



Lewisville City Council

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A G E N D A

**LEWISVILLE CITY COUNCIL MEETING
MAY 18, 2015**

**LEWISVILLE CITY HALL
151 WEST CHURCH STREET
LEWISVILLE, TEXAS 75057**

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

Call to Order and Announce a Quorum is Present.

WORKSHOP SESSION - 6:00 P.M.

- A. Discussion of Regular Agenda Items and Consent Agenda Items

REGULAR SESSION - 7:00 P.M.

- A. **INVOCATION:** Mayor Ueckert
- B. **PLEDGE TO THE AMERICAN AND TEXAS FLAGS:** Councilman Durham
- C. **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.
- D. **Consideration of Items Relating to the May 9, 2015, City of Lewisville General Election:**
1. Canvass of the Election Returns for the City Council General Election
 2. Consideration of a Resolution Declaring the Results of the City Council Election
 3. Presentation of Certificates of Election by Mayor Ueckert and Oath-of-Office to Newly Elected Council Members – Mayor, Place No. 2 and Place No. 5 by Judge Brian Holman.

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- E. **PROCLAMATION:** Declaring the Week of May 3-9, 2015, as “National Drinking Water Week” and May 17-23, 2015, as “National Public Works Week”

- F. **PRESENTATION:** Recognition to Police Officer Jose Montoya for Filing the Most LEADRS Cases in the State in 2014, Presented by Kevin Ryan and John Wilderson With the TMPA LEADRS Program

- G. **PUBLIC HEARING:** Consideration of an Ordinance Granting a Special Use Permit (SUP) for a Facility With Outdoor Mobile Home and Auto Display and Sales With Such Permit Limited to Recreational Vehicles/Travel Trailer Display and Sales Only on an Approximately 1.313 Acre Tract of Land; Located on Lots 2, 3R-1 and 4, Block A, of the Purnell Addition; With Two Associated Variances, as Requested by Campers 4 Rent With Permission From Kukla Enterprises, Inc. the Property Owner (Case No. SUP-2015-04-01).

ADMINISTRATIVE COMMENTS:

The subject request is for a proposed RV/Travel Trailer rental and sales facility on a 1.313 acre property zoned Light Industrial (LI), which is currently vacant. The facility will accommodate approximately 6,400 square feet area for display of vehicles for rent and sale and will also provide a dump station. The Planning and Zoning Commission recommended approval of the SUP by a vote of 6-0 at their meeting on April 7, 2015 with a condition that sanitary sewer flows on the site be metered; recommended approval of the driveway stacking variance and recommended denial of the use of a temporary office to conduct business during construction.

RECOMMENDATION:

That the City Council approve the requested Special Use Permit with the condition specified in the SUP ordinance regarding limiting display and sales to RV/Travel Trailers; requiring a sanitary sewer meter to measure waste water discharge at the RV dump station shown on the development plan; approve the driveway stacking variance and deny the request for a temporary office to conduct business.

PRESENTATION: Nika Reinecke, Dir. of Economic Development / Planning
Scott Huizenga, Campers 4 Rent

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- H. **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.
1. **APPROVAL OF MINUTES:** City Council Minutes of the May 4, 2015, Workshop Session and Regular Session.
 2. **Approval of Bid Awards for Annual Requirements Contracts for Water and Wastewater Treatment Chemicals for Public Services to Pennco, Inc., San Felipe, Texas for Liquid Ferric Sulfate, and Standard Purification, Dunnellon, Florida for Activated Carbon.**

ADMINISTRATIVE COMMENTS:

A total of thirteen (31) bid invitations were downloaded from BidSync.com. Six (6) bids were received and opened on April 16, 2015. These chemicals are used for the treatment and disinfection processes for both Water and Wastewater. The term of the contracts will be twelve (12) months, with options to extend for up to two (2) additional twelve (12) month periods. Funding is available in Public Services operating budget.

RECOMMENDATION:

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

3. **Approval of a Bid Award for an Annual Requirements Contract for Street Sweeping to Mister Sweeper LP, Dallas, Texas, in the Estimated Amount of \$93,613.**

ADMINISTRATIVE COMMENTS:

A total of four (4) bid invitations were downloaded from Bidsync.com. Two (2) bids were received and opened on March 26, 2015. This contract involves the sweeping of residential streets four (4) times per year and commercial streets six (6) times per year. The contract also provides for additional sweeping due to public events and inclement weather. The term of the contracts will be twelve (12) months, with options to extend for up to two (2) additional twelve (12) month periods. Funding is available in Public Services' operating budget.

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RECOMMENDATION:

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

- 4. Approval of a Change Order No. 2 to the Traffic 2012 Signal and Paving Project in the Amount of \$212,094.11; and Authorization for the City Manager to Execute the Change Order.**

ADMINISTRATIVE COMMENTS:

On December 1, 2014, the City Council awarded a contract to Pavecon Public Works, L.P. for the Traffic 2012 Signal and Paving project in the amount of \$1,943,005.42. Staff has negotiated with Pavecon Public Works for Change Order No. 2 in the amount of \$212,094.11 to perform additional utility work at the Mill/College intersection in order to complete the project. The additional utility work required includes the removal/abandonment of old sewer and water lines and installation of new water and sewer lines within the intersection project limits prior to placement of new paving. The majority of the proposed utility work was originally covered in a different project (2014 Utility Replacements), however because of construction timing for the subject intersection, is being accelerated and will be deleted from the other project which is still in design.

RECOMMENDATION:

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

- 5. Approval of a Developer Participation Agreement With the WRN Creekside Development, LLC for Drainage Improvements at 597 Bennett Lane in the Amount of \$133,143; Which Includes \$6,340 (Approximately 5%) for Contingencies; and Authorization for the City Manager to Execute the Agreement.**

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ADMINISTRATIVE COMMENTS:

This Developer Participation Agreement will reimburse WRN Creekside Development, LLC (the “Developer”) for drainage improvements which are not required for the proposed development, however will be needed as part of future drainage system improvements identified in the Railroad Street Drainage Study performed in 2011 by Graham & Associates for the City. The agreement provides for the delineation of costs, duties and liabilities between the Developer and the City regarding the construction of the drainage improvement. The City has negotiated for the installation of four 9-foot by 5-foot reinforced concrete box culverts crossing the proposed driveway to Bennett Lane for the FedEx Freight Service Center. The amount of \$126,803 plus \$6,340 for contingencies (approximately 5%) for a total of \$133,143 covers the amount up to which the City agrees to reimburse the Developer for its installation of the drainage box culverts.

RECOMMENDATION:

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

- 6. Approval of Lease Agreements Between Trett Enterprises, Inc., JT Good, Inc., LMH-SP, Inc., DFW Ice Vending LLC, and Texoma Clean Marine, LLC.**

ADMINISTRATIVE COMMENTS:

Each of the Eagle Point Marina/Trett Enterprises, Inc. sub-leases must be approved by Council and then submitted to the Corps of Engineers. Eagle Point has submitted leases (renewals) for Captained Boat Charters with JT Good, Inc./DBA JT’s Boat Rentals and for Boat Rentals with LMH-SP, Inc./DBA Just For Fun, and DFW Ice Vending LLC. A new lease has been submitted for holding tank pumpout services from Texoma Clean Marine, LLC.

RECOMMENDATION:

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

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I. REGULAR HEARINGS:

- 7. Consideration of a Variance to the 1996 Castle Hills Agreement to Allow a Single Family Residence Located at 5020 Joseph Street, in Castle Hills to Encroach One-Foot and Five Inches Into the Required Five-Foot Side Yard Setback, as Requested by Matt Taylor, Division Manager of American Legend Homes.**

ADMINISTRATIVE COMMENTS:

On February 3, 2015, Barrow Land Surveying unknowingly staked the lot incorrectly at 5020 Joseph Street. As a result the house was built slightly askew on the lot and created an encroachment on the property. American Legend Homes, the home builder, is requesting a variance to allow the single family residence to encroach approximately one-foot and five inches into the required five foot setback. This lot is an interior lot, and the encroachment is located on the eastern side of the lot.

RECOMMENDATION:

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

PRESENTATION: Eric Ferris, Assistant City Manager
Eric Stanley, President & COO Bright Realty

- 8. Consideration of an Ordinance of the City Council of the City of Lewisville, Texas, Approving a Negotiated Settlement Between the Atmos Cities Steering Committee (“ACSC”) and Atmos Energy Corp., Mid-Tex Division Regarding the Company’s 2014 and 2015 Rate Review Mechanism Filings; Approving a Settlement Agreement With Attached Rate Tariffs and Proof of Revenues; Declaring Existing Rates to be Unreasonable; Adopting Tariffs that Reflect Rate Adjustments Consistent With the Negotiated Settlement; Finding the Rates to be Set by the Settlement Tariffs to be Just and Reasonable and in the Public Interest; Requiring the Company to Reimburse ASCS’s Reasonable Ratemaking Expenses; Determining that this Ordinance was Passed in Accordance With the Requirements of the Texas Open Meetings Act; Adopting a Savings Clause; Declaring an Effective Date; Requiring Delivery of this Ordinance to the Company and the ACSC’s Legal Counsel; and Declaring an Emergency.**

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ADMINISTRATIVE COMMENTS:

In February 2014, Atmos Mid-Tex filed its second annual filing under the Rate Review Mechanism (“RRM”) Tariff, seeking an increase of \$45.7 million. Although ACSC attempted to reach a settlement with the Company as it had in past years, the wide differences between the Company and ACSC’s consultants’ recommendations made a compromise impossible. On the recommendation of the ACSC Executive Committee and ACSC’s legal counsel, the City in 2014 adopted a Resolution denying the requested rate increase. The Company appealed the City’s denial to the Railroad Commission of Texas (“Commission”), and revised its requested increase to \$43.8 million. A hearing was held on the Company’s appeal on September 3, 2014. On April 28, 2015, the Commission’s Hearings Examiner issued his Proposal for Decision (“PFD”) in the Company’s appeal of the City’s denial of the 2014 RRM rate increase. This PFD was not favorable to ACSC, but did recommend a reduction of approximately \$860,000 to the Company’s adjusted 2014 filing. While the parties were waiting for the PFD from the Hearings Examiner in the appeal of the 2014 RRM filing, on February 27, 2015, Atmos Mid-Tex filed with the City another rate increase request under the RRM Tariff, seeking additional revenues in the amount of \$28.762 million (total system) or \$24.0 million (affected cities). The City worked with ACSC to analyze the schedules and evidence offered by Atmos Mid-Tex to support its 2015 request to increase rates. The Ordinance and attached Settlement Agreement and tariffs are the result of negotiation between the Mid-Tex Executive Committee and the Company to resolve issues raised by ACSC during the review and evaluation of Atmos Mid-Tex’s filing. The recommended Settlement Agreement also requires Atmos to abate its appeal of the City’s rejection of the 2014 RRM rate increase pending approval by all ACSC cities of the Settlement Agreement. The Agreement requires Atmos to give the City the benefit of the adjustments to the 2014 rate increase recommended by the PFD.

RECOMMENDATION:

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

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

- ◆ Quarterly Investment Report From January 1, 2015 – March 31, 2015

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- K. **CLOSED SESSION:** In Accordance with Texas Government Code, Subchapter D,
1. Section 551.071 (Consultation with Attorney): Legal Issues Related to the Construction of the Old Town Park Plaza
 2. Section 551.071 (Consultation with Attorney/Pending Litigation): *City of Lewisville v. City of Farmers Branch and Camelot Landfill TX, LP*, Cause No.4:12-CV-00782, United States District Court for the Eastern District of Texas, Sherman Division; Texas Commission on Environmental Quality Modification to Municipal Solid Waste Permit No. 1312A; and Texas Commission on Environmental Quality Application to Obtain Municipal Solid Waste Permit Amendment - Permit No. 1312B
 3. Section 551.072 (Real Estate): Property Acquisition
 4. Section 551.087 (Economic Development): Deliberation Regarding Economic Development Negotiations
- L. **RECONVENE** into Regular Session and Consider Action, if Any, on Items Discussed in Closed Session.
- M. **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).

PROCLAMATION

WHEREAS, water is a basic and essential need of all humankind and all living things to sustain life; and,

WHEREAS, water is a limited resource that should be used wisely and the water supply protected by preventing pollution and conserving water; and,

WHEREAS, public works and utilities provide essential services needed for the protection of health and welfare of our community as part of their everyday lives; and,

WHEREAS, the support of a satisfied and informed citizenry is vital to the professional operation of the public works, utility system and essential programs such as water production and distribution, wastewater treatment and collection, environmental services, streets and storm drainage, traffic and fleet operations and public buildings and facilities; and,

WHEREAS, the quality and capability of these facilities, as well as their planning, design, and construction, is vitally dependent upon the efforts and skill of public services employees;

WHEREAS, the efficiency of the qualified and committed personnel who staff the Public Services Department is significantly influenced by citizen attitudes and appreciation of the important work they perform; and,

NOW, THEREFORE, I, Rudy Durham, Mayor of the City of Lewisville, and on behalf of the Lewisville City Council, do hereby proclaim the week of May 3-9, 2015, as

"NATIONAL DRINKING WATER WEEK"

and May 17-23, 2015, as

"NATIONAL PUBLIC WORKS WEEK"

and urge all citizens and civic organizations to understand and recognize the contributions of the Public Services Department in providing for our daily utility needs and protecting the health, safety, and well-being of our community.

PROCLAIMED this the 18th day of May, 2015.

Rudy Durham, Mayor
City of Lewisville, Texas

About Us

Under a grant from the Texas Department of Transportation with funding from the National Highway Traffic Safety Administration (NHTSA), the Texas Municipal Police Association (TMPA) conducted a series of focus groups with a diverse panel of peace officers and prosecutors to determine the issues prolonging DUI/DWI arrest time. The majority stated a desire for a standardized and simplified DUI/DWI report that would allow officers to complete a DUI/DWI arrest in less time. Based on the data gathered in these focus groups, TMPA designed a DUI/DWI reporting system that allows peace officers to enter arrest information online and print out a variety of completed forms based on this information. The system is known as LEADRS (Law Enforcement Advanced DUI/DWI Reporting System).

The Texas LEADRS pilot program went online in 2004 and has far exceeded performance expectations. While initially designed to reduce DUI/DWI arrest reporting time by 30%, LEADRS users have reported that the program has reduced their reporting time by up to 50%.

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MEMORANDUM

TO: Donna Barron, City Manager

FROM: Nika Reinecke, Director of Economic Development & Planning

DATE: April 20, 2015

SUBJECT: **Public Hearing: Consideration of an Ordinance Granting a Special Use Permit (SUP) for a Facility With Outdoor Mobile Home and Auto Display and Sales With Such Permit Limited to Recreational Vehicles/Travel Trailer Display and Sales Only on an Approximately 1.313 Acre Tract of Land; Located on Lots 2, 3R-1 and 4, block A, of the Purnell Addition; With Two Associated Variances, as Requested by Campers 4 Rent With Permission From Kukla Enterprises, Inc. the Property Owner (Case No. SUP-2015-04-01).**

BACKGROUND

The Special Use Permit (SUP) process allows for consideration of certain uses that may potentially be incompatible or intensely dominate the area in which they are located, but may become compatible with the provision of certain conditions and restrictions. The subject request is for a Recreational Vehicle (RV)/Travel Trailer rental and sales facility. The applicant was located in Lewisville along the I-35E corridor at 1204 N. Stemmons Freeway, but wants to relocate due to the I-35E expansion. The project is proposed on an approximately 1.313 acre tract of land zoned Light Industrial on the south side of Purnell Street, approximately 190 feet east of Willow Street. Properties in this area are zoned for light industrial uses and although the street is not a major roadway, it does have access to Business SH 121 to the east off of Railroad Street. This road is occupied by more intense uses, such as office warehouses, Inca Metals, LISD Bus Barn and self-storage facilities.

As this use may have a significant sanitary sewer discharge that is not proportionate to the water use for the facility, a condition in the SUP requires a separate meter to measure the sanitary sewer discharge at the dump station. This condition has been a part of approval of other RV facilities with RV dump stations.

ANALYSIS

The proposed site is just over an acre and contains an existing drainage ditch which bisects the property and limits the usable area of the site. The concept plan proposes a 1,360 square foot building on the front western portion of the lot. The building will house a small office and shop area where the RV's would be cleaned after being returned. There will be a RV dump station adjacent to the building. As with other facilities with dump stations, a condition is added to the SUP requiring a separate meter to measure the sanitary sewer discharge at the RV dump station. Specifications for this meter shall be determined by the Public Services Department at the time of Engineering Site Plan review. The eastern portion of the lot contains a driveway that leads to a gated paved outdoor RV display area about midway back along the eastern property line.

Subject: SUP RV/Travel Trailer Display

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The office will be constructed of a stucco-style finish with accent banding and a three foot Austin stone veneer around the bottom portion of the entire building, which meets the city ordinance requirements. The proposed metal roof overhangs the front and rear portions of the building will provide additional architectural character. The only proposed signage for the site is a wall mounted sign on the front of the building. No trees will be removed from the site and staff has worked with the applicant to rearrange the parking area in order to retain the existing mature 18" and 27" Pecan and 14" Cedar Elm trees. Additional landscaping will be provided in the form of Texas Sage and Youpon Holly along the Purnell Street frontage. Other than the building, display and parking area, the site will be maintained in its natural state. The use is compatible in this area with the proposed site enhancements.

Variances:

a. To waive the 40 foot driveway stacking requirement

Section 6-103 of the General Development Ordinance requires 40 feet of stacking for all commercial driveways. Stacking is the distance measured between the street curb and the first possible on-site turning maneuver, either drive lane or parking space. The purpose of the requirement is to allow room for at least two exiting vehicles to stack in the driveway, waiting to enter the street and still allow vehicles entering the driveway to make on-site maneuvers without blocking the entrance. The proposed site plan provides 35 feet of stacking, 5 feet less than the required 40 feet. This is due to the parkway width of Purnell Street having a variable width which is less than the standard 15.5 feet for a typical 60 foot ROW. With a normal pavement width of 37 feet the parkway would be 15.5 feet and this site would have 43.5 feet of stacking. The site's existing large drainage ditch and headwall limits the area of where the parking and building can be located. The size of the travel trailers will range from 15 feet to 37 feet in length. Staff has no objection to the request since with site provides the minimum landscape buffer of 10 feet, saves three existing large caliper trees (two Pecan -18" and 27" caliper; and one Cedar Elm -14" caliper); and the site plan would normally be compliant if Purnell Street had a normal pavement width.

b. To allow the use of a temporary office to conduct business while the building is being completed

The applicant is requesting permission to utilize the property to conduct business (sell and rent RV's) during the construction period which they predict would be no more than 120 days after the foundation is poured. The Zoning Ordinance allows temporary sales offices during the development of residential subdivisions in safe areas without construction activity; however, the Zoning Ordinance does not allow the use of temporary buildings in commercial developments, except for the uses incidental to construction work on premises, which are required to be removed upon the completion or abandonment of construction work. The site will be a construction zone and due to safety concerns, staff feels that this would be a dangerous precedent and recommends denial of this request.

On April 7, 2015, the Planning and Zoning Commission unanimously recommended approval of the SUP with a condition that the sanitary sewer flows on the site be metered; recommended approval of the driveway stacking variance and recommended denial of the request to use a temporary office to conduct business while the building is being completed.

Subject: SUP RV/Travel Trailer Display

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RECOMMENDATION

It is City staff's recommendation that the City Council approve the requested Special Use Permit with the condition specified in the SUP ordinance regarding limiting display and sales to RV/Travel Trailers; requiring a sanitary sewer meter to measure waste water discharge at the RV dump station shown on the development plan; approve the driveway stacking variance, and deny the request for a temporary office to conduct business.

**MINUTES
PLANNING AND ZONING COMMISSION
APRIL 7, 2015**

Item 5:

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

- B. Consideration of a Special Use (SUP) for Recreational Vehicle (RV) rental and used RV sales lot and facility; located on the south side of Purnell Street, approx. 190 ft east of Willow Street; with two associated variances. The request is being made by Campers 4 Rent with permission from Kukla Enterprises, Inc. the property owner. (Case No. SUP-2015-04-01).

