,663	1,670,000	540,238	2,100,000	144,570	14,925,471	4,130,711	10,794,760	
2018	5,790,000	2,204,738	7,994,738	3,165,000	437,450	1,990,000	195,650	13,782,838	3,877,832	9,905,006	
2019	5,900,000	2,006,731	7,906,731	1,935,000	386,450	1,695,000	155,850	12,079,031	3,907,944	8,171,087	
2020	5,105,000	1,809,256	6,914,256	1,960,000	318,100	1,620,000	121,950	10,934,306	3,301,225	7,633,081	56.10%
2021	5,165,000	1,604,156	6,769,156	1,540,000	253,700	1,005,000	40,950	9,608,806	3,273,000	6,335,806	
2022	5,125,000	1,391,325	6,516,325	1,600,000	198,300	225,000	20,850	8,560,475	3,300,300	5,260,175	
2023	5,700,000	1,168,569	6,868,569	940,000	139,500	240,000	9,600	8,197,669	3,430,994	4,766,675	
2024	5,025,000	943,603	5,968,603	975,000	101,200	-	-	7,044,803	3,478,247	3,566,556	
2025	3,740,000	752,931	4,492,931	200,000	76,700	-	-	4,769,631	2,008,125	2,761,506	81.54%
2026	3,530,000	590,675	4,120,675	210,000	66,450	-	-	4,397,125	2,051,000	2,346,125	
2027	3,740,000	427,625	4,167,625	220,000	55,700	-	-	4,443,325	2,092,500	2,350,825	
2028	2,945,000	288,300	3,233,300	230,000	45,600	-	-	3,508,900	1,165,925	2,342,975	
2029	2,055,000	189,256	2,244,256	240,000	36,200	-	-	2,520,456	1,162,881	1,357,575	
2030	1,035,000	127,581	1,162,581	250,000	26,400	-	-	1,438,981	1,162,581	276,400	96.96%
2031	1,085,000	82,838	1,167,838	260,000	16,200	-	-	1,444,038	1,167,838	276,200	
2032	1,135,000	28,025	1,163,025	275,000	5,500	-	-	1,443,525	1,163,025	280,500	100.00%
	$ 75,035,000	$ 19,072,808	$ 94,107,808	$ 15,670,000	$ 2,703,688	$ 8,875,000	$ 689,420	$ 122,045,916	$ 44,622,730	$ 77,423,186	

(1) "Outstanding Debt" does not include lease/purchase obligations or the Refunded Obligations. Preliminary, subject to change. Excludes the debt issued by the City that is payable from contract revenues paid by Denton County Fresh Water Supply Districts. See "Schedule II – Lewisville-Castle Hills Public Improvement District" for a detailed description of this outstanding debt.

(2) Average life of the Bonds - 4.543 years. Interest calculated at an average rate for purposes of illustration. Preliminary, subject to change.

(3) Average life of the Notes - 2.504 years. Interest calculated at an average rate for purposes of illustration. Preliminary, subject to change.

TABLE 9 - INTEREST AND SINKING FUND BUDGET PROJECTION

Net Tax Supported Debt Service Requirements, Fiscal Year Ending 9/30/16		$ 8,997,933
Budgeted Interest and Sinking Fund, 9/30/15	$ 2,476,935	
Budgeted Interest and Sinking Fund Tax Levy	9,433,490	
Paying Agent Fees	7,758	
Estimated Investment Income	$ (5,000)	$ 11,913,183
Estimated Balance, 9/30/16		$ 2,915,250

TABLE 10 – COMPUTATION OF SELF-SUPPORTING DEBT

4B Economic Development Corporation Net Revenues for fiscal year ending 9/30/15	$ 4,757,701
Less: 2016 Requirements for Sales Tax Revenue Bonds	-
Balance Available for Other Purposes	$ 4,757,701
2016 Requirements for 4B Tax Revenue Self-Supporting General Obligation Debt(1)	$ 2,688,837
Percentage of Sales Tax Revenue Certificates of Obligation Self-Supporting	100.00%
Tax Increment Reinvestment Zone Net Revenues for fiscal year ending 9/30/15	$ 1,220,870
Less: 2016 Requirements for Revenue Bonds	-
Balance Available for Other Purposes	$ 1,220,870
2016 Requirements for Tax Increment Reinvestment Zone Revenue Self-Supporting General Obligation Debt(2)	$ 601,694
Percentage of Increment Tax Revenue Certificates of Obligation Self-Supporting	100.00%
Waterwork and Sewer System Revenues available for Debt Service as of 9/30/15	$ 13,724,702
Less: 2016 Requirements for Revenue Bonds	6,277,460
Balance Available for Other Purposes	$ 7,447,242
2016 Requirements for Waterworks and Sewer Revenue Self-Supporting General Obligation Debt(3)	$ 658,072
Percentage of System Revenue General Obligation Debt Self-Supporting	100.00%

(1) Includes portions of the Combination Tax and Revenue Certificates of Obligation, Series 2007A, General Obligation Refunding and Improvement Bonds, Series 2012, General Obligation Refunding Bonds, Series 2015, and the Bonds payable from sales tax revenues. In the event of insufficient revenues, the City will be required to assess and collect ad valorem taxes to pay debt service on the general obligation debt.

(2) Includes a portion of the Combination Tax and Revenue Certificates of Obligation, Series 2007B, General Obligation Refunding Bonds, Series 2015 and the Bonds payable from property tax increment financing revenues. In the event of insufficient revenues, the City will be required to assess and collect ad valorem taxes to pay debt service on the general obligation debt.

(3) Includes a portion of the General Obligation Refunding Bonds, Series 2010 payable from waterworks and sewer system revenues. In the event of insufficient revenues, the City will be required to assess and collect ad valorem taxes to pay debt service on the general obligation debt.

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TABLE 11 - AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS

Purpose	Date Authorized	Amount Authorized	Amount Previously Issued	Amount Being Issued	Unissued Balance
Streets	11/3/2015	$ 71,600,000	$ -	$ 1,275,000 (1)	$ 70,325,000
Parks and Recreation	11/3/2015	39,900,000	-	2,735,000 (1)	37,165,000
Police and Fire	11/3/2015	10,500,000	-	-	10,500,000
Aquatic Center	11/3/2015	13,000,000	-	1,420,000	11,580,000
Totals		$ 135,000,000	$ -	$ 5,430,000	$ 129,570,000

(1) Preliminary, subject to change.

ANTICIPATED ISSUANCE OF ADDITIONAL GENERAL OBLIGATION DEBT . . . The City does not anticipate the issuance of additional general obligation debt in the next 12 months.

TABLE 12 - OTHER OBLIGATIONS

The City has no unfunded debt outstanding as of April 30, 2015.

PENSION PLAN . . . The City participates as one of 860 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained by writing to TMRS, P.O. Box 149153, Austin, TX 78714-9153 or by calling 800-924-8677. In addition, the report is available on TMRS' website at www.TMRS.com.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided - TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven actuarially equivalent payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits, also known as the matching ratio, are 200% of the employee's accumulated contributions and are only payable in the form of an annuity.

In addition, the City granted on annually repeating (automatic) basis a monetary credit referred to as an updated service credit (USC) which is a theoretical amount which takes into account salary increases or plan improvements. If at any time during their career an employee earns a USC, this amount remains in their account earning interest at 5% until retirement. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer match plus employer-financed monetary credits, such as USC, with interest were used to purchase an annuity.

The City elected to increase the annuities (annuity increases) of its retirees, either annually or on an annually repeating basis, effective January 1 of a calendar year. The City has adopted annuity increases at the rate of 70% of the increase (if any) in the Consumer Price Index all Urban Consumers (CPI-U) between the December preceding the member's retirement date and the December one year before the effective date of the increase, minus any previously granted increases.

A summary of plan provisions for the City are as follows:

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service retirement Eligibility	20 years at any age, 5 years at age 60 and above
Updated Service Credit	75% Repeating
Annuity Increase to retirees	70% of CPI Repeating

The City does not participate in Social Security.

At the December 31, 2014 valuation and measurement date, the following employees were covered by the benefit terms:

Retirees or beneficiaries currently receiving benefits	326
Inactive employees entitled to but not yet receiving benefits	244
Active employees	699
	1,269

Contributions - Under the state law governing TMRS, the contribution rate for each city is determined annually by the consulting actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City of Lewisville were required to contribute 7% of their annual gross earnings during the fiscal year. For fiscal year 2015, the City made contributions of 17.43% for the months in 2014 and 16.88% for the months in 2015 which were the actuarially required contributions.

Net Pension Liability - The City's Net Pension Liability (NPL) was measured as of December 31, 2014, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

The Total Pension Liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.0% per year
Overall payroll growth	3.0% per year
Investment Rate of Return	7.0%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2014, valuation were based on the results of actuarial experience studies. This experience study was for the period January 1, 2006 through December 31, 2009, first used in the December 31, 2010 valuation. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation.

The long-term expected rate of return on pension plan investments is 7.0%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Geometric Real Rate of Return (Expected minus inflation)
Domestic equity	17.50%	4.80%
International equities	17.50%	6.05%
core fixed income	30.00%	1.50%
Non-core fixed income	10.00%	3.50%
Real return	5.00%	1.75%
Real estate	10.00%	5.25%
Absolute return	5.00%	4.25%
Private equity	5.00%	8.50%
	100.00%	

Discount Rate - The discount rate used to measure the Total Pension Liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that employee contributions will remain at the current 7% and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (c)
Balance at 12/31/13	$236,230,579	$200,071,341	$ 36,159,238
Changes for the year:			
Service cost	7,057,241	-	7,057,241
Interest	16,497,518	-	16,497,518
Change of benefit terms	-	-	-
Difference between expected and actual experience	(2,478,575)	-	(2,478,575)
Changes of assumptions	-	-	-
Contributions-employer	-	7,599,062	(7,599,062)
Contributions-employees	-	3,052,739	(3,052,739)
Net investment income	-	11,446,366	(11,446,366)
Benefit payments, including refunds of employee contributions	(8,160,747)	(8,160,747)	-
Amotization of prior year assets	-	-	-
Administrative expense	-	(119,494)	119,494
Other changes	-	(9,824)	9,824
Net changes	12,915,437	13,808,102	(892,665)
Balance at 12/31/14	$249,146,016	$213,879,443	$ 35,266,573

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 7.0%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

1% Decrease 6.0%	Current Single Rate Assumption 7.0%	1% Increase 8.0%
$ 72,873,745	$ 35,266,573	$ 4,560,303

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - For the year ended September 30, 2015, the City recognized pension expense of $6,701,009.

At September 30, 2015, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	$ 8,092,552	$ -
Differences between actuarial assumptions and actual experience	-	2,041,514
Changes in actuarial assumptions used	-	-
Differences between projected and actual investment earnings	2,046,902	-
Total	$ 10,139,454	$ 2,041,514

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of $8,092,552 will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2015 (i.e. recognized in the city's financial statements September 30, 2016). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Year Ended Dec 31	
2015	$ 74,665
2016	74,665
2017	74,665
2018	74,663
2019	(293,270)
Total	$ 5,388

Subsequent Event - Pursuant to TMRS policy of conducting experience studies every four years, the TMRS Board at their July 31, 2015 meeting determined that they would be changing certain actuarial assumptions including reducing the long term expected rate of return from the current 7% to 6.75% and changing the inflation assumption from 3% to 2.5%. Reduction of expected investment return and related discount rate will increase projected pension liabilities. Reducing the inflation assumption reduces liabilities as future annuity levels and future cost of living adjustments are not projected to be as large as originally projected. While the actual impact on the City's valuation for December 31, 2015 is not known the City does expect some downward pressure on its funded status and upward pressure on its 2017 actuarially determined contribution due to this change. Accordingly, the City does not anticipate an impact that would deter from continuing to fund pension contributions at the annual required contribution rates in the coming years.

Other Post-Employment Benefits

The City provides $15,000 in life insurance upon retirement for employees with ten years of service with the City of Lewisville. Prior to October 1, 2013, the City purchased fully paid life insurance policies upon retirement for eligible employees. Beginning October 1, 2013, the City began purchasing life insurance through the City's group life insurance vendor. Premiums are now paid monthly for the coverage at a rate of $1.50 per $1,000 of coverage or $22.50 per month. The City had 29 eligible retirees in fiscal year 2014-15 resulting in an annual expenditure of $5,243.

Lewisville OPEB Liability Trust Fund - The City established an irrevocable trust in 2008 for the systematic funding of post-employment health benefits as a single-employer, defined benefit plan. Plan assets may be used only for the payment or reimbursement of benefits provided to retirees, in accordance with the terms of the plan.

Summary of Significant Accounting Policies - Financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized when due. The City's contributions are recognized when due and the City has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

Plan Descriptions and Contribution Information - The City provides comprehensive group medical benefits for employees at retirement who meet the eligibility requirements for postretirement benefits. Eligibility requirements are (1) age 60 and 5 years of service with the City, or (2) 20 years of service with Texas Municipal Retirement System, the City's pension provider. Election must be made at time of retirement to remain in the plan. Continuation of coverage is subject to the payment of required contributions by participating retirees and dependents. The City contributes a fixed amount toward each retiree's monthly premium, based on the tenure with the City. The City's substantive plan places a zero percent (0%) cap on future contribution increases. The employee remains on the plan until age 65 when they are moved to a fully insured Medicare supplement plan. The City contributes a flat $50 per month toward the retiree's fully insured premium.

Membership of the plan consists of the following at October 1, 2014, the date of the latest actuarial valuation:

Number of retirees and beneficiaries receiving benefit	53
Active plan members	641

Funding Status and Funding Progress –Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress presents multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Schedule of Funding Status and Funding Progress

Actuarial Valuation Date	10/1/2014	10/1/2013	10/1/2012
Actuarial Value of Assets	$ 4,202,400	$ 3,743,700	$ 3,333,200
Actuarial Accrued Liability (AAL)	4,536,100	4,614,500	4,787,900
Unfunded AAL (UAAL)	333,700	870,800	1,454,700
Funded Ratio	92.6%	81.1%	69.6%
Covered Payroll	43,130,733	42,175,565	40,159,830
UAAL as a Percentage of Covered Payroll	0.8%	2.1%	3.6%

The schedule of employer contributions present trend information about the amounts contributed to the plan by the City in comparison to the Annual Required Contribution (ARC), an amount that is actuarially determined in accordance with the parameters of GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Schedule of Employer Contributions and Net OPEB Obligation

Contribution Year	9/30/2015	9/30/2014	9/30/2013
Annual Required Contribution	$ 175,700	$ 224,000	$ 366,600
interest on net OPEB obligation	-	-	-
Adjustment to annual required contribution	-	-	-
Annual OPEB cost	$ 175,700	$ 224,000	$ 366,600
Contributions made	175,700	224,000	366,600
Change in OPEB obligation	$ -	$ -	$ -
Net OPEB obligation (asset)-beginning of year	-	-	-
Net OPEB obligation (asset)-end of year	$ -	$ -	$ -
Percentage of annual OEB cost contributed	100.0%	100.0%	100.0%

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.

The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets consistent with the long-term perspectives of the calculations.

Actuarial Assumptions

Valuation date	10/1/2014	10/1/2013	10/1/2012
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization method	Level Dollar, Open	Level Dollar, Open	Level Dollar, Open
Amortization period	30 Years	30 Years	30 Years
Asset valuation method	Market*	Market*	Market*
Actuarial assumptions:			
Investment rate of return	7.5%	7.5%	7.5%
General inflation	3.0%	3.0%	3.0%

* A time period for smoothing of the asset valuation has not been established at this time. The fund has a limited history of market performance since its establishment in 2008. The next full reassessment of asset valuation will be completed in 2016. At that time it is expected that a 3, 5 or 10 year moving market approach will be utilized.

Healthcare cost trend rate is assumed to be greater than 3% annually, however is not applicable for purposes of this valuation, since the City's future costs are set at a fixed amount.

The Lewisville OPEB Liability Trust Fund does not issue a separate financial report. Additional information can be found in the Agency and Trust Funds section of the City's Comprehensive Annual Financial Report.

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FINANCIAL INFORMATION

TABLE 13 – CHANGES IN NET ASSETS

	Governmental Activities Fiscal Year Ended September 30,				
	2015	2014	2013	2012	2011
Revenues:					
Program Revenues:					
Charges for Service	$ 14,736,307	$ 13,824,396	$ 13,124,152	$ 11,965,843	$ 12,592,913
Operating Grants and Contributions	2,112,550	3,439,677	2,415,909	2,497,973	2,190,754
Capital Grants and Contributions	17,073,948	23,980,160	4,745,018	15,109,861	3,579,450
General Revenues:					
Property Taxes	33,461,203	31,594,277	29,734,268	28,968,709	27,921,537
Other Taxes	41,329,491	38,961,880	36,531,801	31,075,385	26,851,578
Intergovernmental	-	-	624,125	-	-
Interest on Investments	828,823	371,766	210,934	365,045	459,600
Other	1,137,672	1,244,947	820,768	405,166	1,080,654
Total Revenues	$ 110,679,994	$ 113,417,103	$ 88,206,975	$ 90,387,982	$ 74,676,486
Expenditures:					
General Government	$ 14,889,822	$ 14,937,012	$ 13,005,019	$ 11,987,014	$ 10,997,464
Public Safety	43,314,229	42,102,487	40,983,264	39,275,855	38,558,345
Public & Development Services	24,838,325	26,636,252	25,089,041	25,527,286	24,634,802
Culture, Parks & Recreation	10,590,147	9,453,483	9,377,831	9,487,780	9,585,769
Interest on Long-Term Debt	4,630,523	3,929,397	2,602,891	2,666,807	2,603,426
Total Expenses	$ 98,263,046	$ 97,058,631	$ 91,058,046	$ 88,944,742	$ 86,379,806
Transfers	$ 3,743,920	$ 3,814,737	$ 3,735,515	$ 3,985,048	$ 3,924,530
Increase (Decrease) in Net Assets	16,160,868	20,173,209	884,444	5,428,288	(7,778,790)
Beginning Net Assets	379,139,967	359,594,793	358,710,349	353,282,061	361,060,851
Prior Period Adjustment	(19,220,219)	(628,035)	-	-	-
Ending Net Assets	$ 376,080,616	$ 379,139,967	$ 359,594,793	$ 358,710,349	$ 353,282,061

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TABLE 13A - GENERAL FUND REVENUES AND EXPENDITURE HISTORY

	Fiscal Years Ended September 30,				
	2015	2014	2013	2012	2011
Revenues:					
Property & Other Taxes	$ 56,980,740	$ 53,801,074	$ 50,753,584	$ 47,885,587	$ 45,475,116
Licenses and Permits	2,928,356	2,344,395	2,375,771	1,741,153	2,210,218
Intergovernmental	3,920	-	-	-	-
Charges for Services	7,276,264	6,228,323	6,051,283	5,680,893	5,543,470
Recreation	953,054	1,104,643	1,093,266	1,097,600	1,106,993
Fine and Forfeitures	2,907,155	3,090,645	2,954,961	2,874,525	2,752,316
Investment Earnings	191,313	77,542	48,905	92,756	113,628
Miscellaneous	728,761	1,071,867	882,124	577,259	525,307
Total Revenues	$ 71,969,563	$ 67,718,489	$ 64,159,894	$ 59,949,773	$ 57,727,048
Expenditures:					
General Government	$ 841,809	$ 1,206,261	$ 1,037,537	$ 773,798	$ 812,759
Mayor and Council	98,229	81,273	58,749	61,180	53,592
Administrative and Legal	2,030,322	2,299,893	2,137,540	2,121,269	2,256,040
Community Relations / Tourism	881,455	814,659	734,229	655,259	595,806
Police	20,549,038	20,234,248	19,461,171	19,308,354	18,560,759
Fire	17,166,670	16,632,033	16,110,146	15,645,706	15,048,873
Public Services	4,802,362	4,621,054	4,311,378	4,079,005	4,186,316
Parks and Leisure	6,366,503	6,178,955	5,971,888	5,923,550	5,893,223
Development Services	6,029,045	5,558,049	5,124,103	4,922,007	4,722,496
Finance	1,332,686	1,281,225	1,274,041	1,256,264	1,258,681
Human Resources	784,669	728,779	700,099	681,970	681,627
Information Technology	2,514,679	2,017,243	1,966,765	2,011,503	1,927,474
Municipal Court	894,137	903,904	878,494	874,779	829,641
Capital Outlay	100,302	2,702,316	631,755	99,436	11,265
Total Expenditures	$ 64,391,906	$ 65,259,892	$ 60,397,895	$ 58,414,080	$ 56,838,552
Total Other Financing Sources (Uses)-Net	$ (1,979,265)	$ (2,306,314)	$ (3,343,568)	$ 217,115	$ 1,663,203
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	$ 5,598,392	$ 152,283	$ 418,431	$ 1,752,808	$ 2,551,699
Beginning Fund Balance	31,643,561	31,491,278	31,072,847	29,320,039	26,768,340
Ending Fund Balance	$ 37,241,953	$ 31,643,561	$ 31,491,278	$ 31,072,847	$ 29,320,039

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TABLE 14 - MUNICIPAL SALES TAX HISTORY [1]

The City has adopted the Municipal Sales and Use Tax Act, Chapter 321, Tax Code, which grants the City the power to impose and levy a 1% Local Sales and Use Tax within the City; the proceeds are credited to the General Fund and are not pledged to the payment of the Bonds. Collections and enforcements are effected through the offices of the Comptroller of Public Accounts of the State of Texas, who remits the proceeds of the tax, after deduction of a 2% service fee, to the City monthly. At an election held September 14, 2002, voters in the City approved the imposition of an additional sales and use tax of one-quarter of one percent (0.25%) for parks and library purposes. The tax went into effect January 1, 2003, and collections began in March, 2003. Said additional sales tax is collected solely for the benefit of a nonprofit corporation established by the City to administer the sales tax collections and projects and may be pledged to secure payment of sales tax revenue bond issues. At an election held November 8, 2011, voters in the City approved the imposition of an additional sales and use tax of one-eighth of one percent (.125%) for a crime control and prevention district and an additional sales and use tax of one-eighth of one percent (.125%) for a fire control, prevention and emergency medical services district. These taxes went into effect April 1, 2012, and collections began June 2012. Said additional sales taxes are to be collected solely for the benefit of these two districts established by the City and may be pledged to secure payments of sales tax revenue bond issues.

Fiscal Year Ended 9/30	Total 1% City Collected [1]	% of Ad Valorem Tax Levy	Equivalent of Ad Valorem Tax Rate	Per Capita
2012	$ 20,272,196	70.08%	$ 0.3233	$ 211.17
2013	22,178,339	74.05%	0.3427	226.63
2014	23,504,086	73.81%	0.3419	239.03
2015	25,887,678	76.29%	0.3506	260.23
2016	8,946,059 [2]	24.34%	0.1124	88.87

(1) Does not include ¼% sales tax for 4B Economic Development Corporation effective 1/01/03 and does not include ¼% sales tax each for the Lewisville Crime Control and Prevention and Lewisville Fire Control, Prevention, and Emergency Medical Services Districts effective April 1, 2012.
(2) Collections through March 2016.

FINANCIAL POLICIES

Basis of Accounting . . . The City's accounting records of the governmental fund revenues and expenditures are recognized on the modified accrual basis. Revenues are recognized in the accounting period in which they are available and measurable. Expenditures are recognized in the accounting period in which the fund liability occurred, if measurable, except for unmatured interest on general long-term debt.

Proprietary Fund revenues and expenses are recognized on the full accrual basis. Revenues are recognized in the accounting period in which they are earned. Expenses are recognized in the accounting period in which they are incurred.

Fund Balances . . . It is the City's policy that all funds with outstanding long-term debt will maintain working capital resources at a minimum of 20% of operating expenditure budget.

Use of Bond Proceeds . . . The City's policy is to use bonds for capital expenditures only. Such revenues are never to be used to fund normal City operations.

Budgetary Procedures . . . The City operates on an October through September fiscal year. Each year in July, the City Manager submits a budget of estimated revenues and expenditures to the City Council. Subsequently, the City Council will hold work sessions to discuss and amend the budget to coincide with their direction of the City. Various public hearings may be held to comply with state and local statutes. The City Council will adopt a budget prior to the start of the fiscal year. If the Council fails to adopt a budget then the existing budget will continue to be in effect.

During the fiscal year, budgetary control is maintained by verification of appropriation availability prior to all purchases. Actual operations are compared to the amounts set forth in the budget. Departmental appropriations that have not been expended lapse at the end of the fiscal year. Therefore, funds that were budgeted and not used by the departments during the fiscal year are not available for their use unless appropriated in the ensuing fiscal year's budget.

INVESTMENTS

The City invests its investable funds in investments authorized by State law in accordance with investment policies approved by the City Council. Both state law and the City investment policies are subject to change.

LEGAL INVESTMENTS . . . Under State law, the City is authorized to invest in (1) obligations of the United States or its agencies and instrumentalities, including letters of credit; (2) direct obligations of the State of Texas or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which is guaranteed or insured by or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) certificates of deposit and share certificates meeting the requirements of the Texas Public Funds Investment Act (Chapter 2256, Texas Government Code, as amended) (i) that are issued by or through an institution that has its main office or a branch office in Texas and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, or are secured as to principal by obligations described in clauses (1) through (6) or in any other manner and amount provided by law for City deposits; or (ii) where (a) the funds are invested by the City through (I) a broker that has its main office or a branch office in the State of Texas and is selected from a list adopted by the City as required by law or (II) a depository institution that has its main office or a branch office in the State of Texas that is selected by the City; (b) the broker or the depository institution selected by the City arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City; (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the City appoints the depository institution selected under (a) above, a custodian as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the City with respect to the certificates of deposit; (8) fully collateralized repurchase agreements that have a defined termination date, are fully secured by a combination of cash and obligations described in clause (1) which are pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (9) securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (6) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than "A" or its equivalent or (c) cash invested in obligations described in clauses (1) through (6) above, clauses (11) through (13) below, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the City, held in the City's name and deposited at the time the investment is made with the City or a third party designated by the City; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State of Texas; and (iv) the agreement to lend securities has a term of one year or less; (10) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least "A-1" or "P-1" or the equivalent by at least one nationally recognized credit rating agency; (11) commercial paper with a stated maturity of 270 days or less that is rated at least "A-1" or "P-1" or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank, (12) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission that have a dollar weighted average stated maturity of 90 days or less and include in their investment objectives the maintenance of a stable net asset value of $1 for each share; and (13) no-load mutual funds registered with the Securities and Exchange Commission that have an average weighted maturity of less than two years, invest exclusively in obligations described in this paragraph, and are continuously rated as to investment quality by at least one nationally recognized investment rating firm of not less than "AAA" or its equivalent. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described in the next succeeding paragraph.

The City may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than AAA or AAAm or an equivalent by at least one nationally recognized rating service. The City is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

INVESTMENT POLICIES . . . Under State law, the City is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that includes a list of authorized investments for City funds, maximum allowable stated maturity of any individual investment, the maximum average dollar-weighted maturity allowed for pooled fund groups, the maximum average dollar-weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the Public Funds Investment Act. All City funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each funds' investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under State law, City investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." At least quarterly the investment officers of the City shall submit an investment report detailing: (1) the investment position of the City, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, the ending market value and the fully accrued interest for the reporting period of each pooled fund group, (4) the book value and market value of each separately listed asset at the end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategy statements and (b) state law. No person may invest City funds without express written authority from the City Council.

ADDITIONAL PROVISIONS . . . Under State law the City is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt an order or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the said order or resolution; (3) require any investment officers' with personal business relationships or relatives with firms seeking to sell securities to the entity to disclose the relationship and file a statement with the Texas Ethics Commission and the City Council; (4) require the registered principal of firms seeking to sell securities to the City to: (a) receive and review the City's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude attesting to these requirements; (5) perform an annual audit of the management controls on investments and adherence to the City's investment policy; (6) provide specific investment training for the Treasurer, Chief Financial Officer and investment officers; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse repurchase agreement; (8) restrict its investment in mutual funds in the aggregate to no more than 15percent of its monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service, and to invest no portion of bond proceeds, reserves and funds held for debt service, in mutual funds; and (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; (10) at least annually review, revise and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

TABLE 15 - CURRENT INVESTMENTS

As of March 31, 2016, the City's investable funds were invested in the following categories:

Description	Market Value	% of Portfolio	Book Value	% of Portfolio
TexPool	$ 20,490,292	12.09%	$ 20,490,292	12.10%
Governmental Securities	148,939,065	87.91%	148,865,858	87.90%
Total	$169,429,357	100.00%	$169,356,150	100.00%

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TAX MATTERS

TAX EXEMPTION . . . In the opinion of Bracewell LLP, Bond Counsel, under existing law, (i) interest on the Obligations is excludable from gross income for federal income tax purposes, and (ii) the Obligations are not "private activity obligations" under the Internal Revenue Code of 1986, as amended (the "Code"), and, as such, interest on the Obligations is not subject to the alternative minimum tax on individuals and corporations, except as described below in the discussion regarding the adjusted current earnings adjustment for corporations.

The Code imposes a number of requirements that must be satisfied for interest on state or local obligations, such as the Obligations, to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of bond proceeds and the source of repayment of bonds, limitations on the investment of bond proceeds prior to expenditure, a requirement that excess arbitrage earned on the investment of proceeds be paid periodically to the United States and a requirement that the issuer file an information report with the Internal Revenue Service (the "Service"). The City has covenanted in the Ordinance that it will comply with these requirements.

Bond Counsel's opinion will assume continuing compliance with the covenants of the Ordinance pertaining to those sections of the Code that affect the exclusion from gross income of interest on the Obligations for federal income tax purposes and, in addition, will rely on representations by the City, the City's Financial Advisor and the Underwriters with respect to matters solely within the knowledge of the City, the City's Financial Advisor and the Underwriters, respectively, which Bond Counsel has not independently verified Bond Counsel will further rely on the report (the "Report") of Grant Thornton, LLP, certified public accountants, regarding the mathematical accuracy of certain computations. If the City should fail to comply with the covenants in the Ordinance or if the foregoing representations or Report should be determined to be inaccurate or incomplete, interest on the Obligations could become includable in gross income from the date of delivery of the Obligations, regardless of the date on which the event causing such inclusion occurs.

The Code also imposes a 20% alternative minimum tax on the "alternative minimum taxable income" of a corporation if the amount of such alternative minimum tax is greater than the amount of the corporation's regular income tax. Generally, the alternative minimum taxable income of a corporation (other than any S corporation, regulated investment company, REIT or REMIC), includes 75% of the amount by which its "adjusted current earnings" exceeds its other "alternative minimum taxable income." Because interest on tax-exempt obligations, such as the Obligations, is included in a corporation's "adjusted current earnings," ownership of the Obligations could subject a corporation to alternative minimum tax consequences.

Except as stated above, Bond Counsel will express no opinion as to any federal, state or local tax consequences resulting from the receipt or accrual of interest on, or acquisition, ownership or disposition of, the Obligations.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on Bond Counsel's knowledge of facts as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of result and are not binding on the Service; rather, such opinions represent Bond Counsel's legal judgment based upon its review of existing law and in reliance upon the representations and covenants referenced above that it deems relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations are includable in gross income for federal income tax purposes. No assurance can be given as to whether or not the Service will commence an audit of the Obligations. If an audit is commenced, in accordance with its current published procedures, the Service is likely to treat the City as the taxpayer and the Owners may not have a right to participate in such audit. Public awareness of any future audit of the Obligations could adversely affect the value and liquidity of the Obligations regardless of the ultimate outcome of the audit.

ADDITIONAL FEDERAL INCOME TAX CONSIDERATIONS

COLLATERAL TAX CONSEQUENCES . . . Prospective purchasers of the Obligations should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to financial institutions, life insurance and property and casualty insurance companies, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, low and middle income taxpayers otherwise qualifying for the health insurance premium assistance credit and individuals otherwise qualifying for the earned income credit. In addition, certain foreign corporations doing business in the United States may be subject to the "branch profits tax" on their effectively connected earnings and profits, including tax-exempt interest such as interest on the Obligations. These categories of prospective purchasers should consult their own tax advisors as to the applicability of these consequences. Prospective purchasers of the Obligations should also be aware that, under the Code, taxpayers are required to report on their returns the amount of tax-exempt interest, such as interest on the Obligations, received or accrued during the year.

TAX ACCOUNTING TREATMENT OF ORIGINAL ISSUE PREMIUM . . . The issue price of all or a portion of the Obligations may exceed the stated redemption price payable at maturity of such Obligations. Such Obligations (the "Premium Obligations") are considered for federal income tax purposes to have "bond premium" equal to the amount of such excess. The basis of a Premium Obligation in the hands of an initial owner is reduced by the amount of such excess that is amortized during the period such initial owner holds such Premium Obligation in determining gain or loss for federal income tax purposes. This reduction in basis will increase the amount of any gain or decrease the amount of any loss recognized for federal income tax purposes on the sale or other taxable disposition of a Premium Obligation by the initial owner. No corresponding deduction is allowed for federal income tax purposes for the reduction in basis resulting from amortizable bond premium. The amount of premium on a Premium Obligation that is amortizable each year (or shorter period in the event of a sale or disposition of a Premium Obligation) is determined using the yield to maturity on the Premium Obligation based on the initial offering price of such Obligation.

The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of Premium Obligations that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above. All owners of Premium Obligations should consult their own tax advisors with respect to the determination for federal, state, and local income tax purposes of amortized bond premium upon the redemption, sale or other disposition of a Premium Obligation and with respect to the federal, state, local, and foreign tax consequences of the purchase, ownership, and sale, redemption or other disposition of such Premium Obligations.

TAX ACCOUNTING TREATMENT OF ORIGINAL ISSUE DISCOUNT OBLIGATIONS . . . The issue price of all or a portion of the Obligations may be less than the stated redemption price payable at maturity of such Obligations (the "Original Issue Discount Obligations"). In such case, the difference between (i) the amount payable at the maturity of each Original Issue Discount Obligation, and (ii) the initial offering price to the public of such Original Issue Discount Obligation constitutes original issue discount with respect to such Original Issue Discount Obligation in the hands of any owner who has purchased such Original Issue Discount Obligation in the initial public offering of the Obligations. Generally, such initial owner 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 Obligation equal to that portion of the amount of such original issue discount allocable to the period that such Original Issue Discount Obligation continues to be owned by such owner. Because original issue discount is treated as interest for federal income tax purposes, the discussions regarding interest on the Obligations under the captions TAX MATTERS – Tax Exemption," "TAX MATTERS - Additional Federal Income Tax Considerations - Collateral Tax Consequences" and "TAX MATTERS - Tax Legislative Changes" generally applies, and should be considered in connection with the discussion in this portion of the Official Statement.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Obligation prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Obligation 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 Obligation was held by such initial owner) is includable in gross income.

The foregoing discussion assumes that (i) the Underwriters has purchased the Obligations for contemporaneous sale to the public and (ii) all of the Original Issue Discount Obligations have been initially offered, and a substantial amount of each maturity thereof has been sold, to the general public in arm's-length transactions for a price (and with no other consideration being included) not more than the initial offering prices thereof stated on the inside cover page of this Official Statement. Neither the City nor Bond Counsel has made any investigation or offers any comfort that the Original Issue Discount Obligations will be offered and sold in accordance with such assumptions.

Under existing law, the original issue discount on each Original Issue Discount Obligation accrues 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 Obligations 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 Obligation 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 (i) 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 (ii) the amounts payable as current interest during such accrual period on such Obligation.

The federal income tax consequences of the purchase, ownership, and redemption, sale or other disposition of Original Issue Discount Obligations that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above. All owners of Original Issue Discount Obligations should consult their own tax advisors with respect to the determination for federal, state, and local income tax purposes of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Obligations 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 Obligations.

TAX LEGISLATIVE CHANGES . . . Current law may change so as to directly or indirectly reduce or eliminate the benefit of the exclusion of interest on the Obligations from gross income for federal income tax purposes. Any proposed legislation, whether or not enacted, could also affect the value and liquidity of the Obligations. Prospective purchasers of the Obligations should consult with their own tax advisors with respect to any proposed, pending or future legislation.

CONTINUING DISCLOSURE OF INFORMATION

In the Ordinances, the City has made the following agreement for the benefit of the holders and beneficial owners of the Obligations. The City is required to observe the agreement for so long as it remains obligated to advance funds to pay the Obligations. Under the agreement, the City will be obligated to provide certain updated financial information and operating data annually, and timely notice of certain specified events, to the Municipal Securities Rulemaking Board (the "MSRB"). This information will be available free of charge from the MSRB via the Electronic Municipal Market Access ("EMMA") system at www.emma.msrb.org <http://www.emma.msrb.org/>.

ANNUAL REPORTS . . . The City shall provide annually to the MSRB, (1) within six months after the end of each fiscal year of the City, financial information and operating data with respect to the City of the general type included in the final Official Statement, being information of the type described in Tables 1 through 6 and 8 through 15, including financial statements of the City if audited financial statements of the City are then available, and (2) if not provided as part such financial information and operating data, audited financial statements of the City, when and if available. Any financial statements to be provided shall be (i) prepared in accordance with the accounting principles appended to the Official Statement, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and (ii) audited, if the City commissions an audit of such financial 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 12 months after any such fiscal year end, then the City shall file unaudited financial statements within such 12-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available.

The City's current fiscal year end is September 30. If the City changes its fiscal year, it will file notice of the change (and of the date of the new fiscal year end) with the MSRB prior to the next date by which the City otherwise would be required to provide financial information and operating data as set forth above.

CERTAIN EVENT NOTICES . . . The City shall notify the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of the event, of any of the following events with respect to the Obligations: (1) Principal and interest payment delinquencies; (2) Non-payment related defaults, if material; (3) Unscheduled draws on debt service reserves reflecting financial difficulties; (4) Unscheduled draws on credit enhancements reflecting financial difficulties; (5) Substitution of credit or liquidity providers, or their failure to perform; (6) Adverse tax opinions, 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 status of the Obligations, or other material events affecting the tax status of the Obligations; (7) modifications to rights of holders of the Obligations, if material; (8) Bond calls, if material, and tender offers; (9) Defeasances; (10) Release, substitution, or sale of property securing repayment of the Obligations, if material; (11) Rating changes; (12) Bankruptcy, insolvency, receivership or similar event of the City; (13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, 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, if material; and (14) Appointment of a successor or additional Paying Agent/Registrar or change in the name of the Paying Agent/Registrar, if material.

For these purposes, any event described in the immediately preceding clause (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets of business of the City.

AVAILABILITY OF INFORMATION . . . All information and documentation filings required to be made by the City in accordance with its undertaking made for the Obligations will be made with the MSRB in electronic format in accordance with MSRB guidelines. Access to such filings will be provided by the MSRB, without charge to the general public, at www.emma.msrb.org.

LIMITATIONS AND AMENDMENTS . . . The City has agreed to update information and to provide notices of certain events only as described above. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The City makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Obligations at any future date. The City 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 of Obligations may seek a writ of mandamus to compel the City to comply with its agreement.

The City 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 City, if (i) the agreement, as amended, would have permitted an underwriter to purchase or sell Obligations in the offering described herein 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 (ii) either (a) the holders of a majority in aggregate principal amount of the outstanding Obligations consent to the amendment or (b) any person unaffiliated with the City (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Obligations. The City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Obligations in the primary offering of the Obligations. If the City so amends the agreement, it has agreed to include with the next financial information and operating data 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 City entered into certain undertakings under SEC Rule 15c2-12 with respect to obligations issued by the City for the benefit of Lewisville Castle Hills Public Improvement District No. 5, Lewisville Castle Hills Public Improvement District No. 6 and Lewisville Castle Hills Public Improvement District No. 7 (collectively, the “Castle Hills Districts”). In those undertakings, the City undertook to provide financial and operating information relating to the Castle Hills Districts and the developer of the Castle Hills Districts that was provided to the City by the Castle Hills Districts. In 2015, the Castle Hills Districts failed to provide such financial and operating information to the City in time for the City to file such information with the EMMA system within the required time frame. Such information was subsequently filed approximately three months late.

The City and the Castle Hills Districts have engaged FirstSouthwest to provide continuing disclosure services related to debt issued for the benefit of the Castle Hills Districts.

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OTHER INFORMATION

RATINGS

The Obligations and the presently outstanding tax-supported debt of the City are rated "AAA" by S&P and "AAA" by Fitch, in each case without regard to credit enhancement. An explanation of the significance of such ratings may be obtained from the company furnishing the rating. The ratings reflect only the respective views of such organizations and the City makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by any or all of such rating companies, if in the judgment of any or all companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings, by any rating company, may have an adverse effect on the market price of the Obligations.

LITIGATION

It is the opinion of the City Attorney that there is no pending litigation against the City that would have a material adverse financial impact upon the City or its operations.

REGISTRATION AND QUALIFICATION OF OBLIGATIONS FOR SALE

The sale of the Obligations has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2). The Obligations have not been approved or disapproved by the Securities and Exchange Commission, nor has the United States Securities and Exchange Commission passed upon the accuracy or adequacy of the Official Statement. The Obligations have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Obligations been qualified under the securities acts of any jurisdiction. The City assumes no responsibility for qualification of the Obligations under the securities laws of any jurisdiction in which the Obligations may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Obligations shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code) provides that the Obligations are negotiable instruments, investment securities governed by Chapter 8, Texas Business and Commerce Code, and are legal and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking funds of municipalities or other political subdivisions or public agencies of the State of Texas. With respect to investment in the Obligations by municipalities or other political subdivisions or public agencies of the State of Texas, the Public Funds Investment Act, Chapter 2256, Texas Government Code, requires that the Obligations be assigned a rating of at least "A" or its equivalent as to investment quality by a national rating agency. See "OTHER INFORMATION - Ratings" herein. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Obligations are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Obligations are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those deposits to the extent of their market value. No review by the City has been made of the laws in other states to determine whether the Obligations are legal investments for various institutions in those states.

LEGAL MATTERS

The City will furnish a complete transcript of proceedings incident to the authorization and issuance of the Obligations, including the approving legal opinions of the Attorney General of the State of Texas to the effect that the Initial Bond and Initial Note are valid and binding obligations of the City, and based upon examination of such transcript of proceedings, the approving legal opinions of Bond Counsel to the effect that the Obligations issued in compliance with the provisions of the Ordinances are valid and legally binding obligations of the City and the interest on the Bonds and the Notes is excludable from gross income for federal income tax purposes under existing law and the Bonds and the Notes are not private activity bonds, subject to the matters described under "TAX MATTERS" herein. The forms of such opinions are attached hereto as Appendix C. Bond Counsel was not requested to participate, and did not take part, in the preparation of the Official Statement, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Obligations in the Official Statement under the captions "PLAN OF FINANCING" (except for the subcaption “Sources and Uses of Obligation Proceeds”), "THE OBLIGATIONS" (except for the subcaptions "Book-Entry-Only System" and “Obligationholders’ Remedies”), "TAX MATTERS” and "CONTINUING DISCLOSURE OF INFORMATION" (except for the subcaption “Compliance with Prior Undertakings”) and the subcaptions “Registration and Qualification of Obligations for Sale,” "Legal Investments and Eligibility to Secure Public Funds in Texas", and "Legal Matters" (except for the last two sentences of the first paragraph) under the caption "OTHER INFORMATION" and is of the opinion that the information relating to the Obligations and the legal issues contained under such captions and subcaptions is an accurate and fair description of the laws and legal issues addressed therein and, with respect to the Obligations, such information conforms to the Ordinances. The legal fees to be paid Bond Counsel for services

rendered in connection with the issuance of the Obligations are contingent on the sale and delivery of the Obligations. The legal opinions will accompany the Obligations deposited with DTC or will be printed on the Obligations in the event of the discontinuance of the Book-Entry-Only System. Certain legal matters will be passed upon for the Underwriters by McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Counsel to the Underwriters. The legal fees to be paid to Underwriters' Counsel for services rendered in connection with the issuance of the Obligations are contingent on the sale and delivery of the Obligations.

The various legal opinions to be delivered concurrently with the delivery of the Obligations 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 the 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.

AUTHENTICITY OF FINANCIAL DATA AND OTHER INFORMATION

The financial data and other information contained herein have been obtained from City records, audited financial statements and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and resolutions contained in this Official Statement are made subject to all of the provisions of such statutes, documents and resolutions. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

VERIFICATION OF ARITHMETICAL AND MATHEMATICAL COMPUTATIONS

Grant Thornton LLP, a firm of independent public accountants, will deliver to the City, on or before the settlement date of the Obligations, its verification report indicating that it has verified, in accordance with attestation standards established by the American Institute of Certified Public Accountants, the mathematical accuracy of (a) the mathematical computations of the adequacy of the cash and the maturing principal of and interest on the Federal Securities, to pay, when due, the maturing principal of, interest on and related call premium requirements, if any, of the Refunded Obligations and (b) the mathematical computations of yield used by Bond Counsel to support its opinion that interest on the Obligations will be excluded from gross income for federal income tax purposes. Such verification will be relied upon by Bond Counsel in rendering its opinions with respect to the exclusion from gross income of interest on the Obligations for federal income tax purposes and with respect to defeasance of the Refunded Obligations.

The verification performed by Grant Thornton LLP will be solely based upon data, information and documents provided to Grant Thornton LLP by FirstSouthwest on behalf of the City. Grant Thornton LLP has restricted its procedures to recalculating the computations provided by FirstSouthwest on behalf of the City and has not evaluated or examined the assumptions or information used in the computations.

UNDERWRITERS

The Underwriters have agreed, subject to certain conditions, to purchase the Bonds from the City, at an underwriting discount of $_____. The Underwriters will be obligated to purchase all of the Bonds if any Bonds are purchased. The Bonds to be offered to the public may be offered and sold to certain dealers (including the Underwriters and other dealers depositing Bonds into investment trusts at prices lower than the public offering prices of such Bonds and such public offering prices may be changed, from time to time by the Underwriters.

The Underwriters have agreed, subject to certain conditions, to purchase the Notes from the City, at an underwriting discount of $_____. The Underwriters will be obligated to purchase all of the Notes if any Notes are purchased. The Notes to be offered to the public may be offered and sold to certain dealers (including the Underwriters and other dealers depositing Notes into investment trusts at prices lower than the public offering prices of such Notes and such public offering prices may be changed, from time to time by the Underwriters.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

FINANCIAL ADVISOR

FirstSouthwest is employed as Financial Advisor to the City in connection with the issuance of the Obligations. The Financial Advisor's fee for services rendered with respect to the sale of the Obligations is contingent upon the issuance and delivery of the Obligations. FirstSouthwest waives the right to submit a bid for the Obligations, either independently or as a member of a syndicate organized to submit a bid for the Obligations. FirstSouthwest, in its capacity as Financial Advisor, has relied on the opinion of Bond Counsel and has not verified and does not assume any responsibility for the information, covenants and

representations contained in any of the legal documents with respect to the federal income tax status of the Obligations, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Financial Advisor to the City has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the City and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

FORWARD-LOOKING STATEMENTS DISCLAIMER

The statements contained in this Official Statement, an in any other information provided by the City, that are not purely historical, are forward-looking statements, including statements regarding the City's expectation, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on the information available to the City on the date hereof, and the City assumes no obligation to update any such forward-looking statements. The City's 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 judgments 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 City. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

MISCELLANEOUS

The financial data and other information continued in this Official Statement have been obtained from the City's records, audited financial statements and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and resolutions contained in this Official Statement are made subject to all of the provisions of such statutes, documents and resolutions. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

The Ordinances authorizing the issuance of the Obligations will also approve the form and content of this Official Statement, and any addenda, supplement or amendment thereto, and authorize its further use in the reoffering of the Obligations by the Underwriters.

_____
Mayor
City of Lewisville, Texas

ATTEST:

_____
City Secretary

Schedule I

SCHEDULE OF REFUNDED OBLIGATIONS*

General Obligaton Refunding and Improvement Bonds, Series 2007

Original Dated Date	Original Maturity Date	Interest Rates	Amount
5/15/2007	2/15/2018	4.000%	$ 1,280,000
	2/15/2019	4.000%	735,000
			$ 2,015,000

The 2018 – 2019 maturities will be redeemed prior to original maturity on February 15, 2017 at par.

Combination Tax and Revenue Certificates of Obligation, Series 2007A

Original Dated Date	Original Maturity Date	Interest Rates	Amount
5/15/2007	2/15/2018	4.000%	$ 630,000
	2/15/2019	4.000%	655,000
	2/15/2020	4.150%	685,000
	2/15/2021	4.250%	710,000
	2/15/2022	4.250%	745,000
			$ 3,425,000

The 2018 – 2022 maturities will be redeemed prior to original maturity on February 15, 2017 at par.

Combination Tax and Revenue Certificates of Obligation, Series 2007B

Original Dated Date	Original Maturity Date	Interest Rates	Amount
5/15/2007	2/15/2018	4.000%	$ 380,000
	2/15/2019	4.125%	430,000
	2/15/2020	4.150%	485,000
			$ 1,295,000

The 2018 - 2020 maturities will be redeemed prior to original maturity on February 15, 2017 at par.

General Obligation Bonds, Series 2008

Original Dated Date	Original Maturity Date	Interest Rates	Amount
5/15/2008	2/15/2020	4.125%	$ 700,000
	2/15/2021	4.250%	730,000
	2/15/2022	4.250%	765,000
	2/15/2023	4.375%	795,000
	2/15/2024	4.375%	830,000
			$ 3,820,000

The 2020 – 2024 maturities will be redeemed prior to original maturity on February 15, 2018 at par.

* Preliminary, subject to change.

Schedule II

CITY AND CONTRACT REVENUE AND ASSESSMENT DEBT ISSUED FOR THE CASTLE HILLS PUBLIC IMPROVEMENT DISTRICTS

1) The City's currently outstanding $6,675,000 Combination Contract Revenue and Special Assessment Refunding and Capital Improvement Bonds, Series 1998, are special limited obligations of the City payable from certain contract revenues paid by Denton County Fresh Water Supply District #1-B. The contract revenues are payable from the proceeds of continuing, direct ad valorem taxes, without legal limitation as to rate or amount, levied against all taxable property within District #1-B. These bonds are further payable and secured by a pledge of and lien on certain special assessment revenues levied by District #1-B against benefited property within the Public Improvement District No. 1 that is conterminous with the boundaries of District #1-B. The special assessment revenues are collected only to the extent that contract revenues are insufficient to make payments on these bonds in any given calendar year. These bonds are not secured by and are not payable from ad valorem taxes levied by the City.

2) The City's currently outstanding $745,000 Combination Contract Revenue and Special Assessment Bonds, Series 2002, are special limited obligations of the City payable from certain contract revenues paid by Denton County Fresh Water Supply District #1-D. The contract revenues are payable from the proceeds of continuing, direct ad valorem taxes, without legal limitation as to rate or amount, levied against all taxable property within District #1-D. These bonds are further payable and secured by a pledge of and lien on certain special assessment revenues levied by District #1-D against benefited property within the Public Improvement District that is coterminous with the boundaries of District #1-D. The special assessment revenues are collected only to the extent that contract revenues are insufficient to make payments on these bonds in any given calendar year. These bonds are not secured by and are not payable from ad valorem taxes levied by the City.

3) The City's currently outstanding $15,665,000 Combination Contract Revenue and Special Assessment Capital Improvement Bonds, Series 2008, are special limited obligations of the City payable from certain contract and special assessment revenues paid by Denton County Fresh Water Supply District #1-F. For this issue, no more than 90% of the principal and interest payment on the bonds is from ad valorem taxes (contract revenues) and no less than 10% is payable from special assessment revenues. The Bonds subject to special mandatory redemption prior to maturity from prepayments of Special Assessments. The contract revenues are payable from the proceeds of continuing direct ad valorem taxes, without legal limitation as to rate or amount, levied against all taxable property within the District #1-F. These bonds are further payable and secured by a pledge of and lien on certain special assessment revenues levied against benefited property within the Public Improvement District that is coterminous with the boundaries of District #1-F. These bonds are not secured by and are not payable from ad valorem taxes levied by the City.

4) The City's currently outstanding $2,840,000 Combination Contract Revenue and Special Assessment Refunding and Utility System Bonds, Series 2011, are special limited obligations of the City payable from certain contract revenues paid by Denton County Fresh Water Supply District #1-E. The contract revenues are payable from the proceeds of continuing, direct ad-valorem taxes, without legal limitation as to rate or amount, levied by District #1-E against all taxable property within the District #1-E. These bonds are further payable and secured by a pledge of and lien on certain special assessment revenues levied against benefited property within the Public Improvement District that is coterminous with the boundaries of District #1-E. The special assessment revenues are collected only to the extent that the contract revenues are insufficient to make payment on these bonds in any given year. These bonds are not secured by and are not payable from ad valorem taxes levied by the City.

5) The City's currently outstanding $2,965,000 Combination Contract Revenue and Special Assessment Utility System Bonds, Series 2011, are special limited obligations of the City payable from certain contract revenues paid by Denton County Fresh Water Supply District #1-F. For this issue, no more than 90% of the principal and interest payment on the bonds is from ad valorem taxes (contract revenues) and no less than 10% is payable from special assessment revenues. The Bonds subject to special mandatory redemption prior to maturity from prepayments of Special Assessments. The contract revenues are payable from the proceeds of continuing, direct ad-valorem taxes, without legal limitation as to rate or amount, levied by District #1-F against all taxable property within the District #1-F. These bonds are further payable and secured by a pledge of and lien on certain special assessment revenues levied against benefited property within the Public Improvement District that is coterminous with the boundaries of District #1-F. The Bonds are subject to special mandatory redemption from prepayments of Special Assessments. These bonds are not secured by and are not payable from ad valorem taxes levied by the City.

6) The City's currently outstanding $5,355,000 Combination Contract Revenue and Special Assessment Road System Bonds, Series 2011, are special limited obligations of the City payable from certain contract revenues paid by Denton County Fresh Water Supply District #1-F. For this issue, no more than 90% of the principal and interest payment on the bonds is from ad valorem taxes (contract revenues) and no less than 10% is payable from special assessment revenues. The contract revenues are payable from the proceeds of continuing, direct ad-valorem taxes, without legal limitation as to rate or amount, levied by District #1-F against all taxable property within the District #1-F. These bonds are further payable and secured by a pledge of and lien on certain special assessment revenues levied against benefited property within the Public

Improvement District that is coterminous with the boundaries of District #1-F. The bonds are subject to special mandatory redemption from prepayments of Special Assessments. These bonds are not secured by and are not payable from ad valorem taxes levied by the City. The Bonds subject to special mandatory redemption prior to maturity from prepayments of Special Assessments.

7) The City's currently outstanding $13,640,000 Combination Contract Revenue and Special Assessment Refunding Bonds, Series 2013, are special limited obligations of the City payable from certain contract revenues paid by Denton County Fresh Water Supply District #1-D. The contract revenues are payable from the proceeds of continuing, direct ad valorem taxes, without legal limitation as to rate or amount, levied by District #1-D against all taxable property within the District #1-D. These bonds are further payable and secured by a pledge of and lien on certain special assessment revenues levied against benefited property within the Public Improvement District that is coterminous with the boundaries of District #1-D. The special assessment revenues are collected only to the extent that contract revenues are insufficient to make payments on these bonds in any given calendar year. These bonds are not secured by and are not payable from ad valorem taxes levied by the City.

8) The City's currently outstanding $3,255,000 Combination Contract Revenue and Special Assessment Utility System Bonds, Series 2014, are special limited obligations of the City payable from certain contract and special assessment revenues paid by Denton County Fresh Water Supply District #1-G. For this issue, no more than 99% of the principal and interest payment on the bonds is from ad valorem taxes (contract revenues) and no less than 1% is payable from special assessment revenues. The contract revenues are payable from the proceeds of continuing direct ad valorem taxes, without legal limitation as to rate or amount, levied by District #1-G against all taxable property within the District #1-G. These bonds are further payable and secured by a pledge of and lien on certain special assessment revenues levied against benefited property within the Public Improvement District that is coterminous with the boundaries of District #1-G. These bonds are not secured by and are not payable from ad valorem taxes levied by the City. The Bonds are subject to special mandatory redemption prior to maturity from prepayments of Assessments.

9) The City's currently outstanding $4,495,000 Combination Contract Revenue and Special Assessment Road System Bonds, Series 2014, are special limited obligations of the City payable from certain contract and special assessment revenues paid by Denton County Fresh Water Supply District #1-G. For this issue, no more than 99% of the principal and interest payment on the bonds is from ad valorem taxes (contract revenues) and no less than 1% is payable from special assessment revenues. The contract revenues are payable from the proceeds of continuing direct ad valorem taxes, without legal limitation as to rate or amount, levied by District #1-G against all taxable property within the District #1-G. These bonds are further payable and secured by a pledge of and lien on certain special assessment revenues levied against benefited property within the Public Improvement District that is coterminous with the boundaries of District #1-G. These bonds are not secured by and are not payable from ad valorem taxes levied by the City. The Bonds are subject to special mandatory redemption prior to maturity for prepayments of Assessments.

10) The City's currently outstanding $1,360,000 Combination Contract Revenue and Special Assessment Utility System Bonds, Series 2014, are special limited obligations of the City payable from certain contract and special assessment revenues paid by Denton County Fresh Water Supply District #1-C. For this issue, no more than 99% of the principal and interest payment on the bonds is from ad valorem taxes (contract revenues) and no less than 1% is payable from special assessment revenues. The contract revenues are payable from the proceeds of continuing direct ad valorem taxes, without legal limitation as to rate or amount, levied by District #1-C against all taxable property within the District #1-C. These bonds are further payable and secured by a pledge of and lien on certain special assessment revenues levied against benefited property within the Public Improvement District that is coterminous with the boundaries of District #1-C. These bonds are not secured by and are not payable from ad valorem taxes levied by the City. The Bonds are subject to special mandatory redemption prior to maturity from prepayments of Assessments.

11) The City's currently outstanding $1,405,000 Combination Contract Revenue and Special Assessment Road System Bonds, Series 2014, are special limited obligations of the City payable from certain contract and special assessment revenues paid by Denton County Fresh Water Supply District #1-C. For this issue, no more than 90% of the principal and interest payment on the bonds is from ad valorem taxes (contract revenues) and no less than 10% is payable from special assessment revenues. The contract revenues are payable from the proceeds of continuing direct ad valorem taxes, without legal limitation as to rate or amount, levied by District #1-C against all taxable property within the District #1-C. These bonds are further payable and secured by a pledge of and lien on certain special assessment revenues levied against benefited property within the Public Improvement District that is coterminous with the boundaries of District #1-C. These bonds are not secured by and are not payable from ad valorem taxes levied by the City. The Bonds subject to special mandatory redemption prior to maturity from prepayments of Assessments.

12) The City's currently outstanding $3,630,000 Combination Contract Revenue and Special Assessment Utility System Bonds, Series 2014, are special limited obligations of the City payable from certain contract and special assessment revenues paid by Denton County Fresh Water Supply District #1-F. For this issue, no more than 90% of the principal and interest payment on the bonds is from ad valorem taxes (contract revenues) and no less than 10% is payable from special assessment revenues. The contract revenues are payable from the proceeds of continuing, direct ad-valorem taxes, without legal limitation as to rate or amount, levied against all taxable property within the District #1-F. These bonds are further payable and secured by a pledge of and lien on certain special assessment revenues levied by District #1-F against benefited property within the Public Improvement District that is coterminous with the boundaries of District #1-F. The special assessment revenues are collected only to the extent that the contract revenues are insufficient to make payment on these bonds in any given year. These bonds are not secured by and are not payable from ad valorem taxes levied by the City. The Bonds are subject to special mandatory redemption prior to maturity from prepayments of Special Assessments.

13) The City's currently outstanding $7,310,000 Combination Contract Revenue and Special Assessment Utility System Bonds, Series 2014, are special limited obligations of the City payable from certain contract and special assessment revenues paid by Denton County Fresh Water Supply District #1-H. For this issue, no more than 99% of the principal and interest payment on the bonds is from ad valorem taxes (contract revenues) and no less than 1% is payable from special assessment revenues. The contract revenues are payable from the proceeds of continuing direct ad valorem taxes, without legal limitation as to rate or amount, levied against all taxable property within District #1-H. These bonds are further payable and secured by a pledge of and lien on certain special assessment revenues levied by District #1-H against benefited property within the Public Improvement District that is coterminous with the boundaries of District #1-H. These bonds are not secured by and are not payable from ad valorem taxes levied by the City. The Bonds are subject to special mandatory redemption prior to maturity from prepayments of Assessments.

14) The City's currently outstanding $1,200,000 Combination Contract Revenue and Special Assessment Road System Bonds, Series 2014, are special limited obligations of the City payable from certain contract and special assessment revenues paid by Denton County Fresh Water Supply District #1-H. For this issue, no more than 99% of the principal and interest payment on the bonds is from ad valorem taxes (contract revenues) and no less than 1% is payable from special assessment revenues. The contract revenues are payable from the proceeds of continuing direct ad valorem taxes, without legal limitation as to rate or amount, levied against all taxable property within District #1-H. These bonds are further payable and secured by a pledge of and lien on certain special assessment revenues levied by District #1-H against benefited property within the Public Improvement District that is coterminous with the boundaries of District #1-H. These bonds are not secured by and are not payable from ad valorem taxes levied by the City. The Bonds are subject to special mandatory redemption prior to maturity from prepayments of Assessments.

15) The City's currently outstanding $4,005,000 Combination Contract Revenue and Special Assessment Refunding Bonds, Series 2015, are special limited obligations of the City payable from certain contract revenues paid by Denton County Fresh Water Supply District #1-B. The contract revenues are payable from the proceeds of continuing, direct ad valorem taxes, without legal limitation as to rate or amount, levied by District #1-B against all taxable property within the District. These bonds are further payable and secured by a pledge of and lien on certain special assessment revenues levied against benefited property within the Public Improvement District That is coterminous with the boundaries of District #1-B. The special assessment revenues are collected only to the extent that contract revenues are insufficient to make payments on these bonds in any given calendar year. These bonds are not secured by and are not payable from ad valorem taxes levied by the City.

16) The City's currently outstanding $8,490,000 Combination Contract Revenue and Special Assessment Refunding Bonds, Series 2015, are special limited obligations of the City payable from certain contract revenues paid by Denton County Fresh Water Supply District #1-D. The contract revenues are payable from the proceeds of continuing, direct ad valorem taxes, without legal limitation as to rate or amount, levied by District #1-D against all taxable property within the District #1-D. These bonds are further payable and secured by a pledge of and lien on certain special assessment revenues levied against benefited property within the Public Improvement District that is coterminous with the boundaries of District #1-D. The special assessment revenues are collected only to the extent that contract revenues are insufficient to make payments on these bonds in any given calendar year. These bonds are not secured by and are not payable from ad valorem taxes levied by the City.

17) The City's currently outstanding $19,535,000 Combination Contract Revenue and Special Assessment Refunding Capital Improvement Bonds, Series 2015, are special limited obligations of the City payable from certain contract revenues paid by Denton County Fresh Water Supply District #1-E. The contract revenues are payable from the proceeds of continuing, direct ad-valorem taxes, without legal limitation as to rate or amount, levied against all taxable property within the District #1-E. These bonds are further payable and secured by a pledge of and lien on certain special assessment revenues levied by District #1-E against benefited property within the Public Improvement District that is coterminous with the boundaries of District #1-E. The special assessment revenues are collected only to the extent that the contract revenues are insufficient to make payment on these bonds in any given year. These bonds are not secured by and are not payable from ad valorem taxes levied by the City.

18) The City's currently outstanding $10,950,000 Combination Contract Revenue and Special Assessment Utility System Bonds, Series 2015, are special limited obligations of the City payable from certain contract revenues paid by Denton County Fresh Water Supply District #1-G. The contract revenues are payable from the proceeds of continuing, direct ad-valorem taxes, without legal limitation as to rate or amount, levied by District #1-G against all taxable property within the District #1-GE. These bonds are further payable and secured by a pledge of and lien on certain special assessment revenues levied against benefited property within the Public Improvement District that is coterminous with the boundaries of District #1-G. The special assessment revenues are collected only to the extent that the contract revenues are insufficient to make payment on these bonds in any given year. These bonds are not secured by and are not payable from ad valorem taxes levied by the City. The Bonds are subject to special mandatory redemption from prepayments of Special Assessments

APPENDIX A

GENERAL INFORMATION REGARDING THE CITY

THE CITY

The City of Lewisville was incorporated in 1925. The current charter was adopted in 1963 and amended as recently as 2004. Lewisville is a home-rule city and operates under the Council-Manager form of government. The City Council is comprised of the Mayor and five members and is responsible for enacting ordinances, resolutions and regulations governing the City. In addition, the City Council appoints the members of various boards and commissions, the City Manager, City Attorney, City Judge, and City Secretary. As chief administrative officer, the City Manager is responsible for implementing Council policies, overseeing municipal operation, and appointing and supervising the various department directors.

The City provides the full range of municipal services as authorized by statute or charter. This includes public safety (police and fire), streets, water and sewer utilities, sanitation, health and social services, parks and leisure services, public improvements, community development with planning and zoning, tourism and general administrative services.

The following list includes the major employers in the City:

Employer	Number of Employees	Percentage of Total City Employment
JP Morgan Chase	2,158	3.61%
Lewisville Independent School District (Lewisville employment only)	2,104	3.52%
Vista Ridge Mall (all outlets)	1,950	3.27%
Xerox Corporation	850	1.42%
Wal-Mart (all City locations)	850	1.42%
City of Lewisville	758	1.27%
Medical Center of Lewisville	756	1.27%
SYSCO	560	0.94%
Orthofix	450	0.75%
Med-Fusion	450	0.75%
Total	10,886	18.22%

Source: City of Lewisville Economic Development and Budget Departments, Texas Workforce Commission and North Central Texas Council of Governments.

ECONOMIC CONDITIONS AND OUTLOOK

The City of Lewisville continues to experience positive annual population and new commercial growth. Between the years 2000 to 2010, Lewisville's population increased by 22.6% from 77,737 to 95,290 per the official Census data of 2010. The current population estimate from the North Central Texas Council of Governments (NCTCOG) is 100,670. As Lewisville is primarily developed with little vacant land, the City has gained a tremendous number of infill development and redevelopment projects that has aided in the rejuvenation of the City's old housing stock. Estimates are for residential population to be approximately 140,000 at the time of build-out around 2030. Lewisville's daytime population is expected to exceed its residential population by 2030 due to the large number of employers located in Lewisville. With Lewisville's continued pro-business policies, the City maintains its economic prosperity. Highlights include:

- Majestic Airport Center is a master-planned Industrial park with over 160 acres of land and more than 3 million square feet of Class A warehouse and distribution facilities. Phases I & II are complete, which includes DFW's first 1 million square foot speculative industrial building. Kellogg relocated their southwest regional distribution facility to Majestic Airport Center in 2012, occupying 1 million square feet and creating 300 new jobs. Jafra Cosmetics, Cabin Innovations, Hagemeyer North America Inc., Sonexus Health, and Ranger Air Aviation currently occupy the development, taking advantage of the Foreign Trade Zones and Triple Freeport exemption in place. Essilor of America is one of the newer additions to the Majestic Airport Center occupying 169,000 square feet with 90 employees. Planning is underway for an additional three new mid-sized flex industrial buildings ranging from 250,000 to 400,000 square feet currently under construction. An agreement with Bed, Bath and Beyond was approved in December of 2015 for their Texas E-Commerce facility occupying 780,000 square feet with over $100 million in real and businesses personal property investment and a large projected sales tax generation from the facility.

- Two new buildings for warehouse/distribution facilities were completed at Lakepointe Crossing on State Highway 121 (SH-121). The Flooring Services, Inc. includes more than 421,000 square feet of commercial space. The new complex will bring all of The Flooring Services' business locations in North Texas into one location. The company employs 300 people in Lewisville and is expected to grow in future years.

- FedEx Freight Center started construction in 2014 for their 129,914 square feet regional ground facility. The project is expected to be operational in first quarter of 2016.

- Lakeside Office Center II completed an 80,964 square foot building and has leased 40,000 square feet for the expansion of TIAA-CREF Financial Services located in the same business park.