Staff gave a brief presentation of the proposed concept plan for a Special Use Permit for a RV rental and sales lot. The business was previously located on I-35E and has been displaced due to the I-35E expansion. The proposed site would have a small office and a bay area to clean returned vehicles, a dump station and a display lot located on site. There were two associated variances for consideration. Staff's recommendation was to approve the special use permit with the following condition: by installing at owner or operator's sole cost, a separate sanitary sewer meter to measure waste water discharge at the RV dump station shown on the development plan. Specifications for this meter shall be determined by the Public Services Department at the time of Engineering Site Plan review. It shall be installed by a state-licensed plumber and tested by the City prior to acceptance. Upon acceptance, the City shall assume ownership and maintenance of the meter. The owner and/or operator's sanitary sewer bill shall be based on the Property's actual discharge as measured by the sewer meter. Sanitary sewer rates shall be billed and paid in accordance with the Lewisville Code of Ordinances, as amended. There were two variances being requested: a) to waive the 40 foot stacking requirement; and b) to allow the use of a temporary office to conduct business while the building is being completed. Staff's recommendation was to approve the variance relating to the driveway stacking and to deny the variance relating to the use of a temporary office on-site during construction due to safety concerns and setting a bad precedent for future applications. Kristin Green had concerns about the drainage ditch filling up with trash and debris. Scott Huizenga with Campers 4 Rent stated that this was a customer focused industry and that they would be picking up trash in order to keep the premises looking good. One of the commissioners asked about fencing for the site. Staff indicated that there was fencing proposed on-site. One of the commissioners asked about the current location of the business since they had to leave the I-35E location. Scott Huizenga indicated that they had an office in Lantana but hoped to move to this site as soon as possible. The commissioners asked about the length of the RV's. Mr. Huizenga indicated that they were campers that ranged from 18-37 feet in length. The public hearing was opened, and there being no one else present to speak on the item, the hearing was then closed. The commissioners discussed the proposal and several of the commissioners indicated although they sympathized with Mr. Huizenga, the request to allow for a temporary office while under construction was not something they could support. A motion was made by Sean Kirk to recommend approval of the Special Use Permit with the condition stated in Staff's recommendation, and to recommend approval of the variance request relating to the driveway stacking of 35 feet in lieu of the required 40 feet; and denial of the request for the use of a temporary office to conduct business while the building is being completed. The motion was seconded by Brent Daniels and passed unanimously (6-0).



SCALE: 1=200'

SUBJECT
PROPERTY

E. PURNELL ST.

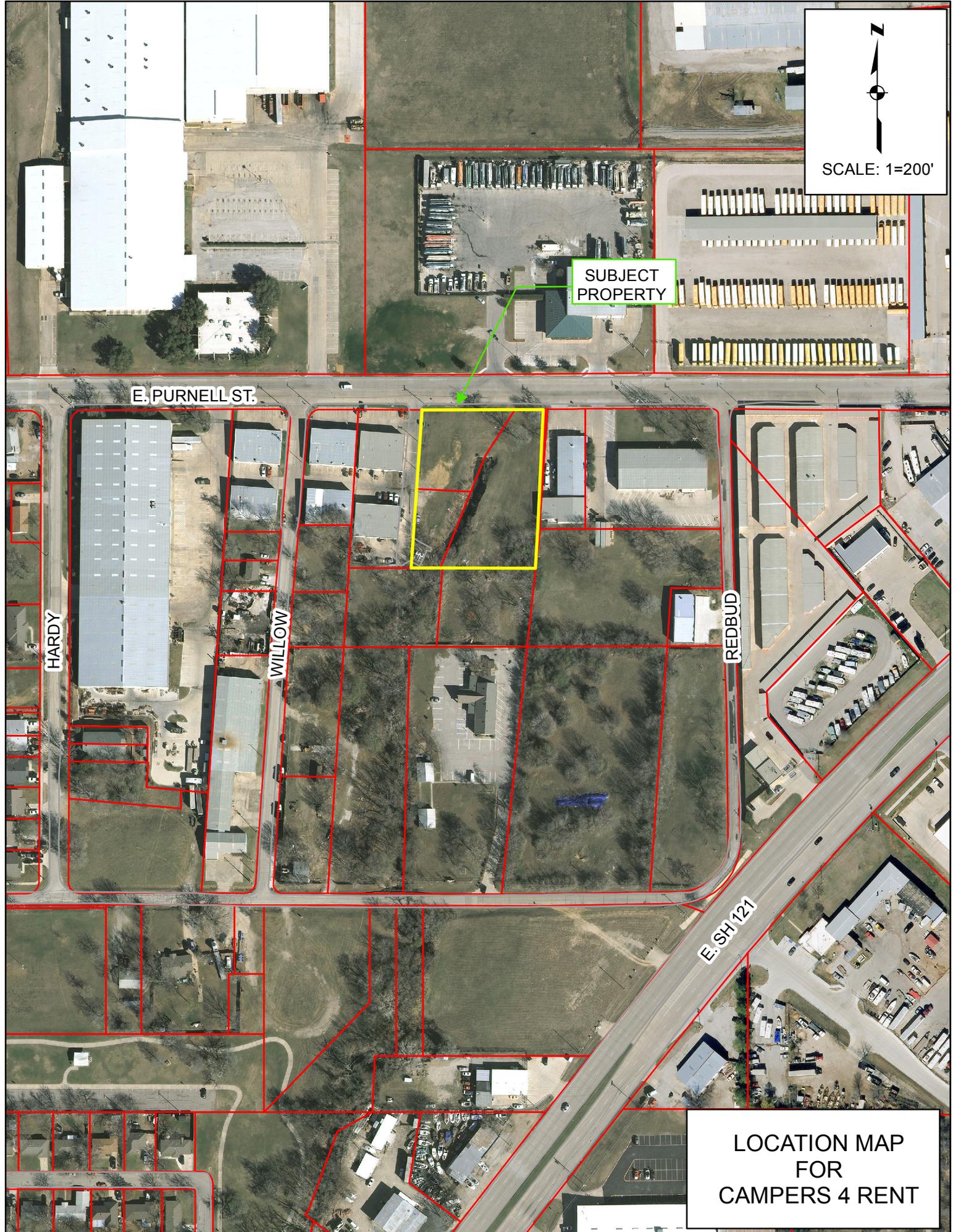
HARDY

WILLOW

REDBUD

E. SH 121

LOCATION MAP
FOR
CAMPER 4 RENT



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

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

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

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

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

(c) *Area.*

(1) *Size of yards.*

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

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

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

(2) *Reserved.*

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

SECTION 17-29.5 - "SUP" SPECIAL USE PERMIT

(a) *Purpose.*

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

(b) *Application submittal and approval process.*

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

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

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

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

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

- (4) The planning and zoning commission or the city council may require additional information or drawings, operating data or expert evaluation or testimony concerning the location and characteristics of any building or uses proposed.
- (5) The planning and zoning commission, after holding a public hearing, shall recommend to the city council approval or denial of each SUP along with any recommended conditions. The city council shall review each case on its own merit, apply the compatibility criteria established herein, and if appropriate, grant the special use permit for said use(s).
- (6) Completion of a development plan for the SUP does not waive the requirement to provide an engineering site plan in accordance with the General Development Ordinance.

(c) *Compatibility criteria for approval.*

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

- (1) complement or be compatible with the surrounding uses and community facilities;
- (2) contribute to, enhance, or promote the welfare of the area of request and adjacent properties;
- (3) not be detrimental to the public health, safety, or general welfare; and
- (4) conform in all other respects to all zoning regulations and standards.

(d) *SUP conditions.*

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

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

- (1) Except for minor amendments, all amendments, enlargements, modifications or structural alterations or changes to the development plan shall require the approval of a new SUP. The city manager or his designee may authorize minor amendments to the development plan that otherwise comply with the SUP ordinance and the underlying zoning and do not:
 - a. Alter the basic relationship of the proposed development to adjacent property;
 - b. Increase the maximum density or height shown on the original development plan;
 - c. Decrease the number of off-street parking spaces shown on the original development plan; and/or
 - d. Reduce setbacks at the boundary of the site as specified by a building or setback line shown on the original development plan.
- (2) For purposes of this subsection, "original development plan" means the earliest approved development plan that is still in effect, and does not mean a later amended development plan. For example, if a development plan was approved with the specific use permit and then amended through the minor amendment process, the original development plan would be the development plan approved with the specific use permit, not the development plan as amended through the minor amendment process. If, however, the development plan approved with the specific use permit was replaced through the zoning process, then the replacement development plan becomes the original development plan. The purpose of this definition is to prevent the use of several sequential minor amendments to circumvent the zoning amendment process.

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

(f) *Compliance mandatory with written requirements.*

- (1) No special use permit shall be granted unless the applicant, owner, and grantee shall be willing to accept and agree to be bound by and comply with the written requirements attached to the development plan drawings and approved by the city council.
- (2) A special use permit shall be transferable from one owner or owners of the subject property to a new owner or occupant of the subject property, however all regulations and conditions of the SUP shall remain in effect and shall be applicable to the new owner or occupant of the property.

(g) *Timing.*

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

(h) *Zoning map.*

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

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

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

- (1) That one or more of the conditions imposed by the SUP has not been met or has been violated.
- (2) The SUP was obtained through fraud or deception.
- (3) Ad valorem taxes on the property are delinquent by six months or more.
- (4) Disconnection or discontinuance of water and/or electrical services to the property.
- (5) Abandonment of the structure, lease space, lot, or tract of land for 180 days or more. (For the purpose of this section, "abandon" shall mean to surrender occupancy by vacating or ceasing to operate or inhabit such property.)

PZ Meeting:
CC Meeting:
Case #



DO NOT WRITE ABOVE THIS LINE

**ECONOMIC DEVELOPMENT & PLANNING DIVISION
APPLICATION FOR A SPECIAL USE PERMIT**

OWNER/APPLICANT/AGENT INFORMATION SECTION (OWNER(S) MUST SIGN OR SUBMIT LETTER(S) OF AUTHORIZATION)

NAME OF PROPERTY OWNER: Kukla Enterprises, Inc.
 MAILING ADDRESS: 826 Office Park Circle, Suite 101, Lewisville, TX 75057
 PHONE NUMBER: 972-436-0072 FAX NO.: 972-436-9137 E-MAIL: alepoohinc@aol.com
 OWNER SIGNATURE: *Patricia Guzik* DATE: 7-3-14
 PRINTED NAME & TITLE (IF ANY): Patricia Guzik, President

NAME OF APPLICANT (FILL IN ONLY IF OTHER THAN OWNER): Campers 4 Rent, LLC
 MAILING ADDRESS: 955 Sids Rd., Rockwall, TX 75032
 PHONE NUMBER: 972-734-3636 FAX NO.: 469-212-0861 E-MAIL: Scott@PopupCamperRental.com
 APPLICANT SIGNATURE: _____ DATE: June 26, 2014
 PRINTED NAME & TITLE (IF ANY): Scott Huizenga, Managing Member

NAME OF REPRESENTING AGENT (IF ANY): _____
 MAILING ADDRESS: _____
 PHONE NUMBER: _____ FAX NO.: _____ E-MAIL: _____
 AGENT SIGNATURE: _____ DATE: _____
 PRINTED NAME & TITLE (IF ANY): _____

(Required to be completely filled out before submitting application)

PRESENT ZONING: LI TOTAL LAND AREA (ACRES) 1.313

PROPERTY IDENTIFICATION (LOTS, BLOCKS, TRACTS, ABSTRACTS)
Lots 2, 3 & 4, Block A, Purnell Addition 130843, 130847, 130849

ADDRESS AND LOCATION OF THE PARCEL(S):

APPLICATION & SIGN FEES (Please fill in appropriate blanks and enter total amount due)

<input type="checkbox"/> Less than 1/2 acre	\$ 150.00	<input type="checkbox"/> 25 acres up to 49.99 acres	\$ 750.00
<input checked="" type="checkbox"/> 1/2 acre up to 4.99 acres	\$ 250.00	<input type="checkbox"/> 50 acres up to 99.99 acres	\$1,000.00
<input type="checkbox"/> 5 acres up to 24.99 acres	\$ 400.00	<input type="checkbox"/> 100 acres and more	\$1,500.00

<u>1</u> # of SUP Signs at \$35 per sign (1 sign required for each 5 acres (maximum of 5 signs per site))	\$ <u>35.00</u>
--	-----------------

TOTAL AMOUNT DUE \$ 285.00



LEWISVILLE
Deep Roots. Broad Wings. Bright Future.

PROPOSED SUP USE (Required to be filled out before submitting application)

Fully describe the proposed use(s) and plans for the property:

Attached is an engineering drawing demonstrating the proposed use of Lots 2 & 3,
lot 4 will remain in its current state.

Campers 4 Rent, LLC is requesting permission to conduct the business of renting various types of travel trailers to individuals, families and businesses from this property, secondary use is the sale of used travel trailers. The current zoning is LI. The business fits this zoning use. Per Sec. 17-23.(a)(1) Any permitted use in districts "LC" and "GB" as regulated in said districts". Sec. 17-22.(a)(2) General Business District allows for Auto, boat, motorcycle or mobile home display, sales (outdoor) and repair (SUP required)"

Campers 4 Rent, LLC has been operating in various locations in Lewisville since 2004. During that time we have not received any complaints from neighboring business that were found to be of merit. We strive to fit in with the surrounding area and keep a clean business presence. A clean appearance increases our appeal to our customers as well as helping keep the city appearances good.

We are moving our location due to a loss of lease. Our lease was not extended and expires on July 1, 2014. We have found Lewisville to be a great location as it is centrally located with easy access to main thoroughfares. We plan to continue to serve the residents of Lewisville and Denton County for many years to come.

NOTE:

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

Campers 4 Rent, LLC Temporary Variance Request

Campers 4 Rent, LLC
955 Sids Rd.
Rockwall, TX 75032
September 1, 2014

City of Lewisville
Planning and Zoning

Dear Planning and Zoning representatives:

Campers 4 Rent, LLC is requesting permission to utilize the property to conduct business during the construction period.

After the concrete display, drive and foundation surfaces are completed it would be beneficial for Campers 4 Rent, LLC to begin conducting business in a temporary office at the location while the building is being completed. I expect the completion of the building to take no more than 120 days after the slab is completed.

The will allow for our customers to find us in a permanent location versus our temporary location, bringing more business into Lewisville and will allow us to stay within budgetary needs.

Sincerely,

Scott Huizenga, Owner

Campers 4 Rent, LLC Permanent Variance Request

Campers 4 Rent, LLC
955 Sids Rd.
Rockwall, TX 75032
April 3, 2015

City of Lewisville
Planning and Zoning

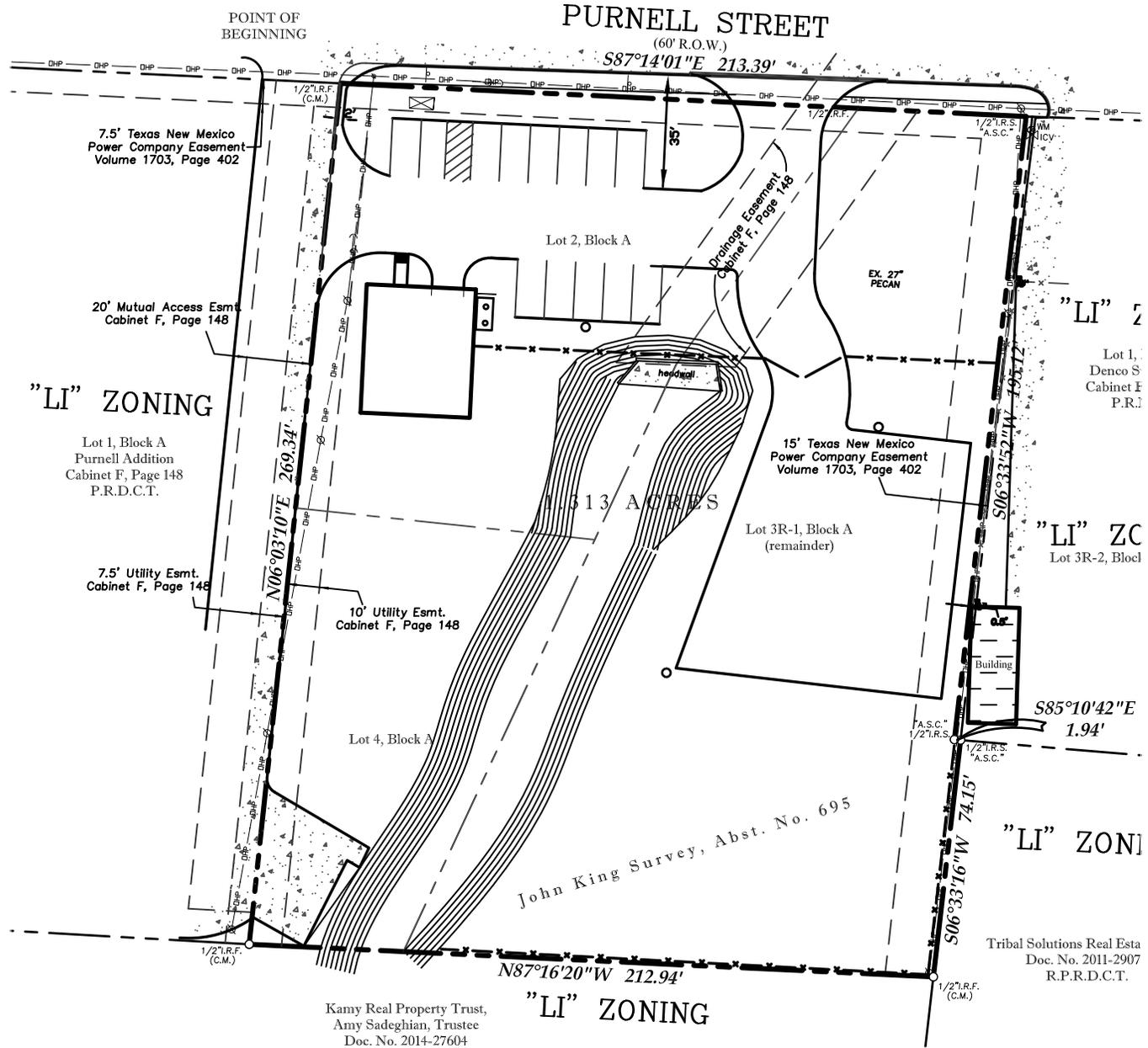
Dear Planning and Zoning representatives:

Campers 4 Rent, LLC is requesting permission to reduce the length of the entry lane from Purnell St. from 40' to 35'. Due to site restrictions a 40' stacking would place parking spaces in a creek. Moving the parking to other locations on the site would require the removal of matures pecan trees or not allow for the easy maneuvering of trailers on the property.

Sincerely,

Scott Huizenga, Owner

"LI" ZONING



THE FOLLOWING VARIANCE WAS APPROVED
 BY CITY COUNCIL ON _____

A.) WAIVE THE 40 FOOT DRIVEWAY STACKING REQUIREMENT

DRIVEWAY STACKING EXHIBIT PURNELL STREET

SITUATED IN THE	
CITY OF LEWISVILLE, DENTON COUNTY, TEXAS	
OWNERS: CAMPERS4RENT PHONE ADDRESS	1

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LEWISVILLE, TEXAS AMENDING THE ZONING ORDINANCE OF THE CITY OF LEWISVILLE, TEXAS BY GRANTING A SPECIAL USE PERMIT FOR A FACILITY WITH OUTDOOR MOBILE HOME AND AUTO DISPLAY AND SALES WITH SUCH PERMIT LIMITED TO RECREATIONAL VEHICLE/TRAVEL TRAILER DISPLAY AND SALES ONLY ON AN APPROXIMATELY 1.313 ACRE TRACT OF LAND LOCATED ON LOTS 2, 3R-1, AND 4 OF BLOCK A, OF THE PURNELL ADDITION; PROVIDING FOR SEVERABILITY; PROVIDING A PENALTY; PROVIDING A REPEALER; PROVIDING AN EFFECTIVE DATE; AND DECLARING AN EMERGENCY.

WHEREAS, the Planning and Zoning commission of the city of Lewisville, Texas has recommended that the Specific Use Permit, as requested on the property described in the attached Exhibit “A”, (the “Property”), be **approved**; and

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

WHEREAS, the City Council at a public hearing has determined that the proposed use, subject to the condition(s) stated herein: (1) compliments or is compatible with the surrounding uses and community facilities; (2) contributes to, enhances, or promotes the welfare of the area of request and adjacent properties; (3) is not detrimental to the public health, safety, or general welfare; and (4) conforms in all other respects to all zoning regulations and standards.

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

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

SECTION 2. SPECIAL USE PERMIT GRANTED. Subject to the conditions provided for herein, applicant is granted a Special Use Permit to allow a Facility with Outdoor Mobile Home and Auto Display and Sales on the Property, which is zoned Light Industrial (LI).

SECTION 3. CONDITIONS OF SPECIAL USE PERMIT. This Special Use Permit is limited and only permits RV/Travel Trailer Display and Sales on the Property. For purposes of this Special Use Permit, an RV/Travel Trailer shall mean any vehicular-type portable structure without permanent foundation that can be towed, hauled, or driven and is primarily designed as a temporary living accommodation for recreational and camping purposes. The Property shall also be developed and maintained:

1. in compliance with the development plan, landscape plan and elevations, attached hereto as Exhibit B;
2. in accordance with all federal, state, and local laws and regulations; and
3. by installing at owner or operator's sole cost, a separate sanitary sewer meter to measure waste water discharge at the RV dump station shown on the development plan. Specifications for this meter shall be determined by the Public Services Department at the time of Engineering Site Plan review. It shall be installed by a state-licensed plumber and tested by the City prior to acceptance. Upon acceptance, the City shall assume ownership and maintenance of the meter. The owner and/or operator's sanitary sewer bill shall be based on the Property's actual discharge as

measured by the sewer meter. Sanitary sewer rates shall be billed and paid in accordance with the Lewisville Code of Ordinances, as amended.

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

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

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

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

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

SECTION 8. SEVERABILITY. If any section, sentence, clause, or phrase of this ordinance shall for any reason be held to be invalid, such decision shall not affect the validity of

the remaining sections, sentences, clauses, or phrases of this ordinance, but they shall remain in effect.

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

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

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

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF LEWISVILLE, TEXAS, BY A VOTE OF ____ TO ____, ON THIS THE 18TH DAY OF MAY, 2015.

APPROVED:

Rudy Durham, MAYOR

ORDINANCE NO. _____

Page 5

ATTEST:

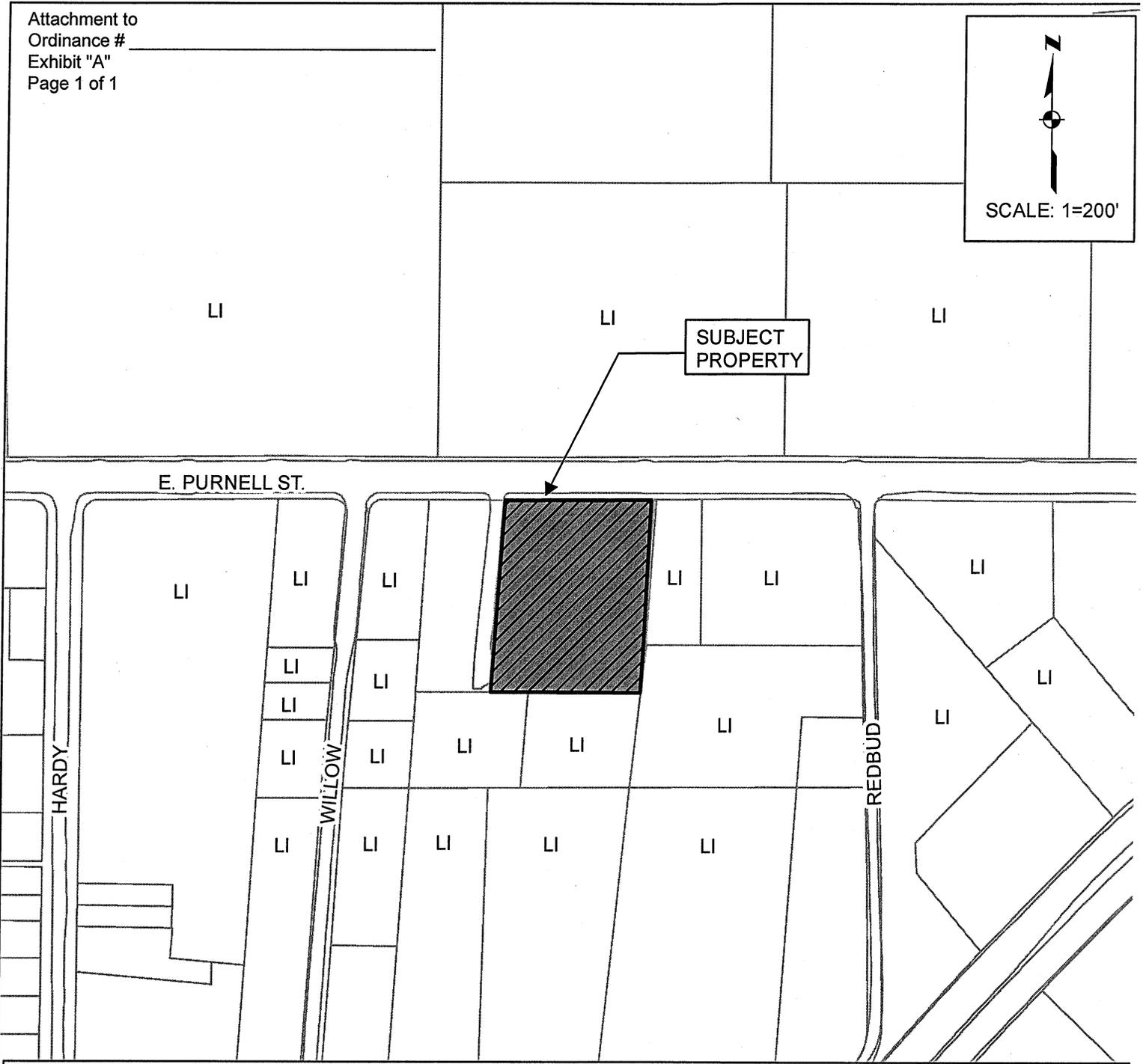
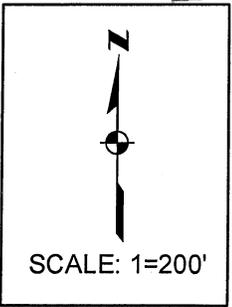
Julie Heinze, CITY SECRETARY

APPROVED AS TO FORM:

Lizbeth Plaster, CITY ATTORNEY

Exhibit A
Property Boundary Description

Exhibit B
Development Plan
Landscape Plan
Elevations



SUP CASE NO. SUP-2015-04-01

PROPERTY OWNER: KUKLA ENTERPRISES, INC.

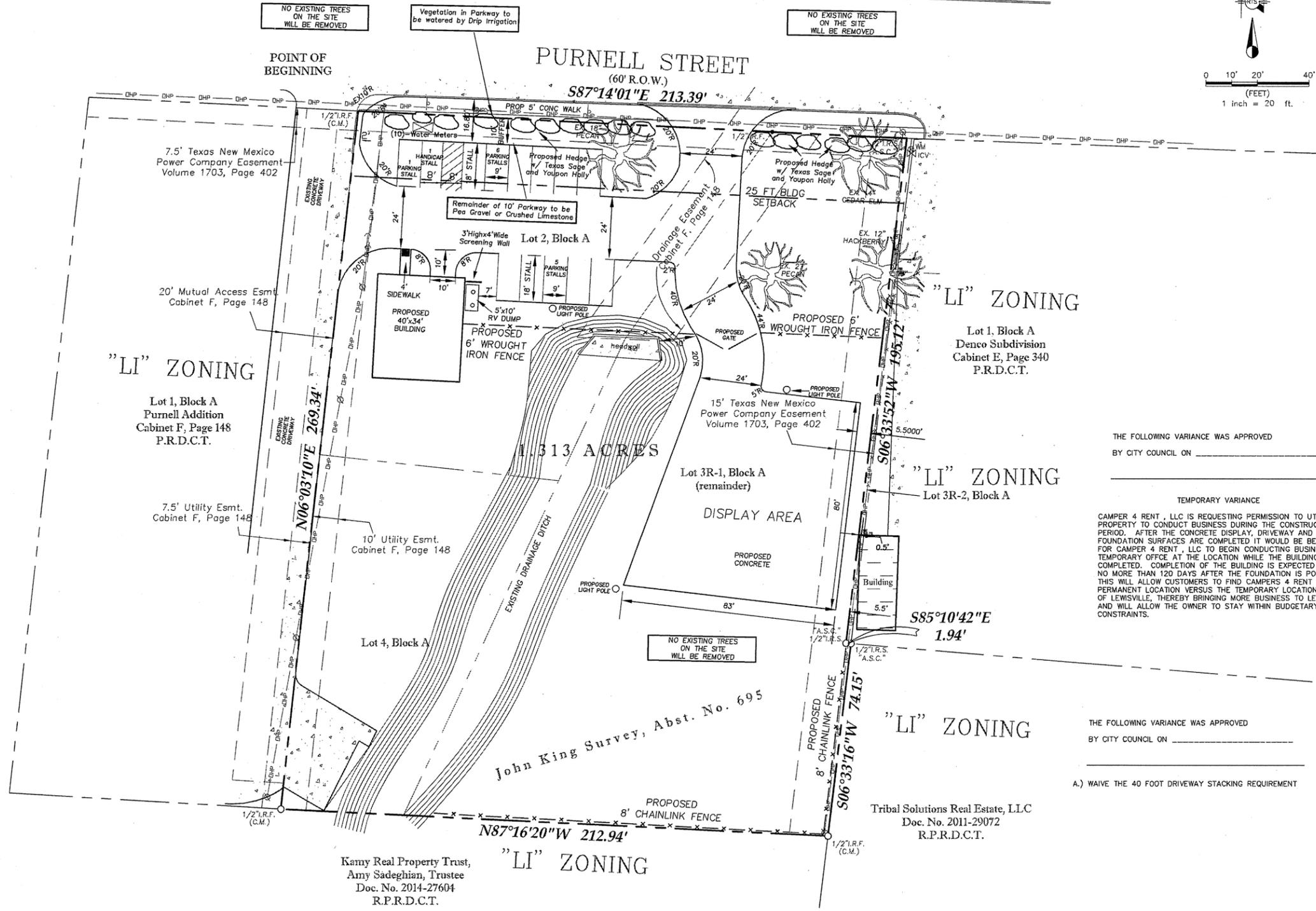
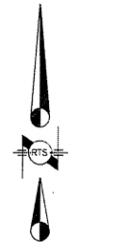
APPLICANT: CAMPERS 4 RENT

PROPERTY LOCATION: SOUTH SIDE OF PURNELL STREET, APPROX. 190 FT EAST OF WILLOW STREET; FURTHER IDENTIFIED AS LOTS 2, 3R-1 AND 4 OF THE PURNELL ADDITION, BLOCK A (1.313 ACRES)

CURRENT ZONING: LIGHT INDUSTRIAL (LI)

PROPOSED ZONING: LIGHT INDUSTRIAL (LI) - WITH SPECIAL USE PERMIT (SUP)

"LI" ZONING



CAUTION !!!
CONTRACTOR TO FIELD VERIFY LOCATIONS OF ALL EXISTING UTILITIES PRIOR TO CONSTRUCTION & NOTIFY ENGINEER OF ANY VARIATIONS BETWEEN PLANS & EXISTING FIELD CONDITIONS

CAUTION
CONTACT
Texas One Call: 1-800-245-4545
48 HOURS PRIOR TO CONSTRUCTION

LEGEND

- EXISTING SPOT ELEVATION
- TOP OF FINISHED PAVEMENT
- FINISHED GROUND
- DIRECTION OF FLOW
- DIRECTION OF FLOW
- PROPERTY LINE
- EASEMENT LINE
- BUILDING
- CONCRETE
- ASPHALT
- FENCE LINE
- GAS LINE
- SANITARY SEWER LINE
- STORM SEWER LINE
- WATER LINE
- OVERHEAD POWER
- POWER POLE
- GUY WIRE
- 1/2" IRON ROD SET / FOUND
- TREE
- SIGN
- WATER MANHOLE
- TELEPHONE MANHOLE
- SANITARY SEWER MANHOLE
- STORM SEWER MANHOLE
- GAS MANHOLE
- LIGHT STANDARD
- WATER VALVE
- WATER METER
- FIRE HYDRANT
- CLEAN OUT
- TELEPHONE PEDESTAL
- TRAFFIC SIGNAL
- TRAFFIC SIGNAL BOX
- GAS METER
- GAS VALVE
- BOLLARD

THE FOLLOWING VARIANCE WAS APPROVED
BY CITY COUNCIL ON _____

TEMPORARY VARIANCE
CAMPER 4 RENT, LLC IS REQUESTING PERMISSION TO UTILIZE THE PROPERTY TO CONDUCT BUSINESS DURING THE CONSTRUCTION PERIOD. AFTER THE CONCRETE DISPLAY, DRIVEWAY AND FOUNDATION SURFACES ARE COMPLETED IT WOULD BE BENEFICIAL FOR CAMPER 4 RENT, LLC TO BEGIN CONDUCTING BUSINESS IN A TEMPORARY OFFICE AT THE LOCATION WHILE THE BUILDING IS BEING COMPLETED. COMPLETION OF THE BUILDING IS EXPECTED TO TAKE NO MORE THAN 120 DAYS AFTER THE FOUNDATION IS POURED. THIS WILL ALLOW CUSTOMERS TO FIND CAMPERS 4 RENT IN A PERMANENT LOCATION VERSUS THE TEMPORARY LOCATION OUTSIDE OF LEWISVILLE, THEREBY BRINGING MORE BUSINESS TO LEWISVILLE AND WILL ALLOW THE OWNER TO STAY WITHIN BUDGETARY CONSTRAINTS.

THE FOLLOWING VARIANCE WAS APPROVED
BY CITY COUNCIL ON _____

A.) WAIVE THE 40 FOOT DRIVEWAY STACKING REQUIREMENT

IT IS THE INTENT TO SHOW ON THESE PLANS THE LOCATION AND ELEVATION OF ALL EXISTING UNDERGROUND UTILITIES TO THE BEST OF OUR KNOWLEDGE AND IN ACCORDANCE WITH EXISTING RECORDS. HOWEVER, IT SHALL BE THE CONTRACTORS RESPONSIBILITY TO LOCATE AND VERIFY THE EXACT LOCATIONS OF ALL EXISTING UNDERGROUND UTILITIES PRIOR TO EXCAVATION AND THE CONTRACTOR SHALL ASSUME FULL RESPONSIBILITY FOR ANY AND ALL DAMAGES TO SAME. CONTRACTOR SHALL NOTIFY ENGINEER OF ANY DIFFERENCE IN PLANS AND FIELD.

Kamy Real Property Trust,
Amy Sadeghian, Trustee
Doc. No. 2014-27604
R.P.R.D.C.T.

Tribal Solutions Real Estate, LLC
Doc. No. 2011-29072
R.P.R.D.C.T.

NOTE: NO FREE STANDING SIGNAGE WILL BE INSTALLED ON THE PROPERTY.

PARKING REQUIRED

OFFICE: 560 SF 560/200 = 3 REQUIRED
SHOP: 800 SF 800/200 = 4 (BY COUNTS AS 1) = 3 REQUIRED
DISPLAY AREA: 6640 SF 6640/1000 = 7 REQUIRED

H/C PARKING REQUIRED 1 Space
H/C PARKING PROVIDED 1 Space

TOTAL PARKING SPACES REQUIRED 13 Spaces
TOTAL PARKING SPACES PROVIDED 13 Spaces (INCLUDES 1 HANDICAP)

THIS DOCUMENT IS RELEASED FOR THE PURPOSE OF INTERIM REVIEW UNDER THE AUTHORITY OF DALE E. HOELTING, P.E. NO. 67096 ON FEBRUARY 10, 2015. IT IS NOT TO BE USED FOR CONSTRUCTION BIDDING OR PERMIT PURPOSES.

DEH CONSULTING, LTD
2513 MOSSWOOD DR.
CARRROLLTON, TEXAS 75010
PHONE: (972) 345-1231 FIRM NO. 5663

SCALE	DATE	JOB NO.	DESIGN
1"=20'	2-10-2015	1411	STARNES

DEVELOPMENT PLAN
PURNELL STREET

SITUATED IN THE
CITY OF LEWISVILLE, DENTON COUNTY, TEXAS

OWNERS: CAMPERS4RENT
PHONE
ADDRESS

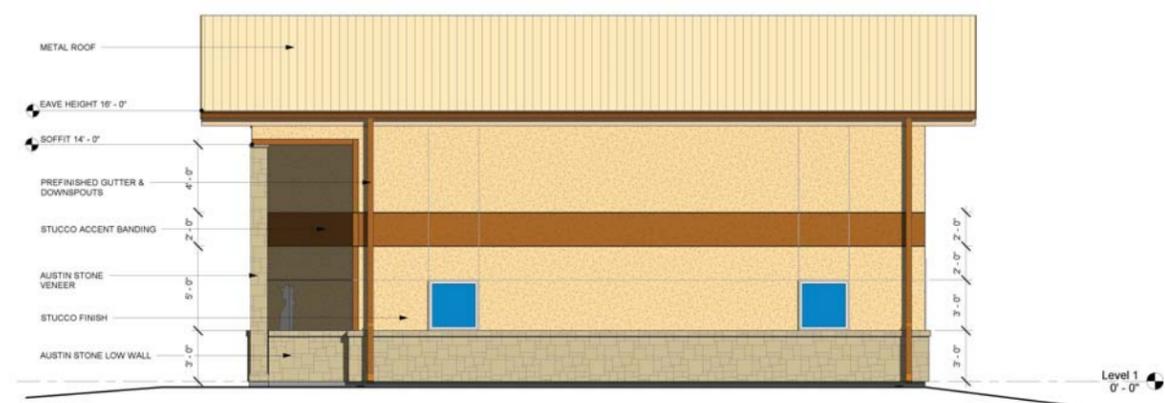
1



PERSPECTIVE RENDERING



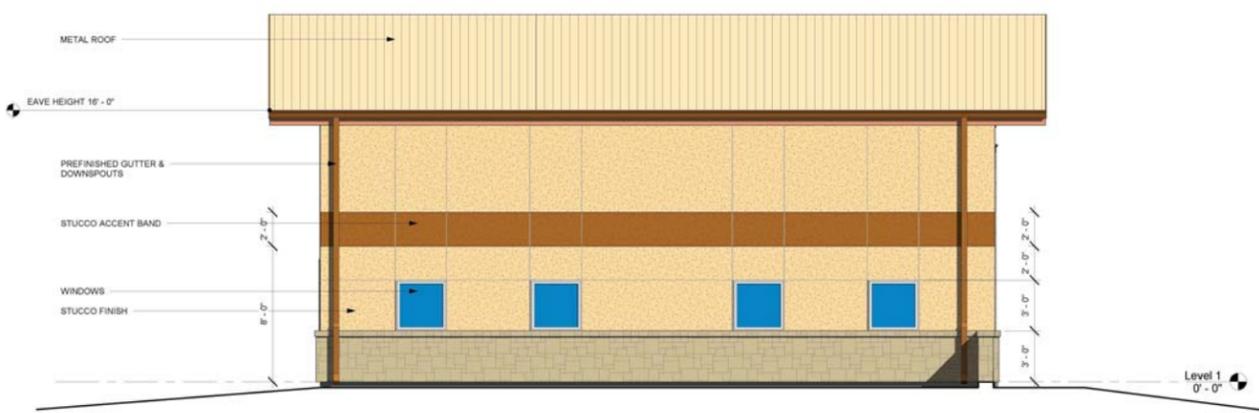
MAIN ELEVATION



EAST ELEVATION



REAR ELEVATION



WEST ELEVATION

OWNER INFO:
 CAMPERS 4 RENT, LLC
 SCOTT HUIZENGA
 SCOTT@POPUPCAMPERRENTAL.COM
 469 532 2267

CONTRACTOR INFO:
 -
 -
 -
 -

PROJECT INFO:
 34' X 40' X 16' BUILDING
 CAMPERS 4 RENT, LLC
 PURNELL RD, BLOCK A, LOTS 2, 3 & 4
 LEWISVILLE, TX 75057

ENGINEER:
 RUSSELL HUNN P.E.
 403 FALL CREEK DRIVE
 RICHARDSON, TEXAS 75080
 CONTACT: RUSSELL HUNN
 214 535 5275



FIRM # 55800

PROJECT NAME	34' X 40' BUILDING
PROJECT NO.:	-
ISSUE DATE:	04.02.2015
SCALE:	NOTED
REVISIONS:	
#1	01.05.2015
#2	02.03.2015
#3	04.02.2015

DESCRIPTION:
 RENDERINGS

SHEET NO.:

S-6

MEMORANDUM

TO: Todd White, Purchasing Manager

VIA: Carole Bassinger, Public Services Director

FROM: Karen Emadiazar, Utilities Manager

DATE: April 30, 2015

SUBJECT: **Approval of Bid Awards for Annual Requirements Contracts for Water and Wastewater Treatment Chemicals for Public Services to Pennco, Inc., San Felipe, Texas for Liquid Ferric Sulfate, and Standard Purification, Dunnellon, Florida for Activated Carbon.**

BACKGROUND

On April 16, 2015, bids were received for liquid Ferric Sulfate and Activated Carbon. These chemicals are utilized in the treatment and disinfection processes for water and wastewater treatment. These processes, as prescribed by the Texas Commission on Environmental Quality (TCEQ) and U.S. Environmental Protection Agency (EPA), are required to meet water quality standards and to protect public health.

ANALYSIS

Four (4) bids were received for liquid Ferric Sulfate and two (2) for Activated Carbon. As part of the bid specifications, vendors were instructed to submit ANSI/NSF certification standards. All bidders met this criterion. Pennco was the lowest bid for liquid Ferric Sulfate and Standard Purification the second lowest for Activated Carbon. Activated Carbon samples from each bidder were evaluated by Engineering Performance Solutions and Standard Purification's sample was determined to be the actual low bid based on dosage needs, and therefore, the best value for the City.