- Mary Kay Inc., announced the relocation of their research and development and manufacturing facility from Dallas to Lewisville in November of 2015. They are constructing a new 330,000 square foot facility in Lewisville in 2016.

- Revitalization of aging shopping centers has become a priority in Lewisville with three centers currently redeveloped or under construction. Details on two of these developments:

    - Birmingham Management completed their $5.0 million revitalization of Lewisville West shopping center that included new architecture and tenants.
    - Old Orchard West shopping center on Main Street completed construction of a new 88,000 square foot WinCo grocery store. The original shopping center was built in 1970s and is being revitalized with new façade improvements and new branding totaling over $17 million in new investment.

- Panera Bread, a bakery and café, opened and is operating in the former location of Johnny Carino's on Hebron Road east of Interstate 35 East (I-35E).

- Mattito's, a Tex-Mex restaurant, opened in the old Fox and Hound restaurant building just north of Corporate Drive along I-35E. This is Mattito's fifth location and includes over eight thousand square feet including an outdoor patio area.

MAJOR INITIATIVES

Tax Increment Reinvestment Zone Number 1—The City of Lewisville continues to revitalize Old Town Lewisville. The Old Town Tax Increment Reinvestment Zone was created in December 2001, with participation between the City and Denton County. The Old Town Tax Increment Reinvestment Zone has experienced an incremental increase in taxable value of $113,037,293 since inception. Tax increment revenues from the Zone are used to finance infrastructure improvements and public facilities to stimulate revitalization of Old Town. Projects to date include parking improvements, wayfinding, infrastructure needs studies, sidewalk enhancements, beautification projects, the Medical Center of Lewisville Grand Theater (MCL Grand Theater), and the Wayne Ferguson Plaza. The Zone expires in 2028.

- Three new restaurants are currently under construction in Old Town: Cavalli Pizza, Twisted Root Burger and Prohibition Chicken. All three will be built on the north side of Church Street across the street from the City-owned Medical Center of Lewisville Grand Theater.

- The historic Lewisville Feed Mill is also being converted into a restaurant with over $2 million in renovations and improvements.

- The Uptown Village Townhome community has completed 40 units and is in the process of proceeding with phase 3 of the development for a total of 73 units including a pool and clubhouse in this phase.

- Ground work is continuing with final plat approved for South Village, a new mixed use project, including 4,000 square feet of office/retail space and 75 new residential units in an expected price range of $250,000 to $350,000.

- The City is working with business owners on Main Street in the Old Town Center District to redesign and improve the rear façade of those businesses. As a first step, a meeting was held in December 2015 with the business owners to explain and discuss the program and process that will take place. The City will fund the design portion of the project.

Tax Increment Reinvestment Zone Number 2—This Zone was created in October 2008, with participation between the City and Denton County. This Zone started with a base value of $9,097,649 and has added $67,268,115 in incremental value. The Zone will expire in 2038.

- Tax increment revenues from the Zone are used to finance infrastructure improvements for a 427 acre mixed-use development. The development, also known as Hebron 121 Station, is at the northeast corner of I-35E and SH-121. The project consists of urban residential, retail, recreation, and entertainment uses.

- The Denton County Transit Authority (DCTA) A-Train Station was completed in June 2011 and ridership continues to grow along this line.

- The first three phases of the residential development have been completed and consist of 922 multi-family units within 4-story structures. The total number of residential units projected for this development at completion is 1,875.

- The City completed the building of a bridge over Timber Creek to connect the Hebron 121 Station project to the I-35E frontage road in October 2015 as part of the City's commitment in the development agreement with the Riverside Development LP.

- The City also completed planning for the remainder of the Zone by rezoning the land from Light Industrial to Mixed Use in order to accomplish the goals of the plan for office, retail and hotel uses.

Lewisville 2025 Plan—The Lewisville 2025 Vision Plan commenced in March of 2013 in anticipation of the City's centennial celebration in 2025 to establish a course for creating a community reflective of citizens values and aspirations. Public input and discussion garnered hundreds of ideas and suggestions from all stakeholders in the City. The planning project successfully ended with the adoption of the plan in June 2014 providing the City with a road map for future growth and prioritizing projects and strategies for action for the next 10 years. Some of the major accomplishments thus far:

- **Green Centerpiece**—A Memorandum of Understanding (MOU) was approved with the University of North Texas (UNT) in December 2014 related to adding the City of Lewisville to the Corps of Engineers (COE) lease and funding cost of operations for the Lewisville Lake Environmental Learning Area (LLELA). This nature preserve located along the City's northeast side provides numerous nature opportunities and outdoor activities. In addition to the City, UNT and COE, Lewisville Independent School District has joined as a partner and a committee has been convened to develop a master strategy for operations of LLELA. The City and UNT agreed on an initial funding strategy whereby UNT funds research and restoration activities and the City funds recreation education, maintenance and gate operations. The City has contracted with Texas Audubon to conduct a feasibility study to determine the financial viability of an Audubon-operated nature center at LLELA. LLELA operations have expanded with the City's involvement to seven days a week for hiking, fishing, camping, boating and other outdoor activities.

- **Extending The Green**—NCTCOG awarded the City a $1.5 million grant (City match of $506,000) for a new City trail along Garden Ridge and Valley Parkway.

- **Sustainability**—Changes were made to the City's trash/recycling franchise agreement to encourage diversion and recycling. For example, once a week trash, larger recycling carts, multi-family recycling, and additional options are being made available.

- **Old Town**—Wayne Ferguson Plaza was completed and dedicated in time for the Western Days Festival.

- **Thriving Neighborhoods**—A Neighborhood Enhancement program was created to encourage a formal network of neighborhoods that will focus on neighborhood identity, code enforcement, infrastructure and improvements, public safety, and aesthetics.

- **Identity Focal Point**—I-35E Corridor Plan was adopted in November 2014 providing guidelines for public and private development along the corridor.

- **Communications and Marketing**—Digital billboard advertising space was acquired as a result of Economic Development Agreements to reduce billboards along I-35E. This will allow access to six (6) billboards available for citywide marketing and event advertising with an annual benefit of over $300,000.

Major Roadway Projects—Construction is ongoing on the I-35E expansion. The project will widen the interstate from 10 to 16 lanes between Interstate-635 and US Highway 380. The expansion will include free lanes, managed/tolled lanes, and additional new frontage lanes. The City completed a two year project for a Corridor Redevelopment Plan to guide public improvements, private developments, business retention, and new business recruitment along the corridor. An extension of the plan, the I-35 Identity Plan, was developed to create aesthetic treatments and non-vehicular travel options at highly visible overpasses and underpasses.

The City is at 90% design on two major thoroughfares to provide maximum connectivity in the City. Corporate Drive and Valley Ridge Boulevard will provide additional means of access to businesses and residents. The estimated cost of the improvements for Corporate Drive and Valley Ridge Boulevard are $29 million and $17 million, respectively. These projects were done with a funding partnership between the City and Denton County with regional toll revenues being allocated for 80% of the construction cost and the City responsible for the 20% match.

Residential Growth - A significant number of new residential subdivisions are underway in Lewisville including a 156 acre annexation of land into the City for a master planned community. The new residential developments have a higher price point than the existing residential stock and are estimated to be in $250,000 to $400,000 price range. These projects include:

Project	Location	Residence Type	Planned Units	Status/Completed
Highpoint Oak Estates	Southwest corner of V'ista Ridge Mall Drive and Denton Tap Road	Single family	85	16
The Hills ov Vista Ridge	Oakbend and Vista Ridge Mall Drive	Single family	124	45
Wyndale Meadows	East of FM 544 and south of SH 121	Single family	105	86
Crescent Estates	Summit Lane south of College Parkway	Single family	62	25
Verona by DR Horton	North side of FM 407 next to McGee Lane	Single family	138	13
Fireside Village	College Parkway and Summit Avenue	Single family	33	Broken ground
Lakewood Hills	Josey Lane and Windhaven Parkway	Single family	523	Broken ground
Pine Prairie Apartments	Lake Ridge Road and Leora Lane	Multi-family	596	Completion stage
Broadstone Lakeridge Apartments	Lake Ridge Road and Leora Lane and Marina Vista	Multi-family	301	Completion stage
The Manors at Vista Ridge	Vista Ridge Mall area	Multi-family (Townhomes)	72	46
Windhaven Crossing	SH121 and is bisected by the Atchison, Topeka and Santa Fe Railroad	Multi-family (Townhomes)	367	

These projects are indicative of the City's economic prosperity and the continued pro-business policies by the City.

EDUCATION

The Lewisville Independent School District ("LISD") encompasses 13 communities and 127 square miles. LISD presently has 40 elementary schools, one early childhood center, 15 intermediate schools, five high schools, three ninth grade campuses, two ninth and tenth grade campuses, two career centers, one learning centers, a night high school, and a virtual learning academy. All LISD campuses received the "Met Standard" accountability rating by the Texas Education Agency in the areas of student achievement, student progress, closing performance gaps, and postsecondary readiness. Serving more than 53,000 students, LISD has experienced a period of rapid growth adding over 22,000 students in an eleven year period. While LISD has continued to grow, the rate of growth has slowed to approximately 200-500 students per year.

School Year	School Enrollment District Wide
2006-07	48,890
2007-08	49,449
2008-09	50,038
2009-10	50,664
2010-11	51,298
2011-12	51,782
2012-13	52,396
2013-14	52,696
2014-15	52,989
2015-16	53,400

BUILDING PERMIT VALUES

Fiscal	Commercial		Residential		Other [2]	
Year	Number	Amount	Number	Amount	Number	Amount
2011	211	$ 210,975,650	184	$ 15,631,885	417	$ 2,663,612
2012	161	51,528,426	176	18,602,597	389	2,079,812
2013	166	61,598,837	340	32,552,007	458	2,485,927
2014	153	49,608,616	229	20,252,230	443	2,421,327
2015	87	125,973,960	801	79,250,114	275	2,988,263
2016 [1]	21	47,323,908	194	49,116,872	66	1,442,258

(1) As of March 24, 2016.
(2) This section represents miscellaneous commercial and residential non-building permits that include, but are not limited to, demolitions, relocations, swimming pools, and fences.

APPENDIX B

EXCERPTS FROM THE

CITY OF LEWISVILLE, TEXAS

ANNUAL FINANCIAL REPORT

For the Year Ended September 30, 2015

The information contained in this Appendix consists of excerpts from the City of Lewisville, Texas Comprehensive Annual Financial Report for the Year Ended September 30, 2015, and is not intended to be a complete statement of the City's financial condition. Reference is made to the complete Report for further information.

APPENDIX C

FORMS OF BOND COUNSEL'S OPINIONS

Purchase Contract

$_____
City of Lewisville, Texas
(Denton and Dallas Counties, Texas)
Tax Notes, Series 2016

June 6, 2016

Mayor and Members of the City Council
City of Lewisville, Texas
151 W. Church Street
Lewisville, Texas 75057

Ladies and Gentlemen:

The undersigned, Raymond James & Associates, Inc. (the "Representative"), acting on its own behalf and on behalf of Stephens, Inc. (collectively, the "Underwriters"), offers to enter into the following agreement with the City of Lewisville, Texas (the "Issuer") which, upon the Issuer's written acceptance of this offer (the "Contract"), will be binding upon the Issuer and upon the Underwriters. This offer is made subject to the Issuer's written acceptance hereof on or before 10:00 p.m., Central time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriters upon notice delivered to the Issuer at any time prior to the acceptance hereof by the Issuer. Terms not otherwise defined in this Contract shall have the same meanings set forth in the Note Ordinance (as defined herein) or in the Official Statement (as defined herein). The Representative has been duly authorized by the Underwriters to execute this Contract and to act for the Underwriters in all capacities hereunder.

1. Purchase and Sale of the Notes. Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriters hereby agree, jointly and severally, to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Underwriters, all, but not less than all, of the Issuer's $_____ Tax Notes, Series 2016 (hereinafter referred to as the "Notes").

Inasmuch as this purchase and sale represents a negotiated transaction, the Issuer acknowledges and agrees that: (i) the transaction described in by this Contract is an arm's length, commercial transaction between the Issuer and the Underwriters in which each Underwriter is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the Issuer; (ii) the Underwriters have not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction described herein and the discussions, undertakings and procedures leading thereto (irrespective of whether any Underwriter has provided other services or is currently providing other services to the Issuer on other matters); (iii) each Underwriter is acting solely in its capacity as underwriter for its own account, (iv) the only obligations the Underwriters have to the Issuer with respect to the transaction described herein expressly are set forth in this Contract; (v) the Issuer has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate; (vi) the Issuer recognizes that the Underwriters expect to profit from the acquisition and potential distribution of the Notes;

and (vii) the Underwriters have provided to the Issuer prior disclosures under Rule G-17 of the Municipal Securities Rulemaking Board (the "MSRB"), which have been received by the Issuer. The Issuer has engaged a registered municipal advisor to advise it on this transaction and has consulted its own financial, municipal, legal, accounting, tax and/or other advisors, as applicable, to the extent it deems appropriate.

The Notes are to be issued, secured and sold under the provisions of an ordinance (the "Note Ordinance") adopted by the City Council of the Issuer on June 6, 2016, and shall have the terms and features (including those with respect to rates) as set forth in the Note Ordinance. The principal amount of the Notes to be issued, the dated date therefor, the maturities, redemption provisions, yields and interest rates per annum are set forth in Schedule I attached hereto. The Notes shall otherwise have such terms and provisions as set forth and described in the Official Statement referred to below.

The purchase price for the Notes shall be $_____ (representing the principal amount of the Notes, plus a net original issue premium of $_____ and less an underwriting discount of $_____).

Delivered to the Issuer herewith as a good faith deposit is a corporate check of the Representative payable to the order of the Issuer in the amount of $88,750. In the event the Issuer accepts this Contract, such check shall be held uncashed by the Issuer until the time of Closing (as defined herein), at which time such check shall be returned uncashed to the Representative. In the event that the Issuer does not accept this Contract, such check will be immediately returned to the Representative. Should the Issuer fail to deliver the Notes at the Closing, or should the Issuer be unable to satisfy the conditions of the obligations of the Underwriters to purchase, accept delivery of and pay for the Notes, as set forth in this Contract (unless waived by the Underwriters), or should such obligations of the Underwriters be terminated for any reason permitted by this Contract, such check shall immediately be returned to the Representative. In the event that the Underwriters fail (other than for a reason permitted hereunder) to purchase, accept delivery of and pay for the Notes at the Closing as herein provided, such check shall be cashed and the amount thereof retained by the Issuer as and for fully liquidated damages for such failure of the Underwriters, and, except as set forth in Sections 8 and 10 hereof, no party shall have any further rights against the other hereunder. The Underwriters and the Issuer understand that in such event the Issuer's actual damages may be greater or may be less than such amount. Accordingly, the Underwriters hereby waive any right to claim that the Issuer's actual damages are less than such amount, and the Issuer's acceptance of this Contract shall constitute a waiver of any right the Issuer may have to additional damages from the Underwriters. Immediately following the Closing, the Issuer shall return the good faith check to the Representative. The Representative hereby agrees not to stop or cause payment on the check to be stopped unless the Issuer has breached any of the terms of this Contract.

2. Public Offering. The Underwriters agree to make a bona fide public offering of all of the Notes at a price or yield not to exceed the public offering prices or yields set forth on page 4 of the Official Statement and may subsequently change such offering prices or yields without any requirement of prior notice. The Underwriters may offer and sell Notes to certain dealers (including dealers depositing Notes into investment trusts) and others at prices or yields lower than the public offering prices or yields stated on page 4 of the Official Statement; provided that on or before the Closing, the Representative shall execute and deliver to Bracewell

LLP, Dallas, Texas ("Bond Counsel") an issue price certificate for the Notes prepared by Bond Counsel verifying the initial offering prices to the public at which the Underwriters reasonably expected to sell or in fact sold a substantial amount of each stated maturity of the Notes to the public.

3. The Official Statement.

(a) Preliminary Official Statement. The Issuer previously has delivered, or caused to be delivered, copies of a Preliminary Official Statement, dated [May 27], 2016, relating to the Notes (the "Preliminary Official Statement"), to the Underwriters for their use in determining interest in the Notes. The Issuer prepared the Preliminary Official Statement for use by the Underwriters in connection with the public offering, sale and distribution of the Notes. The Issuer hereby ratifies and approves the use by the Underwriters of the Preliminary Official Statement prior to the date hereof, and until the availability of the final Official Statement, in connection with the public offering of the Notes. The Issuer hereby represents and warrants that it deemed the Preliminary Official Statement final, within the meaning of Rule 15c2-12 issued by the United States Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Rule"), as of its date, except for the omission of information specified in Section (b)(1) of the Rule, as permitted by Section (b)(1) of the Rule. The Issuer hereby confirms that it does not object to the distribution of the Preliminary Official Statement in electronic form.

(b) Final Official Statement. The Issuer shall prepare and provide, or cause to be provided, to the Underwriters as soon as practicable after the date of the Issuer's acceptance of this Contract (but, in any event, not later than within seven business days after the Issuer's acceptance of this Contract and in sufficient time to accompany any confirmation that requests payment from any customer) a final Official Statement which is complete as of the date of its delivery to the Underwriters, in such quantity and formats as the Representative shall reasonably request, and in any event in a "designated electronic format" (as defined in MSRB Rule G-32), in order for the Underwriters to comply with Section (b)(4) of the Rule and the rules of the MSRB. Such final Official Statement shall be substantially in the form of the Preliminary Official Statement, with only such changes therein as shall have been accepted by the Underwriters or as shall be permitted by the Rule or the rules of the MSRB. Such final Official Statement, including the cover page, all exhibits, appendices, maps, pictures, diagrams, reports and statements included or incorporated therein or attached thereto, and any amendments and supplements thereto that may be authorized for use with respect to the Notes, is herein referred to as the "Official Statement." The Issuer hereby authorizes the Underwriters to use the Official Statement and the information contained therein in connection with the public offering and the sale of the Notes. The Issuer hereby confirms that it does not object to the distribution of the Official Statement in electronic form. If, for any reason, the Issuer is unable or otherwise fails to deliver the final Official Statement to the Underwriters in compliance with this paragraph, the Issuer shall deliver the Preliminary Official Statement, including all amendments and supplements thereto, to the Underwriters in a "designated electronic format" at least one business day before the date of the Closing.

(c) If, after the date of this Contract to and including the date the Underwriters are no longer required to provide an Official Statement to potential customers who request the same pursuant to the Rule (the earlier of (i) 90 days from the "end of the underwriting period", as defined in the Rule, and (ii) the time when the Official Statement is available to any person from

the MSRB, but in no case less than 25 days after the "end of the underwriting period" for the Notes), the Issuer becomes aware of any fact or event which might or would cause the Official Statement, as then supplemented or amended, 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, not misleading, or if it is necessary to amend or supplement the Official Statement to comply with law, the Issuer will notify the Underwriters (and for the purposes of this clause provide the Underwriters with such information as the Representative may from time to time reasonably request), and if, in the reasonable opinion of the Representative, such fact or event requires preparation and publication of a supplement or amendment to the Official Statement, the Issuer will prepare and furnish, at the Issuer's sole expense, in such quantity and in formats as the Representative shall reasonably request, and in a "designated electronic format", in order for the Underwriters to comply with Section (b)(4) of the Rule and the rules of the MSRB, copies of either amendments or supplements to the Official Statement so that the statements in the Official Statement as so amended and supplemented 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 not misleading or so that the Official Statement will comply with law; provided, however, that for all purposes of this Contract (including, without limitation, the representations made in Sections 4(h), (i) and (j)) and any certificate delivered by the Issuer in accordance herewith, the Issuer makes no representations with respect to the descriptions in the Preliminary Official Statement or the Official Statement of The Depository Trust Company, New York, New York ("DTC"), or its book-entry-only system. If such notification shall be subsequent to the Closing, the Issuer shall furnish such legal opinions, certificates, instruments and other documents as the Representative may reasonably request to evidence the truth and accuracy of such supplement or amendment to the Official Statement.

(d) The Representative hereby agrees to timely file the Official Statement (and any amendments thereto) with the MSRB in the format prescribed by the MSRB. Unless otherwise notified in writing by the Underwriters, the Issuer can assume that the "end of the underwriting period" for purposes of the Rule is the date of the Closing.

4. Representations, Warranties, and Covenants of the Issuer. The Issuer hereby represents and warrants to and covenants with the Underwriters that:

(a) The Issuer is a body politic and corporate, a home rule municipality and a political subdivision of the State of Texas (the "State") duly created, organized and existing under the laws of the State and the Issuer's home rule charter (the "Charter"), and has full legal right, power and authority pursuant to the Constitution and general laws of the State, including Chapter 1431, Texas Government Code, as amended (the "Act"), and at the date of the Closing will continue to have full legal right, power and authority under the Charter and the Act (i) to adopt the Note Ordinance, (ii) to enter into, execute and deliver the this Contract and all documents required hereunder and thereunder to be executed and delivered by the Issuer (this Contract and the Note Ordinance, which contains the Undertaking (as defined in Section 6(i)(2) hereof), are hereinafter referred to as the "Issuer Documents"), (iii) to sell, issue and deliver the Notes to the Underwriters as provided herein, and (iv) to carry out and consummate the transactions described in the Issuer Documents and the Official Statement, and the Issuer has complied, and will at the

Closing be in compliance, in all material respects with the terms of the Act and the Issuer Documents as they pertain to such transactions;

(b) By all necessary official action of the Issuer prior to or concurrently with the acceptance of this Contract, the Issuer has duly authorized all necessary action to be taken by it for the (i) adoption of the Note Ordinance and the issuance and sale of the Notes, (ii) approval of the Preliminary Official Statement and the Official Statement, (iii) approval, execution and delivery of, and the performance by the Issuer of the obligations on its part contained in, the Notes and the Issuer Documents and (iv) consummation by the Issuer of all other transactions described in the Official Statement, the Issuer Documents and any and all such other agreements and documents as may be required to be executed, delivered and/or received by the Issuer in order to carry out, give effect to, and consummate the transactions described herein and in the Official Statement;

(c) The Issuer Documents constitute legal, valid and binding obligations of the Issuer, enforceable in accordance with their respective terms, subject to principles of sovereign immunity of political subdivisions, bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; the Notes, when issued, delivered and paid for, in accordance with the Note Ordinance and this Contract, will constitute legal, valid and binding obligations of the Issuer entitled to the benefits of the Note Ordinance and enforceable in accordance with their terms, subject to principles of sovereign immunity of political subdivisions, bankruptcy, insolvency, reorganization, moratorium and other similar laws, and principles of equity relating to or affecting the enforcement of creditors' rights. Upon the issuance, authentication and delivery of the Notes as aforesaid, the Note Ordinance will provide, for the benefit of the holders, from time to time, of the Notes, for the levy and collection of an annual ad valorem tax, levied within the limits prescribed by law, for the payment of the Notes;

(d) To its knowledge, the Issuer is not in breach of or default in any material respect under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer is, or any of its property or assets are, otherwise subject, and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the Issuer under any of the foregoing; and the execution and delivery of the Notes and the Issuer Documents and the adoption of the Note Ordinance and compliance with the provisions on the Issuer's part contained therein, will not conflict with or constitute a material breach of or default under any constitutional provision, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer is, or to which any of its property or assets are, otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Issuer to be pledged to secure the Notes or under the terms

of any such law, regulation or instrument, except as provided by the Notes and the Note Ordinance;

(e) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matters which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Issuer of its obligations under the Issuer Documents and the Notes, have been duly obtained, except for (i) such approvals, consents and orders as may be required under the Blue Sky or securities laws of any jurisdiction in connection with the offering and sale of the Notes and (ii) the opinion of the Attorney General of the State approving the Notes as required by law and the registration of the Notes by the Comptroller of Public Accounts of the State (which approval and registration shall have been duly obtained or effected on or before the date of Closing);

(f) The Notes and the Note Ordinance conform to the descriptions thereof contained in the Official Statement under the captions "PLAN OF FINANCING" and "THE OBLIGATIONS"; the proceeds of the sale of the Notes will be applied generally as described in the Official Statement under the subcaption "PLAN OF FINANCING - Sources and Uses of Obligation Proceeds" and will be used for the purposes described in the Official Statement under the subcaption "PLAN OF FINANCING - Purpose"; and the Undertaking (as defined in Section 6(i)(2) hereof) conforms to the description thereof contained in the Official Statement under the caption "CONTINUING DISCLOSURE OF INFORMATION";

(g) Except as may be described in the Official Statement, there is no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the knowledge of the Issuer, threatened against the Issuer, (i) contesting the due organization and valid corporate existence of the Issuer or the titles of its officers to their respective offices, (ii) affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Notes or the levy, assessment and/or collection of taxes pledged to the payment of principal of and interest on the Notes pursuant to the Note Ordinance, (iii) contesting or affecting the validity or enforceability of the Notes or the Issuer Documents, (iv) contesting the exclusion from gross income of interest on the Notes for federal income tax purposes, (v) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or (vi) contesting the powers of the Issuer or any authority for the issuance of the Notes, the adoption of the Note Ordinance or the execution and delivery of the Issuer Documents, nor, to the knowledge of the Issuer, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Notes or the Issuer Documents;

(h) As of the date thereof, the Preliminary Official Statement did 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;

(i) At the time of the Issuer's acceptance hereof and (unless the Official Statement is amended or supplemented pursuant to paragraph (c) of Section 3 of this Contract) at all times subsequent thereto during the period up to and including the date of Closing, the Official Statement does not and 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 they were made, not misleading;

(j) If the Official Statement is supplemented or amended pursuant to paragraph (c) of Section 3 of this Contract, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the date of Closing, the Official Statement 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 they were made, not misleading;

(k) The Issuer will apply, or cause to be applied, the proceeds from the sale of the Notes as provided in and subject to all of the terms and provisions of the Note Ordinance and will not take or omit to take any action within its control which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Notes;

(l) The Issuer will furnish such information and execute such instruments and take such action in cooperation with the Underwriters as the Representative may reasonably request, at no expense to the Issuer, (A) to (y) qualify the Notes for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Representative may designate and (z) determine the eligibility of the Notes for investment under the laws of such states and other jurisdictions and (B) to continue such qualifications in effect so long as required for the distribution of the Notes (provided, however, that the Issuer will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and will advise the Representative immediately of receipt by the Issuer of any notification with respect to the suspension of the qualification of the Notes for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose;

(m) The financial statements of, and other financial information regarding, the Issuer contained in the Official Statement fairly present the financial position of the Issuer as of the dates and for the periods therein set forth, (i) the audited financial statements have been prepared in accordance with generally accepted accounting principles consistently applied and (ii) the other financial information has been determined on a basis substantially consistent with that of the Issuer's audited financial statements included in the Official Statement. Prior to the Closing, the Issuer will not take any action within or under its control that will cause an adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the Issuer from that described in the Official Statement. Except as may be described in the Official Statement, the Issuer is not a party to any litigation or other

proceeding pending or, to its knowledge, threatened which, if decided adversely to the Issuer, would have a materially adverse effect on the financial condition of the Issuer;

(n) Other than the "City of Lewisville, Texas, General Obligation Refunding and Improvement Bonds, Series 2016" (the "Bonds" and, together with the Notes, the "Obligations"), prior to the Closing, the Issuer will not offer or issue any bonds, notes or other obligations for borrowed money or take action to incur any material liabilities, direct or contingent (except in the ordinary course of business), payable from or secured by any of the revenues or assets which will secure the Notes without the prior approval of the Representative, such approval not to be unreasonably withheld;

(o) Any certificate, signed by any official of the Issuer authorized to do so in connection with the transactions described in this Contract, shall be deemed a representation and warranty by the Issuer to the Underwriters as to the statements made therein;

(p) The Issuer, to the extent heretofore requested by the Representative in writing, has delivered to the Underwriters true, correct, complete and legible copies of all information, applications, reports or other documents of any nature whatsoever submitted to any rating agency for the purpose of obtaining a rating for the Notes and, in each instance, true, correct, complete and legible copies of all correspondence or other communications relating thereto; and

(q) To the knowledge and belief of the Issuer, the Official Statement contains information, including financial information and operating data, as required by the Rule. Except as may be described in the Official Statement, during the last five years, the Issuer has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule.

5. Closing.

(a) At 10:00 a.m. Central time, on July 6, 2016, or at such other time and date as shall have been mutually agreed upon by the Issuer and the Underwriters (the "Closing"), the Issuer will, subject to the terms and conditions hereof, deliver the initial Note to The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the "Paying Agent/Registrar"), as the entity appointed by the Issuer and agreed to by the Underwriters to make delivery of the Notes, duly executed and authenticated, together with the other documents hereinafter mentioned, and the Paying Agent/Registrar, as the entity appointed by the Issuer and agreed to by the Underwriters to make delivery of the Notes, will, subject to the terms and conditions hereof, accept such delivery and the Underwriters will pay the purchase price of the Notes as set forth in Section 1 of this Contract in immediately available funds to the order of the Issuer. Payment for the Notes as aforesaid shall be made at the offices of the Paying Agent/Registrar, or such other place as shall have been mutually agreed upon by the Issuer and the Representative.

(b) Delivery of the Notes in definitive form shall be made through DTC, utilizing the book-entry-only form of issuance. The definitive Notes shall be delivered in definitive fully registered form, bearing CUSIP numbers without coupons, with one Note for each maturity of the Notes, registered in the name of Cede & Co., all as provided in the Note Ordinance, and shall

be made available to the Underwriters at least one business day before the Closing for purposes of inspection at the offices of DTC or, if the Notes are to be held in safekeeping for DTC by the Paying Agent/Registrar pursuant to DTC's FAST system, at the designated payment office of the Paying Agent/Registrar. In addition, the Issuer and the Underwriters agree that there shall be a preliminary Closing held at such place as the Issuer and the Underwriters shall mutually agree, commencing at least 24 hours prior to the Closing; provided, however, that such preliminary Closing shall not be required if Bond Counsel provides a complete Transcript of Proceedings acceptable to counsel for the Underwriters at least 24 hours prior to the Closing.

6. Closing Conditions. The Underwriters have entered into this Contract in reliance upon the representations, warranties and agreements of the Issuer contained herein, and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Issuer of its obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriters' obligations under this Contract to purchase, to accept delivery of and to pay for the Notes shall be conditioned upon the performance by the Issuer of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions, including the delivery by the Issuer of such documents as are enumerated herein, in form and substance reasonably satisfactory to the Representative, unless waived in writing by the Representative on behalf of the Underwriters:

(a) The representations and warranties of the Issuer contained herein shall be true, complete and correct in all material respects on the date hereof and on and as of the date of the Closing, as if made on the date of the Closing;

(b) The Issuer shall have performed and complied with all agreements and conditions required by this Contract to be performed or complied with by it prior to or at the Closing;

(c) At the time of the Closing, (i) the Issuer Documents and the Notes shall be in full force and effect and shall not have been amended, modified or supplemented, and the Official Statement shall not have been supplemented or amended, except in any such case as may have been agreed to by the Representative; and (ii) all actions of the Issuer required to be taken by the Issuer shall be performed in order for Bond Counsel and Underwriters' Counsel to deliver their respective opinions referred to hereafter;

(d) At the time of the Closing, all official action of the Issuer relating to the Notes and the Issuer Documents shall be in full force and effect and shall not have been amended, modified or supplemented;

(e) At or prior to the Closing, the Note Ordinance shall have been duly adopted by the governing body of the Issuer in accordance with law and the Issuer shall have duly executed and delivered and the Paying Agent/Registrar shall have duly authenticated the Notes;

(f) At the time of the Closing, there shall not have occurred any change or any development involving a prospective change in the condition, financial or otherwise, or in the revenues or operations of the Issuer, from that set forth in the Official Statement

that, in the reasonable judgment of the Representative, is material and adverse and that makes it, in the reasonable judgment of the Representative, impracticable to market the Notes on the terms and in the manner described in the Official Statement;

(g) The Issuer shall not currently be in default on the payment of principal or interest on any of its outstanding obligations for borrowed money;

(h) All steps to be taken and all instruments and other documents to be executed, and all other legal matters in connection with the transactions described in this Contract shall be reasonably satisfactory in legal form and effect to the Representative;

(i) At or prior to the Closing, the Underwriters shall have received copies of each of the following documents:

(1) The Official Statement, and each supplement or amendment thereto, if any, and the reports and audits referred to or appearing in the Official Statement;

(2) The Note Ordinance, with such supplements or amendments as may have been agreed to by the Representative, which shall include an undertaking of the Issuer which satisfies the requirements of section (b)(5)(i) of the Rule (the "Undertaking");

(3) The approving opinion of Bond Counsel with respect to the Notes, in substantially the form and substance attached to the Official Statement as Appendix C;

(4) A supplemental opinion of Bond Counsel addressed to the Underwriters, substantially to the effect that:

(i) the Note Ordinance has been duly adopted by the Issuer and is in full force and effect;

(ii) the Notes are exempted securities under the Securities Act of 1933, as amended (the "1933 Act"), and the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), and it is not necessary, in connection with the offering and sale of the Notes, to register the Notes under the 1933 Act or to qualify the Note Ordinance under the Trust Indenture Act; and

(iii) such firm was not requested to participate, and did not take part, in the preparation of the Official Statement, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Notes and the Note Ordinance in the Official Statement under the captions "PLAN OF FINANCING" (except under the subcaption "Sources and Uses of Obligation Proceeds"), "THE

OBLIGATIONS" (exclusive of the information under the subcaptions "Book-Entry-Only System" and "Obligationholders' Remedies"), "TAX MATTERS" and "CONTINUING DISCLOSURE OF INFORMATION" (except for the subcaptions "Availability of Information" and "Compliance with Prior Undertakings") and the subcaptions "Registration and Qualification of Obligations for Sale", "Legal Matters" (except for the last two sentences of the first paragraph thereof) and "Legal Investments and Eligibility to Secure Public Funds in Texas" under the caption "OTHER INFORMATION", and such firm is of the opinion that the information relating to the Notes and the legal issues contained under such captions and subcaptions is an accurate and fair description of the laws and legal issues addressed therein and, with respect to the Notes, such information conforms to the Note Ordinance.

The supplemental opinion of Bond Counsel will also state that the Underwriters are entitled to rely upon the opinion of Bond Counsel delivered in accordance with the provisions of Section 6(i)(3) of this Contract.

(5) An opinion of McCall, Parkhurst & Horton L.L.P., as counsel for the Underwriters, dated the date of the Closing, addressed to the Underwriters, substantially in the form attached hereto as Exhibit A;

(6) A certificate, dated the date of Closing, of an appropriate official of the Issuer, to the effect that (i) the representations and warranties of the Issuer 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) except as may be described in the Official Statement, no litigation or proceeding or tax challenge against the Issuer is pending or, to such person's knowledge, threatened in any court or administrative body nor, to such person's knowledge, is there a basis for litigation which would (a) contest the right of the members or officials of the Issuer to hold and exercise their respective positions, (b) contest the due organization and valid existence of the Issuer, (c) contest the validity, due authorization and execution of the Notes or the Issuer Documents, (d) attempt to limit, enjoin or otherwise restrict or prevent the Issuer from functioning and/or levying and/or collecting ad valorem taxes and making payments on the Notes pursuant to the Note Ordinance, or contest the pledge of ad valorem taxes to the payment of the principal of and interest on the Notes or (e) contest the accuracy, completeness or the fairness of the Preliminary Official Statement or the Official State; (iii) the Note Ordinance was duly adopted by the Issuer, is in full force and effect and has not been modified, amended or repealed, and this Contract has been duly executed and delivered by an authorized official of the Issuer and is in full force and effect and has not been modified, amended or repealed; (iv) to such person's knowledge, no event affecting the Issuer has occurred since the date of the Official Statement which should be disclosed in the Official Statement 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, in light of the circumstances under which they were made, not misleading in any respect as of the time of Closing, and the

information contained in the Official Statement is correct in all material respects and, as of the date of the Official Statement did not, and as of the date of the Closing does 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 made therein, in light of the circumstances under which they were made, not misleading; and (v) there has not been any materially adverse change in the financial condition of the Issuer since September 30, 2015, the latest date as of which audited financial information is available;

(7) A certificate of the Issuer in form and substance satisfactory to Bond Counsel and counsel to the Underwriters setting forth the facts, estimates and circumstances in existence on the date of the Closing, which establish that it is not expected that the proceeds of the Notes will be used in a manner that would cause the Notes to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and any applicable regulations (whether final, temporary or proposed) issued pursuant to the Code;

(8) Any other certificates and opinions required by the Note Ordinance for the issuance thereunder of the Notes;

(9) Evidence satisfactory to the Representative that the Notes have been rated "AAA" by Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, and "AAA" by Fitch Ratings, each without regard to credit enhancement, and that such ratings are in effect as of the date of Closing;

(10) An opinion or certificate, dated on or prior to the date of Closing, of the Attorney General of the State, approving the Notes as required by law, and the registration certificate of the Comptroller of Public Accounts of the State; and

(11) Such additional legal opinions, certificates, instruments and other documents as the Representative or counsel to the Underwriters may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the Issuer's representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Issuer on or prior to the date of the Closing of all the respective agreements then to be performed and conditions then to be satisfied by the Issuer.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Contract shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance reasonably satisfactory to the Representative.

If the Issuer shall be unable to satisfy the conditions to the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Notes contained in this Contract, or if the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Notes shall be terminated for any reason permitted by this Contract, this Contract shall

terminate and neither the Underwriters nor the Issuer shall be under any further obligation hereunder, except that the respective obligations of the Issuer and the Underwriters set forth in Sections 1 (with respect to the good faith check), 4 and 8 hereof shall continue in full force and effect.

7. Termination. The Representative shall have the right to cancel the Underwriters' obligation to purchase the Notes (to be evidenced by a written notice to the Issuer terminating the obligation of the Underwriters to accept delivery of and pay for the Notes) if, between the date of this Contract and the date of the Closing, the market price or marketability of the Notes shall be materially adversely affected, in the sole judgment of the Representative, reasonably exercised, by the occurrence of any of the following:

(a) legislation shall be enacted by or introduced in the Congress of the United States or recommended to the Congress for passage by the President of the United States, or the Treasury Department of the United States or the Internal Revenue Service or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, a decision by a court of the United States or of the State or the United States Tax Court shall be rendered, or an order, ruling, regulation (final, temporary or proposed), press release, statement or other form of notice by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed, the effect of any or all of which would be to impose, directly or indirectly, federal income taxation upon interest received on obligations of the general character of the Notes or the interest on the Notes as described in the Official Statement, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences of any of the transactions described herein;

(b) legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Notes, including any or all underlying arrangements, are not exempt from registration under or other requirements of the 1933 Act, or that the Note Ordinance is not exempt from qualification under or other requirements of the Trust Indenture Act, or that the issuance, offering, or sale of obligations of the general character of the Notes, including any or all underlying arrangements, as described herein or in the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect;

(c) any state blue sky or securities commission or other governmental agency or body in any jurisdiction in which more than twenty percent (20%) of the Notes have been offered and sold shall have withheld registration, exemption or clearance of the offering of the Notes as described herein, or issued a stop order or similar ruling relating thereto;

(d) a general suspension of trading in securities on the New York Stock Exchange or any other national securities exchange, the establishment of minimum prices on any such 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;

(e) the New York Stock Exchange or other national securities exchange or any governmental authority shall impose, as to the Notes or as to obligations of the general character of the Notes, 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, underwriters and/or broker-dealers;

(f) any amendment to the federal or State Constitution or action by any federal or state court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the Issuer, its property, income, securities (or interest thereon), or the validity or enforceability of the assessment, levy and/or collection of the ad valorem taxes pledged to pay the principal of and interest on the Notes;

(g) any event occurring, or information becoming known which, in the reasonable judgment of the Representative, makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of material fact or omits 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 they were made, not misleading;

(h) there shall have occurred since the date of this Contract any materially adverse change in the affairs or financial condition of the Issuer, except for changes which the Official Statement discloses are expected to occur, if any;

(i) there shall have occurred (whether or not foreseeable) any (a) new material outbreak of hostilities involving the United States (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;

(j) any fact or event shall exist or have existed that, in the Representative's reasonable judgment, requires or has required an amendment of or supplement to the Official Statement;

(k) there shall have occurred or any published notice shall have been given of any intended review for possible downgrade, downgrading, suspension, withdrawal or negative change in credit watch status by any national rating service to any of the Issuer's outstanding obligations secured in a like manner as the Notes (including any rating to be accorded the Notes);

(l) the purchase of and payment for the Notes by the Underwriters, or the resale of the Notes by the Underwriters, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission; provided, however, that such prohibition occurs after the date of this Contract and is not caused by the action, or failure to act, of any of the Underwriters; or

(m) a material disruption in securities settlement, payment or clearance services in the United States shall have occurred and shall be continuing at the date of Closing.

With respect to the conditions described in subparagraphs (e) and (l) above, the Underwriters are not aware of any current, pending or proposed law or government inquiry or investigation as of the date of execution of this Contract which would permit the Representative to invoke Underwriters' termination rights hereunder.

8. Expenses.

(a) The Underwriters 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 preparation and printing of the Notes, the Preliminary Official Statement and the Official Statement; (ii) the fees and disbursements of Bond Counsel and counsel to the Issuer, if any; (iii) the fees and disbursements of the Financial Advisor to the Issuer; (iv) the fees and disbursements of the Paying Agent/Registrar for the Notes and any engineers, accountants and other experts, consultants or advisers retained by the Issuer, if any; (v) the fees of the Attorney General of the State; and (vi) the fees for bond ratings.

(b) The Underwriters shall pay (i) the cost of preparation and printing of this Contract, the Blue Sky Survey and Legal Investment Memorandum, if any; (ii) all advertising expenses in connection with the public offering of the Notes; and (iii) all other expenses incurred by the Underwriters in connection with the public offering of the Notes, including the fees and disbursements of counsel retained by the Underwriters.

(c) The Issuer acknowledges that the Underwriters will pay from the Underwriters' expense allocation of the underwriting discount certain expenses incurred by the Underwriters which are incidental to implementing this Contract and the issuance of the Notes, including, but not limited to, the applicable per bond assessment charged by the Municipal Advisory Council of Texas. The Municipal Advisory Council of Texas is a non-profit corporation whose purpose is to collect, maintain and distribute information relating to issuing entities of municipal securities.

(d) The Issuer acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Notes.

9. Notices. Any notice or other communication to be given to the Issuer under this Contract may be given by delivering the same in writing at its address set forth above, Attention: Ms. Brenda Martin, Director of Finance, and any notice or other communication to be given to the Underwriters under this Contract 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.

10. Parties in Interest. This Contract shall constitute the entire agreement between the Issuer and the Underwriters and is made solely for the benefit of the Issuer and the Underwriters (including successors or assigns of the Underwriters) and no other person shall acquire or have any right hereunder or by virtue hereof. This Contract may not be assigned by the Issuer. All of the Issuer's representations, warranties and agreements contained in this Contract shall remain

operative and in full force and effect, regardless of (i) any investigations made by or on behalf of any of the Underwriters and (ii) delivery of and payment for the Notes pursuant to this Contract. All of the Issuer's representations and warranties contained in this Contract shall remain operative and in full force and effect, regardless of any termination of this Contract.

11. Interested Party Disclosure Forms. Each of the Underwriters has delivered to the Issuer notarized Certificate of Interested Parties Forms 1295 generated by the Texas Ethics Commission's (the "TEC") electronic portal (the "Forms 1295"), signed by an authorized agent of each respective entity, prior to the execution of this Contract by the Issuer and the Representative. The Issuer hereby confirms receipt of the Forms 1295 from each Underwriter and agrees to acknowledge such forms with the TEC through its electronic filing application within thirty (30) days of the date of this Contract.

12. Effectiveness. This Contract shall become effective upon the acceptance hereof by the Issuer and shall be valid and binding at the time of such acceptance.

13. Choice of Law. This Contract shall be governed by and construed in accordance with the laws of the State.

14. Severability. If any provision of this Contract 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 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 Contract invalid, inoperative or unenforceable to any extent whatever.

15. Business Day. For purposes of this Contract, "business day" means any day on which the New York Stock Exchange is open for trading.

16. Section Headings. Section headings have been inserted in this Contract as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Contract and will not be used in the interpretation of any provisions of this Contract.

17. Counterparts. This Contract 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.

18. 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 Underwriters with any liability, or be held liable to the Underwriters under any term or provision of this Contract, or because of execution or attempted execution, or because of any breach or attempted or alleged breach of this Contract.

19. Entire Agreement. This Contract represents the entire agreement between the Issuer and the Underwriters with respect to the preparation of the Preliminary Official Statement and the Official Statement, the conduct of the offering, and the purchase and sale of the Notes.

If the Issuer agrees with the foregoing, please sign the enclosed counterpart of this Contract and return it to the Representative. This Contract shall become a binding agreement between the Issuer and the Underwriters when at least the counterpart of this Contract shall have been signed by or on behalf of each of the parties hereto.

Very truly yours,

RAYMOND JAMES & ASSOCIATES, INC. and
STEPHENS, INC.,
the "Underwriters"

By: RAYMOND JAMES & ASSOCIATES, INC.,
as Representative of the Underwriters

By: _____
Authorized Officer

ACCEPTANCE:

ACCEPTED AND AGREED TO at _____ a.m./p.m. Central Time on _____, 2016.

CITY OF LEWISVILLE, TEXAS

By: _____
Mayor

[Signature page of Purchase Contract relating to
City of Lewisville, Texas, Tax Notes, Series 2016]

Schedule I

$_____
City of Lewisville, Texas
Tax Notes,
Series 2016

Dated Date: June 1, 2016
Delivery Date: July 6, 2016
(Interest to accrue from the Delivery Date)

Year (February 15)	Principal Amount	Interest Rate	Initial Yield
2017	,000		
2018	,000		
2019	,000		
2020	,000		
2021	,000		
2022	,000		
2023	,000		

No Optional Redemption. The Notes are not subject to redemption prior to maturity.

Exhibit A

Form of Opinion of McCall, Parkhurst & Horton L.L.P., as Counsel to the Underwriters

[Closing Date]

Raymond James & Associates, Inc.
Stephens, Inc.
c/o Raymond James & Associates, Inc.
5956 Sherry Lane, Suite 1900
Dallas, Texas 75225

Re: $_____ City of Lewisville, Texas, Tax Notes, Series 2016

Ladies and Gentlemen:

We have acted as counsel for you as the underwriters of the above-referenced Notes (the "Notes"), issued under and pursuant to an ordinance (the "Ordinance") of the City of Lewisville, Texas (the "City") on June 6, 2016 (the "Note Ordinance") authorizing the issuance of the Notes, which Notes you are purchasing pursuant to a Purchase Contract dated June 6, 2016. All capitalized undefined terms used herein shall have the meaning set forth in the Purchase Contract.

In connection with this opinion letter, we have considered such matters of law and of fact, and have relied upon such certifications and other information furnished to us, as we have deemed appropriate as a basis for our opinion set forth below. We are not expressing any opinion or views herein on the authorization, issuance, delivery, validity of the Notes and we have assumed, but not independently verified, that the signatures on all documents and Notes that we have examined are genuine.

Based on and subject to the foregoing, we are of the opinion that, under existing laws, the Notes are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Note Ordinance is not required to be qualified under the Trust Indenture Act of 1939, as amended.

Because the primary purpose of our professional engagement as your counsel was not to establish factual matters, and because of the wholly or partially nonlegal character of many of the determinations involved in the preparation of the Official Statement dated June 6, 2016 (the "Official Statement") and because the information in the Official Statement included under the captions and subcaptions "THE OBLIGATIONS - Book-Entry-Only System", "TAX MATTERS" and "CONTINUING DISCLOSURE OF INFORMATION - Compliance with Prior Undertakings" and Appendices B and C thereto were prepared by others who have been engaged to review or provide such information, we are not passing on and do not assume any responsibility for the information contained under such headings and in the appendices, and, except as set forth in the last sentence of this paragraph, we are not passing on and do not assume any responsibility for the accuracy, completeness or fairness of other statements contained in the Official Statement (including any appendices, schedules and exhibits thereto) and we make no representation that we have independently verified the accuracy, completeness or fairness of such statements. In the course of our participation in the preparation of the Official Statement as your counsel, we had discussions with representatives of the City, including its Financial Advisor and Bond Counsel, regarding the contents of the Official Statement. In the course of

such activities, no facts came to our attention which would lead us to believe that the Official Statement (except for the financial statements and other financial and statistical data contained therein, the information set forth under the captions and subcaptions "THE OBLIGATIONS - Book-Entry-Only System", "TAX MATTERS" and "CONTINUING DISCLOSURE OF INFORMATION - Compliance with Prior Undertakings" and Appendices B and C thereto, as to which we express no opinion), as of its date 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.

In addition, based upon (i) our understanding of Rule 15c2-12 of the United States Securities and Exchange Commission (the "Rule") and interpretive guidance published by the United States Securities and Exchange Commission relating thereto; (ii) our review of the continuing disclosure undertaking of the Issuer contained in the Note Ordinance; and (iii) the inclusion in the Official Statement of a description of the specifics of such undertaking, and in reliance on the opinion of Bond Counsel that the Note Ordinance has been duly adopted by the Issuer and is in full force and effect and constitutes a valid and legally binding obligation of the Issuer enforceable in accordance with its terms, we have no reason to believe that such undertaking does not meet the requirements of paragraph (b)(5)(i) of the Rule and, accordingly, we advise you that such undertaking provides a suitable basis for you, as the underwriters of the Notes, and any other broker, dealer or municipal securities dealer acting as a Participating Underwriter (as defined in the Rule) in connection with the offering of the Notes, to make a reasonable determination that the Issuer has met the qualifications of paragraph (b)(5)(i) of the Rule.

This opinion letter may be relied upon by only you and only in connection with the transaction to which reference is made above and may not be used or relied upon by any other person for any purposes whatsoever without our prior written consent.

Respectfully,

PAYING AGENT/REGISTRAR AGREEMENT
between

CITY OF LEWISVILLE, TEXAS

and

THE BANK OF NEW YORK MELLON TRUST COMPANY,
NATIONAL ASSOCIATION

Pertaining to

City of Lewisville, Texas
General Obligation Refunding and Improvement Bonds
Series 2016

And

City of Lewisville, Texas
Tax Notes
Series 2016

Dated as of June 1, 2016

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Annex A - Schedule of Fees for Service as Paying Agent/Registrar

PAYING AGENT/REGISTRAR AGREEMENT

THIS PAYING AGENT/REGISTRAR AGREEMENT (the or this "Agreement"), dated as of June 1, 2016, is by and between the CITY OF LEWISVILLE, TEXAS (the "Issuer"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION (the "Bank"), a national banking association duly organized and existing under the laws of the United States of America.

WHEREAS, the Issuer has duly authorized and provided for the issuance of its General Obligation Refunding and Improvement Bonds, Series 2016 (the "Bonds") and its Tax Notes, Series 2016 (the "Notes" and together with the Bonds, the "Obligations"), each dated June 1, 2016, to be issued as registered securities without coupons; and

WHEREAS, all things necessary to make the Obligations the valid obligations of the Issuer, in accordance with their terms, will be taken upon the issuance and delivery thereof; and

WHEREAS, the Issuer is desirous that the Bank act as the Paying Agent of the Issuer in paying the principal, redemption premium, if any, and interest on the Obligations, in accordance with the terms thereof, and that the Bank act as Registrar for the Obligations; and

WHEREAS, the Issuer has duly authorized the execution and delivery of this Agreement; and all things necessary to make this Agreement the valid agreement of the Issuer, in accordance with its terms, have been done;

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE I

APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

Section 1.01. Appointment.

(a) The Issuer hereby appoints the Bank to act as Paying Agent with respect to the Obligations in paying to the Owners of the Obligations the principal, redemption premium, if any, and interest on all or any of the Obligations.

(b) The Issuer hereby appoints the Bank as Registrar with respect to the Obligations.

(c) The Bank hereby accepts its appointment, and agrees to act as, the Paying Agent and the Registrar.

Section 1.02. Compensation.

(a) As compensation for the Bank's services as Paying Agent/Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in Annex A hereto for the first year of this Agreement, or such part thereof, as this Agreement shall be in effect, and thereafter while this Agreement is in effect, the fees and amounts set forth in the Bank's current fee schedule then in effect for services as Paying Agent/Registrar for municipalities, which shall be supplied to the

Issuer on or before 90 days prior to the close of the Fiscal Year of the Issuer, and shall be effective upon the first day of the following Fiscal Year.

(b) In addition, the Issuer agrees to reimburse the Bank upon its request for all reasonable expenses, disbursements, and advances incurred or made by the Bank in accordance with any of the provisions hereof, including the reasonable compensation and the expenses and disbursements of its agents and counsel.

ARTICLE II

DEFINITIONS

Section 2.01. Definitions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms have the following meanings when used in this Agreement:

"Bank Office" means the Bank's office at 2001 Bryan Street, 10th Floor, Dallas, Texas 75201. The Bank will notify the Issuer in writing of any change in location of the Bank Office.

"Financial Advisor" means First Southwest Company, its successors and assigns.

"Fiscal Year" means the fiscal year of the Issuer.

"Issuer Request" and "Issuer Order" means a written request or order signed in the name of the Issuer by an authorized representative of the Issuer and delivered to the Bank.

"Legal Holiday" means a day on which the Bank is required or authorized by applicable law to be closed.

"Ordinance" means collectively, the respective resolution, order or ordinance of the governing body of the Issuer pursuant to which the Obligations are issued, certified by the Secretary of the governing body or any other officer of the Issuer and delivered to the Bank.

"Owner" means the Person in whose name an Obligation is registered in the Register.

"Paying Agent" means the Bank when it is performing the functions associated with the terms in this Agreement.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization, or government or any agency or political subdivision of a government.

"Predecessor Obligations" of any particular Obligation means every previous Obligation evidencing all or a portion of the same obligation as that evidenced by such particular Obligation (and, for the purposes of this definition, any Obligation registered and delivered under Section 4.06 in lieu of a mutilated, lost, destroyed or stolen Obligation shall be deemed to evidence the same obligation as the mutilated, lost, destroyed or stolen Obligation).

"Record Date" means the last business day of the month next preceding an interest payment date established by the Ordinance.

"Register" means a register in which the Issuer shall provide for the registration and transfer of Obligations.

"Responsible Officer" when used with respect to the Bank means the Chairman or Vice Chairman of the Board of Directors, the Chairman or Vice Chairman of the Executive Committee of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"Stated Maturity" means the date or dates specified in the Ordinance as the fixed date on which the principal of the Obligations is due and payable or the date fixed in accordance with the terms of the Ordinance for redemption of the Obligations, or any portion thereof, prior to the fixed maturity date.

Section 2.02. Other Definitions. The terms "Bank," "Issuer" and "Agreement" have the meanings assigned to them in the opening paragraphs of this Agreement.

ARTICLE III

PAYING AGENT

Section 3.01. Duties of Paying Agent.

(a) The Bank, as Paying Agent and on behalf of the Issuer, shall pay to the Owner, at the Stated Maturity and upon the surrender of the Obligation or Obligations so maturing at the Bank Office, the principal amount of the Obligation or Obligations then maturing, and redemption premium, if any, provided that the Bank shall have been provided by or on behalf of the Issuer adequate funds to make such payment.

(b) The Bank, as Paying Agent and on behalf of the Issuer, shall pay interest when due on the Obligations to each Owner of the Obligations (or their Predecessor Obligations) as shown in the Register at the close of business on the Record Date, provided that the Bank shall have been provided by or on behalf of the Issuer adequate funds to make such payments; such payments shall be made by computing the amount of interest to be paid each Owner, preparing the checks, and mailing the checks on each interest payment date addressed to each Owner's address as it appears in the Register on the Record Date.

Section 3.02. Payment Dates. The Issuer hereby instructs the Bank to pay the principal of, redemption premium, if any, and interest on the Obligations at the dates specified in the Ordinance.

ARTICLE IV

REGISTRAR

Section 4.01. Transfer and Exchange.

(a) The Issuer shall keep the Register at the Bank Office, and subject to such reasonable written regulations as the Issuer may prescribe, which regulations shall be furnished to the Bank herewith or subsequent hereto by Issuer Order, the Issuer shall provide for the registration and transfer of the Obligations. The Bank is hereby appointed "Registrar" for the purpose of registering and transferring the Obligations as herein provided. The Bank agrees to maintain the Register while it is Registrar. The Bank agrees to at all times maintain a copy of the Register at its office located in the State of Texas.

(b) The Bank as Registrar hereby agrees that at any time while any Obligation is outstanding, the Owner may deliver such Obligation to the Registrar for transfer or exchange, accompanied by instructions from the Owner, or the duly authorized designee of the Owner, designating the persons, the maturities, and the principal amounts to and in which such Obligation is to be transferred and the addresses of such persons; the Registrar shall thereupon, within not more than three (3) business days, register and deliver such Obligation or Obligations as provided in such instructions. The provisions of the Ordinance shall control the procedures for transfer or exchange set forth herein to the extent such procedures are in conflict with the provisions of the Ordinance.

(c) Every Obligation surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed in a manner satisfactory to the Bank, duly executed by the Owner thereof or his attorney duly authorized in writing.

(d) The Bank may request any supporting documentation it feels necessary to effect a re-registration.

Section 4.02. The Obligations. The Issuer shall provide an adequate inventory of unregistered Obligations to facilitate transfers. The Bank covenants that it will maintain the unregistered Obligations in safekeeping and will use reasonable care in maintaining such unregistered Obligations in safekeeping, which shall be not less than the care it maintains for debt securities of other governments or corporations for which it serves as registrar, or which it maintains for its own securities.

Section 4.03. Form of Register.

(a) The Bank as Registrar will maintain the records of the Register in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Register in any form other than a form which the Bank has currently available and currently utilizes at the time.

(b) The Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

Section 4.04. List of Owners.

(a) The Bank will provide the Issuer at any time requested by the Issuer, upon payment of the cost, if any, of reproduction, a copy of the information contained in the Register. The Issuer may also inspect the information in the Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

(b) The Bank will not release or disclose the content of the Register to any person other than to, or at the written request of, an authorized officer or employee of the Issuer, except upon receipt of a subpoena or court order or as otherwise required by law. Upon receipt of a subpoena or court order the Bank will notify the Issuer so that the Issuer may contest the subpoena or court order.

Section 4.05. Cancellation of Obligations. All Obligations surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Bank, shall be promptly cancelled by it and, if surrendered to the Issuer, shall be delivered to the Bank and, if not already cancelled, shall be promptly cancelled by the Bank. The Issuer may at any time deliver to the Bank for cancellation any Obligations previously certified or registered and delivered which the Issuer may have acquired in any manner whatsoever, and all Obligations so delivered shall be promptly cancelled by the Bank. All cancelled Obligations held by the Bank shall be disposed of pursuant to the Securities Exchange Act of 1934.

Section 4.06. Mutilated, Destroyed, Lost, or Stolen Obligations.

(a) Subject to the provisions of this Section 4.06, the Issuer hereby instructs the Bank to deliver fully registered Obligations in exchange for or in lieu of mutilated, destroyed, lost, or stolen Obligations as long as the same does not result in an overissuance.

(b) If (i) any mutilated Obligation is surrendered to the Bank, or the Issuer and the Bank receives evidence to their satisfaction of the destruction, loss, or theft of any Obligation, and (ii) there is delivered to the Issuer and the Bank such security or indemnity as may be required by the Bank to save and hold each of them harmless, then in the absence of notice to the Issuer or the Bank that such Obligation has been acquired by a bona fide purchaser, the Issuer shall execute, and upon its request the Bank shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Obligation, a new Obligation of the same stated maturity and of like tenor and principal amount bearing a number not contemporaneously outstanding.

(c) Every new Obligation issued pursuant to this Section in lieu of any mutilated, destroyed, lost, or stolen Obligation shall constitute a replacement of the prior obligation of the Issuer, whether or not the mutilated, destroyed, lost, or stolen Obligation shall be at any time enforceable by anyone, and shall be entitled to all the benefits of the Ordinance equally and ratably with all other outstanding Obligations.

(d) Upon the satisfaction of the Bank and the Issuer that a Obligation has been mutilated, destroyed, lost, or stolen, and upon receipt by the Bank and the Issuer of such indemnity or security as they may require, the Bank shall cancel the Obligation number on the

Obligation registered with a notation in the Register that said Obligation has been mutilated, destroyed, lost, or stolen; and a new Obligation shall be issued of the same series and of like tenor and principal amount bearing a number, according to the Register, not contemporaneously outstanding.

(e) The Bank may charge the Owner the Bank's fees and expenses in connection with issuing a new Obligation in lieu of or exchange for a mutilated, destroyed, lost, or stolen Obligation.

(f) The Issuer hereby accepts the Bank's current blanket bond for lost, stolen, or destroyed Obligations and any future substitute blanket bond for lost, stolen, or destroyed Obligations that the Bank may arrange, and agrees that the coverage under any such blanket bond is acceptable to it and meets the Issuer's requirements as to security or indemnity. The Bank need not notify the Issuer of any changes in the security or other company giving such bond or the terms of any such bond, provided that the amount of such bond is not reduced below the amount of the bond on the date of execution of this Agreement. The blanket bond then utilized by the Bank for lost, stolen, or destroyed Obligations by the Bank is available for inspection by the Issuer on request.

Section 4.07. Transaction Information to Issuer. The Bank will, within a reasonable time after receipt of written request from the Issuer, furnish the Issuer information as to the Obligations it has paid pursuant to Section 3.01, Obligations it has delivered upon the transfer or exchange of any Obligations pursuant to Section 4.01, and Obligations it has delivered in exchange for or in lieu of mutilated, destroyed, lost or stolen Obligations pursuant to Section 4.06 of this Agreement.

ARTICLE V

THE BANK

Section 5.01. Duties of Bank. The Bank undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof. The Bank is also authorized to transfer funds relating to the closing and final delivery of the Obligations in the manner disclosed in the closing memorandum as prepared by the Issuer's financial advisor or other agent. The Bank may act on a facsimile or e-mail transmission of the closing memorandum acknowledged by the financial advisor of the Issuer as the final closing memorandum. The Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions.

Section 5.02. Reliance on Documents, Etc.

(a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

(b) The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts.

(c) No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

(d) The Bank may rely and shall be protected in acting or refraining from acting upon any ordinance, resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, certificate, note, security, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality of the foregoing statement, the Bank need not examine the ownership of any Obligations, but is protected in acting upon receipt of Obligations containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Owner or an attorney-in-fact of the Owner. The Bank shall not be bound to make any investigation into the facts or matters stated in an ordinance, resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, certificate, note, security, or other paper or document supplied by Issuer.

(e) The Bank may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon.

(f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

Section 5.03. Recitals of Issuer.

(a) The recitals contained herein and in the Obligations shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

(b) The Bank shall in no event be liable to the Issuer, any Owner or Owners, or any other Person for any amount due on any Obligation except as otherwise expressly provided herein with respect to the liability of the Bank for its duties under this Agreement.

Section 5.04. May Hold Obligations. The Bank, in its individual or any other capacity, may become the Owner or pledgee of Obligations and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent.

Section 5.05. Money Held by Bank.

(a) Money held by the Bank hereunder need not be segregated from any other funds provided appropriate accounts are maintained.

(b) The Bank shall be under no liability for interest on any money received by it hereunder.

(c) Subject to the provisions of Title 6, Texas Property Code, any money deposited with the Bank for the payment of the principal, redemption premium, if any, or interest on any

Obligation and remaining unclaimed for three years after final maturity of the Obligation has become due and payable will be paid by the Bank to the Issuer, and the Owner of such Obligation shall thereafter look only to the Issuer for payment thereof, and all liability of the Bank with respect to such monies shall thereupon cease.

(d) The Bank will comply with the reporting requirements of Chapter 74 of the Texas Property Code.

(e) The Bank shall deposit any moneys received from the Issuer into a trust account to be held in a paying agent capacity for the payment of the Obligations, with such moneys in the account that exceed the deposit insurance, available to the Issuer, provided by the Federal Deposit Insurance Corporation to be fully collateralized with securities or obligations that are eligible under the laws of the State of Texas and to the extent practicable under the laws of the United States of America to secure and be pledged as collateral for trust accounts until the principal and interest on the Obligations have been presented for payment and paid to the owner thereof. Payments made from such trust account shall be made by check drawn on such trust account unless the owner of such Obligations shall, at its own expense and risk, request such other medium of payment.

Section 5.06. Indemnification. To the extent permitted by law, the Issuer agrees to indemnify the Bank, its officers, directors, employees, and agents for, and hold them harmless against, any loss, liability, or expense incurred without negligence or bad faith on their part arising out of or in connection with its acceptance or administration of the Bank's duties hereunder, and under Article V of the Ordinance, including the cost and expense (including its counsel fees) of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement.

Section 5.07. Interpleader. The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demands or controversy over its persons as well as funds on deposit in a court of competent jurisdiction within the State of Texas; waive personal service of any process; and agree that service of process by certified or registered mail, return receipt requested, to the address set forth in this Agreement shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction within the State of Texas to determine the rights of any person claiming any interest herein.

ARTICLE VI

MISCELLANEOUS PROVISIONS

Section 6.01. Amendment. This Agreement may be amended only by an agreement in writing signed by both of the parties hereof.

Section 6.02. Assignment. This Agreement may not be assigned by either party without the prior written consent of the other.

Section 6.03. Notices. Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the Issuer or

the Bank shall be mailed or delivered to the Issuer or the Bank, respectively, at the addresses shown below:

(a) if to the Issuer: City of Lewisville, Texas
151 West Church Street
Lewisville, Texas 75057
Attention: Chief Financial Officer

(b) if to the Bank: The Bank of New York Mellon Trust Company, National Association
2001 Bryan Street, 10th Floor
Dallas, Texas 75201
Attention: Corporate Trust Department

Section 6.04. Bank to Give Notice of Change. The Bank hereby agrees that it will give notice to the Issuer, to the registered owners and to the Municipal Securities Rulemaking Board of (a) any change in the name of the Bank after the date hereof, (b) any change in the location of the Designated Payment/Transfer Office or a change in the mailing address of the Bank, and (c) any merger or other change in the corporate structure affecting the name, location and address of the Bank, in each case within ten (10) business days of the effective date of such change .

Section 6.05. Effect of Headings. The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

Section 6.06. Successors and Assigns. All covenants and agreements herein by the Issuer shall bind its successors and assigns, whether so expressed or not.

Section 6.07. Separability. If any provision herein 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.

Section 6.08. Benefits of Agreement. Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

Section 6.09. Entire Agreement. This Agreement and the Ordinance constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar, and if any conflict exists between this Agreement and the Ordinance, the Ordinance shall govern.

Section 6.10. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 6.11. Termination.

(a) This Agreement will terminate on the date of final payment by the Bank issuing its checks for the final payment of principal, redemption premium, if any, and interest of the Obligations.

(b) This Agreement may be earlier terminated upon sixty (60) days written notice by either party; provided, that, no termination shall be effective until a successor has been appointed by the Issuer and has accepted the duties imposed by this Agreement. A resigning Paying Agent/Registrar may petition any court of competent jurisdiction for the appointment of a successor Paying Agent/Registrar if an instrument of acceptance by a successor Paying Agent/Registrar has not been delivered to the resigning Paying Agent/Registrar within sixty (60) days after the giving of notice of resignation.

(c) The provisions of Section 1.02 and of Article Five shall survive and remain in full force and effect following the termination of this Agreement.

Section 6.12. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Texas.

[Execution Pages Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

CITY OF LEWISVILLE, TEXAS

By: _____
Mayor

ATTEST:

_____
City Secretary

THE BANK OF NEW YORK MELLON TRUST
COMPANY, NATIONAL ASSOCIATION,
as Paying Agent/Registrar

By: _____
Title: _____

ANNEX “A”

SCHEDULE OF FEES FOR SERVICE AS PAYING AGENT/REGISTRAR

MEMORANDUM

TO: Donna Barron, City Manager

FROM: Brenda Martin, Director of Finance

DATE: May 26, 2016

SUBJECT: **Series 2016 Waterworks and Sewer System Revenue Refunding and Improvement Bonds**

BACKGROUND

Attached for consideration is an Ordinance and other draft documents related to the issuance of City of Lewisville, Texas, Waterworks and Sewer System Revenue Refunding and Improvement Bonds, Series 2016. The estimated amount of $11,565,000 will provide funds for constructing, acquiring, and installing improvements, additions, and extensions to the City's waterworks and sewer system and for refunding a portion of the Waterworks and Sewer System Revenue Improvement Bonds, Series 2008 and costs associated with the issuance of the bonds.

ANALYSIS

Estimated premium generated on the sale of the Bonds could lower the par amount of the bonds. Premium on the bonds is generated when an investor pays more than 100 cents on the dollar for the bonds they are buying. For example, if an investor pays 105 cents on the dollar for a bond, 5 cents is considered premium. This premium may be used to 1) cover costs of issuance and 2) provide proceeds to pay off the bonds being refunded. Actual results of the sales will depend on actual market interest rates obtained on the day of pricing, June 6th.

A majority of the new bonds ($7.13M) will be allocated for a new water line along Josey Lane and FM 544, various new water and sewer lines in east Lewisville, replacement of water and sewer lines in Timberbrook subdivision in association with the general obligation bond issuance for residential street improvements, and replacement of various water and sewer lines throughout the city.

The remaining new bond portion ($600K) is associated with phase 1 installation of odor control devices for the 42" sewer line near Hebron Parkway.

Due to citizen involvement with the Lewisville 2025 plan and visioning process, interest is high with regard to upcoming capital projects within the community. Discussions with FirstSouthwest, a division of Hilltop Securities and the City's financial advisory firm, resulted with the addition of a retail order period on the day of sale that will allow a qualified Lewisville individual, alongside qualified institutional buyers, to bid on the City's bonds being sold. Successful bids will be selected based on the lowest yield to the City. Results of the sale will be provided at the June 6, 2016 City Council meeting.

RECOMMENDATION

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

ORDINANCE NO. ____-____-2016

AUTHORIZING THE
ISSUANCE OF

CITY OF LEWISVILLE, TEXAS
WATERWORKS AND SEWER SYSTEM REVENUE
REFUNDING AND IMPROVEMENT BONDS, SERIES 2016

Dated: June 1, 2016

Adopted: June 6, 2016

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SCHEDULE OF REFUNDED BONDS.....Schedule I

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LEWISVILLE, TEXAS, AUTHORIZING THE ISSUANCE AND SALE OF CITY OF LEWISVILLE, TEXAS, WATERWORKS AND SEWER SYSTEM REVENUE REFUNDING AND IMPROVEMENT BONDS, SERIES 2016 IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____; PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SAID BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, A PAYING AGENT/REGISTRAR AGREEMENT AND AN ESCROW AGREEMENT; CALLING CERTAIN OUTSTANDING BONDS FOR REDEMPTION; APPROVING THE OFFICIAL STATEMENT; AND ENACTING OTHER PROVISIONS RELATING THERETO

WHEREAS, the City of Lewisville, Texas (the "City"), has outstanding its previously issued waterworks and sewer system revenue bonds (the "Previously Issued Bonds") payable from and secured by a first lien on and pledge of the net revenues of the City's combined waterworks and sewer system (the "System"); and

WHEREAS, in the ordinances authorizing the issuance of the Previously Issued Bonds the City has reserved the right to issue, under certain conditions, additional bonds on a parity as to lien and right with the Previously Issued Bonds; and

WHEREAS, the City Council of the City (the "City Council") has found and determined that additional bonds, on a parity with the Previously Issued Bonds, are required to be issued to provide funds for the purpose of improving and extending the System; and

WHEREAS, Chapter 1207 Texas Government Code, as amended ("Chapter 1207") authorizes the City to issue refunding bonds to refund all or any part of the City's outstanding waterworks and sewer system bonds and to enter into an escrow agreement with respect to the safekeeping, investment, reinvestment, administration and disposition of any such deposit, upon such terms and conditions as the City and such paying agent may agree, provided that such deposits may be invested and reinvested only in obligations specified in subsections 1207.062(b)(1) and (2), Texas Government Code, as amended, and which shall mature and bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment or prepayment of the refunded bonds; and

WHEREAS, the City Council has found and determined that additional bonds, on a parity with the Previously Issued Bonds, are required to be issued for the purpose of refunding certain outstanding waterworks and sewer system bonds described on Schedule I hereto (the "Refunded Bonds") for the purpose of achieving a representing a present value savings of approximately $_____ or _____% and that the refunding contemplated in this Ordinance will benefit the City by providing a present value savings of debt service as hereinabove stated and that such benefit is sufficient consideration for the refunding of the Refunded Bonds; and

WHEREAS, The Bank of New York Mellon Trust Company, N.A., is a place of payment for the Refunded Bonds and, as such, is qualified to act as Escrow Agent for the Refunded Bonds; and

WHEREAS, the City Council of the City hereby finds and determines that the issuance and delivery of the bonds hereinafter authorized is in the public interest and the use of the proceeds in the manner herein specified constitutes a valid public purpose; and

WHEREAS, the City Council finds and determines that it is necessary and in the best interest of the City and its citizens that its bonds shall be issued, in a single series, for the purposes of (i) paying costs related to improving and extending the System, (ii) refunding the Refunded Bonds and (iii) paying the costs of issuing the Bonds, which the City Council hereby determines to be necessary and economically feasible, all in accordance with the Constitution and general laws of the State, particularly Chapter 1207 and Chapter 1502, Texas Government Code, as amended ("Chapter 1502"); and

WHEREAS, the conditions precedent to the issuance of Additional Parity Bonds, as herein defined, under the ordinances authorizing the issuance of the Previously Issued Bonds have occurred and are existing; and

WHEREAS, the meeting at which this Ordinance is considered is open to the public as required by law, and the public notice of the time, place and purpose of said meeting was given as required by Chapter 551, Texas Government Code, as amended;

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

ARTICLE I

DEFINITIONS, FINDINGS AND INTERPRETATION

Section 1.01. Definitions.

Unless otherwise expressly provided or unless the context clearly requires otherwise, in this Ordinance, the following terms shall have the meanings specified below:

"Additional Parity Bonds" means revenue bonds or other evidences of indebtedness which the City reserves the right to issue or enter into, as the case may be, in the future in accordance with the terms and conditions provided in Section 9.01 of this Ordinance and which are equally and ratably secured by a first lien on and pledge of the Net Revenues.

"Average Annual Debt Service" means that amount which, at the time of computation, is derived by dividing the total amount of Debt Service to be paid over a period of years as the same is scheduled to become due and payable by the number of years taken into account in determining the total Debt Service. Capitalized interest payments provided from bond proceeds shall be excluded in making the aforementioned computation.

"Bond" means any of the Bonds.

"Bond Date" means the date designated as the date of the Bonds by Section 3.02(a) of this Ordinance.

"Bond Fund" means the "City of Lewisville Interest and Sinking Revenue Bond Fund" described in Section 8.03 of this Ordinance.

"Bond" or "Bonds" means the City's bonds authorized to be issued by Section 3.01 of this Ordinance and designated as "City of Lewisville, Texas, Waterworks and Sewer System Revenue Refunding and Improvement Bonds, Series 2016."

"Bond Purchase Agreement" means the Bond Purchase Agreement between the Underwriters and the City dated as of the date hereof.

"Bonds Similarly Secured" means, collectively, the Previously Issued Bonds, the Bonds and Additional Parity Bonds.

"Business Day" means any day which is not a Saturday, Sunday or legal holiday, or day on which banking institutions in the State of Texas or the city in which the Designated Payment/Transfer Office is located are generally authorized or obligated by law or executive order to close.

"City" means the City of Lewisville, Texas.

"Closing Date" means the date of the initial delivery of and payment for the Bonds.

"Code" means the Internal Revenue Code of 1986, as amended.

"Debt Service" means, as of any particular date of computation, with respect to any obligations and with respect to any period, the aggregate of the amounts to be paid or set aside by the City as of such date or in such period for the payment of the principal of, premium, if any, and interest (to the extent not capitalized) on such obligations; assuming, in the case of obligations without a fixed numerical rate, that such obligations bear, or would have borne, interest at the highest rate reached, or that would have been applied to such obligations (using the index or measure for computing interest applicable to such obligations) during the twenty-four (24) month period next preceding the date of computation, and further assuming in the case of obligations required to be redeemed or prepaid as to principal prior to maturity, the principal amounts thereof will be redeemed prior to maturity in accordance with the mandatory redemption provisions applicable thereto.

"DTC" means The Depository Trust Company of New York, New York, or any successor securities depository.

"DTC Participant" means brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

"Designated Payment/Transfer Office" means (i) with respect to the initial Paying Agent/Registrar named in this Ordinance, the corporate trust office of the Paying Agent/Registrar in Dallas, Texas, or at such other location designated by the Paying Agent/Registrar, and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the City and such successor.

"Escrow Agent" means The Bank of New York Mellon Trust Company, N.A.

"Escrow Agreement" means the escrow agreement between the Escrow Agent and the City pertaining to the Bonds.

"Escrow Fund" means the fund by that name established under the Escrow Agreement.

"Event of Default" means any event of default as described in Section 11.01 of this Ordinance.

"Fiscal Year" or "Year" means the twelve month account period used by the City in connection with the operation of the System which may be any twelve consecutive month period established by the City.

"Fund" means any fund established pursuant to this Ordinance or any ordinance authorizing the issuance of Bonds Similarly Secured.

"Gross Revenues" means all income, receipts and revenues of every nature derived or received from the operation and ownership (excluding refundable meter deposits, restricted gifts and grants in aid of construction) of the System, including earnings and income derived from the investment or deposit of moneys in any special funds or accounts created and established by the City for the payment and security of the Bonds Similarly Secured and other obligations payable solely from and secured only by a lien on and pledge of the Net Revenues.

"Initial Bond" means the initial Bond authorized by Section 3.04(d) of this Ordinance.

"Interest Payment Date" means the date or dates upon which interest on the Bonds is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being February 15 and August 15 of each year, commencing February 15, 2017.

"Maintenance and Operating Expenses" means all current expenses of operating and maintaining the System, including all salaries, labor, materials, repairs and extensions necessary to render efficient service; provided, however, that only such repairs and extensions, as in the judgment of the City Council, reasonably and fairly exercised, are necessary to maintain the operations and render adequate service to the City and the inhabitants thereof, or such as might be necessary to meet some physical accident or condition which would otherwise impair obligations payable from Net Revenues shall be deducted in determining "Net Revenues." Depreciation charges shall not be considered Maintenance and Operating Expenses. Maintenance and Operating Expenses shall include payments under contracts for the purchase of water supply, treatment of sewage or other materials, goods, services or facilities for the System to the extent authorized by law and the provisions of such contracts.

"Moody's" means Moody's Investors Service, or any successor or assignee thereof.

"MSRB" means the Municipal Securities Rulemaking Board.

"Net Earnings" means Gross Revenues of the System after deducting the Maintenance and Operating Expenses, but not depreciation charges or other expenditures which, under generally accepted accounting principles, should be treated as capital expenditures.

"Net Revenues" means the Gross Revenues, with respect to any period, after deducting Maintenance and Operating Expenses during such period.

"Ordinance" means this ordinance pursuant to which the Bonds are authorized.

"Outstanding" when used in this Ordinance, means, as of the date of determination, all Bonds Similarly Secured theretofore sold, issued and delivered by the City, except:

(i) those Bonds Similarly Secured canceled or delivered by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation in connection with the exchange or transfer of such obligations;

(ii) those Bonds Similarly Secured paid or deemed to be paid in accordance with the provisions hereof; and

(iii) those Bonds Similarly Secured that have been mutilated, destroyed, lost, or stolen and replacement bonds have been registered and delivered in lieu thereof.

"Owner" means the person who is the registered owner of a Bond or Bonds, as shown in the Register, which shall be Cede & Co., as nominee for DTC, so long as the Bonds are in book-entry only form and held by DTC as securities depository in accordance with Section 3.10 hereof.

"Paying Agent/Registrar" means initially The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, or any successor thereto as provided in this Ordinance.

"Previously Issued Bonds" means the City's presently Outstanding and unpaid revenue bonds payable from and secured by a first lien on and pledge of the Net Revenues.

"Prior Ordinances" mean the ordinances that authorized the issuance of the Previously Issued Bonds.

"Purchase Agreement" means the purchase agreement between the City and the Underwriters pertaining to the sale of the Bonds.

"Record Date" means the last Business Day of the month next preceding an Interest Payment Date.

"Refunded Bonds" means the Previously Issued Bonds described in Schedule to be refunded with the proceeds of the Bonds and other available funds of the City, if any.

"Register" means the Register specified in Section 3.06(a).

"Representative" means the entity representing the Underwriters, if any, designated in the Bond Purchase Agreement.

"Required Reserve" means the amount required to be accumulated and maintained in the Reserve Fund under the provisions of Section 8.04.

"Reserve Fund" means the "City of Lewisville Revenue Bond Reserve Fund," described in Section 8.04 of this Ordinance.

"Rule" means SEC Rule 15c2-12, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

"S&P" means Standard and Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

"Special Payment Date" means the date that is fifteen (15) days after the Special Record Date.

"Special Record Date" means the new record date for interest payment established in the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, as described in Section 3.03(b).

"System" means all properties, facilities and plants currently owned, operated and maintained by the City for the supply, treatment and transmission of treated potable water and the collection, treatment and disposal of water-carried wastes, together with all future extensions, improvements, replacements and additions thereto; provided, however, that notwithstanding the foregoing, and to the extent now or hereafter authorized or permitted by law, the term "System" shall not mean or include facilities of any kind which are declared not to be a part of the System and which are acquired or constructed by or on behalf of the City with the proceeds from the issuance of "Special Facilities Bonds," which are hereby defined as being special revenue obligations of the City which are not Bonds Similarly Secured but which are payable from and secured by other liens on and pledges of any revenues, sources or payments, not pledged to the payment of the Bonds Similarly Secured including, but not limited to, special contract revenues or payments received from any other legal entity in connection with such facilities.

"System Fund" means the "City of Lewisville Water and Sewer System Fund," described in Section 8.02 of this Ordinance.

"Unclaimed Payments" mean money deposited with the Paying Agent/Registrar for the payment of principal of, or interest on the Bonds as the same become due and payable and remaining unclaimed by the Owners of such Bonds for ninety (90) days after the applicable payment or redemption date.

"Underwriters" mean Raymond James and Stephens, Inc.

Section 1.02. Other Definitions. The terms "City" and "City Council" shall have the meanings assigned to them in the preamble of this Ordinance.

Section 1.03. Findings. The declarations, determinations and findings declared, made and found in the preamble to this Ordinance are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.04. Table of Contents, Titles and Headings. The table of contents, titles and headings of the Articles and Sections of this Ordinance have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Ordinance or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.05. Interpretation. (a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) Any action required to be taken on a date which is not a Business Day shall be taken on the next succeeding Business Day and have the same effect as if taken on the date so required.

(c) This Ordinance and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Ordinance.

(d) Article and section references shall mean references to articles and sections of this Ordinance unless otherwise designated.

ARTICLE II

SECURITY FOR THE BONDS

Section 2.01. Pledge. The City hereby covenants and agrees that the Net Revenues of the System, with the exception of those in excess of the amounts required for the payment and security of the Bonds Similarly Secured, are hereby irrevocably pledged, equally and ratably, to the payment and security of the Bonds Similarly Secured, including the establishment and maintenance of the special funds created and established for the payment and security thereof, all as hereinafter provided, and it is hereby ordained that the Bonds Similarly Secured, and the interest thereon, shall constitute a first lien on the Net Revenues in accordance with the terms and provisions hereof and be valid and binding without further action by the City and without any filing or recording except for the filing of this Ordinance in the records of the City.

Section 2.02. Bonds Similarly Secured as Special Obligations. Bonds Similarly Secured are special obligations of the City payable solely from the Net Revenues of the System, and the Owners thereof shall never have the right to demand payment thereof out of any other funds raised or to be raised by taxation.

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.01. Authorization. The City's bonds to be designated "City of Lewisville, Texas, Waterworks and Sewer System Revenue Refunding and Improvement Bonds, Series 2016," are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State, including particularly Chapters 1207 and 1502. The Bonds shall be issued in the aggregate principal amount of $_____ for the purposes of (i) paying costs related to improving and extending the City's waterworks and sewer system, (ii) refunding the Refunded Bonds, and (iii) paying the costs of issuing the Bonds.

Section 3.02. Date, Denomination, Maturities and Interest. (a) The Bonds shall be dated June 1, 2016, shall be in fully registered form, without coupons, in the denomination of $5,000 or any integral multiple thereof and shall be numbered separately from one upward or such other designation acceptable to the City and the Paying Agent/Registrar, except the Initial Bond, which shall be numbered T-1.

(b) The Bonds shall mature on February 15 in the years and in the principal amounts and shall bear interest at the per annum rates set forth in the following schedule:

Serial Bonds

Year	Principal Amount	Interest Rate	Year	Principal Amount	Interest Rate
2017			2025		
2018			2026		
2019			2027		
2020			2028		
2021			2029		
2022			2030		
2023			2031		
2024			2032		

Term Bonds

Year	Principal Amount	Interest Rate
20__		

(c) Interest shall accrue and be paid on each Bond respectively until its maturity or prior redemption, from the later of the Closing Date or the most recent Interest Payment Date to which interest has been paid or provided for at the rates per annum for each respective maturity specified in the schedule contained in subsection (b) above. Such interest shall be payable on each Interest Payment Date until maturity or prior redemption. Interest on the Bonds shall be calculated on the basis of a 360-day year composed of 12 months of thirty (30) days each, such

interest to be paid semiannually on February 15 and August 15 of each year, commencing February 15, 2017.

Section 3.03. Medium, Method and Place of Payment. (a) The principal of, redemption premium, if any, and interest on the Bonds shall be paid in lawful money of the United States of America.

(b) Interest on the Bonds shall be payable to the Owners as shown in the Register at the close of business on the Record Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which date shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) Business Days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each Owner of a Bond appearing in the Register at the close of business on the last Business Day next preceding the date of mailing of such notice.

(c) Interest on each Bond shall be paid by check, dated as of the Interest Payment Date, and mailed on or before such Interest Payment Date, by first class United States mail, postage prepaid, by the Paying Agent/Registrar to each Owner at the address of each Owner as it appears in the Register, or by such other customary banking arrangements acceptable to the Paying Agent/Registrar and the Owner; provided, however, that such Owner shall bear all risk and expense of such other customary banking arrangements.

(d) The principal of each Bond shall be paid to the Owner thereof on the due date (whether at the maturity date or the date of prior redemption thereof) upon presentation and surrender of such Bond at the Designated Payment/Transfer Office.

(e) If the date for the payment of the principal of or interest on the Bonds is not a Business Day, the date for such payment shall be the next succeeding Business Day, and payment on such date shall for all purposes be deemed to have been made on the due date thereof as specified in this Section.

(f) Subject to any applicable escheat, unclaimed property or similar law, including without limitation Title 6, Texas Property Code, Unclaimed Payments remaining unclaimed by the Owners entitled thereto for three years after the applicable payment or redemption date shall be deposited into the Bond Fund and applied to the next payment on the Bonds thereafter coming due; to the extent any such moneys remain after the retirement of all Outstanding Bonds, such moneys may be used by the City for any lawful purpose. Thereafter, neither the City, the Paying Agent/Registrar, nor any other person shall be liable or responsible to any Owners of such Bonds for any further payment of such unclaimed moneys or on account of any such Bonds, subject to any applicable escheat, unclaimed property or similar law, including without limitation Title 6, Texas Property Code.

Section 3.04. Execution and Registration of Bonds. (a) The Bonds shall be executed on behalf of the City by the Mayor and City Secretary, by their manual or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the City had been manually impressed upon each of the Bonds.

(b) In the event that any officer of the City whose manual or facsimile signature appears on the Bonds ceases to be such officer before the authentication of such Bonds or before the delivery thereof, such manual or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Ordinance unless and until there appears thereon the Certificate of Paying Agent/Registrar substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Paying Agent/Registrar. It shall not be required that the same officer or authorized signatory of the Paying Agent/Registrar sign the Certificate of Paying Agent/Registrar on all of the Bonds. In lieu of the executed Certificate of Paying Agent/Registrar described above, the Initial Bond delivered on the Closing Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided herein, manually executed by the Comptroller of Public Accounts of the State of Texas, or by her duly authorized agent, which certificate shall be evidence that the Initial Bond has been duly approved by the Attorney General of the State of Texas, and that it is a valid and binding obligation of the City, and that it has been registered by the Comptroller of Public Accounts of the State of Texas.

(d) On the Closing Date, one Initial Bond representing the entire principal amount of the Bonds, payable in stated installments to the Representative, or its designee, executed by the Mayor and the City Secretary by their manual or facsimile signature, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts, will be delivered to the Representative or its designee. Upon payment for the Initial Bond, the Paying Agent/Registrar shall cancel the Initial Bond and deliver registered definitive Bonds in accordance with Section 3.10 hereof.

Section 3.05. Ownership. (a) The City, the Paying Agent/Registrar and any other person may treat the person in whose name any Bond is registered in the Register as the absolute Owner of such Bond for the purpose of making and receiving payment of the principal thereof, for the further purpose of making and receiving payment of the interest thereon, and for all other purposes, whether or not such Bond is overdue, and neither the City nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the Owner of a Bond shall be valid and effectual and shall discharge the liability of the City and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

Section 3.06. Registration, Transfer and Exchange. (a) So long as any Bond remains outstanding, the City shall cause the Paying Agent/Registrar to keep at its Designated Payment/Transfer Office a register in which, 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 this Ordinance.

(b) The ownership of a Bond may be transferred only upon the presentation and surrender of the Bond to the Paying Agent/Registrar at the Designated Payment/Transfer Office with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar. No transfer of any Bond shall be effective until entered in the Register. A Bond may be assigned by the execution of an assignment form on the Bond or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. A new Bond or Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bond being transferred, at the Designated Payment/Transfer Office of the Paying Agent/Registrar, or sent by United States mail, first class, postage prepaid, to the new registered owner or his designee. To the extent possible, the Paying Agent/Registrar will issue such new Bond or Bonds not more than three (3) Business Days after receipt of the Bond to be transferred in proper form and with proper instructions directing such transfer.

(c) The Bonds shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for a Bond or Bonds of the same maturity and interest rate and in any denomination or denominations of any integral multiple of $5,000 and in an aggregate principal amount equal to the unpaid principal amount of the Bonds presented for exchange. The Paying Agent/Registrar is hereby authorized to authenticate and deliver Bonds in exchange for other Bonds in accordance with this Section. To the extent possible, the Paying Agent/Registrar will issue such new Bond or Bonds not more than three (3) Business Days after receipt of the Bond to be exchanged in proper form and with proper instructions directing such exchange.

(d) Each exchange Bond delivered by the Paying Agent/Registrar in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such exchange Bond is delivered.

(e) No service charge shall be made to the Owner for the initial registration, any subsequent transfer or exchange for a different denomination of any of the Bonds. The Paying Agent/Registrar, however, may require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer or exchange of a Bond.

(f) Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer or exchange any Bond called for redemption, in whole or in part, where such redemption is scheduled to occur within forty-five (45) calendar days after the transfer or exchange date; provided, however, such limitation of transfer shall not be applicable to an exchange by the Owner of the uncalled principal balance of a Bond.

Section 3.07. Cancellation. All Bonds paid or redeemed before scheduled maturity in accordance with this Ordinance, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance with this Ordinance shall be cancelled upon the making of proper records regarding such payment, redemption, exchange or replacement and shall be disposed of pursuant to the retention policies of the Paying Agent/Registrar.

Section 3.08. Temporary Bonds. (a) Following the delivery and registration of the Initial Bond and pending the preparation of definitive Bonds, the proper officers of the City may execute and, upon the City's request, the Paying Agent/Registrar shall authenticate and deliver, one or more temporary Bonds that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any authorized denomination, substantially of the tenor of the definitive Bonds in lieu of which they are delivered, without coupons, and with such appropriate insertions, omissions, substitutions and other variations as the officers of the City executing such temporary Bonds may determine, as evidenced by their signing of such temporary Bonds.

(b) Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the benefit and security of this Ordinance.

(c) The City, without unreasonable delay, shall prepare, execute and deliver to the Paying Agent/Registrar, the Bonds in definitive form; thereupon, upon the presentation and surrender of the Bond or Bonds in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall cancel the Bonds in temporary form and authenticate and deliver in exchange therefor a Bond or Bonds of the same maturity and series, in definitive form, in the authorized denomination, and in the same aggregate principal amount, as the Bond or Bonds in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Owner.

Section 3.09. Replacement Bonds. (a) Upon the presentation and surrender to the Paying Agent/ Registrar of a mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like tenor, maturity, principal amount and interest rate bearing a number not contemporaneously outstanding. The City or the Paying Agent/Registrar may require the Owner of such Bond to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event that any Bond is lost, apparently destroyed or wrongfully taken, the Paying Agent/Registrar, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Bond of like tenor, maturity, principal amount and interest rate bearing a number not contemporaneously outstanding, provided that the Owner first complies with the following requirements:

(i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction or theft of such Bond;

(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar to save it and the City harmless;

(iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar and any tax or other governmental charge that is authorized to be imposed; and

(iv) satisfies any other reasonable requirements imposed by the City and the Paying Agent/Registrar.

(c) After the delivery of such replacement Bond, if a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Bond from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the City or the Paying Agent/Registrar in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Bond, may pay such Bond if it has become due and payable, or may pay such Bond when it becomes due and payable.

(e) Each replacement Bond delivered in accordance with this Section shall constitute an original additional contractual obligation of the City and shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

Section 3.10. Book-Entry Only System. (a) The definitive Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities thereof with the ownership of each such Bond registered in the name of Cede & Co., as nominee of DTC, and except as provided in Section 3.11 hereof, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

(b) With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/ Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than an Owner, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than an Owner, as shown in the Register of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Ordinance to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Register as the absolute owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on the Bonds, for the purpose of all matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal

of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owners, as shown in the Register as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of, premium, if any, principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Register, shall receive a Bond certificate evidencing the obligation of the City to make payments of amounts due pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks or drafts being mailed to the registered Owner at the close of business on the Record Date, the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

Section 3.11. Successor Securities Depository; Transfer Outside Book-Entry Only System. In the event that the City or the Paying Agent/ Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter between the City and DTC, and that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, or in the event DTC discontinues the services described herein, the Issuer or the Paying Agent/Registrar shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of certificated Bonds and cause the Paying Agent/Registrar to transfer one or more separate registered Bonds to DTC Participants having Bonds credited to their DTC accounts, as identified by DTC. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance.

Section 3.12. Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bonds, and all notices with respect to such Bonds, shall be made and given, respectively, in the manner provided in the representation letter of the City to DTC.

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.01. Limitation on Redemption. The Bonds shall be subject to redemption before their scheduled maturity only as provided in this Article IV.

Section 4.02. Optional Redemption. (a) The City reserves the option to redeem Bonds maturing on and after February 15, 2026, in whole or in part in principal amounts of $5,000 or any integral multiple thereof before their respective scheduled maturity dates, on February 15,

2025, or on any date thereafter, such redemption date or dates to be fixed by the City, at a price equal to the principal amount of the Bonds so called for redemption plus accrued interest to the date fixed for redemption.

(b) If less than all of the Bonds are to be redeemed pursuant to an optional redemption, the City shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot the Bonds, or portions thereof, within such maturity or maturities and in such principal amounts for redemption.

(c) The City, at least forty-five (45) days before the redemption date, unless a shorter period shall be satisfactory to the Paying Agent/Registrar, shall notify the Paying Agent/Registrar of such redemption date and of the principal amount of Bonds to be redeemed.

Section 4.03. Mandatory Sinking Fund Redemption.

(a) The Bonds maturing on February 15, 20__ (the "Term Bonds") are subject to scheduled mandatory redemption and will be redeemed by the City, in part at a price equal to the principal amount thereof, without premium, plus accrued interest to the redemption date, out of moneys available for such purpose in the Interest and Sinking Fund, on the dates and in the respective principal amounts as set forth below.

$ Term Bonds Maturing February 15, 20

Redemption Date	Redemption Amount
February 15, 20__	
February 15, 20__*	

*maturity

(b) At least forty-five (45) days prior to each scheduled mandatory redemption date, the Paying Agent/Registrar shall select for redemption by lot, or by any other customary method that results in a random selection, a principal amount of Term Bonds equal to the aggregate principal amount of such Term Bonds to be redeemed, shall call such Term Bonds for redemption on such scheduled mandatory redemption date, and shall give notice of such redemption, as provided in Section 4.5.

(c) The principal amount of the Term Bonds required to be redeemed on any redemption date pursuant to subparagraph (a) of this Section 4.3 shall be reduced, at the option of the City, by the principal amount of any Term Bonds which, at least 45 days prior to the mandatory sinking fund redemption date (i) shall have been acquired by the City at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

Section 4.04. Partial Redemption. (a) A portion of a single Bond of a denomination greater than $5,000 may be redeemed, but only in a principal amount equal to $5,000 or any integral multiple thereof. If such a Bond is to be partially redeemed, the Paying Agent/Registrar

shall treat each $5,000 portion of the Bond as though it were a single Bond for purposes of selection for redemption.

(b) Upon surrender of any Bond for redemption in part, the Paying Agent/Registrar, in accordance with Section 3.06 of this Ordinance, shall authenticate and deliver an exchange Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered, such exchange being without charge, notwithstanding any provision of Section 3.06 to the contrary.

(c) The Paying Agent/Registrar shall promptly notify the City in writing of the principal amount to be redeemed of any Bond as to which only a portion thereof is to be redeemed.

Section 4.05. Notice of Redemption to Owners. (a) The Paying Agent/Registrar shall give notice of any redemption of Bonds by sending notice by United States mail, first class, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond (or part thereof) to be redeemed, at the address shown in the Register at the close of business on the Business Day next preceding the date of mailing such notice.

(b) The notice shall state the redemption date, the redemption price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed.

(c) The City reserves the right to give notice of its election or direction to redeem Bonds under Section 4.02, 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 City retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the City delivers a certificate of the City 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 City 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. Any notice so mailed shall be conclusively presumed to have been duly given, whether or not the registered owner receives such notice. Notice having been so given and subject, in the case of an optional redemption, to any rights or conditions reserved by the City in the notice, the Bonds called for redemption shall become due and payable on the specified redemption date, and notwithstanding that any obligation or portion thereof has not been surrendered for payment, interest on such obligation or portion thereof shall cease to accrue.

(d) Any notice or instructions given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

Section 4.06. Payment Upon Redemption.

(a) Before or on each redemption date, the City shall deposit with the Paying Agent/Registrar money sufficient to pay all amounts due on the redemption date and the Paying Agent/Registrar shall make provision for the payment of the Bonds to be redeemed on such date by setting aside and holding in trust an amount from the Interest and Sinking Fund or otherwise received by the Paying Agent/Registrar from the City and shall use such funds solely for the purpose of paying the principal of, redemption premium, if any, and accrued interest on the Bonds being redeemed.

(b) Upon presentation and surrender of any Bond called for redemption at the Designated Payment/Transfer Office on or after the date fixed for redemption, the Paying Agent/Registrar shall pay the principal of, redemption premium, if any, and accrued interest on such Bond to the date of redemption from the money set aside for such purpose.

Section 4.07. Effect of Redemption.

(a) Notice of redemption having been given as provided in Section 4.04 of this Ordinance and subject, in the case of an optional redemption under Section 4.02, to any conditions or rights reserved by the City under Section 4.04(c), the Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption and, unless the City defaults in its obligation to make provision for the payment of the principal thereof, redemption premium, if any, or accrued interest thereon, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

(b) If the City shall fail to make provision for payment of all sums due on a redemption date, then any Bond or portion thereof called for redemption shall continue to bear interest at the rate stated on the Bond until due provision is made for the payment of same.

ARTICLE V

PAYING AGENT/REGISTRAR

Section 5.01. Appointment of Initial Paying Agent/Registrar. The Bank of New York Mellon Trust Company, N.A., is hereby appointed as the initial Paying Agent/Registrar for the Bonds.

Section 5.02. Qualifications. Each Paying Agent/Registrar shall be a commercial bank, a trust company organized under the laws of the State of Texas, or any other entity duly qualified and legally authorized to serve as and perform the duties and services of paying agent and registrar for the Bonds.

Section 5.03. Maintaining Paying Agent/Registrar. (a) At all times while any Bonds are outstanding, the City will maintain a Paying Agent/Registrar that is qualified under Section 5.02

of this Ordinance. The Mayor is hereby authorized and directed to execute an agreement with the Paying Agent/Registrar specifying the duties and responsibilities of the City and the Paying Agent/Registrar in the substantially final form presented at this meeting, the form, terms and provisions of which are hereby approved. The signature of the Mayor shall be attested by the City Secretary.

(b) If the Paying Agent/Registrar resigns or otherwise ceases to serve as such, the City will promptly appoint a replacement, provided no such resignation shall be effective until a successor Paying Agent/Registrar has accepted the duties of Paying Agent/Registrar for the Bonds.

Section 5.04. Termination. The City, upon not less than sixty (60) days' notice, reserves the right to terminate the appointment of any Paying Agent/Registrar by delivering to the entity whose appointment is to be terminated written notice of such termination, provided, that such termination shall not be effective until a successor Paying Agent/Registrar has been appointed and has accepted the duties of Paying Agent/Registrar for the Bonds.

Section 5.05. Notice of Change to Owners. Promptly upon each change in the entity serving as Paying Agent/Registrar, the City will cause notice of the change to be sent to each Owner by first class United States mail, postage prepaid, at the address in the Register, stating the effective date of the change and the name and mailing address of the replacement Paying Agent/Registrar.

Section 5.06. Agreement to Perform Duties and Functions. By accepting the appointment as Paying Agent/Registrar, and executing the Paying Agent/Registrar Agreement, the Paying Agent/Registrar is deemed to have agreed to the provisions of this Ordinance and that it will perform the duties and functions of Paying Agent/Registrar prescribed thereby.

Section 5.07. Delivery of Records to Successor. If a Paying Agent/Registrar is replaced, such Paying Agent/Registrar, promptly upon the appointment of the successor, will deliver the Register (or a copy thereof) and all other pertinent books and records relating to the Bonds to the successor Paying Agent/Registrar.

ARTICLE VI

FORM OF THE BONDS

Section 6.01. Form Generally. (a) The Bonds, including the Registration Certificate of the Comptroller of Public Accounts of the State of Texas to accompany the Initial Bond, the Certificate of the Paying Agent/Registrar, and the Assignment form to appear on each of the Bonds, (i) shall be substantially in the form set forth in this Article, with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance, and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by the City or by the officers executing such Bonds, as evidenced by their execution thereof.

(b) Any portion of the text of any Bonds may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Bonds.

(c) The definitive Bonds, if any, shall be typewritten, printed, lithographed or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officers executing such Bonds, as evidenced by their execution thereof.

(d) The Initial Bond submitted to the Attorney General of the State of Texas may be typewritten and photocopied or otherwise reproduced.

Section 6.02. Form of the Bonds. The form of the Bonds, including the form of the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, to accompany the Initial Bond, the form of Certificate of the Paying Agent/Registrar and the form of Assignment appearing on the Bonds, shall be substantially as follows:

(a) Form of Bonds.

REGISTERED REGISTERED

No. _____ $_____

United States of America
State of Texas

CITY OF LEWISVILLE, TEXAS
WATERWORKS AND SEWER SYSTEM
REVENUE REFUNDING AND IMPROVEMENT BOND, SERIES 2016

INTEREST RATE:	MATURITY DATE:	CLOSING DATE:	CUSIP NO.
_____%	February 15, ____	July 6, 2016	_____ ___

The City of Lewisville, Texas (the "City"), in the Counties of Denton and Dallas, State of Texas, for value received, hereby promises to pay to

_____

or registered assigns, but solely from the sources and in the manner hereinafter provided, on the Maturity Date specified above, the sum of

_____ DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provided for, and to pay interest on such principal amount from the later of the Closing Date specified above or the most recent interest payment date to which interest has been paid or provided for until such principal amount shall have been paid or provision for such payment shall have been made, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on February 15 and August 15 of each year, commencing February 15, 2017.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Dallas, Texas, of The Bank of New York Mellon Trust Company, N.A., as Paying Agent/Registrar (the "Designated Payment/Transfer Office"), or, with respect to a successor paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the interest payment date, and will be mailed on or before such interest payment date, by first class United States mail, postage prepaid, by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar, or by such other customary banking arrangements acceptable to the Paying Agent/Registrar and the person to whom interest is to be paid; provided, however, that such person shall bear all risk and expense of such other customary banking arrangements. For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the last Business Day (as hereinafter defined) of the month next preceding such interest payment date; provided, however, that in the event of nonpayment of interest on a scheduled interest payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which date shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) Business Days (as hereinafter defined) prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each registered owner of a Bond appearing on the books of the Paying Agent/Registrar at the close of business on the last Business Day next preceding the date of mailing of such notice.

If the date for the payment of the principal of or interest on this Bond is not a Business Day, the date for such payment shall be the next succeeding day which is not a Saturday, Sunday or legal holiday, or day on which banking institutions in the State of Texas or the city in which the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are generally authorized or obligated by law or executive order to close (a "Business Day"), and payment on such date shall for all purposes be deemed to have been made on the original date payment was due.

This Bond is one of the series of fully registered bonds specified in its title issued in the aggregate principal amount of $_____ (herein referred to as the "Bonds"), dated as of June 1, 2016, issued pursuant to the authority provided by Chapters 1207 and 1502, Texas Government Code, as amended, and a certain ordinance adopted by the governing body of the City (the "Ordinance"). Capitalized terms used herein and not otherwise defined shall have the meaning assigned thereto in the Ordinance. The Bonds are issued for the purposes of (i) paying

costs related to improving and extending the City's waterworks and sewer system (the "System"), (ii) refunding certain outstanding revenue bonds of the City, and (iii) paying the costs of issuing the Bonds.

The Bonds, together with certain outstanding revenue bonds of the City (the "Bonds Similarly Secured"), constitute special obligations of the City and are payable solely from and equally secured by a first lien on and pledge of the Net Revenues of the System.

The City expressly reserves the right to issue additional revenue obligations in all things on a parity with the Bonds and the Bonds Similarly Secured, payable solely from and equally secured by a first lien on and pledge of the Net Revenues of the System; provided, however, that any and all such additional obligations may be so issued only in accordance with and subject to the covenants, conditions, limitations and restrictions relating thereto which are set out and contained in the Ordinance to which reference is hereby made for more complete and full particulars.

The owner hereof shall never have the right to demand payment of this Bond out of funds raised or to be raised by taxation.

The City has reserved the option to redeem the Bonds maturing on or after February 15, 2026, in whole or in part, before their respective scheduled maturity dates, on February 15, 2025, or on any date thereafter, at a price equal to the principal amount of the Bonds so called for redemption plus accrued interest to the date fixed for redemption. If less than all of the Bonds are to be redeemed, the City shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot the Bonds, or portions thereof, within such maturity and in such principal amounts, for redemption.

The Bonds maturing February 15, 20__ (the "Term Bonds") are subject to scheduled mandatory redemption and will be redeemed by the City, in part at a price equal to the principal amount thereof, without premium, plus accrued interest to the redemption date, out of moneys available for such purpose in the Interest and Sinking Fund, on the dates and in the respective principal amounts as set forth below.

$_____ Term Bonds Maturing February 15, 20__

Redemption Date	Redemption Amount
February 15, 20__	
February 15, 20__*	

*maturity

At least forty-five (45) days prior to each scheduled mandatory redemption date, the Paying Agent/Registrar shall select for redemption by lot, or by any other customary method that results in a random selection, a principal amount of Term Bonds equal to the aggregate principal amount of such Term Bonds to be redeemed, shall call such Term Bonds for redemption on such scheduled mandatory redemption date, and shall give notice of such redemption, as provided in the Ordinance.

In lieu of calling the Term Bonds described above, for mandatory redemption, the City reserves the right to purchase such Term Bonds at a price not exceeding the principal amount thereof, plus accrued interest, with (a) moneys on deposit in the Interest and Sinking Fund which are available for the mandatory redemption of such Term Bonds or (b) other lawfully available funds.

Upon any such purchase in lieu of redemption, not less than five (5) days prior to a mandatory redemption date, the City shall deliver such Term Bonds to the Paying Agent/Registrar prior to the selection of the Term Bonds for redemption and the principal amount so delivered shall be credited against the amount required to be called for redemption in that year.

Not less than thirty (30) days prior to a redemption date for the Bonds, the City shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to the Owners of the Bonds to be redeemed at the address of the Owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the Business Day next preceding the date of mailing such notice.

In the Ordinance, the City 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 City retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the City delivers a certificate of the City 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 City 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. Any notice so mailed shall be conclusively presumed to have been duly given, whether or not the registered owner receives such notice. Notice having been so given and subject, in the case of an optional redemption, to any rights or conditions reserved by the City in the notice, the Bonds called for redemption shall become due and payable on the specified redemption date, and notwithstanding that any obligation or portion thereof has not been surrendered for payment, interest on such obligation or portion thereof shall cease to accrue.

As provided in the Ordinance, and subject to certain limitations therein set forth, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar; thereupon, one or more new fully registered Bonds of the same stated maturity, of authorized denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer or exchange any Bond called for redemption where such redemption is scheduled to occur within forty-five (45) calendar days of the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Bond.

The City, the Paying Agent/Registrar, and any other person may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the person in whose name this Bond is registered on the "Record Date" or "Special Record Date," as applicable) and for all other purposes, whether or not this Bond be overdue, and neither the City, nor the Paying Agent/Registrar nor any other person shall be affected by notice to the contrary.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds to render the same lawful and valid have been properly done and have happened in regular and due time, form and manner as required by law; that the Bonds do not exceed any constitutional or statutory limitation; and that provision has been made for the payment of the principal of and interest on the Bonds by irrevocably pledging the Net Revenues of the System, as hereinabove recited.

IN WITNESS WHEREOF, the City has caused this Bond to be executed in its name by the manual or facsimile signature of the Mayor of the City and countersigned by 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 Bond.

_____
Mayor, City of Lewisville, Texas

_____
City Secretary, City of Lewisville, Texas

[SEAL]

(b) Form of Comptroller's Registration Certificate.

The following Comptroller's Registration Certificate may be deleted from the definitive Bonds if such Certificate on the Initial Bond is fully executed.

OFFICE OF THE COMPTROLLER	§	
OF PUBLIC ACCOUNTS	§	REGISTER NO. _____
OF THE STATE OF TEXAS	§	

I hereby certify that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this Bond has been examined by him as required by law, that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas, and that it is a valid and binding special obligation of the City of Lewisville, Texas, and that this Bond has this day been registered by me.

Witness my hand and seal of office at Austin, Texas, _____.

_____
Comptroller of Public Accounts of the
State of Texas

[SEAL]

(c) Form of Certificate of Paying Agent/Registrar.

The following Certificate of Paying Agent/Registrar may be deleted from the Initial Bond if the Comptroller's Registration Certificate appears thereon.

CERTIFICATE OF PAYING/AGENT/REGISTRAR

The records of the Paying Agent/Registrar show that the Initial Bond of this series of Bonds was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and that this is one of the Bonds referred to in the within-mentioned Ordinance.

The Bank of New York Mellon Trust
Company, N.A.,
as Paying Agent/Registrar

Dated:_____

By:_____
Authorized Signatory

(d) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto (print or typewrite name, address and zip code of transferee):

_____

_____

(Social Security or other identifying number: _____) the within Bond and all rights hereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration hereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed By:

_____

_____

Authorized Signatory

_____

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be guaranteed in a manner acceptable to the Paying Agent/Registrar.

(e) The Initial Bond shall be in the form set forth in paragraphs (a), (b) and (d) of this Section, except for the following alterations:

(i) immediately under the name of the Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below" and the words "CUSIP NUMBER" deleted; and

(ii) in the first paragraph of the Bond, the words "on the Maturity Date specified above, the sum of _____ DOLLARS" shall be deleted and the following will be inserted: "on February 15 in each of the years, in the principal installments, and bearing interest at the per annum rates in accordance with the following schedule:

Years	Principal Installments	Interest Rates"

(Information to be inserted from schedule in Section 3.02 of this Ordinance)

Section 6.03. CUSIP Registration. The City may secure identification numbers through the CUSIP Services Bureau managed by S&P Capital IQ on behalf of the American Bankers Association, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect in regard to the legality thereof and neither the City nor bond counsel to the City are to be held responsible for CUSIP numbers incorrectly printed on the Bonds.

Section 6.04. Legal Opinion. The approving legal opinion of Bracewell LLP, Bond Counsel, may be printed on the reverse side of each Bond or attached to the Bonds over the certification of the City Secretary, which may be executed in facsimile.

ARTICLE VII

SALE AND DELIVERY OF BONDS; DEPOSIT OF PROCEEDS

Section 7.01. Sale of Bonds, Official Statement.

(a) The Bonds are hereby officially sold and awarded and shall be delivered to the Underwriters, in accordance with the terms and provisions of that certain Purchase Agreement relating to the Bonds between the City and the Underwriters, and dated the date of the passage of this Ordinance. The form and content of such Purchase Agreement are hereby approved, and the Mayor is hereby authorized and directed to execute and deliver such Purchase Agreement. It is hereby officially found, determined and declared that the terms of this sale are the most advantageous reasonably obtainable. The Bonds shall initially be registered in the name of Raymond James, or its designee.

(b) The form and substance of the Preliminary Official Statement, and any addenda, supplement or amendment thereto, and the final Official Statement (the "Official Statement") presented to and considered at this meeting, are hereby in all respects approved and adopted, and the Preliminary Official Statement 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 City Secretary of the City are hereby authorized and directed to execute the same and deliver appropriate numbers of copies thereof to the Underwriters. The Official Statement as thus approved and delivered, with such appropriate variations as shall be approved by the Mayor of the City and the Underwriters, may be used by the Underwriters in the public offering and sale thereof. The use and distribution of the Preliminary Official Statement in the public offering of the Bonds by the Underwriters is hereby ratified, approved and confirmed. The City Secretary is hereby authorized and directed to include and maintain a copy of the Official Statement and any addenda, supplement or amendment thereto thus approved among the permanent records of this meeting. The use and distribution of the Official Statement and the preliminary public offering of the Bonds by the Underwriters is hereby ratified, approved and confirmed.

(c) All officers of the City are authorized to execute such documents, certificates and receipts, and to make such elections pertaining to the tax-exempt status of the Bonds, and to take such actions as they may deem appropriate in order to consummate the delivery of the Bonds. Further, in connection with the submission of the record of proceedings for the Bonds to the Attorney General of the State of Texas for examination and approval of such Bonds, the appropriate officer of the City is hereby authorized and directed to issue a check of the City payable to the Attorney General of the State of Texas as a nonrefundable examination fee in the amount required by Chapter 1202, Texas Government Code (such amount to be the lesser of (i) 1/10th of 1% of the principal amount of the Bonds or (ii) $9,500).

(d) The obligation of the Underwriters to accept delivery of the Bonds is subject to the Underwriters being furnished with the final, approving opinion of Bracewell LLP, Bond Counsel for the City, which opinion shall be dated and delivered the Closing Date.

Section 7.02. Control and Delivery of Bonds. (a) The Mayor of the City is hereby authorized to have control of the Initial 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 of Texas, and registration with, and initial exchange or transfer by, the Paying Agent/Registrar.

(b) After registration by the Comptroller of Public Accounts of the State of Texas, delivery of the Bonds shall be made to the Underwriters under and subject to the general supervision and direction of the Mayor against receipt by the City of all amounts due to the City under the terms of sale.

(c) In the event the Mayor or City Secretary is absent or otherwise unable to execute any document or take any action authorized herein, the 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 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 and City Secretary, respectively.

Section 7.03. Deposit of Proceeds. On the Closing Date, the proceeds of the Bonds shall be applied as follows:

(a) The amount of $_____ shall be deposited to a special construction fund of the City as directed by an authorized officer of the City, such moneys, including the investment earnings thereon, to be dedicated and used solely for the purposes described in Section 3.01(i).

(b) The amount of $_____, which includes $_____ principal amount of the Bonds plus premium of $_____, shall be deposited to the Escrow Fund and applied as provided in the Escrow Agreement.

(c) The remaining proceeds of the Bonds shall be applied to the payment of the costs of issuing of the Bonds, including an underwriters' discount of $_____. Any amount in excess of the amount required to pay costs of issuing the Bonds shall be deposited to the Bond Fund; and

(d) All amounts remaining in the construction fund after the completion of the improvements and extensions to the System and following payment of the costs of issuance, and, including investment earnings of the construction fund, shall be deposited to the Bond Fund as provided in Section 8.03.

ARTICLE VIII

FUNDS AND ACCOUNTS

Section 8.01. Special Funds. The City covenants and agrees that all revenues derived from the operation of the System shall be kept separate from other funds of the City. To that end, the establishment of the following special Funds is hereby confirmed and such Funds shall be maintained in an official depository bank of the City so long as any of the Bonds Similarly Secured are outstanding and unpaid, to-wit:

(a) "City of Lewisville Water and Sewer System Fund," herein called the "System Fund";

(b) "City of Lewisville Interest and Sinking Revenue Bond Fund," herein called the "Bond Fund"; and

(c) "City of Lewisville Revenue Bond Reserve Fund," herein called the "Reserve Fund."

Section 8.02. System Fund. The City hereby covenants and agrees that Gross Revenues of the System (excluding earnings and income derived from investments held in the Bond Fund and Reserve Fund) shall be deposited as collected to the credit of the System Fund maintained at an official depository of the City, and such revenues of the System shall be kept separate and apart from all other funds of the City. All revenues deposited in the System Fund shall be pledged and appropriated to the extent required for the following uses and in the order of priority shown:

(a) To the payment of all necessary and reasonable Maintenance and Operating Expenses or required by statute to be a first charge on and claim against the Gross Revenues thereof.

(b) To the payment of the amounts required to be deposited in the Bond Fund established and maintained for the payment of Debt Service on the Bonds Similarly Secured as the same becomes due and payable.

(c) To the payment of the amounts required to be deposited in the Reserve Fund to accumulate and maintain therein the Required Reserve in accordance with the provisions of this Ordinance or any other ordinance relating to the issuance of Bonds Similarly Secured.

Any Net Revenues remaining in the System Fund after satisfying the foregoing payments, or making adequate and sufficient provision for the payment thereof, may be appropriated and used for any other City purpose now or hereafter permitted by law.

Section 8.03. Bond Fund. For purposes of providing funds to pay the principal of and interest on the Bonds Similarly Secured as the same becomes due and payable, the City agrees to maintain at a depository bank of the City the Bond Fund as a separate and special account. In addition to the deposits to the Bond Fund for the payment of the Previously Issued Bonds, the City covenants that there shall be deposited into the Bond Fund prior to each principal payment

date and Interest Payment Date from the Net Revenues an amount equal to one hundred per centum (100%) of the amount required to fully pay the interest on and the principal of the Bonds then falling due and payable by reason of maturity or redemption, and such deposits to pay principal of and accrued interest on the Bonds shall be made in substantially equal monthly installments on or before the last day of each month, beginning on or before the last day of the month next following the delivery of the Bonds to the initial purchaser thereof. If the Net Revenues in any month are then insufficient to make the required payments into the Bond Fund, then the amount of any deficiency in the payment shall be added to the amount otherwise required to be paid into the Bond Fund in the next month.

The required monthly deposits to the Bond Fund for the payment of principal of and interest on the Bonds shall continue to be made as hereinabove provided until (i) the total amount on deposit in the Bond Fund and the Reserve Fund is equal to the amount required to fully pay and discharge all Outstanding Bonds Similarly Secured (principal and interest) or (ii) the Bonds are no longer Outstanding.

Accrued interest, if any, received from the Underwriters, as well as any excess proceeds of the Bonds not required to complete the improvements and extensions to be made to the System and any earnings derived from the investment of moneys in the Bond Fund, shall be deposited to the credit of the Bond Fund and taken into consideration to reduce the amount of the monthly deposits hereinabove required to be deposited in the Bond Fund from the Net Revenues.

Section 8.04. Reserve Fund. For purposes of accumulating and maintaining funds as a reserve for the payment of the Bonds Similarly Secured, the City reaffirms its covenant with the owners of the Previously Issued Bonds and agrees with the Owners to maintain the Reserve Fund, and all funds deposited therein (excluding earnings and income derived or received from deposits or investments which may be transferred to the System Fund during such periods as there is on deposit in the Reserve Fund the Required Reserve) shall be used solely for the payment of the principal of and interest on the Bonds Similarly Secured when (whether at maturity, upon a mandatory redemption date or any interest payment date) other funds available for such purposes are insufficient, and, in addition, may be used to the extent not required to maintain the "Required Reserve," to pay, or provide for the payment of the final principal amount of a series of Bonds Similarly Secured so that such series of Bonds Similarly Secured is no longer deemed to be "Outstanding" as such term is defined herein.

In accordance with the provisions of the ordinances authorizing the issuance of the Previously Issued Bonds, the total amount ultimately required to be accumulated and maintained in the Reserve Fund is $_____ (the "Old Reserve"). By reason of the issuance of the Bonds, the total amount required to be accumulated and maintained in the Reserve Fund is hereby determined to be $_____ (the "Required Reserve") which amount is hereby found to equal or exceed the Average Annual Debt Service for the Bonds and the Previously Issued Bonds (calculated on a Fiscal Year basis as of the date the Bonds are to be delivered). In addition to the monthly deposits currently being made to accumulate the Old Reserve, the City agrees that beginning on or before the last day of the month next following the month the Bonds are delivered to the Underwriters and on or before the last day of each following month until the Required Reserve has been fully accumulated, there shall be deposited into the Reserve Fund

from the Net Revenues an amount equal to at least 1/60th of the difference between the Required Reserve and the Old Reserve.

As and when Additional Parity Bonds are delivered or incurred, the Required Reserve shall be increased, if required, to an amount equal to not less than the Average Annual Debt Service (calculated on a Fiscal Year basis) for all Bonds Similarly Secured then Outstanding, as determined on the date each series of Additional Parity Bonds are delivered or incurred, as the case may be. Any additional amount required to be maintained in the Reserve Fund shall be so accumulated by the deposit in the Reserve Fund of all or any part thereof in cash immediately after the delivery of the then proposed Additional Parity Bonds, or, at the option of the City, by the deposit of monthly installments, made on or before the last day of each month following the month of delivery of the then proposed Additional Parity Bonds, of not less than 1/60th of the additional amount to be maintained in said Fund by reason of the issuance of the Additional Parity Bonds then being issued (or 1/60th of the balance of the additional amount not deposited immediately in cash).

When and so long as the cash and investments in the Reserve fund total not less than the Required Reserve, no deposits need be made to the credit of the Reserve Fund; but, if and when the Reserve Fund at any time contains less than the Required Reserve (other than as the result of the issuance of Additional Parity Bonds as provided in the preceding paragraph), the City covenants and agrees to cure the deficiency in the Required Reserve by resuming monthly deposits to said Fund from the Net Revenues; such monthly deposits to be in amounts equal to not less than 1/60th of the then total Required Reserve to be maintained in said Fund and to be made on or before the last day of each month until the total Required Reserve then to be maintained in said Fund has been fully restored. The City further covenants and agrees that, subject only to the payments to be made to the Bond Fund, the Net Revenues shall be applied and appropriated and used to establish and maintain the Required Reserve and to cure any deficiency in such amounts as required by the terms of this Ordinance and any other ordinance pertaining to the issuance of Additional Parity Bonds.

During such time as the Reserve Fund contains the total Required Reserve, the City may, at its option, withdraw all surplus in the Reserve Fund in excess of the Required Reserve and deposit such surplus in the System Fund.

Section 8.05. Deficiencies in Funds. If on any occasion there shall not be sufficient Net Revenues to make the required deposits into the Bond fund and the Reserve Fund, then such deficiency shall be cured as soon as possible from the next available Net Revenues, or from any other sources available for such purpose.

Section 8.06. Excess Revenues. Subject to making the required deposits to the Bond Fund and the Reserve Fund when and as required by this Ordinance, or any ordinance authorizing the issuance of Additional Parity Bonds, the excess Net Revenues may be used by the City for any lawful purpose.

Section 8.07. Security of Funds. All moneys on deposit in the funds referred to in this Article shall be secured in the manner and to the fullest extent required by the laws of the State

of Texas for the security of public funds, and moneys on deposit in such funds shall be used only for the purposes permitted by this Ordinance.

Section 8.08. Investment of Certain Funds. Money deposited to the credit of any Fund referenced in this Ordinance may, at the option of the City, be placed in time deposits or certificates of deposit secured (to the extent not insured by the Federal Deposit Insurance Corporation) by obligations of the type hereinafter described, or may be invested, including investments held in book-entry form, in direct obligations of the United States of America and obligations guaranteed or insured by the United States of America, which, in the opinion of the Attorney General of the United States, are backed by the full faith and credit or represent its general obligations; provided that all such deposits and investments shall be made in such a manner that the money required to be expended from any Fund will be available at the proper time or times. Such investments (except State and Local Government Series investments held in book entry form, which shall at all times be valued at cost) shall be valued in terms of current market value within forty-five (45) days of the close of each Fiscal Year and, with respect to investments held for the account of the Reserve Fund, within thirty (30) days of the date of passage of each ordinance authorizing the issuance of Additional Parity Bonds. All interest and income derived from deposits and investments in the Bond Fund immediately shall be credited to, and any losses shall be debited to, the Bond Fund. All interest and income derived from deposits and investments of the Reserve Fund shall, subject to the limitations provided in Section 8.04, be credited to and deposited in the System Fund. All such investments shall be sold promptly, when necessary, to prevent any default in connection with the Bonds.

Money deposited to the credit of any of the Funds referenced in this Ordinance, to the extent not invested, shall be secured in the manner and to the fullest extent required by the laws of the State of Texas for the security of public funds.

ARTICLE IX

ADDITIONAL PARITY BONDS

Section 9.01. Additional Parity Bonds. Subject to the provisions hereinafter appearing as to conditions precedent which must be satisfied, the City reserves the right to issue, from time to time as needed, Additional Parity Bonds for any lawful purpose. Such Additional Parity Bonds may be issued in such form and manner as now or hereafter authorized by the laws of the State of Texas for the issuance of evidences of indebtedness or other instruments, and should new methods or financing techniques be developed that differ from those now available and in normal use, the City reserves the right to employ the same in its financing arrangements provided only that the following conditions precedent for the authorization and issuance of the same are satisfied, to wit:

(a) The Director of Finance of the City (or other officer of the City then having the primary responsibility for the financial affairs of the City) shall have executed a certificate stating (i) that, to the best of his or her knowledge or belief, the City is not then in default as to any covenant, obligation or agreement contained in any ordinance or other proceedings relating to any obligations of the City payable from and secured by a lien on and pledge of the Net Revenues that would materially affect the security or payment of such obligations and (ii) either

(A) payments into all special funds or accounts created and established for the payment and security of all outstanding obligations payable from and secured by a lien on and pledge of the Net Revenues have been made and that the amounts on deposit in such special funds or accounts are the amounts then required to be on deposit therein or (B) the application of the proceeds of sale of such obligations then being issued will cure any such deficiency.

(b) The Additional Parity Bonds shall be scheduled to mature or be payable as to principal on February 15 or August 15 (or both) in each year the same are to be outstanding or during the term thereof.

(c) The City has secured a certificate or opinion of a Certified Public Accountant to the effect that, according to the books and records of the City, the Net Earnings for the last completed Fiscal Year, or for twelve consecutive months out of the fifteen months, immediately preceding the month the ordinance authorizing the issuance of such Additional Parity Bonds is adopted, are at least equal to (i) 1.25 times the Average Annual Debt Service for all Outstanding Bonds Similarly Secured after giving effect to the issuance of the Additional Parity Bonds then being issued and (ii) 1.10 times the maximum annual Debt Service payment to be paid in a Fiscal Year for the Outstanding Bonds Similarly Secured after giving effect to the issuance of the Additional Parity Bonds then being issued. In making a determination of the Net Earnings, the Accountant may take into consideration a change in the rates and charges for services and facilities afforded by the System that became effective at least sixty (60) days prior to the last day of the period for which Net Earnings are determined and, for purposes of satisfying the above Net Earnings test, make a pro forma determination of the Net Earnings of the System for the period of time covered by his certification or opinion based on such change in rates and charges being in effect for the entire period covered by the Accountant's certificate or opinion.

Section 9.02. Refunding Bonds. The City reserves the right to issue refunding bonds to refund all or any part of the Bonds Similarly Secured (pursuant to any law then available) upon such terms and conditions as the City Council of the City may deem to be in the best interest of the City and its inhabitants, and if less than all such Bonds Similarly Secured then outstanding are refunded, the conditions precedent prescribed (for the issuance of Additional Parity Bonds) in Section 9.01(c) shall be satisfied and the Accountant's certificate or opinion required in Section 9.01(c) shall give effect to the Debt Service of the proposed refunding bonds (and shall not give effect to the Debt Service of the Bonds Similarly Secured being refunded following their cancellation or provision being made for their payment).

Section 9.03. Obligations of Inferior Lien and Pledge. The City hereby reserves the right to issue obligations payable from and secured by a lien on and pledge of the Net Revenues, junior and subordinate in rank and dignity to the lien and pledge securing the payment of the Bonds Similarly Secured, as may be authorized by the laws of the State of Texas.

ARTICLE X

REPRESENTATIONS AND COVENANTS

Section 10.01. Payment of Bonds and Additional Parity Bonds. While any of the Bonds are Outstanding, the City's Director of Finance (or other designated financial officer of the City)

shall cause to be transferred to the Paying Agent/Registrar, from funds on deposit in the Bond Fund, and, if necessary, in the Reserve Fund, amounts sufficient to fully pay and discharge promptly as each installment of interest and principal of the Bonds accrues or matures or comes due by reason of redemption prior to maturity; such transfer of funds to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar for the Bonds at the close of the Business Day next preceding the date of payment for the Bonds.

Section 10.02. Rates. For the benefit of the Owners and in addition to all provisions and covenants in the laws of the State of Texas and in this Ordinance, the City hereby expressly stipulates and agrees, while any of the Bonds are Outstanding, to establish and maintain rates and charges for facilities and services afforded by the System that are reasonably expected, on the basis of available information and experience and with due allowance for contingencies, to produce Gross Revenues in each Fiscal Year sufficient:

(a) To pay Maintenance and Operating Expenses, depreciation charges and replacement and betterment costs;

(b) To produce Net Revenues sufficient to pay the principal of and interest on the Bonds Similarly Secured and the amounts required to be deposited in any reserve or contingency fund created for the payment and security of the Bonds Similarly Secured, and other obligations or evidences of indebtedness issued or incurred that are payable only from and secured solely by a lien on and pledge of the Net Revenues.

(c) To produce Net Revenues equal to at least 1.10 times the annual Debt Service for the Fiscal Year on the Outstanding Bonds Similarly Secured, and

(d) To pay all other indebtedness payable from the Net Revenues and/or secured by a lien on the properties or the revenues of the System.

Section 10.03. Maintenance and Operation; Insurance. The City shall maintain the System in good condition and operate the System in an efficient manner and at reasonable cost. While any Bonds are Outstanding, the City agrees to maintain casualty and other insurance on the System of a kind and in an amount which usually would be carried by municipal corporations owning and operating similar properties. Nothing in this Ordinance shall be construed as requiring the City to expend any funds which are derived from sources other than operation of the System, but nothing herein shall be construed as preventing the City from doing so.

Section 10.04. Records; Accounts; Accounting Reports. (a) The City hereby covenants and agrees that so long as any of the Bonds are Outstanding, it will keep and maintain separate and complete records and accounts pertaining to the operations of the System in which complete and correct entries shall be made of all transactions relating thereto, as provided by Chapter 1502, Texas Government Code, as amended. The Owners of any of the Bonds or any duly authorized agent or agents of such Owners shall have the right at all reasonable times to inspect such records, accounts and data relating thereto, and to inspect the System and all properties comprising same. The City further agrees that following the close of each Fiscal Year, it will cause an audit of such books and accounts to be made by an independent firm of Certified Public

Accountants. Each such audit, in addition to whatever other matters may be thought proper by the accountant, shall particularly include the following:

(i) A statement of the income and expenses of the System for such Fiscal Year;

(ii) A balance sheet for the System as of the end of such Fiscal Year;

(iii) A statement describing the sources and application of funds of the System for such Fiscal Year; and

(iv) Accountant's comment regarding the manner in which the City has carried out the requirements of this Ordinance and any other ordinance authorizing the issuance of Additional Parity Bonds and his recommendations for any changes or improvements in the operations, records or accounts of the System.

(b) Expenses incurred in making an annual audit of the operations of the System are to be regarded as Maintenance and Operating Expenses. Copies of each annual audit shall be furnished to the Executive Director of the Municipal Advisory Council of Texas at such Executive Director's office in Austin, Texas, and, upon request, to the Underwriters and subsequent Owners of any of said Bonds. The audits herein required shall be made within one hundred twenty (120) days following the close of each Fiscal Year insofar as is possible.

Section 10.05. Sale or Lease of Properties. The City, to the extent and in the manner authorized by law, may sell or exchange for consideration representing the fair market value thereof, as determined by the City Council of the City, any property not necessary or required in the efficient operations of the System, or any equipment not necessary or useful in the operations thereof or which is obsolete, damaged or worn out or otherwise unsuitable for use in the operation of the System. The proceeds of any sale of properties of the System shall be deposited in the System Fund.

Section 10.06. Further Covenants. The City hereby further covenants and agrees as follows:

(a) It has the lawful power to pledge the Net Revenues to the payment of the Bonds to the extent provided herein and has lawfully exercised said power under the Constitution and laws of the State of Texas; that the Bonds, Previously Issued Bonds and Additional Parity Bonds shall be ratably secured under such pledge in such manner that one bond shall have preference over any other bond of said issues.

(b) The Net Revenues of the System have not been in any manner pledged or encumbered to the payment of any debt or obligation of the City or the System, save and except for the Previously Issued Bonds, the Bonds and with respect to revenues from the sale of water, the payments by the City to the Greater Lewisville Water Supply Corporation pursuant to the Water Supply System Sale-Purchase-Financing Agreement, dated as of April 20, 1972, together with all amendments thereto.

(c) No free service of the System shall be allowed, and should the City or any of its agencies or instrumentalities make use of the services and facilities of the System, payment of the reasonable value thereof shall be made by the City out of funds from sources other than the revenues and income of the System.

(d) To the extent that it legally may and so long as any of the Bonds are Outstanding, no franchise shall be granted for the installation or operation of any waterworks or sewer system other than those owned by the City, and the operation of any such system by anyone other than this City if hereby prohibited.

(e) The City will comply with all of the terms and conditions of any and all franchises, permits and authorizations applicable to or necessary with respect to the System, and which have been obtained from any governmental agency; and the City has or will obtain and keep in full force and effect all franchises, permits, authorizations and other requirements applicable to or necessary with respect to the acquisition, construction, equipment, operation and maintenance of the System.

Section 10.07. Amendments. (a) This Ordinance shall constitute a contract with the Owners from time to time, be binding on the City, and shall not be amended or repealed by the City so long as any Bond remains outstanding, except as permitted in this Section.

(b) The City may, without the consent of or notice to any Owners of Bonds, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Owners of any Bonds, including the curing of any ambiguity, inconsistency, or formal defect or omission herein.

(c) In addition, the City may, with the written consent of Owners of Bonds owning a majority in aggregate principal amount of the Bonds Similarly Secured then Outstanding and affected thereby, amend, add to or rescind any of the provisions of this Ordinance; provided that, without the consent of all Owners of outstanding Bonds, no such amendment, addition or rescission shall (i) extend the time or times of payment of the principal of, premium, if any, and interest on the Bonds, reduce the principal amount thereof, the redemption price therefor or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Bonds, (ii) give any preference to any Bond over any other Bond, or (iii) reduce the aggregate principal amount of Bonds or Bonds Similarly Secured, as the case may be, required for consent to any such amendment, addition or rescission.