RECOMMENDATION

It is City staff's recommendation that the City award the bid for water and wastewater treatment chemicals as follows:

- Liquid ferric sulfate - Pennco
- Activated carbon - Standard Purification

Funding is available for these purchases in accounts:
402-09-330-110-4225, 402-09-330-111-4225, and 402-09-345-131-4225.

cc: Glenn Barker Jr., WTP Superintendent
Doug Lipscomb, WW Operations Supervisor

CITY OF LEWISVILLE
PURCHASING DIVISION
BID TABULATION
BID NO. 15-27-A
ANNUAL BID FOR WATER AND WASTEWATER CHEMICALS

Description	Qty	Unit	Penco Inc. San Felipe, TX		Chemtrade Chemicals US LLC Parsippany, NJ		ALTIVIA Chemicals Houston, TX		EnviroTech Water Treatment Colleyville, TX	
			Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total
Liquid Ferric Sulfate	800	ton	\$132.00	\$105,600.00	\$149.51	\$119,608.00	\$230.00	\$184,000.00	\$250.00	\$200,000.00

Activated Carbon was Evaluated on its Strength With Regards to Removing Taste and Odor Compounds					
Description	Qty	Unit	Longhorn Organics Forney, Texas		Standard Purification Dunnellon, Florida
			Bid Price per Ton	Evaluated Price per Ton	Evaluated Price per Ton
Activated Carbon	70	ton	\$1,482.00	\$2,694.55	\$1,526.00
Evaluated Total for 70 Tons			\$188,618.50		\$106,820.00

NOTE:
Engineering Performance Solutions was hired by the City to perform testing on the two samples of activated carbon received
Based on the test findings, Standard Purification is being recommended as "best value"

MEMORANDUM

TO: Todd White, Purchasing Manager

FROM: Ron Carson, Public Works Manager

DATE: April 23, 2015

SUBJECT: **Approval of a Bid Award for an Annual Requirements Contract for Street Sweeping to Mister Sweeper LP, Dallas, Texas, in the Estimated Amount of \$93,613.**

BACKGROUND

The interlocal contract for Street Sweeping Services recently expired and in order to continue with street sweeping a new contract is needed.

ANALYSIS

On March 26, 2015, two (2) bids were received and opened for the Annual Contract for Street Sweeping Services. The apparent low bid is from Mister Sweeper LP., 3522 Doug Dr., Dallas, Texas, 75247, in the amount of \$93,613.68. This contract involves the sweeping of residential streets four (4) times per year and commercial streets six (6) times per year. The contract also provides for additional sweeping due to public events and inclement weather.

RECOMMENDATION

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

CITY OF LEWISVILLE
PURCHASING DIVISION
BID TABULATION
BID NO. 15-25-A
STREET SWEEPING

BID ITEM	DESCRIPTION	QTY	UNIT	MISTER SWEEPER LP DALLAS, TEXAS		KASPER LIMITED LIABILITY COMPANY WATAUGA, TEXAS	
				UNIT PRICE	TOTAL	UNIT PRICE	TOTAL
1	Residential 4x Per Year	1,112	CURB MILE	\$53.89	\$59,925.68	\$72.87	\$81,031.44
3	Commercial Streets 6x Per Year	1,440	CURB MILE	\$19.95	\$28,728.00	\$37.00	\$53,280.00
4	Hourly Rate	20	HOUR	\$124.00	\$2,480.00	\$200.00	\$4,000.00
5	Sand Sweeping	10	CURB MILE	\$248.00	\$2,480.00	\$200.00	\$2,000.00
			TOTAL:	\$93,613.68		\$140,311.44	

MEMORANDUM

TO: Donna Barron, City Manager

FROM: David Salmon PE, City Engineer

VIA: Eric Ferris, Assistant City Manager

DATE: May 4, 2015

SUBJECT: **Approval of Change Order No. 2 to the Traffic 2012 Signal and Paving Project in the Amount of \$212,094.11; and Authorization for the City Manager to Execute the Change Order.**

BACKGROUND

On December 1, 2014, the City Council awarded a contract to Pavecon Public Works, L.P. for the Traffic 2012 Signal and Paving project in the amount of \$1,943,005.42. Staff has negotiated with Pavecon Public Works, L.P. for Change Order No. 2 in the amount of \$212,094.11 to perform additional utility work at the Mill/College intersection in order to complete the project. The additional utility work required includes removal/abandonment of old water and sewer lines and installation of new water and sewer lines within the intersection project limits prior to placement of new paving. Change order #1, specifically with regard to the intersection at Mac Arthur and Lake Vista Drive was approved by the City Manager in January, 2015 and the associated costs will be paid by the City of Coppell through a previously approved Interlocal Agreement between the Cities of Lewisville and Coppell.

ANALYSIS

The original scope of the project consisted of the addition of traffic signals and paving improvements at three intersections, Mac Arthur @ Lake Vista, Mac Arthur @ Highland Drive and the intersection at Mill and College Streets. The improvements on Mac Arthur @ Lake Vista and Mac Arthur @ Highland Drive are nearly complete except for minor paving items and above ground signal work. There has been no work yet at Mill Street @ College. Staff does not intend to allow the contractor to begin work at Mill Street @ College until the other two intersections are substantially complete. To meet current ADA/TDLR requirements at the Mill/College intersection, grades thru the intersection will be adjusted significantly and tied back to existing grades beyond the intersection. This will require the removal and replacement of pavement extending roughly 100 feet in all directions. Subsequent to the bid award to Pavecon Public Works in December 2014, staff determined the 2014 Utility Replacement Project limits overlapped the intersection improvements at College and Mill. Since construction had not started at this intersection and it will be the last of the three intersections to be constructed per the contractor's schedule, it would be prudent to perform all utility replacements at this intersection as part of Pavecon's work prior to construction of new paving improvements.

Subject: Traffic 2012 Change Order No. 2
May 4, 2015
Page 2 of 2

Therefore, design of the subject utilities was expedited and construction plans were completed on March 19, 2015. As a result, the proposed utilities will ultimately be deleted from the 2014 Utility Replacement project which is still in design.

Staff negotiated change order No. 2 in the amount of \$212,094.11 without a contingency as it is expected that the original contingency amount of \$92,524 should be adequate to cover the original contract as well as the added utility work.

Change order No. 2 does not add calendar days to the existing contract time as change order No. 1 for work in the Lake Vista/MacArthur intersection expedited the work schedule at that location at the request of the City of Coppell, however did not reduce the total number of calendar days in the contract. Therefore, the contractor has indicated that the subject utility work at this intersection should fit within the time limits in the original contract.

Funding for the utility work is available in the 2014 Utility Replacement project.

RECOMMENDATION

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

Change Order No. 2

Traffic 2012 Paving and Signal Improvements

Project No. G91204

Change Order No. 2 hereby amends the above referenced contract, dated the 1st day of December A.D. 2014, between the City of Lewisville, Texas, herein called the Owner and Pavecon Public Works, L.P. hereinafter called the Contractor. The Owner and Contractor hereby agree to amend the above referenced contract in accordance with this Change Order No. 2, specifically the provisions cited as follows:

1. THAT existing water and sewer lines located within the proposed pavement replacement limits in Mill and College have exceeded their life expectancy and the City wishes to replace the lines while adding appertenances for maintence prior to construction of new pavement;
2. THAT a short portion of the existing 33-inch storm line will be lowered to accommodate relocation of the sewer line, allowing the steel encased sewer line running thru the existing storm manhole in College to be removed;
3. THAT this work will be performed in three phases utilizing the paving traffic control plans for phases one and two and a new traffic control plan for phase three. Steel plating shall be utilized during utility installation and temporary asphalt pavement placed with the completion of each phase.
4. THAT the Contractor shall be paid for the below cited items at the agreed upon unit price. Quantities cited may be increased or decreased by the City as determined by actual conditions. Miscellaneous items of work required, such as dewatering the trench, securing and reinstalling existing utilities within the trench, fittings, thrust blocking, compacting subgrade, cutting, plugging, grouting and/or removal of the existing water or sewer lines, removal of existing valves, existing sewer line connections, testing and/or video of the new lines, debris removal, erosion control, restoring areas disturbed adjacent to the improvements, etc., shall be subsidiary to the below listed items;
5. THAT the original contract did not have a Bid Item for Item No. 37 through 54.

Item No.	Description	Unit	Quantity	Unit Price	Total
4	Trench Safety for Storm Lines	LF	24	\$143.00	\$3,432.00
15	Adjust Existing Fire Hydrant to Proposed Grade	EA	-1	\$2,750.00	-\$2,750.00
16	Adjust Existing Water Valve to Proposed Grade	EA	-5	\$247.50	-\$1,237.50
18	Adjust Existing Sanitary Sewer Manhole to Proposed Grade	EA	-1	\$495.00	-\$495.00
37	12-Inch PVC DR18 Pressure Class 235 Water Line	LF	315	\$65.84	\$20,739.60
38	8-Inch PVC DR18 Pressure Class 150 Water Line	LF	139	\$40.36	\$5,610.04
39	12-Inch Gate Valve	EA	3	\$3,580.27	\$10,740.81
40	8-Inch Gate Valve	EA	2	\$2,147.14	\$4,294.28
41	Connect to Existing 8-Inch Water Line	EA	1	\$2,577.34	\$2,577.34
42	Connect to Existing 12-Inch Water Line	EA	3	\$2,577.34	\$7,732.02
43	Fire Hydrant Assembly	EA	1	\$6,994.89	\$6,994.89
44	3/4" Copper Water Service and Meter Box	EA	2	\$1,883.89	\$3,767.78
45	8-Inch PVC SDR35 Sewer Line	LF	227	\$47.72	\$10,832.44
46	10-inch PVC SDR26 Sewer Line	LF	64	\$62.65	\$4,009.60

Change Order No. 2

Traffic 2012 Paving and Signal Improvements

Project No. G91204

47	5-Foot Diameter Sewer Manhole	EA	3	\$7,583.03	\$22,749.09
48	Concrete Encasement	LF	20	\$69.63	\$1,392.60
49	Sanitary Sewer Service and Cleanout	EA	1	\$1,625.77	\$1,625.77
50	Remove Existing Sewer Manhole	EA	1	\$2,536.24	\$2,536.24
51	Remove Steel Encased Sewer Line in Storm Manhole and Repair Manhole	LS	1	\$4,287.84	\$4,287.84
52	Trench Safety for Water and Sewer Lines	LF	745	\$17.25	\$12,851.25
52	Remove 33" RCP, Install new 33" RCP, Connect to Existing Storm Line and Storm Manhole and Repair Manhole	LS	1	\$10,326.02	\$10,326.02
53	Temporary Asphalt Pavement	LS	1	\$40,437.00	\$40,437.00
54	Traffic Control for Utilities	LS	1	\$39,640.00	\$39,640.00

Total Amount of Change Order No. 2:

\$212,094.11

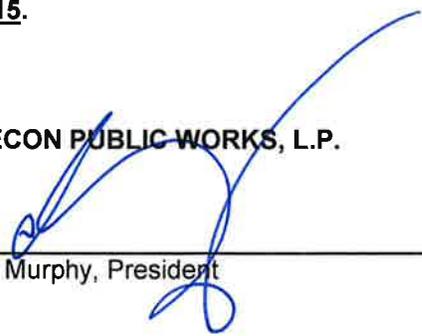
6. THAT upon approval of Change Order No. 2 by the City Council of the City of Lewisville, the City will give notice of such approval to the Contractor within ten (10) calendar days.

Change Order No. 2 approved by City Council the 18th day of May, 2015.

CITY OF LEWISVILLE

PAVECON PUBLIC WORKS, L.P.

Donna Barron, City Manager



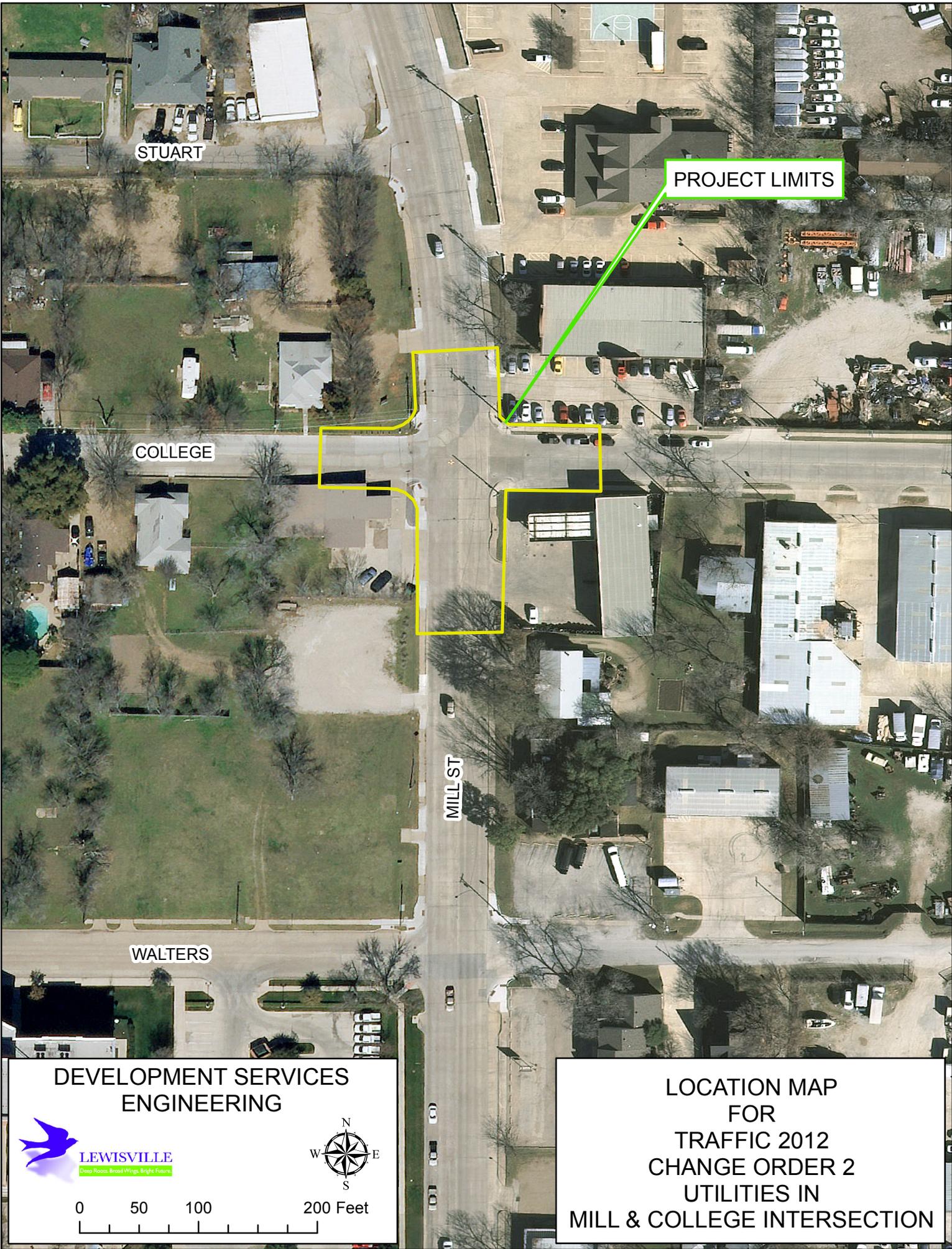
Marty Murphy, President

Attest:



Kimberly Smith, Witness





STUART

PROJECT LIMITS

COLLEGE

MILL ST

WALTERS

DEVELOPMENT SERVICES
ENGINEERING



LEWISVILLE
Deep Roots. Broad Wings. Bright Future.



0 50 100 200 Feet

LOCATION MAP
FOR
TRAFFIC 2012
CHANGE ORDER 2
UTILITIES IN
MILL & COLLEGE INTERSECTION

MEMORANDUM

TO: Donna Barron, City Manager

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

VIA: Eric Ferris, Assistant City Manager

DATE: May 1, 2015

SUBJECT: **Approval of a Developer Participation Agreement With the WRN Creekside Development, LLC for Drainage Improvements at 597 Bennett Lane in the Amount of \$133,143; Which Includes \$6,340 (Approximately 5%) for Contingencies; and Authorization for the City Manager, to Execute the Agreement.**

BACKGROUND

This Developer Participation Agreement will reimburse WRN Creekside Development, LLC (the “Developer”) for drainage improvements which are not required by the proposed development, however will be needed as part of future drainage system improvements identified in the Railroad Street Drainage Study performed in 2011 by Graham & Associates for the City. The agreement provides for the delineation of costs, duties and liabilities between the Developer and the City regarding the construction of the drainage improvement. The City has negotiated for the installation of four 9-foot by 5-foot reinforced concrete box culverts crossing the proposed driveway to Bennett Lane for the FedEx Freight Service Center. The amount of \$126,803 plus \$6,340 for contingencies (approximately 5%) for a total of \$133,143 covers the amount up to which the City agrees to reimburse the Developer for its installation of the drainage box culverts.

The installation of the drainage box culverts by the Developer will allow the proposed FedEx Freight Service Center driveway to Bennett Lane to not be temporarily closed or disrupted in the future when the City constructs drainage improvements near the northwest corner of Bennett Lane and Railroad Street. The driveway to Bennett Lane is the only driveway in and out of the proposed FedEx facility that can accommodate the truck traffic for the development, since the second driveway to Yates Street is for emergency access only.

ANALYSIS

After the City returns the executed agreement, the Developer will begin installation of the drainage improvement. After completion of all work by the Developer, the total cost of work performed will be determined and the City will be invoiced based on actual construction costs of the drainage improvements not to exceed the estimated amount of \$133,143 including \$6,340 for contingencies.

Subject: Hillwood Developer Participation Agreement
May 1, 2015
Page 2

RECOMMENDATION

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

DEVELOPER PARTICIPATION AGREEMENT

This Developer Participation Agreement (this "Agreement") is effective as of April _____, 2015 (the "Effective Date") by and between the City of Lewisville, Texas, a home rule municipal corporation (the "City") and WRN CREEKSIDE DEVELOPMENT, LLC a Texas limited liability company (the "Developer"). The Developer and City shall collectively be referred to herein as the "Parties".

I. RECITALS

1.1 Texas Local Government Code Section 212.071 authorizes the City to cost participate with a Developer of a subdivision or land to construct public improvements.

1.2 The Description of the work for the public infrastructure covered by this Agreement is attached as **Exhibit A** (the "Improvements"), which will be dedicated to the City after construction.

1.3 The City has agreed to reimburse the Developer for 100% of the costs incurred by the Developer in connection with the design and construction of the Improvements, which are drainage improvements not currently needed but are being installed as part of an oversized drainage plan desired by the City in anticipation of other future development in the area.

1.4 The City and Developer desire to set forth, in writing, their understandings and agreement regarding the construction and installation of the Improvements and payment for the Improvements.

NOW, THEREFORE, for the consideration set forth herein, the receipt and sufficiency of which are hereby acknowledged, City and Developer agree as follows:

II. DESIGN AND CONSTRUCTION OF IMPROVEMENTS

2.1 Design and Construction. Improvements will be designed and constructed by the Developer according to plans and specifications acceptable to and approved by the City in accordance with the City's applicable ordinances, standards, and processes. Improvements shall be constructed in strict conformance with the design and construction standard set forth in the North Central Texas Council for Governments Standard Specifications for Public Works Construction, the City of Lewisville Standard Specifications for Water and Sewer Construction, and the City's Code of Ordinances as they may be amended from time to time, and any other applicable federal, state, or local laws, ordinances, rules, or regulations. The City acknowledges that the scope of the Improvements, as shown on **Exhibit A**, is sufficient to meet the City's anticipated drainage requirements with regard to the surrounding area.

2.2 Project Manager. The Developer will act as project manager in the construction of the Improvements. The Developer will ensure that the construction is carried out under the direct supervision of a professional engineer registered in the State of Texas.

2.3 Independent Contractor. The Developer shall be solely responsible for selecting, supervision, and paying the construction contractor(s) or subcontractors and for complying with all applicable laws, including but not limited to all requirements concerning workers compensation and

construction retainage. All contractors, employees, volunteers, and personnel furnished or used by the Developer in the installation of the Improvements shall be the responsibility of Developer and shall not be deemed employees or agents of City for any purpose.

2.4 Completion and Acceptance. The date of completion shall be the date on which the City accepts the Improvements in accordance with the City's applicable ordinances, standards and processes and provides notice of such acceptance in writing to the Developer, such acceptance and notice shall not be unreasonably withheld, conditioned or delayed. Prior to the City's acceptance of the Improvements, Developer shall, among other applicable requirements, provide City a notarized affidavit stating that all bills for labor, materials, and incidentals incurred have been paid in full, that any claims from manufacturers, materialmen, and subcontractors have been released, and that there are no claims pending of which Developer has been notified.

2.5 Dedication of Easements. Before the City accepts the Improvements, Developer shall dedicate at no cost to the City all easements and/or rights-of-way, in forms acceptable to the City, related to and necessary for the location, operation, and maintenance of the Improvements provided that Developer has received all funds due to Developer pursuant to this Agreement.