Section 10.08. Federal Income Tax Exclusion. (a) General. The City intends that the interest on the Bonds will be excludable from gross income for purposes of federal income taxation pursuant to sections 103 and 141 through 150 of the Code, and the applicable Treasury Regulations (the "Regulations"). The City covenants and agrees not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, would (i) cause the interest on the Bonds to be includable in the gross income, as defined in section 61 of the Code, for federal income tax purposes or (ii) result in the violation of or failure to satisfy any provision of Section 103 and 141 through 150 of the Code and the applicable Regulations that is applicable to the Bonds. In particular, the City covenants and agrees to comply with each requirement of this Section 10.08; provided, however, that the City shall not be required to comply with any

particular requirement of this Section 10.08 if the City has received an opinion of nationally recognized bond counsel ("Counsel's Opinion") that (i) such noncompliance will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds or (ii) compliance with some other requirement set forth in this Section 10.08 will satisfy the applicable requirements of the Code and the Regulations, in which case compliance with such other requirement specified in such Counsel's Opinion shall constitute compliance with the corresponding requirement specified in this Section 10.08.

(b) No Private Use or Payment and No Private Loan Financing. The City covenants and agrees that it will make such use of the proceeds of the Bonds, including interest or other investment income derived from Bond proceeds, regulate the use of property financed, directly or indirectly, with such proceeds, and take such other and further action as may be required so that the Bonds will not be "private activity bonds" within the meaning of section 141 of the Code and the Regulations promulgated thereunder. Moreover, the City will certify, through an authorized officer, employee or, agent, that based upon all facts and estimates known or reasonably expected to be in existence on the date the Bonds are delivered, the proceeds of the Refunded Bonds have not been and the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be "private activity bonds" within the meaning of section 141 of the Code and the Regulations.

(c) No Federal Guarantee. The City covenants and agrees that it has not and will not to take any action, and has not knowingly omitted and will not knowingly omit to take any action within its control, that, if taken or omitted, respectively, would cause the Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Code and the applicable Regulations promulgated thereunder, except as permitted by section 149(b)(3) of the Code and such Regulations.

(d) No Hedge Bonds. The City covenants and agrees that it has not and will not take any action, and has not knowingly omitted and will not knowingly omit to take any action, within its control, that, if taken or omitted, respectively, would cause the Bonds to be "hedge bonds" within the meaning of section 149(g) of the Code and the applicable Regulations thereunder. Moreover, the City will certify, through an authorized officer, employee or agent based on all facts and estimates known or reasonably expected to be in existence on the date the Bonds are delivered, that the proceeds of the Refunded Bonds have not been used in a manner that would cause the Refunded Bonds or the Bonds to be "hedge bonds" within the meaning of section 149(g) of the Code and the Regulations promulgated thereunder.

(e) No Arbitrage. The City covenants and agrees that it will make such use of the proceeds of the Bonds including interest or other investment income derived from Bond proceeds, regulate investments of proceeds of the Bonds, and take such other and further action as may be required so that the Bonds will not be "arbitrage bonds" within the meaning of section 148(a) of the Code and the applicable Regulations thereunder. Moreover, the City will certify, through an authorized officer, employee or agent that based upon all facts and estimates known or reasonably expected to be in existence on the date the Bonds are delivered, the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of section 148(a) of the Code and the applicable Regulations promulgated thereunder.

(f) Arbitrage Rebate. If the City does not qualify for an exception to the requirements of Section 148(f) of the Code relating to the required rebate to the United States, the City will take all necessary steps to comply with the requirement that certain amounts earned by the City on the investment of the "gross proceeds" of the Bonds (within the meaning of section 148(f)(6)(B) of the Code), be rebated to the federal government. Specifically, the City will (i) maintain records regarding the investment of the gross proceeds of the Bonds as may be required to calculate the amount earned on the investment of the gross proceeds of the Bonds separately from records of amounts on deposit in the funds and accounts of the City allocable to other bond issues of the City or moneys that do not represent gross proceeds of any bonds of the City, (ii) determine at such times as are required by the applicable Regulations, the amount earned from the investment of the gross proceeds of the Bonds that is required to be rebated to the federal government, and (iii) pay, not less often than every fifth anniversary date of the delivery of the Bonds or on such other dates as may be permitted under the Regulations, all amounts required to be rebated to the federal government. Further, the City will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Bonds that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or a larger loss than would have resulted if the arrangement had been at arm's length and had the yield on the issue not been relevant to either party.

(g) Information Reporting. The City covenants and agrees to file or cause to be filed with the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Bonds are issued, an information statement concerning the Bonds, all under and in accordance with section 149(e) of the Code and the applicable Regulations promulgated thereunder.

(h) Record Retention. The City will retain all pertinent and material records relating to the use and expenditure of the proceeds of the Refunded Bonds and the Bonds until three years after the last Bond is redeemed, or such shorter period as authorized by subsequent guidance issued by the Department of Treasury, if applicable. All records will be kept in a manner that ensures their complete access throughout the retention period. For this purpose, it is acceptable that such records are kept either as hardcopy books and records or in an electronic storage and retrieval system, provided that such electronic system includes reasonable controls and quality assurance programs that assure the ability of the City to retrieve and reproduce such books and records in the event of an examination of the Bonds by the Internal Revenue Service.

(i) Registration. The Bonds will be issued in registered form.

(j) Deliberate Actions. The City will not take a deliberate action (as defined in section 1.141-2(d)(3) of the Regulations) that causes the Bonds to meet any requirement of section 141 of the Code after the issue date of the Bonds unless an appropriate remedial action is taken permitted by section 1.141-12 of the Regulations, the City takes such action, and opinion of Bond Counsel is obtained that such remedial action cures any failure to meet the requirements of section 141 of the Code.

(k) Continuing Obligation. Notwithstanding any other provision of this Ordinance, the City's obligations under the covenants and provisions of this Section 10.08 will survive the defeasance and discharge of the Bonds for as long as such matters are relevant to the exclusion from gross income of interest on the Bonds for federal income tax purposes.

ARTICLE XI

DEFAULT AND REMEDIES

Section 11.01. Remedies in Event of Default. (a) In addition to all the rights and remedies provided by the laws of the State of Texas, the City covenants and agrees particularly that in the event the City (i) defaults in payments to be made to the Bond Fund and Reserve Fund as required by this Ordinance or (ii) defaults in the observance or performance of any other of the covenants, conditions or obligations set forth in this Ordinance, each an "Event of Default," the Owner of any Bond shall be entitled to a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the City Council and other officers of the City to observe and perform any covenant, condition or obligation prescribed in this Ordinance.

(b) No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power, or shall be construed to be a waiver of 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. The specific remedies herein provided shall be cumulative of all other existing remedies and the specification of such remedies shall not be deemed to be exclusive. Notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Ordinance.

ARTICLE XII

DISCHARGE

Section 12.01. Discharge. The Bonds may be refunded, defeased or discharged in any manner permitted by applicable law.

ARTICLE XIII

CONTINUING DISCLOSURE UNDERTAKING

Section 13.01. Annual Reports. (a) The City shall provide annually to the MSRB, (1) within six months after the end of each fiscal year of the City, financial information and operating data with respect to the City of the general type included in the final Official Statement, being information described in Tables 1 through 13, including financial statements of the City if audited financial statements of the City are then available, and (2) if not provided as part such financial information and operating data, audited financial statements of the City, when and if available. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles prescribed by the Generally Accepted Accounting Principles or such other accounting principles as the City may be required to employ, from time to time, by State law or regulation, and (ii) audited, if the City 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 12 months after any such fiscal year end, then the City shall file unaudited financial statements within such 12-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available.

(b) If the City changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

(c) If the City changes its Fiscal Year, it will notify the MSRB of the change (and of the date of the new Fiscal Year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

(d) The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB or filed with the SEC.

Section 13.02. Event Notices. (a) The City shall provide notice of any of the following events with respect to the Bonds to the MSRB in a timely manner and not more than 10 business days after the occurrence of the event:

(i) principal and interest payment delinquencies;

(ii) nonpayment related defaults, if material;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers, or their failure to perform;

(vi) adverse tax opinions, 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 status of the Bonds, or other material events affecting the tax status of the Bonds;

(vii) modifications to rights of Owners, if material;

(viii) bond calls, if material and tender offers;

(ix) defeasance;

(x) release, substitution, or sale of property securing repayment of the Bonds, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below;

(xiii) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of 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, if material; and

(xiv) appointment of a successor or additional paying agent/registrar or the change of name of a paying agent/registrar, if material.

For these purposes, any event described in the immediately preceding clause (xii) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets of business of the.

(b) The City shall notify the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with Section 13.02 of this Ordinance by the time required by such Section.

Section 13.03. Limitations, Disclaimers and Amendments. (a) The City shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, the City remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the City in any event will give notice of any deposit made in accordance with Article XII that causes Bonds no longer to be Outstanding.

(b) The provisions of this Article are for the sole benefit of the Owners and beneficial owners of the Bonds, and nothing in this Article, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Article and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Article or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS ARTICLE, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(c) No default by the City in observing or performing its obligations under this Article shall comprise a breach of or default under the Ordinance for purposes of any other provisions of this Ordinance.

(d) Nothing in this Article is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

(e) The provisions of this Article may be amended by the City 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 City, but only if (1) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds 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 (2) either (a) the Owners of a majority in aggregate principal amount (or any greater amount required by any other provisions of this Ordinance that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Owners and beneficial owners of the Bonds. The provisions of this Article may also be amended from time to time or repealed by the City if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the City's right to do so would not prevent underwriters of the initial public offering of the Bonds from lawfully purchasing or selling Bonds in such offering. If the City so amends the provisions of this Article, it shall include with any amended financial information or operating data next provided in accordance with Section 13.02 an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

ARTICLE XIV

REDEMPTION OF REFUNDED BONDS; APPROVAL OF ESCROW AGREEMENT

Section 14.01. Appointment of Escrow Agent; Approval of Escrow Agreement.

The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, is hereby appointed as Escrow Agent for the Refunded Bonds. The Escrow Agreement, in substantially the form presented at this meeting and subject to such insertions and changes as may be required to

conform the Escrow Agreement to the terms of the refunding of the Refunded Bonds. The Mayor of the City is hereby authorized and directed to execute and deliver the Escrow Agreement.

Section 14.02. Purchase of Securities for Escrow Fund.

The City Manager and the Finance Director of the City, each singly, are authorized to make necessary arrangements for the purchase of the Federal Securities referenced in the Escrow Agreement, including, without limitation, the execution of such documents, certificates or instruments as may be necessary in connection therewith including the execution of subscriptions for the purchase of the Escrow Securities as described in the Escrow Agreement. All actions of such authorized officers taken prior to the date of this Ordinance in connection with making arrangements for the purchase of such Federal Securities are hereby ratified and affirmed.

Section 14.03. Redemption of Refunded Bonds.

The Refunded Bonds described on Schedule I are hereby called for redemption and shall be redeemed prior to their stated maturities on the respective dates and at the redemption prices set forth in Schedule I hereto. Following the deposit to the Escrow Fund as herein specified, the Refunded Bonds shall be payable solely from and secured by the cash and securities on deposit in the Escrow Fund.

Section 14.04. Notice of Redemption.

(a) The City Manager and the Finance Director of the City, each of them and singly, are hereby authorized to cause notice of redemption to be given to the Escrow Agent as paying agent/registrar for the Refunded Bonds, by delivering a copy of this Ordinance thereto. The Escrow Agent, as paying agent/registrar for the Refunded Bonds, is hereby authorized and directed to give notice of redemption with respect to the Refunded Bonds as required under the ordinances pursuant to which the Refunded Bonds were issued.

ARTICLE XV

MISCELLANEOUS

Section 15.01. Changes to Ordinance.

The Mayor and Director of Finance, in consultation with Bond Counsel, is hereby authorized to make changes to the terms of this Ordinance if necessary or desirable to carry out the purposes hereof or in connection with the approval of the issuance of the Bonds by the Attorney General of Texas.

Section 15.02. Partial Invalidity.

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 the Ordinance.

Section 15.03. No Personal Liability.

No recourse shall be had for payment of the principal of or interest on any Bonds or for any claim based thereon, or on this Ordinance, against any official or employee of the City or any person executing any Bonds.

ARTICLE XVI

EFFECTIVE IMMEDIATELY

Section 16.01. Effective Immediately. Notwithstanding the provisions of the City Charter, this Ordinance shall become effective immediately upon its adoption at this meeting pursuant to Section 1201.028, Texas Government Code.

PASSED AND ADOPTED this June 6, 2016.

SCHEDULE I
Refunded Bonds

(See attached schedule)

SCHEDULE OF REFUNDED BONDS*

Waterworks and Sewer System Revenue Bonds, Series 2008

Original Dated Date	Original Maturity Date	Interest Rates	Amount Outstanding	Amount Refunded
5/15/2008	2/15/2019	3.875%	$ 630,000	$ 630,000
	2/15/2020	4.000%	655,000	655,000
	2/15/2021	4.125%	685,000	685,000
	2/15/2022	4.250%	710,000	710,000
	2/15/2023	4.250%	745,000	745,000
	2/15/2024	4.250%	775,000	775,000
			$ 4,200,000	$ 4,200,000

The 2019 through 2024 maturities will be redeemed prior to original maturity on February 15, 2018 at par.

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement 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.

PRELIMINARY OFFICIAL STATEMENT

FSCContinuingDisclosureServices
A Division of Hilltop Securities.
(See "Continuing Disclosure of Information" herein)

Dated _____, 2016

Ratings:
S&P: "AAA"
Fitch: "AAA"
See "OTHER INFORMATION-Ratings"

NEW ISSUE - Book-Entry-Only

In the opinion of Bond Counsel, under existing law, interest on the Bonds is excludable from gross income for federal income tax purposes and the Bonds are not "private activity bonds." See "TAX MATTERS" herein for a discussion of the opinion of Bond Counsel, including a description of alternative minimum tax consequences for corporations.

THE BONDS **WILL NOT** BE DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS

$11,565,000*
CITY OF LEWISVILLE, TEXAS
(Denton and Dallas Counties, Texas)
WATERWORKS AND SEWER SYSTEM REVENUE REFUNDING AND IMPROVEMENT BONDS, SERIES 2016

Dated Date: June 1, 2016 **Due: February 15, as shown on Page 2**
Interest to accrue from Date of Delivery

PAYMENT TERMS . . . Interest on the $11,565,000* City of Lewisville, Texas, Waterworks and Sewer System Revenue Refunding and Improvement Bonds, Series 2016 (the "Bonds") will accrue from the date of delivery to the Underwriters thereof (the "Date of Delivery"), will be payable on February 15 and August 15 of each year commencing February 15, 2017, until maturity or prior redemption and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of $5,000 or integral multiples thereof. **No physical delivery of the Bonds will be made to the owners thereof.** Principal of and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "THE BONDS - Book-Entry-Only System". The initial Paying Agent/Registrar is The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (see "THE BONDS - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE . . . The Bonds are issued pursuant to the general laws of the State of Texas (the "State"), particularly Chapters 1207 and 1502, Texas Government Code, as amended, and an ordinance (the "Ordinance") passed by the City Council and, together with outstanding parity revenue bonds (the "Previously Issued Bonds") and any additional parity revenue bonds (the "Additional Bonds"), are special obligations of the City of Lewisville, Texas (the "City"), payable, both as to principal and interest, solely from and secured by a lien on and pledge of the Net Revenues of the City's Waterworks and Sewer System (the "System"). **The City has not covenanted nor obligated itself to pay the Bonds from monies raised or to be raised from taxation** (see "THE BONDS - Authority for Issuance").

PURPOSE . . . Proceeds from the sale of the Bonds will be used for the purpose of (i) refunding a portion of the City's outstanding waterworks and sewer system debt (the "Refunded Bonds") in order to lower the overall debt service requirements of the City (see "PLAN OF FINANCING – Refunded Bonds" for more detail and Schedule I for a detailed description of the Refunded Bonds), (ii) constructing, acquiring and installing improvements, additions and extensions to the City's waterworks and sewer system and (iii) paying the costs of issuing the Bonds.

CUSIP PREFIX: 528835

MATURITY SCHEDULE & 9 DIGIT CUSIP
See Schedule on Page 2

LEGALITY . . . The Bonds are offered for delivery when, as and if issued and received by the Underwriters and subject to the approving opinion of the Attorney General of Texas and the opinion of Bracewell LLP, Bond Counsel, Dallas, Texas (see Appendix C, "Form of Bond Counsel's Opinion"). Certain legal matters will be passed upon for by the Underwrites by McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Counsel for the Underwriters.

DELIVERY . . . It is expected that the Bonds will be available for delivery through DTC on July 6, 2016.

RAYMOND JAMES **STEPHENS INC.**

* Preliminary, subject to change.

CUSIP Prefix: 528835 [1]

MATURITY SCHEDULE*

15-Feb Maturity	Principal Amount	Interest Rate	Initial Yield	CUSIP Suffix[1]
2017	$ 370,000			
2018	415,000			
2019	1,050,000			
2020	1,070,000			
2021	1,095,000			
2022	1,115,000			
2023	1,145,000			
2024	1,170,000			
2025	435,000			
2026	455,000			
2027	480,000			
2028	505,000			
2029	530,000			
2030	555,000			
2031	575,000			
2032	600,000			

(Interest to accrue from the Date of Delivery)

(1) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, S&P Capital IQ on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. Neither the City, the Financial Advisor nor the Underwriters shall be responsible for the selection or correctness of the CUSIP numbers set forth herein.

OPTIONAL REDEMPTION OPTION . . . The City reserves the right, at its option, to redeem Bonds having stated maturities on and after February 15, 2026, in whole or in part in principal amounts of $5,000 or any integral multiple thereof, on February 15, 2025, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "THE BONDS - Optional Redemption").

* Preliminary, subject to change.

This Official Statement, which includes the cover page and the Schedule and Appendices hereto, does not constitute an offer to sell or the solicitation of an offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation, or sale.

No dealer, broker, salesperson, or other person has been authorized to give information or to make any representation other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon.

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission (the "Rule"), this document constitutes an Official Statement of the City with respect to the Bonds that has been "deemed final" by the City as of its date except for the omission of no more than the information permitted by the Rule.

The information set forth herein has been obtained from the City and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the representation, promise, or guarantee of the Financial Advisor or the Underwriters. Any information and expressions of opinion herein contained are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or other matters described herein since the date hereof. See "CONTINUING DISCLOSURE OF INFORMATION" for a description of the City's undertaking to provide certain information on a continuing basis.

Neither the City, its Financial Advisor nor the Underwriters make any representation as to the accuracy, completeness, or adequacy of the information supplied by The Depository Trust Company for use in this Official Statement.

THIS OFFICIAL STATEMENT 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 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.

IN CONNECTION WITH THE OFFERING OF THE BONDS THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED MAY BE DISCONTINUED AT ANY TIME.

THE BONDS ARE EXEMPT FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION AND CONSEQUENTLY HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE BONDS IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTION IN WHICH THE BONDS HAVE BEEN REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

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The cover page hereof, this page, the schedule and appendices included herein and any addenda, supplement or amendment hereto, are part of the Official Statement.

OFFICIAL STATEMENT SUMMARY

This summary is subject in all respects to the more complete information and definitions contained or incorporated in this Official Statement. The offering of the Bonds to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this summary from this Official Statement or to otherwise use it without the entire Official Statement.

THE CITY ..... The City of Lewisville, Texas (the "City"), is a political subdivision and municipal corporation of the State of Texas (the "State"), located in Denton and Dallas Counties, Texas. The City encompasses approximately 43 square miles (see "INTRODUCTION - Description of the City").

THE BONDS ..... The Bonds are issued as $11,565,000* Waterworks and Sewer System Revenue Refunding and Improvement Bonds, Series 2016. The Bonds are issued as serial bonds maturing on February 15 in the years 2017 through 2032 (see "THE BONDS - Description of the Bonds").

PAYMENT OF INTEREST ..... Interest on the Bonds accrues from the date of delivery to the Underwriters thereof (the "Date of Delivery") and is payable February 15, 2017 and each August 15 and February 15 thereafter until maturity or prior redemption (see "THE BONDS - Description of the Bonds" and "THE BONDS - Optional Redemption").

AUTHORITY FOR ISSUANCE..... The Bonds are issued pursuant to the general laws of the State, including particularly Chapters 1207 and 1502, Texas Government Code, as amended and an Ordinance passed by the City Council of the City (see "THE BONDS - Authority for Issuance").

SECURITY FOR THE BONDS ..... The Bonds, together with the previously issued parity bonds (the "Previously Issued Bonds") and any additional bonds (the "Additional Bonds"), constitute special obligations of the City, payable, both as to principal and interest, solely from and secured by a lien on and pledge of the net revenues of the City's Waterworks and Sewer System. **The City has not covenanted nor obligated itself to pay the Bonds from monies raised or to be raised from taxation** (see "THE BONDS - Security and Source of Payment").

REDEMPTION ..... The City reserves the right, at its option, to redeem Bonds having stated maturities on and after February 15, 2026, in whole or in part in principal amounts of $5,000 or any integral multiple thereof, on February 15, 2025, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "THE BONDS - Optional Redemption").

TAX EXEMPTION..... In the opinion of Bond Counsel, under existing law, interest on the Bonds is excludable from gross income for federal income tax purposes and the Bonds are not "private activity bonds." See "TAX MATTERS" for a discussion of the opinion of Bond Counsel, including a description of the alternative minimum tax consequences for corporations.

USE OF PROCEEDS ..... Proceeds from the sale of the Bonds will be used for the purpose of (i) refunding a portion of the City's outstanding waterworks and sewer system debt (the "Refunded Bonds") in order to lower the overall debt service requirements of the City, (ii) constructing, acquiring and installing improvements, additions and extensions to the System and (iii) paying the costs of issuing the Bonds.

RATINGS ..... The Bonds and the presently outstanding waterworks and sewer system revenue debt of the City are rated "AAA" by Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P") and "AAA" by Fitch Ratings ("Fitch"), without regard to credit enhancement (see "OTHER INFORMATION - Ratings").

BOOK-ENTRY-ONLY SYSTEM ..... The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of DTC pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of $5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the beneficial owners thereof. Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds (see "THE BONDS - Book-Entry-Only System") .

PAYMENT RECORD ..... The City has never defaulted in payment of its bonds.

* Preliminary, subject to change.

SELECTED FINANCIAL INFORMATION

Fiscal Year Ended 9/30	Estimated City Population[1]	Water Volume (Thousand Gallons) Average Day	Peak Day	Annual Total	Net Revenue Available For Debt Service	Maximum Debt Service Requirements	Coverage of Maximum Debt Service Requirements
2011	95,390	16,835	29,894	6,144,996	$13,544,111	$ 6,189,089	2.19x
2012	96,000	16,002	27,427	5,856,884	14,439,541	6,060,148	2.38x
2013	97,860	15,110	24,009	5,515,330	14,743,214	6,113,056	2.41x
2014	98,330	13,037	23,480	4,758,351	12,458,533	5,748,976	2.17x
2015	99,480	13,050	25,474	4,957,157	13,724,702	6,277,460	2.19x

(1) Source: City Officials.

For additional information regarding the City, please contact:

Brenda Martin
Director of Finance
City of Lewisville
151 W. Church Street
Lewisville, Texas 75057
(972) 219-3775

or

W. Boyd London, Jr.
Jason L. Hughes
FirstSouthwest, a Division of Hilltop Securities Inc.
1201 Elm Street, Suite 3500
Dallas, Texas 75270
(214) 953-4000

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CITY OFFICIALS, STAFF AND CONSULTANTS

ELECTED OFFICIALS

City Council	Length of Service	Term Expires	Occupation
Rudy Durham Mayor	22 Years	May, 2018	Chief Appraiser Denton Central Appraisal District
T.J. Gilmore Mayor Pro Tem	5 Years	May, 2017	Public Sector Sales Manager Waste Management
Leroy Vaughn Deputy Mayor Pro Tem	5 Years	May, 2017	Owner Voninamillion Home Solutions
R. Neil Ferguson Councilmember	4 Years	May, 2018	Technology Consultant
Brandon Jones Councilmember	Newly Elected	May, 2019	Senior Financial Auditor Dallas ISD
Brent Daniels Councilmember	1 Year	May, 2019	Owner Bahama Buck's

SELECTED ADMINISTRATIVE STAFF

Name	Position	Length of Service
Donna Barron	City Manager	26 Years
Melinda Galler	Assistant City Manager	28 Years
Eric Ferris	Assistant City Manager	30 Years
Claire Swann	Assistant City Manager	-* Years
Brenda Martin	Director of Finance	11 Years
Julie Heinze	City Secretary	17 Years
Lizbeth Plaster	City Attorney	11 Years
Nika Reinecke	Economic Development Director	9 Years

* Claire Swann started January 1, 2016 as Assistant City Manager of Development Services.

CONSULTANTS, ADVISORS AND INDEPENDENT AUDITORS

Auditors ..... Weaver and Tidwell, LLP
Dallas, Texas

Bond Counsel ..... Bracewell LLP
Dallas, Texas

Financial Advisor ..... FirstSouthwest, a Division of Hilltop Securities
Dallas, Texas

PRELIMINARY OFFICIAL STATEMENT

RELATING TO

$11,565,000*
CITY OF LEWISVILLE, TEXAS
WATERWORKS AND SEWER SYSTEM REVENUE REFUNDING AND IMPROVEMENT BONDS, SERIES 2016

INTRODUCTION

This Official Statement, which includes the Schedule and Appendices hereto, provides certain information regarding the issuance of $11,565,000* City of Lewisville, Texas, Waterworks and Sewer System Revenue Refunding and Improvement Bonds, Series 2016 (the "Bonds"). Except as otherwise indicated herein, capitalized terms used in this Official Statement have the same meanings assigned to such terms in the ordinance (the "Ordinance") authorizing the issuance of the Bonds (see "SELECTED PROVISIONS OF THE ORDINANCE").

There follow in this Official Statement descriptions of the Bonds and certain information regarding the City and its finances. 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 the City's Financial Advisor, FirstSouthwest, a Division of Hilltop Securities Inc., Dallas, Texas ("FirstSouthwest").

All financial and other information presented in this Official Statement has been provided by the City from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historic information and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or be repeated in the future (see "OTHER INFORMATION – Forward-Looking Statements Disclaimer").

DESCRIPTION OF THE CITY . . . The City is a political subdivision and municipal corporation of the State of Texas (the "State"), duly organized and existing under the laws of the State and the City's Home Rule Charter. The City was incorporated in 1925, and first adopted its Home Rule Charter in 1963; its Home Rule Charter was last amended in 2004. The City operates under a Council/Manager form of government with a City Council comprised of the Mayor and five Councilmembers elected for three-year terms. The City Manager is the chief administrative officer for the City. Some of the services that the City provides are: public safety (police and fire protection), highways and streets, water and sanitary sewer utilities, health and social services, culture-recreation, public improvements, planning and zoning, tourism and general administrative services. The 2010 Census population for the City was 95,290; the estimated 2016 population is 100,670. The City encompasses approximately 43 square miles.

PLAN OF FINANCING

PURPOSE . . . The Bonds are being issued for the purpose of (i) refunding a portion of the City's outstanding waterworks and sewer system debt (the "Refunded Bonds") in order to lower the overall debt service requirements of the City, (ii) constructing, acquiring and installing improvements, additions and extensions to the City's waterworks and sewer system (the "System") and (iii) paying the costs of issuing the Bonds. See Schedule I for a detailed listing of the Refunded Bonds and their call date at par.

REFUNDED BONDS . . . The principal and interest due on the Refunded Bonds are to be paid on the scheduled interest payment dates and the redemption date of such Refunded Bonds, from funds to be deposited pursuant to a certain escrow agreement (the "Escrow Agreement") between the City and The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the "Escrow Agent"). The Ordinance provides that from the proceeds of the sale of the Bonds received from the Underwriters and other funds of the City, if any, the City will deposit with the Escrow Agent an amount which, together with the Federal Securities (defined below) purchased with a portion of the Bond proceeds and the interest to be earned on such Federal Securities, will be sufficient to accomplish the discharge and final payment of the Refunded Bonds on their redemption date. Such funds will be held by the Escrow Agent in a special escrow account (the "Escrow Fund") and used to purchase obligations authorized by Chapter 1207, Government Code (the "Federal Securities"). Under the Escrow Agreement, the Escrow Fund is irrevocably pledged to the payment of the principal of and interest on the Refunded Bonds.

Grant Thornton LLP, a nationally recognized accounting firm, will verify at the time of delivery of the Bonds to the Underwriters the mathematical accuracy of the schedules that demonstrate the Federal Securities will mature and pay interest in such amounts which, together with uninvested funds, if any, in the Escrow Fund, will be sufficient to pay, when due, the principal of and interest on the Refunded Bonds. **Such maturing principal of and interest on the Federal Securities will not be available to pay the Bonds** (see "OTHER INFORMATION - Verification of Arithmetical and Mathematical Computations").

* Preliminary, subject to change.

By the deposit of the Federal Securities and cash, if necessary, with the Escrow Agent pursuant to the Escrow Agreement, the City will have effected the defeasance of all of the Refunded Bonds in accordance with the law. It is the opinion of Bond Counsel that as a result of such defeasance and in reliance upon the report of Grant Thornton LLP, the Refunded Bonds will be outstanding only for the purpose of receiving payments from the Federal Securities and any cash held for such purpose by the Escrow Agent and such Refunded Bonds will not be deemed as being outstanding obligations of the City payable from revenues of the System nor for the purpose of applying any limitation on the issuance of debt, and the City will have no further responsibility with respect to amounts available in the Escrow Fund for the payment of the Refunded Bonds from time to time, including any insufficiency therein caused by the failure to receive payment when due on the Federal Securities.

SOURCES AND USES OF BOND PROCEEDS . . . Proceeds from the sale of the Bonds, together with available City funds, if any, are expected to be expended as follows:

Principal Amount of Bonds	$ -
Reoffering Premium	
Transfers from Prior Issue Debt Service Funds	
TOTAL SOURCES	$ -
Deposit to Construction Fund	$ -
Deposit to Escrow Fund	
Underwriters' Discount	
Costs of Issuance	
TOTAL USES	$ -

THE BONDS

DESCRIPTION OF THE BONDS . . . The Bonds are dated June 1, 2016, and mature on February 15 in each of the years and in the amounts shown on page 2 hereof. Interest on the Bonds will accrue from the date of delivery to the Underwriters thereof (the "Date of Delivery"), will be computed on the basis of a 360-day year of twelve 30-day months, and will be payable on February 15 and August 15 of each year, commencing February 15, 2017, until maturity or prior redemption. The definitive Bonds will be issued only in fully registered form in any integral multiple of $5,000 for any one maturity and will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. **No physical delivery of the Bonds will be made to the owners thereof.** Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "Book-Entry-Only System" herein.

AUTHORITY FOR ISSUANCE . . . The Bonds are issued pursuant to the general laws of the State of Texas, particularly Chapters 1207 and 1502, Texas Government Code, as amended, and the Ordinance.

SECURITY AND SOURCE OF PAYMENT . . . The Bonds are special obligations of the City and, together with certain outstanding revenue bonds of the City (the "Previously Issued Bonds") and any additional parity bonds (the "Additional Bonds") which may be issued in the future, payable, both as to principal and interest, solely from and secured by a lien on and pledge of the Net Revenues of the System. The Ordinance defines Net Revenues as the gross revenues of the System less Maintenance and Operating expenses. The Net Revenues are pledged to the payment of the Bonds, the Previously Issued Bonds and any Additional Bonds (collectively, "Bonds Similarly Secured"). See "SELECTED PROVISIONS OF THE ORDINANCE."

The City has outstanding Previously Issued Bonds secured by and payable from Net Revenues on parity with the Bonds, as follows:

Dated Date	Outstanding Debt[1]	Issue Description
5/15/2008	$ 1,185,000	Waterworks and Sewer System Revenue Bonds, Series 2008
6/1/2009	7,480,000	Waterworks and Sewer System Revenue Bonds, Series 2009
4/1/2011	8,250,000	Waterworks and Sewer System Revenue Refunding and Improvement Bonds, Series 2011
5/15/2012	4,180,000	Waterworks and Sewer System Revenue Refunding and Improvement Bonds, Series 2012
5/15/2013	4,405,000	Waterworks and Sewer System Revenue Bonds, Series 2013
7/15/2015	10,500,000	Waterworks and Sewer System Revenue Refunding and Improvement Bonds, Series 2015

(1) As of April 1, 2016. Excludes the Bonds and the Refunded Bonds. Preliminary, subject to change.

The Bonds are not a charge upon any other income or revenues of the City and **shall never constitute an indebtedness or pledge of the general credit or taxing powers of the City**. The Ordinance does not create a lien or mortgage on the System, except the Net Revenues, and any judgment against the City may not be enforced by levy and execution against any property owned by the City.

RESERVE FUND . . . As additional security, a Reserve Fund is required to be maintained in an amount at least equal to the average annual debt service requirements of the outstanding Previously Issued Bonds, the Bonds and any Additional Bonds issued on a parity with the Bonds. Any additional amount required to be accumulated in the Reserve Fund by reason of the issuance of the Bonds will be funded over a sixty month period in accordance with the provisions of the Ordinance. The Reserve Fund may be funded in the amount of the Required Reserve by deposit of a Reserve Fund Surety Bond sufficient to provide such portion of the Required Reserve (see "SELECTED PROVISIONS OF THE ORDINANCE").

RATES . . . The City has covenanted in the Ordinance that it will at all times charge and collect amounts for services rendered by the System at rates sufficient to pay all operating, maintenance, replacement and improvement expenses, and any other costs deductible in determining Net Revenues, to pay interest on and the principal of the Bonds Similarly Secured (as defined in the Ordinance), to produce Net Revenues equal to at least 1.10 times the annual Debt Service for the Fiscal Year on the Outstanding Bonds Similarly Secured, and to pay all other indebtedness payable from the Net Revenues and/or secured by a lien on the properties or the revenues of the System.

OPTIONAL REDEMPTION . . . The City reserves the right, at its option, to redeem Bonds having stated maturities on and after February 15, 2026, in whole or in part in principal amounts of $5,000 or any integral multiple thereof, on February 15, 2025, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. If less than all of the Bonds are to be redeemed, the City may select the maturities of Bonds to be redeemed. If less than all the Bonds of any maturity are to be redeemed, the Paying Agent/Registrar, or DTC while the Bonds are in Book-Entry-Only form), shall determine by lot the Bonds, or portions thereof, within such maturity to be redeemed. If a Bond (or any portion of the principal sum thereof) shall have been called for redemption and notice of such redemption shall have been given, such Bond (or the principal amount thereof to be redeemed) shall become due and payable on such redemption date and interest thereon shall cease to accrue from and after the redemption date, provided funds for the payment of the redemption price and accrued interest thereon are held by the Paying Agent/Registrar on the redemption date.

NOTICE OF REDEMPTION . . . Not less than 30 days prior to a redemption date for the Bonds, the City shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to the registered owners of the Bonds to be redeemed, in whole or in part, at the address of the registered owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice. In the Ordinance, the City reserves the right, in the case of an optional redemption, to give notice of its election 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 City retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the City delivers a certificate of the City 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 City 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.

ANY NOTICE SO MAILED SHALL BE CONCLUSIVELY PRESUMED TO HAVE BEEN DULY GIVEN, WHETHER OR NOT THE REGISTERED OWNER RECEIVES SUCH NOTICE. SUBJECT TO THE RIGHT OF THE CITY TO GIVE A CONDITIONAL NOTICE OF REDEMPTION AS DESCRIBED IN THE IMMEDIATELY PRECEDING PARAGRAPH, NOTICE HAVING BEEN SO GIVEN, THE BONDS CALLED FOR REDEMPTION SHALL BECOME DUE AND PAYABLE ON THE SPECIFIED REDEMPTION DATE, AND NOTWITHSTANDING THAT ANY BOND OR PORTION THEREOF HAS NOT BEEN SURRENDERED FOR PAYMENT, INTEREST ON SUCH BOND OR PORTION THEREOF SHALL CEASE TO ACCRUE.

DEFEASANCE . . . The Ordinance provides that the City may discharge its obligations to the registered owners of any or all of the Bonds to pay principal, interest and redemption price thereon in any manner permitted by law. Under current State law, such discharge may be accomplished by either (i) depositing with the Paying Agent/Registrar or any other lawfully authorized entity a sum of money equal to the principal of, premium, if any, and all interest to accrue on the Bonds to maturity or prior redemption or (ii) by depositing with a paying agent, or other authorized escrow agent, amounts sufficient, together with the investment earnings thereon, to provide for the payment and/or redemption of the Bonds; provided, that under current law, 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 of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance

of refunding obligations, 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 are rated, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding obligations, 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-Only form, and shall mature and/or bear interest 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 Ordinance.

Under current State law, upon such deposit as described above, the Bonds shall no longer be regarded to be outstanding for any purpose other than the payment thereof. 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 City 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 City: (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 the Ordinance does not contractually limit such investments, registered owners 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 State law.

ADDITIONAL BONDS . . . The City may issue Additional Bonds payable from the Net Revenues which, together with the Previously Issued Bonds and the Bonds, shall be equally and ratably secured by a parity lien on and pledge of the Net Revenues of the System, subject, however, to complying with certain conditions in the Ordinance. See "SELECTED PROVISIONS OF THE ORDINANCE" for terms and conditions to be satisfied for the issuance of Additional Bonds.

BOOK-ENTRY-ONLY SYSTEM . . . *This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by The Depository Trust Company ("DTC"), New York, New York, 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 City and the Underwriters believe the source of such information to be reliable, but take no responsibility for the accuracy or completeness thereof.*

The City and the Underwriters cannot and do 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.

DTC 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 security certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, 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 corporations, 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 corporations 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 Paying Agent/Registrar and request that copies of the notices be provided directly to them.

Redemption notices for the Bonds shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest 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 City or the Paying Agent/Registrar, on the 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 nor its nominee, the Paying Agent/Registrar, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the 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 City or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bonds are required to be printed and delivered.

The City may decide to discontinue the use of the system of book-entry-only transfers through DTC (or a successor depository). In that event, Bonds will be printed and delivered.

Use of Certain Terms in Other Sections of this Official Statement . . . In reading this Official Statement it should be understood that while the Bonds are in the Book-Entry-Only System references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Ordinance will be given only to DTC.

Information concerning DTC and the Book-Entry-Only System has been obtained from DTC and is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the City, the Underwriters or the Financial Advisor.

Effect of Termination of Book-Entry-Only System . . . In the event that the Book-Entry-Only System is discontinued, printed certificates will be issued to the DTC Participants or the holder, as the case may be, and such Bonds will be subject to transfer, exchange and registration provisions as set forth in the Ordinance and summarized under "Transfer, Exchange and Registration" below.

PAYING AGENT/REGISTRAR . . . The initial Paying Agent/Registrar is The Bank of New York Mellon Trust Company, N.A. In the Ordinance, the City retains the right to replace the Paying Agent/Registrar. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are duly paid, and any successor Paying Agent/Registrar shall be a commercial bank or trust company organized under the laws of the State or other entity duly qualified and legally authorized to serve as and perform the duties and services of Paying Agent/Registrar for the Bonds. Upon any change in the Paying Agent/Registrar for the Bonds, the City agrees to promptly cause a written notice thereof to be sent to each registered owner of the Bonds by United States mail, first class, postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

PAYMENT . . . Principal of the Bonds at stated maturity or earlier redemption will be paid to the registered owner at the stated maturity or earlier redemption, as applicable, upon presentation to the designated payment/transfer office of the Paying Agent/Registrar. Interest on the Bonds will be payable by check, dated as of the interest payment date, and mailed by the Paying Agent/Registrar to registered owners as shown on the records of the Paying Agent/Registrar on the Record Date (see "Record Date for Interest Payment" herein), or by such other method acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner.

Interest on the Bonds shall be paid to the registered owners appearing on the registration books of the Paying Agent/Registrar at the close of business on the Record Date (defined below), and such interest shall be paid (i) by check sent United States Mail, first class postage prepaid to the address of the registered owner recorded in the registration books of the Paying Agent/Registrar or (ii) by such other method, acceptable to the Paying Agent/Registrar requested by, and at the risk and expense of, the registered owner. Principal of the Bonds will be paid to the registered owner at their stated maturity or prior redemption date upon presentation to the designated payment/transfer office of the Paying Agent/Registrar. 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 when banking institutions in the city where the designated payment/transfer office of the Paying Agent/Registrar is located are authorized to close, then the date for such payment shall be the next succeeding day which is not such a day, and payment on such date shall have the same force and effect as if made on the date payment was due. So long as CEDE & Co. is the registered owner of the Bonds, payment of principal of and interest on the Bonds will be made as described in "Book-Entry-Only- System" above.

TRANSFER, EXCHANGE AND REGISTRATION . . . In the event the Book-Entry-Only System should be discontinued, printed Bond certificates shall be delivered to the Owners and thereafter, the Bonds may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender thereof to the Paying Agent/Registrar and such transfer or exchange shall be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration, exchange and transfer. Bonds may be assigned by the execution of an assignment form on the respective Bonds or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. New Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bonds being transferred or exchanged, at the designated office of the Paying Agent/Registrar, or sent by United States mail, first class, postage prepaid, to the new registered owner or his designee. To the extent possible, new Bonds issued in an exchange or transfer of Bonds will be delivered to the registered owner or assignee of the registered owner not more than three business days after the receipt of the Bonds to be canceled, and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Bonds registered and delivered in an exchange or transfer shall be in any integral multiple of $5,000 for any one maturity and for a like aggregate principal amount as the Bonds surrendered for exchange or transfer. 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. Neither the City nor the Paying Agent/Registrar shall be required to transfer or exchange any Bond called for redemption, in whole or in part, within 45 days of the date fixed for redemption; provided, however, such limitation of transfer shall not be applicable to an exchange by the registered owner of the uncalled balance of a Bond.

RECORD DATE FOR INTEREST PAYMENT . . . The record date ("Record Date") for the interest payable on the Bonds on any interest payment date means the close of business on the last business day of the month next preceding such interest payment date.

In the event of a nonpayment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest ("Special Payment Date", which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Owner of a Bond appearing on the registration books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

BONDHOLDERS' REMEDIES . . . The Ordinance authorizing the issuance of the Bonds establishes the following Events of Default with respect to the Bonds: (i) defaults in payments to be made to the Bond Fund and Reserve Fund as required by the Ordinance or (ii) defaults in the observance or performance of any other of the convenants, conditions or obligations set forth in the Ordinance. Upon any happening of any Event of Default and except as otherwise provided in the Ordinance, any Owner or an authorized representative, thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the City for the purpose of protecting and enforcing the rights of the Owners under the Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained in the Ordinance, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Owners under the Ordinance or any combination of such remedies. The Ordinance allows, but does not provide for a trustee to enforce the covenants and obligations of the City. **In no event will registered owners have the right to have the maturity of the Bonds accelerated as a remedy.** The enforcement of any such remedy may be difficult and time consuming and a registered owner could be required to enforce such remedy on a periodic basis. No assurance can be given that a mandamus or other legal action to enforce a default under the Ordinance would be successful.

On June 30, 2006, the Texas Supreme Court ruled in Tooke v. City of Mexia, 197 S.W.3d 325 (Tex. 2006) ("*Tooke*") that a waiver of sovereign immunity must be provided for by statute in "clear and unambiguous" language. In so ruling, the Court declared that statutory language such as "sue and be sued", in and of itself, did not constitute a clear and unambiguous waiver of sovereign immunity. In Tooke, the Court noted the enactment in 2005 of sections 271.151-.160, Texas Local Government Code (the "Local Government Immunity Waiver Act"), which, according to the Court, waives "immunity from suit for contract claims against most local governmental entities in certain circumstances." The Local Government Immunity Waiver Act covers cities and relates to contracts entered into by cities for providing goods or services to cities. The City is not aware of any Texas court construing the Local Government Immunity Waiver Act in the context of whether contractual undertakings of local governments that relate to their borrowing powers are contracts covered by the Act. As noted above, the Ordinance provides that Bondholders may exercise the remedy of mandamus to enforce the obligations of the City under the Ordinance. Neither the remedy of mandamus nor any other type of injunctive relief was at issue in Tooke, and it is unclear whether Tooke will be construed to have any effect with respect to the exercise of mandamus, as such remedy has been interpreted by Texas courts. In general, Texas courts have held that a writ of mandamus may be issued to require public officials to perform ministerial acts that clearly pertain to their duties. Texas courts have held that a ministerial act is defined as a legal duty that is prescribed and defined with a precision and certainty that leaves nothing to the exercise of discretion or judgment, though mandamus is not available to enforce purely contractual duties. However, mandamus may be used to require a public officer to perform legally-imposed ministerial duties necessary for the performance of a valid contract to which the State or a political subdivision of the State is a party (including the payment of monies due under a contract). Chapter 1371, Texas Government Code ("Chapter 1371"), which pertains to the issuance of public securities by issuers such as the City, permits the City to waive sovereign immunity in the proceedings authorizing its bonds, but in connection with the issuance of the Bonds, the City is not using the authority provided by Chapter 1371 and has not waived sovereign immunity in the proceedings authorizing the Bonds.

The Ordinance does not provide for the appointment of a trustee to represent the interest of the holders of the Bonds upon any failure of the City to perform in accordance with the terms of the Ordinance, or upon any other condition. Furthermore, the City is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code ("*Chapter 9*"). Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, such as the pledged Net Revenues, such provisions are subject to judicial construction. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or Bondholders of an entity which has sought protection under Chapter 9. Therefore, should the City avail itself of Chapter 9 protection from creditors, the ability to enforce would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinion of Bond Counsel will note that the rights of holders of the Bonds are subject to the applicable provisions of the federal bankruptcy laws and any other similar laws affecting the rights of creditors of political subdivisions generally, and may be limited by general principles of equity which permit the exercise of judicial discretion.

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THE SYSTEM

WATERWORKS SYSTEM

The City owns and operates a water treatment plant with a design capacity of 20 million gallons per day (MGD). The City obtains untreated surface water from Lewisville Lake under terms of a contract with the City of Dallas which expires in December 2016. Under the terms of the contract, the City takes as much water as needed from Lewisville Lake. Currently, the City pays $0.8335 per 1,000 gallons for untreated water. Contract negotiations regarding a new 30 year agreement has begun with approval by the Dallas City Council anticipated in the fall of 2016.

The City has a contract, which expires in June 2016, to purchase treated water from Dallas at a two-part rate of $243,453 per MGD per year demand fee and $0.4305 per 1,000 gallons volume rate. The City is connected to three transmission mains developed for service to neighboring cities of The Colony, Irving and Carrollton. The first delivery point provides a maximum of 12.4 MGD treated water to the City. The second delivery point from the City of Dallas was completed in June 2005 with a current capacity of 6 MGD and design capacity of 12 MGD. The third 15 MGD water supply from the City of Dallas was completed August 2012. The three treated water supplies along with the water treatment plant bring the City to a total current system capacity of 53.4 MGD.

Contract negotiations regarding a new 30 year agreement for treated water is completed with approval anticipated by Dallas City Council in May 2016.

The City also has an emergency reciprocal water connection with the City of Dallas to purchase water during system emergencies at a current flat rate of $1.9521 per 1,000 gallons.

The City is a supporting member of the Upper Trinity Regional Water District (the "District") and is a participating member and owner of the joint intake structure in Lewisville Lake. The City has not entered into any contracts with the District for the purchase of water, but may do so in the future.

The City intends to follow its capital improvement program which calls for the use of $14,500,000 from reserves and the issuance of $37,465,000 of bonds, inclusive of the current issue, for waterworks system improvements over the next five years.

TABLE 1 - HISTORICAL WATER CONSUMPTION (GALLONS)

Fiscal Year Ended 9/30	Average Day	Peak Day	Total Water Treated and Purchased
2011	16,835,000	29,894,000	6,144,996,000
2012	16,002,000	27,427,000	5,856,884,000
2013	15,110,000	24,009,000	5,515,330,000
2014	13,037,000	23,480,000	4,758,351,000
2015	13,050,000	25,474,000	4,957,157,000

TABLE 2 - TEN LARGEST WATER CUSTOMERS (BASED ON GALLONS CONSUMED)

Customer	Water Usage	% of Total Water Usage	Water Revenue	% of Total Water Revenue
Lewisville Independent School District	64,780,800	1.46%	$ 252,936	1.60%
YES Companies, EXP	51,049,000	1.15%	154,454	0.98%
BRE CH Apartments, LLC	48,444,000	1.09%	148,566	0.94%
Digital Lewisville, LLC	39,079,000	0.88%	125,815	0.80%
Bigelow Development Corporation	32,494,000	0.73%	97,147	0.62%
LSREF3 Bravo (Dallas), LLC	30,128,200	0.68%	94,093	0.60%
Intergerman Westview Limited Partnership	27,585,700	0.62%	84,663	0.54%
Colonial Village at Oak Bend	27,431,200	0.62%	83,613	0.53%
Bella Madera Apartments	26,027,300	0.59%	79,555	0.50%
Crescent Cove Apartments	23,963,200	0.54%	71,531	0.45%
	370,982,400	8.36%	$ 1,192,373	7.56%

TABLE 3 - MONTHLY WATER RATES (EFFECTIVE 11/1/15)

The City rates are reviewed annually with updates implemented October 1 of each year, effective for billings mailed in November.

Residential and Commercial

First 2,000 gallons (Minimum bill varies with tap size):

Current Rates		Old Rates	
3/4" Meter	$ 14.28	3/4" Meter	$ 13.54
1" Meter	20.82	1" Meter	19.73
1 1/2" Meter	39.39	1 1/2" Meter	37.34
2" Meter	65.44	2" Meter	62.03
3" Meter	139.92	3" Meter	132.63
4" Meter	244.13	4" Meter	231.40
6" Meter	542.00	6" Meter	513.74
8" Meter	959.00	8" Meter	909.00
10" Meter	1,495.11	10" Meter	1,417.17
Volume charge per 1,000 gallons over minimum	$2.95/1,000 gallons	Volume charge per 1,000 gallons over minimum	$2.80/1,000 gallons

WASTEWATER SYSTEM . . . The City owns and operates a wastewater treatment plant and collection system. The wastewater treatment plant has a design flow of 15 MGD with a peak 2 hour flow of 45 MGD. The facility is a biological secondary treatment plant with average daily effluent flows of 10.298 MGD in fiscal year ended September 30, 2015.

TABLE 4 - WASTEWATER USAGE (GALLONS)

Fiscal Year Ended 9/30	Average Day (GPD)	Maximum Day (GPD)
2011	7,832,000	13,677,000
2012	7,924,000	18,668,000
2013	7,178,000	13,682,000
2014	7,676,000	13,407,000
2015	10,298,000	25,728,000

TABLE 5 – TEN LARGEST SEWER CUSTOMERS (BASED ON GALLONS)

Customer	Sewer Gallons	% of Total Sewer Gallons	Sewer Revenue	% of Total Sewer Revenue
YES Companies, EXP	51,049,000	1.88%	$ 168,519	1.70%
BRE CH Apartments, LLC	48,444,000	1.78%	160,023	1.62%
Bigelow Development Corporation	32,494,000	1.19%	107,269	1.08%
Lewisville Independent School District	29,087,700	1.07%	97,252	0.98%
LSREF3 Bravo (Dallas), LLC	27,704,001	1.02%	91,511	0.93%
Intergerman Westview Limited Partnership	24,184,000	0.89%	79,826	0.81%
MB Oaks at Lewisville, LP	22,357,000	0.82%	73,970	0.75%
Alliance We LP/dba Winsor Court Apts.	22,030,000	0.81%	72,853	0.74%
Colonial Village at Oakbend	21,581,000	0.79%	71,279	0.72%
Crescent Cove Apartments	20,735,000	0.76%	68,464	0.69%
	299,665,701	11.01%	$ 990,966	10.02%

TABLE 6 - MONTHLY SEWER RATES (EFFECTIVE 11/1/15)

Single Family Dwelling:

Current customers' rates shall be based upon the four month winter average of monthly water consumption billed in the most recent December, January, February and March for such dwelling and charged:

Monthly Minimum Bill (2,000 gallons)	$	8.65
Volume charge per 1,000 (over 2,000 gallons)	$	3.48

Non-Single Family Dwellings:

Rates shall be based upon on hundred percent of each month's water consumption and charged:

Monthly Minimum Bill (2,000 gallons)	$	8.65
Volume charge per 1,000 (over 2,000 gallons)	$	3.48

New Customers:

All new residential customers shall be charged a flat fee of $22.58 per month until the winter average can be established at the new dwelling.

All residential customers transferring their service to a new address in the City shall be charged based on their winter average at the prior service address until a new winter average is established at the new address.

Sewer Only Customers:

In instances where dwellings are not served by the City Waterworks System, the charge for services furnished by the City Sanitary Sewer Systems shall be a flat fee of $22.58 per dwelling unit per month.

Wholesale Sewer Customers:

Wholesale customers shall be charged per thousand gallons of metered usage as follows:

Denton Fresh Water Supply District 1-A:	
Wholesale water sales:	
Maximum demand charge	$ 349,314
Monthly demand charge	29,109
Volume per 1,000 gallons	1.90
Sewer wholesale rate (volume per 1,000 gallons)	2.78

Industrial Surcharge:

The factors per 1,000 gallons for the industrial surcharge ordinance are $0.003697 per mgl of BOD and $0.003174 per mgl of TSS for industrial/commercial customers whose sewage strengths exceed the maximum allowance of 240 mgl.

Transported Liquid Waste:

The rate of sewage transported by vehicle from within the corporate limits of the City is $8.65 for the first 2,000 gallons. Points of collection are restricted to portable sanitary units and septic systems approved by the City. A volume charge of $3.48 per 1,000 gallons, in excess of 2,000 gallons, shall be in addition the basic rate charged. The City may refuse any waste if material is non-conforming with pretreatment standards as adopted by the City of Lewisville.

Treated Wastewater Effluent Rates:

Effluent customers shall be charged a volume charge per 1,000 gallons of usage as follows:

Upper Trinity Regional Water District	$0.16

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DEBT INFORMATION

TABLE 7 - PRO-FORMA WATERWORKS AND SEWER SYSTEM REVENUE DEBT SERVICE REQUIREMENTS

Fiscal Year Ended 9/30	Outstanding Debt Service [1]			The Bonds [2]			Total Debt Service Requirements	% of Principal Retired
	Principal	Interest	Total	Principal	Interest	Total		
2016	$ 4,690,000	$ 1,500,639	$ 6,190,639	$ -	$ -	$ -	$ 6,190,639	
2017	4,190,000	1,266,254	5,456,254	370,000	386,891	756,891	6,213,144	
2018	4,345,000	1,109,198	5,454,198	415,000	340,863	755,863	6,210,060	
2019	3,175,000	977,991	4,152,991	1,050,000	326,213	1,376,213	5,529,204	
2020	2,910,000	874,760	3,784,760	1,070,000	305,013	1,375,013	5,159,773	42.51%
2021	3,025,000	761,535	3,786,535	1,095,000	283,363	1,378,363	5,164,898	
2022	2,820,000	649,873	3,469,873	1,115,000	259,869	1,374,869	4,844,741	
2023	2,600,000	547,382	3,147,382	1,145,000	233,013	1,378,013	4,525,394	
2024	2,695,000	447,136	3,142,136	1,170,000	204,075	1,374,075	4,516,211	
2025	2,810,000	338,244	3,148,244	435,000	178,575	613,575	3,761,819	78.70%
2026	1,915,000	241,950	2,156,950	455,000	156,325	611,325	2,768,275	
2027	1,985,000	165,825	2,150,825	480,000	132,950	612,950	2,763,775	
2028	1,285,000	104,834	1,389,834	505,000	108,325	613,325	2,003,159	
2029	1,015,000	61,013	1,076,013	530,000	82,450	612,450	1,688,463	
2030	605,000	30,925	635,925	555,000	58,100	613,100	1,249,025	96.56%
2031	625,000	10,547	635,547	575,000	35,500	610,500	1,246,047	
2032	-	-	-	600,000	12,000	612,000	612,000	100.00%
	$ 40,690,000	$ 9,088,104	$ 49,778,104	$ 11,565,000	$ 3,103,522	$ 14,668,522	$ 64,446,626	

(1) Excludes the Refunded Bonds.
(2) Average life of the Bonds is 7.465 years. Interest is calculated at an average rate for purposes of illustration only. Preliminary, subject to change.

TABLE 8 - AUTHORIZED BUT UNISSUED REVENUE BONDS

As of May 15, 2015, the City has no authorized but unissued revenue debt.

ANTICIPATED ISSUANCE OF REVENUE BONDS . . . The City does not anticipate the issuance of additional Waterworks and Sewer System revenue bonds in the next 12 months.

PENSION PLAN . . . The City participates as one of 860 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained by writing to TMRS, P.O. Box 149153, Austin, TX 78714-9153 or by calling 800-924-8677. In addition, the report is available on TMRS' website at www.TMRS.com.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided - TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven actuarially equivalent payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits, also known as the matching ratio, are 200% of the employee's accumulated contributions and are only payable in the form of an annuity.

In addition, the City granted on annually repeating (automatic) basis a monetary credit referred to as an updated service credit (USC) which is a theoretical amount which takes into account salary increases or plan improvements. If at any time during their career an employee earns a USC, this amount remains in their account earning interest at 5% until retirement. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer match plus employer-financed monetary credits, such as USC, with interest were used to purchase an annuity.

The City elected to increase the annuities (annuity increases) of its retirees, either annually or on an annually repeating basis, effective January 1 of a calendar year. The City has adopted annuity increases at the rate of 70% of the increase (if any) in the Consumer Price Index all Urban Consumers (CPI-U) between the December preceding the member's retirement date and the December one year before the effective date of the increase, minus any previously granted increases.

A summary of plan provisions for the City are as follows:

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service retirement Eligibility	20 years at any age, 5 years at age 60 and above
Updated Service Credit	75% Repeating
Annuity Increase to retirees	70% of CPI Repeating

The City does not participate in Social Security.

At the December 31, 2014 valuation and measurement date, the following employees were covered by the benefit terms:

Retirees or beneficiaries currently receiving benefits	326
Inactive employees entitled to but not yet receiving benefits	244
Active employees	699
	1,269

Contributions - Under the state law governing TMRS, the contribution rate for each city is determined annually by the consulting actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City of Lewisville were required to contribute 7% of their annual gross earnings during the fiscal year. For fiscal year 2015, the City made contributions of 17.43% for the months in 2014 and 16.88% for the months in 2015 which were the actuarially required contributions.

Net Pension Liability - The City's Net Pension Liability (NPL) was measured as of December 31, 2014, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

The Total Pension Liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.0% per year
Overall payroll growth	3.0% per year
Investment Rate of Return	7.0%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2014, valuation were based on the results of actuarial experience studies. This experience study was for the period January 1, 2006 through December 31, 2009, first used in the December 31, 2010 valuation. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation.

The long-term expected rate of return on pension plan investments is 7.0%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Geometric Real Rate of Return (Expected minus inflation)
Domestic equity	17.50%	4.80%
International equities	17.50%	6.05%
core fixed income	30.00%	1.50%
Non-core fixed income	10.00%	3.50%
Real return	5.00%	1.75%
Real estate	10.00%	5.25%
Absolute return	5.00%	4.25%
Private equity	5.00%	8.50%
	100.00%	

Discount Rate - The discount rate used to measure the Total Pension Liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that employee contributions will remain at the current 7% and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (c)
Balance at 12/31/13	$ 236,230,579	$ 200,071,341	$ 36,159,238
Changes for the year:			
Service cost	7,057,241	-	7,057,241
Interest	16,497,518	-	16,497,518
Change of benefit terms	-	-	-
Difference between expected and actual experience	(2,478,575)	-	(2,478,575)
Changes of assumptions	-	-	-
Contributions-employer	-	7,599,062	(7,599,062)
Contributions-employees	-	3,052,739	(3,052,739)
Net investment income	-	11,446,366	(11,446,366)
Benefit payments, including refunds of employee contributions	(8,160,747)	(8,160,747)	-
Amotization of prior year assets	-	-	-
Administrative expense	-	(119,494)	119,494
Other changes	-	(9,824)	9,824
Net changes	12,915,437	13,808,102	(892,665)
Balance at 12/31/14	$ 249,146,016	$ 213,879,443	$ 35,266,573

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 7.0%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

1% Decrease 6.0%	Current Single Rate Assumption 7.0%	1% Increase 8.0%
$ 72,873,745	$ 35,266,573	$ 4,560,303

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - For the year ended September 30, 2015, the City recognized pension expense of $6,701,009.

At September 30, 2015, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	$ 8,092,552	$ -
Differences between actuarial assumptions and actual experience	-	2,041,514
Changes in actuarial assumptions used	-	-
Differences between projected and actual investment earnings	2,046,902	-
Total	$ 10,139,454	$ 2,041,514

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of $8,092,552 will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2015 (i.e. recognized in the city's financial statements September 30, 2016). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Year Ended Dec 31		
2015	$	74,665
2016		74,665
2017		74,665
2018		74,663
2019		(293,270)
Total	$	5,388

Subsequent Event - Pursuant to TMRS policy of conducting experience studies every four years, the TMRS Board at their July 31, 2015 meeting determined that they would be changing certain actuarial assumptions including reducing the long term expected rate of return from the current 7% to 6.75% and changing the inflation assumption from 3% to 2.5%. Reduction of expected investment return and related discount rate will increase projected pension liabilities. Reducing the inflation assumption reduces liabilities as future annuity levels and future cost of living adjustments are not projected to be as large as originally projected. While the actual impact on the City's valuation for December 31, 2015 is not known the City does expect some downward pressure on its funded status and upward pressure on its 2017 actuarially determined contribution due to this change. Accordingly, the City does not anticipate an impact that would deter from continuing to fund pension contributions at the annual required contribution rates in the coming years.

Other Post-Employment Benefits

The City provides $15,000 in life insurance upon retirement for employees with ten years of service with the City of Lewisville. Prior to October 1, 2013, the City purchased fully paid life insurance policies upon retirement for eligible employees. Beginning October 1, 2013, the City began purchasing life insurance through the City's group life insurance vendor. Premiums are now paid monthly for the coverage at a rate of $1.50 per $1,000 of coverage or $22.50 per month. The City had 29 eligible retirees in fiscal year 2014-15 resulting in an annual expenditure of $5,243.

Lewisville OPEB Liability Trust Fund - The City established an irrevocable trust in 2008 for the systematic funding of post-employment health benefits as a single-employer, defined benefit plan. Plan assets may be used only for the payment or reimbursement of benefits provided to retirees, in accordance with the terms of the plan.

Summary of Significant Accounting Policies - Financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized when due. The City's contributions are recognized when due and the City has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

Plan Descriptions and Contribution Information - The City provides comprehensive group medical benefits for employees at retirement who meet the eligibility requirements for postretirement benefits. Eligibility requirements are (1) age 60 and 5 years of service with the City, or (2) 20 years of service with Texas Municipal Retirement System, the City's pension provider. Election must be made at time of retirement to remain in the plan. Continuation of coverage is subject to the payment of required contributions by participating retirees and dependents. The City contributes a fixed amount toward each retiree's monthly premium, based on the tenure with the City. The City's substantive plan places a zero percent (0%) cap on future contribution increases. The employee remains on the plan until age 65 when they are moved to a fully insured Medicare supplement plan. The City contributes a flat $50 per month toward the retiree's fully insured premium.

Membership of the plan consists of the following at October 1, 2014, the date of the latest actuarial valuation:

Number of retirees and beneficiaries receiving benefit	53
Active plan members	641

Funding Status and Funding Progress –Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress presents multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Schedule of Funding Status and Funding Progress

Actuarial Valuation Date	10/1/2014	10/1/2013	10/1/2012
Actuarial Value of Assets	$ 4,202,400	$ 3,743,700	$ 3,333,200
Actuarial Accrued Liability (AAL)	4,536,100	4,614,500	4,787,900
Unfunded AAL (UAAL)	333,700	870,800	1,454,700
Funded Ratio	92.6%	81.1%	69.6%
Covered Payroll	43,130,733	42,175,565	40,159,830
UAAL as a Percentage of Covered Payroll	0.8%	2.1%	3.6%

The schedule of employer contributions present trend information about the amounts contributed to the plan by the City in comparison to the Annual Required Contribution (ARC), an amount that is actuarially determined in accordance with the parameters of GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Schedule of Employer Contributions and Net OPEB Obligation

Contribution Year	9/30/2015	9/30/2014	9/30/2013
Annual Required Contribution	$ 175,700	$ 224,000	$ 366,600
interest on net OPEB obligation	-	-	-
Adjustment to annual required contribution	-	-	-
Annual OPEB cost	$ 175,700	$ 224,000	$ 366,600
Contributions made	175,700	224,000	366,600
Change in OPEB obligation	$ -	$ -	$ -
Net OPEB obligation (asset)-beginning of year	-	-	-
Net OPEB obligation (asset)-end of year	$ -	$ -	$ -
Percentage of annual OEB cost contributed	100.0%	100.0%	100.0%

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.

The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets consistent with the long-term perspectives of the calculations.

Actuarial Assumptions

Valuation date	10/1/2014	10/1/2013	10/1/2012
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization method	Level Dollar, Open	Level Dollar, Open	Level Dollar, Open
Amortization period	30 Years	30 Years	30 Years
Asset valuation method	Market*	Market*	Market*
Actuarial assumptions:			
Investment rate of return	7.5%	7.5%	7.5%
General inflation	3.0%	3.0%	3.0%

* A time period for smoothing of the asset valuation has not been established at this time. The fund has a limited history of market performance since its establishment in 2008. The next full reassessment of asset valuation will be completed in 2016. At that time it is expected that a 3, 5 or 10 year moving market approach will be utilized.

Healthcare cost trend rate is assumed to be greater than 3% annually, however is not applicable for purposes of this valuation, since the City's future costs are set at a fixed amount.

The Lewisville OPEB Liability Trust Fund does not issue a separate financial report. Additional information can be found in the Agency and Trust Funds section of the City's Comprehensive Annual Financial Report.

FINANCIAL INFORMATION

TABLE 9 - CONDENSED STATEMENT OF OPERATIONS

	Fiscal Year Ended September 30,				
	2015	2014	2013	2012	2011
Revenues:					
Waterworks Sales	$ 15,775,289	$ 15,752,392	$ 16,348,484	$ 17,038,438	$ 17,211,955
Sewer Sales	9,887,970	10,081,552	10,293,223	10,284,674	9,907,882
Tap Fees	38,996	46,392	30,825	20,507	35,227
Industrial Charges	145,890	158,819	177,368	133,198	80,534
Wholesale Water/Sewage Treatment	905,481	901,655	756,337	700,308	641,947
Reconnect and Sample Fees	199,201	223,960	191,714	198,717	195,065
Capital Recovery Fees	2,968,043	1,438,631	1,874,941	1,084,456	1,272,495
Miscellaneous / Other	(12,644)	19,195	203,572	25,893	12,337
Interest Revenues	372,587	173,481	120,530	286,958	269,639
Total Revenues	$ 30,280,813	$ 28,796,077	$ 29,996,994	$ 29,773,149	$ 29,627,081
Expenses:					
Cost of Sales and Services	$ 10,038,815	$ 8,380,338	$ 7,690,196	$ 7,898,651	$ 8,727,633
Administration	6,517,296	7,957,206	7,563,584	7,435,047	7,355,337
Total Expenses	$ 16,556,111	$ 16,337,544	$ 15,253,780	$ 15,333,698	$ 16,082,970
Net Available for Debt Service	$ 13,724,702	$ 12,458,533	$ 14,743,214	$ 14,439,451	$ 13,544,111
Water Customers	22,192	21,797	21,662	21,427	21,342
Sewer Customers	20,758	20,684	20,545	20,341	20,188

TABLE 10 - COVERAGE AND FUND BALANCES[1]

Average Annual Principal and Interest Requirements, 2016 - 2032	$ 3,790,978
Coverage of Average Annual Requirements by 9/30/15 Net Available for Debt Service	3.620x
Maximum Principal and Interest Requirements, 2016	$ 6,213,144
Coverage of Maximum Requirements by 9/30/15 Net Available for Debt Service	2.209x
Waterworks and Sewer System Revenue Bonds Outstanding, 9/30/15	$ 44,890,000
Interest and Sinking Fund, 9/30/15	$ 3,058,615
Utility Revenue Reserve Fund, 9/30/15	$ 3,435,226

(1) Projected; excludes the Refunded Bonds; includes the Bonds being offered herein; Preliminary, subject to change.

TABLE 11 - VALUE OF THE SYSTEM

	Fiscal Year Ended September 30,				
	2015	2014	2013	2012	2011
Waterworks and Sewer System	$284,961,846	$269,503,994	$262,826,367	$240,958,696	$237,180,481
Building and Land	4,309,184	4,265,104	4,265,104	4,265,104	4,265,104
Machinery and Equipment	4,779,146	4,538,871	4,561,671	4,224,505	4,106,095
Construction in Progress	25,052,147	25,662,714	12,904,268	25,903,371	19,089,174
Total Value	$319,102,323	$303,970,683	$284,557,410	$275,351,676	$264,640,854
Less: Depreciation	95,660,128	89,376,654	83,491,668	77,817,093	72,427,427
Net System Value	$223,442,195	$214,594,029	$201,065,742	$197,534,583	$192,213,427

TABLE 12 - CITY'S EQUITY IN SYSTEM

	Fiscal Year Ended September 30,				
	2015	2014	2013	2012	2011
Resources:					
Net System Value	$223,442,195	$214,594,029	$201,065,742	$197,534,583	$192,213,427
Cash and Investments	66,539,467	62,517,888	73,960,770	71,655,381	71,059,457
Other Resources	5,698,313	4,615,046	5,179,480	5,474,881	5,490,564
Total Resources	$295,679,975	$281,726,963	$280,205,992	$274,664,845	$268,763,448
Obligations:					
Revenue Bonds Payable	$ 44,890,000	$ 41,650,000	$ 46,050,000	$ 40,845,000	$ 41,350,000
Other Obligations	14,076,634	10,641,789	10,518,959	15,183,360	15,692,410
Total Obligations	$ 58,966,634	$ 52,291,789	$ 56,568,959	$ 56,028,360	$ 57,042,410
City's Equity in System	$236,713,341	$229,435,174	$223,637,033	$218,636,485	$211,721,038
Percentage City's Equity in System	80.06%	81.44%	79.81%	79.60%	78.78%

CAPITAL IMPROVEMENT PROGRAM – REVENUE BOND PROJECTS

Project Name					
Water and Sewer Capital Improvement Projects	**FY 15/16**	**FY 16/17**	**FY 17/18**	**FY 18/19**	**FY 19/20**
	$ 7,730,000	$ 6,735,000	$ 8,150,000	$ 5,850,000	$ 9,000,000

FINANCIAL POLICIES

Basis of Accounting . . . The City's accounting records of the governmental fund revenues and expenditures are recognized on the modified accrual basis. Revenues are recognized in the accounting period in which they are available and measurable. Expenditures are recognized in the accounting period in which the fund liability occurred, if measurable, except for unmatured interest on general long-term debt.

Proprietary Fund revenues and expenses are recognized on the full accrual basis. Revenues are recognized in the accounting period in which they are earned. Expenses are recognized in the accounting period in which they are incurred.

Fund Balances . . . It is the City's policy that all funds with outstanding long-term debt will maintain working capital resources at a minimum of 20% of operating expenditure budget.

Use of Bond Proceeds . . . The City's policy is to use bonds for capital expenditures only. Such revenues are never to be used to fund normal City operations.

Budgetary Procedures . . . The City operates on an October through September fiscal year. Each year in July, the City Manager submits a budget of estimated revenues and expenditures to the City Council. Subsequently, the City Council will hold work sessions to discuss and amend the budget to coincide with their direction of the City. Various public hearings may be held to comply with state and local statutes. The City Council will adopt a budget prior to the start of the fiscal year. If the Council fails to adopt a budget then the existing budget will continue to be in effect.

During the fiscal year, budgetary control is maintained by verification of appropriation availability prior to all purchases. Actual operations are compared to the amounts set forth in the budget. Departmental appropriations that have not been expended lapse at the end of the fiscal year. Therefore, funds that were budgeted and not used by the departments during the fiscal year are not available for their use unless appropriated in the ensuing fiscal year's budget.

INVESTMENTS

The City invests its investable funds in investments authorized by State law in accordance with investment policies approved by the City Council. Both state law and the City's investment policies are subject to change.

LEGAL INVESTMENTS . . . Under State law, the City is authorized to invest in (1) obligations of the United States or its agencies and instrumentalities, including letters of credit; (2) direct obligations of the State of Texas or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which is guaranteed or insured by or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities; (5) obligations of states, agencies, counties, cities and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) certificates of deposit and share certificates meeting the requirements of the Texas Public Funds Investment Act (Chapter 2256, Texas Government Code, as amended) (i) that are issued by or through an institution that has its main office or a branch office in Texas and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, or are secured as to principal by obligations described in clauses (1) through (6) or in any other manner and amount provided by law for City deposits; or (ii) where (a) the funds are invested by the City through (I) a broker that has its main office or a branch office in the State of Texas and is selected from a list adopted by the City as required by law or (II) a depository institution that has its main office or a branch office in the State of Texas that is selected by the City; (b) the broker or the depository institution selected by the City arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City; (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the City appoints the depository institution selected under (a) above, a custodian as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the City with respect to the certificates of deposit; (8) fully collateralized repurchase agreements that have a defined termination date, are fully secured by a combination of cash and obligations described in clause (1) which are pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (9) securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (6) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than "A" or its equivalent or (c) cash invested in obligations described in clauses (1) through (6) above, clauses (11) through (13) below, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the City, held in the City's name and deposited at the time the investment is made with the City or a third party designated by the City; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State of Texas; and (iv) the agreement to lend securities has a term of one year or less, (10) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least "A-1" or "P-1" or the equivalent by at least one nationally recognized credit rating agency, (11) commercial paper with a stated maturity of 270 days or less that is rated at least "A-1" or "P-1" or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank, (12) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission that have a dollar weighted average stated maturity of 90 days or less and include in their investment objectives the maintenance of a stable net asset value of $1 for each share and (13) no-load mutual funds registered with the Securities and Exchange Commission that have an average weighted maturity of less than two years, invest exclusively in obligations described in this paragraph, and are continuously rated as to investment quality by at least one nationally recognized investment rating firm of not less than "AAA" or its equivalent. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described in the next succeeding paragraph.

The City may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than AAA or AAAm or an equivalent by at least one nationally recognized rating service. The City is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

INVESTMENT POLICIES . . . Under State law, the City is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that includes a list of authorized investments for City funds, maximum allowable stated maturity of any individual investment, the maximum average dollar-weighted maturity allowed for pooled fund groups, the maximum average dollar-weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the Public Funds Investment Act. All City funds must be invested consistent with a formally

adopted "Investment Strategy Statement" that specifically addresses each funds' investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under State law, City investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." At least quarterly the investment officers of the City shall submit an investment report detailing: (1) the investment position of the City, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, the ending market value and the fully accrued interest for the reporting period each pooled fund group, (4) the book value and market value of each separately listed asset at the beginning and end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategy statements and (b) State law. No person may invest City funds without express written authority from the City Council.

ADDITIONAL PROVISIONS . . . Under State law, the City is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt an ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the said ordinance or resolution; (3) require any investment officers' with personal business relationships or relatives with firms seeking to sell securities to the entity to disclose the relationship and file a statement with the Texas Ethics Commission and the City Council; (4) require the registered principal of firms seeking to sell securities to the City to: (a) receive and review the City's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude imprudent investment activities, and (c) deliver a written statement attesting to these requirements; (5) perform an annual audit of the management controls on investments and adherence to the City's investment policy; (6) provide specific investment training for the Treasurer, Chief Financial Officer and investment officers; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse repurchase agreement; (8) restrict its investment in mutual funds in the aggregate to no more than 15 percent of its monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service, and to invest no portion of bond proceeds, reserves and funds held for debt service, in mutual funds; and (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; (10) at least annually, review, revise and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

TABLE 13 - CURRENT INVESTMENTS

As of March 31, 2016, the City's investable funds were invested in the following categories:

Description	Market Value	% of Portfolio	Book Value	% of Portfolio
TexPool	$ 20,490,292	12.09%	$ 20,490,292	12.10%
Governmental Securities	148,939,065	87.91%	148,865,858	87.90%
Total	$169,429,357	100.00%	$169,356,150	100.00%

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SELECTED PROVISIONS OF THE ORDINANCE

Selected provisions of the Ordinance are set forth below. Reference is hereby made to the Ordinance as adopted by the City Council for the complete terms and provisions pertaining to the Bonds.

Section 1.01.Definitions. Unless otherwise expressly provided or unless the context clearly requires otherwise, in this Ordinance, the following terms shall have the meanings specified below:

"Additional Parity Bonds" means revenue bonds or other evidences of indebtedness which the City reserves the right to issue or enter into, as the case may be, in the future in accordance with the terms and conditions provided in Section 9.01 of the Ordinance and which are equally and ratably secured by a first lien on and pledge of the Net Revenues.

"Average Annual Debt Service" means that amount which, at the time of computation, is derived by dividing the total amount of Debt Service to be paid over a period of years as the same is scheduled to become due and payable by the number of years taken into account in determining the total Debt Service. Capitalized interest payments provided from bond proceeds shall be excluded in making the aforementioned computation.

"Bond Fund" means the "City of Lewisville Interest and Sinking Revenue Bond Fund" described in Section 8.03 of this Ordinance.

"Bonds Similarly Secured" means, collectively, the Previously Issued Bonds, the Bonds and Additional Parity Bonds.

"Business Day" means any day which is not a Saturday, Sunday or legal holiday, or day on which banking institutions in the State of Texas or the city in which the Designated Payment/Transfer Office is located are generally authorized or obligated by law or executive order to close.

"Debt Service" means, as of any particular date of computation, with respect to any obligations and with respect to any period, the aggregate of the amounts to be paid or set aside by the City as of such date or in such period for the payment of the principal of, premium, if any, and interest (to the extent not capitalized) on such obligations; assuming, in the case of obligations without a fixed numerical rate, that such obligations bear, or would have borne, interest at the highest rate reached, or that would have been applied to such obligations (using the index or measure for computing interest applicable to such obligations) during the twenty-four (24) month period next preceding the date of computation, and further assuming in the case of obligations required to be redeemed or prepaid as to principal prior to maturity, the principal amounts thereof will be redeemed prior to maturity in accordance with the mandatory redemption provisions applicable thereto.

"Fiscal Year" or "Year" means the twelve month account period used by the City in connection with the operation of the System which may be any twelve consecutive month period established by the City.

"Fund" means any fund established pursuant to this Ordinance or any ordinance authorizing the issuance of Bonds Similarly Secured.

"Gross Revenues" means all income, receipts and revenues of every nature derived or received from the operation and ownership (excluding refundable meter deposits, restricted gifts and grants in aid of construction) of the System, including earnings and income derived from the investment or deposit of moneys in any special funds or accounts created and established by the City for the payment and security of the Bonds Similarly Secured and other obligations payable solely from and secured only by a lien on and pledge of the Net Revenues.

"Interest Payment Date" means the date or dates upon which interest on the Bonds is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being February 15 and August 15 of each year, commencing February 15, 2017.

"Maintenance and Operating Expenses" means all current expenses of operating and maintaining the System, including all salaries, labor, materials, repairs and extensions necessary to render efficient service; provided, however, that only such repairs and extensions, as in the judgment of the City Council, reasonably and fairly exercised, are necessary to maintain the operations and render adequate service to the City and the inhabitants thereof, or such as might be necessary to meet some physical accident or condition which would otherwise impair obligations payable from Net Revenues shall be deducted in determining "Net Revenues." Depreciation charges shall not be considered Maintenance and Operating Expenses. Maintenance and Operating Expenses shall include payments under contracts for the purchase of water supply, treatment of sewage or other materials, goods, services or facilities for the System to the extent authorized by law and the provisions of such contracts.

"Net Earnings" means Gross Revenues of the System after deducting the Maintenance and Operating Expenses, but not depreciation charges or other expenditures which, under generally accepted accounting principles, should be treated as capital expenditures.

"Net Revenues" means the Gross Revenues, with respect to any period, after deducting Maintenance and Operating Expenses during such period.

"Outstanding" when used in this Ordinance, means, as of the date of determination, all Bonds Similarly Secured theretofore sold, issued and delivered by the City, except:

(i) those Bonds Similarly Secured canceled or delivered by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation in connection with the exchange or transfer of such obligations;

(ii) those Bonds Similarly Secured paid or deemed to be paid in accordance with the provisions hereof; and

(iii) those Bonds Similarly Secured that have been mutilated, destroyed, lost, or stolen and replacement bonds have been registered and delivered in lieu thereof.

"Previously Issued Bonds" means the City's presently Outstanding and unpaid revenue bonds payable from and secured by a first lien on and pledge of the Net Revenues.

"Prior Ordinances" means the ordinances that authorized the issuance of the Previously Issued Bonds.

"Required Reserve" means the amount required to be accumulated and maintained in the Reserve Fund under the provisions of Section 8.04 of the Ordinance.

"Reserve Fund" means the "City of Lewisville Revenue Bond Reserve Fund," described in Section 8.04 of the Ordinance.

"System" means all properties, facilities and plants currently owned, operated and maintained by the City for the supply, treatment and transmission of treated potable water and the collection, treatment and disposal of water-carried wastes, together with all future extensions, improvements, replacements and additions thereto; provided, however, that notwithstanding the foregoing, and to the extent now or hereafter authorized or permitted by law, the term "System" shall not mean or include facilities of any kind which are declared not to be a part of the System and which are acquired or constructed by or on behalf of the City with the proceeds from the issuance of "Special Facilities Bonds," which are hereby defined as being special revenue obligations of the City which are not Bonds Similarly Secured but which are payable from and secured by other liens on and pledges of any revenues, sources or payments, not pledged to the payment of the Bonds Similarly Secured including, but not limited to, special contract revenues or payments received from any other legal entity in connection with such facilities.

"System Fund" means the "City of Lewisville Water and Sewer System Fund," described in Section 8.02 of the Ordinance.

Section 2.01. Pledge. The City hereby covenants and agrees that the Net Revenues of the System, with the exception of those in excess of the amounts required for the payment and security of the Bonds Similarly Secured, are hereby irrevocably pledged, equally and ratably, to the payment and security of the Bonds Similarly Secured including the establishment and maintenance of the special funds created and established for the payment and security thereof, all as hereinafter provided, and it is hereby ordained that the Bonds Similarly Secured, and the interest thereon, shall constitute a first lien on the Net Revenues in accordance with the terms and provisions hereof and be valid and binding without further action by the City and without any filing or recording except for the filing of this Ordinance in the records of the City.

Section 2.02. Bonds Similarly Secured as Special Obligations. The Bonds Similarly Secured are special obligations of the City payable solely from the Net Revenues of the System, and the Owners thereof shall never have the right to demand payment thereof out of any other funds raised or to be raised by taxation.

Section 8.01. Special Funds. The City covenants and agrees that all revenues derived from the operation of the System shall be kept separate from other funds of the City. To that end, the establishment of the following special Funds is hereby confirmed and such Funds shall be maintained in an official depository bank of the City so long as any of the Bonds Similarly Secured are outstanding and unpaid, to-wit:

(a) "City of Lewisville Water and Sewer System Fund," herein called the "System Fund";

(b) "City of Lewisville Interest and Sinking Revenue Bond Fund," herein called the "Bond Fund"; and

(c) "City of Lewisville Revenue Bond Reserve Fund," herein called the "Reserve Fund."

Section 8.02. System Fund. The City hereby covenants and agrees that Gross Revenues of the System (excluding earnings and income derived from investments held in the Bond Fund and Reserve Fund) shall be deposited as collected to the credit of the System Fund maintained at an official depository of the City, and such revenues of the System shall be kept separate and apart from all other funds of the City. All revenues deposited in the System Fund shall be pledged and appropriated to the extent required for the following uses and in the order of priority shown:

(a) To the payment of all necessary and reasonable Maintenance and Operating Expenses or required by statute to be a first charge on and claim against the Gross Revenues thereof.

(b) To the payment of the amounts required to be deposited in the Bond Fund established and maintained for the payment of Debt Service on the Bonds Similarly Secured as the same becomes due and payable.

(c) To the payment of the amounts required to be deposited in the Reserve Fund to accumulate and maintain therein the Required Reserve in accordance with the provisions of this Ordinance or any other ordinance relating to the issuance of Bonds Similarly Secured.

Any Net Revenues remaining in the System Fund after satisfying the foregoing payments, or making adequate and sufficient provision for the payment thereof, may be appropriated and used for any other City purpose now or hereafter permitted by law.

Section 8.03. Bond Fund. For purposes of providing funds to pay the principal of and interest on the Bonds Similarly Secured as the same becomes due and payable, the City agrees to maintain at a depository bank of the City the Bond Fund as a separate and special account. In addition to the deposits to the Bond Fund for the payment of the Previously Issued Bonds, the City covenants that there shall be deposited into the Bond Fund prior to each principal payment date and Interest Payment Date from the Net Revenues an amount equal to one hundred per centum (100%) of the amount required to fully pay the interest on and the principal of the Bonds then falling due and payable by reason of maturity or redemption, and such deposits to pay principal of and accrued interest on the Bonds shall be made in substantially equal monthly installments on or before the last day of each month, beginning on or before the last day of the month next following the delivery of the Bonds to the initial purchaser thereof. If the Net Revenues in any month are then insufficient to make the required payments into the Bond Fund, then the amount of any deficiency in the payment shall be added to the amount otherwise required to be paid into the Bond Fund in the next month.

The required monthly deposits to the Bond Fund for the payment of principal of and interest on the Bonds shall continue to be made as hereinabove provided until (i) the total amount on deposit in the Bond Fund and the Reserve Fund is equal to the amount required to fully pay and discharge all Outstanding Bonds Similarly Secured (principal and interest) or (ii) the Bonds are no longer Outstanding.

Accrued interest received from the Underwriters, as well as any excess proceeds of the Bonds not required to complete the improvements and extensions to be made to the System and any earnings derived from the investment of moneys in the Bond Fund, shall be deposited to the credit of the Bond Fund and taken into consideration and reduce the amount of the monthly deposits hereinabove required to be deposited in the Bond fund from the Net Revenues.

Section 8.04. Reserve Fund. For purposes of accumulating and maintaining funds as a reserve for the payment of the Bonds Similarly Secured, the City reaffirms its covenant with the owners of the Previously Issued Bonds and agrees with the Owners to maintain the Reserve Fund, and all funds deposited therein (excluding earnings and income derived or received from deposits or investments which may be transferred to the System Fund during such periods as there is on deposit in the Reserve Fund the Required Reserve) shall be used solely for the payment of the principal of and interest on the Bonds Similarly Secured when (whether at maturity, upon a mandatory redemption date or any interest payment date) other funds available for such purposes are insufficient, and, in addition, may be used to the extent not required to maintain the "Required Reserve," to pay, or provide for the payment of the final principal amount of a series of Bonds Similarly Secured so that such series of Bonds Similarly Secured is no longer deemed to be "Outstanding" as such term is defined herein.

In accordance with the provisions of the ordinances authorizing the issuance of the Previously Issued Bonds, the total amount ultimately required to be accumulated and maintained in the Reserve Fund is $_____ (the "Old Reserve"). By reason of the issuance of the Bonds, the total amount required to be accumulated and maintained in the Reserve Fund is hereby determined to be $_____ (the "Required Reserve") which amount is hereby found to equal or exceed the Average Annual Debt Service for the Bonds and the Previously Issued Bonds (calculated on a Fiscal Year basis as of the date the Bonds are to be delivered). In addition to the monthly deposits currently being made to accumulate the Old Reserve, the City agrees that beginning on or before the last day of the month next following the month the Bonds are delivered to the initial purchasers and on or before the last day of each following month until the Required Reserve has been fully accumulated, there shall be deposited into the Reserve Fund from the Net Revenues an amount equal to at least 1/60th of the difference between the Required Reserve and the Old Reserve.

As and when Additional Parity Bonds are delivered or incurred, the Required Reserve shall be increased, if required, to an amount equal to not less than the Average Annual Debt Service (calculated on a Fiscal Year basis) for all Bonds Similarly Secured then Outstanding, as determined on the date each series of Additional Parity Bonds are delivered or incurred, as the case may be. Any additional amount required to be maintained in the Reserve Fund shall be so accumulated by the deposit in the Reserve Fund of all or any part thereof in cash immediately after the delivery of the then proposed Additional Parity Bonds, or, at the option of the City, by the deposit of monthly installments, made on or before the last day of each month following the month of delivery of the then proposed Additional Parity Bonds, of not less than 1/60th of the additional amount to be maintained in said Fund by reason of the issuance of the Additional Parity Bonds then being issued (or 1/60th of the balance of the additional amount not deposited immediately in cash).

When and so long as the cash and investments in the Reserve Fund total not less than the Required Reserve, no deposits need be made to the credit of the Reserve Fund; but, if and when the Reserve Fund at any time contains less than the Required Reserve (other than as the result of the issuance of Additional Parity Bonds as provided in the preceding paragraph), the City covenants and agrees to cure the deficiency in the Required Reserve by resuming monthly deposits to said Fund from the Net Revenues; such monthly deposits to be in amounts equal to not less than 1/60th of the then total Required Reserve to be maintained in said Fund and to be made on or before the last day of each month until the total Required Reserve then to be maintained in said Fund has been fully restored. The City further covenants and agrees that, subject only to the payments to be made to the Bond Fund, the Net Revenues shall be applied and appropriated and used to establish and maintain the Required Reserve and to cure any deficiency in such amounts as required by the terms of this Ordinance and any other ordinance pertaining to the issuance of Additional Parity Bonds.

During such time as the Reserve Fund contains the total Required Reserve, the City may, at its option, withdraw all surplus in the Reserve Fund in excess of the Required Reserve and deposit such surplus in the System Fund.

Section 8.05. Deficiencies in Funds. If on any occasion there shall not be sufficient Net Revenues to make the required deposits into the Bond Fund and the Reserve Fund, then such deficiency shall be cured as soon as possible from the next available Net Revenues, or from any other sources available for such purpose.

Section 8.06. Excess Revenues. Subject to making the required deposits to the Bond Fund and the Reserve Fund when and as required by this Ordinance, or any ordinance authorizing the issuance of Additional Parity Bonds, the excess Net Revenues may be used by the City for any lawful purpose.

Section 8.07. Security of Funds. All moneys on deposit in the funds referred to in this Article shall be secured in the manner and to the fullest extent required by the laws of the State for the security of public funds, and moneys on deposit in such funds shall be used only for the purposes permitted by this Ordinance.

Section 8.08. Investment of Certain Funds. Money deposited to the credit of any Fund referenced in this Ordinance may, at the option of the City, be placed in time deposits or certificates of deposit secured (to the extent not insured by the Federal Deposit Insurance Corporation) by obligations of the type hereinafter described, or may be invested, including investments held in book-entry form, in direct obligations of the United States of America and obligations guaranteed or insured by the United States of America, which, in the opinion of the Attorney General of the United States, are backed by the full faith and credit or represent its general obligations; provided that all such deposits and investments shall be made in such a manner that the money required to be expended from any Fund will be available at the proper time or times. Such investments (except State and Local Government Series investments held in book entry form, which shall at all times be valued at cost) shall be valued in terms of current market value within forty-five (45) days of the close of each Fiscal Year and, with respect to investments held for the account of the Reserve Fund, within thirty (30) days of the date of passage of each ordinance authorizing the issuance of Additional Parity Bonds. All interest and income derived from deposits and investments in the Bond Fund immediately shall be credited to, and any losses shall be debited to, the Bond Fund. All interest and income derived from deposits and investments of the Reserve Fund shall, subject to the limitations provided in Section 8.04, be credited to and deposited in the System Fund. All such investments shall be sold promptly, when necessary, to prevent any default in connection with the Bonds.

Money deposited to the credit of any of the Funds referenced in this Ordinance, to the extent not invested, shall be secured in the manner and to the fullest extent required by the laws of the State of Texas for the security of public funds.

Section 9.01. Additional Parity Bonds. Subject to the provisions hereinafter appearing as to conditions precedent which must be satisfied, the City reserves the right to issue, from time to time as needed, Additional Parity Bonds for any lawful purpose. Such Additional Parity Bonds may be issued in such form and manner as now or hereafter authorized by the laws of the State of Texas for the issuance of evidences of indebtedness or other instruments, and should new methods or financing techniques be developed that differ from those now available and in normal use, the City reserves the right to employ the same in its financing arrangements provided only that the following conditions precedent for the authorization and issuance of the same are satisfied, to wit:

(a) The Director of Finance of the City (or other officer of the City then having the primary responsibility for the financial affairs of the City) shall have executed a certificate stating (i) that, to the best of his or her knowledge or belief, the City is not then in default as to any covenant, obligation or agreement contained in any ordinance or other proceedings relating to any obligations of the City payable from and secured by a lien on and pledge of the Net Revenues that would materially affect the security or payment of such obligations and (ii) either (A) payments into all special funds or accounts created and established for the payment and security of all outstanding obligations payable from and secured by a lien on and pledge of the Net Revenues have been made and that the amounts on deposit in such special funds or accounts are the amounts then required to be on deposit therein or (B) the application of the proceeds of sale of such obligations then being issued will cure any such deficiency.

(b) The Additional Parity Bonds shall be scheduled to mature or be payable as to principal on February 15 or August 15 (or both) in each year the same are to be outstanding or during the term thereof.

(c) The City has secured a certificate or opinion of a Certified Public Accountant to the effect that, according to the books and records of the City, the Net Earnings for the last completed Fiscal Year, or for twelve consecutive months out of the fifteen months, immediately preceding the month the ordinance authorizing the issuance of such Additional Parity Bonds is adopted, are at least equal to (i) 1.25 times the Average Annual Debt Service for all Outstanding Bonds Similarly Secured after giving effect to the issuance of the Additional Parity Bonds then being issued and (ii) 1.10 times the maximum annual Debt Service payment to be paid in a Fiscal Year for the Outstanding Bonds Similarly Secured after giving effect to the issuance of the Additional Parity Bonds then being issued. In making a determination of the Net Earnings, the Accountant may take into consideration a change in the rates and charges for services and facilities afforded by the System that became effective at least sixty (60) days prior to the last day of the period for which Net Earnings are determined and, for purposes of satisfying the above Net Earnings test, make a pro forma determination of the Net Earnings of the System for the period of time covered by his certification or opinion based on such change in rates and charges being in effect for the entire period covered by the Accountant's certificate or opinion.

Section 9.02. Refunding Bonds. The City reserves the right to issue refunding bonds to refund all or any part of the Bonds Similarly Secured (pursuant to any law then available) upon such terms and conditions as the City Council of the City may deem to be in the best interest of the City and its inhabitants, and if less than all such Bonds Similarly Secured then outstanding are refunded, the conditions precedent prescribed (for the issuance of Additional Parity Bonds) in Section 9.01(c) shall be satisfied and the Accountant's certificate or opinion required in Section 9.01(c) shall give effect to the Debt Service of the proposed refunding bonds (and shall not give effect to the Debt Service of the Bonds Similarly Secured being refunded following their cancellation or provision being made for their payment).

Section 9.03. Obligations of Inferior Lien and Pledge. The City hereby reserves the right to issue obligations payable from and secured by a lien on and pledge of the Net Revenues, junior and subordinate in rank and dignity to the lien and pledge securing the payment of the Bonds Similarly Secured, as may be authorized by the laws of the State.

Section 10.01. Payment of Bonds and Additional Parity Bonds. While any of the Bonds are Outstanding, the City's Director of Finance (or other designated financial officer of the City) shall cause to be transferred to the Paying Agent/Registrar, from funds on deposit in the Bond Fund, and, if necessary, in the Reserve Fund, amounts sufficient to fully pay and discharge promptly as each installment of interest and principal of the Bonds accrues or matures or comes due by reason of redemption prior to maturity; such transfer of funds to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar for the Bonds at the close of the Business Day next preceding the date of payment for the Bonds.

Section 10.02. Rates. For the benefit of the Owners and in addition to all provisions and covenants in the laws of the State of Texas and in this Ordinance, the City hereby expressly stipulates and agrees, while any of the Bonds are Outstanding, to establish and maintain rates and charges for facilities and services afforded by the System that are reasonably expected, on the basis of available information and experience and with due allowance for contingencies, to produce Gross Revenues in each Fiscal Year sufficient:

(a) To pay Maintenance and Operating Expenses, depreciation charges and replacement and betterment costs;

(b) To produce Net Revenues sufficient to pay the principal of and interest on the Bonds Similarly Secured and the amounts required to be deposited in any reserve or contingency fund created for the payment and security of the Bonds Similarly Secured, and other obligations or evidences of indebtedness issued or incurred that are payable only from and secured solely by a lien on and pledge of the Net Revenues;

(c) To produce Net Revenues equal to at least 1.10 times the annual Debt Service for the Fiscal Year on the Outstanding Bonds Similarly Secured; and

(d) To pay all other indebtedness payable from the Net Revenues and/or secured by a lien on the properties or the revenues of the System.

Section 10.03. Maintenance and Operation; Insurance. The City shall maintain the System in good condition and operate the System in an efficient manner and at reasonable cost. While any Bonds are Outstanding, the City agrees to maintain casualty and other insurance on the System of a kind and in an amount which usually would be carried by municipal corporations owning and operating similar properties. Nothing in this Ordinance shall be construed as requiring the City to expend any funds which are derived from sources other than operation of the System, but nothing herein shall be construed as preventing the City from doing so.

Section 10.04. Records; Accounts; Accounting Reports. (a) The City hereby covenants and agrees that so long as any of the Bonds are Outstanding, it will keep and maintain separate and complete records and accounts pertaining to the operations of the System in which complete and correct entries shall be made of all transactions relating thereto, as provided by Chapter 1502, Texas Government Code, as amended. The Owners of any of the Bonds or any duly authorized agent or agents of such Owners shall have the right at all reasonable times to inspect such records, accounts and data relating thereto, and to inspect the System and all properties comprising same. The City further agrees that following the close of each Fiscal Year, it will cause an audit of such books and accounts to be made by an independent firm of Certified Public Accountants. Each such audit, in addition to whatever other matters may be thought proper by the accountant, shall particularly include the following:

(i) A statement of the income and expenses of the System for such Fiscal Year;

(ii) A balance sheet for the System as of the end of such Fiscal Year;

(iii) A statement describing the sources and application of funds of the System for such Fiscal Year; and

(iv) Accountant's comment regarding the manner in which the City has carried out the requirements of this Ordinance and any other ordinance authorizing the issuance of Additional Parity Bonds and his recommendations for any changes or improvements in the operations, records or accounts of the System.

(b) Expenses incurred in making an annual audit of the operations of the System are to be regarded as Maintenance and Operating Expenses. Copies of each annual audit shall be furnished to the Executive Director of the Municipal Advisory Council of Texas at his office in Austin, Texas, and, upon request, to the initial purchasers of the Bonds and subsequent Owners of any of said Bonds. The audits herein required shall be made within one hundred twenty (120) days following the close of each Fiscal Year insofar as is possible.

Section 10.05. Sale or Lease of Properties. The City, to the extent and in the manner authorized by law, may sell or exchange for consideration representing the fair market value thereof, as determined by the City Council of the City, any property not necessary or required in the efficient operations of the System, or any equipment not necessary or useful in the operations thereof or which is obsolete, damaged or worn out or otherwise unsuitable for use in the operation of the System. The proceeds of any sale of properties of the System shall be deposited in the System Fund.

Section 10.06. Further Covenants. The City hereby further covenants and agrees as follows:

(a) It has the lawful power to pledge the Net Revenues to the payment of the Bonds to the extent provided herein and has lawfully exercised said power under the Constitution and laws of the State; that the Bonds, Previously Issued Bonds and Additional Parity Bonds shall be ratably secured under such pledge in such manner that one bond shall have preference over any other bond of said issues.

(b) The Net Revenues of the System have not been in any manner pledged or encumbered to the payment of any debt or obligation of the City or the System, save and except for the Previously Issued Bonds, the Bonds and with respect to revenues from the sale of water, the payments by the City to the Greater Lewisville Water Supply Corporation pursuant to the Water Supply System Sale-Purchase-Financing Agreement, dated as of April 20, 1972, together with all amendments thereto.

(c) No free service of the System shall be allowed, and should the City or any of its agencies or instrumentalities make use of the services and facilities of the System, payment of the reasonable value thereof shall be made by the City out of funds from sources other than the revenues and income of the System.

(d) To the extent that it legally may and so long as any of the Bonds are Outstanding, no franchise shall be granted for the installation or operation of any waterworks or sewer system other than those owned by the City, and the operation of any such system by anyone other than this City if hereby prohibited.

(e) The City will comply with all of the terms and conditions of any and all franchises, permits and authorizations applicable to or necessary with respect to the System, and which have been obtained from any governmental agency; and the City has or will obtain and keep in full force and effect all franchises, permits, authorizations and other requirements applicable to or necessary with respect to the acquisition, construction, equipment, operation and maintenance of the System.

Section 10.07. Amendments. (a) This Ordinance shall constitute a contract with the Owners from time to time, be binding on the City, and shall not be amended or repealed by the City so long as any Bond remains outstanding, except as permitted in this Section.

(b) The City may, without the consent of or notice to any Owners of Bonds, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Owners of any Bonds, including the curing of any ambiguity, inconsistency, or formal defect or omission herein.

(c) In addition, the City may, with the written consent of Owners of Bonds owning a majority in aggregate principal amount of the Bonds Similarly Secured then Outstanding and affected thereby, amend, add to or rescind any of the provisions of this Ordinance; provided that, without the consent of all Owners of outstanding Bonds, no such amendment, addition or rescission shall (i) extend the time or times of payment of the principal of, premium, if any, and interest on the Bonds, reduce the principal amount thereof, the redemption price therefor or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Bonds, (ii) give any preference to any Bond over any other Bond, or (iii) reduce the aggregate principal amount of Bonds or Bonds Similarly Secured, as the case may be, required for consent to any such amendment, addition or rescission.

Section 11.01. Remedies in Event of Default. (a) In addition to all the rights and remedies provided by the laws of the State of Texas, the City covenants and agrees particularly that in the event the City (i) defaults in payments to be made to the Bond Fund and Reserve Fund as required by this Ordinance or (ii) defaults in the observance or performance of any other of the covenants, conditions or obligations set forth in this Ordinance, each an "Event of Default,", the Owner of any Bond shall be entitled to a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the City Council and other officers of the City to observe and perform any covenant, condition or obligation prescribed in this Ordinance.

(b) No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power, or shall be construed to be a waiver of 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. The specific remedies herein provided shall be cumulative of all other existing remedies and the specification of such remedies shall not be deemed to be exclusive. Notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Ordinance.

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TAX MATTERS

TAX EXEMPTION . . . In the opinion of Bracewell LLP, Bond Counsel, under existing law, (i) interest on the Bonds is excludable from gross income for federal income tax purposes and (ii) the Bonds are not "private activity bonds" under the Internal Revenue Code of 1986, as amended (the "Code"), and, as such, interest on the Bonds is not subject to the alternative minimum tax on individuals and corporations, except as described below in the discussion regarding the adjusted current earnings adjustment for corporations.

The Code imposes a number of requirements that must be satisfied for interest on state or local obligations, such as the Bonds, to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of bond proceeds and the source of repayment of bonds, limitations on the investment of bond proceeds prior to expenditure, a requirement that excess arbitrage earned on the investment of bond proceeds be paid periodically to the United States and a requirement that the issuer file an information report with the Internal Revenue Service (the "Service"). The City has covenanted in the Ordinance that it will comply with these requirements.

Bond Counsel's opinion will assume continuing compliance with the covenants of the Ordinance pertaining to those sections of the Code that affect the exclusion from gross income of interest on the Bonds for federal income tax purposes and, in addition, will rely on representations by the City, the City's Financial Advisor and the Underwriters with respect to matters solely within the knowledge of the City, the City's Financial Advisor and the Underwriters, respectively, which Bond Counsel has not independently verified. Bond Counsel will further rely on the report (the "Report") of Grant Thornton LLP, certified public accountants, regarding the mathematical accuracy of certain computations. If the City fails to comply with the covenants in the Ordinance or if the foregoing representations or Report should be determined to be inaccurate or incomplete, interest on the Bonds could become includable in gross income from the date of delivery of the Bonds, regardless of the date on which the event causing such inclusion occurs.

The Code also imposes a 20% alternative minimum tax on the "alternative minimum taxable income" of a corporation if the amount of such alternative minimum tax is greater than the amount of the corporation's regular income tax. Generally, the alternative minimum taxable income of a corporation (other than any S corporation, regulated investment company, REIT or REMIC), includes 75% of the amount by which its "adjusted current earnings" exceeds its other "alternative minimum taxable income." Because interest on tax-exempt obligations, such as the Bonds, is included in a corporation's "adjusted current earnings," ownership of the Bonds could subject a corporation to alternative minimum tax consequences.

Except as stated above, Bond Counsel will express no opinion as to any federal, state or local tax consequences resulting from the receipt or accrual of interest on, or acquisition, ownership or disposition of, the Bonds.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on Bond Counsel's knowledge of facts as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of result and are not binding on the Service; rather, such opinions represent Bond Counsel's legal judgment based upon its review of existing law and in reliance upon the representations and covenants referenced above that it deems relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given as to whether or not the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the City as the taxpayer and the Owners may not have a right to participate in such audit. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds regardless of the ultimate outcome of the audit.

ADDITIONAL FEDERAL INCOME TAX CONSIDERATIONS

COLLATERAL TAX CONSEQUENCES . . . 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, life insurance and property and casualty insurance companies, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, low and middle income taxpayers otherwise qualifying for the health insurance premium assistance credit and individuals otherwise qualifying for the earned income credit. In addition, certain foreign corporations doing business in the United States may be subject to the "branch profits tax" on their effectively connected earnings and profits, including tax-exempt interest such as interest on the Bonds. These categories of prospective purchasers should consult their own tax advisors as to the applicability of these consequences. Prospective purchasers of the Bonds should also be aware that, under the Code, taxpayers are required to report on their returns the amount of tax-exempt interest, such as interest on the Bonds, received or accrued during the year.

TAX ACCOUNTING TREATMENT OF ORIGINAL ISSUE PREMIUM . . . The issue price of all or a portion of the Bonds may exceed the stated redemption price payable at maturity of such Bonds. Such Bonds (the "Premium Bonds") are considered for federal income tax purposes to have "bond premium" equal to the amount of such excess. The basis of a Premium Bond in the hands of an initial owner is reduced by the amount of such excess that is amortized during the period such initial owner holds such Premium Bond in determining gain or loss for federal income tax purposes. This reduction in basis will increase the amount of any gain or decrease the amount of any loss recognized for federal income tax purposes on the sale or other taxable disposition of a Premium Bond by the initial owner. No corresponding deduction is allowed for federal income tax purposes for the reduction in basis resulting from amortizable bond premium. The amount of bond premium on a Premium Bond that is amortizable each year (or shorter period in the event of a sale or disposition of a Premium Bond) is determined using the yield to maturity on the Premium Bond based on the initial offering price of such Bond.

The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of Premium Bonds that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above. All owners of Premium Bonds should consult their own tax advisors with respect to the determination for federal, state, and local income tax purposes of amortized bond premium upon the redemption, sale or other disposition of a Premium Bond and with respect to the federal, state, local, and foreign tax consequences of the purchase, ownership, and sale, redemption or other disposition of such Premium Bonds.

TAX ACCOUNTING TREATMENT OF ORIGINAL ISSUE DISCOUNT BONDS . . . The issue price of all or a portion of the Bonds may be less than the stated redemption price payable at maturity of such Bonds (the "Original Issue Discount Bonds"). In such case, the difference between (i) the amount payable at the maturity of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond constitutes original issue discount with respect to such Original Issue Discount Bond in the hands of any owner who has purchased such Original Issue Discount Bond in the initial public offering of the Bonds. Generally, such initial owner 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 period that such Original Issue Discount Bond continues to be owned by such owner. Because original issue discount is treated as interest for federal income tax purposes, the discussions regarding interest on the Bonds under the caption "TAX MATTERS – Tax Exemption" and "TAX MATTERS – Additional Federal Income Tax Considerations - Collateral Tax Consequences" and "-Tax Legislative Changes" generally applies, and should be considered in connection with the discussion in this portion of the Official Statement.

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.

The foregoing discussion assumes that (i) the Underwriters have purchased the Bonds for contemporaneous sale to the public and (ii) all of the Original Issue Discount Bonds have been initially offered, and a substantial amount of each maturity thereof has been sold, to the general public in arm's-length transactions for a price (and with no other consideration being included) not more than the initial offering prices thereof stated on the inside cover page of this Official Statement. Neither the City nor Bond Counsel has made any investigation or offers any comfort that the Original Issue Discount Bonds will be offered and sold in accordance with such assumptions.

Under existing law, the original issue discount on each Original Issue Discount Bond accrues 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 (i) 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 (ii) the amounts payable as current interest during such accrual period on such Bond.

The federal income tax consequences of the purchase, ownership, and redemption, sale or other disposition of Original Issue Discount Bonds that are not purchased in the initial offering at the initial offering price may be determined according to rules that 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 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.

TAX LEGISLATIVE CHANGES . . . Current law may change so as to directly or indirectly reduce or eliminate the benefit of the exclusion of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation, whether or not enacted, could also affect the value and liquidity of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed, pending or future legislation.

CONTINUING DISCLOSURE OF INFORMATION

In the Ordinance, the City has made the following agreement for the benefit of the holders and beneficial owners of the Bonds. The City is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the City will be obligated to provide certain updated financial information and operating data annually, and timely notice of certain specified events, to the Municipal Securities Rulemaking Board (the "MSRB"). This information will be available free of charge from the MSRB via the Electronic Municipal Market Access ("EMMA") system at www.emma.msrb.org <http://www.emma.msrb.org/>.

ANNUAL REPORTS . . . The City shall provide annually to the MSRB, (1) within six months after the end of each fiscal year of the City, financial information and operating data with respect to the City of the general type included in the final Official Statement, being information of the type described in Tables 1 through 13, including financial statements of the City if audited financial statements of the City are then available, and (2) if not provided as part such financial information and operating data, audited financial statements of the City, when and if available. Any financial statements to be provided shall be (i) prepared in accordance with the accounting principles appended to the Official Statement, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and (ii) audited, if the City commissions an audit of such financial 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 12 months after any such fiscal year end, then the City shall file unaudited financial statements within such 12-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available. The City may provide updated information in full text or may incorporate by reference documents available on EMMA or filed with the U.S. Securities and Exchange Commission (the "*SEC*").

The City's current fiscal year end is September 30. Accordingly, the City must provide its required information by the last day of March in each year, unless the City changes its fiscal year. If the City changes its fiscal year, it will file notice of the change (and of the date of the new fiscal year end) with the MSRB prior to the next date by which the City otherwise would be required to provide financial information and operating data as set forth above.

CERTAIN EVENT NOTICES . . . The City shall notify the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of the event, of any of the following events with respect to the Bonds: (1) Principal and interest payment delinquencies; (2) Non-payment related defaults, if material; (3) Unscheduled draws on debt service reserves reflecting financial difficulties; (4) Unscheduled draws on credit enhancements reflecting financial difficulties; (5) Substitution of credit or liquidity providers, or their failure to perform; (6) Adverse tax opinions, 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 status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) Bond calls, if material, and tender offers; (9) Defeasances; (10) Release, substitution, or sale of property securing repayment of the Bonds, if material; (11) Rating changes; (12) Bankruptcy, insolvency, receivership or similar event of the City; (13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, 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, if material; and (14) Appointment of a successor or additional Paying Agent/Registrar or change in the name of the Paying Agent/Registrar, if material.

For these purposes, any event described in the immediately preceding clause (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets of business of the City.

AVAILABILITY OF INFORMATION . . . All information and documentation filings required to be made by the City in accordance with its undertaking made for the Bonds will be made with the MSRB in electronic format in accordance with MSRB guidelines. Access to such filings will be provided by the MSRB, without charge to the general public, at www.emma.msrb.org.

LIMITATIONS AND AMENDMENTS . . . The City has agreed to update information and to provide notices of certain events only as described above. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The City 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 City 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 of Bonds may seek a writ of mandamus to compel the City to comply with its agreement.

The City 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 City, if (i) the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering described herein 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 (ii) either (a) the holders of a majority in aggregate principal amount of the outstanding Bonds consent to the amendment or (b) any person unaffiliated with the City (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 City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds. If the City so amends the agreement, it has agreed to include with the next financial information and operating data 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 City entered into certain undertakings under SEC Rule 15c2-12 with respect to obligations issued by the City for the benefit of Lewisville Castle Hills Public Improvement District No. 5, Lewisville Castle Hills Public Improvement District No. 6 and Lewisville Castle Hills Public Improvement District No. 7 (collectively, the “Castle Hills Districts”). In those undertakings, the City undertook to provide financial and operating information relating to the Castle Hills Districts and the developer of the Castle Hills Districts that was provided to the City by the Castle Hills Districts. In 2015, the Castle Hills Districts failed to provide such financial and operating information to the City in time for the City to file such information with the EMMA system within the required time frame. Such information was subsequently filed approximately three months late.

The City and the Castle Hills Districts have engaged FirstSouthwest to provide continuing disclosure services related to debt issued for the benefit of the Castle Hills Districts.

OTHER INFORMATION

RATINGS

The Bonds and the presently outstanding waterworks and sewer system revenue debt of the City are rated "AAA" by S&P and "AAA" by Fitch, without regard to credit enhancement. An explanation of the significance of such ratings may be obtained from the company furnishing the rating. The ratings reflect only the respective views of such organizations and the City makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by either of such rating companies, if in the judgment of any such company, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

LITIGATION

It is the opinion of the City Attorney and City Staff that there is no pending litigation against the City that would have a material adverse financial impact upon the City or its operations.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

The sale of the Bonds has not been registered under the federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2). The Bonds have not been approved or disapproved by the Securities and Exchange Commission, not has the United States Securities and Exchange Commission passed upon the accuracy or adequacy of the Official Statement. 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 qualified under the securities acts of any jurisdiction. The City assumes no responsibility for qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for 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 provisions.

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code) provides that the Bonds are negotiable instruments, investment securities governed by Chapter 8, Texas Business and Commerce Code, and are legal and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking funds of municipalities or other political subdivisions or public agencies of the State of Texas. With respect to investment in the Bonds by municipalities or other political subdivisions or public agencies of the State of Texas, the Public Funds Investment Act, Chapter 2256, Texas

Government Code, requires that the Bonds be assigned a rating of at least "A" or its equivalent as to investment quality by a national rating agency. See "OTHER INFORMATION - Ratings" herein. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Bonds are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Bonds are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those deposits to the extent of their market value. No review by the City has been made of the laws in other states to determine whether the Bonds are legal investments for various institutions in those states.

LEGAL MATTERS

The City will furnish a complete transcript of proceedings incident to the authorization and issuance of the Bonds, including the approving legal opinions of the Attorney General of the State of Texas to the effect that the Initial Bonds is a valid and binding obligations of the City, and based upon examination of such transcript of proceedings, the approving legal opinion of Bond Counsel to the effect that the Bonds issued in compliance with the provisions of the Ordinance are valid and legally binding obligations of the City and the interest on the Bonds is excludable from gross income for federal income tax purposes under existing law and the Bonds are not private activity bonds, subject to the matters described under "TAX MATTERS" herein. The form of such opinion is attached hereto as Appendix C. Bond Counsel was not requested to participate, and did not take part, in the preparation of the Official Statement, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Bonds in the Official Statement under the captions "PLAN OF FINANCING" (except for the subcaption “Sources and Uses of Bond Proceeds”), "THE BONDS" (except for the subcaptions "Book-Entry-Only System" and “Bondholders’ Remedies”), “SELECTED PROVISIONS OF THE ORDINANCE,” "TAX MATTERS” and "CONTINUING DISCLOSURE OF INFORMATION" (except for the subcaption “Compliance with Prior Undertakings”) and the subcaptions “Registration and Qualification of Bonds for Sale,” "Legal Investments and Eligibility to Secure Public FundS in Texas", and "Legal Matters" (except for the last two sentences of the first paragraph) under the caption "OTHER INFORMATION" and is of the opinion that the information relating to the Bonds and the legal issues contained under such captions and subcaptions is an accurate and fair description of the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the Ordinance. The legal fees to be paid Bond Counsel for services rendered in connection with the issuance of the Bonds are contingent on the sale and delivery of the Bonds. The legal opinions will accompany the Bonds deposited with DTC or will be printed on the Bonds in the event of the discontinuance of the Book-Entry-Only System. Certain legal matters will be passed upon for the Underwriters by McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Counsel to the Underwriters. The legal fees to be paid to Underwriters’ Counsel for services rendered in connection with the issuance of the Bonds are contingent on the sale and delivery of the Bonds.

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 the 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.

FINANCIAL ADVISOR

FirstSouthwest is employed as Financial Advisor to the City in connection with the issuance of the Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. FirstSouthwest, in its capacity as Financial Advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Financial Advisor to the City has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the City and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

VERIFICATION OF ARITHMETICAL AND MATHEMATICAL COMPUTATIONS

Grant Thornton LLP, a firm of independent public accountants, will deliver to the City, on or before the settlement date of the Bonds, its verification report indicating that it has verified, in accordance with attestation standards established by the American Institute of Certified Public Accountants, the mathematical accuracy of (a) the mathematical computations of the adequacy of the cash and the maturing principal of and interest on the Federal Securities, to pay, when due, the maturing principal of, interest on and related call premium requirements, if any, of the Refunded Bonds and (b) the mathematical computations of yield used by Bond Counsel to support its opinion that interest on the Bonds will be excluded from gross income for federal income tax purposes. Such verification will be relied upon by Bond Counsel in rendering its opinions with respect to the exclusion from gross income of interest on the Bonds for federal income tax purposes and with respect to defeasance of the Refunded Bonds.

The verification performed by Grant Thornton LLP will be solely based upon data, information and documents provided to Grant Thornton LLP by First Southwest Company, LLC on behalf of the City. Grant Thornton LLP has restricted its procedures to recalculating the computations provided by First Southwest Company, LLC on behalf of the City and has not evaluated or examined the assumptions or information used in the computations.

UNDERWRITERS

The Underwriters have agreed, subject to certain conditions, to purchase the Bonds from the City, at an underwriting discount of $_____. The Underwriters will be obligated to purchase all of the Bonds if any Bonds are purchased. The Bonds to be offered to the public may be offered and sold to certain dealers (including the Underwriters and other dealers depositing Bonds into investment trusts at prices lower than the public offering prices of such Bonds and such public offering prices may be changed, from time to time by the Underwriters.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

FORWARD-LOOKING STATEMENTS DISCLAIMER

The statements contained in this Official Statement, an in any other information provided by the City, that are not purely historical, are forward-looking statements, including statements regarding the City's expectation, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on the information available to the City on the date hereof, and the City assumes no obligation to update any such forward-looking statements. The City's 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 judgments 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 City. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

MISCELLANEOUS

The financial data and other information continued in this Official Statement have been obtained from the City's records, audited financial statements and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and resolutions contained in this Official Statement are made subject to all of the provisions of such statutes, documents and resolutions. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

The Ordinance authorizing the issuance of the Bonds will also approve the form and content of this Official Statement, and any addenda, supplement or amendment thereto, and authorize its further use in the reoffering of the Obligations by the Underwriters.

_____
Mayor
City of Lewisville, Texas

ATTEST:

_____
City Secretary
City of Lewisville, Texas

SCHEDULE OF REFUNDED BONDS*

Waterworks and Sewer System Revenue Bonds, Series 2008

Original Dated Date	Original Maturity Date	Interest Rates	Amount Outstanding	Amount Refunded
5/15/2008	2/15/2019	3.875%	$ 630,000	$ 630,000
	2/15/2020	4.000%	655,000	655,000
	2/15/2021	4.125%	685,000	685,000
	2/15/2022	4.250%	710,000	710,000
	2/15/2023	4.250%	745,000	745,000
	2/15/2024	4.250%	775,000	775,000
			$ 4,200,000	$ 4,200,000

The 2019 through 2024 maturities will be redeemed prior to original maturity on February 15, 2018 at par.

* Preliminary, subject to change.

APPENDIX A

GENERAL INFORMATION REGARDING THE CITY

THE CITY

The City of Lewisville was incorporated in 1925. The current charter was adopted in 1963 and amended as recently as 2004. Lewisville is a home-rule city and operates under the Council-Manager form of government. The City Council is comprised of the Mayor and five members and is responsible for enacting ordinances, resolutions and regulations governing the City. In addition, the City Council appoints the members of various boards and commissions, the City Manager, City Attorney, City Judge, and City Secretary. As chief administrative officer, the City Manager is responsible for implementing Council policies, overseeing municipal operation, and appointing and supervising the various department directors.

The City provides the full range of municipal services as authorized by statute or charter. This includes public safety (police and fire), streets, water and sewer utilities, sanitation, health and social services, parks and leisure services, public improvements, community development with planning and zoning, tourism and general administrative services.

The following list includes the major employers in the City:

Employer	Number of Employees	Percentage of Total City Employment
JP Morgan Chase	2,158	3.61%
Lewisville Independent School District (Lewisville employment only)	2,104	3.52%
Vista Ridge Mall (all outlets)	1,950	3.27%
Xerox Corporation	850	1.42%
Wal-Mart (all City locations)	850	1.42%
City of Lewisville	758	1.27%
Medical Center of Lewisville	756	1.27%
SYSCO	560	0.94%
Orthofix	450	0.75%
Med-Fusion	450	0.75%
Total	10,886	18.22%

Source: City of Lewisville Economic Development and Budget Departments, Texas Workforce Commission and North Central Texas Council of Governments.

ECONOMIC CONDITIONS AND OUTLOOK

The City of Lewisville continues to experience positive annual population and new commercial growth. Between the years 2000 to 2010, Lewisville's population increased by 22.6% from 77,737 to 95,290 per the official Census data of 2010. The current population estimate from the North Central Texas Council of Governments (NCTCOG) is 100,670. As Lewisville is primarily developed with little vacant land, the City has gained a tremendous number of infill development and redevelopment projects that has aided in the rejuvenation of the City's old housing stock. Estimates are for residential population to be approximately 140,000 at the time of build-out around 2030. Lewisville's daytime population is expected to exceed its residential population by 2030 due to the large number of employers located in Lewisville. With Lewisville's continued pro-business policies, the City maintains its economic prosperity. Highlights include:

- Majestic Airport Center is a master-planned Industrial park with over 160 acres of land and more than 3 million square feet of Class A warehouse and distribution facilities. Phases I & II are complete, which includes DFW's first 1 million square foot speculative industrial building. Kellogg relocated their southwest regional distribution facility to Majestic Airport Center in 2012, occupying 1 million square feet and creating 300 new jobs. Jafra Cosmetics, Cabin Innovations, Hagemeyer North America Inc., Sonexus Health, and Ranger Air Aviation currently occupy the development, taking advantage of the Foreign Trade Zones and Triple Freeport exemption in place. Essilor of America is one of the newer additions to the Majestic Airport Center occupying 169,000 square feet with 90 employees. Planning is underway for an additional three new mid-sized flex industrial buildings ranging from 250,000 to 400,000 square feet currently under construction. An agreement with Bed, Bath and Beyond was approved in December of 2015 for their Texas E-Commerce facility occupying 780,000 square feet with over $100 million in real and businesses personal property investment and a large projected sales tax generation from the facility.

- Two new buildings for warehouse/distribution facilities were completed at Lakepointe Crossing on State Highway 121 (SH-121). The Flooring Services, Inc. includes more than 421,000 square feet of commercial space. The new complex will bring all of The Flooring Services' business locations in North Texas into one location. The company employs 300 people in Lewisville and is expected to grow in future years.

- FedEx Freight Center started construction in 2014 for their 129,914 square feet regional ground facility. The project is expected to be operational in first quarter of 2016.

- Lakeside Office Center II completed an 80,964 square foot building and has leased 40,000 square feet for the expansion of TIAA-CREF Financial Services located in the same business park.

- Mary Kay Inc., announced the relocation of their research and development and manufacturing facility from Dallas to Lewisville in November of 2015. They are constructing a new 330,000 square foot facility in Lewisville in 2016.

- Revitalization of aging shopping centers has become a priority in Lewisville with three centers currently redeveloped or under construction. Details on two of these developments:

    - Birmingham Management completed their $5.0 million revitalization of Lewisville West shopping center that included new architecture and tenants.
    - Old Orchard West shopping center on Main Street completed construction of a new 88,000 square foot WinCo grocery store. The original shopping center was built in 1970s and is being revitalized with new façade improvements and new branding totaling over $17 million in new investment.

- Panera Bread, a bakery and café, opened and is operating in the former location of Johnny Carino's on Hebron Road east of Interstate 35 East (I-35E).

- Mattito's, a Tex-Mex restaurant, opened in the old Fox and Hound restaurant building just north of Corporate Drive along I-35E. This is Mattito's fifth location and includes over eight thousand square feet including an outdoor patio area.

MAJOR INITIATIVES

Tax Increment Reinvestment Zone Number 1—The City of Lewisville continues to revitalize Old Town Lewisville. The Old Town Tax Increment Reinvestment Zone was created in December 2001, with participation between the City and Denton County. The Old Town Tax Increment Reinvestment Zone has experienced an incremental increase in taxable value of $113,037,293 since inception. Tax increment revenues from the Zone are used to finance infrastructure improvements and public facilities to stimulate revitalization of Old Town. Projects to date include parking improvements, wayfinding, infrastructure needs studies, sidewalk enhancements, beautification projects, the Medical Center of Lewisville Grand Theater (MCL Grand Theater), and the Wayne Ferguson Plaza. The Zone expires in 2028.

- Three new restaurants are currently under construction in Old Town: Cavalli Pizza, Twisted Root Burger and Prohibition Chicken. All three will be built on the north side of Church Street across the street from the City-owned Medical Center of Lewisville Grand Theater.

- The historic Lewisville Feed Mill is also being converted into a restaurant with over $2 million in renovations and improvements.

- The Uptown Village Townhome community has completed 40 units and is in the process of proceeding with phase 3 of the development for a total of 73 units including a pool and clubhouse in this phase.

- Ground work is continuing with final plat approved for South Village, a new mixed use project, including 4,000 square feet of office/retail space and 75 new residential units in an expected price range of $250,000 to $350,000.

- The City is working with business owners on Main Street in the Old Town Center District to redesign and improve the rear façade of those businesses. As a first step, a meeting was held in December 2015 with the business owners to explain and discuss the program and process that will take place. The City will fund the design portion of the project.

Tax Increment Reinvestment Zone Number 2—This Zone was created in October 2008, with participation between the City and Denton County. This Zone started with a base value of $9,097,649 and has added $67,268,115 in incremental value. The Zone will expire in 2038.

- Tax increment revenues from the Zone are used to finance infrastructure improvements for a 427 acre mixed-use development. The development, also known as Hebron 121 Station, is at the northeast corner of I-35E and SH-121. The project consists of urban residential, retail, recreation, and entertainment uses.

- The Denton County Transit Authority (DCTA) A-Train Station was completed in June 2011 and ridership continues to grow along this line.

- The first three phases of the residential development have been completed and consist of 922 multi-family units within 4-story structures. The total number of residential units projected for this development at completion is 1,875.

- The City completed the building of a bridge over Timber Creek to connect the Hebron 121 Station project to the I-35E frontage road in October 2015 as part of the City's commitment in the development agreement with the Riverside Development LP.

- The City also completed planning for the remainder of the Zone by rezoning the land from Light Industrial to Mixed Use in order to accomplish the goals of the plan for office, retail and hotel uses.

Lewisville 2025 Plan—The Lewisville 2025 Vision Plan commenced in March of 2013 in anticipation of the City's centennial celebration in 2025 to establish a course for creating a community reflective of citizens values and aspirations. Public input and discussion garnered hundreds of ideas and suggestions from all stakeholders in the City. The planning project successfully ended with the adoption of the plan in June 2014 providing the City with a road map for future growth and prioritizing projects and strategies for action for the next 10 years. Some of the major accomplishments thus far:

- **Green Centerpiece**—A Memorandum of Understanding (MOU) was approved with the University of North Texas (UNT) in December 2014 related to adding the City of Lewisville to the Corps of Engineers (COE) lease and funding cost of operations for the Lewisville Lake Environmental Learning Area (LLELA). This nature preserve located along the City's northeast side provides numerous nature opportunities and outdoor activities. In addition to the City, UNT and COE, Lewisville Independent School District has joined as a partner and a committee has been convened to develop a master strategy for operations of LLELA. The City and UNT agreed on an initial funding strategy whereby UNT funds research and restoration activities and the City funds recreation education, maintenance and gate operations. The City has contracted with Texas Audubon to conduct a feasibility study to determine the financial viability of an Audubon-operated nature center at LLELA. LLELA operations have expanded with the City's involvement to seven days a week for hiking, fishing, camping, boating and other outdoor activities.

- **Extending The Green**—NCTCOG awarded the City a $1.5 million grant (City match of $506,000) for a new City trail along Garden Ridge and Valley Parkway.

- **Sustainability**—Changes were made to the City's trash/recycling franchise agreement to encourage diversion and recycling. For example, once a week trash, larger recycling carts, multi-family recycling, and additional options are being made available.

- **Old Town**—Wayne Ferguson Plaza was completed and dedicated in time for the Western Days Festival.

- **Thriving Neighborhoods**—A Neighborhood Enhancement program was created to encourage a formal network of neighborhoods that will focus on neighborhood identity, code enforcement, infrastructure and improvements, public safety, and aesthetics.

- **Identity Focal Point**—I-35E Corridor Plan was adopted in November 2014 providing guidelines for public and private development along the corridor.

- **Communications and Marketing**—Digital billboard advertising space was acquired as a result of Economic Development Agreements to reduce billboards along I-35E. This will allow access to six (6) billboards available for citywide marketing and event advertising with an annual benefit of over $300,000.

Major Roadway Projects—Construction is ongoing on the I-35E expansion. The project will widen the interstate from 10 to 16 lanes between Interstate-635 and US Highway 380. The expansion will include free lanes, managed/tolled lanes, and additional new frontage lanes. The City completed a two year project for a Corridor Redevelopment Plan to guide public improvements, private developments, business retention, and new business recruitment along the corridor. An extension of the plan, the I-35 Identity Plan, was developed to create aesthetic treatments and non-vehicular travel options at highly visible overpasses and underpasses.

The City is at 90% design on two major thoroughfares to provide maximum connectivity in the City. Corporate Drive and Valley Ridge Boulevard will provide additional means of access to businesses and residents. The estimated cost of the improvements for Corporate Drive and Valley Ridge Boulevard are $29 million and $17 million, respectively. These projects were done with a funding partnership between the City and Denton County with regional toll revenues being allocated for 80% of the construction cost and the City responsible for the 20% match.

Residential Growth - A significant number of new residential subdivisions are underway in Lewisville including a 156 acre annexation of land into the City for a master planned community. The new residential developments have a higher price point than the existing residential stock and are estimated to be in $250,000 to $400,000 price range. These projects include:

Project	Location	Residence Type	Planned Units	Status/Completed
Highpoint Oak Estates	Southwest corner of V'ista Ridge Mall Drive and Denton Tap Road	Single family	85	16
The Hills ov Vista Ridge	Oakbend and Vista Ridge Mall Drive	Single family	124	45
Wyndale Meadows	East of FM 544 and south of SH 121	Single family	105	86
Crescent Estates	Summit Lane south of College Parkway	Single family	62	25
Verona by DR Horton	North side of FM 407 next to McGee Lane	Single family	138	13
Fireside Village	College Parkway and Summit Avenue	Single family	33	Broken ground
Lakewood Hills	Josey Lane and Windhaven Parkway	Single family	523	Broken ground
Pine Prairie Apartments	Lake Ridge Road and Leora Lane	Multi-family	596	Completion stage
Broadstone Lakeridge Apartments	Lake Ridge Road and Leora Lane and Marina Vista	Multi-family	301	Completion stage
The Manors at Vista Ridge	Vista Ridge Mall area	Multi-family (Townhomes)	72	46
Windhaven Crossing	SH121 and is bisected by the Atchison, Topeka and Santa Fe Railroad	Multi-family (Townhomes)	367	

These projects are indicative of the City's economic prosperity and the continued pro-business policies by the City.

EDUCATION

The Lewisville Independent School District ("LISD") encompasses 13 communities and 127 square miles. LISD presently has 40 elementary schools, one early childhood center, 15 intermediate schools, five high schools, three ninth grade campuses, two ninth and tenth grade campuses, two career centers, one learning centers, a night high school, and a virtual learning academy. All LISD campuses received the "Met Standard" accountability rating by the Texas Education Agency in the areas of student achievement, student progress, closing performance gaps, and postsecondary readiness. Serving more than 53,000 students, LISD has experienced a period of rapid growth adding over 22,000 students in an eleven year period. While LISD has continued to grow, the rate of growth has slowed to approximately 200-500 students per year.

School Year	School Enrollment District Wide
2006-07	48,890
2007-08	49,449
2008-09	50,038
2009-10	50,664
2010-11	51,298
2011-12	51,782
2012-13	52,396
2013-14	52,696
2014-15	52,989
2015-16	53,400

BUILDING PERMIT VALUES

Fiscal	Commercial		Residential		Other [2]	
Year	Number	Amount	Number	Amount	Number	Amount
2011	211	$ 210,975,650	184	$ 15,631,885	417	$ 2,663,612
2012	161	51,528,426	176	18,602,597	389	2,079,812
2013	166	61,598,837	340	32,552,007	458	2,485,927
2014	153	49,608,616	229	20,252,230	443	2,421,327
2015	87	125,973,960	801	79,250,114	275	2,988,263
2016 [1]	21	47,323,908	194	49,116,872	66	1,442,258

(1) As of March 24, 2016.
(2) This section represents miscellaneous commercial and residential non-building permits that include, but are not limited to, demolitions, relocations, swimming pools, and fences.

APPENDIX B

EXCERPTS FROM THE

CITY OF LEWISVILLE, TEXAS

ANNUAL FINANCIAL REPORT

For the Year Ended September 30, 2015

The information contained in this Appendix consists of excerpts from the City of Lewisville, Texas Annual Financial Report for the Year Ended September 30, 2015, and is not intended to be a complete statement of the City's financial condition. Reference is made to the complete Report for further information.

APPENDIX C

FORM OF BOND COUNSEL'S OPINION

Purchase Contract

$_____
City of Lewisville, Texas
(Denton and Dallas Counties, Texas)
Waterworks and Sewer System Revenue
Refunding and Improvement Bonds, Series 2016

June 6, 2016

Mayor and Members of the City Council
City of Lewisville, Texas
151 W. Church Street
Lewisville, Texas 75057

Ladies and Gentlemen:

The undersigned, Raymond James & Associates, Inc. (the "Representative"), acting on its own behalf and on behalf of Stephens, Inc. (collectively, the "Underwriters"), offers to enter into the following agreement with the City of Lewisville, Texas (the "Issuer") which, upon the Issuer's written acceptance of this offer (the "Contract"), will be binding upon the Issuer and upon the Underwriters. This offer is made subject to the Issuer's written acceptance hereof on or before 10:00 p.m., Central time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriters upon notice delivered to the Issuer at any time prior to the acceptance hereof by the Issuer. Terms not otherwise defined in this Contract shall have the same meanings set forth in the Bond Ordinance (as defined herein) or in the Official Statement (as defined herein). The Representative has been duly authorized by the Underwriters to execute this Contract and to act for the Underwriters in all capacities hereunder.

1. Purchase and Sale of the Bonds. Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriters hereby agree, jointly and severally, to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Underwriters, all, but not less than all, of the Issuer's $_____ Waterworks and Sewer System Revenue Refunding and Improvement Bonds, Series 2016 (hereinafter referred to as the "Bonds").