III. TERM

3.1 This Agreement shall commence on the Effective Date and continue until payment in full by the City as required in paragraph 4.5.

IV. COST PARTICIPATION; PAYMENT; CONTRACT MATTERS

4.1 Costs. The cost breakdown for the Improvements is set forth in the Independent Contractor's Bid, attached as **Exhibit B**.

4.2 Allocation of Costs. The City is cost participating in the Improvements, in an amount (the "Cost") not to exceed the actual cost of constructing the Improvements and any City approved change orders associated therewith, including without limitation the payment for the design of all the Improvements, the engineering services necessary during the construction of the Improvements, and managing and overseeing the work to be performed by the designers and constructors. For purposes of this Agreement, 100% of the Costs are attributable to the cost of oversizing the Improvements beyond what is currently required for adequate drainage.

4.3 Contractor Agreement. Developer will provide the City with a copy of the bid form provided by its contractor, or potential contractors, and one complete copy of the construction contract (the "Contract") between the Developer and the selected contractor. Once provided to the City, the Contract shall be attached hereto as **Exhibit C**. Notwithstanding anything to the contrary, Developer shall have the right to substitute contractor bid forms and contracts so long as the final cost does not exceed the costs enumerated in the original **Exhibit B** and the new bid forms and contracts include materially similar terms. Under such conditions, the same shall replace **Exhibit B** and **Exhibit C** respectively.

a. Insurance Requirements. Developer shall provide the City with its certificates of insurance and endorsements as required in **Exhibit D**, attached hereto. Developer shall not commence

work in accordance with this Agreement until all of the insurance has been acquired and reasonable evidence of such has been provided to the City, nor shall Developer allow any subcontractor to commence work on his or her own subcontract until all similar insurance of the subcontractor has been obtained. The insurance requirements shall remain in effect until the date of completion of the Improvements. Developer and City hereby waive subrogation rights for loss or damage to the extent same are covered by insurance. Insurers shall have no right of recovery or subrogation against City or Developer, it being the intention that the insurance policies shall protect the Parties and be primary coverage for all losses covered by the policies. Companies issuing the insurance policies and the insured under such policies shall have no recourse against City or Developer for payment of any premiums or assessments for any deductibles, as all such premiums and deductibles are the sole responsibility and risk of the insured.

b. Payment and Performance Bonds. Prior to commencement of construction, Developer must acquire payment and performance bonds in accordance with Texas Government Code Chapter 2253 and Texas Local Government Code Section 212.073.

c. Maintenance Bonds. Prior to City's acceptance of the Improvements, Developer (at its own expense) shall provide or cause to be provided a two-year maintenance bond in the amount of the cost of the construction of the Improvements and on the form attached hereto as **Exhibit E**, attached hereto. The City shall reimburse the Developer for the cost of said maintenance bond.

4.4 Application for Payment. Developer shall submit a written application for City participation payment after the City's acceptance of the Improvements. The application for payment of the City shall be for the City's participation amount as stated in paragraph 4.2 and the cost of the maintenance bond as so provided in paragraph 4.3(c). The application for payment by the Developer to the City for payment to the Developer shall be in writing and must include a breakdown of actual costs of the Improvements with supporting documentation, including all payment receipts and any other documentation reasonably requested by the City to support the City's expenditure of public funds.

4.5 City Payment. The City will pay the Costs and the maintenance bond reimbursement in one payment within thirty (30) days after receipt of a complete (as reasonably determined by the City) written application for payment from Developer. If City reasonably determines Developer's application for payment is insufficient, City shall immediately alert Developer as to such determination and shall therewith provide Developer a detailed statement as to the information needed to complete the application for payment.

4.6 Payments to Subcontractors and Suppliers. The Developer shall be solely and exclusively responsible for compensating any of its contractors, employees, subcontractors, materialmen and/or suppliers of any type or nature whatsoever and insuring that no claims or liens of any type will be filed against any property owned by the City arising out of or incidental to the performance of any service performed pursuant to this Agreement. In the event a statutory lien notice is sent to the City that arises out of or is incidental to the performance of any service performed pursuant to this Agreement, the Developer shall, where no payment bond covers the work, upon written notice from the City, immediately satisfy the amounts associated with such lien filing and have same removed from the public record, or obtain a bond at Developer's expense and hold City harmless from any losses that may result from the filing or enforcement of any said lien notice.

4.7 Books and Records. All of Developer's documents, including financial records related to the design, bidding, and construction of the Improvements, shall be available for inspection by the City, at City's sole expense, upon reasonable prior written notice to Developer.

V. GOVERNMENTAL IMMUNITY, INDEMNITY AND RELEASE

5.1. The City does not waive its governmental immunity with regard to this Agreement except as required by law.

5.2 Indemnity and Release. Developer shall indemnify, hold harmless, and defend City and its officers, agents, and employees from and against any and all claims, losses, damages, causes of action, suits, and liability of every kind, including all expenses of litigation, court costs, expert fees and attorney's fees, for injury to or death of any person, or for damage to any property, or for breach of contract, arising out of or in connection with any actions or inactions, including negligence, of Developer, its officers, employees, agents and contractors, under this Agreement. The indemnity provided by this paragraph shall not apply to any liability resulting from the sole negligence or fault of City, its officers, agents, employees or separate contractors, and in the event of joint and concurring negligence or fault of City and Developer, responsibility and indemnity, if any, shall be apportioned in accordance with the law of the State of Texas, without waiving any defenses of the parties under Texas law.

The Developer assumes full responsibility for the work to be performed hereunder, and releases, relinquishes, and discharges the City and its officers, agents, and employees, from all claims, demands, and causes of action of every kind and character, including the cost of defense therefore, for any injury to or death of any persons and any loss of or damage to any property that is caused by, alleged to be caused by, arising out of, or in connection with, the Developer's work to be performed hereunder. This release shall apply whether or not said claims, demands, and causes of action are covered in whole or in part by insurance, but not to the extent such claims, demands, and causes of action are caused by the negligence or fault of City, its officers, agents, employees or separate contractors.

5.3 Monies Withheld. Whenever a claim exists against Developer or City arising out of the negligence of the Developer or the Developer's breach of any provision of this Agreement, or if Developer remains in default of this Agreement after being given thirty (30) days notice and a reasonable opportunity to cure, the City may withhold payment of any amount otherwise due to Developer under this Agreement. Any amount so withheld may be retained by City for that period of time as it may reasonably deem advisable to protect the City against any loss and may, after written notice to Developer, be applied in satisfaction of any claim described herein, unless Developer disputes the validity of such claim, in which case City shall not apply retained amounts and shall instead hold such amounts until final disposition of such claims. This provision is intended solely for the benefit of City, and no other person or entity shall have any right or claim against City by reason of City's failure or refusal to withhold moneys. No interest shall be payable by City on any amounts withheld.

VI. MISCELLANEOUS

6.1 Entire Agreement; Amendment; Assignment. This Agreement constitutes the entire agreement between the Parties hereto and may be amended only by a written document signed by the Parties. City and Developer each binds himself and his successors, executors, administrators and assigns to the other party of this Agreement and to the successors, executors, administrators and assigns of such other party in respect to all covenants of this Agreement. With the City's prior written consent, Developer may assign its obligations under this Agreement provided however that the Developer shall not be released from liability for performance of any obligation to City contained in this Agreement and will therefore, be held as surety for the proper performance of this Agreement by any assignee.

6.2 Subject to Ordinances and Laws. This Agreement and the obligations of the Parties hereunder are subject to all valid and applicable ordinances, fees (including City impact fees and/or pro rata fees), rules, regulations, and laws of all governmental agencies having lawful jurisdiction over them.

6.3 Applicable Law and Venue. This Agreement shall be governed and construed under and in accordance with the laws of the State of Texas. Jurisdiction and venue of any matter arising out of this Agreement shall be in Denton County, Texas.

6.4 Severability. If any of the terms, sections, subsections, sentences, clauses, phrases, provisions, covenants, or conditions of this Agreement are for any reason held to be invalid, void, or unenforceable, the remainder of the terms, sections, subsections, sentences, clauses, phrases, provisions, covenants, or conditions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

6.5 No Damages for Delays. Notwithstanding any other provision of this Agreement, the Parties shall not be entitled to claim or receive any compensation as a result of or arising out of any delay, hindrance, disruption, force majeure, impact, or interference, foreseen or unforeseen.

6.6 No Third Party Beneficiary. This Agreement only affects matters/disputes between the Parties, and is no way intended by the Parties to benefit or otherwise affect any third person or entity, notwithstanding the fact that such third person or entity may be in a contractual relationship with City or Developer or both; and the terms of this Agreement are not intended to release, either by agreement or operation of law, any third person or entity from obligations owed by them to either City or Developer.

6.7 Construction of Agreement. Both Parties have participated fully in the review and revision of this Agreement. Any rule or construction to the effect that ambiguities are to be resolved against the drafting party shall not apply to the interpretation of this Agreement.

6.8 Current Revenue. The parties contemplate that the City will satisfy all payment obligations of this Agreement from current revenues prior to the end of the City's fiscal year on September 30, 2015. If all payments to Developer have not been made prior to said date, City shall have Encumbered the remaining balance from which to satisfy its payment obligations hereunder. As used herein the term "Encumbered" shall mean that the City shall have earmarked sufficient funds to be used solely to satisfy all City payment obligations under this Agreement.

6.9 Notices. Any notice, request, or other communication to be given to either party hereunder, shall be in writing and shall be deemed to be delivered, whether actually received or not, upon deposit of both the original and the copy, as provided below, in a regularly maintained official depository

of the United States Mail located in the continental United States, sufficient postage prepaid, registered or certified mail, return receipt requested, addressed as shown below:

IF TO DEVELOPER:

Tal Hicks
President
Hillwood
3090 Olive Street, Suite 300
Dallas, Texas 75219
Phone: 214-303-5535
Email: tal.hicks@hillwood.com

COPY TO:

Marla Long
Hillwood
3090 Olive Street, Suite 300
Dallas, Texas 75219
Phone: 972-201-2972
Email: marla.long@hillwood.com

IF TO CITY:

Donna Barron, City Manager
151 W. Church Street
Lewisville, Texas 75057

COPY TO:

David Salmon, City Engineer
151 W. Church Street
Lewisville, Texas 75057

6.10 Waiver. Failure of any party, at any time, to enforce a provision of this Agreement shall in no way constitute a waiver of that provision nor in any way affect the validity of this Agreement, any part hereof, or the right of the Parties thereafter to enforce each and every provision hereof. No term of this Agreement shall be deemed waived or breach excused unless waiver shall be in writing and signed by the party claimed to have waived. Furthermore, any consent to or waiver of a breach will not constitute consent to or waiver of or excuse of any different or subsequent breach.

6.11 Time Essence. Time is of the essence in this Agreement.

6.12 Immigration Reform and Control Act (8 U.S.C 1324a). The Developer, its contractor, or its subcontractors shall at all times during the term of this Agreement comply with the requirements of IRCA and shall notify the City within fifteen (15) working days of receiving notice of a violation of IRCA. The Developer also warrants that it has not had an IRCA violation within the last five (5) years. The City may terminate this Agreement without penalty if the City determines that (a) the Developer, its contractor, or its subcontractors have been untruthful regarding IRCA violations in the preceding five (5) years or (b) the Developer, its contractors, or its subcontractors fail to timely notify the City of an IRCA violation.

6.13. ADA Compliance. If applicable, all Improvements must be in compliance with the Americans with Disabilities Act and any amendments thereto (the "ADA") and all regulations promulgated pursuant to the ADA. Developer will be required to certify compliance, if required under the law or otherwise required by the City.

6.14 Protection of Resident Workers. The City actively supports the Immigration and Nationality Act (INA), which includes provisions addressing employment eligibility, employment verification, and nondiscrimination. Under the INA, employers may hire only persons who may legally

work in the United States (i.e., citizens and nationals of the U.S.) and aliens authorized to work in the U.S. The employer must verify the identity and employment eligibility of anyone to be hired, which includes completing the Employment Eligibility Verification Form (I-9). The Developer shall establish appropriate procedures and controls so no services under the contract will be performed by any worker who is not legally eligible to perform such services or employment. The City reserves the right to audit Developer's employment records to verify the existence of a completed Employment Eligibility Verification Form (I-9) for every worker performing services under the contract. The audit will be at the City's expense. Any contract between the Developer and its contractor or subcontractor shall require said contractors and subcontractors to comply with this provision and allow the City the right to audit them as set forth in this paragraph.

[Signatures on Following Page]

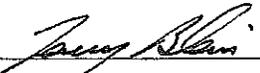
EXECUTED to be effective as of the Effective Date first written above.

CITY OF LEWISVILLE

By: _____
Donna Barron, City Manager

DEVELOPER

WRN CREEKSIDE DEVELOPMENT, LLC,
a Texas limited liability company

By: 

Print Name: LARRY BLAIR

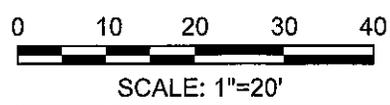
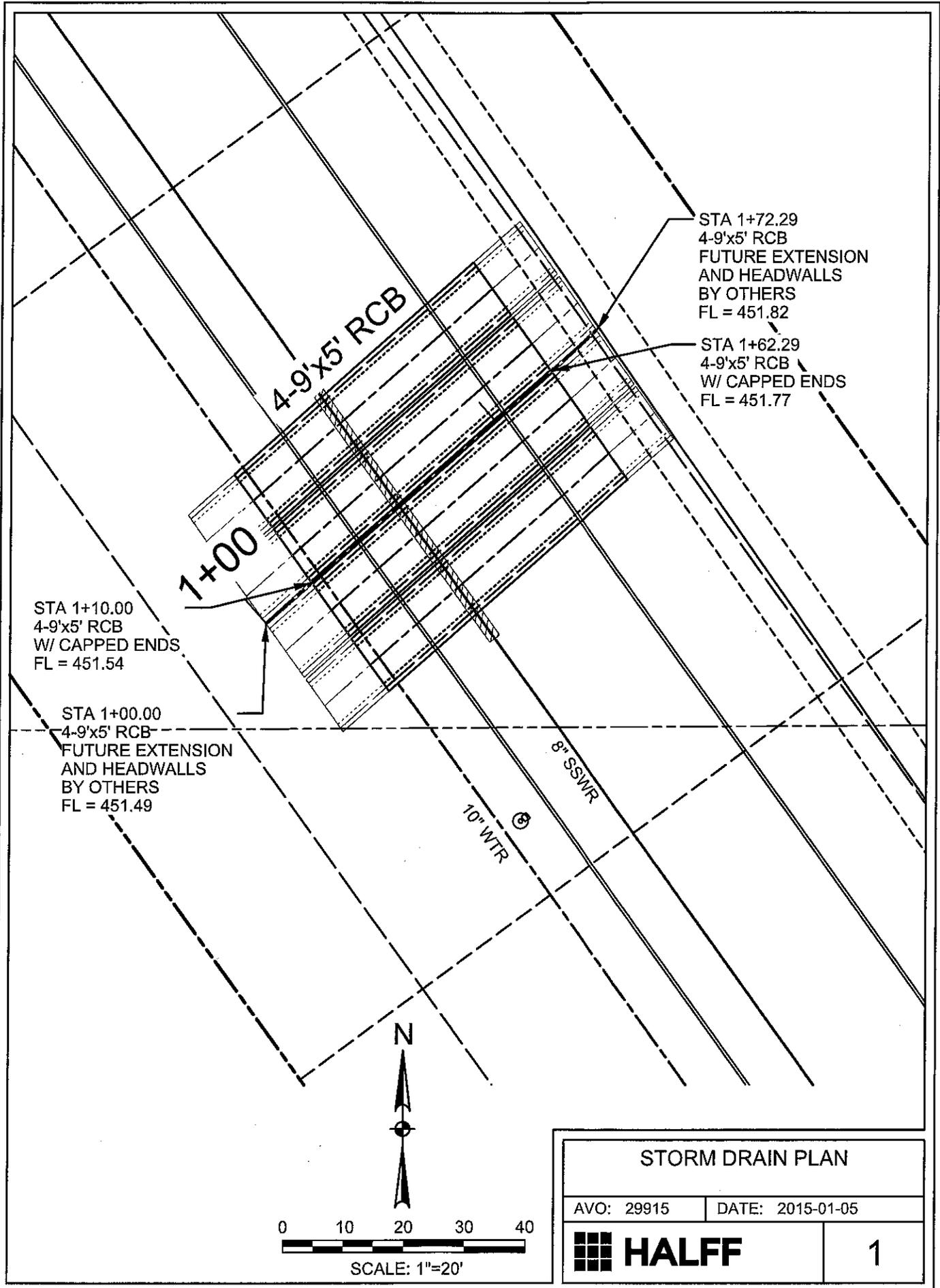
Title: VICE PRESIDENT

Exhibit A
Improvements

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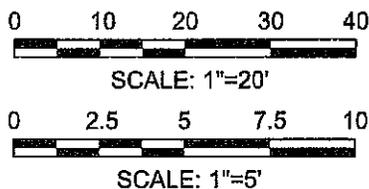
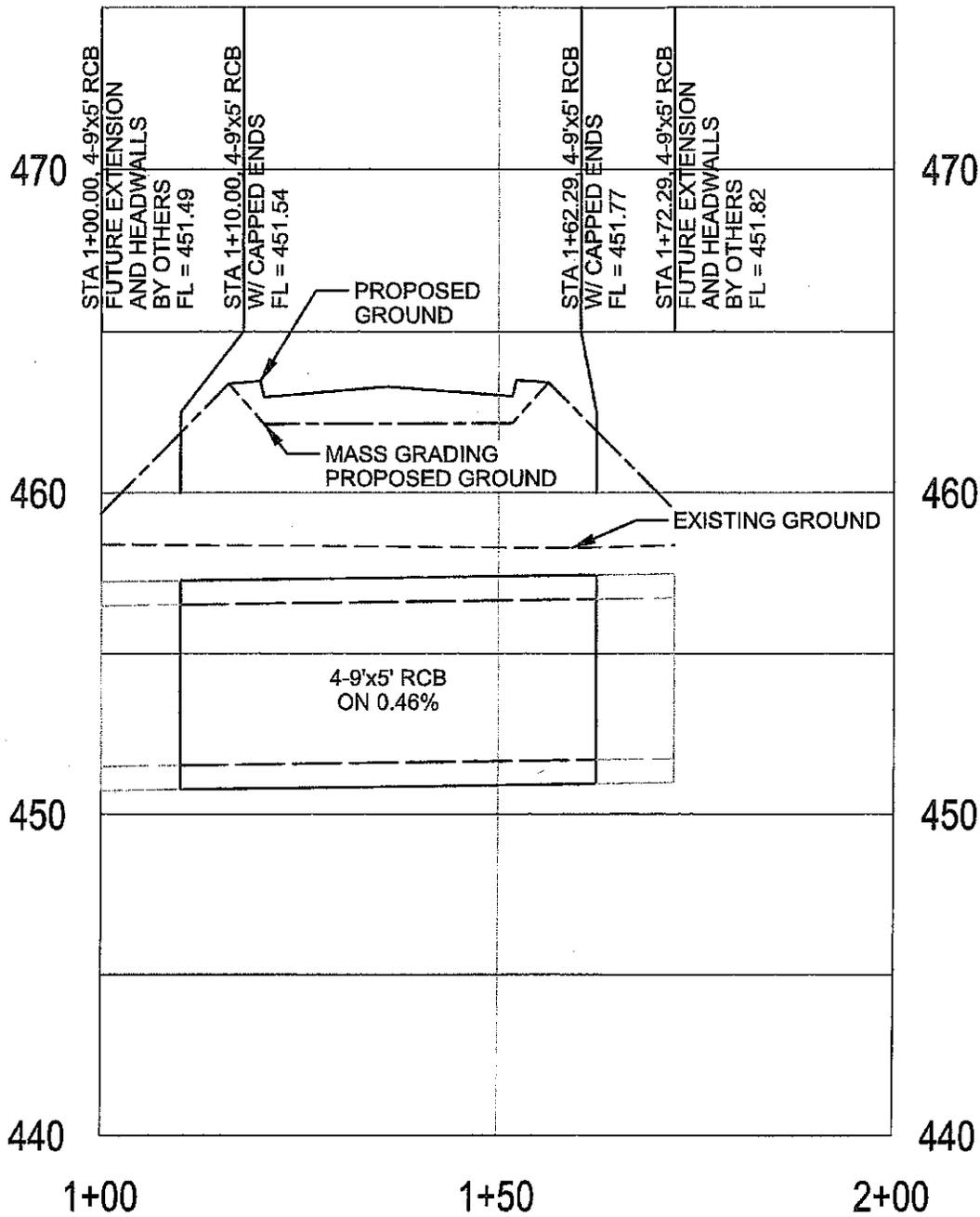
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STORM DRAIN PLAN	
AVO: 29915	DATE: 2015-01-05
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STORM DRAIN PROFILE	
AVO: 29915	DATE: 2015-01-05
HALFF	
2	

Exhibit B
Contractor's Bid

January 30, 2015



PAGE 1 OF 1

Hillwood Construction
Mr. Chris Bell
972-201-2992

chris.bell@hillwood.com

Proposal #213166A(culvert): Preliminary Site Utilities for Box Culvert at FedEx in Lewisville, Texas.