Inasmuch as this purchase and sale represents a negotiated transaction, the Issuer acknowledges and agrees that: (i) the transaction described in by this Contract is an arm's length, commercial transaction between the Issuer and the Underwriters in which each Underwriter is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the Issuer; (ii) the Underwriters have not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction described herein and the discussions, undertakings and procedures leading thereto (irrespective of whether any Underwriter has provided other services or is currently providing other services to the Issuer on other matters); (iii) each Underwriter is acting solely in its capacity as underwriter for its own account, (iv) the only obligations the Underwriters have to the Issuer with respect to the transaction described herein expressly are set forth in this Contract; (v) the Issuer has consulted its own legal, accounting, tax, financial and

other advisors, as applicable, to the extent it has deemed appropriate; (vi) the Issuer recognizes that the Underwriters expect to profit from the acquisition and potential distribution of the Bonds; and (vii) the Underwriters have provided to the Issuer prior disclosures under Rule G-17 of the Municipal Securities Rulemaking Board (the "MSRB"), which have been received by the Issuer. The Issuer has engaged a registered municipal advisor to advise it on this transaction and has consulted its own financial, municipal, legal, accounting, tax and/or other advisors, as applicable, to the extent it deems appropriate.

The Bonds are to be issued, secured and sold under the provisions of an ordinance (the "Bond Ordinance") adopted by the City Council of the Issuer on June 6, 2016, and shall have the terms and features (including those with respect to rates) as set forth in the Bond Ordinance. The principal amount of the Bonds to be issued, the dated date therefor, the maturities, redemption provisions, yields and interest rates per annum are set forth in Schedule I attached hereto. The Bonds shall otherwise have such terms and provisions as set forth and described in the Official Statement referred to below.

The purchase price for the Bonds shall be $_____ (representing the principal amount of the Bonds, plus a net original issue premium of $_____ and less an underwriting discount of $_____).

Delivered to the Issuer herewith as a good faith deposit is a corporate check of the Representative payable to the order of the Issuer in the amount of $115,650. In the event the Issuer accepts this Contract, such check shall be held uncashed by the Issuer until the time of Closing (as defined herein), at which time such check shall be returned uncashed to the Representative. In the event that the Issuer does not accept this Contract, such check will be immediately returned to the Representative. Should the Issuer fail to deliver the Bonds at the Closing, or should the Issuer be unable to satisfy the conditions of the obligations of the Underwriters to purchase, accept delivery of and pay for the Bonds, as set forth in this Contract (unless waived by the Underwriters), or should such obligations of the Underwriters be terminated for any reason permitted by this Contract, such check shall immediately be returned to the Representative. In the event that the Underwriters fail (other than for a reason permitted hereunder) to purchase, accept delivery of and pay for the Bonds at the Closing as herein provided, such check shall be cashed and the amount thereof retained by the Issuer as and for fully liquidated damages for such failure of the Underwriters, and, except as set forth in Sections 8 and 10 hereof, no party shall have any further rights against the other hereunder. The Underwriters and the Issuer understand that in such event the Issuer's actual damages may be greater or may be less than such amount. Accordingly, the Underwriters hereby waive any right to claim that the Issuer's actual damages are less than such amount, and the Issuer's acceptance of this Contract shall constitute a waiver of any right the Issuer may have to additional damages from the Underwriters. Immediately following the Closing, the Issuer shall return the good faith check to the Representative. The Representative hereby agrees not to stop or cause payment on the check to be stopped unless the Issuer has breached any of the terms of this Agreement.

2. Public Offering. The Underwriters agree to make a bona fide public offering of all of the Bonds at a price or yield not to exceed the public offering prices or yields set forth on page 2 of the Official Statement and may subsequently change such offering prices or yields without any requirement of prior notice. The Underwriters may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at prices or yields

lower than the public offering prices or yields stated on page 2 of the Official Statement; provided that on or before the Closing, the Representative shall execute and deliver to Bracewell LLP, Dallas, Texas ("Bond Counsel") an issue price certificate for the Bonds prepared by Bond Counsel verifying the initial offering prices to the public at which the Underwriters reasonably expected to sell or in fact sold a substantial amount of each stated maturity of the Bonds to the public.

3. The Official Statement.

(a) Preliminary Official Statement. The Issuer previously has delivered, or caused to be delivered, copies of a Preliminary Official Statement, dated [May 27], 2016, relating to the Bonds (the "Preliminary Official Statement"), to the Underwriters for their use in determining interest in the Bonds. The Issuer prepared the Preliminary Official Statement for use by the Underwriters in connection with the public offering, sale and distribution of the Bonds. The Issuer hereby ratifies and approves the use by the Underwriters of the Preliminary Official Statement prior to the date hereof, and until the availability of the final Official Statement, in connection with the public offering of the Bonds. The Issuer hereby represents and warrants that it deemed the Preliminary Official Statement final, within the meaning of Rule 15c2-12 issued by the United States Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Rule"), as of its date, except for the omission of information specified in Section (b)(1) of the Rule, as permitted by Section (b)(1) of the Rule. The Issuer hereby confirms that it does not object to the distribution of the Preliminary Official Statement in electronic form.

(b) Final Official Statement. The Issuer shall prepare and provide, or cause to be provided, to the Underwriters as soon as practicable after the date of the Issuer's acceptance of this Contract (but, in any event, not later than within seven business days after the Issuer's acceptance of this Contract and in sufficient time to accompany any confirmation that requests payment from any customer) a final Official Statement which is complete as of the date of its delivery to the Underwriters, in such quantity and formats as the Representative shall reasonably request, and in any event in a "designated electronic format" (as defined in MSRB Rule G-32), in order for the Underwriters to comply with Section (b)(4) of the Rule and the rules of the MSRB. Such final Official Statement shall be substantially in the form of the Preliminary Official Statement, with only such changes therein as shall have been accepted by the Underwriters or as shall be permitted by the Rule or the rules of the MSRB. Such final Official Statement, including the cover page, all exhibits, appendices, maps, pictures, diagrams, reports and statements included or incorporated therein or attached thereto, and any amendments and supplements thereto that may be authorized for use with respect to the Bonds, is herein referred to as the "Official Statement." The Issuer hereby authorizes the Underwriters to use the Official Statement and the information contained therein in connection with the public offering and the sale of the Bonds. The Issuer hereby confirms that it does not object to the distribution of the Official Statement in electronic form. If, for any reason, the Issuer is unable or otherwise fails to deliver the final Official Statement to the Underwriters in compliance with this paragraph, the Issuer shall deliver the Preliminary Official Statement, including all amendments and supplements thereto, to the Underwriters in a "designated electronic format" at least one business day before the date of the Closing. The Issuer additionally shall provide, or cause to be provided, to the Underwriters on or before the date of the Closing (and, in any event, not later

than within five business days of the date of the Closing) a copy of the fully executed Escrow Agreement (as hereinafter defined) in a "designated electronic format".

(c) If, after the date of this Contract to and including the date the Underwriters are no longer required to provide an Official Statement to potential customers who request the same pursuant to the Rule (the earlier of (i) 90 days from the "end of the underwriting period", as defined in the Rule, and (ii) the time when the Official Statement is available to any person from the MSRB, but in no case less than 25 days after the "end of the underwriting period" for the Bonds), the Issuer becomes aware of any fact or event which might or would cause the Official Statement, as then supplemented or amended, 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, not misleading, or if it is necessary to amend or supplement the Official Statement to comply with law, the Issuer will notify the Underwriters (and for the purposes of this clause provide the Underwriters with such information as the Representative may from time to time reasonably request), and if, in the reasonable opinion of the Representative, such fact or event requires preparation and publication of a supplement or amendment to the Official Statement, the Issuer will prepare and furnish, at the Issuer's sole expense, in such quantity and in formats as the Representative shall reasonably request, and in a "designated electronic format", in order for the Underwriters to comply with Section (b)(4) of the Rule and the rules of the MSRB, copies of either amendments or supplements to the Official Statement so that the statements in the Official Statement as so amended and supplemented 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 not misleading or so that the Official Statement will comply with law; provided, however, that for all purposes of this Contract (including, without limitation, the representations made in Sections 4(h), (i) and (j)) and any certificate delivered by the Issuer in accordance herewith, the Issuer makes no representations with respect to the descriptions in the Preliminary Official Statement or the Official Statement of The Depository Trust Company, New York, New York ("DTC"), or its book-entry-only system. If such notification shall be subsequent to the Closing, the Issuer shall furnish such legal opinions, certificates, instruments and other documents as the Representative may reasonably request to evidence the truth and accuracy of such supplement or amendment to the Official Statement. Additionally, if amendments are made to the Escrow Agreement during the period described above, the Issuer will prepare and provide, or cause to be provided, at the Issuer's sole expense, to the Underwriters a copy of the amendment or amendments to the Escrow Agreement in a "designated electronic format".

(d) The Representative hereby agrees to timely file the Official Statement and the Escrow Agreement (and any amendments thereto) with the MSRB in the format prescribed by the MSRB. Unless otherwise notified in writing by the Underwriters, the Issuer can assume that the "end of the underwriting period" for purposes of the Rule is the date of the Closing.

4. Representations, Warranties, and Covenants of the Issuer. The Issuer hereby represents and warrants to and covenants with the Underwriters that:

(a) The Issuer is a body politic and corporate, a home rule municipality and a political subdivision of the State of Texas (the "State") duly created, organized and existing under the laws of the State and the Issuer's home rule charter (the "Charter"), and has full legal right, power and authority pursuant to the Constitution and general laws of

the State, including Chapters 1207 and 1502, Texas Government Code, as amended (collectively, the "Act"), and at the date of the Closing will continue to have full legal right, power and authority under the Charter and the Act (i) to adopt the Bond Ordinance, (ii) to enter into, execute and deliver the this Contract, any escrow or deposit agreement pertaining to the discharge of the obligations of the Issuer that are being refunded by the Bonds (the "Escrow Agreement"), and all documents required hereunder and thereunder to be executed and delivered by the Issuer (this Contract, the Escrow Agreement and the Bond Ordinance, which contains the Undertaking (as defined in Section 6(i)(2) hereof), are hereinafter referred to as the "Issuer Documents"), (iii) to sell, issue and deliver the Bonds to the Underwriters as provided herein, and (iv) to carry out and consummate the transactions described in the Issuer Documents and the Official Statement, and the Issuer has complied, and will at the Closing be in compliance, in all material respects with the terms of the Act and the Issuer Documents as they pertain to such transactions;

(b) By all necessary official action of the Issuer prior to or concurrently with the acceptance of this Contract, the Issuer has duly authorized all necessary action to be taken by it for the (i) adoption of the Bond Ordinance and the issuance and sale of the Bonds, (ii) approval of the Preliminary Official Statement and the Official Statement, (iii) approval, execution and delivery of, and the performance by the Issuer of the obligations on its part contained in, the Bonds and the Issuer Documents and (iv) consummation by the Issuer of all other transactions described in the Official Statement, the Issuer Documents and any and all such other agreements and documents as may be required to be executed, delivered and/or received by the Issuer in order to carry out, give effect to, and consummate the transactions described herein and in the Official Statement;

(c) The Issuer Documents constitute legal, valid and binding obligations of the Issuer, enforceable in accordance with their respective terms, subject to principles of sovereign immunity of political subdivisions, bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; the Bonds, when issued, delivered and paid for, in accordance with the Bond Ordinance and this Contract, will constitute legal, valid and binding obligations of the Issuer entitled to the benefits of the Bond Ordinance and enforceable in accordance with their terms, subject to principles of sovereign immunity of political subdivisions, bankruptcy, insolvency, reorganization, moratorium and other similar laws, and principles of equity relating to or affecting the enforcement of creditors' rights. Upon the issuance, authentication and delivery of the Bonds as aforesaid, the Bond Ordinance will provide that the Bonds are secured by a lien on and pledge of the Net Revenues (as defined in the Bond Ordinance) of the Issuer's waterworks and sewer system (the "System");

(d) To its knowledge, the Issuer is not in breach of or default in any material respect under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer is, or any of its property or assets are, otherwise subject, and no event has occurred and is continuing which constitutes or with the

passage of time or the giving of notice, or both, would constitute a default or event of default by the Issuer under any of the foregoing; and the execution and delivery of the Bonds and the Issuer Documents and the adoption of the Bond Ordinance and compliance with the provisions on the Issuer's part contained therein, will not conflict with or constitute a material breach of or default under any constitutional provision, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer is, or to which any of its property or assets are, otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Issuer to be pledged to secure the Bonds or under the terms of any such law, regulation or instrument, except as provided by the Bonds and the Bond Ordinance;

(e) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matters which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Issuer of its obligations under the Issuer Documents and the Bonds, have been duly obtained, except for (i) such approvals, consents and orders as may be required under the Blue Sky or securities laws of any jurisdiction in connection with the offering and sale of the Bonds and (ii) the opinion of the Attorney General of the State approving the Bonds as required by law and the registration of the Bonds by the Comptroller of Public Accounts of the State (which approval and registration shall have been duly obtained or effected on or before the date of Closing);

(f) The Bonds and the Bond Ordinance conform to the descriptions thereof contained in the Official Statement under the captions "PLAN OF FINANCING", "THE BONDS" and "SELECTED PROVISIONS OF THE ORDINANCE"; the proceeds of the sale of the Bonds will be applied generally as described in the Official Statement under the subcaption "PLAN OF FINANCING - Sources and Uses of Bond Proceeds" and will be used for the purposes described in the Official Statement under the subcaption "PLAN OF FINANCING - Purpose"; and the Undertaking (as defined in Section 6(i)(2) hereof) conforms to the description thereof contained in the Official Statement under the caption "CONTINUING DISCLOSURE OF INFORMATION";

(g) Except as may be described in the Official Statement, there is no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best knowledge of the Issuer, threatened against the Issuer, (i) contesting the due organization and valid corporate existence of the Issuer or the titles of its officers to their respective offices, (ii) affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the assessment and/or collection of the System revenues pledged to the payment of principal of and interest on the Bonds pursuant to the Bond Ordinance or the Issuer's authority to own and operate the System, (iii) contesting or affecting the validity or enforceability of the Bonds or the Issuer Documents, (iv) contesting the exclusion from gross income of interest on the Bonds for federal income tax purposes, (v) contesting the

completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or (vi) contesting the powers of the Issuer or any authority for the issuance of the Bonds, the adoption of the Bond Ordinance or the execution and delivery of the Issuer Documents, nor, to the knowledge of the Issuer, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds or the Issuer Documents;

(h) As of the date thereof, the Preliminary Official Statement did 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;

(i) At the time of the Issuer's acceptance hereof and (unless the Official Statement is amended or supplemented pursuant to paragraph (c) of Section 3 of this Contract) at all times subsequent thereto during the period up to and including the date of Closing, the Official Statement does not and 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 they were made, not misleading;

(j) If the Official Statement is supplemented or amended pursuant to paragraph (c) of Section 3 of this Contract, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the date of Closing, the Official Statement 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 they were made, not misleading;

(k) The Issuer will apply, or cause to be applied, the proceeds from the sale of the Bonds as provided in and subject to all of the terms and provisions of the Bond Ordinance and will not take or omit to take any action within its control which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds;

(l) The Issuer will furnish such information and execute such instruments and take such action in cooperation with the Underwriters as the Representative may reasonably request, at no expense to the Issuer, (A) to (y) qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Representative may designate and (z) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions and (B) to continue such qualifications in effect so long as required for the distribution of the Bonds (provided, however, that the Issuer will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and will advise the Representative immediately of receipt by the Issuer of any notification with respect to the suspension of

the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose;

(m) The financial statements of, and other financial information regarding, the Issuer contained in the Official Statement fairly present the financial position of the Issuer as of the dates and for the periods therein set forth, (i) the audited financial statements have been prepared in accordance with generally accepted accounting principles consistently applied and (ii) the other financial information has been determined on a basis substantially consistent with that of the Issuer's audited financial statements included in the Official Statement. Prior to the Closing, the Issuer will not take any action within or under its control that will cause an adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the Issuer from that described in the Official Statement. Except as may be described in the Official Statement, the Issuer is not a party to any litigation or other proceeding pending or, to its knowledge, threatened which, if decided adversely to the Issuer, would have a materially adverse effect on the financial condition of the Issuer;

(n) Prior to the Closing, the Issuer will not offer or issue any bonds, notes or other obligations for borrowed money or take action to incur any material liabilities, direct or contingent (except in the ordinary course of business), payable from or secured by any of the revenues or assets which will secure the Bonds without the prior approval of the Representative, such approval not to be unreasonably withheld;

(o) Any certificate, signed by any official of the Issuer authorized to do so in connection with the transactions described in this Contract, shall be deemed a representation and warranty by the Issuer to the Underwriters as to the statements made therein;

(p) The Issuer, to the extent heretofore requested by the Representative in writing, has delivered to the Underwriters true, correct, complete and legible copies of all information, applications, reports or other documents of any nature whatsoever submitted to any rating agency for the purpose of obtaining a rating for the Bonds and, in each instance, true, correct, complete and legible copies of all correspondence or other communications relating thereto; and

(q) To the knowledge and belief of the Issuer, the Official Statement contains information, including financial information and operating data, as required by the Rule. Except as may be described in the Official Statement, during the last five years, the Issuer has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule.

5. Closing.

(a) At 10:00 a.m. Central time, on July 6, 2016, or at such other time and date as shall have been mutually agreed upon by the Issuer and the Underwriters (the "Closing"), the Issuer will, subject to the terms and conditions hereof, deliver the initial Bond to The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the "Paying Agent/Registrar"), as the entity appointed by the Issuer and agreed to by the Underwriters to make delivery of the Bonds, duly

executed and authenticated, together with the other documents hereinafter mentioned, and the Paying Agent/Registrar, as the entity appointed by the Issuer and agreed to by the Underwriters to make delivery of the Bonds, will, subject to the terms and conditions hereof, accept such delivery and the Underwriters will pay the purchase price of the Bonds as set forth in Section 1 of this Contract in immediately available funds to the order of the Issuer. Payment for the Bonds as aforesaid shall be made at the offices of the Paying Agent/Registrar, or such other place as shall have been mutually agreed upon by the Issuer and the Representative.

(b) Delivery of the Bonds in definitive form shall be made through DTC, utilizing the book-entry-only form of issuance. The definitive Bonds shall be delivered in definitive fully registered form, bearing CUSIP numbers without coupons, with one Bond for each maturity of the Bonds, registered in the name of Cede & Co., all as provided in the Bond Ordinance, and shall be made available to the Underwriters at least one business day before the Closing for purposes of inspection at the offices of DTC or, if the Bonds are to be held in safekeeping for DTC by the Paying Agent/Registrar pursuant to DTC's FAST system, at the designated payment office of the Paying Agent/Registrar. In addition, the Issuer and the Underwriters agree that there shall be a preliminary Closing held at such place as the Issuer and the Underwriters shall mutually agree, commencing at least 24 hours prior to the Closing; provided, however, that such preliminary Closing shall not be required if Bond Counsel provides a complete Transcript of Proceedings acceptable to counsel for the Underwriters at least 24 hours prior to the Closing.

6. Closing Conditions. The Underwriters have entered into this Contract in reliance upon the representations, warranties and agreements of the Issuer contained herein, and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Issuer of its obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriters' obligations under this Contract to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the Issuer of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions, including the delivery by the Issuer of such documents as are enumerated herein, in form and substance reasonably satisfactory to the Representative, unless waived in writing by the Representative on behalf of the Underwriters:

(a) The representations and warranties of the Issuer contained herein shall be true, complete and correct in all material respects on the date hereof and on and as of the date of the Closing, as if made on the date of the Closing;

(b) The Issuer shall have performed and complied with all agreements and conditions required by this Contract to be performed or complied with by it prior to or at the Closing;

(c) At the time of the Closing, (i) the Issuer Documents and the Bonds shall be in full force and effect and shall not have been amended, modified or supplemented, and the Official Statement shall not have been supplemented or amended, except in any such case as may have been agreed to by the Representative; and (ii) all actions of the Issuer required to be taken by the Issuer shall be performed in order for Bond Counsel and Underwriters' Counsel to deliver their respective opinions referred to hereafter;

(d) At the time of the Closing, all official action of the Issuer relating to the Bonds and the Issuer Documents shall be in full force and effect and shall not have been amended, modified or supplemented;

(e) At or prior to the Closing, the Bond Ordinance shall have been duly adopted by the governing body of the Issuer in accordance with law and the Issuer shall have duly executed and delivered and the Paying Agent/Registrar shall have duly authenticated the Bonds;

(f) At the time of the Closing, there shall not have occurred any change or any development involving a prospective change in the condition, financial or otherwise, or in the revenues or operations of the Issuer, from that set forth in the Official Statement that, in the reasonable judgment of the Representative, is material and adverse and that makes it, in the reasonable judgment of the Representative, impracticable to market the Bonds on the terms and in the manner described in the Official Statement;

(g) The Issuer shall not currently be in default on the payment of principal or interest on any of its outstanding obligations for borrowed money;

(h) All steps to be taken and all instruments and other documents to be executed, and all other legal matters in connection with the transactions described in this Contract shall be reasonably satisfactory in legal form and effect to the Representative;

(i) At or prior to the Closing, the Underwriters shall have received copies of each of the following documents:

(1) The Official Statement, and each supplement or amendment thereto, if any, and the reports and audits referred to or appearing in the Official Statement;

(2) The Bond Ordinance, with such supplements or amendments as may have been agreed to by the Representative, which shall include an undertaking of the Issuer which satisfies the requirements of section (b)(5)(i) of the Rule (the "Undertaking");

(3) The approving opinion of Bond Counsel with respect to the Bonds, in substantially the form and substance attached to the Official Statement as Appendix C;

(4) A supplemental opinion of Bond Counsel addressed to the Underwriters, substantially to the effect that:

(i) the Bond Ordinance has been duly adopted by the Issuer and is in full force and effect;

(ii) the Bonds are exempted securities under the Securities Act of 1933, as amended (the "1933 Act"), and the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), and it is not necessary, in

connection with the offering and sale of the Bonds, to register the Bonds under the 1933 Act or to qualify the Bond Ordinance under the Trust Indenture Act; and

(iii) such firm was not requested to participate, and did not take part, in the preparation of the Official Statement, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Bonds and the Bond Ordinance in the Official Statement under the captions "PLAN OF FINANCING" (except under the subcaption "Sources and Uses of Bond Proceeds"), "THE BONDS" (except for the subcaptions "Book-Entry-Only System" and "Bondholders' Remedies"), "SELECTED PROVISIONS OF THE ORDINANCE", "TAX MATTERS" and "CONTINUING DISCLOSURE OF INFORMATION" (except for the subcaption "Compliance with Prior Undertakings") and the subcaptions "Registration and Qualification of Bonds For Sale", "Legal Investments and Eligibility to Secure Public Funds in Texas" and "Legal Matters" (except for the last two sentences of the first paragraph thereof) under the caption "OTHER INFORMATION", and such firm is of the opinion that the information relating to the Bonds and the legal issues contained under such captions and subcaptions is an accurate and fair description of the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the Bond Ordinance.

The supplemental opinion of Bond Counsel will also state that the Underwriters are entitled to rely upon the opinion of Bond Counsel delivered in accordance with the provisions of Section 6(i)(3) of this Contract.

(5) An opinion of McCall, Parkhurst & Horton L.L.P., as counsel for the Underwriters, dated the date of the Closing, addressed to the Underwriters, substantially in the form attached hereto as Exhibit A;

(6) A certificate, dated the date of Closing, of an appropriate official of the Issuer, to the effect that (i) the representations and warranties of the Issuer 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) except as may be described in the Official Statement, no litigation or proceeding or tax challenge against the Issuer is pending or, to such person's knowledge, threatened in any court or administrative body nor, to such person's knowledge, is there a basis for litigation which would (a) contest the right of the members or officials of the Issuer to hold and exercise their respective positions, (b) contest the due organization and valid existence of the Issuer, (c) contest the validity, due authorization and execution of the Bonds or the Issuer Documents, (d) attempt to limit, enjoin or otherwise restrict or prevent the Issuer from functioning and/or assessing and/or collecting System revenues and making payments on the Bonds pursuant to the Bond Ordinance, or contest the pledge of the System revenues to the payment of the principal of and interest on the Bonds or the Issuer's authority to own and operate

the System, (e) contest the accuracy, completeness or the fairness of the Preliminary Official Statement or the Official Statement or (f) contest the redemption of the Refunded Bonds; (iii) the Bond Ordinance was duly adopted by the Issuer, is in full force and effect and has not been modified, amended or repealed, and this Contract has been duly executed and delivered by an authorized official of the Issuer and is in full force and effect and has not been modified, amended or repealed; (iv) to such person's knowledge, no event affecting the Issuer has occurred since the date of the Official Statement which should be disclosed in the Official Statement 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, in light of the circumstances under which they were made, not misleading in any respect as of the time of Closing, and the information contained in the Official Statement is correct in all material respects and, as of the date of the Official Statement did not, and as of the date of the Closing does 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 made therein, in light of the circumstances under which they were made, not misleading; and (v) there has not been any materially adverse change in the financial condition of the Issuer since September 30, 2015, the latest date as of which audited financial information is available;

(7) A certificate of the Issuer in form and substance satisfactory to Bond Counsel and counsel to the Underwriters setting forth the facts, estimates and circumstances in existence on the date of the Closing, which establish that 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"), and any applicable regulations (whether final, temporary or proposed) issued pursuant to the Code;

(8) Any other certificates and opinions required by the Bond Ordinance for the issuance thereunder of the Bonds;

(9) Evidence satisfactory to the Representative that the Bonds have been rated "AAA" by Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, and "AAA" by Fitch Ratings, each without regard to credit enhancement, and that such ratings are in effect as of the date of Closing;

(10) An executed copy of the Escrow Agreement;

(11) A copy of a special report prepared by Grant Thornton LLP, addressed to the Issuer, Bond Counsel and the Underwriters, verifying (i) the arithmetical computations of the adequacy of the maturing principal and interest on the Federal Securities and uninvested cash on hand, if any, under the Escrow Agreement to pay, when due, the principal of and interest on the Refunded Bonds, and (ii) the computation of the yields with respect to the Federal Securities and the Bonds;

(12) An opinion or certificate, dated on or prior to the date of Closing, of the Attorney General of the State, approving the Bonds as required by law, and the registration certificate of the Comptroller of Public Accounts of the State; and

(13) Such additional legal opinions, certificates, instruments and other documents as the Representative or counsel to the Underwriters may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the Issuer's representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Issuer on or prior to the date of the Closing of all the respective agreements then to be performed and conditions then to be satisfied by the Issuer.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Contract shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance reasonably satisfactory to the Representative.

If the Issuer shall be unable to satisfy the conditions to the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds contained in this Contract, or if the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Contract, this Contract shall terminate and neither the Underwriters nor the Issuer shall be under any further obligation hereunder, except that the respective obligations of the Issuer and the Underwriters set forth in Sections 1 (with respect to the good faith check), 4 and 8 hereof shall continue in full force and effect.

7. Termination. The Representative shall have the right to cancel the Underwriters' obligation to purchase the Bonds (to be evidenced by a written notice to the Issuer terminating the obligation of the Underwriters to accept delivery of and pay for the Bonds) if, between the date of this Contract and the date of the Closing, the market price or marketability of the Bonds shall be materially adversely affected, in the sole judgment of the Representative, reasonably exercised, by the occurrence of any of the following:

(a) legislation shall be enacted by or introduced in the Congress of the United States or recommended to the Congress for passage by the President of the United States, or the Treasury Department of the United States or the Internal Revenue Service or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, a decision by a court of the United States or of the State or the United States Tax Court shall be rendered, or an order, ruling, regulation (final, temporary or proposed), press release, statement or other form of notice by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed, the effect of any or all of which would be to impose, directly or indirectly, federal income taxation upon interest received on obligations of the general character of the Bonds or the interest on the Bonds as described in the Official Statement, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences of any of the transactions described herein;

(b) legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the 1933 Act, or that the Bond Ordinance is not exempt from qualification under or other requirements of the Trust Indenture Act, or that the issuance, offering, or sale of obligations of the general character of the Bonds, including any or all underlying arrangements, as described herein or in the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect;

(c) any state blue sky or securities commission or other governmental agency or body in any jurisdiction in which more than twenty percent (20%) of the Bonds have been offered and sold shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto;

(d) a general suspension of trading in securities on the New York Stock Exchange or any other national securities exchange, the establishment of minimum prices on any such 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;

(e) the New York Stock Exchange or other 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, underwriters and/or broker-dealers;

(f) any amendment to the federal or State Constitution or action by any federal or state court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the Issuer, its property, income, securities (or interest thereon), or the validity or enforceability of the assessment and/or collection of the System revenues pledged to pay the principal of and interest on the Bonds;

(g) any event occurring, or information becoming known which, in the reasonable judgment of the Representative, makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of material fact or omits 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 they were made, not misleading;

(h) there shall have occurred since the date of this Contract any materially adverse change in the affairs or financial condition of the Issuer, except for changes which the Official Statement discloses are expected to occur, if any;

(i) there shall have occurred (whether or not foreseeable) any (a) new material outbreak of hostilities involving the United States (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;

(j) any fact or event shall exist or have existed that, in the Representative's reasonable judgment, requires or has required an amendment of or supplement to the Official Statement;

(k) there shall have occurred or any published notice shall have been given of any intended review for possible downgrade, downgrading, suspension, withdrawal or negative change in credit watch status by any national rating service to any of the Issuer's outstanding obligations secured in a like manner as the Bonds (including any rating to be accorded the Bonds);

(l) the purchase of and payment for the Bonds by the Underwriters, or the resale of the Bonds by the Underwriters, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission; provided, however, that such prohibition occurs after the date of this Contract and is not caused by the action, or failure to act, of any of the Underwriters;

(m) the Issuer is unable on the date of Closing to fund the Escrow Fund created pursuant to the terms of the Escrow Agreement; or

(n) a material disruption in securities settlement, payment or clearance services in the United States shall have occurred and shall be continuing at the date of Closing.

With respect to the conditions described in subparagraphs (e) and (l) above, the Underwriters are not aware of any current, pending or proposed law or government inquiry or investigation as of the date of execution of this Contract which would permit the Representative to invoke Underwriters' termination rights hereunder.

8. Expenses.

(a) The Underwriters 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 preparation and printing of the Bonds, the Preliminary Official Statement and the Official Statement; (ii) the fees and disbursements of Bond Counsel and counsel to the Issuer, if any; (iii) the fees and disbursements of the Financial Advisor to the Issuer; (iv) the fees and disbursements of the Paying Agent/Registrar for the Bonds, the paying agent for the Refunded Bonds, the Escrow Agent, the verification agent and any engineers, accountants and other experts, consultants or advisers retained by the Issuer, if any; (v) the fees of the Attorney General of the State; and (vi) the fees for bond ratings.

(b) The Underwriters shall pay (i) the cost of preparation and printing of this Contract, the Blue Sky Survey and Legal Investment Memorandum, if any; (ii) all advertising expenses in connection with the public offering of the Bonds; and (iii) all other expenses incurred by the Underwriters in connection with the public offering of the Bonds, including the fees and disbursements of counsel retained by the Underwriters.

(c) The Issuer acknowledges that the Underwriters will pay from the Underwriters' expense allocation of the underwriting discount certain expenses incurred by the Underwriters which are incidental to implementing this Contract and the issuance of the Bonds, including, but not limited to, the applicable per bond assessment charged by the Municipal Advisory Council of Texas. The Municipal Advisory Council of Texas is a non-profit corporation whose purpose is to collect, maintain and distribute information relating to issuing entities of municipal securities.

(d) The Issuer acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Bonds.

9. Notices. Any notice or other communication to be given to the Issuer under this Contract may be given by delivering the same in writing at its address set forth above, Attention: Ms. Brenda Martin, Director of Finance, and any notice or other communication to be given to the Underwriters under this Contract 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.

10. Parties in Interest. This Contract shall constitute the entire agreement between the Issuer and the Underwriters and is made solely for the benefit of the Issuer and the Underwriters (including successors or assigns of the Underwriters) and no other person shall acquire or have any right hereunder or by virtue hereof. This Contract may not be assigned by the Issuer. All of the Issuer's representations, warranties and agreements contained in this Contract shall remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of any of the Underwriters and (ii) delivery of and payment for the Bonds pursuant to this Contract. All of the Issuer's representations and warranties contained in this Contract shall remain operative and in full force and effect, regardless of any termination of this Contract.

11. Interested Party Disclosure Forms. Each of the Underwriters has delivered to the Issuer notarized Certificate of Interested Parties Forms 1295 generated by the Texas Ethics Commission's (the "TEC") electronic portal (the "Forms 1295"), signed by an authorized agent of each respective entity, prior to the execution of this Contract by the Issuer and the Representative. The Issuer hereby confirms receipt of the Forms 1295 from each Underwriter and agrees to acknowledge such forms with the TEC through its electronic filing application within thirty (30) days of the date of this Contract.

12. Effectiveness. This Contract shall become effective upon the acceptance hereof by the Issuer and shall be valid and binding at the time of such acceptance.

13. Choice of Law. This Contract shall be governed by and construed in accordance with the laws of the State.

14. Severability. If any provision of this Contract 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 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 Contract invalid, inoperative or unenforceable to any extent whatever.

15. Business Day. For purposes of this Contract, "business day" means any day on which the New York Stock Exchange is open for trading.

16. Section Headings. Section headings have been inserted in this Contract as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Contract and will not be used in the interpretation of any provisions of this Contract.

17. Counterparts. This Contract 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.

18. 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 Underwriters with any liability, or be held liable to the Underwriters under any term or provision of this Contract, or because of execution or attempted execution, or because of any breach or attempted or alleged breach of this Contract.

19. Entire Agreement. This Contract represents the entire agreement between the Issuer and the Underwriters with respect to the preparation of the Preliminary Official Statement and the Official Statement, the conduct of the offering, and the purchase and sale of the Bonds.

[Remainder of page left blank intentionally]

If the Issuer agrees with the foregoing, please sign the enclosed counterpart of this Contract and return it to the Representative. This Contract shall become a binding agreement between the Issuer and the Underwriters when at least the counterpart of this Contract shall have been signed by or on behalf of each of the parties hereto.

Very truly yours,

RAYMOND JAMES & ASSOCIATES, INC. and
STEPHENS, INC.,
the "Underwriters"

By: RAYMOND JAMES & ASSOCIATES, INC.,
as Representative of the Underwriters

By: _____
Authorized Officer

ACCEPTANCE:

ACCEPTED AND AGREED TO at _____ a.m./p.m. Central Time on _____, 2016.

CITY OF LEWISVILLE, TEXAS

By: _____
Mayor

[Signature page of Purchase Contract relating to
City of Lewisville, Texas, Waterworks and Sewer System Revenue
Refunding and Improvement Bonds, Series 2016]

Schedule I

$_____
City of Lewisville, Texas
Waterworks and Sewer System Revenue
Refunding and Improvement Bonds,
Series 2016

Dated Date: June 1, 2016
Delivery Date: July 6, 2016
(Interest to accrue from the Delivery Date)

Year (February 15)	Principal Amount	Interest Rate	Initial Yield
2017	,000		
2018	,000		
2019	,000		
2020	,000		
2021	,000		
2022	,000		
2023	,000		
2024	,000		
2025	,000		
2026	,000		
2027	,000		
2028	,000		
2029	,000		
2030	,000		
2031	,000		
2032	,000		

[* Yield shown is yield to first call date, February 15, 2025.]

Optional Redemption. The Bonds maturing on and after February 15, 2026, are subject to redemption prior to stated maturity, at the option of the Issuer, in whole or in part, in principal amounts of $5,000 or any integral multiple thereof, on February 15, 2025, or any date thereafter, at a redemption price equal to the principal amount thereof plus accrued interest to the date fixed for redemption.

Exhibit A

Form of Opinion of McCall, Parkhurst & Horton L.L.P., as Counsel to the Underwriters

[Closing Date]

Raymond James & Associates, Inc.
Stephens, Inc.
c/o Raymond James & Associates, Inc.
5956 Sherry Lane, Suite 1900
Dallas, Texas 75225

Re: $_____ City of Lewisville, Texas, Waterworks and Sewer System Revenue Refunding and Improvement Bonds, Series 2016

Ladies and Gentlemen:

We have acted as counsel for you as the underwriters of the above-referenced Bonds (the "Bonds"), issued under and pursuant to an ordinance (the "Ordinance") of the City of Lewisville, Texas (the "City") on June 6, 2016 (the "Bond Ordinance") authorizing the issuance of the Bonds, which Bonds you are purchasing pursuant to a Purchase Contract dated June 6, 2016. All capitalized undefined terms used herein shall have the meaning set forth in the Purchase Contract.

In connection with this opinion letter, we have considered such matters of law and of fact, and have relied upon such certifications and other information furnished to us, as we have deemed appropriate as a basis for our opinion set forth below. We are not expressing any opinion or views herein on the authorization, issuance, delivery, validity of the Bonds and we have assumed, but not independently verified, that the signatures on all documents and Bonds that we have examined are genuine.

Based on and subject to the foregoing, we are of the opinion that, under existing laws, the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Bond Ordinance is not required to be qualified under the Trust Indenture Act of 1939, as amended.

Because the primary purpose of our professional engagement as your counsel was not to establish factual matters, and because of the wholly or partially nonlegal character of many of the determinations involved in the preparation of the Official Statement dated June 6, 2016 (the "Official Statement") and because the information in the Official Statement included under the captions and subcaptions "THE BONDS - Book-Entry-Only System", "SELECTED PROVISIONS OF THE ORDINANCE", "TAX MATTERS" and "CONTINUING DISCLOSURE OF INFORMATION - Compliance with Prior Undertakings" and Appendices B and C thereto were prepared by others who have been engaged to review or provide such information, we are not passing on and do not assume any responsibility for the information contained under such headings and in the appendices, and, except as set forth in the last sentence of this paragraph, we are not passing on and do not assume any responsibility for the accuracy, completeness or fairness of other statements contained in the Official Statement (including any appendices, schedules and exhibits thereto) and we make no representation that we have independently verified the accuracy, completeness or fairness of such statements. In the course of our participation in the preparation of the Official Statement as your counsel, we had

discussions with representatives of the City, including its Financial Advisor and Bond Counsel, regarding the contents of the Official Statement. In the course of such activities, no facts came to our attention which would lead us to believe that the Official Statement (except for the financial statements and other financial and statistical data contained therein, the information set forth under the captions and subcaptions "THE BONDS - Book-Entry-Only System", "SELECTED PROVISIONS OF THE ORDINANCE", "TAX MATTERS" and "CONTINUING DISCLOSURE OF INFORMATION - Compliance with Prior Undertakings" and Appendices B and C thereto, as to which we express no opinion), as of its date 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.

In addition, based upon (i) our understanding of Rule 15c2-12 of the United States Securities and Exchange Commission (the "Rule") and interpretive guidance published by the United States Securities and Exchange Commission relating thereto; (ii) our review of the continuing disclosure undertaking of the Issuer contained in the Bond Ordinance; and (iii) the inclusion in the Official Statement of a description of the specifics of such undertaking, and in reliance on the opinion of Bond Counsel that the Bond Ordinance has been duly adopted by the Issuer and is in full force and effect and constitutes a valid and legally binding obligation of the Issuer enforceable in accordance with its terms, we have no reason to believe that such undertaking does not meet the requirements of paragraph (b)(5)(i) of the Rule and, accordingly, we advise you that such undertaking provides a suitable basis for you, as the underwriters of the Bonds, and any other broker, dealer or municipal securities dealer acting as a Participating Underwriter (as defined in the Rule) in connection with the offering of the Bonds, to make a reasonable determination that the Issuer has met the qualifications of paragraph (b)(5)(i) of the Rule.

This opinion letter may be relied upon by only you and only in connection with the transaction to which reference is made above and may not be used or relied upon by any other person for any purposes whatsoever without our prior written consent.

Respectfully,

PAYING AGENT/REGISTRAR AGREEMENT
between

CITY OF LEWISVILLE, TEXAS

and

THE BANK OF NEW YORK MELLON TRUST COMPANY,
NATIONAL ASSOCIATION

Pertaining to

City of Lewisville, Texas
Waterworks and Sewer System Revenue Refunding and Improvement Bonds
Series 2016

Dated as of June 1, 2016

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PAYING AGENT/REGISTRAR AGREEMENT

THIS PAYING AGENT/REGISTRAR AGREEMENT (the or this "Agreement"), dated as of June 1, 2016, is by and between the CITY OF LEWISVILLE, TEXAS (the "Issuer"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION (the "Bank"), a national banking association duly organized and existing under the laws of the United States of America.

WHEREAS, the Issuer has duly authorized and provided for the issuance of its Waterworks and Sewer System Revenue Refunding and Improvement Bonds, Series 2016 (the "Bonds"), dated June 1, 2016, to be issued as registered securities without coupons; and

WHEREAS, all things necessary to make the Bonds the valid obligations of the Issuer, in accordance with their terms, will be taken upon the issuance and delivery thereof; and

WHEREAS, the Issuer is desirous that the Bank act as the Paying Agent of the Issuer in paying the principal, redemption premium, if any, and interest on the Bonds, in accordance with the terms thereof, and that the Bank act as Registrar for the Bonds; and

WHEREAS, the Issuer has duly authorized the execution and delivery of this Agreement; and all things necessary to make this Agreement the valid agreement of the Issuer, in accordance with its terms, have been done;

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE I

APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

Section 1.01. Appointment.

(a) The Issuer hereby appoints the Bank to act as Paying Agent with respect to the Bonds in paying to the Owners of the Bonds the principal, redemption premium, if any, and interest on all or any of the Bonds.

(b) The Issuer hereby appoints the Bank as Registrar with respect to the Bonds.

(c) The Bank hereby accepts its appointment, and agrees to act as, the Paying Agent and the Registrar.

Section 1.02. Compensation.

(a) As compensation for the Bank's services as Paying Agent/Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in Annex A hereto for the first year of this Agreement, or such part thereof, as this Agreement shall be in effect, and thereafter while this Agreement is in effect, the fees and amounts set forth in the Bank's current fee schedule then in effect for services as Paying Agent/Registrar for municipalities, which shall be supplied to the

Issuer on or before 90 days prior to the close of the Fiscal Year of the Issuer, and shall be effective upon the first day of the following Fiscal Year.

(b) In addition, the Issuer agrees to reimburse the Bank upon its request for all reasonable expenses, disbursements, and advances incurred or made by the Bank in accordance with any of the provisions hereof, including the reasonable compensation and the expenses and disbursements of its agents and counsel.

ARTICLE II

DEFINITIONS

Section 2.01. Definitions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms have the following meanings when used in this Agreement:

"Bank" means The Bank of New York Mellon Trust Company, National Association, its successors and assigns.

"Bank Office" means the Bank's office at 2001 Bryan Street, 10th Floor, Dallas, Texas 75201. The Bank will notify the Issuer in writing of any change in location of the Bank Office.

"Bond" or "Bonds" means any or all of the Issuer's Waterworks and Sewer System Revenue Refunding and Improvement Bonds, Series 2016, dated June 1, 2016.

"Bond Order" means the authorizing document approved by the governing body of the Issuer authorizing the issuance and delivery of the Bonds.

"Financial Advisor" means FirstSouthwest, a Division of Hilltop Securities Inc., its successors and assigns.

"Fiscal Year" or "Year" means the twelve month account period used by the City in connection with the operation of the System which may be any twelve consecutive month period established by the City.

"Issuer" means the City of Lewisville, Texas.

"Issuer Request" and "Issuer Order" means a written request or order signed in the name of the Issuer by an authorized representative of the Issuer and delivered to the Bank.

"Legal Holiday" means a day on which the Bank is required or authorized by applicable law to be closed.

"Owner" means the Person in whose name a Bond is registered in the Register.

"Paying Agent" means the Bank when it is performing the functions associated with the terms in this Agreement.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization, or government or any agency or political subdivision of a government.

"Predecessor Bonds" of any particular Bond means every previous Bond evidencing all or a portion of the same obligation as that evidenced by such particular Bond (and, for the purposes of this definition, any Bond registered and delivered under Section 4.06 in lieu of a mutilated, lost, destroyed or stolen Bond shall be deemed to evidence the same obligation as the mutilated, lost, destroyed or stolen Bond).

"Record Date" means the last business day of the month next preceding an interest payment date established by the Bond Order.

"Register" means a register in which the Issuer shall provide for the registration and transfer of Bonds.

"Responsible Officer" when used with respect to the Bank means the Chairman or Vice Chairman of the Board of Directors, the Chairman or Vice Chairman of the Executive Committee of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"Stated Maturity" means the date or dates specified in the Bond Order as the fixed date on which the principal of the Bonds is due and payable or the date fixed in accordance with the terms of the Bond Order for redemption of the Bonds, or any portion thereof, prior to the fixed maturity date.

ARTICLE III

PAYING AGENT

Section 3.01. Duties of Paying Agent.

(a) The Bank, as Paying Agent and on behalf of the Issuer, shall pay to the Owner, at the Stated Maturity and upon the surrender of the Bond or Bonds so maturing at the Bank Office, the principal amount of the Bond or Bonds then maturing, and redemption premium, if any, provided that the Bank shall have been provided by or on behalf of the Issuer adequate funds to make such payment.

(b) The Bank, as Paying Agent and on behalf of the Issuer, shall pay interest when due on the Bonds to each Owner of the Bonds (or their Predecessor Bonds) as shown in the Register at the close of business on the Record Date, provided that the Bank shall have been provided by or on behalf of the Issuer adequate funds to make such payments; such payments shall be made by computing the amount of interest to be paid each Owner, preparing the checks,

and mailing the checks on each interest payment date addressed to each Owner's address as it appears in the Register on the Record Date.

Section 3.02. Payment Dates. The Issuer hereby instructs the Bank to pay the principal of, redemption premium, if any, and interest on the Bonds at the dates specified in the Bond Order.

ARTICLE IV

REGISTRAR

Section 4.01. Transfer and Exchange.

(a) The Issuer shall keep the Register at the Bank Office, and subject to such reasonable written regulations as the Issuer may prescribe, which regulations shall be furnished to the Bank herewith or subsequent hereto by Issuer Order, the Issuer shall provide for the registration and transfer of the Bonds. The Bank is hereby appointed "Registrar" for the purpose of registering and transferring the Bonds as herein provided. The Bank agrees to maintain the Register while it is Registrar. The Bank agrees to at all times maintain a copy of the Register at its office located in the State of Texas.

(b) The Bank as Registrar hereby agrees that at any time while any Bond is outstanding, the Owner may deliver such Bond to the Registrar for transfer or exchange, accompanied by instructions from the Owner, or the duly authorized designee of the Owner, designating the persons, the maturities, and the principal amounts to and in which such Bond is to be transferred and the addresses of such persons; the Registrar shall thereupon, within not more than three (3) business days, register and deliver such Bond or Bonds as provided in such instructions. The provisions of the Bond Order shall control the procedures for transfer or exchange set forth herein to the extent such procedures are in conflict with the provisions of the Bond Order.

(c) Every Bond surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed in a manner satisfactory to the Bank, duly executed by the Owner thereof or his attorney duly authorized in writing.

(d) The Bank may request any supporting documentation it feels necessary to effect a re-registration.

Section 4.02. The Bonds. The Issuer shall provide an adequate inventory of unregistered Bonds to facilitate transfers. The Bank covenants that it will maintain the unregistered Bonds in safekeeping and will use reasonable care in maintaining such unregistered Bonds in safekeeping, which shall be not less than the care it maintains for debt securities of other governments or corporations for which it serves as registrar, or which it maintains for its own securities.

Section 4.03. Form of Register.

(a) The Bank as Registrar will maintain the records of the Register in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Register in any form other than a form which the Bank has currently available and currently utilizes at the time.

(b) The Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

Section 4.04. List of Owners.

(a) The Bank will provide the Issuer at any time requested by the Issuer, upon payment of the cost, if any, of reproduction, a copy of the information contained in the Register. The Issuer may also inspect the information in the Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

(b) The Bank will not release or disclose the content of the Register to any person other than to, or at the written request of, an authorized officer or employee of the Issuer, except upon receipt of a subpoena or court order or as otherwise required by law. Upon receipt of a subpoena or court order the Bank will notify the Issuer so that the Issuer may contest the subpoena or court order.

Section 4.05. Cancellation of Bonds. All Bonds surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Bank, shall be promptly cancelled by it and, if surrendered to the Issuer, shall be delivered to the Bank and, if not already cancelled, shall be promptly cancelled by the Bank. The Issuer may at any time deliver to the Bank for cancellation any Bonds previously certified or registered and delivered which the Issuer may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly cancelled by the Bank. All cancelled Bonds held by the Bank shall be disposed of pursuant to the Securities Exchange Act of 1934.

Section 4.06. Mutilated, Destroyed, Lost, or Stolen Bonds.

(a) Subject to the provisions of this Section 4.06, the Issuer hereby instructs the Bank to deliver fully registered Bonds in exchange for or in lieu of mutilated, destroyed, lost, or stolen Bonds as long as the same does not result in an overissuance.

(b) If (i) any mutilated Bond is surrendered to the Bank, or the Issuer and the Bank receives evidence to their satisfaction of the destruction, loss, or theft of any Bond, and (ii) there is delivered to the Issuer and the Bank such security or indemnity as may be required by the Bank to save and hold each of them harmless, then in the absence of notice to the Issuer or the Bank that such Bond has been acquired by a bona fide purchaser, the Issuer shall execute, and upon its request the Bank shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Bond, a new Bond of the same stated maturity and of like tenor and principal amount bearing a number not contemporaneously outstanding.

(c) Every new Bond issued pursuant to this Section in lieu of any mutilated, destroyed, lost, or stolen Bond shall constitute a replacement of the prior obligation of the Issuer, whether or not the mutilated, destroyed, lost, or stolen Bond shall be at any time enforceable by anyone, and shall be entitled to all the benefits of the Bond Order equally and ratably with all other outstanding Bonds.

(d) Upon the satisfaction of the Bank and the Issuer that a Bond has been mutilated, destroyed, lost, or stolen, and upon receipt by the Bank and the Issuer of such indemnity or security as they may require, the Bank shall cancel the Bond number on the Bond registered with a notation in the Register that said Bond has been mutilated, destroyed, lost, or stolen; and a new Bond shall be issued of the same series and of like tenor and principal amount bearing a number, according to the Register, not contemporaneously outstanding.

(e) The Bank may charge the Owner the Bank's fees and expenses in connection with issuing a new Bond in lieu of or exchange for a mutilated, destroyed, lost, or stolen Bond.

(f) The Issuer hereby accepts the Bank's current blanket bond for lost, stolen, or destroyed Bonds and any future substitute blanket bond for lost, stolen, or destroyed Bonds that the Bank may arrange, and agrees that the coverage under any such blanket bond is acceptable to it and meets the Issuer's requirements as to security or indemnity. The Bank need not notify the Issuer of any changes in the security or other company giving such bond or the terms of any such bond, provided that the amount of such bond is not reduced below the amount of the bond on the date of execution of this Agreement. The blanket bond then utilized by the Bank for lost, stolen, or destroyed Bonds by the Bank is available for inspection by the Issuer on request.

Section 4.07. Transaction Information to Issuer. The Bank will, within a reasonable time after receipt of written request from the Issuer, furnish the Issuer information as to the Bonds it has paid pursuant to Section 3.01, Bonds it has delivered upon the transfer or exchange of any Bonds pursuant to Section 4.01, and Bonds it has delivered in exchange for or in lieu of mutilated, destroyed, lost or stolen Bonds pursuant to Section 4.06 of this Agreement.

ARTICLE V

THE BANK

Section 5.01. Duties of Bank. The Bank undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof. The Bank is also authorized to transfer funds relating to the closing and final delivery of the Bonds in the manner disclosed in the closing memorandum as prepared by the Issuer's financial advisor or other agent. The Bank may act on a facsimile or e-mail transmission of the closing memorandum acknowledged by the financial advisor of the Issuer as the final closing memorandum. The Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions.

Section 5.02. Reliance on Documents, Etc.

(a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

(b) The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts.

(c) No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

(d) The Bank may rely and shall be protected in acting or refraining from acting upon any ordinance, resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, certificate, note, security, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality of the foregoing statement, the Bank need not examine the ownership of any Bonds, but is protected in acting upon receipt of Bonds containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Owner or an attorney-in-fact of the Owner. The Bank shall not be bound to make any investigation into the facts or matters stated in an ordinance, resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, certificate, note, security, or other paper or document supplied by Issuer.

(e) The Bank may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon.

(f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

Section 5.03. Recitals of Issuer.

(a) The recitals contained herein and in the Bonds shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

(b) The Bank shall in no event be liable to the Issuer, any Owner or Owners, or any other Person for any amount due on any Bond except as otherwise expressly provided herein with respect to the liability of the Bank for its duties under this Agreement.

Section 5.04. May Hold Bonds. The Bank, in its individual or any other capacity, may become the Owner or pledgee of Bonds and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent.

Section 5.05. Money Held by Bank.

(a) Money held by the Bank hereunder need not be segregated from any other funds provided appropriate accounts are maintained.

(b) The Bank shall be under no liability for interest on any money received by it hereunder.

(c) Subject to the provisions of Title 6, Texas Property Code, any money deposited with the Bank for the payment of the principal, redemption premium, if any, or interest on any Bond and remaining unclaimed for three years after final maturity of the Bond has become due and payable will be paid by the Bank to the Issuer, and the Owner of such Bond shall thereafter look only to the Issuer for payment thereof, and all liability of the Bank with respect to such monies shall thereupon cease.

(d) The Bank will comply with the reporting requirements of Chapter 74 of the Texas Property Code.

(e) The Bank shall deposit any moneys received from the Issuer into a trust account to be held in a paying agent capacity for the payment of the Bonds, with such moneys in the account that exceed the deposit insurance, available to the Issuer, provided by the Federal Deposit Insurance Corporation to be fully collateralized with securities or obligations that are eligible under the laws of the State of Texas and to the extent practicable under the laws of the United States of America to secure and be pledged as collateral for trust accounts until the principal and interest on the Bonds have been presented for payment and paid to the owner thereof. Payments made from such trust account shall be made by check drawn on such trust account unless the owner of such Bonds shall, at its own expense and risk, request such other medium of payment.

Section 5.06. Indemnification. To the extent permitted by law, the Issuer agrees to indemnify the Bank, its officers, directors, employees, and agents for, and hold them harmless against, any loss, liability, or expense incurred without negligence or bad faith on their part arising out of or in connection with its acceptance or administration of the Bank's duties hereunder, and under Article V of the Bond Order, including the cost and expense (including its counsel fees) of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement.

Section 5.07. Interpleader. The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demands or controversy over its persons as well as funds on deposit in a court of competent jurisdiction within the State of Texas; waive personal service of any process; and agree that service of process by certified or registered mail, return receipt requested, to the address set forth in this Agreement shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction within the State of Texas to determine the rights of any person claiming any interest herein.

ARTICLE VI

MISCELLANEOUS PROVISIONS

Section 6.01. Amendment. This Agreement may be amended only by an agreement in writing signed by both of the parties hereof.

Section 6.02. Assignment. This Agreement may not be assigned by either party without the prior written consent of the other.

Section 6.03. Notices. Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed or delivered to the Issuer or the Bank, respectively, at the addresses shown below:

(a) if to the Issuer: City of Lewisville, Texas
151 West Church Street
Lewisville, Texas 75057
Attention: Chief Financial Officer

(b) if to the Bank: The Bank of New York Mellon Trust Company,
National Association
2001 Bryan Street, 10th Floor
Dallas, Texas 75201
Attention: Corporate Trust Department

Section 6.04. Bank to Give Notice of Change. The Bank hereby agrees that it will give notice to the Issuer, to the registered owners and to the Municipal Securities Rulemaking Board of (a) any change in the name of the Bank after the date hereof, (b) any change in the location of the Designated Payment/Transfer Office or a change in the mailing address of the Bank, and (c) any merger or other change in the corporate structure affecting the name, location and address of the Bank, in each case within ten (10) business days of the effective date of such change .

Section 6.05. Effect of Headings. The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

Section 6.06. Successors and Assigns. All covenants and agreements herein by the Issuer shall bind its successors and assigns, whether so expressed or not.

Section 6.07. Separability. If any provision herein 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.

Section 6.08. Benefits of Agreement. Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

Section 6.09. Entire Agreement. This Agreement and the Bond Order constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar, and if any conflict exists between this Agreement and the Bond Order, the Bond Order shall govern.

Section 6.10. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 6.11. Termination.

(a) This Agreement will terminate on the date of final payment by the Bank issuing its checks for the final payment of principal, redemption premium, if any, and interest of the Bonds.

(b) This Agreement may be earlier terminated upon sixty (60) days written notice by either party; provided, that, no termination shall be effective until a successor has been appointed by the Issuer and has accepted the duties imposed by this Agreement. A resigning Paying Agent/Registrar may petition any court of competent jurisdiction for the appointment of a successor Paying Agent/Registrar if an instrument of acceptance by a successor Paying Agent/Registrar has not been delivered to the resigning Paying Agent/Registrar within sixty (60) days after the giving of notice of resignation.

(c) The provisions of Section 1.02 and of Article Five shall survive and remain in full force and effect following the termination of this Agreement.

Section 6.12. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Texas.

[Execution Pages Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

CITY OF LEWISVILLE, TEXAS

By: _____
Mayor

ATTEST:

_____
City Secretary

THE BANK OF NEW YORK MELLON TRUST
COMPANY, NATIONAL ASSOCIATION,
as Paying Agent/Registrar

By: _____
Title: _____

ANNEX “A”

SCHEDULE OF FEES FOR SERVICE AS PAYING AGENT/REGISTRAR

ESCROW AGREEMENT

Between

CITY OF LEWISVILLE, TEXAS

and

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N. A.

Pertaining to

City of Lewisville, Texas
Waterworks and Sewer System Revenue
Refunding and Improvement Bonds,
Series 2016

Dated as of June 1, 2016

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Exhibit A — Verification Report of Grant Thornton LLP

ESCROW AGREEMENT

THIS ESCROW AGREEMENT, dated as of June 1, 2016 (herein, together with any amendments or supplements hereto, called the "Agreement"), entered into by and between the CITY OF LEWISVILLE, TEXAS (the "Issuer"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N. A., a national banking association organized under the laws of the United States of America, as escrow agent (herein, together with any successor in such capacity, called the "Escrow Agent").

W I T N E S S E T H :

WHEREAS, the Issuer has heretofore issued and there presently remain outstanding the obligations (the "Refunded Obligations") of the Issuer listed and described in the Verification Report of Grant Thornton LLP (the "Report") relating to the Refunded Obligations and attached hereto as Exhibit A;

WHEREAS, the Refunded Obligations are scheduled to mature or have been called for early redemption in such years, bear interest at such rates, and are payable at such times and in such amounts as are set forth in the Report; and

WHEREAS, when firm banking arrangements have been made for the payment of principal and interest to the maturity dates or redemption dates of the Refunded Obligations, then the Refunded Obligations shall no longer be regarded as outstanding except for the purpose of receiving payment from the funds provided for such purpose; and

WHEREAS, Chapter 1207, Texas Government Code, as amended ("Chapter 1207"), authorizes the Issuer to issue refunding bonds and to deposit the proceeds from the sale thereof, and any other available funds or resources, with a place of payment for such Refunded Obligations, if made before such payment dates and in sufficient amounts, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Obligations; and

WHEREAS, the Escrow Agent is a place of payment of the Refunded Obligations and is otherwise qualified to act as an escrow agent under Chapter 1207; and

WHEREAS, Chapter 1207 authorizes the Issuer to enter into an escrow agreement with the Escrow Agent with respect to the safekeeping, investment, administration and disposition of any such deposit, upon such terms and conditions as the Issuer and the Escrow Agent may agree, provided that such deposits may be invested only in obligations authorized by Chapter 1207, and which shall mature and/or bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment of principal and interest on the Refunded Obligations when due; and

WHEREAS, Chapter 1207 makes it the duty of the Escrow Agent to comply with the terms of this Agreement and timely make available to the other places of payment, if any, for the Refunded Obligations the amounts required to provide for the payment of the principal of and interest on such obligations when due, and in accordance with their terms, but solely from the funds, in the manner, and to the extent provided in this Agreement; and

WHEREAS, the Escrow Agent is the paying agent for each series of the Refunded Obligations; and

WHEREAS, the issuance, sale, and delivery of the City of Lewisville, Texas, Waterworks and Sewer System Revenue Refunding and Improvement Bonds, Series 2016 (the "Bonds"), have been duly authorized for the purpose, among others, of obtaining the funds required to provide for the payment of the principal of the Refunded Obligations at their respective maturity or redemption dates and the interest thereon to such maturity or redemption dates; and

WHEREAS, the Issuer desires that, concurrently with the delivery of the Bonds to the purchasers thereof, a portion of the proceeds of the Bonds shall be applied to purchase certain "Federal Securities" (as herein defined) for deposit to the credit of the Escrow Fund created pursuant to the terms of this Agreement and to establish a beginning cash balance (if needed) in such Escrow Fund; and

WHEREAS, the Federal Securities shall mature and the interest thereon shall be payable at such times and in such amounts as will provide moneys which, together with cash balances from time to time on deposit in the Escrow Fund, will be sufficient to pay the interest on the Refunded Obligations as it accrues and becomes payable and the principal of the Refunded Obligations on their maturity dates or redemption dates; and

WHEREAS, the Escrow Agent is a party to this Agreement and hereby acknowledges its acceptance of the terms and provisions hereof;

NOW, THEREFORE, in consideration of the mutual undertakings, promises and agreements herein contained, the sufficiency of which hereby is acknowledged, and to secure the full and timely payment of principal of and the interest on the Refunded Obligations, the Issuer and the Escrow Agent mutually undertake, promise, and agree for themselves and their respective representatives and successors, as follows:

ARTICLE I
DEFINITIONS AND INTERPRETATIONS

Section 1.01 Definitions. Unless the context clearly indicates otherwise, the following terms shall have the meanings assigned to them below when they are used in this Agreement:

"Beginning Cash Balance" means the funds described in the Report.

"Code" means the Internal Revenue Code of 1986, as amended, including applicable regulations, published rulings and court decisions thereunder.

"Escrow Fund" means the fund created in Section 3.01 of this Agreement to be administered by the Escrow Agent pursuant to the provisions of this Agreement.

"Federal Securities" means noncallable obligations of the United States of America, including noncallable obligations of which the full and timely payment of the principal and interest are unconditionally guaranteed by the United States of America, that mature and/or bear

interest payable at such times and in such amounts sufficient without reinvestment to provide for the scheduled payment of the principal of and interest on the Refunded Obligations. Investments in mutual funds and unit investment trusts are prohibited.

"Refunded Obligations Paying Agent" means The Bank of New York Mellon Trust Company, N. A., as paying agent/registrar for each series of the Refunded Obligations.

Section 1.02 Other Definitions. The terms "Agreement," "Issuer," "Escrow Agent," "Refunded Obligations," and "Bonds," when they are used in this Agreement, shall have the meanings assigned to them in the preamble to this Agreement.

Section 1.03 Interpretations. The titles and headings of the articles and sections of this Agreement have been inserted for convenience and reference only and are not to be considered a part hereof and shall not in any way modify or restrict the terms hereof. This Agreement and all of the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to achieve the intended purpose of providing for the refunding of the Refunded Obligations in accordance with applicable law.

ARTICLE II
DEPOSIT OF FUNDS AND FEDERAL SECURITIES

Section 2.01 Deposits in the Escrow Fund. Concurrently with the sale and delivery of the Bonds the Issuer shall deposit, or cause to be deposited, with the Escrow Agent, for deposit in the Escrow Fund, the Beginning Cash Balance and the Federal Securities described in the Report. The Escrow Agent shall, upon the receipt thereof, acknowledge such receipt to the Issuer in writing.

ARTICLE III
CREATION AND OPERATION OF ESCROW FUND

Section 3.01 Escrow Fund. The Escrow Agent hereby creates on its books a special trust and irrevocable escrow fund to be known as the City of Lewisville, Texas, Waterworks and Sewer System Revenue Refunding and Improvement Bonds, Series 2016 Escrow Fund (the "Escrow Fund") for the purpose of paying the principal of and interest on the Refunded Obligations as described in the Report, in order to make firm banking arrangements therefor. The Escrow Agent hereby agrees that upon receipt thereof it will deposit to the credit of the Escrow Fund the Beginning Cash Balance and the Federal Securities described in the Report. Such deposit, all proceeds therefrom, and all cash balances from time to time on deposit therein (a) shall be the property of the Escrow Fund, (b) shall be applied only in strict conformity with the terms and conditions of this Agreement, and (c) to the extent needed to pay the principal and interest requirements on the Refunded Obligations, are hereby irrevocably pledged to the payment of the principal of and interest on the Refunded Obligations, which payment shall be made by timely transfers of such amounts at such times as are provided for in Section 3.02 hereof. When the final transfers have been made for the payment of such principal of and interest on the Refunded Obligations, any balance then remaining in the Escrow Fund shall be transferred to the Issuer, and the Escrow Agent shall thereupon be discharged from any further duties hereunder.

Section 3.02 Payment of Principal and Interest. The Escrow Agent is hereby irrevocably instructed to transfer, from the cash balances from time to time on deposit in the Escrow Fund, to each Refunded Obligations Paying Agent, the amounts required to pay the principal of the Refunded Obligations at their respective maturity date or dates as of which such Refunded Obligations have been called for earlier redemption, and interest thereon when due, in the amounts and at the times shown in the Report.

Section 3.03 Sufficiency of Escrow Fund. The Issuer represents that the successive receipts of the principal of and interest on the Federal Securities will assure that the cash balance on deposit from time to time in the Escrow Fund will be at all times sufficient to provide moneys for transfer to each Refunded Obligations Paying Agent, at the times and in the amounts required to pay the interest on the Refunded Obligations as such interest comes due and the principal of the Refunded Obligations as such principal comes due, all as more fully set forth in the Report. The Escrow Agent shall promptly give notice of any insufficiency to the Issuer, but the Escrow Agent shall not in any manner be responsible for any insufficiency of funds in the Escrow Fund.

Section 3.04 Trust Funds. The Escrow Agent shall hold at all times the Escrow Fund, the Federal Securities and all other assets of the Escrow Fund wholly segregated from all other funds and securities on deposit with the Escrow Agent; it shall never allow the Federal Securities or any other assets of the Escrow Fund to be commingled with any other funds or securities of the Escrow Agent; and it shall hold and dispose of the assets of the Escrow Fund only as set forth herein. The Federal Securities and other assets of the Escrow Fund shall always be maintained by the Escrow Agent as trust funds for the benefit of the owners of the Refunded Obligations, and a special account thereof shall at all times be maintained on the books of the Escrow Agent. The owners of the Refunded Obligations shall be entitled to a preferred claim and first lien upon the Federal Securities, the proceeds thereof, and all other assets of the Escrow Fund. The amounts received by the Escrow Agent under this Agreement shall not be considered as a banking deposit by the Issuer, and the Escrow Agent shall have no right or title with respect thereto except as a trustee and Escrow Agent under the terms of this Agreement. The amounts received by the Escrow Agent under this Agreement shall not be subject to warrants, drafts or checks drawn by the Issuer or, except to the extent expressly herein provided, by a place of payment for the Refunded Obligations.

Section 3.05 Security for Cash Balances. Cash balances from time to time on deposit in the Escrow Fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a pledge of direct noncallable obligations of, or noncallable obligations unconditionally guaranteed by, the United States of America, having a market value at least equal to such cash balances.

ARTICLE IV
SUBSTITUTION OF FEDERAL SECURITIES

Section 4.01 In General. Except as provided in Section 4.02 and 4.03 hereof, the Escrow Agent shall not have any power or duty to make substitutions for the Federal Securities described in the Report, or to sell, transfer, or otherwise dispose of such Federal Securities.

Section 4.02 Substitution of Federal Securities at Bond Closing. Concurrently with the sale and delivery of the Bonds, the Issuer, at its option, may substitute cash or Federal Securities for the Federal Securities listed in the Report, but only if such cash and/or Federal Securities:

(a) are in an amount, and/or mature in an amount, which, together with any cash substituted for such obligations, is equal to or greater than the amount payable on the maturity date of the obligation listed in the Report for which such obligation is substituted, and

(b) mature on or before the maturity date of the obligation listed in the Report for which such obligation is substituted.

The Issuer may at any time substitute the Federal Securities listed in the Report which, as permitted by the preceding sentence, were not deposited to the credit of the Escrow Fund, for the cash and/or obligations that were substituted concurrently with the sale and delivery of the Bonds for such Federal Securities, provided, that upon any such substitution the Escrow Agent receives (i) a new verification report from a firm of independent certified public accountants as to the sufficiency of the Federal Securities to provide for the payment of the Refunded Obligations (assuming such substitution has been made and assuming a zero percent reinvestment rate) and (ii) an opinion of bond counsel to the effect that such substitution shall not affect the tax-exempt status of interest on the Refunded Obligations or the Bonds.

Section 4.03 Substitution of Federal Securities following Bond Closing. (a) At the written request of the Issuer, and upon compliance with the conditions hereinafter stated, the Escrow Agent shall sell, transfer, otherwise dispose of or request the redemption of all or any portion of the Federal Securities and apply the proceeds therefrom to purchase Refunded Obligations or other Federal Securities. Any such transaction may be effected by the Escrow Agent only if (1) the Escrow Agent shall have received a written opinion from a firm of independent certified public accountants that such transaction will not cause the amount of money and securities in the Escrow Fund to be reduced below an amount which will be sufficient, when added to the interest to accrue thereon and assuming a zero percent reinvestment rate, to provide for the payment of principal of and interest on the remaining Refunded Obligations as they become due, and (2) the Escrow Agent shall have received the unqualified written legal opinion of nationally recognized bond counsel or tax counsel acceptable to the Issuer and the Escrow Agent to the effect that (A) such transaction will not cause any of the Bonds to be an "arbitrage bond" within the meaning of the Code or otherwise adversely affect the tax-exempt status of the Refunded Obligations or the Bonds, and (B) that such transaction complies with the Constitution and laws of the State of Texas.

(b) The foregoing provisions of substitution notwithstanding, the Escrow Agent shall be under no obligation to effect the substitution of the Federal Securities in the manner contemplated by Subsection 4.03(a) if the Issuer fails to deliver or cause to be delivered to the Escrow Agent no later than three Business Days prior to the proposed date such substitution is to be effected a written certificate setting forth in reasonable detail the maturity dates and maturity amounts of the Federal Securities to be substituted and the proposed date such substitution is to occur.

Section 4.04 Allocation of Certain Federal Securities. The maturing principal of and interest on the Federal Securities may be applied to the payment of any Refunded Obligations and no allocation or segregation of the receipts of principal or interest from such Federal Securities is required.

Section 4.05 Arbitrage. The Issuer hereby covenants and agrees that it shall never request the Escrow Agent to exercise any power hereunder or permit any part of the money in the Escrow Fund or proceeds from the sale of Federal Securities to be used directly or indirectly to acquire any securities or obligations if the exercise of such power or the acquisition of such securities or obligations would cause any Bonds or Refunded Obligations to be an "arbitrage bond" within the meaning of Section 148 of the Code.

ARTICLE V
APPLICATION OF CASH BALANCES

Section 5.01 In General. Except as provided in Sections 5.02 and 5.03 hereof, neither the Issuer nor the Escrow Agent shall reinvest any moneys deposited to or held as part of the Escrow Fund.

Section 5.02 Reinvestment in SLGS. Cash balances in the Escrow Fund shall be reinvested as set forth in the Report.

Section 5.03 Reinvestment of Cash Balances. At the written request of the Issuer, and upon compliance with the conditions hereinafter stated, the Escrow Agent shall permit or cause the reinvestment of cash balances in the Escrow Fund, pending the use thereof to pay when due the principal of and interest on the Refunded Obligations, in Federal Securities which obligations must mature on or before the respective dates needed for payment of the Refunded Obligations. Any such modification must include (i) an opinion of nationally recognized bond counsel that such transaction does not adversely affect the tax-exempt nature of the Bonds or the Refunded Obligations and complies with the Constitution and laws of the State of Texas and (ii) a verification report by a firm of independent certified public accountants verifying the sufficiency of the Escrow Fund and the yield on the investment thereof.

ARTICLE VI
RECORDS AND REPORTS

Section 6.01 Records. The Escrow Agent will keep books of record and account in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocations and application of the money and Federal Securities deposited to the Escrow Fund and all proceeds thereof, and such books shall be available for inspection at reasonable hours and under reasonable conditions by the Issuer and the owners of the Refunded Obligations.

Section 6.02 Reports. While this Agreement remains in effect, the Escrow Agent at least annually shall prepare and send to the Issuer a written report summarizing all transactions relating to the Escrow Fund during the preceding year, including, without limitation, credits to the Escrow Fund as a result of interest payments on or maturities of the Federal Securities and transfers from the Escrow Fund for payments on the Refunded Obligations or otherwise, together

with a detailed statement of all Federal Securities and the cash balance on deposit in the Escrow Fund as of the end of such period.

ARTICLE VII
CONCERNING THE PAYING AGENTS AND ESCROW AGENT

Section 7.01 Representations. The Escrow Agent hereby represents that it has all necessary power and authority to enter into this Agreement and undertake the obligations and responsibilities imposed upon it herein, and that it will carry out all of its obligations hereunder.

Section 7.02 Limitation on Liability. The liability of the Escrow Agent to transfer funds for the payment of the principal of and interest on the Refunded Obligations shall be limited to the proceeds of the Federal Securities and the cash balances from time to time on deposit in the Escrow Fund. Notwithstanding any provision contained herein to the contrary, neither the Escrow Agent nor any place of payment for the Refunded Obligations shall have any liability whatsoever for the insufficiency of funds from time to time in the Escrow Fund or any failure of the obligors of the Federal Securities to make timely payment thereon, except for the obligation to notify the Issuer promptly of any such occurrence.

The recitals herein and in the proceedings authorizing the Bonds shall be taken as the statements of the Issuer and shall not be considered as made by, or imposing any obligation or liability upon, the Escrow Agent. The Escrow Agent is not a party to the proceedings authorizing the Bonds or the Refunded Obligations and is not responsible for nor bound by any of the provisions thereof (except as a place of payment or a paying agent/registrar therefor). In its capacity as Escrow Agent, it is agreed that the Escrow Agent need look only to the terms and provisions of this Agreement.

The Escrow Agent makes no representations as to the value, conditions or sufficiency of the Escrow Fund, or any part thereof, or as to the title of the Issuer thereto, or as to the security afforded thereby or hereby, and the Escrow Agent shall not incur any liability or responsibility in respect to any of such matters.

It is the intention of the parties hereto that the Escrow Agent shall never be required to use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder.

The Escrow Agent shall not be liable for any action taken or neglected to be taken by it in good faith in any exercise of reasonable care and believed by it to be within the discretion or power conferred upon it by this Agreement, nor shall the Escrow Agent be responsible for the consequences of any error of judgment; and the Escrow Agent shall not be answerable for any loss unless the same shall have been through its negligence or want of good faith.

Unless it is specifically otherwise provided herein, the Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the Issuer with respect to arrangements or contracts with others, with the Escrow Agent's sole duty hereunder being to safeguard the Escrow Fund, to dispose of and deliver the same in accordance with this Agreement. If, however, the Escrow Agent is called upon by the terms of this Agreement to determine the occurrence of any event or

contingency, the Escrow Agent shall be obligated, in making such determination, only to exercise reasonable care and diligence, and in event of error in making such determination the Escrow Agent shall be liable only for its own misconduct or its negligence. In determining the occurrence of any such event or contingency the Escrow Agent may request from the Issuer or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of such event or contingency, and in this connection may make inquiries of, and consult with, among others, the Issuer at any time.

Section 7.03 Compensation. Concurrently with the sale and delivery of the Bonds, the Issuer shall pay to the Escrow Agent the sum of $_____ the sufficiency of which is hereby acknowledged by the Escrow Agent to pay its fee for performing the services of Escrow Agent hereunder and for all expenses incurred or to be incurred by it as Escrow Agent in the administration of this Agreement. In the event that the Escrow Agent is requested to perform any extraordinary services hereunder, the Issuer hereby agrees to pay reasonable fees to the Escrow Agent for such extraordinary services and to reimburse the Escrow Agent for all expenses incurred by the Escrow Agent in performing such extraordinary services, and the Escrow Agent hereby agrees to look only to the Issuer for the payment of such fees and reimbursement of such expenses. The Escrow Agent hereby agrees that in no event shall it ever assert any claim or lien against the Escrow Fund for any fees for its services whether regular or extraordinary, as Escrow Agent, or in any other capacity, or for reimbursement for any of its expenses. The Escrow Agent's fee does not include the cost of publication, printing costs, or reasonable out-of-pocket expenses of the Escrow Agent. In its capacity as Refunded Obligations Paying Agent, the Escrow Agent agrees to bill the Issuer directly under its current agreement with the Issuer for such future paying agency services and covenants that in no event shall it ever assert any claim or lien against the Escrow Fund for any fees for its paying agency services.

Section 7.04 Successor Escrow Agents. (a) If at any time the Escrow Agent or its legal successor or successors should become unable, through operation of law or otherwise, to act as Escrow Agent hereunder, or if its property and affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy or for any other reason, a vacancy shall forthwith exist in the office of Escrow Agent hereunder. In such event the Issuer, by appropriate action, promptly shall appoint an Escrow Agent to fill such vacancy. If no successor Escrow Agent shall have been appointed by the Issuer within 60 days, a successor may be appointed by the owners of a majority in principal amount of the Refunded Obligations then outstanding by an instrument or instruments in writing filed with the Issuer, signed by such owners or by their duly authorized attorneys-in-fact. If, in a proper case, no appointment of a successor Escrow Agent shall be made pursuant to the foregoing provisions of this section within three months after a vacancy shall have occurred, the owner of any Refunded Obligation may apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Such court may thereupon, after such notice, if any, as it may deem proper, prescribe and appoint a successor Escrow Agent.

(b) The Escrow Agent may at any time resign and be discharged from the trust hereby created by giving not less than 60 days' written notice to the Issuer; provided, that, no such resignation shall take effect unless: (i) a successor Escrow Agent shall have been appointed by the owners of the Refunded Obligations or by the Issuer as herein provided; (ii) such successor

Escrow Agent shall have accepted such appointment; (iii) the successor Escrow Agent shall have agreed to accept the fees currently in effect for the Escrow; and (iv) the Escrow Agent shall have paid over to the successor Escrow Agent a proportional part of the Escrow Agent's fee hereunder. Such resignation shall take effect immediately upon compliance with the foregoing requirements.

(c) Any successor Escrow Agent shall be qualified to serve as Escrow Agent under the provisions of Chapter 1207.

(d) Any successor Escrow Agent shall execute, acknowledge and deliver to the Issuer and the Escrow Agent an instrument accepting such appointment hereunder, and the Escrow Agent shall execute and deliver an instrument transferring to such successor Escrow Agent, subject to the terms of this Agreement, all the rights, powers and trusts of the Escrow Agent hereunder. Upon the request of any such successor Escrow Agent, the Issuer shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor Escrow Agent all such rights, powers and duties. The Escrow Agent shall pay over to its successor Escrow Agent a proportional part of the Escrow Agent's fee hereunder.

ARTICLE VIII
MISCELLANEOUS

Section 8.01 Notice. Any notice, authorization, request, or demand required or permitted to be given hereunder, shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid, addressed as follows:

To the Escrow Agent:	The Bank of New York Mellon Trust Company, N. A. 2001 Bryan Street, 11th Floor Dallas, Texas 75201 Attention: Issuer Services
To the Issuer:	City of Lewisville, Texas 151 W. Church Street Lewisville, Texas 75057 Attention: City Manager
To the Rating Agencies:	Standard & Poor's Rating Group 25 Broadway New York, New York 10004 Fitch Investors Service, L.P. 4514 Cole Avenue, Suite 600 Dallas, Texas 75205

The United States Post Office registered or certified mail receipt showing delivery of the aforesaid shall be conclusive evidence of the date and fact of delivery. Either party hereto may change the address to which notices are to be delivered by giving to the other party not less than ten (10) days prior notice thereof.

Section 8.02 Termination of Responsibilities. Upon the taking of all the actions as described herein by the Escrow Agent, the Escrow Agent shall have no further obligations or responsibilities hereunder to the Issuer, the owners of the Refunded Obligations or to any other person or persons in connection with this Agreement.

Section 8.03 Binding Agreement. This Agreement shall be binding upon the Issuer and the Escrow Agent and their respective successors and legal representatives, and shall inure solely to the benefit of the owners of the Refunded Obligations, the Issuer, the Escrow Agent and their respective successors and legal representatives.

Section 8.04 Severability. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. In the event any one or more provisions hereof are held to be invalid, illegal or unenforceable the Issuer shall promptly notify each of the rating agencies then maintaining a rating on the Refunded Obligations.

Section 8.05 Texas Law Governs. This Agreement shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Texas.

Section 8.06 Time of the Essence. Time shall be of the essence in the performance of obligations from time to time imposed upon the Escrow Agent by this Agreement.

Section 8.07 Effective Date of Agreement. This Agreement shall be effective upon receipt by the Escrow Agent of the funds and the Federal Securities listed in the Report, together with the specific sums stated in subsections (a) and (b) of Section 7.03 for Escrow Agent and paying agency fees, expenses, and services.

Section 8.08 Modification of Agreement. This Agreement shall be binding upon the Issuer and the Escrow Agent and their respective successors and legal representatives and shall inure solely to the benefit of the holders of the Refunded Obligations, the Issuer, the Escrow Agent and their respective successors and legal representatives. Furthermore, no alteration, amendment or modification of any provision of this Agreement (1) shall alter the firm financial arrangements made for the payment of the Refunded Obligations or (2) shall be effective unless (i) prior written consent of such alteration, amendment or modification shall have been obtained from the holders of all Refunded Obligations outstanding at the time of such alteration, amendment or modification and (ii) such alteration, amendment or modification is in writing and signed by the parties hereto; provided, however, the Issuer and the Escrow Agent may, without the consent of holders of the Refunded Obligations, amend or modify the terms and provisions of this Agreement to cure in a manner not adverse to the holders of the Refunded Obligations any ambiguity, formal defect or omission in this Agreement. Prior notice of any such modification shall be given to each rating agency then maintaining a rating on the Refunded Obligations.

Section 8.09 Indemnification. To the extent permitted by law, the Issuer agrees to indemnify the Escrow Agent, its officers, directors, employees and agents for, and hold them harmless against, any loss, liability, or expense incurred without negligence or bad faith on their

part arising out of or in connection with its acceptance or administration of the Escrow Agent's duties under this Agreement, including the cost and expense (including its counsel fees) of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement.

ARTICLE IX
ACKNOWLEDGMENT OF RECEIPT OF NOTICE OF REDEMPTION OF REFUNDED OBLIGATIONS

Section 9.01 Acknowledgment of Receipt of Notice of Redemption. The Escrow Agent, as paying agent/registrar for the Refunded Obligations, by its execution of this Escrow Agreement hereby acknowledges receipt of the Ordinance authorizing the issuance of the Bonds, the receipt of such Ordinance constituting written notice of redemption of such Refunded Obligations as described in the Report. The Escrow Agent hereby agrees to provide or cause to be provided to the registered owners of the Refunded Obligations notice of deposit and notice of redemption at the times and in the manner required by the respective ordinance authorizing the issuance thereof.

[Execution Page Follows]

IN WITNESS WHEREOF, this Escrow Agreement has been executed in multiple counterparts, each one of which shall constitute one and the same original Agreement, as of the date and year appearing on the first page of this Agreement.

CITY OF LEWISVILLE, TEXAS

By:_____
Mayor

ATTEST:

_____
City Secretary

THE BANK OF NEW YORK MELLON TRUST COMPANY, N. A., as Escrow Agent

By:_____
Title:_____

EXHIBIT A
VERIFICATION REPORT OF GRANT THORNTON LLP

MEMORANDUM

TO: Donna Barron, City Manager

FROM: Nika Reinecke, Director of Economic Development and Planning

DATE: May 16, 2016

SUBJECT: **Consideration of the Preliminary Plat of Castle Hills - Realm West, Lots 1-17, 18X, 19-22, 23X, 24-32, and 33X, Block A; Lots 1X, 2-10, 11X, 12-23, Block B; Lots 1-9 and 10X, Block C; Lots 1-12, Block D, Designated Estate Townhouse (ETH) and Lots 1 and 2, Block E, Designated General Business Two (GB2); Located on 18.09 Acres of Land on the South Side of SH 121, Between Castle Hills Drive and Essex Boulevard; With Four Associated Variances; as Requested by Brian Dench, P.E. of Land Design, on Behalf of the Owner.**

BACKGROUND

The subject plat is located within Castle Hills in the City of Lewisville Extra Territorial Jurisdiction (ETJ) and is to be developed in accordance with the 1996 Castle Hills Agreement. Castle Hills - Realm West is located on the south side of SH 121, directly adjacent to the Sam Rayburn Tollway (SRT), between Castle Hills Drive and Essex Boulevard. The total site contains 18.09 acres of land, of which approximately 11.95 acres of the western portion of the site is proposed to contain 72 single-family detached residential lots, designated Estate Townhouse (ETH) and the remaining 6.11 acres is designated General Business Two (GB2) for future commercial. Phase I of development contains the residential component, which will be a front entry product within a gated community with private streets that the HOA will maintain. Access will be off of Essex Boulevard and Castle Hills Drive. Phase II is the commercial component of the site located at the southwest corner of SH 121 and Castle Hills Boulevard. Staff received a letter from the North Texas Tollway Authority (NTTA) regarding their location of sound walls and design requirements along the SRT were "determined in accordance with the National Environmental Policy Act (NEPA) and documented in the Final Environmental Impact Statement approved by the Federal Highway Administration as well as subsequent environmental approvals". The NTTA will not provide additional noise mitigation; it will be the developer's responsibility to provide appropriate noise abatement for the new development. A note on the Preliminary Plat lists that, "Screening walls will be built by the developer. The wall detail will be included in the construction plans. Walls to be constructed prior to housing construction". The Preliminary Plat identifies the following four variances:

a) To allow 41-foot street easement with 6-foot sidewalk and utility easements in lieu of the required 50-foot right of way;
b) To waive the alley requirement for lots less than 10,000 sq. ft. in area;
c) To allow for private streets and a gated community that the H.O.A. will maintain;
d) To allow public utilities in an easement under private paving.

The Planning and Zoning Commission recommended unanimous approval of the plat and requested variances (4-0) at their May 17, 2016, meeting.

ANALYSIS

a) Allow 41-foot street easement with 6-foot sidewalk and utility easements in lieu of the required 50-foot right of way

Section V (2)(B) - Streets

The 1996 General Development Ordinance required a minimum 50-foot wide right of way for residential streets. The developer is proposing a 41-foot wide privately owned HOA lot designated as an access, utility & drainage easement with additional 6-foot utility and sidewalk easements along both sides of the access easement. This variance was previously approved for other phases of Castle Hills for public streets including Castle Hills Golf Course Phases I, II and III.

In a typical residential subdivision, the 50-foot street right of way contains a 31-foot wide street, a four-foot wide sidewalk on both sides of the street, public utilities and franchise utilities. In the proposed subdivision, the 41-foot access, utility and drainage easement would contain a 31-foot wide street, and "public" utilities. The six-foot Sidewalk and Utility Easements would contain the four-foot sidewalks, water meters, sewer service clean outs and may contain "franchise" utilities"

In this section of Castle Hills the residential lots are proposed as ETH zoning which requires a five-foot front building line and a 20 foot building line when garages face the street. The developer is proposing a 10-foot minimum setback with a j-swing garage. Staff recommends approval of this variance.

b) Waive the alley requirement for lots less than 10,000 sq. ft. in area.

Section V (2)(K) Alleys

This section requires alleys for all single family residential subdivisions; however, the 1996 agreement for Castle Hills eliminates the alley requirement for subdivisions where lot sizes average over 10,000 square feet. The lot sizes in this development range from 4,099 to 7,893 square feet and average well under 10,000 square feet. A front entry product provides a private larger back yard patio area for each unit. This variance has also been granted previously for other estate townhouse developments such as Castle Hills Golf Course Phases I, II and III. Staff recommends approval of this variance.

c) Allow for private streets and a gated community that the H.O.A. will maintain

Section V (4) Lots

This section of the ordinance requires that each residential lot adjoin a public street. The applicants are requesting private streets with gated access maintained by the HOA. The private street pavement and subgrade will be constructed to City street standards. Gates will be equipped with devices acceptable to the Lewisville Fire Department to allow access to emergency vehicles. This variance has previously been granted for other sections of Castle Hills Golf Course Phases I, II and III. Staff recommends approval of this variance.

d) Allow public utilities in an easement under private paving

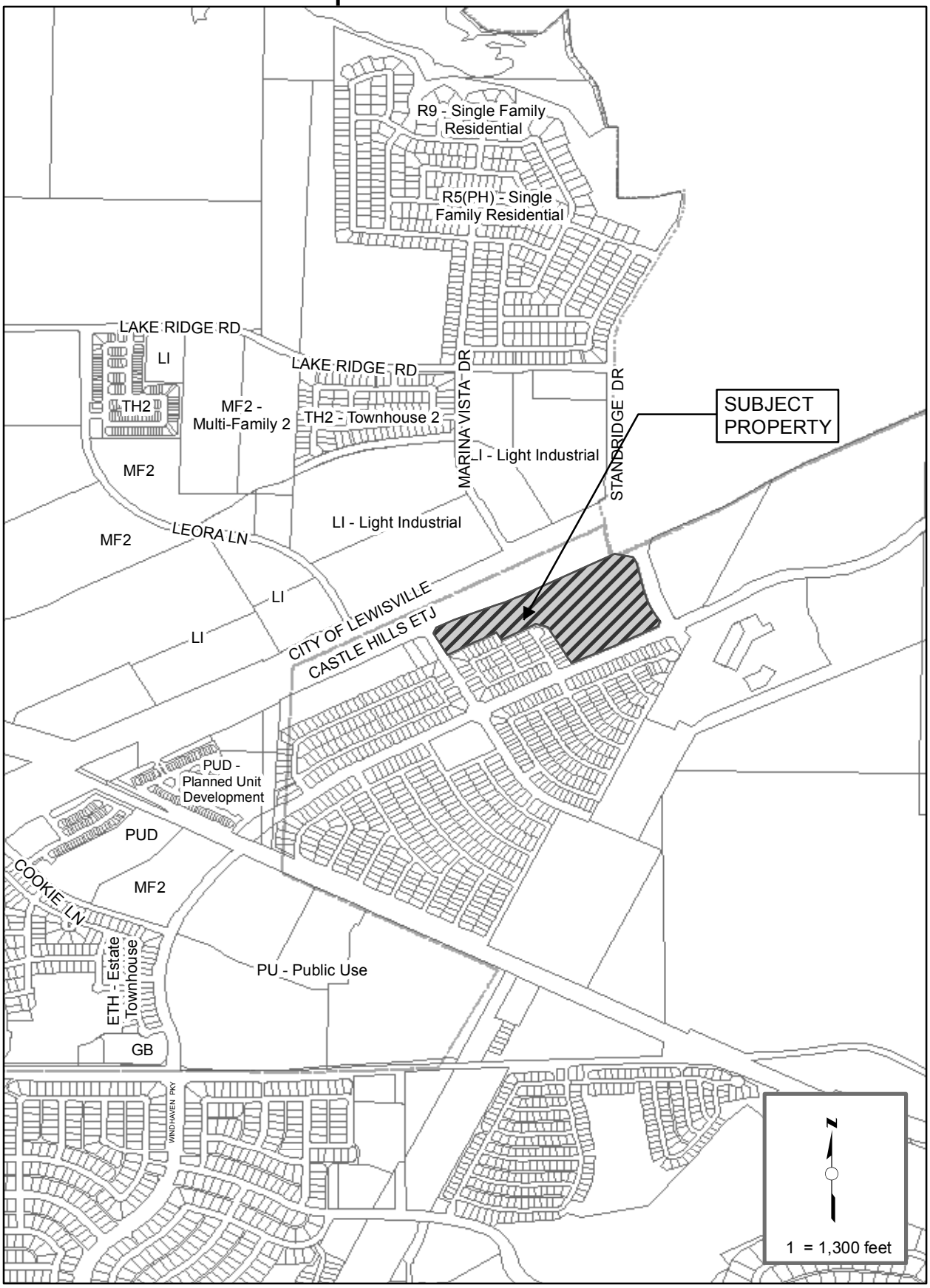
Section V, (7)(C) Utility Line Requirements

This section requires public utilities in residential subdivisions to be located within public right(s)-of-way. Approval of privately maintained streets with gated access will require utilities to be placed in easements coinciding with the private streets. This is the same concept approved for several estate townhome projects with private streets including Castle Hills Golf Course Phases I, II and III. The sewer and water mains will be maintained by the Denton County Fresh Water District until such time as annexation by the City occurs. Note 11 on the plat states that the "owner accepts responsibility for pavement repairs required due to maintenance or repair of the city water main performed by city crews or City's contractor." Staff recommends approval of this variance.

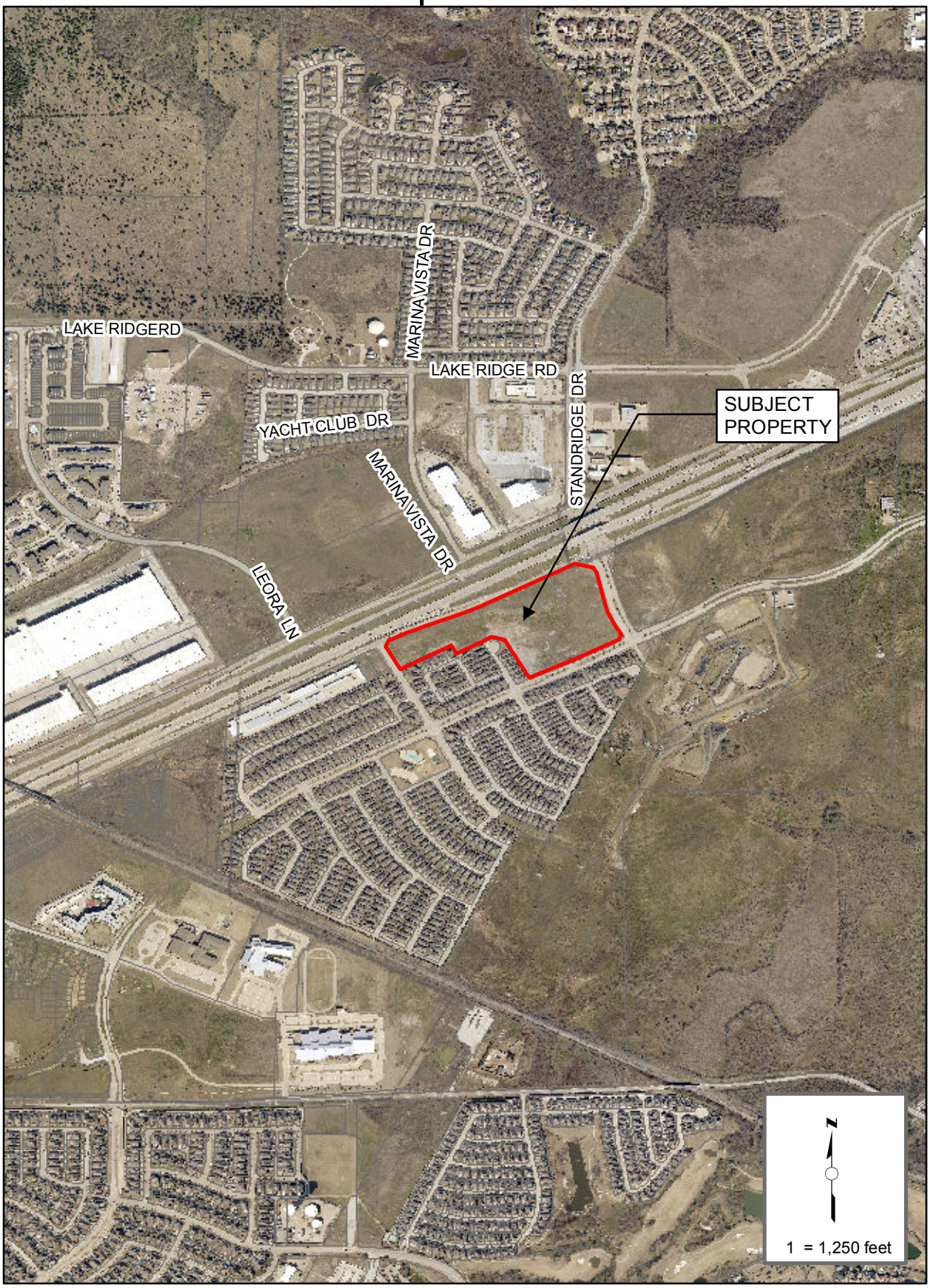
RECOMMENDATION

It is City staff's recommendation that the City Council approve the Preliminary Plat and variances as set forth in the caption above.

Location Map - Castle Hills Realm West



Aerial Map - Realm West



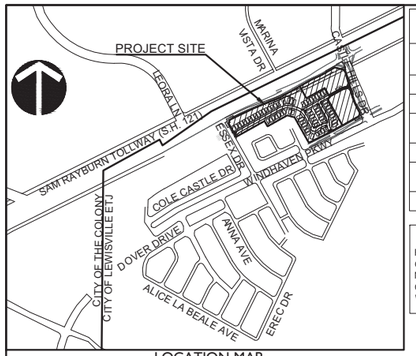
MINUTES
PLANNING AND ZONING COMMISSION
MAY 17, 2016

Item 3:

Public Hearing Plats were next on the agenda. There was one plat on the agenda for consideration:

A. Preliminary Plat of Castle Hills – Realm West, Lots 1-17, 18X, 19-22, 23X, 24-32, and 33X, Block A; Lots 1X, 2-10, 11X, 12-23, Block B; Lots 1-9 and 10X, Block C; Lots 1-12, Block D, designated Estate Townhouse (ETH) and Lots 1 and 2, Block E, designated General Business Two (GB2); located on 18.09-Acres of Land on the south side of SH 121, between Castle Hills Drive and Essex Boulevard; with four associated variances.

Staff gave an overview of the proposed plat and four requested variances. The public hearing was opened and there being no one to speak, the public hearing was then closed. A *motion was made by Mary Ellen Miksa to recommend approval of the final plat and the four requested variances, seconded by Kristen Green. The motion passed unanimously (4-0).*



LOCATION MAP
DALLAS MAPSCO 635J
SCALE 1"=1000'

SHEET LIST

SHEET NUMBER	SHEET TITLE
1	PRELIMINARY PLAT
2	PRELIMINARY PLAT TABLE
3	WATER AND SANITARY SEWER PLANS
4-5	EXISTING DRAINAGE AREA MAP
6	PROPOSED DRAINAGE AREA MAP
7	DRAINAGE PLAN

LEGEND

F.C.E	FIRE CONTROL EASEMENT
G.S.B	GARAGE SET BACK
N.B.L	NON-BUILDABLE LOT
C.O.A	CONTROL OF ACCESS
W&W.M.E	WALL & WALL MAINTENANCE EASEMENT

NOTES:

1. ALL COMMON AREAS TO BE OWNED AND MAINTAINED BY THE HOME OWNERS ASSOCIATION (HOA).
2. BLOCK A, LOT 33X IS A PUBLIC ACCESS, DRAINAGE, AND UTILITY EASEMENT. HOA TO MAINTAIN.
3. RESIDENTIAL DEVELOPMENT TO BE COMPLETED IN ONE PHASE.
4. GARAGE SETBACK OF 20 FEET FOR GARAGES FACING A STREET.
5. MAXIMUM ALLOWED DRIVEWAY SLOPE WITHIN RIGHT-OF-WAY/SIDEWALK EASEMENT IS TO BE 8.0%. MAXIMUM ALLOWED DRIVEWAY SLOPE BEYOND RIGHT-OF-WAY/SIDEWALK EASEMENT IS TO BE 14%. MAXIMUM SIDEWALK CROSS SLOPE SHALL BE 2.0%. ALL CONSTRUCTION SHALL FOLLOW CITY OF LEWISVILLE STANDARDS.
6. THERE SHALL BE NO COMBUSTIBLE CONSTRUCTION WITHIN FIRE CONTROL EASEMENTS WITH THE EXCEPTION OF PRIVACY FENCES.
7. SCREENING WALLS WILL BE BUILT BY THE DEVELOPER. THE WALL DETAIL WILL BE INCLUDED IN THE CONSTRUCTION PLANS. WALLS TO BE CONSTRUCTED PRIOR TO HOUSING CONSTRUCTION.
8. 6' UTILITY EASEMENT IS ALSO A SIDEWALK EASEMENT.
9. PHASE 1: RESIDENTIAL LOTS (ETH)
   PHASE 2: COMMERCIAL LOTS (GB2)
10. GARAGE SETBACK OF 20 FEET FOR GARAGES FACING STREET.*
11. THE OWNER ACCEPTS RESPONSIBILITY FOR PAVEMENT REPAIRS REQUIRED DUE TO MAINTENANCE OR REPAIR OF THE CITY WATER MAIN PERFORMED BY CITY CREWS OR CITY'S CONTRACTOR.
12. KNOX KEYSWITCH AND OPTICOM PRE-EMPTION DEVICE REQUIRED AT BOTH GATES.
13. STREET, DRAINAGE, UTILITY AND PEDESTRIAN EASEMENT IN LIEU OF REQUIRED ROW DEDICATION FOR THE DECELERATION LANE ALONG SH 121 IS ALLOWED PER MAY 5, 2014 VARIANCES.
14. PAVEMENT WITHIN THE CITY WATER LINE EASEMENT IS ALLOWED PER MAY 5, 2014 VARIANCES.

OWNER/ DEVELOPER
Breco Lands CH LLC
2520 King Arthur Blvd.
Suite 200
Lewisville, TX 75056
Contact: Aaron Ketchand
Phone: (972)-410-6569

ENGINEER
LandDesign, Inc.
222 West Las Colinas Boulevard, Suite 1405N
Irving, Texas 75039
Contact: Brian Dench
(214)-785-6009

DISTRICT
Denton County Fresh
Water District No. 1-F
2540 King Arthur Blvd. Suite 220
Lewisville, Texas 75056
Contact: Phil Brosseau
(972)-899-4000

PRELIMINARY PLAT
CASTLE HILLS - REALM WEST
18.06 TOTAL ACRES
79 TOTAL LOTS

41' LOTS ±11.95 ACRES

ZONING DESIGNATION - ETH

72 RESIDENTIAL LOTS
BLOCK A, LOTS 1-17, 19-22, 24-32
BLOCK B, LOTS 2-10, 12-23
BLOCK C, LOTS 1-9
BLOCK D, LOTS 1-12

6 COMMON AREA LOTS
BLOCK A, LOTS 18X, 23X,33X
BLOCK B, LOTS 1X, 11X
BLOCK C, LOTS 10X

COMMERICAL LOT ± 6.11 ACRES

2 LOTS
ZONING DESIGNATION
"GB2" (GENERAL BUSINESS 2 DISTRICT)
BLOCK E, LOTS 1 AND 2

CITY OF LEWISVILLE E.T.J.
DENTON COUNTY, TEXAS
out of the
AMOS SINGLETON SURVEY, A-1138

SF-RESIDENTIAL REQUIREMENTS
4,000 S.F. MIN LOT SIZE REQUIRED
2,000 S.F. MIN UNIT SIZE REQUIRED

DENSITY CALCULATIONS
6.492 LOTS PER ACRE
6.071 UNITS PER ACRE
S.F. RESIDENTIAL DENSITY 6.071 LOTS/AC

City of Lewisville VARIANCES APPROVED:
PER AGREEMENT Between the City of Lewisville and Castle Hills dated April 1, 1996 and variances approved on May 5, 2014.

All variances from the General Development Ordinance approved by City Council.

VARIANCES APPROVED BY CITY COUNCIL ON _____,2016

A. TO ALLOW A 41 FT. STREET EASEMENT WITH 6.0 FT SIDEWALK AND UTILITY EASEMENT IN LIEU OF THE REQUIRED 50 FT RIGHT OF WAY.

B. TO WAIVE THE ALLEY REQUIREMENT FOR LOTS LESS THAN 10,000 SQ. FT. IN AREA.

C. TO ALLOW PRIVATE STREETS AND GATED COMMUNITY. HOA TO MAINTAIN.

D. TO ALLOW PUBLIC UTILITIES IN AN EASEMENT UNDER PRIVATE PAVEMENT.

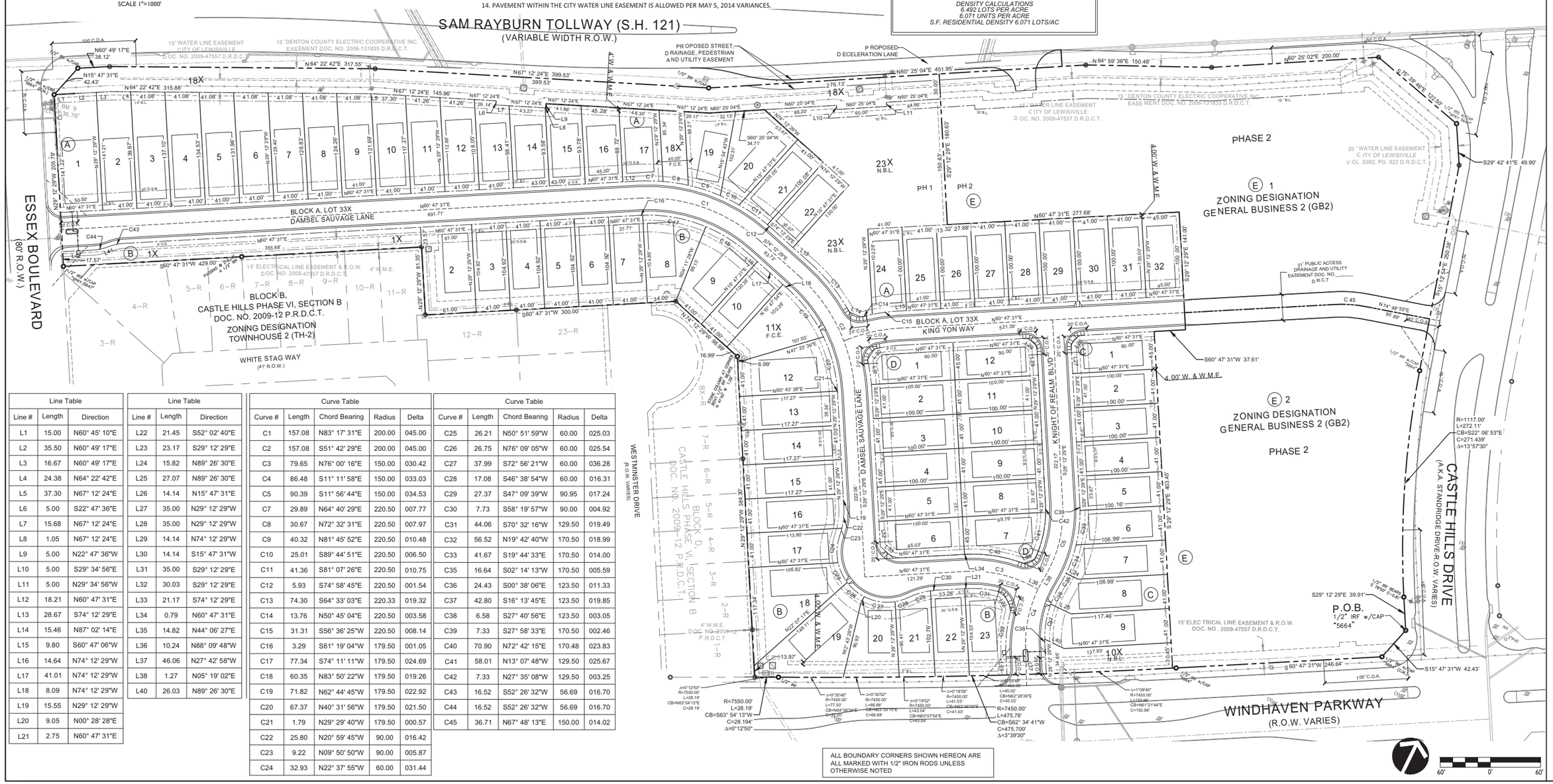
PRELIMINARY PLAT FOR REVIEW PURPOSES ONLY
RECOMMENDED FOR APPROVAL:

_____
JAMES DAVIS, CHAIRMAN DATE
PLANNING AND ZONING COMMISSION
CITY OF LEWISVILLE, TEXAS

APPROVED FOR PREPARATION OF FINAL PLAT

_____
RUDY DURHAM, MAYOR DATE
CITY OF LEWISVILLE, TEXAS

CITY OF LEWISVILLE NOTES
This PLAT is subject to a list of variances per an agreement between the CITY OF LEWISVILLE and CASTLE HILLS DEVELOPMENT CORP. Dated: April 1, 1996 and variances approved on May 5, 2014.
The maintanence of proposed improvements for this subdivision will be the responsibility of the DENTON COUNTY FRESH WATER SUPPLY DISTRICT NO 1-F until such date that the city of LEWISVILLE annexes the subdivision per above said agreement.



Line Table		
Line #	Length	Direction
L1	15.00	N60° 45' 10"E
L2	35.50	N60° 49' 17"E
L3	16.67	N60° 49' 17"E
L4	24.38	N64° 22' 42"E
L5	37.30	N67° 12' 24"E
L6	5.00	S22° 47' 36"E
L7	15.68	N67° 12' 24"E
L8	1.05	N67° 12' 24"E
L9	5.00	N22° 47' 36"W
L10	5.00	S29° 34' 56"E
L11	5.00	N29° 34' 56"W
L12	18.21	N60° 47' 31"E
L13	28.67	S74° 12' 29"E
L14	15.46	N87° 02' 14"E
L15	9.80	S60° 47' 06"W
L16	14.64	N74° 12' 29"W
L17	41.01	N74° 12' 29"W
L18	8.09	N74° 12' 29"W
L19	15.55	N29° 12' 29"W
L20	9.05	N00° 28' 28"E
L21	2.75	N60° 47' 31"E

Line Table		
Line #	Length	Direction
L22	21.45	S52° 02' 40"E
L23	23.17	S29° 12' 29"E
L24	15.82	N89° 26' 30"E
L25	27.07	N89° 26' 30"E
L26	14.14	N15° 47' 31"E
L27	35.00	N29° 12' 29"W
L28	35.00	N29° 12' 29"W
L29	14.14	N74° 12' 29"W
L30	14.14	S15° 47' 31"W
L31	35.00	S29° 12' 29"E
L32	30.03	S29° 12' 29"E
L33	21.17	S74° 12' 29"E
L34	0.79	N60° 47' 31"E
L35	14.82	N44° 06' 27"E
L36	10.24	N88° 09' 48"W
L37	46.06	N27° 42' 58"W
L38	1.27	N05° 19' 02"E
L40	26.03	N89° 26' 30"E

Curve Table				
Curve #	Length	Chord Bearing	Radius	Delta
C1	157.08	N83° 17' 31"E	200.00	045.00
C2	157.08	S51° 42' 29"E	200.00	045.00
C3	79.65	N76° 00' 16"E	150.00	030.42
C4	86.48	S11° 11' 58"E	150.00	033.03
C5	90.39	S11° 56' 44"E	150.00	034.53
C7	29.89	N64° 40' 29"E	220.50	007.77
C8	30.67	N72° 32' 31"E	220.50	007.97
C9	40.32	N81° 45' 52"E	220.50	010.48
C10	25.01	S89° 44' 51"E	220.50	006.50
C11	41.36	S81° 07' 26"E	220.50	010.75
C12	5.93	S74° 58' 45"E	220.50	001.54
C13	74.30	S64° 33' 03"E	220.33	019.32
C14	13.76	N50° 45' 04"E	220.50	003.58
C15	31.31	S56° 36' 25"W	220.50	008.14
C16	3.29	S61° 19' 04"W	179.50	001.05
C17	77.34	S74° 11' 11"W	179.50	024.69
C18	60.35	N83° 50' 22"W	179.50	019.26
C19	71.82	N62° 44' 45"W	179.50	022.92
C20	67.37	N40° 31' 56"W	179.50	021.50
C21	1.79	N29° 29' 40"W	179.50	000.57
C22	25.80	N20° 59' 45"W	90.00	016.42
C23	9.22	N09° 50' 50"W	90.00	005.87
C24	32.93	N22° 37' 55"W	60.00	031.44

Curve Table				
Curve #	Length	Chord Bearing	Radius	Delta
C25	26.21	N50° 51' 59"W	60.00	025.03
C26	26.75	N76° 09' 05"W	60.00	025.54
C27	37.99	S72° 56' 21"W	60.00	036.28
C28	17.08	S46° 38' 54"W	60.00	016.31
C29	27.37	S47° 09' 39"W	90.95	017.24
C30	7.73	S58° 19' 57"W	90.00	004.92
C31	44.06	S70° 32' 16"W	129.50	019.49
C32	56.52	N19° 42' 40"W	170.50	018.99
C33	41.67	S19° 44' 33"E	170.50	014.00
C35	16.64	S02° 14' 13"W	170.50	005.59
C36	24.43	S00° 38' 06"E	123.50	011.33
C37	42.80	S16° 13' 45"E	123.50	019.85
C38	6.58	S27° 40' 56"E	123.50	003.05
C39	7.33	S27° 58' 33"E	170.50	002.46
C40	70.90	N72° 42' 15"E	170.48	023.83
C41	58.01	N13° 07' 48"W	129.50	025.67
C42	7.33	N27° 35' 08"W	129.50	003.25
C43	16.52	S52° 26' 32"W	56.69	016.70
C44	16.52	S52° 26' 32"W	56.69	016.70
C45	36.71	N67° 48' 13"E	150.00	014.02

LandDesign.
TBPE F- 14754
222 W. Las Colinas Blvd., Suite 1405N
Irving, Texas 75039
V. 214.785.6009 F. 214.329.1112
www.LandDesign.com

PRELIM:
THIS DRAWING IS FOR REVIEW PURPOSES ONLY AND SHALL NOT BE USED FOR BIDDING, PERMITTING OR CONSTRUCTION.
BRIAN J DENCH, P.E. TEXAS REG. NO. 88275
DATE: MAY 6, 2016

REALM WEST
City of Lewisville, Denton County, Texas
DCFWSD No 1-F
PRELIMINARY PLAT

REVISIONS:

DATE: 05/06/2016
DESIGNED BY:
DRAWN BY:
CHECKED BY:
Q.C. BY:
SCALE:
PROJECT #: 85150/9

SHEET #: 1

METES AND BOUNDS DESCRIPTION
18.06 ACRES
IN THE AMOS SINGLETON SURVEY, A–1138
DENTON COUNTY, TEXAS

All that certain 18.06 acres of land, out of the 163.813 acre tract described in the deed to Breco Lands CH LLC., recorded in Document Number 2010–50402 in the Deed Records of Denton County, Texas (D.R.D.C.T.), in the Amos Singleton Survey, A–1138, Denton County, Texas and more particularly described by metes and bounds as follows: (all bearings shown hereon are based on the record bearings of Castle Hills Phase VI, Section B & C, recorded in Document Number 2009–12 in the Plat Records of Denton County, Texas (P.R.D.C.T.);

BEGINNING at a 1/2" iron rod with a cap stamped 5664 found for the north corner of the northwest right–of–way cutback line at the intersection of Castle Hills Drive (a.k.a. Standridge Drive–R.O.W. varies) and Windhaven Parkway (R.O.W. varies);

THENCE South 15° 47' 31" West – 42.43' along said northwest right–of–way cutback line, to a 1/2" iron rod with a cap stamped 5664 found for the west corner of said cutback line, in the north right–of–way line of said Windhaven Parkway;

THENCE South 60° 47' 31" West – 246.64' along the north right–of–way line of said Windhaven Parkway, to a 1/2" iron rod with a cap stamped 5664 found for a point on a curve to the right, having a central angle of 03° 39' 33, a radius of 7450.00' and a chord bearing and distance of South 62° 34' 41" West (called South 62° 37' 17" West) – 475.70';

THENCE along said curve to the right, continuing along the north right–of–way line of said Windhaven Parkway, an arc length of 475.78' to a 1/2" iron rod found for a point on a curve to the left, having a central angle of 00° 12' 50, a radius of 7550.00' and a chord bearing and distance of South 63° 54' 13" West (called South 64° 20' 39" West) – 28.19;

THENCE along said curve to the left, continuing along the north right–of–way line of said Windhaven Parkway, an arc length of 28.19' to the most easterly corner of Block D of said Castle Hills Phase VI, Section B & C (stone column at corner), from which an X in concrete bears South 63° 51' 12" West – 101.16';

THENCE along the common line of said Castle Hills Phase VI, Section B & C and the herein described tract the following courses:

North 29° 12' 29" West passing at a distance of 56.78' a 1/2" iron rod with a cap stamped Land Com found for the common east corner of Lot 1–R and 2–R, of said Block D, and passing at a distance of 261.78' an X in concrete found for the common east corner of Lot 6–R and 7–R, of said Block D, and continuing for a total distance of 384.30' to a point for corner (stone column at corner), from which a 1/2 iron rod bears North 41° 40' W – 1.26';

North 74° 12' 29" West – 98.99'to a point for corner (stone column at corner), from which an X in concrete bears North 88° 20' West – 0.36';

South 60° 47' 31" West passing at a distance of 191.00' a 1/2" iron rod found for the common north corner of Lot 12–R and Lot 23–R, Block B of said Castle Hills Phase VI, Section B & C, continuing for a total distance of 300.00' to a point for corner (stone column at corner);

North 29° 12' 29" West – 81.35' to a point for corner (stone column at corner);

South 60° 47' 31" West passing at a distance of 215.50' a 1/2" iron rod found for the common north corner of Lot 6–R and Lot 7–R, of said Block B, continuing for a total distance of 429.00' to a 1/2" iron rod with a cap stamped SPRY 5647 set for corner, common to the northwest corner of said Block B, in the east right–of–way line of Essex Boulevard (80' R.O.W.);

THENCE North 29° 12' 29" West – 205.79' (called 205.79') along the east right–of–way line of said Essex Boulevard, to a 1/2" iron rod with a cap stamped 5664 found for the south corner of the southeast right–of–way cutback line of said Essex Boulevard

THENCE North 15° 47' 31" East – 42.43' along said right–of–way cutback line, to a 1/2" iron rod with a cap found for the east corner of said cutback, in the south right–of–way line of said State Highway 121;

THENCE along the south right–of–way line of said State Highway 121 the following courses:

North 60° 49' 17" East (called N 60°47'31" E) – 38.12' to a TXDOT monument found for corner;

North 64° 22' 42" East (called N 64°21'05" E) – 317.55' to a TXDOT monument found for corner;

North 67° 12' 24" East (called N 67°10'47" E) – 399.53' a 1/2" iron rod with a cap found for corner;

North 60° 25' 04" East (called N 60°23'27" E) – 451.95' to a TXDOT monument found for corner;

North 64° 59' 36" East (Called N 64°57'59" E) – 150.48' to a TXDOT monument found for corner;

North 60° 25' 02" East (Called N 60°23'25" E) – 200.00' to a TXDOT monument found the west corner of the southwest right–of–way cutback line at the intersection of said State Highway 121 and said Castle Hills Drive;

THENCE South 75° 39' 46" East (called S 75°38'09" E) – 122.50' along the southwest right–of–way cutback line, to a 1/2" iron rod with a cap stamped SPRY 5647 set for corner, common to the south corner of said cutback, in the west right–of–way line of said Castle Hills Drive;

Thence along the west right–of–way line of Castle Hills Drive to following courses:

South 29° 42' 41" East – 49.90' (called N 29°33'19" W–50.17') to a TXDOT monument found for corner;

South 15° 12' 54" East – 250.38' to a 1/2" iron rod with a cap stamped 5664 found for a point of a curve to the left, having a central angle of 13° 57' 28, a radius of 1117.00' and a chord bearing and distance of South 22° 06' 53" East – 271.44' (called South 22° 12' 41" East – 272.12');

Along said curve to the left, an arc length of 272.11', to the end of curve, from which a 1/2" iron rod bears South 78° 50' East – 0.81';

South 29° 12' 29" East – 39.91' to the POINT OF BEGINNING and containing 18.06 acres of land.

VARIANCES FROM THE LEWISVILLE GENERAL
DEVELOPMENT ORDINANCE DATED JANUARY 22, 1994

III. PLAN SUBMITTAL AND APPROVAL PROCEDURES:

For the Bright Ranch Development, the following public park criteria will be acceptable:

(a) Parks that exceed the minimum Lewisville park landscape and site development standards.
(b) Parks located in the 100 year flood plain.
(c) Parks that contain lakes, creeks or water drainage courses that may not conform to City engineering standards, but are improved to resist erosion.
(d) Parks that are less than one acre.
(e) Parks having unusual topography or slopes.

V. PUBLIC IMPROVEMENTS:

1. CONSTRUCTION STANDARDS:
Until the "Bright Ranch" property is annexed into the City of Lewisville, construction permits will not be required and construction inspection fees will not be imposed on streets, utilities, buildings or other improvements on the "Bright Ranch" property. However, such improvements will be built to City of Lewisville Construction Standards or better. Construction standards conformance will be documented by a mutually acceptable independent qualified agency or contractor.

2. PAVING:

The following changes shall be made for the "Bright Ranch" property.

(A) Streets – Streets may intersect at less than 90 degrees if adequate sight lines are provided at the intersection as specified in the 1973 AASHTO red book.

1. Laydown curb will be used on all streets and alleys.

(B) Sidewalks – Sidewalks will not be required on both sides of the street if one side of the street is a park or greenbelt.

(C) Driveways

1. Allow driveways to access onto residential streets, residential 2 lane collector streets and residential 4 lane divided streets.

2. Allow minimum driveway width of 9 feet 6 inches.

3. Allow the radius or flair point at the street or alley of any single family driveway to extend beyond the property line.

(D) Alleys

1. Allow alleys to intersect streets at less than 90 degrees if adequate sight lines are provided at the intersection.
2. No alleys need to be provided for lots in subdivisions where lots average 10,000 square feet or more.
3. Laydown curb will be used on all streets and alleys.

3. LOTS:

Side lines of lots shall not be required to be at right angles to straight street lines and radial to curved street lines.

Single Family and duplex lots are allowed to adjoin a private street if the private street is within a controlled access residential subdivision.

4. EASEMENTS:

(A) General Provisions – Allow a 15' easement on one side of a water course, drain way, channel or stream.

(B) Water and Sanitary Sewer Line Easements – A 10 foot set–back requirement from a secondary 4 inch or smaller pressurized water line in an alley and a 5 foot set–back requirement from a non–pressurized utility line easement shall not be required.

(C) Storm Drainage Easements – A street shall be considered an easement adjacent to an open storm drainageway.

Figure 6 – CONTROL OF ACCESS LIMITATION
The residential access limitation from this illustration will not be applicable.
Figure 7 – STREET DESIGN CRITERIA
Residential street, 2 lane, 31' (B–B):
Add max. degree of curvature of 40 degrees/200'
Allow intersection curb radius of 20'

Residential street, 2 lane, 37' (B–B):
Add max. degree of curvature of 30 degrees/300'
Allow intersection curb radius of 20'

The following variances to the 1996 Castle Hills Agreement Related to Various Development Requirements for the Proposed Realm Development, Located in District 1–H were approved by City Council on May 5, 2014.

A. To allow on–site public waterlines to be located under pavement in access and utility easements. The "real property" owner shall be responsible for replacement of such pavement should maintenance or repair be required to the waterline.

B. Allow other species of trees to be planted along the SH 121 Frontage Road, Castle Hills Drive, Windhaven Parkway, Josey Lane, and FM 544 so long as primary maintenance is by Owner.

C. Trees shall be spaced appropriately according to their growth characteristics and the design intent. An equal or greater quantity of plant material and trees will be provided in a unique arrangement and will be maintained by the property owners association.

D. To utilize landscaping areas throughout the development to meet interior/parking lot landscaping requirements. Exposed surfaces of parking garages shall be counted as required areas for landscaping calculations.

E. Development shall, on average, provide 1.65 parking spaces per dwelling unit for multi–family uses and provide alternative shared parking agreements, for all other uses as shown in exhibits E and F (see attached).

F. Loading zones shall be calculated on a square foot basis in lieu of a space per square foot standard. Loading zones may be shared across lot lines (see Exhibit G).

G. To allow alternate materials, such as contained gravel, unit pavers, natural stone, brick, or similar materials for paving mutual access easements, parking lots, fire lanes, and drive aisles. These materials shall be designed to be equal to or greater than the strength standard required for concrete for fire lanes.

H. To provide street and pedestrian easements in lieu of required right–of–way dedication for deceleration and right turn lanes along the SH 121 Frontage Road, Castle Hills Drive, Windhaven Parkway, Josey Lane, and FM 544.

I. To allow dwelling units of seven–hundred (700) square foot average size when located over a retail, restaurant, or other commercial use on the first floor with a minimum unit size of no less than (500) square feet.

J. Multifamily dwelling units developed as part of a vertical mixed use project that are located above a commercial building use and located on the property, identified on Exhibit J, shall not count towards the total number of allowable units designated for multifamily development which provides that no more than 5,000 multifamily dwelling units with a density of not more than 20 units per acre shall be developed on the Lands.

City of Lewisville VARIANCES APPROVED:
PER AGREEMENT Between the City of Lewisville and Castle Hills dated April 1, 1996 and variances approved on May 5, 2014

All variances from the General Development Ordinance approved by City Council.

BLOCK A - LOT SUMMARY

BLOCK LOT #	AREA (SQ. FT.)
BLOCK A LOT 1	7131
BLOCK A LOT 2	5771
BLOCK A LOT 3	5674
BLOCK A LOT 4	5569
BLOCK A LOT 5	5463
BLOCK A LOT 6	5358
BLOCK A LOT 7	5253
BLOCK A LOT 8	5147
BLOCK A LOT 9	5042
BLOCK A LOT 10	4902
BLOCK A LOT 11	4714
BLOCK A LOT 12	4525
BLOCK A LOT 13	4259
BLOCK A LOT 14	4128
BLOCK A LOT 15	4130
BLOCK A LOT 16	4106
BLOCK A LOT 17	4149
BLOCK A LOT 18X	34582
BLOCK A LOT 19	4657
BLOCK A LOT 20	5972
BLOCK A LOT 21	4179
BLOCK A LOT 22	4100
BLOCK A LOT 23X	28988
BLOCK A LOT 24	4124
BLOCK A LOT 25	4100
BLOCK A LOT 26	4100
BLOCK A LOT 27	4100
BLOCK A LOT 28	4100
BLOCK A LOT 29	4100
BLOCK A LOT 30	4100
BLOCK A LOT 31	4100
BLOCK A LOT 32	4500
BLOCK A LOT 33X	95988

BLOCK B - LOT SUMMARY

BLOCK LOT #	Area
BLOCK B LOT 1X	9782
BLOCK B LOT 2	6400
BLOCK B LOT 3	4302
BLOCK B LOT 4	4302
BLOCK B LOT 5	4302
BLOCK B LOT 6	4302
BLOCK B LOT 7	4302
BLOCK B LOT 8	5609
BLOCK B LOT 9	5734
BLOCK B LOT 10	4117
BLOCK B LOT 11X	5240
BLOCK B LOT 12	6126
BLOCK B LOT 13	4816
BLOCK B LOT 14	4808
BLOCK B LOT 15	4808
BLOCK B LOT 16	4777
BLOCK B LOT 17	4437
BLOCK B LOT 18	8096
BLOCK B LOT 19	7893
BLOCK B LOT 20	4897
BLOCK B LOT 21	4168
BLOCK B LOT 22	4256
BLOCK B LOT 23	4907

BLOCK C - LOT SUMMARY

BLOCK LOT #	Area
BLOCK C LOT 1	4450
BLOCK C LOT 2	4100
BLOCK C LOT 3	4100
BLOCK C LOT 4	4100
BLOCK C LOT 5	4100
BLOCK C LOT 6	4211
BLOCK C LOT 7	4648
BLOCK C LOT 8	5498
BLOCK C LOT 9	6172
BLOCK C LOT 10X	4666

BLOCK D - LOT SUMMARY

BLOCK LOT #	Area
BLOCK D LOT 1	4450
BLOCK D LOT 2	4100
BLOCK D LOT 3	4100
BLOCK D LOT 4	4100
BLOCK D LOT 5	4100
BLOCK D LOT 6	4388
BLOCK D LOT 7	4842
BLOCK D LOT 8	4099
BLOCK D LOT 9	4100
BLOCK D LOT 10	4100
BLOCK D LOT 11	4100
BLOCK D LOT 12	4450

BLOCK E - LOT SUMMARY

BLOCK LOT #	Area
BLOCK E LOT 1	142867
BLOCK E LOT 2	123472

OWNER/ DEVELOPER
Breco Lands CH LLC
2520 King Arthur Blvd.
Suite 200
Lewisville, TX 75056
Contact: Aaron Ketchand
Phone: (972)-410-6569

ENGINEER
LandDesign, Inc.
222 West Las Colinas Boulevard, Suite 1405N
Irving, Texas 75039
Contact: Brian Dench
(214)-785-6009

DISTRICT
Denton County Fresh
Water District No. 1-F
2540 King Arthur Blvd. Suite 220
Lewisville, Texas 75056
Contact: Phil Brosseau
(972)-899-4000

PRELIMINARY PLAT
CASTLE HILLS - REALM WEST
18.06 TOTAL ACRES
79 TOTAL LOTS

41' LOTS ±11.95 ACRES

ZONING DESIGNATION - ETH

72 RESIDENTIAL LOTS
BLOCK A, LOTS 1-17, 19-22, 24-32
BLOCK B, LOTS 2-10, 12-23
BLOCK C, LOTS 1-9
BLOCK D, LOTS 1-12

6 COMMON AREA LOTS
BLOCK A, LOTS 18X, 23X,33X
BLOCK B, LOTS 1X, 11X
BLOCK C, LOTS 10X

COMMERICAL LOT ± 6.11 ACRES

2 LOTS
ZONING DESIGNATION
"GB2" (GENERAL BUSINESS 2 DISTRICT)
BLOCK E, LOTS 1 AND 2

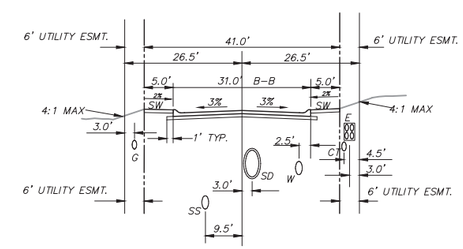
CITY OF LEWISVILLE E.T.J.
DENTON COUNTY, TEXAS
out of the
AMOS SINGLETON SURVEY, A-1138

SF-RESIDENTIAL REQUIREMENTS
4,000 S.F. MIN LOT SIZE REQUIRED
2,000 S.F. MIN UNIT SIZE REQUIRED

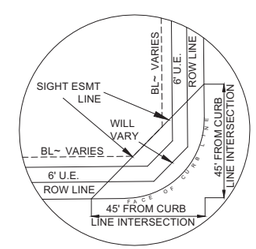
DENSITY CALCULATIONS
6.492 LOTS PER ACRE
6.071 UNITS PER ACRE
S.F. RESIDENTIAL DENSITY 6.071 LOTS/AC

PRELIMINARY PLAT
REALM WEST
18.06 TOTAL ACRES
80 TOTAL LOTS

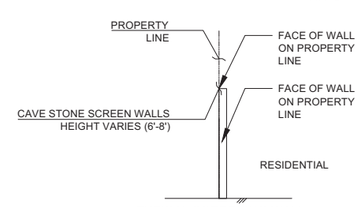
TOTAL RESIDENTIAL LOT AREA: 11.95 ACRES
TOTAL COMMERCIAL AREA: 6.11 ACRES



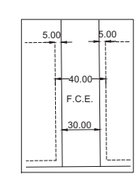
TYPICAL 41 FT. PUBLIC ACCESS, DRAINAGE, AND UTILITY EASEMENT UNDIVIDED STREET SECTION WITH ROLLOVER CURB
(NTS)
NOTE: FOR REFERENCE PURPOSES ONLY



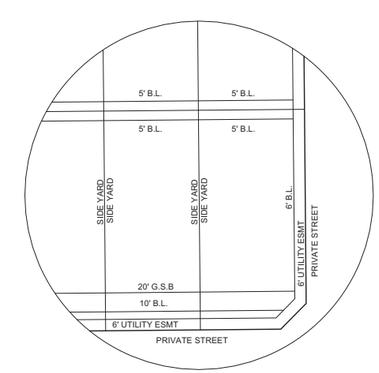
TYPICAL SIGHT EASEMENT
FOR RESIDENTIAL LOTS
N.T.S.



TYPICAL SCREENING WALL
LOCATION EXHIBIT
N.T.S.



FIRE CONTROL
EASEMENT
N.T.S.