ITEM	DESCRIPTION	QTY	UNIT	UNIT PRICE	TOTAL
1	4-9'x5' Box Culvert (Precast)	53	LF	\$ 1,951.00	\$ 103,403.00
2	9'x5' End Cap	8	EA	\$ 1,850.00	\$ 14,800.00
3	Flowable Fill for 6" Gap between Boxes	20	CY	\$ 125.00	\$ 2,500.00
TOTAL					\$ 120,703.00
MISCELLANEOUS					
1	City Public Maintenance Bond (2yr 100%)	1	LS	\$ 3,100.00	\$ 3,100.00
2	Payment/Performance Bonds	1	LS	\$ 3,000.00	\$ 3,000.00
3	Insurance (See Certificate)	1	LS	\$ 0.00	No Cost
4	City Public Inspection Fee (3.5%)	1	LS		Waived - No Bid
5	Material/Geotech Testing	1	LS		By Others - No Bid
6	Sales Tax (private work only)	1	LS		N/A - No Bid
TOTAL					\$ 6,100.00
TOTAL					\$ 126,803.00

NOTES

- 1) All utility work is bid to be installed before blue-topping.
- 2) Survey CAD plans or disk to be supplied to us for the utility locations.
- 3) Costs for resolution of conflicts, between proposed and existing utilities, if any, are excluded.
- 4) We have included (1) mobilization. Additional mobilizations, not caused by CalHar, will be added for an adequate rate to cover the size of the crew being mobilized.
- 5) Value of any deleted scope from this proposal to be approved by CalHar Construction.
- 6) Spoils to be left onsite and knocked down. Compaction of stockpiled spoils, if required, is excluded.
- 7) Rock excavation is excluded until the geo-tech report can be reviewed.
- 8) Work indicated on any other plan sheet other than Civil sheets is excluded. Utility work is bid as it is shown on civil sheets. Coordination of Civil and other plan sheets is excluded.
- 9) This proposal is preliminary. Some scope is assumed due to conflicting or lack of specification and/or details.
- 10) Replacement of uncompactible, rotten, or other undesirable backfill, if required, is excluded.
- 11) Well pointing or excessive ground dewatering is excluded.
- 12) Material pricing is valid for 30 days from January 30, 2015.
- 13) Costs associated with damage to or loss of trees, landscaping, irrigation, etc. is excluded. Tree trimming is excluded.
- 14) Trench backfill, above the pipe embedment, is bid as using excavated, onsite trench spoils.
- 15) Demolition work, by others, is assumed to be completed prior to our mobilization.
- 16) All work is bid to be done during normal work hours and days.
- 17) All costs associated with franchised utilities, including pole bracing, are excluded.
- 18) The following items are excluded: engineering design, density testing, clearing, landscaping, erosion control, grass, owner bonds, impact fees, tap fees; and the removal/replacement/relocation of irrigation, cables, pipes, fences, landscaping, and pavement.
- 19) All work is bid to be awarded as one contract and done at the same time.
- 20) T.V. or Testing of existing utilities is excluded.
- 21) Culvert is assumed to be installed prior to fills being made.
- 22) Work is assumed to be done while we are on site for other utility work.
- 23) No equalization openings are assumed in the box culvert.
- 24) See attached insurance certificate for current limits and coverage's. No other coverage's, limits, or special wording is included without adding additional costs.

Please call me if you have any question about this proposal.
David Lippert

Exhibit C
Contract

Exhibit D
Insurance Requirements

EXHIBIT D

INSURANCE REQUIREMENTS **PROFESSIONAL SERVICES PROJECTS INVOLVING CONSTRUCTION**

Services for professionals including: Architects, Engineers, Building Contractors

Vendor shall procure and maintain for the duration of the contract, insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the work hereunder by the vendor, his agents, representatives, employees or subcontractors. The cost of such insurance shall be included in the Vendor's bid.

A. MINIMUM SCOPE OF INSURANCE

Coverage shall be at least as broad as:

1. ISO Form Number GL 00 01 (Ed 10 01) covering Comprehensive General Liability. "Occurrence" form only, "claim made" forms are unacceptable except for professional liability.
2. Workers' Compensation insurance as required by the Labor Code of the State of Texas, including Employers' Liability Insurance.
3. Automobile Liability – as required by the State of Texas, covering all owned, hired, or non-owned vehicles. Automobile Liability is only required if vehicle(s) will be used under this contract. Coverage not required for delivery services.
4. Professional Liability Insurer. (Applicable only to certified or licensed Engineers and or Architects.)

B. MINIMUM LIMITS OF INSURANCE

Vendor shall maintain throughout contract limits not less than:

1. Commercial General Liability: \$500,000 per occurrence for bodily injury, personal injury and property damage. \$1,000,000 Aggregate Policy will include coverage for:
 - a. Premises – Operations
 - b. Broad Form Contractual Liability
 - c. Products and Completed Operations
 - d. Use of Contractors and Subcontractors
 - e. Personal Injury
 - f. Broad Form Property Damage
 - g. If applicable, Explosion Collapse and Underground (XCU) Coverage (when applicable, Fire Damage, Medical Expense).

NOTE: The aggregate loss limit applies to each project.

2. Workers' Compensation and Employer's Liability: Workers' Compensation limits as required by the Labor Code of the State of Texas and Statutory Employer's Liability minimum limits of \$100,000 per injury, \$300,000 per occurrence, and \$100,000 per occupational disease.
3. Automobile Liability - \$500,000 Combined Single Limit. Limits can only be reduced if approved by the Risk Manager or designee.
4. Professional Liability - \$500,000 per occurrence. \$1,000,000 Aggregate.
5. Builders' Risk Insurance (as applicable) – Completed value form, insurance carried must equal the completed value of the structure.

C. DEDUCTIBLES AND SELF-INSURED RETENTIONS

Any deductible or self-insured retentions must be declared to and approved by the City.

D. OTHER INSURANCE PROVISIONS

The policies are to contain, or be endorsed to contain the following provisions:

1. General Liability and Automobile Liability Coverages

- a. The City, its officers, officials, employees, Boards and Commissions and volunteers are to be added as "Additional Insured" as respects liability arising out of activities performed by or on behalf of the vendor, products and completed operations of the vendor, premises owned, occupied or used by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officers, officials, employees or volunteers. It is understood that the business auto policy under "Who is an Insured" automatically provides liability coverage in favor of the City.
- b. The vendor's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees or volunteers shall be excess of the vendor's insurance and shall not contribute with it.
- c. Any failure to comply with reporting provisions of the policy shall not affect coverage provided to the City, its officers, officials, employees, Boards and Commissions or volunteers.
- d. The vendor's insurance shall apply separately to each insured against whose claim is made or suit is brought, except to the limits of the insured's liability.

2. Workers' Compensation and Employer's Liability Coverage

The insurer shall agree to waive all rights of subrogation against the City, its officers, officials, employees and volunteers for losses arising from work performed by the vendor for the City.

3. All Coverages

Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled or non-renewed by either party, reduced in coverage or in

limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given the City.

4. Professional Liability (applicable only to certified or licensed Engineers and or Architects)
"Claims made" policy is acceptable coverage which must be maintained during the course of the project and up to two (2) years after completion and acceptance of the project by the City.

E. ACCEPTABILITY OF INSURERS

The City prefers that Insurance be placed with insurers with an A.M. Best's rating of no less than A-:VI, or, A or better by Standard and Poors. Professional Liability carriers will need to be approved by the Risk Manager.

F. VERIFICATION OF COVERAGE

Contractor shall furnish the City with certificates of insurance affecting coverage required. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. Certificates of Insurance similar to the ACCORD Form are acceptable. City will not accept Memorandums of Insurance or Binders as proof of insurance. The City reserves the right to require complete, certified copies of all required insurance policies at any time.

G. HOLD HARMLESS AND INDEMNIFICATION

Contractor covenants to save, defend, keep harmless and indemnify the City, its officers, officials, employees or volunteers (collectively the "City") from and against any and all claims, loss, damage, injury, cost (including court costs and attorney fees), charges, liability or exposure, however caused, resulting from or arising out of or in any way connected to Contractor's actions, performance, or operations relating to contract, including any and all sub-contractors involved in the contract.

H. PROOF OF INSURANCE

Contractor is required to submit proof of insurance on a form acceptable to the City of Lewisville. Certificates of Insurance similar to the ACCORD form are acceptable. City will not accept Memorandums of Insurance or Binders as proof of insurance. City, at its own discretion, may require a copy of any policy presented to the City.

Exhibit E
Maintenance Bond

MAINTENANCE BOND

Bond No. _____

KNOW ALL MEN BY THESE PRESENTS:

That we, _____
(hereinafter called Principal), and _____,
a corporation organized under the laws of the State of _____ and authorized to do a surety business
in the State of Texas, (hereinafter called Surety), are held and firmly bound unto the City of Lewisville in the full and just
sum of _____
_____ (\$ _____), lawful money of the United States
of America, for the payment of which sum, well and truly to be made, we bind ourselves, our heirs, executors,
administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, said Principal has performed _____ improvements
in a public easement and/or right-of-way, which have been or are about to be completed and accepted by the City of
Lewisville for the project known as _____ located at _____.

AND WHEREAS, it is required that the Principal should guarantee the project from defects caused by faulty
materials or workmanship for a period of two years from and after the date of acceptance of same by the City of
Lewisville.

NOW, THEREFORE, if the said Principal shall for a period of two years from and after the date of acceptance of
the completed project by said City of Lewisville replace any and all defects arising in said work whether resulting from
defective materials or defective workmanship, then the above obligation shall be null and void; otherwise to remain in full
force and effect for two years from the date of acceptance by the City of Lewisville.

IN WITNESS WHEREOF, the parties have caused this instrument to be signed and sealed by their respective
authorized officers this _____ day of _____ 20____.

Principal: _____

Surety: _____

By: _____

By: _____

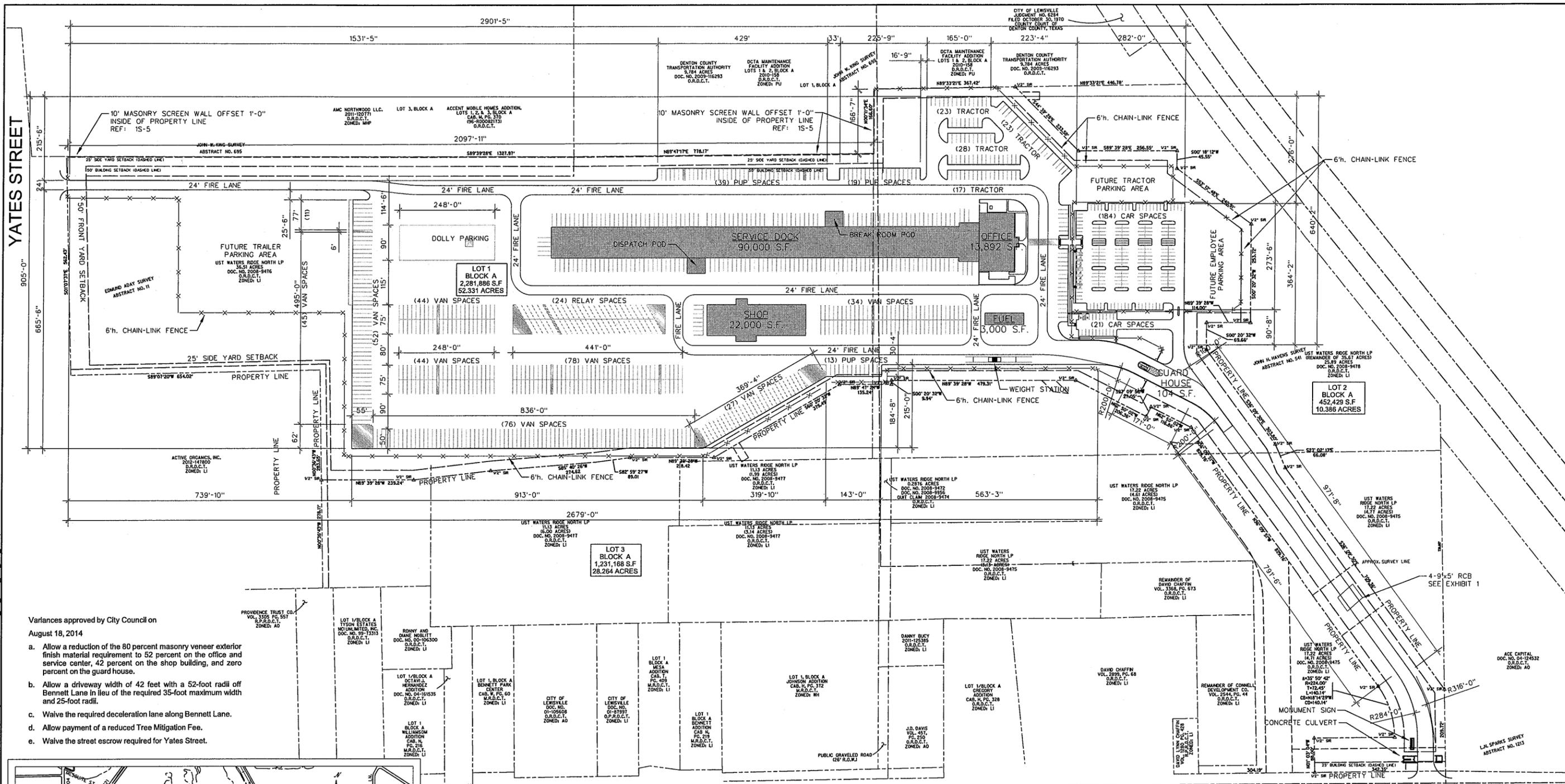
_____, Attorney-in-Fact

Address: _____

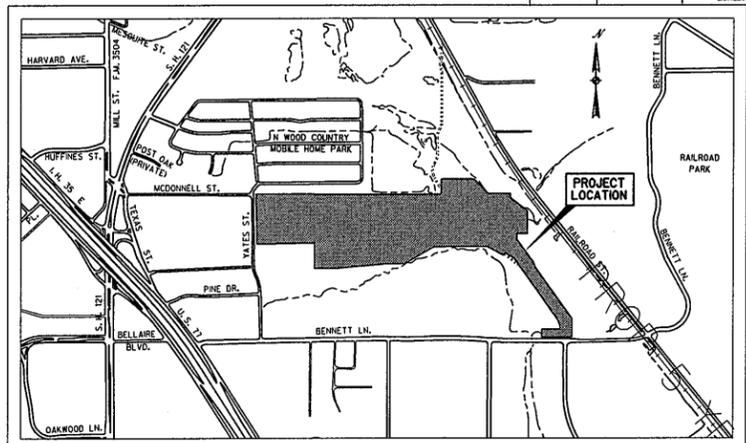
Address: _____

Witness as to Principal:

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- Variances approved by City Council on August 18, 2014
- Allow a reduction of the 80 percent masonry veneer exterior finish material requirement to 52 percent on the office and service center, 42 percent on the shop building, and zero percent on the guardhouse.
 - Allow a driveway width of 42 feet with a 52-foot radii off Bennett Lane in lieu of the required 35-foot maximum width and 25-foot radii.
 - Waive the required deceleration lane along Bennett Lane.
 - Allow payment of a reduced Tree Mitigation Fee.
 - Waive the street escrow required for Yates Street.



LOCATION MAP
SCALE: 1" = 1000'

Building	Square Footage
Office	13,892
Service Dock	90,000
Shop	22,000
Fuel	3,000
Guardhouse	104

TOTAL PARKING SPACES
(357) VAN SPACES
(91) TRACTOR
(71) PUP SPACES
(24) RELAY SPACES
(205) CAR SPACES

- LEGEND**
- x—x— FENCE
 - MASONRY WALL
 - - - - - EXISTING LOT LINE
 - - - - - EXISTING PROPERTY LINE
 - - - - - PROPOSED PROPERTY LINE
 - - - - - PROPOSED SETBACK LINE
 - - - - - PROPOSED DRAINAGE EASEMENT
 - - - - - PROPOSED ACCESS EASEMENT

SITE PLANS
Scale: 1/128" = 1'-0"

NOTE: ALL DIMENSIONS ARE MEASURED FROM FRONT FACE OF CONC. CURB

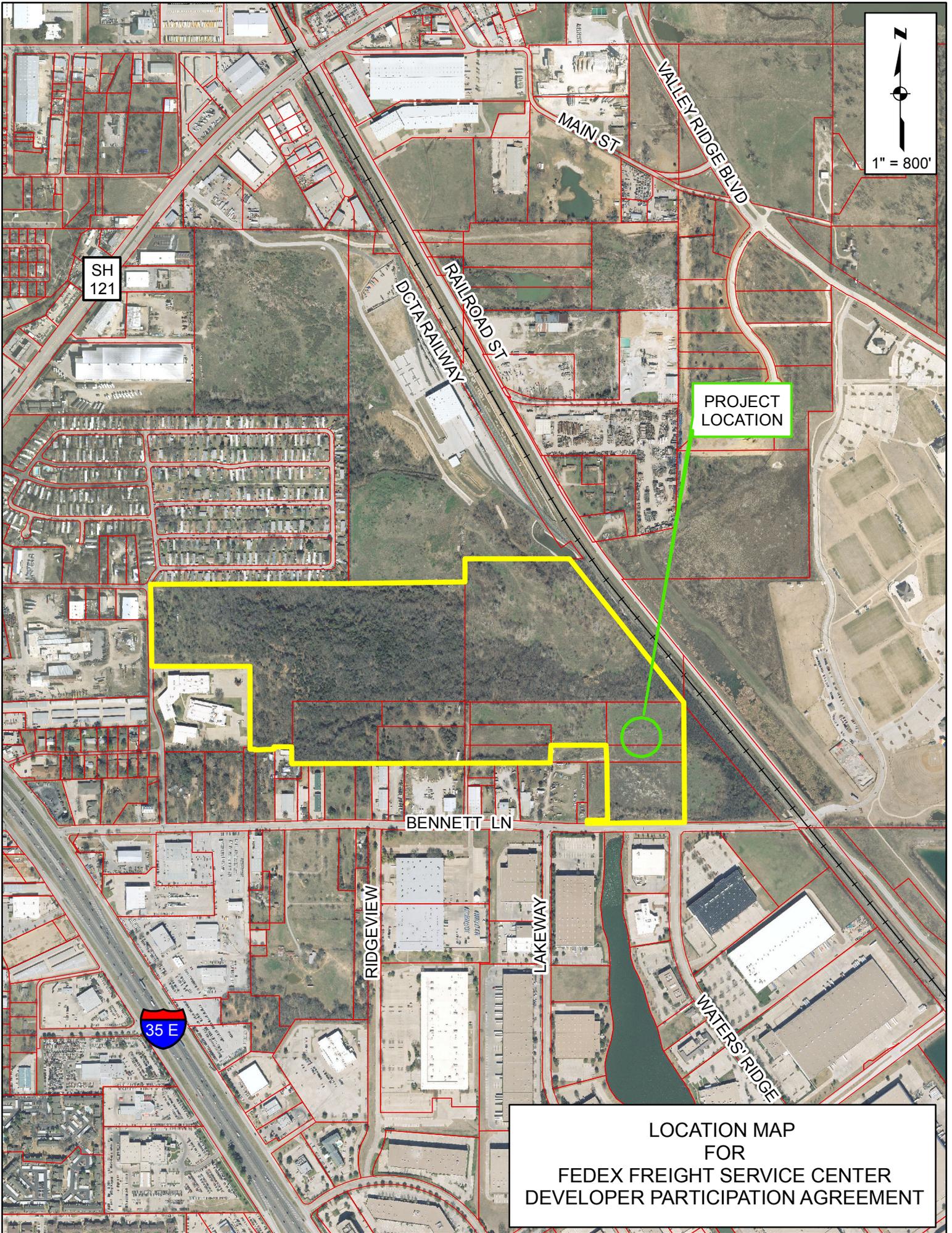
The seal appearing on this document was authorized by Jeffrey F. Roberts, PE# 101251 on 03/31/2015. Alteration of a sealed document without proper notification to the responsible engineer is an offense under the Texas Engineering Practice Act. The record copy of this drawing is on file at the offices of Half Associates, Inc. 2080 N. State Highway 360, Suite 350, Grand Prairie, Texas 75050. TBPE FIRM #F-312.



**ENGINEERING SITE PLAN FOR
FEDEX FREIGHT SERVICE CENTER "NDA"
WRN CREEKSIDE ADDITION
LOT 1, BLOCK A
52.331 ACRES
LI (LIGHT INDUSTRIAL)/SUP ORD. NO. 4103-08-2014-2014**

CITY OF LEWISVILLE, TEXAS

DESIGN	DRAWN	DATE	SCALE	AVO	FILE NO. (CLIENT USE)	NO.
JFR	GAH	04/09/2015	AS NOTED	29915		C0.03



SH
121

DCTA RAILWAY

RAILROAD ST

MAIN ST

VALLEY RIDGE BLVD

PROJECT
LOCATION

BENNETT LN

RIDGEVIEW

LAKEWAY

35 E

WATERS RIDGE

LOCATION MAP
FOR
FEDEX FREIGHT SERVICE CENTER
DEVELOPER PARTICIPATION AGREEMENT

MEMORANDUM

TO: Donna Barron, City Manager

FROM: Bob Monaghan, Director - PALS

DATE: May 6, 2015

SUBJECT: **Approval of Lease Agreements Between Trett Enterprises, Inc., JT Good Inc., LMH-SP, Inc., DFW Ice Vending LLC, and Texoma Clean Marine, LLC.**

BACKGROUND

The City of Lewisville renewed the lease of Lewisville Lake Park with the Army Corps of Engineers beginning April 15, 2000 and ending April 14, 2025. The City in turn has leases with the Lake Park Golf Course, Lewisville Fishing Barge, and Eagle Point Marina. Under the Eagle Point Marina lease are several sub-leases including Sneaky Pete's, the Slalom Shop, and boat rentals.

ANALYSIS

Each of the Eagle Point Marina/Trett Enterprises, Inc. sub-leases must be approved by Council and then submitted to the Corps of Engineers. Eagle Point Marina has long term leases with the Slalom Shop and Sneaky Pete's but is keeping all other lease to one year terms. Eagle Point has submitted leases (renewals) for Captained Boat Charters with JT Good, Inc./DBA JT's Boat Rentals and for Boat Rentals with LMH-SP, Inc./DBA Just For Fun, and DFW Ice Vending LLC. A new lease has been submitted for holding tank pumpout services from Texoma Clean Marine, LLC.

RECOMMENDATION

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

COMMERCIAL LEASE AGREEMENT

TABLE OF CONTENTS

Articles:

1. Defined Terms
2. Lease and Lease Term
3. Rent and Security Deposit
4. Taxes
5. Insurance and Indemnity
6. Use of Demised Premises
7. Property Condition, Maintenance, Repairs and Alterations
8. Damage or Destruction
9. Condemnation
10. Assignment and Subletting
11. Default and Remedies
12. Landlord's Contractual Lien
13. Protection of Lenders
14. Environmental Representations and Indemnity
15. Miscellaneous
16. Expense Reimbursement
17. Renewal Options
18. Personal Guarantee for Sole Proprietors and Partnerships
19. Additional Provisions

EXHIBITS AND ADDENDA

Any exhibit or addendum attached to this Lease is incorporated as a part of this Lease for all purposes. Any term not specifically defined in the Addenda has the same meaning given to it in the body of this Lease to the extent any provision in the body of this Lease conflicts with the Addenda, the Addenda shall control.

[Check all boxes which apply]

EXHIBIT A – Floor Plan, Dock Plan, or Site Plan

IN CONSIDERATION of the agreements set forth in this Lease, the parties agree as follows:

ARTICLE ONE: DEFINED TERMS. As used in this Commercial Lease Agreement (the "Lease"), the terms set forth in this Article One have the following respective meanings:

1.01. Effective Date: The last date set forth by the signatures of Landlord and Tenant.

1.02. Landlord: Trett Enterprises, LLC. d/b/a Eagle Point Marina
1 Eagle Point Rd, Lewisville, TX 75077
Telephone: 972-436-6561

1.03. Tenant: JT Good, Inc./DBA JT's Boat Rentals
10619 Buccaneer Point Frisco, TX 75034

1.04. Demised Premises:

Captained Boat Charters at Eagle Point Marina

1.05. Lease Term: Beginning *April 1, 2015* (the "Commencement Date") and ending on *March 31, 2016*, (the "Expiration Date"). With the exception either party can cancel this lease with a 30 day written notice.

1.06. Base Rent: N/A

1.07. Percentage Rental Rate: see Article 19.

1.08. Security Deposit: \$ N/A (due upon execution of this Lease). [See Section 3.04]

1.09. Permitted Use: Operation of Captained Boat Charters, Charters and related activities as defined in Article Nineteen.

1.10. Parties to whom Tenant is to deliver payments under this Lease:

Name: Eagle Point Marina

Address: 1 Eagle Point Rd, Lewisville TX 75077

1.11. Acceptance: The number of days for acceptance of this offer is 10 days. [See Section 16.14]

ARTICLE TWO: LEASE AND LEASE TERM

2.01. Lease of Demised Premises for Lease Term. Landlord leases the Demised Premises to Tenant and Tenant leases the Demised Premises from Landlord for the Lease Term stated in Section 1.05. The Commencement Date is the date specified in Section 1.05, unless advanced or delayed under any provision of this Lease.

2.02. Delay In Commencement. Landlord shall not be liable to Tenant if Landlord does not deliver possession of the Demised Premises to Tenant on the Commencement Date specified in Section 1.05 above. Landlord's non-delivery of possession of the Demised Premises to Tenant on the Commencement Date will not affect this Lease or the obligations of Tenant under this Lease. However, the Commencement Date shall be delayed until possession of the Demised Premises is delivered to Tenant. The Lease Term shall be extended for a period equal to the delay in delivery of possession of the Demised Premises to Tenant, plus the number of days necessary for the Lease Term to expire on the last day of a month. If Landlord does not deliver possession of the Demised Premises to Tenant within sixty (60) days after the Commencement Date specified in Section 1.05, Tenant may cancel this Lease by giving written notice to Landlord within ten (10) days after the 60-day period. If Tenant gives such notice, this Lease shall be canceled effective as of the date of its execution, and no party shall have any obligations under this Lease. If Tenant does not give such notice within the time specified, Tenant shall have no right to cancel this Lease, and the Lease Term shall commence upon the delivery of possession of the Demised Premises to Tenant. If delivery of possession of the Demised Premises to Tenant is delayed, Landlord and Tenant shall, upon such delivery, execute an amendment to this Lease setting forth the revised Commencement Date and Expiration Date of the Lease Term.

2.03. Early Occupancy. If Tenant occupies the Demised Premises prior to the Commencement Date, Tenant's Occupancy of the Demised Premises shall be subject to all of the provisions of this Lease. Early occupancy of the Demised Premises shall not advance the Expiration Date. Unless otherwise provided herein, Tenant shall pay Base Rent and all other charges specified in this Lease for the period of Occupancy.

2.04. Holding Over. Tenant shall vacate the Demised Premises immediately upon the expiration of the Lease Term or earlier termination of this Lease. Tenant shall reimburse Landlord for and indemnify Landlord against all damages incurred by Landlord as a result of any delay by Tenant in

vacating the Demised Premises. If Tenant does not vacate the Demised Premises upon the expiration of the Lease Term or earlier termination of this Lease, Tenant's occupancy of the Demised Premises shall be a day-to-day tenancy, subject to all of the terms of this Lease, computed on a daily basis for each day of the holdover period, plus all additional sums due under this Lease. This paragraph shall not be construed as Landlord's consent for Tenant to hold over or to extend this Lease.

ARTICLE THREE: RENT AND SECURITY DEPOSIT

3.01. Manner of Payment. All sums payable under this Lease by Tenant (the "Rent") shall be made to the Landlord at the address designated in Section 1.02, unless another person is designated in Section 1.10, or to any other party or address as Landlord may designate in writing. Any and all payments made to a designated third party for the amount of the Landlord shall be deemed made to Landlord when received by the designated third party. All sums payable by Tenant under this Lease, whether or not expressly denominated as rent, shall constitute rent for the purposes of Section 502(b)(6) of the Bankruptcy Code and for all other purposes. The Base Rent is the minimum rent for the Demised Premises and is subject to the terms and conditions contained in this Lease, together with the attached Addenda, if any.

3.02. Time of Payment. Upon execution of this Lease, Tenant shall pay the installment of Base Rent for the first month of the Lease Term. On or before the first day of the second month of the Lease Term and of each month thereafter, the installment of Base Rent and other sums due under this Lease shall be due and payable, in advance, without offset, deduction or prior demand. If the Lease Term commences or ends on a day other than the first or last day of a calendar month, the rent for any fractional calendar month following the Commencement Date or preceding the end of the Lease Term shall be prorated by days.

3.03. Late Charges. Tenant's failure to promptly pay sums due under this Lease may cause Landlord to incur unanticipated costs. The exact amount of those costs is impractical or extremely difficult to ascertain. The costs may include, but are not limited to, processing and accounting charges and late charges, which may be imposed on Landlord by any ground lease or deed of trust encumbering the Demised Premises. Payments due to Landlord under this Lease are not an extension of credit. Therefore, Landlord may, at Landlord's option and to the extent allowed by applicable law, impose a Late Charge on any payments which are not received by Landlord on or before the due date in an amount equal to one-half of one percent (0.5%) of the amount of the past due payment (the "Late Charge") per day for each day after the due date, until the past due amount in Good Funds is received by Landlord, up to a maximum of ten percent (10%) of the past due amount. A Late Charge may be imposed only once on each past due payment. Any Late Charge will be in addition to Landlord's other remedies for nonpayment of rent. If any check tendered to Landlord by Tenant under this Lease is dishonored for any reason, Tenant shall pay to the party receiving payments under this Lease a fee of Thirty dollars (\$35.00), plus (at Landlord's option) a Late Charge as provided above until good funds are received by Landlord. The parties agree that any Late Charge and dishonored check fee represent a fair and reasonable estimate of the costs Landlord will incur by reason of the late payment or dishonored check. Payments received from Tenant shall be applied first to any Late Charges, second to Base Rent, and last to other unpaid charges or reimbursements due to Landlord. Notwithstanding the foregoing, Landlord will not impose a Late Charge as to the first late payment in any calendar year, unless Tenant fails to pay the late payment to Landlord within three (3) business days after the delivery of a written notice from Landlord to Tenant demanding the late payment be paid. However, Landlord may impose a Late Charge without advance notice to Tenant on any subsequent late payment in the same calendar year.

3.04. Security deposit. Upon execution of this Lease, Tenant shall deposit with Landlord cash Security Deposit in the amount stated in Section 1.08. Landlord may apply all or part of the Security Deposit to any unpaid Rent or other charges due from Tenant or to cure any other defaults of Tenant. If Landlord uses any part of the Security Deposit, Tenant shall restore the Security Deposit to its full amount within ten (10) days after Landlord's written demand. Tenant's failure to restore the full amount of the Security Deposit within the time specified shall be a default under this Lease. No interest will be paid on the Security Deposit. Landlord will not be required to keep the Security Deposit separate from its other accounts and no trust relationship is created with respect to the Security Deposit. Upon any termination of this Lease not resulting from Tenant's default, and after Tenant has vacated the Property and cleaned and restored the Demised Premises in the manner required by this Lease, Landlord shall refund the unused portion of the Security Deposit to Tenant within thirty days after the Termination Date or thirty days after Tenant fully complies with the conditions of termination as required in Section 7.05, whichever is later.

3.05. Good Funds Payments. If, for any reason whatsoever, any two or more payments by check from Tenant to Landlord for Rent are dishonored and returned unpaid, thereafter Landlord may, at Landlord's sole option, upon written notice to Tenant, require that all future payments of Rent for the remaining term of the Lease must be made by cash, certified check, cashier's check, or money order ("Good Funds") and that the delivery of Tenant's personal or corporate check will no longer constitute payment of Rent under this Lease. Any acceptance by Landlord of a payment for Rent by Tenant's personal or corporate check thereafter shall not be construed as a waiver of Landlord's right to insist upon payment by Good Funds as set forth herein.

ARTICLE FOUR: TAXES

4.01. Payment by Landlord. Landlord shall pay the real estate taxes on the Demised Premises during the Lease Term.

4.02. Improvements by Tenant. If the real estate taxes levied against the Demised Premises for the real estate tax year in which the Lease Term commences are increased as a result of any alterations, additions or improvements made by Tenant or by Landlord at the request of Tenant, the improvements shall be considered a leasehold improvement and all increases in real estate taxes shall be the responsibility of Landlord.

4.03. Joint Assessment If the real estate taxes are assessed against the Demised Premises jointly with other property not constituting a part of the Demised Premises, the real estate taxes applicable to the Demised Premises shall be equal to the amount bearing the same proportion to the aggregate assessment that the total square feet of building area in the Demised Premises bears to the total square feet of building area included in the joint assessment.

4.04. Personal Property Taxes. Tenant shall pay all taxes assessed against trade fixtures, furnishings, equipment, inventory, products, or any other personal property belonging to Tenant. Tenant shall use reasonable efforts to have Tenant's personal property taxed separately from the Demised Premises. If any of Tenant's personal property is taxed with the Demised Premises, Tenant shall pay the taxes for the personal property to Landlord within fifteen (15) days after Tenant relieves a written statement from Landlord for the personal property taxes.

ARTICLE FIVE: INSURANCE AND INDEMNITY

5.01. Casualty Insurance. During the Lease Term, Landlord shall maintain policies of insurance covering loss of or damage to the Demised Premises in an amount or percentage of replacement value as Landlord deems reasonable in relation to the age, location, type of construction and physical condition of the Demised Premises and the availability of insurance at reasonable rates. The policies shall provide protection against all perils included within the classification of fire and extended coverage and any other perils, which Landlord deems necessary. Landlord may, at Landlord's option, obtain insurance coverage for Tenant's fixtures, equipment or building improvements installed by Tenant in or on the Demised Premises. Tenant shall, at Tenant's expense, maintain insurance on its fixtures, equipment and building improvements, as Tenant deems necessary to protect Tenant's interest. Tenant shall not do or permit to be done anything, which invalidates any insurance policies. Any casualty insurance carried by Landlord or Tenant shall be for the sole benefit of the party carrying the insurance and under its sole control.

5.02. Increase in Premiums. Tenant shall not permit any operation or activity to be conducted, or storage or use of any volatile or any other materials, on or about the Demised Premises that would cause suspension or cancellation of any fire and extended coverage insurance policy carried by Landlord, or increase the premiums therefore, without the prior written consent of Landlord. If Tenant's use and occupancy of the Demised Premises causes an increase in the premiums for any fire and extended coverage insurance policy carried by Landlord, Tenant shall pay to Landlord, as additional rental, the amount of the increase within ten days after demand and presentation by Landlord of written evidence of the increase.

5.03. Liability Insurance. During the Lease Term, Tenant shall maintain a commercial general liability policy of insurance, at Tenant's expense, insuring Landlord against liability arising out of the ownership, use, occupancy, or maintenance of the Demised Premises. **Tenant must have Landlord listed at all times as "ADDITIONALLY NAMED INSURED" on Binder and Policy.** The initial amounts of the insurance must be at least: \$1,000,000 for Each Occurrence, \$2,000,000 General Aggregate per policy year, \$100,000 Property Damage for the Demised Premises, and \$10,000 Medical Expense; plus a \$2,000,000 commercial general liability umbrella; and shall be subject to periodic increases based upon economic factors as Landlord may determine, in Landlord's discretion, exercised in good faith. However, the amounts of the insurance shall not limit Tenant's liability nor relieve Tenant of any obligation under this Lease. The policies must contain cross-liability endorsements, if applicable, and must insure Tenant's performance of the indemnity provisions of Section 5.04. The policies must contain a provision, which prohibits cancellation or modification of the policy except upon thirty (30) days' prior written notice to Landlord. Tenant may discharge Tenant's obligations under this Section by naming Landlord as an additional insured under a comprehensive policy of commercial general liability insurance maintained by Tenant and containing the coverage and provisions described in this Section. Tenant shall deliver a copy of the policy or certificate (or a renewal) to Landlord prior to the Commencement Date and prior to the expiration of the policy during the Lease Term. If Tenant fails to maintain the policy, Landlord may elect to maintain the insurance at Tenant's expense. Tenant may, at Tenant's expense, maintain other liability insurance, as Tenant deems necessary to protect Tenant.

5.04. Indemnity. Landlord shall not be liable to Tenant or to Tenant's employees, agents, invitees or visitor, or to any other person, for any injury to persons or damage to property on or about the Demised Premises or any adjacent area owned by Landlord caused by the negligence or misconduct of Tenant, Tenant's employees, subtenants, agents, licensees or concessionaires or any other person entering the Demised Premises under express or implied invitation of Tenant, or arising out of the use of the Demised Premises by Tenant and the conduct of Tenant's business, or arising out of any breach or default by Tenant in the performance of Tenant's obligations under this Lease; and Tenant hereby agrees to indemnify and hold Landlord harmless from any loss, expense (including attorneys' fees) or claims arising out of such damage or injury. Tenant shall not be liable for any injury or damage caused by the negligence or misconduct of Landlord, or Landlord's employees or agents, and Landlord agrees to indemnify and hold Tenant harmless from any loss, expense or damage arising out of such damage or injury.

5.05. Comparative Negligence. Tenant and Landlord hereby unconditionally and irrevocably agree to indemnify, defend and hold each other and their officers, agents, directors, subsidiaries, partners, employees, licensees and counsel harmless, to the extent of each party's comparative negligence, if any, from and against any and all loss, liability, demand, damage, judgment, suit, claim, deficiency, interests, fee, charge, cost or expense (including, without limitation, interest, court costs and penalties, reasonable attorney's fees and disbursements and amounts paid in settlement, or liabilities resulting from any change in federal, state or local law or regulation or interpretation of this Lease) of whatever nature, on a comparative negligence basis, even when caused in part by Landlord's or Tenant's negligence or the joint or concurring negligence of Landlord, Tenant, and any other person or entity, which may result or to which Landlord or Tenant and/or any of their officers, agents, director, employees, subsidiaries, partners, licensees and counsel may sustain, suffer, incur or become subject to in connection with or arising in any way whatsoever out of the leasing, operation, promotion, management, maintenance, repair, use or occupation of the Demised Premises, or any other activity of whatever nature in connection therewith, or arising out of or by reason of any investigation, litigation or other proceedings brought or threatened, arising out of or based upon the leasing, operation, promotion, management, maintenance repair, use or occupancy of the Demised Premises, or any other activity on the Demised Premises. This provision shall survive the expiration or termination of this Lease.

5.06. Waiver of Subrogation. Each party to this Lease waives any and every claim which arises or may arise in its favor against the other party during the term of this Lease or any renewal or extension of this Lease for any and all loss of, or damage to, any of its property located within or upon, or constituting a part of, the Demised Premises, which loss or damage is covered by valid and collectible fire and extended coverage insurance policies, to the extent that such loss or damage is recoverable under such insurance policies. These mutual waivers shall be in addition to, and not in limitation or derogation of, any other waiver or release contained in this Lease with respect to any loss of, or damage to, property of the parties. Inasmuch as these mutual waivers will preclude the assignment of any aforesaid claim by way of subrogation or otherwise to an insurance company (or any other person), each party hereby agrees to give immediately to each insurance company (which has issued to such party policies of fire and extended coverage insurance) written notice of the terms of such mutual waivers, and to cause such insurance policies to be properly endorsed to prevent the invalidation of the insurance coverage by reason of these waivers.

5.07. Payment of Deductible. In the event that Landlord should be requested or required by Landlord's insurance company to pay any deductible arising out of Tenant's business operations at the demised premises or as a result of a claim or lawsuit involving Tenant's business operations at the demised premises, Tenant unconditionally agrees to pay such deductible. At Landlord's sole discretion, Landlord may pay such deductible; and Tenant shall reimburse Landlord for the deductible paid by Landlord.

ARTICLE SIX: USE OF DEMISED PREMISES

6.01. Permitted Use. Tenant may use the Demised Premises only for the Permitted Use stated in Section 1.09. The parties to this Lease acknowledge that the current use of the Demised Premises or the improvements located on the Demised Premises, or both, may or may not conform to the city zoning ordinance with respect to the permitted use, height, setback requirements, minimum parking requirements, average ratio of improvements to total area of land, and other matters which may have a significant economic impact upon the Tenant's intended use of the Demised Premises. Tenant acknowledges that Tenant has or will independently investigate and verify to Tenant's satisfaction the extent of any limitations or non-conforming uses of the Demised Premises. Tenant further acknowledges that Tenant is not relying upon warranties or representations of Landlord or the Brokers who are participating in the negotiation of this Lease concerning the Permitted Use of the Demised Premises, with respect to any uses of the improvements located on the Demised Premises.

6.02. Compliance with Law. Tenant shall comply with all governmental laws, ordinances and regulations applicable to the use of the Demised Premises, and shall promptly comply with all governmental orders and directives for the connection, prevention and abatement of nuisances and other activities in or upon, or connected with the Demised Premises. Landlord acknowledges responsibility for any expense or cost resulting from the construction or installation of Fixtures and improvements or other accommodations for handicapped or disabled persons required for compliance with governmental laws and regulations, including but not limited to the local, State and Federal statutes and the Americans with Disabilities Act (the "ADA"). To the extent any alterations to the Demised Premises are required by the ADA or other applicable laws or regulations, Landlord shall bear the expense of the alterations. To the extent any alterations to areas of the Property outside the Demised Premises are required by Title III of the ADA or other applicable laws or regulation (for "path of travel" requirements or otherwise), Landlord shall bear the expense of the alterations.