LandDesign.
TBPE F- 14784
222 W. Las Colinas Blvd., Suite 1405N
Irving, Texas 75039
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BRIAN J. DENCH, P.E. TEXAS REG. NO. 88275
DATE: MAY 6, 2016

REALM WEST
City of Lewisville, Denton County, Texas
DCFWSD No 1-F
PRELIMINARY PLAT TABLE

REVISIONS:

DATE: 05/06/2016
DESIGNED BY:
DRAWN BY:
CHECKED BY:
Q.C. BY:
SCALE:
PROJECT #: 85150.19

SHEET #:
2

OWNER/ DEVELOPER	Breco Lands CH LLC 2520 King Arthur Blvd. Suite 200 Lewisville, TX 75056 Contact: Aaron Ketchand Phone: (972)-410-6569
ENGINEER	LandDesign, Inc. 222 West Las Colinas Boulevard, Suite 1405N Irving, Texas 75039 Contact: Brian Dench (214)-785-6009
DISTRICT	Denton County Fresh Water District No. I-F 2540 King Arthur Blvd. Suite 220 Lewisville, Texas 75056 Contact: Phil Brosseau (972)-899-4000

PRELIMINARY PLAT
CASTLE HILLS - REALM WEST
18.06 TOTAL ACRES
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41' LOTS ±11.95 ACRES

ZONING DESIGNATION - ETH

72 RESIDENTIAL LOTS
BLOCK A, LOTS 1-17, 19-22, 24-32
BLOCK B, LOTS 2-10, 12-23
BLOCK C, LOTS 1-9
BLOCK D, LOTS 1-12

6 COMMON AREA LOTS
BLOCK A, LOTS 18X, 23X,33X
BLOCK B, LOTS 1X, 11X
BLOCK C, LOTS 10X

COMMERICAL LOT ± 6.11 ACRES

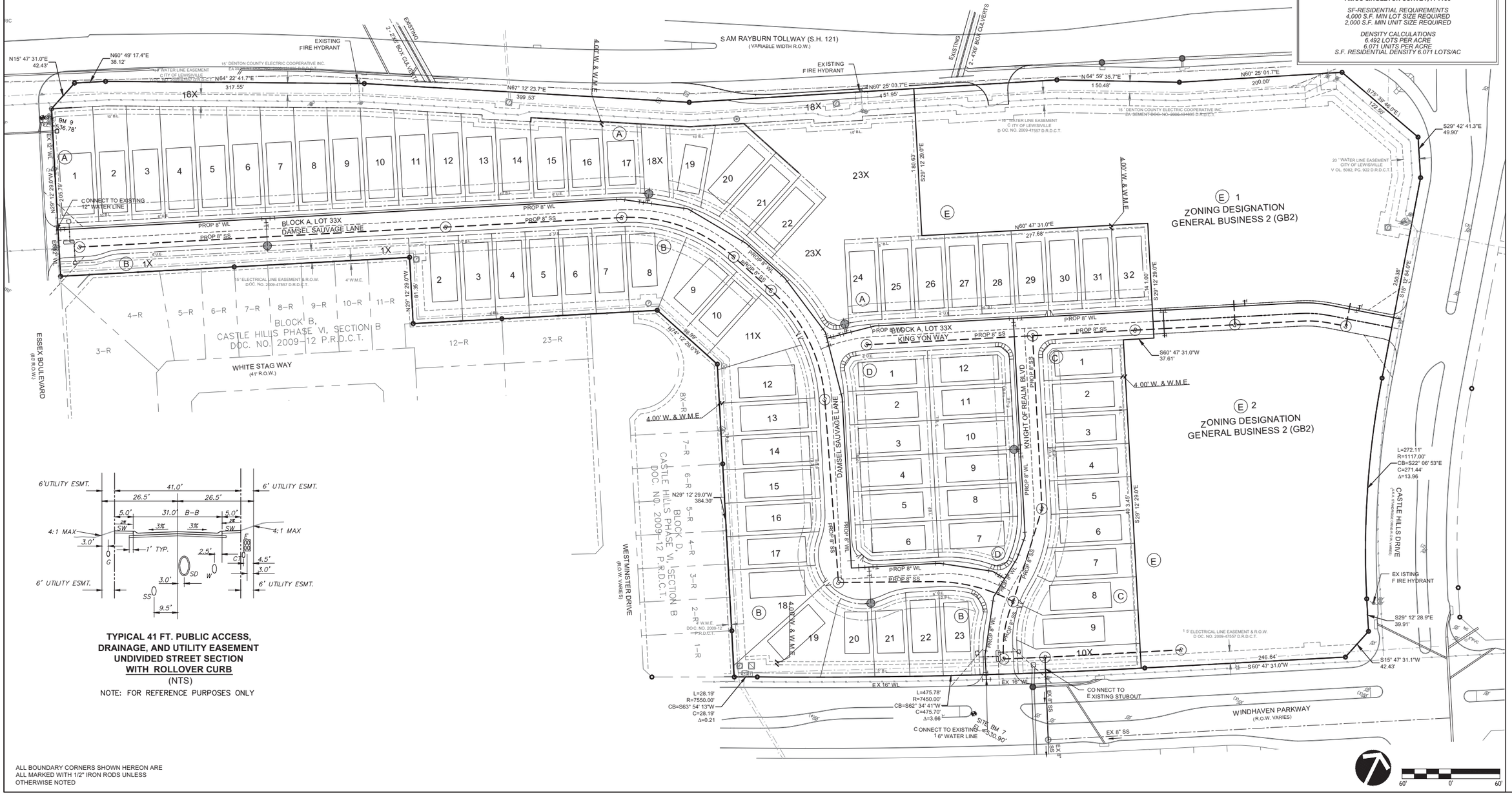
2 LOTS
ZONING DESIGNATION
"GB2" (GENERAL BUSINESS 2 DISTRICT)
BLOCK E, LOTS 1 AND 2

CITY OF LEWISVILLE E.T.J.
DENTON COUNTY, TEXAS
out of the
AMOS SINGLETON SURVEY, A-1138

SF-RESIDENTIAL REQUIREMENTS
4,000 S.F. MIN LOT SIZE REQUIRED
2,000 S.F. MIN UNIT SIZE REQUIRED

DENSITY CALCULATIONS
6.492 LOTS PER ACRE
6.071 UNITS PER ACRE
S.F. RESIDENTIAL DENSITY 6.071 LOTS/AC

LEGEND
PROPOSED SANITARY SEWER LINE
PROPOSED WATER LINE
EXISTING WATER LINE
EXISTING SANITARY SEWER LINE
PROPOSED FH
PROPOSED SANITARY SEWER MANHOLE



TYPICAL 41 FT. PUBLIC ACCESS, DRAINAGE, AND UTILITY EASEMENT UNDIVIDED STREET SECTION WITH ROLLOVER CURB
(NTS)
NOTE: FOR REFERENCE PURPOSES ONLY

ALL BOUNDARY CORNERS SHOWN HEREON ARE ALL MARKED WITH 1/2" IRON RODS UNLESS OTHERWISE NOTED

LandDesign.
TBPE F- 14754
222 W. Las Colinas Blvd., Suite 1405N
Irving, Texas 75039
V: 214.785.6009 F: 214.329.1112
www.LandDesign.com

PRELIM:
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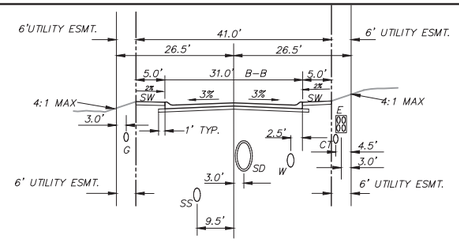
BRIAN J. DENCH, P.E. TEXAS REG. NO. 88275
DATE: MAY 6, 2016

REALM WEST
City of Lewisville, Denton County, Texas
DCFWSD No I-F
WATER AND SANITARY SEWER PLANS

REVISIONS:

DATE: 05/06/2016
DESIGNED BY:
DRAWN BY:
CHECKED BY:
Q.C. BY:
SCALE:
PROJECT #: 85150.19

SHEET #:
3



TYPICAL 41 FT. PUBLIC ACCESS, DRAINAGE, AND UTILITY EASEMENT UNDIVIDED STREET SECTION WITH ROLLOVER CURB

(NTS)

NOTE: FOR REFERENCE PURPOSES ONLY

LEGEND

DRAINAGE AREA

FLOW ARROW

A — AREA ID
10.00 — ACREAGE (AC)
20.00 — FLOW (cfs)

OWNER/DEVELOPER
Breco Lands CH LLC
2520 King Arthur Blvd.
Suite 200
Lewisville, TX 75056
Contact: Aaron Ketchand
Phone: (972)-410-6569

ENGINEER
LandDesign, Inc.
222 West Las Colinas Boulevard, Suite 1405N
Irving, Texas 75039
Contact: Brian Dench
(214)-785-6009

DISTRICT
Denton County Fresh
Water District No. 1-F
2540 King Arthur Blvd. Suite 220
Lewisville, Texas 75056
Contact: Phil Brosseau
(972)-899-4000

PRELIMINARY PLAT
CASTLE HILLS - REALM WEST
18.06 TOTAL ACRES
79 TOTAL LOTS

41' LOTS ±11.95 ACRES

ZONING DESIGNATION - ETH

72 RESIDENTIAL LOTS
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CITY OF LEWISVILLE E.T.J.
DENTON COUNTY, TEXAS
out of the
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SF-RESIDENTIAL REQUIREMENTS
4,000 S.F. MIN LOT SIZE REQUIRED
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DENSITY CALCULATIONS
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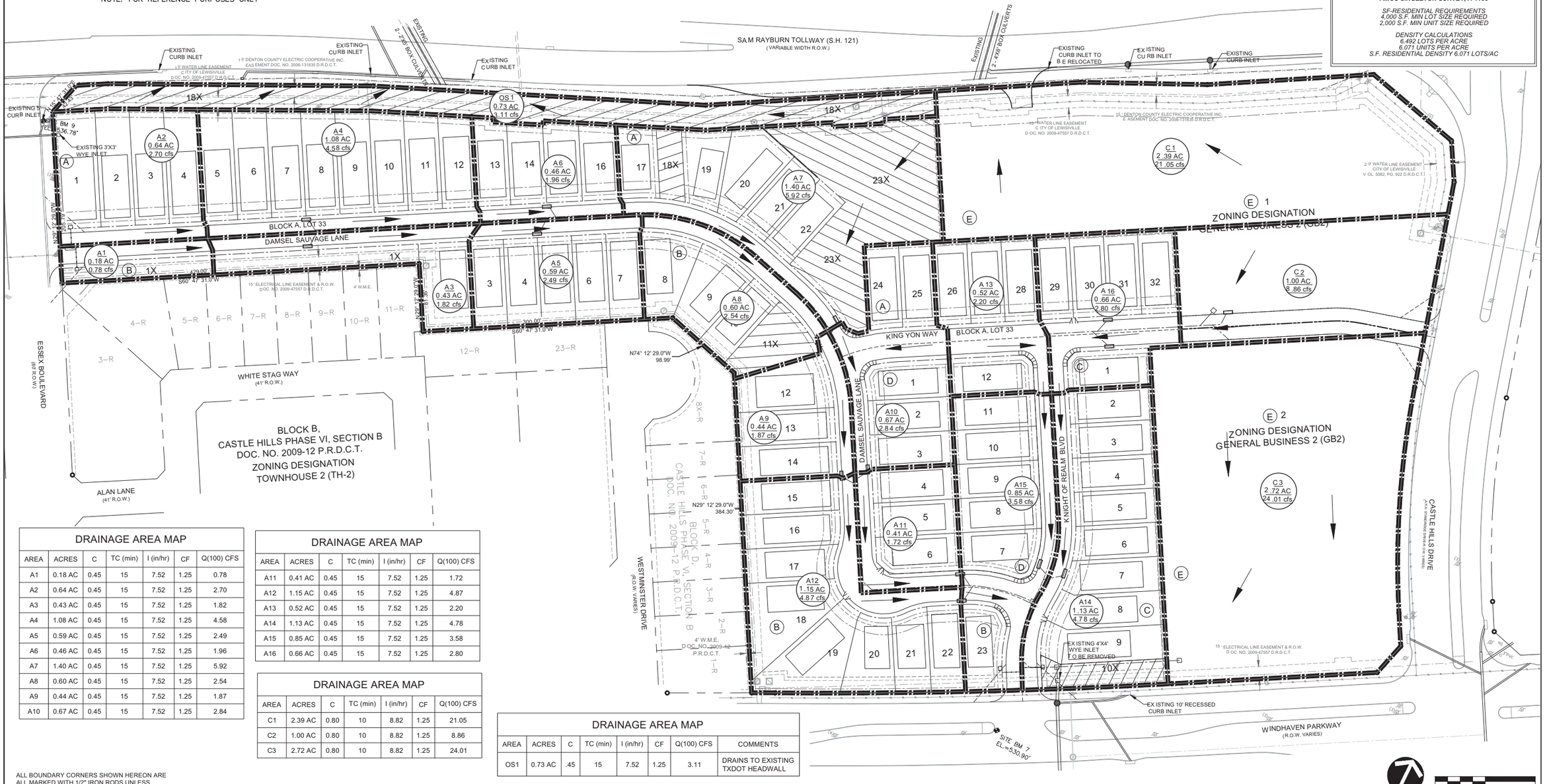

DRAINAGE AREA MAP						
AREA	ACRES	C	TC (min)	I (in/hr)	CF	Q(100) CFS
A1	0.18 AC	0.45	15	7.52	1.25	0.78
A2	0.64 AC	0.45	15	7.52	1.25	2.70
A3	0.43 AC	0.45	15	7.52	1.25	1.82
A4	1.08 AC	0.45	15	7.52	1.25	4.58
A5	0.59 AC	0.45	15	7.52	1.25	2.49
A6	0.46 AC	0.45	15	7.52	1.25	1.96
A7	1.40 AC	0.45	15	7.52	1.25	5.92
A8	0.60 AC	0.45	15	7.52	1.25	2.54
A9	0.44 AC	0.45	15	7.52	1.25	1.87
A10	0.67 AC	0.45	15	7.52	1.25	2.84

DRAINAGE AREA MAP						
AREA	ACRES	C	TC (min)	I (in/hr)	CF	Q(100) CFS
A11	0.41 AC	0.45	15	7.52	1.25	1.72
A12	1.15 AC	0.45	15	7.52	1.25	4.87
A13	0.52 AC	0.45	15	7.52	1.25	2.20
A14	1.13 AC	0.45	15	7.52	1.25	4.78
A15	0.85 AC	0.45	15	7.52	1.25	3.58
A16	0.66 AC	0.45	15	7.52	1.25	2.80

DRAINAGE AREA MAP						
AREA	ACRES	C	TC (min)	I (in/hr)	CF	Q(100) CFS
C1	2.39 AC	0.80	10	8.82	1.25	21.05
C2	1.00 AC	0.80	10	8.82	1.25	8.86
C3	2.72 AC	0.80	10	8.82	1.25	24.01

DRAINAGE AREA MAP							
AREA	ACRES	C	TC (min)	I (in/hr)	CF	Q(100) CFS	COMMENTS
OS1	0.73 AC	.45	15	7.52	1.25	3.11	DRAINS TO EXISTING TXDOT HEADWALL

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TBPE F- 14754
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Irving, Texas 75039
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www.LandDesign.com

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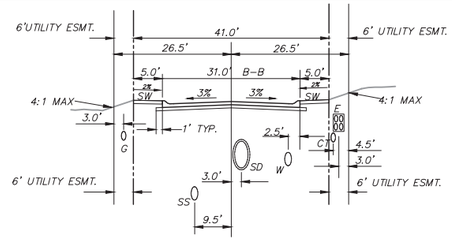
BRIAN J. DENCH, P.E. TEXAS REG. NO. 88275
DATE: MAY 6, 2016

REALM WEST
City of Lewisville, Denton County, Texas
DCFWSD No 1-F
PROPOSED DRAINAGE AREA MAP

REVISIONS:

DATE: 05/06/2016
DESIGNED BY:
DRAWN BY:
CHECKED BY:
Q.C. BY:
SCALE:
PROJECT #: 85150.9

SHEET #:
6



TYPICAL 41 FT. PUBLIC ACCESS, DRAINAGE, AND UTILITY EASEMENT UNDIVIDED STREET SECTION WITH ROLLOVER CURB

(NTS)

NOTE: FOR REFERENCE PURPOSES ONLY

LEGEND

PROPOSED CURB INLET

PROPOSED STORM DRAINAGE

OWNER/ DEVELOPER	Breco Lands CH LLC 2520 King Arthur Blvd. Suite 200 Lewisville, TX 75056 Contact: Aaron Ketchand Phone: (972)-410-6569
ENGINEER	LandDesign, Inc. 222 West Las Colinas Boulevard, Suite 1405N Irving, Texas 75039 Contact: Brian Dench (214)-785-6009
DISTRICT	Denton County Fresh Water District No. 1-F 2540 King Arthur Blvd. Suite 220 Lewisville, Texas 75056 Contact: Phil Brosseau (972)-899-4000

PRELIMINARY PLAT
CASTLE HILLS - REALM WEST
18.06 TOTAL ACRES
79 TOTAL LOTS

41' LOTS ±11.95 ACRES

ZONING DESIGNATION - ETH

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BLOCK E, LOTS 1 AND 2

CITY OF LEWISVILLE E.T.J.
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out of the
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SF-RESIDENTIAL REQUIREMENTS
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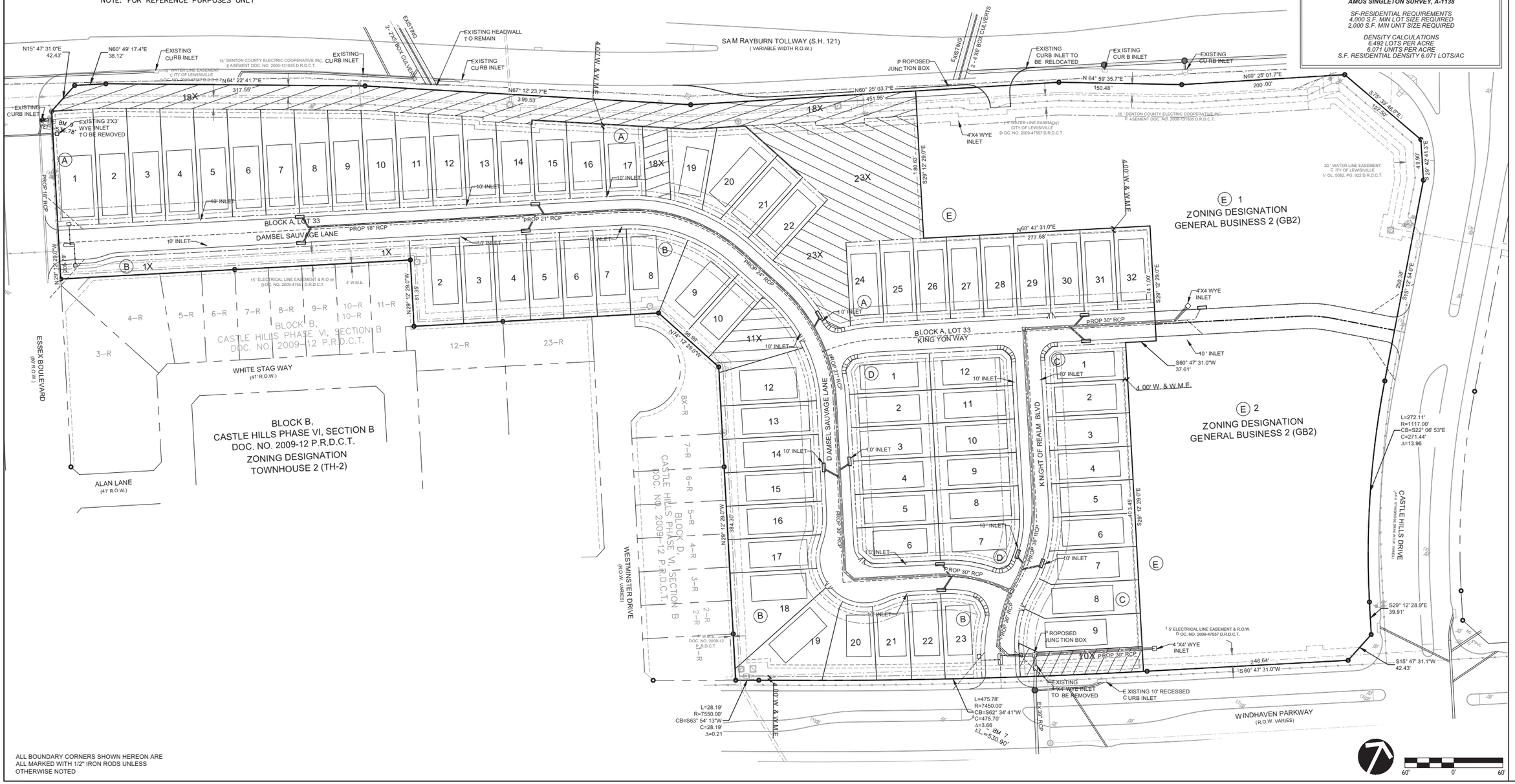

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BRIAN J. DENCH, P.E. TEXAS REG. NO. 88275
DATE: MAY 6, 2016

REALM WEST
City of Lewisville, Denton County, Texas
DCFWSD No 1-F
DRAINAGE PLAN

REVISIONS:

DATE: 05/06/2016
DESIGNED BY:
DRAWN BY:
CHECKED BY:
Q.C. BY:
SCALE:
PROJECT #: 85150.19

SHEET #:
7

NORTH TEXAS TOLLWAY AUTHORITY

Kenneth Barr
Chairman
Tarrant County

Bill Moore
Vice Chairman
Collin County

William D. Elliott
Director
Governor's Appointee

Matrice Ellis-Kirk
Director
Dallas County

Mojy Haddad
Director
Tarrant County

John Mahalik
Director
Denton County

Michael R. Nowels
Director
Denton County

George (Tex) Quesada
Director
Dallas County

Jane Willard
Director
Collin County

Gerald E. Carrigan
Executive Director

P.O. Box 260729
Plano, TX 75026

5900 W. Plano Parkway
Plano, TX 75093

(214) 461-2000
Fax (214) 528-4826
www.ntta.org

May 17, 2016

City of Lewisville Planning and Zoning Commission:

It is NTTA's goal to work with our corridor cities to minimize any unintended consequences as a result of new residential development along our roadways and in this case, specifically related to noise.

It is our understanding that the proposed development described in the preliminary plat for Castle Hills is a residential land use and is located adjacent to the Sam Rayburn Tollway (SRT). The sound wall locations and design requirements along the SRT were determined in accordance with the National Environmental Policy Act (NEPA) and documented in the Final Environmental Impact Statement approved by the Federal Highway Administration as well as subsequent environmental approvals. The documents analyzed noise impacts and abatement in accordance to all applicable federal and state regulations for the existing configuration.

We respectfully ask that the City notify the developer of its responsibility to provide appropriate noise abatement for the new development and ensure they are aware NTTA will not provide additional noise mitigation.

We appreciate our longstanding partnership with the City. If you have any questions, please do not hesitate to contact me at (214)224-2157 or emow@ntta.org.

Respectfully,

Elizabeth Mow

Elizabeth Mow, P.E.
Assistant Executive Director of Infrastructure

LandDesign.

urban design planning civil engineering branding landscape architecture

May 10, 2016

Ms. Nika Reinecke
Director of Economic Development & Planning
City of Lewisville
Department of Community Development
151 W. Church Street
Lewisville, Texas 75029

RE: Castle Hills Development Realm West
Preliminary Plat
18.06 acres
Lewisville E.T.J., Texas

Dear Ms. Reinecke:

This letter is being sent to the City of Lewisville to request variances from the City's General Development Ordinance for the Castle Hills Development Realm West project. The variances listed and described below are necessary for the development of this property due to space, alignment, and existing grade limitations. The property in question is located at the northwest corner of the Windhaven Parkway and Castle Hills Drive intersection. The property is bounded by SH 121 to the north, Castle Hills Drive to the east, Windhaven Parkway to the south, and Essex Drive to the west.

We are requesting the following three variances for this proposed mixed-use development:

Variance A: Requesting to allow a 41-foot street easement with adjacent 6-foot sidewalk and utility easement in lieu of the required 50 foot Right-Of-Way.

Due to the type of product anticipated, it would be desirable to increase the size of the building pads, and increase the useable space on each lot by moving the front setback as far forward as possible on each lot. To accomplish this, we propose to plat this property with 41 ft. wide street easement, with adjacent 6 ft. wide Sidewalk and Utility Easements on each side of the right-of-way; for an effective width of 53 ft.

222 West Las Colinas Boulevard
Suite 1405 N
Irving, TX 75039

V: 214.785.6009
F: 214.329.1112

www.LandDesign.com

Washington DC
Charlotte NC
Raleigh NC
Dallas TX

Variance B: Requesting to waive the alley requirement for lots less than 10,000 Sq. Ft in area.

Due to the type of product anticipated, it would be desirable to increase the size of the building pads, and increase the useable space on each lot by not incorporating alleys into the proposed development.

Variance C: Requesting to allow private streets and gated community. H.O.A. to maintain.

We are requesting this variance to allow the development of a controlled access community similar to the Castle Hills Golf Villas Phases I and III projects.

Variance D: Requesting to allow public utilities in an easement under private paving.

We are requesting this variance so that the location of the utilities within this development will be consistent with other developments within Castle Hills.

Bright Realty appreciates the City's consideration to this request and looks forward to a favorable approval. Should you have any questions, please feel free to contact us.

On Behalf of Bright Realty,

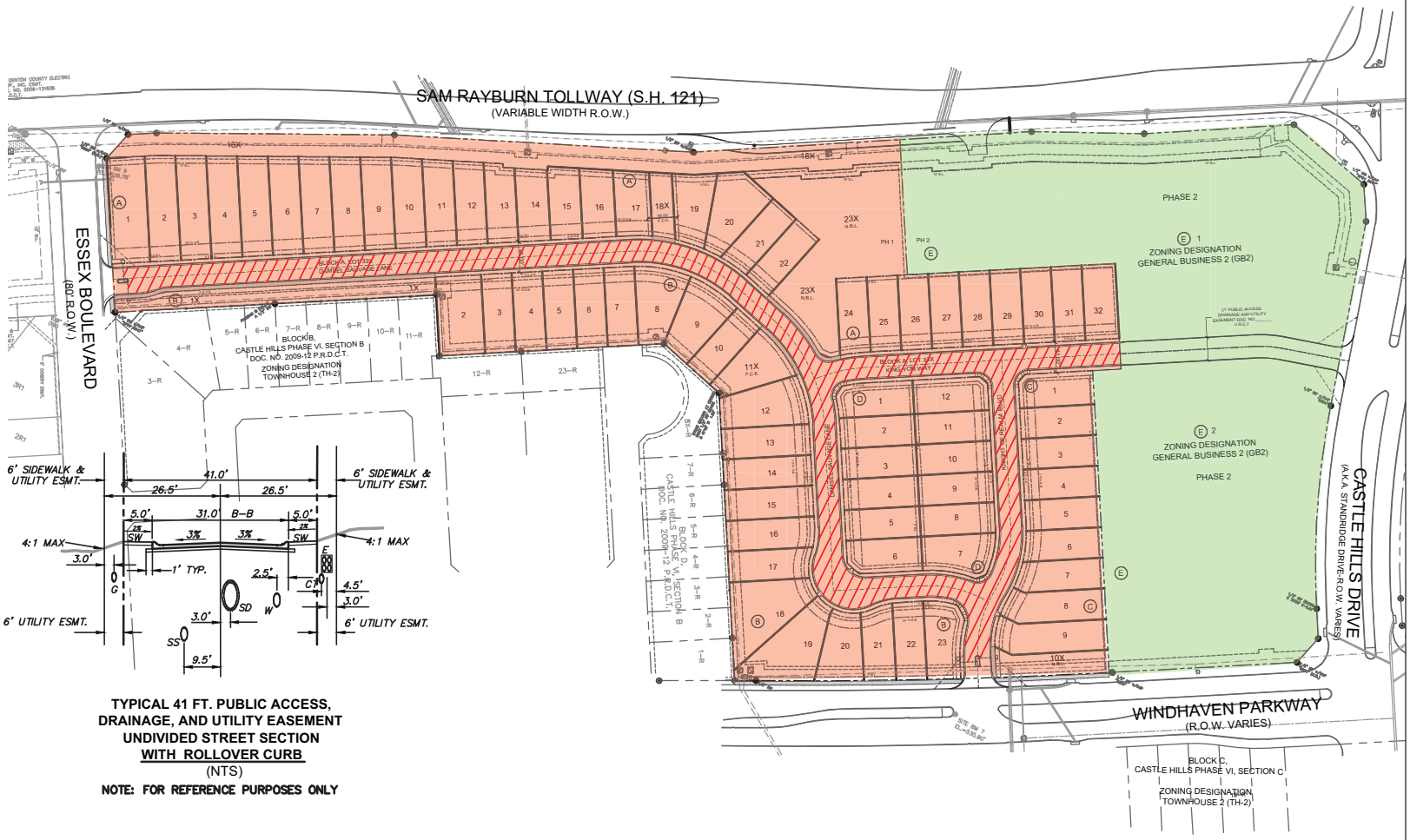
LANDDESIGN, INC.
TBPE F-14754

Brian J. Dench, P.E.
Director of Civil Engineering

Cc: Aaron Ketchand, Bright Realty, LLC

Residential Development

Commercial Development



TYPICAL 41 FT. PUBLIC ACCESS, DRAINAGE, AND UTILITY EASEMENT UNDIVIDED STREET SECTION WITH ROLLOVER CURB
(NTS)
NOTE: FOR REFERENCE PURPOSES ONLY

VARIANCE REQUESTED

A. TO ALLOW A 41 FT. STREET EASEMENT WITH 6.0 FT SIDEWALK AND UTILITY EASEMENT IN LIEU OF THE REQUIRED 50 FT RIGHT OF WAY.

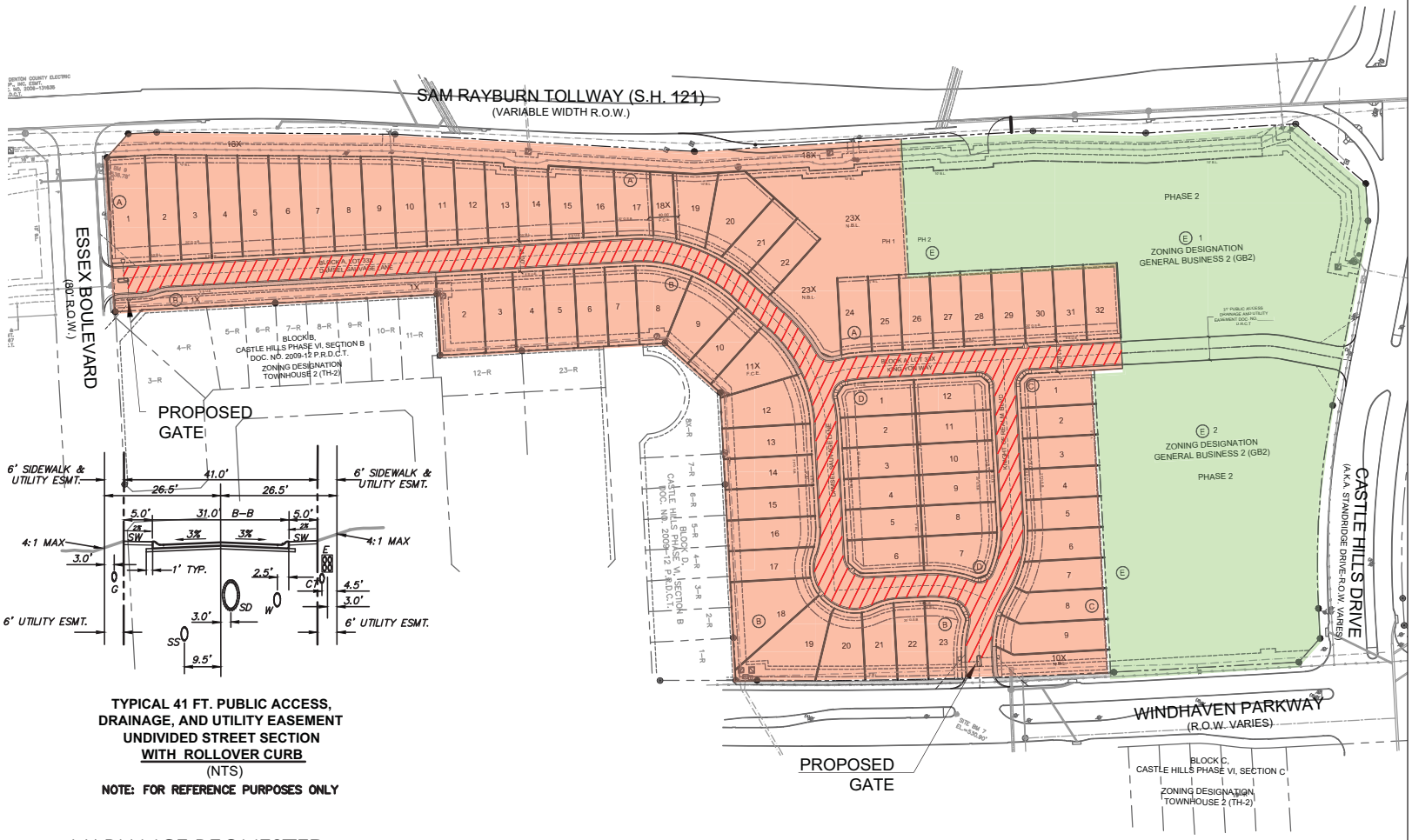
LandDesign
223 W. LAS COLINAS BLVD. SUITE 1405N, IRVING, TX 75039
V: 214.785.6009 F: 214.329.1112
www.LandDesign.com

CASTLE HILLS REALM WEST
PRELIMINARY PLAT
18.06 ACRES
ZONING DESIGNATION: TH2 and GB2
VARIANCE "A"

Date: 05-10-2016
Scale: 1"=200'
Project #:
Sheet #:

Residential Development

Commercial Development



TYPICAL 41 FT. PUBLIC ACCESS, DRAINAGE, AND UTILITY EASEMENT UNDIVIDED STREET SECTION WITH ROLLOVER CURB

(NTS)

NOTE: FOR REFERENCE PURPOSES ONLY

VARIANCE REQUESTED

C. TO ALLOW PRIVATE STREETS AND GATED COMMUNITY. HOA TO MAINTAIN.

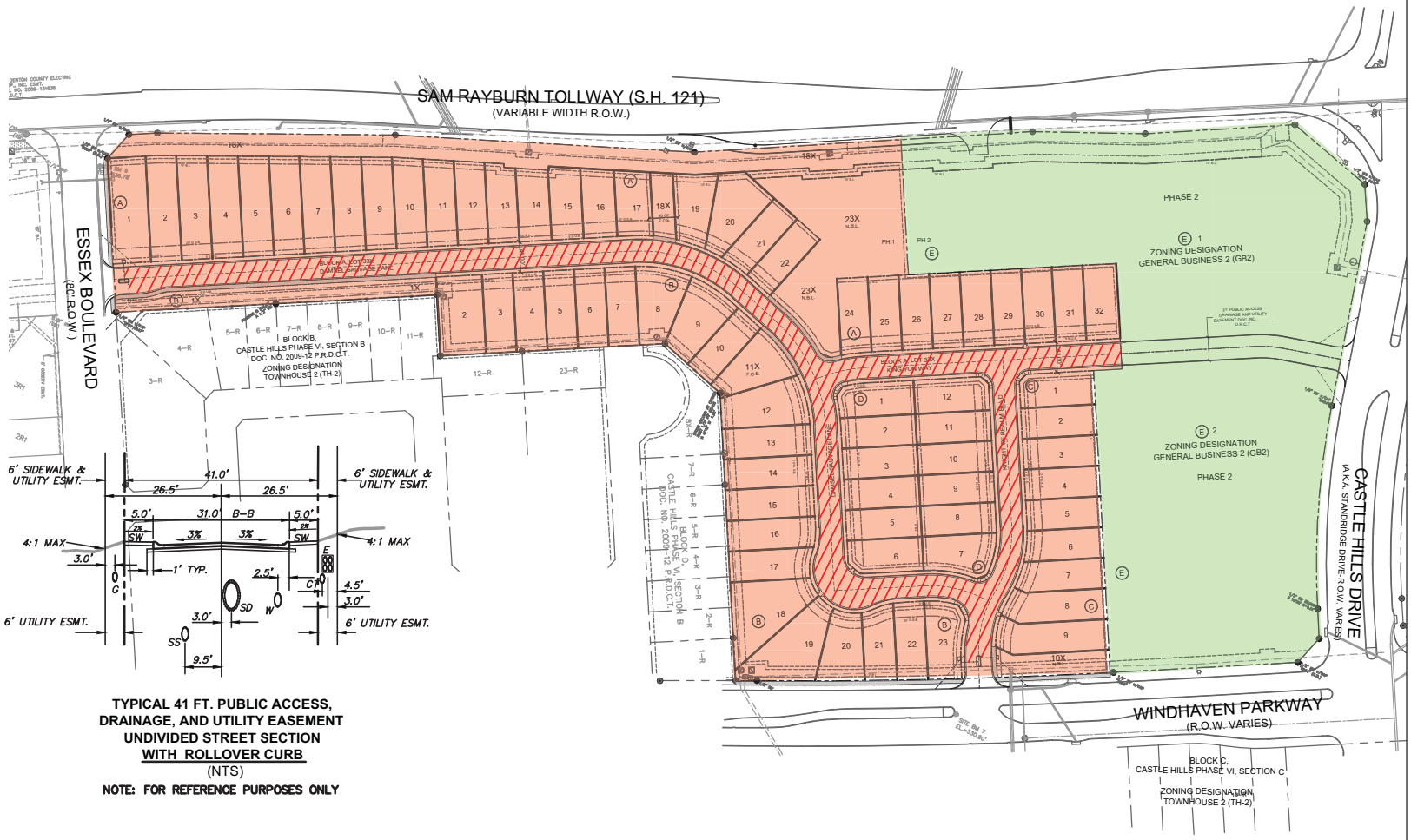
LandDesign
223 W. JAS COUNAS BLVD. SUITE 140SN, IRVING, TX 75039
V: 214.785.6009 F: 214.329.1112
www.LandDesign.com

CASTLE HILLS REALM WEST
PRELIMINARY PLAT
18.06 ACRES
ZONING DESIGNATION: TH2 and GB2
VARIANCE "C"

Date: 05-10-2016
Scale: 1"=200'
Project #:
Sheet #:

Residential Development

Commercial Development



TYPICAL 41 FT. PUBLIC ACCESS, DRAINAGE, AND UTILITY EASEMENT UNDIVIDED STREET SECTION WITH ROLLOVER CURB
(NTS)
NOTE: FOR REFERENCE PURPOSES ONLY

VARIANCE REQUESTED

D. TO ALLOW PUBLIC UTILITIES IN AN EASEMENT UNDER PRIVATE PAVEMENT.

LandDesign
223 W. LAS COLINAS BLVD. SUITE 1405N, IRVING, TX 75039
V: 214.785.6009 F: 214.329.1112
www.LandDesign.com

CASTLE HILLS REALM WEST
PRELIMINARY PLAT
18.06 ACRES
ZONING DESIGNATION: TH2 and GB2
VARIANCE "D"

Date: 05-10-2016
Scale: 1"=200'
Project #:
Sheet #:

MEMORANDUM

TO: Donna Barron, City Manager

FROM: George Babineaux II, Assistant Building Official

VIA: Cleve Joiner, Director of Neighborhood Services

DATE: May 17, 2016

SUBJECT: **Consideration of a Variance to the Lewisville City Code, Section 4-28, Temporary Structures and Uses Regarding Three Temporary Buildings for Classroom Use to be Located at 1301 Waters Ridge Dr, as Requested by William Chandler on Behalf of Responsive Education Solutions, the Property Owner.**

BACKGROUND

Responsive Education Solutions desires to locate three temporary classrooms on the existing school property located at 1301 Waters Ridge Dr. The three temporary buildings are needed to accommodate additional students in the rapidly growing school. The construction of a new 2-story classroom building is schedule to be completed in July of 2017. The three temporary classroom buildings will be needed for the school year beginning August 2016 through July 2017 and will be removed upon the completion of the new 2-story classroom building. The LISD has a standing variance for this use however, this is not part of LISD.

ANALYSIS

The three temporary classrooms for Responsive Education Solutions are proposed to be located on the eastside of the existing building. The addition of the three temporary classrooms is under ten percent of the existing main building and does not trigger an engineering site plan. The proposed classroom addition is relatively small compared to the size of the lot so staff is not opposed to the variances based on the current proposal. There are no impacts to fire access or parking. Past request approved by Council include:

- July 19, 2010 - Parkway Baptist, 1165 Round Grove Rd. 10 Years
- February 21, 2012 - The Victorious Life Church, 2671 MacArthur Blvd. 10 years
- April 10, 2012 to Vista Academy, 1010 Bellaire Blvd. 8 to 10 years.
- September 3, 2012 to Bethel Dallas Church, 2680 MacArthur Blvd. 2 years
- March 3, 2014 to Bethel Dallas Church, 2680 MacArthur Blvd adding one (1) additional to total three (3) temporary classroom and extending the time period for all two (2) more years

RECOMMENDATION

That the City Council consider the variance request provided that the temporary classroom be used for education purposes only, and be removed upon completion of the new 2-story classroom building or August 31, 2017, whichever comes first.

RESPONSIVE ED

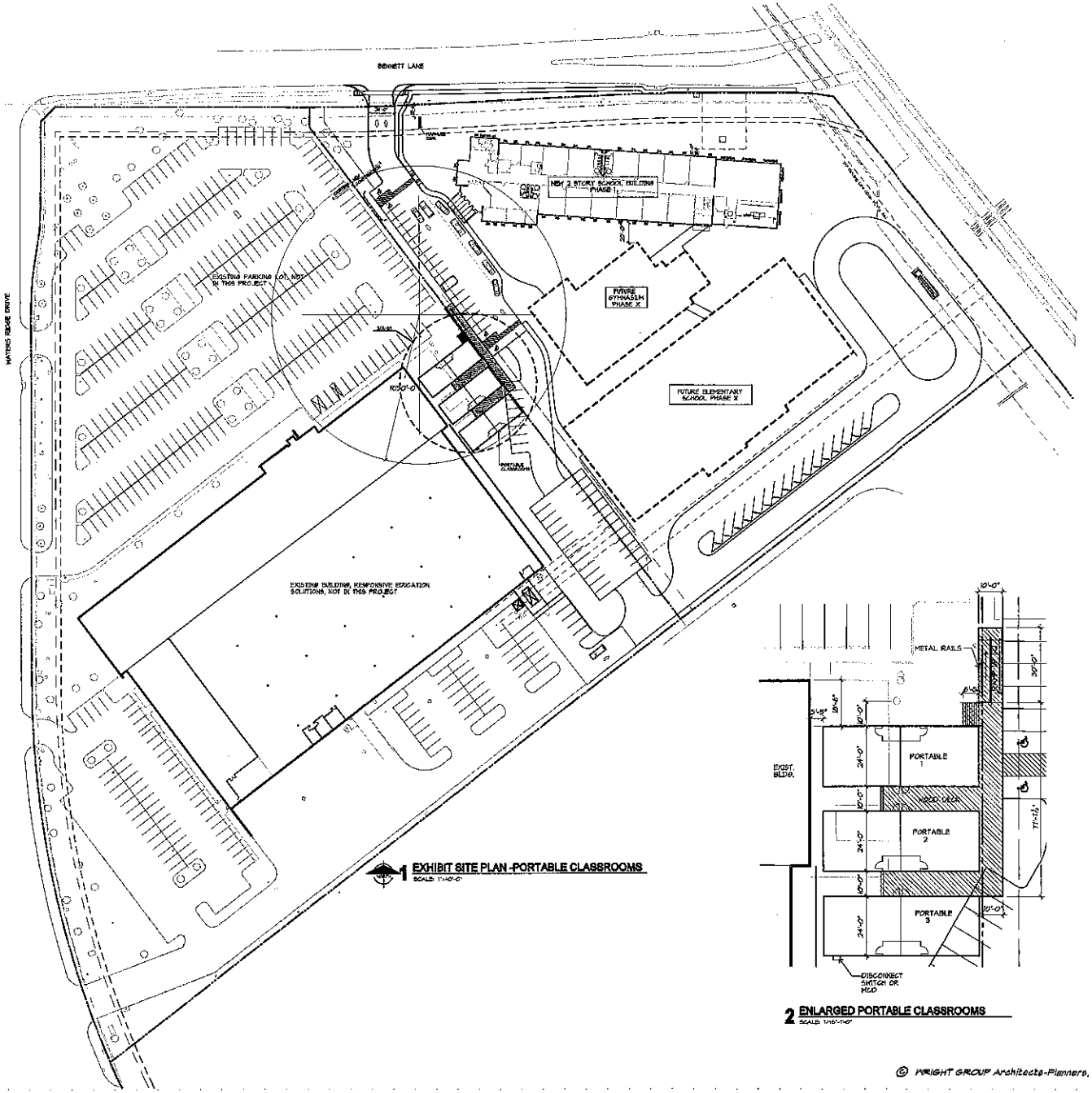
April 20, 2016

To whom it Concerns,

I would like to request a Variance to put in place 3 Portable Classrooms at 1301 Waters Ridge, Lewisville TX; these portable classrooms are to be for temporary basis in order to accommodate additional children and the growing need in the community. The construction of the new campus is scheduled to be completed by July 2017. The Portables will be needed for the school year from August 2016 through July 2017 and will be removed upon completion of this new campus. Thank you for the opportunity to allow us to serve the City of Lewisville and answer the call for this need in our community.

William Chandler
Facilities Supervisor
Responsive Education Solutions
1301 Waters Ridge, Lewisville TX 75057
972-316-3663 Ext. 227

VARIANCE REQUEST
FOR
1301 WATERS RIDGE DR
RESPONSIVE EDUCATION SOLUTIONS
TEMPORARY CLASSROOMS



1 EXHIBIT SITE PLAN -PORTABLE CLASSROOMS
SCALE 1"=10'-0"

2 ENLARGED PORTABLE CLASSROOMS
SCALE 1/16"=1'-0"

WRIGHT GROUP
ARCHITECTS - PLANNERS, PLLC
1110 S. ELM STREET
CARROLLTON, TEXAS
7 5 0 0 6
(972) 242-1015

NOT FOR REGULATORY APPROVAL, PERMITTING, OR CONSTRUCTION

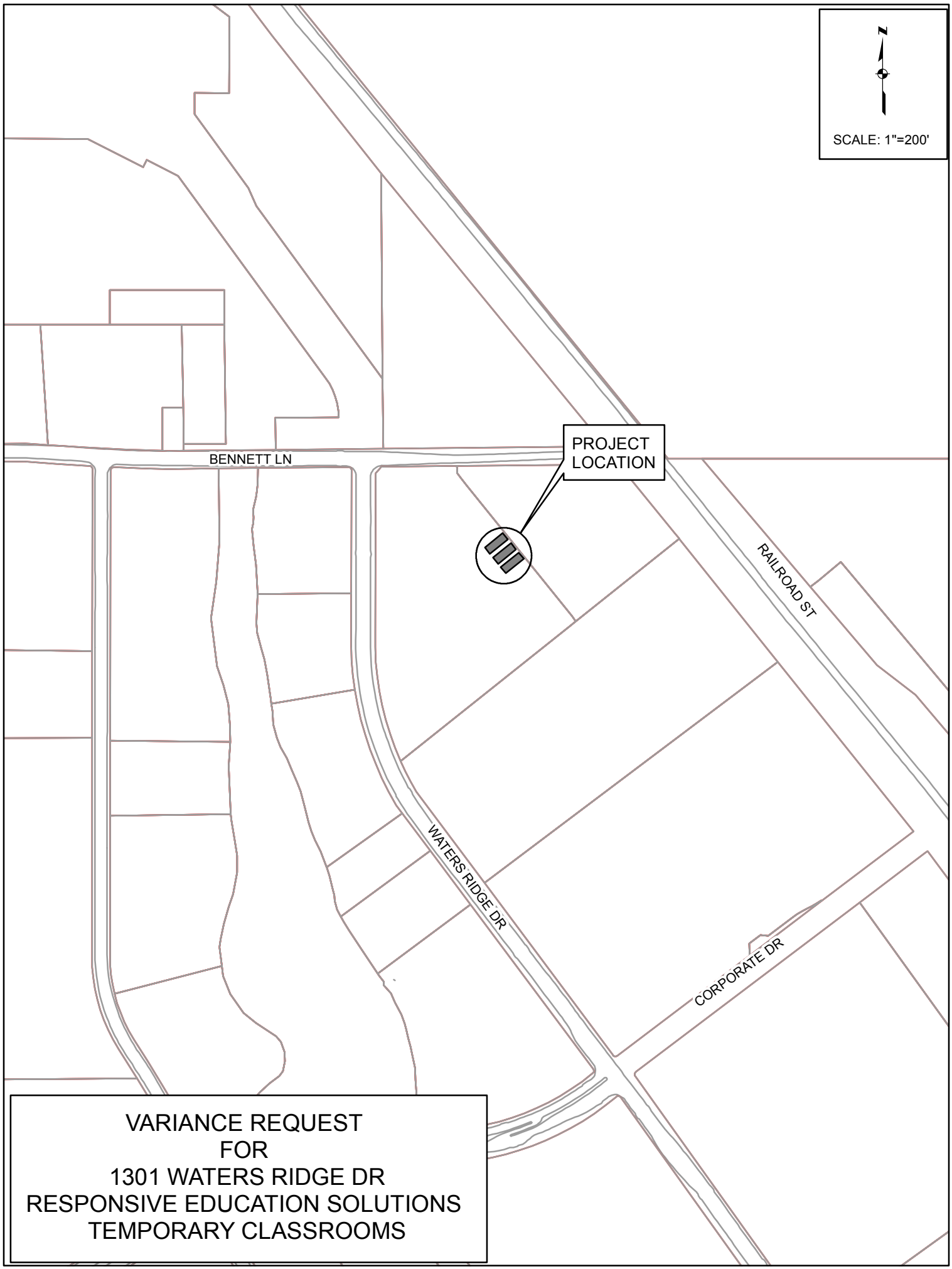
Responsive Education Solutions

Bennett Lane I High
Bennett Lane
Lewisville, Texas 75057

JOB NO. A1608-09
DATE March 29, 2016

SHEET NO.
A-101
OF

© WRIGHT GROUP Architects-Planners, PLLC, 2016



VARIANCE REQUEST
FOR
1301 WATERS RIDGE DR
RESPONSIVE EDUCATION SOLUTIONS
TEMPORARY CLASSROOMS

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LEWISVILLE, TEXAS AMENDING ORDINANCE NO. 4062-04-2014 FOR THE CONTRACT AND EXCLUSIVE FRANCHISE FOR COLLECTION OF RESIDENTIAL GARBAGE, REFUSE, YARD WASTE, BULKY WASTE, RECYCLABLES, CONTAINERIZED COMMERCIAL SOLID WASTE AND MULTI-FAMILY RECYCLING WITHIN THE CITY OF LEWISVILLE, TEXAS BY DELETING THE EXISTING ATTACHMENT C AND ATTACHMENT D AND REPLACING WITH A NEW ATTACHMENT C AND ATTACHMENT D; PROVIDING A REPEALER; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Lewisville, Texas, has determined that for the health, welfare, and safety of its citizens, it is desirable that certain amendments to Ordinance No. 4062-04-2014 for the contract and exclusive franchise for collection of residential garbage, refuse, yard waste, bulky waste, recyclables, containerized commercial solid waste and multi-family recycling within the City of Lewisville, Texas, are necessary.

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

SECTION I. Ordinance No. 4062-04-2014 for the contract and exclusive franchise for collection of residential garbage, refuse, yard waste, bulky waste, recyclables, containerized commercial solid waste and multi-family recycling within the City of Lewisville, Texas, is hereby amended by deleting the Attachment C and Attachment D in their entirety and in their place inserting a new Attachment C and a new Attachment D, which are attached hereto and incorporated as if fully set forth herein.

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. EFFECTIVE DATE. This ordinance shall become effective thirty (30) days after its final passage.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF LEWISVILLE, TEXAS, BY A VOTE OF __4___ TO __0___, ON THIS THE 18th DAY OF APRIL, 2016.

SECOND AND FINAL READING BY THE CITY COUNCIL OF THE CITY OF LEWISVILLE, TEXAS, ON SECOND READING ON THIS 6TH DAY OF JUNE, 2016.

APPROVED:

_____
Rudy Durham, MAYOR

ATTEST:

_____
Julie Heinze, CITY SECRETARY

APPROVED AS TO FORM:

_____
Lizbeth Plaster, CITY ATTORNEY

ORDINANCE NO. _____

AN ORDINANCE OF THE LEWISVILLE CITY COUNCIL, AMENDING CHAPTER 8, MISCELLANEOUS OFFENSES, OF THE LEWISVILLE CITY CODE; BY REPEALING SECTION 8-5, E-CIGARETTE REGULATIONS, IN ITS ENTIRETY, PROVIDING FOR A REPEALER, SEVERABILITY, AND AN EFFECTIVE DATE; AND DECLARING AN EMERGENCY.

WHEREAS, during the 84th Legislative Session, the Texas Legislature passed Senate Bill 97, now codified in Chapter 161 of the Texas Health & Safety Code, governing the sale of e-cigarettes, including the sale to minors; and,

WHEREAS, state law now prohibits the sale of e-cigarettes and their components, parts, or accessories to minors; and,

WHEREAS, the City Council finds that Section 8-5, E-Cigarette regulations, of the Code of Ordinances of the City of Lewisville, Texas, prohibiting the sale of e-cigarettes to minors, is no longer necessary.

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

SECTION 1. Section 8-5, E-cigarette regulations, of the Code of Ordinances of the City of Lewisville, Texas is hereby repealed in its entirety.

SECTION 2. REPEALER. Every ordinance or parts of ordinances found to be in conflict herewith are hereby repealed.

SECTION 3. 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 4. EFFECTIVE DATE. This ordinance shall become effective immediately upon its passage and publication as required by law.

SECTION 5. 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 6th DAY OF JUNE, 2016.

APPROVED:

_____
Rudy Durham, MAYOR

ATTEST:

_____
Julie Heinze, CITY SECRETARY

APPROVED AS TO FORM:

_____
Lizbeth Plaster, CITY ATTORNEY

MEMORANDUM

TO: Donna Barron, City Manager

FROM: Claire Swann, Assistant City Manager

DATE: May 22, 2016

SUBJECT: **Consideration of an Ordinance Amending Sections 3-156 and 3-159 of the Lewisville City Code Regarding Regulations for Keeping of Domestic Chickens in the City.**

BACKGROUND

At the April 11th workshop, staff briefed the City Council on our current regulations for keeping domestic chickens within the City. Among other restrictions, the City currently allows residents to keep domestic chickens if their lot is at least 7,500 square feet in area, if the coop and enclosure is setback at least 25 feet from the nearest point of adjacent residential or commercial buildings, and if the coop and enclosure is setback at least ten feet from the homeowner's primary structure.

Staff proposed various options to lessen these restrictions. At the April 11th workshop, City Council directed staff to eliminate the 7,500 square foot minimum lot size requirement and the ten-foot minimum setback from the homeowner's primary structure. The proposed ordinance makes these changes.

ANALYSIS

The proposed changes to the Lewisville City Code will still require citizens who desire to keep domestic chickens on their property to obtain an annual permit from Animal Services. Permits can be issued once an application has been submitted and inspections and regulations have been met. The only changes are:

(a) Removing the lot size requirement, and
(b) Removing the 10 foot setback requirement from the primary structure.

RECOMMENDATION

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

ORDINANCE NO. _____

AN ORDINANCE OF THE LEWISVILLE CITY COUNCIL AMENDING CHAPTER 3, ANIMALS, OF THE LEWISVILLE CITY CODE, SECTIONS 3-156 AND 3-159 TO AMEND THE REGULATIONS REGARDING CHICKENS; PROVIDING FOR A REPEALER, SEVERABILITY AND A PENALTY; 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, Chapter 3 are necessary.

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

SECTION 1. Chapter 3, Section 3-156(a) of the Lewisville City Code is hereby amended by deleting the current language in its entirety and in its place inserting the following new language:

Sec. 3-156. - Location, number and type of chickens allowed.

(a) *Detached single-family lots on less than one acre.* Chickens shall be allowed as follows:

(1) The maximum number of chickens allowed per lot is six; provided that, there are no other regulated animals, as specified in section 3-63 of this Code, being kept on the same lot. If there are other regulated animals on the same lot, there shall be no more than an aggregate total of six animals in any combination, including chickens, dogs, cats, etc.

(2) Chickens must be kept in an enclosure or coop at all times.

(3) Only female chickens are allowed.

(4) No roosters are allowed.

(5) There is no restriction on chicken species.

(6) Chickens shall not be allowed to be kept inside the primary residence (including a garage).

SECTION 2. Chapter 3, Section 3-159(a) of the Lewisville City Code is hereby amended by deleting the current language in its entirety and in its place inserting the following new language:

Sec. 3-159. - Setbacks.

(a) *Detached single-family lots on less than one acre.*

(1) Coops and/or enclosures, whichever is nearer, shall be no less than 25 feet from any adjacent residential or commercial building.

(2) Measurement shall be made from the nearest point of the coop/enclosure to the closest point of the primary residential structure and/or adjacent residential or commercial building.

SECTION 3. REPEALER. Every ordinance or parts of ordinances found to be in conflict herewith are hereby repealed.

SECTION 4. 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 5. 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 $500.00 for each offense, and each and every day such offense is continued shall constitute a new and separate offense.

SECTION 6. 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 7. 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 6th DAY OF JUNE, 2016.

APPROVED:

_____
Rudy Durham, MAYOR

ATTEST:

_____
Julie Heinze, CITY SECRETARY

APPROVED AS TO FORM:

_____
Lizbeth Plaster, CITY ATTORNEY

MEMORANDUM

TO: Donna Barron, City Manager

FROM: Cleve Joiner, Director of Neighborhood Services

VIA: Claire Swann, Assistant City Manager

DATE: June 6, 2015

SUBJECT: **Consideration of an Ordinance Amending the Lewisville City Code, Chapter 4, by Adopting the National Electric Code 2014 Edition With Local Amendments and Standards.**

BACKGROUND

City Council adopted the 2015 edition of the International Codes with NCTCOG amendments on May 2, 2016. After that meeting, Staff realized that the National Electrical Code (NEC) was omitted from the agenda caption, and therefore, the NEC and its local amendments are being brought back to City Council for adoption. State law requires that the City apply the 2014 NEC. Formal adoption, however, allows us to write tickets for enforcement and make the local amendments described in this memorandum.

ANALYSIS

Effective September 21, 2015, the Texas Department of Licensing and Regulation (TDLR) set the 2014 NEC as the state electrical code, mandating that all governmental agencies apply the 2014 NEC. TEX. OCC. CODE 1305.101(a)(2). Building Inspection has complied with this mandate. The NCTCOG did not propose any local amendments to the NEC, but Staff recommended the following local amendments to tailor the NEC to our own codes:

The City Council shall act as the Board of Appeals

Permit Fees. Fees shall be assessed as set forth in the City Code, Chapter 2, Section 2-201.

Plan Review Fees. Fees shall be assessed as set forth in the City Code, Chapter 2, Section 2-201.

Investigation Fee. Fees shall be assessed as set forth in the City Code, Chapter 2, Section 2-201.

Re-inspections. Fees shall be assessed as set forth in the City Code, Chapter 2, Section 2-201.

All electrical wiring regulated by this code shall be copper except that conductors for service entrances and major feeders (250 mcm through and including 500 mcm) may be aluminum.

In supplying electrical service to multifamily dwellings, two or more laterals or service drops shall be permitted to a building when both of the following conditions are met:

a. The building has six or more individual gang meters and all meters are grouped at the same location.
b. Each lateral or service drop originates from the same point of service.

RECOMMENDATION

It is City staff's recommendation that the City Council adopt the 2014 National Electric Code with the proposed local amendments.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LEWISVILLE, TEXAS, AMENDING ARTICLE III, ELECTRICAL STANDARDS; SECTION 4-46, 4-47 AND 4-48 OF THE CODE OF ORDINANCES OF THE CITY BY ADOPTING THE NATIONAL ELECTRICAL CODE 2014 EDITION PUBLISHED BY THE NATIONAL FIRE PROTECTION ASSOCIATION AND RELATED MATTERS; AND DELETING THE CURRENT LANGUAGE IN SECTION 4-46, 4-47 and 4-48 PROVIDING A REPEALER; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR A PENALTY; PROVIDING FOR AN EFFECTIVE DATE; AND DECLARING AN EMERGENCY. AND DECLARING AN EMERGENCY.

WHEREAS, the City Council of the City of Lewisville has determined that to safeguard life, health, property, and public welfare, certain amendments to Article III, Electrical Standards of the Lewisville City Code are necessary.

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

SECTION 1. Amending Section 4-46 (Electrical Code – Adopted) of Article III (Electrical Standards) of Chapter 4 (Buildings and Building Regulations of the Lewisville City Code. Section 4-46 (Electrical Code – Adopted) of Article III (Electrical Standards) of Chapter 4 (Buildings and Building Regulations of the Lewisville City Code is hereby amended to read as follows:

"Sec. 4-46. Electrical Code – Adopted.

The 2014 edition of the National Electrical Code of the National Fire Protection Association and all of its annexes are hereby adopted as the electrical code for the City with such local amendments as set forth in this Article. A copy of this code is filed in the office of the building inspections division of the community development department."

SECTION 2. Amending Section 4-47 (Same – Amendments) of Article III (Electrical Standards) of Chapter 4 (Buildings and Building Regulations of the Lewisville City Code. Section 4-47 (Same – Amendments) of Article III (Electrical Standards) of Chapter 4 (Buildings and Building Regulations of the Lewisville City Code is hereby amended to read as follows:

"**Sec. 4-47. Same—Amendments.**

The following revisions to the National Electrical Code adopted in section 4-46 are and shall become a part of the electrical code for the city:

Section 90.4.1; add this new section to read as follows:

90.4.1 General. The City Council shall act as the Board of Appeals when the need to determine the suitability of alternate materials and methods of installation exist. They shall also provide reasonable interpretations of this code in cases of variance requests or conflicts.

Section 90.4.2; add these new sections to read as follows:

90.4.2 Fees.

(A) Permit Fees. Fees shall be assessed as set forth in the City Code, Chapter 2, Section 2-201.

(B) Plan Review Fees. Fees shall be assessed as set forth in the City Code, Chapter 2, Section 2-201.

(C) Investigation Fee. Fees shall be assessed as set forth in the City Code, Chapter 2, Section 2-201.

(D) Re-inspections. Fees shall be assessed as set forth in the City Code, Chapter 2, Section 2-201.

Section 230.2(A); add a seventh special condition as follows:

(7) In supplying electrical service to multifamily dwellings, two or more laterals or service drops shall be permitted to a building when both of the following conditions are met:

a. The building has six or more individual gang meters and all meters are grouped at the same location.
b. Each lateral or service drop originates from the same point of service.

Section 230.71(A) amend to read and add an exception as follows:

(A) General. The service disconnecting means for each service permitted by section 230.2, or for each set of service-entrance conductors permitted by section 230.40, exception nos. 1 or 3, shall consist of not more than six switches or six circuit breakers mounted in a single enclosure, in a group of separate enclosures, or in or on a switchboard. There shall be no more than six disconnects per service grouped in any one location. *{Remainder of section unchanged.}*

> **Exception**: Multi-occupant buildings. Individual service disconnecting means is limited to six for each occupant. The number of individual disconnects at one location may exceed six."

Section 300.1(A); add new language to read as follows:

300.1 (A) General requirements. All electrical wiring regulated by this code shall be copper except that conductors for service entrances and major feeders (250 mcm through and including 500 mcm) may be aluminum.

SECTION 3. Amending Section 4-48 (Same – Additions) of Article III (Electrical Standards) of Chapter 4 (Buildings and Building Regulations of the Lewisville City Code. Section 4-48 (Same – Additions) of Article III (Electrical Standards) of Chapter 4 (Buildings and Building Regulations of the Lewisville City Code is hereby amended to read as follows:

"**Sec. 4-48. - Same—Additions.**

The following additions to the National Electrical Code adopted in section 4-46 are and shall become a part of the Electrical Code for the City.

(a) Licenses:

(1) General. It shall be unlawful for any person, firm or corporation to erect, construct, enlarge, alter, repair, move, improve, remove, convert or demolish, equip, use or maintain an electrical system or equipment who is not the holder of an unexpired, unrevoked license.

(2) License grades:

a. State Master Electrician License. Shall entitle the holder to contract for, and engage in, the business of electrical wiring of any nature.

b. State Journeyman Electrician License. Shall entitle the holder thereof to perform any type of electrical work, except that all work must be supervised by a State Master Electrician.

Exception: Homeowners performing electrical work on their private residences (rental property excluded) shall not be required to hold an electrical license. An apprentice electrician may perform work with a state license when such work is prescribed and supervised by the holder of a state master electrician's license. All work shall comply with the provisions of this division and the National Electrical Code.

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 violating any provision of this Ordinance shall be punished upon conviction by a fine not to exceed $2,000.00 for each offense, and each and every day such violation shall continue shall constitute a 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 6th DAY OF JUNE,

2016.

APPROVED:

_____
Rudy Durham, MAYOR

ATTEST:

_____
Julie Heinze, CITY SECRETARY

APPROVED AS TO FORM:

_____
Liz Plaster, CITY ATTORNEY

LEWISVILLE

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MEMORANDUM

TO: Mayor Rudy Durham
Mayor Pro Tem TJ Gilmore
Deputy Mayor Pro Tem Leroy Vaughn
Councilman R Neil Ferguson
Councilman Brandon Jones
Councilman Brent Daniels

FROM: Julie Heinze, City Secretary

DATE: June 1, 2016

SUBJECT: **Discussion and Consideration of Appointments to Various City Boards/Commissions/Committees.**

BACKGROUND

On June 30, various terms of office on the City's boards, commissions, and committees will be expiring. Those positions have been identified and current appointees notified. The Board/Commission/Committee Appointment Process Electronic Notebook has been created for City Council's review. Data sheets for members requesting reappointment and all new applicants have been included in the book along with attendance data for existing members requesting to be reappointed. City Council will need to identify interview teams, interview dates, and determine which team will interview which board, commission, or committee.

The following is a list of current board members that are interested in being reappointed:

Denise Jeffery	Place No. 2	Animal Services Advisory Committee
Ethel Strother	Place No. 4	Animal Services Advisory Committee (Staff Rep.
Jeanne Kule	Place No. 6	Animal Services Advisory Committee
Al DeBerry	Place No. 2	Arts Advisory Board (Employed by Hotel or Other Attraction)
Dr. Traci Gardner-Petteway	Place No. 6	Arts Advisory Board (Lewisville Resident)
Ken Lannin	Place No. 8	Arts Advisory Board (Lewisville Resident)
Eric Page	Place No. 2	CDBG Advisory Committee
Robert Paul	Place No. 6	CDBG Advisory Committee
Mary E. Smith	Place No. 4	Lewisville Housing Finance Corporation
Mary E. Smith	Place No. 2	Lewisville Industrial Development Corporation
Hurl Scruggs	Place No. 4	Lewisville Industrial Development Corporation

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Jennifer B Linde	Place No. 2	Library Board
Jean Ferguson	Place No. 4	Library Board
Rosario Klier	Place No. 6	Library Board
Jennifer Whitaker	Place No. 2	Oil & Gas Advisory Board
Steve Southwell	Place No. 4	Oil & Gas Advisory Board
Kathi Stock	Place No. 6	Oil & Gas Advisory Board
Amanda Ferguson	Place No. 2	Old Town Design Review Committee (OT Business Owner)
Andrea Fowler	Place No. 4	Old Town Design Review Committee (Lewisville Resident)
William Shull	Place No. 2	Park Board
Robert Troyer	Place No. 4	Park Board
James Collier	Place No. 6	Park Board
David Adkisson	Place No. 8	Park Board
MaryEllen Miksa	Place No. 3	Planning and Zoning Commission
Stephen C. Byars	Place No. 5	Planning and Zoning Commission
James Davis	Place No. 7	Planning and Zoning Commission
Kellier F. Stokes	Place No. 4	TIRZ, Number 1 Board of Directors
Phillip Huffines	Place No. 2	TIRZ, Number 2 Board of Directors
John Lyng	Place No. 4	TIRZ, Number 2 Board of Directors
Antonio Gallizzi	Place No. 2	Zoning Board of Adjustment
Debbie Ingledue	Place No. 4	Zoning Board of Adjustment
Douglas Hicks	Alternate No 2	Zoning Board of Adjustment

Should the City Council reappoint all the current members interested in being reappointed to their existing Board/Commission/Committee, the following vacancies will exist:

- Animal Services Advisory Committee – Place No. 1 (this was formerly Greg Tierney's position – due to his no longer being a City Councilmember a new City Councilmember will need to be appointed)
- Arts Advisory Board – Place No. 4 (Arts Patron; however, one of the Lewisville Resident position current members may be able to move into this requirement)
- Lewisville Housing Finance Corporation – Place No. 2
- Planning and Zoning Commission – Place No. 1
- Tax Increment Reinvestment Zone, No. 1, Board of Directors – Place No. 2
- Zoning Board of Adjustment – Place No. 4 (recommending moving up one of the Alternates and appointing a new Alternate Member)

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ANALYSIS

Please note when reviewing the data sheets behind each specific board of the electronic boards/commissions notebook, in the top right hand corner there is a notation if the applicant is a current member or new applicant. If they are a new applicant, it will show if this board is their first or second choice (when no applicants have selected a first or second choices for a particular board, applicants indicating a lower rated interest will be included). The electronic notebook contains the following information:

Bookmark 1	Appointment Directives
Bookmark 2:	List of 2016 Vacancies and Reappointment Considerations
Bookmark 3:	Interview Questions
Bookmark 4:	Re-appointees – 2016
Bookmark 5:	New Applicants List - 2016
Bookmark 6:	Animal Services Advisory Committee
Bookmark 7:	Arts Advisory Board
Bookmark 8:	Community Development Block Grant Committee
Bookmark 9:	Lewisville Housing Finance Corporation
Bookmark 10:	Lewisville Industrial Development Corporation
Bookmark 11:	Library Board
Bookmark 12:	Oil and Gas Advisory Board
Bookmark 13:	Old Town Design Review Committee
Bookmark 14:	Park Board
Bookmark 15:	Planning and Zoning Commission
Bookmark 16:	Tax Increment Reinvestment Zone #1
Bookmark 17:	Tax Increment Reinvestment Zone #2
Bookmark 18:	Zoning Board of Adjustment

RECOMMENDATION

The City staff's recommendation is that the City Council proceed with the appointment process to the various City Boards/Commissions/Committees; identify interview teams, interview dates, and determine which team will interview which board, commission, or committee.