6.03. Certificate of Occupancy. If required, Tenant shall obtain a Certificate of Occupancy from the municipality in which the Property is located prior to occupancy of the Demised Premises. Tenant may apply for a Certificate of Occupancy prior to the Commencement Date and, if Tenant is unable to obtain a Certificate of Occupancy, Tenant shall have the right to terminate this Lease by written notice to Landlord if Landlord or Tenant is unwilling or unable to cure the defects, which prevented the issuance of the Certificate of Occupancy. Landlord may, but has no obligation to, cure any such defects, including any repairs, installations, or replacements of any items which are not presently existing on the Demised Premises, or which have not been expressly agreed upon by Landlord in writing.

6.04. Signs. Without the prior written consent of Landlord, Tenant may not place any signs, ornaments or other objects upon the Demised Premises or on the Property, including but not limited to the roof or exterior of the building or other improvements on the Property, or paint or otherwise decorate or deface the exterior of the building. Any signs installed by Tenant must conform to applicable laws, deed restrictions on the Property, and other applicable requirements. Tenant must remove all signs, decorations and ornaments at the expiration or termination of the Lease and must repair any damage and close any holes caused by the removal.

6.05. Utility Services. Tenant shall pay the cost of all utility services, all charges for communications and electricity used on the Demised Premises, and for replacing all electric lights, lamps and tubes, excluding all initial construction and connection charges.

6.06. Landlord's Access. Landlord and Landlord's agents shall have the right to, during normal business hours and upon reasonable advance notice, and without unreasonably interfering with Tenant's business, enter the Demised Premises: (a) to inspect the general condition and state of repair of the Demised Premises, (b) to make repairs required or permitted under this Lease, (c) to show the Demised Premises or the Property to any prospective tenant or purchaser, and (d) for any other reasonable purpose. If Tenant changes the locks on the Demised Premises, Tenant must provide Landlord with a copy of each separate key. During the final one hundred fifty (150) days of the Lease Term, Landlord and Landlord's agents may erect and maintain on or about the Demised Premises signs advertising the Demised Premises for lease or for sale.

6.07. Possession. If Tenant pays the rent, property maintains the Demised Premises, and complies with all other terms of this Lease, Tenant may occupy and enjoy the Demised Premises for the full Lease Term, subject to the provisions of this Lease.

6.08. Exemptions from Liability. Landlord shall not be liable for any damage or injury to the persons, business (or any loss of income), goods, inventory, furnishings, fixtures, equipment, merchandise or other property of Tenant, Tenant's employees, invitees, customers or any other person in or about the Demised Premises, whether the damage or injury is caused by or results from: (a) fire, steam, electricity, water, gas or wind; (the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures or any other cause; (c) conditions arising on or about the Demised Premises or upon other portions of any building of which the Demised Premises is a part, or from other sources or places; or (d) any act or omission of any other tenant of any building on the Property. Landlord shall not be liable for any damage or injury even though the cause of or means of repairing the damage or injury are not accessible to Tenant. The provisions of this Section 6.08 shall not, however, exempt Landlord from liability for Landlord's gross negligence or willful misconduct.

ARTICLE SEVEN: PROPERTY CONDITION, MAINTENANCE, REPAIRS AND ALTERATIONS

7.01. Property Condition. Except as disclosed in writing by Landlord to Tenant contemporaneously with the execution of this Lease, to the best of Landlord's actual knowledge the Demised Premises has no known latent structural defects, construction defects of a material nature, and to the best of Landlord's actual knowledge none of the improvements has been constructed with materials known to be a potential health hazard to occupants of the Demised Premises. Other than as expressly set forth in this Lease, Landlord represents that on the Commencement Date (and for a period of thirty (30) days thereafter) the building fixtures and equipment, plumbing, and plumbing fixtures, electrical and lighting system, any fire protection sprinkler system, ventilating equipment, heating system, air conditioning equipment, roof, skylights, doors, overhead doors, windows, dock levelers, elevators, and the interior of the Demised Premises in general are in good operating condition. Tenant shall have a period of thirty (30) days following the Commencement Date in which to inspect the Demised Premises and to notify Landlord in writing of any defects and maintenance, repairs or replacements required to the above named equipment, fixtures, systems and interior. Within a reasonable period of time after the timely receipt of any such written notice from Tenant, Landlord shall, at Landlord's expense, correct the defects and perform the maintenance, repairs and replacements.

7.02. Acceptance of Demised Premises.

TENANT HAS BEEN GIVEN THE OPPORTUNITY TO INSPECT THE DEMISED PREMISES AND ADJACENT COMMON AREAS AND ACCEPTS THE PREMISES BASED ON THAT INSPECTION. THE PREMISES ARE DELIVERED TO TENANT AND ARE BEING LEASED "AS IS" AND "WITH ALL FAULTS." LANDLORD MAKES NO WARRANTY, EXPRESS, IMPLIED, OR ARISING BY OPERATION OF LAW, AND TO THE MAXIMUM EXTENT PERMITTED BY LAW, LANDLORD HEREBY DISCLAIMS, AND TENANT WAIVES THE BENEFIT OF, ANY AND ALL IMPLIED WARRANTIES, INCLUDING IMPLIED WARRANTIES OF FITNESS OR SUITABILITY FOR PURPOSE, OR THAT THE PREMISES HAS BEEN CONSTRUCTED IN A GOOD AND WORKMANLIKE MANNER.

7.03. Maintenance and Repairs. Except as otherwise provided in this Lease, Landlord shall be under no obligation to perform any repair, maintenance or management service in the Demised Premises or adjacent common areas. Tenant shall be fully responsible, at its expense, for all repair, maintenance and management services other than those, which are expressly assumed by the Landlord.

A. Landlord's Obligation.

(1) Subject to the provisions of Article Eight (Damage or Destruction) and Article Nine (Condemnation) and except for damage caused by any act or omission of Tenant, Landlord shall keep the dock levelers, elevators, interior and exterior plumbing, fire extinguishers or fire suppression systems, the interior roof, skylights, foundation, structural components and structural portions of all walls of the Demised Premises, heating system, ventilating equipment, air conditioning equipment, in good order, condition and repair. Landlord shall not be obligated to maintain or repair windows, doors, overhead doors, plate glass or the surface of the interior walls. All exterior maintenance including periodic paint and repairs shall be done at Landlord's expense and direction in a manner to conform to other common areas of the premises. In addition, Landlord shall not be obligated to make any repairs under this Section until a reasonable time after receipt of written notice from Tenant of the need repairs. If any repairs are required to be made by Landlord, Tenant shall, at Tenant's sole cost and expense, promptly remove Tenant's furnishings, fixtures, inventory, equipment and other property, to the extent required to enable Landlord to make repairs. Landlord's liability under this Section shall be limited to the cost of those repairs or corrections. Tenant waives the benefit of any present or future law, which might give Tenant the right to repair the Demised Premises at Landlord's expense or to terminate the Lease because of the condition.

(2) All repair, maintenance, management and other services to be performed by the Landlord or Landlord's agents involve the exercise of professional judgment by service providers, and Tenant expressly waives any claims for breach of warranty arising from the performance of those services.

B. Tenant's Obligation.

(1) Subject to the provisions of Section 7.01, Section 7.03A, Article Eight (Damage or Destruction) and Article Nine (Condemnation), Tenant shall, at all times keep all other portions of the Demised Premises in good order, condition and repair, ordinary wear and tear excepted, including but not limited to maintenance, repairs and all necessary replacements of the windows, plate glass, doors, overhead doors, electrical and lighting systems, of the Demised Premises in general, pest control and extermination, and including the exterior of Demised Premises. In addition, Tenant shall, at Tenant's expense, repair any damage to any portion of the Property, including roof, skylights, foundation, or structural components and exterior walls of the Demised Premises, caused by Tenant's acts or omissions. If Tenant fails to maintain and repair the Property as required by this Section, Landlord may, on ten (10) days' prior written notice, enter the Demised Premises and perform the maintenance or repair on behalf of Tenant, except that no notice is required in case of emergency, and Tenant shall reimburse Landlord immediately upon demand for all costs incurred in performing the maintenance or repair, plus a reasonable service charge.

7.04. Alterations, Additions and Improvements. Tenant shall not create any openings in the roof or exterior walls, or make any alterations, additions or improvements to the Demised Premises without prior written consent of Landlord. Consent for non-structural alterations, additions or improvements shall not be unreasonably withheld by Landlord. Tenant may erect or install trade fixtures, shelves, bins, machinery, heating, ventilating and air conditioning equipment and, provided that Tenant complies with all applicable governmental laws, ordinances, codes, and regulations. At the expiration or termination of this Lease, Tenant shall, subject to the restrictions of Section 7.05 below, have the right to remove items installed by Tenant, provided Tenant is not in default at the time of the removal and provided further that Tenant shall, at the time of removal of the items, repair in a good and workmanlike manner any damage caused by the installation or removal. Tenant shall pay for all costs incurred or arising out of alterations, additions or improvements in or to the Demised Premises and shall not permit any mechanic's or materialman's lien to be filed against the Demised Premises or the Property. Upon request by Landlord, Tenant shall deliver to Landlord proof of payment reasonably satisfactory to Landlord of all costs incurred or arising out of any alterations, additions or improvements.

7.05. Condition upon Termination Upon the expiration or termination of this Lease, Tenant shall surrender the Demised Premise, to Landlord broom clean and in the same condition as received, except for ordinary wear and tear which Tenant is not otherwise obligated to remedy under any provision of this Lease. Tenant shall not be obligated to repair any damage, which Landlord is required to repair under Article Seven (Property Condition) or Article Eight (Damage or Destruction). In addition, Landlord may require Tenant to remove any alterations, additions or improvements (whether or not made with Landlord's consent) prior to the expiration or termination of this Lease and to restore the Demised Premises to its prior condition, all at Tenant's expense. All alterations, additions and improvements, which Landlord has not required, Tenant to remove shall become Landlord's property and shall be surrendered to Landlord upon the expiration or termination of this Lease. In no event, however, shall Tenant remove any of the following materials or equipment without Landlord's prior written consent: (i) any electrical wiring or power panels; (ii) lighting or lighting fixtures; (iii) wall coverings, drapes, blinds or other window coverings; (iv) carpets or other floor coverings; (v) heating, ventilating, or air conditioning equipment; (vi) fencing or security gates; or (vii) any other fixtures, equipment or items which, if removed, would affect the operation or the exterior appearance of the Property.

ARTICLE EIGHT: DAMAGE OR DESTRUCTION

8.01. Notice If any buildings or other improvements situated on the Property are damaged or destroyed by fire, flood, windstorm, tornado or other casualty, Tenant shall immediately give written notice of the damage or destruction to Landlord.

8.02. Partial Damage. If the building or other improvements situated on the Demised Premises are damaged by fire, tornado, or other casualty but not to such an extent that rebuilding or repairs cannot reasonably be completed within one hundred twenty (120) days from the date Landlord receives written notification by Tenant of the occurrence of the damage, this Lease shall not terminate, but Landlord shall proceed with reasonable diligence to rebuild or repair the building and other improvements on the Demised Premises (other than leasehold improvements made by Tenant or any assignee, subtenant or other occupant of the Demised Premises) to substantially the condition in which they existed prior to the damage. If the casualty occurs during the final eighteen (18) months of the Lease Term, Landlord shall not be required to rebuild or repair the damage unless Tenant exercises Tenant's renewal option (if any) within fifteen (15) days after the date of receipt by Landlord of the notification of the occurrence of the damage. If Tenant does not exercise its renewal option, or if there is no renewal option contained in this Lease, Landlord may, at Landlord's option, terminate this Lease by promptly delivering a written termination notice to Tenant, in which event the Rent shall be abated for the unexpired portion of the Lease Term, effective from the date of receipt by Landlord of the written notification of the damage. To the extent the Demised Premises cannot be occupied (in whole or in part) following the casualty, the Rent payable under this Lease during the period in which the Demised Premises cannot be fully occupied shall be adjusted equitably.

8.03. Substantial or Total destruction If the building or other improvements situated on the Demised Premises are substantially or totally destroyed by fire, tornado, or other casualty, or so damaged that rebuilding or repairs cannot reasonably be completed within one hundred twenty (120) days from the date Landlord receives written notification by Tenant of the occurrence of the damage, either Landlord or Tenant may terminate this Lease by promptly delivering a written termination notice to the other party, in which event the monthly installments of Rent shall be abated for the unexpired portion of the Lease Term, effective from the date of the damage or destruction. If neither party promptly terminates this Lease, Landlord shall proceed with reasonable diligence to rebuild and repair the building and other improvements (except that Tenant shall rebuild and repair Tenant's fixtures and improvements in the Demised Premises). To the extent the Demised Premises cannot be occupied (in whole or in part) following the casualty, the Rent payable under this Lease during the period in which the Demised Premises cannot be fully occupied shall be adjusted equitably.

ARTICLE NINE: CONDEMNATION

If, during the Lease Term or any extension thereof, all or a substantial part of the Demised Premises are taken for any public or quasi-public use under any governmental law, ordinance or regulation or by right of eminent domain, or are conveyed to the condemning authority under threat of condemnation, this Lease shall terminate and the monthly installments of Rent shall be abated during the unexpired portion of the Lease Term, effective from the date of the taking. If less than a substantial part of the Demised Premises is taken for public or quasi-public use under any governmental law, ordinance or regulation, or by right of eminent domain, or is conveyed to the condemning authority under threat of condemnation, Landlord, at its option, may by written notice terminate this Lease. If Landlord does not terminate this Lease, Landlord shall promptly, at Landlord's expense, restore and reconstruct the buildings and improvements (other than leasehold improvements made by Tenant or any assignee, subtenant or other occupant of the Demised Premises) situated on the Demised Premises in order to make the same reasonably tenantable and suitable for the use for which the Demised Premises is leased as defined in Section 6.01. The monthly installments of Rent payable under this Lease during the unexpired portion of the Lease Term shall be adjusted equitably. Landlord and Tenant shall each be entitled to receive and retain such separate awards and portions of lump sum awards as may be allocated to their respective interests in any condemnation proceeding. The termination of this Lease shall not affect the rights of the parties to such awards.

ARTICLE TEN: ASSIGNMENT AND SUBLETTING

Tenant shall not, without the prior written consent of Landlord, assign this Lease or sublet the Demised Premises or any portion thereof any

assignment or subletting shall be expressly subject to all terms and provisions of this Lease, including the provisions of Section 6.01 pertaining to the use of the Demised Premises. In the event of any assignment or subletting, Tenant shall remain fully liable for the full performance of all Tenants' obligations under this Lease. Tenant shall not assign its rights under this Lease or sublet the Demised Premises without first obtaining a written agreement from the assignee or sublessee whereby the assignee or sublessee agrees to assume the obligations of Tenant under this Lease and to be bound by the terms of this Lease. If an event of default occurs while the Demised Premises is assigned or sublet, Landlord may, at Landlord's option, in addition to any other remedies provided in this Lease or by law, collect directly from the assignee or subtenant all rents becoming due under the terms of the assignment or subletting and apply the rent against any sums due to Landlord under this Lease. No direct collection by Landlord from any assignee or subtenant will release Tenant from Tenant's obligations under this Lease.

ARTICLE ELEVEN: DEFAULT AND REMEDIES

11.01. Each of the following events is an event of default under this Lease:

A. Failure of Tenant to pay any installment of the Rent or other sum payable to Landlord under this Lease on the date that it is due and the continuance of that failure for a period of five (5) days after Landlord delivers written notice of the failure to Tenant. This clause shall not be construed to allow a delay in paying Rent beyond the due date and shall not affect Landlord's right to impose a Late Charge as permitted in Section 3.03.

B. Failure of Tenant to comply with any term, condition or covenant of this Lease, other than the payment of Rent or other sum of money, and the continuance of that failure for a period of thirty (30) days after Landlord delivers written notice of the failure to Tenant;

C. Failure of Tenant or any guarantor of Tenant's obligations under this Lease to pay its debts as they become due or in admission in writing of inability to pay its debts, or the making of a general assignment for the benefit of creditors;

D. The commencement by Tenant or any guarantor of Tenant's obligations under this Lease of any case, proceeding or other action seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts under any law relating to bankruptcy, insolvency, Organization or relief of debtors, or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its property;

E. The commencement of any case, proceeding or other action against Tenant or any guarantor of Tenant's obligations under this Lease seeking to have an order for relief entered against it as debtor, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking appointment of a receivers trustee, custodian or other similar official for it or for all or any substantial part of its property, and Tenant or any guarantor: (i) fails to obtain a dismissal of such case, proceeding, or other action within sixty (60) days of its commencement; or (ii) converts the case from one chapter of the Federal Bankruptcy Code to another chapter; or (iii) is the subject of an order of relief which is not fully stayed within seven (7) business days after the entry thereof, and

F. Vacancy or abandonment by Tenant of any substantial portion of the Demised Premises or cessation of the use of the Demised Premises-uses for the purpose leased.

11.02. Remedies. Upon the occurrence of any of the events of default listed in Section 11.01, Landlord shall have the option to pursue any one or more of the following remedies without any prior notice or demand.

A. Terminate this Lease, in which event Tenant shall immediately surrender the Demised Premises to Landlord. If Tenant fails to so surrender the Demised Premises, Landlord may, without prejudice to any other remedy which it may have for possession of the Demised Premises or Rent in arrears, enter upon and take possession of the Demised Premises and expel or remove Tenant and any other person who may be occupying the Demised Premises or any part thereof, by force if necessary, without being liable for prosecution or any claim for damages. Tenant shall pay to Landlord on demand the amount of all loss and damage which Landlord may suffer by reason of the termination, whether through inability to relet the Demised Premises on satisfactory terms or otherwise.

B. Enter upon and take possession of the Demised Premises, by force if necessary, without terminating this Lease and without being liable for prosecution or for any claim for damages, and expel or remove Tenant and any other person who may be occupying the Demised Premises or any part thereof. Landlord may relet the Demised Premises and receive the rent thereof. Tenant agrees to pay to Landlord monthly or on demand from time to time any deficiency that may arise by reason of any such reletting. In determining the amount of the deficiency, the professional service fees, attorneys' fees, court costs, remodeling expenses and other costs of letting shall be subtracted from the amount of rent received under the reletting.

C. Enter upon the Demised Premises, by force if necessary, without terminating this Lease and without being liable for prosecution or for any claim for damages, and do whatever Tenant is obligated to do under the terms of this Lease. Tenant agrees to pay Landlord on demand for expenses, which Landlord may incur in thus effecting compliance with Tenant's obligation under this Lease, together with interest thereon at the rate of twelve percent (12%) per annum from the date expended until paid. Landlord shall not be liable for any damages resulting to Tenant from such action, whether caused by negligence of Landlord or otherwise.

D. Accelerate and declare the Rent for the entire Lease Term, and all other amounts due under this Lease, at once due and payable, and proceed by attachment, suit or otherwise, to collect all amounts in the same manner as if all such amounts due or to become due during the entire Lease Term were payable in advance by the terms of this Lease, and neither the enforcement or collection by Landlord of such amounts nor the payment by Tenant of such amounts shall constitute a waiver by Landlord of any breach, existing or in the future, of any of the terms or provisions of this Lease by Tenant or a waiver of any rights or remedies which the Landlord may have with respect to any such breach.

E. In addition to the foregoing remedies, Landlord shall have the right to change or modify the locks on the Demised Premises in the event Tenant fails to pay the monthly installment of Rent when due. Landlord shall not be obligated to provide another key to Tenant or allow Tenant to regain entry to the Demised Premises unless and until Tenant pays Landlord all Rent which is delinquent. Tenant agrees that Landlord shall not be liable for any damages resulting to the Tenant from the lockout. At such time that Landlord changes or modifies the lock; Landlord shall post a "Notice of Change of Locks" on the front of the Demised Premises. Such Notice shall state that:

(1) Tenant's monthly installment of Rent is delinquent, and therefore, under authority of Section 11.02.E of Tenant's Lease, the Landlord has exercised its contractual right to change or modify Tenant's door locks;

(2) The Notice has been mailed by certified delivery to Tenant's home address, 10619 Buccaneer Point, Frisco, Tx 75034 by a representative of Landlord and Tenant should make arrangements with the representative to pay the delinquent installments of Rent when Tenant picks up the key; and

(3) The failure of Tenant to comply with the provision of the Lease and the Notice and/or tampering with or changing the door Lock (s) by Tenant may subject Tenant to legal liability.

F. No re-entry or taking possession of the Demised Premises by Landlord shall be construed as an election to terminate this Lease, unless a written notice of that intention is given to Tenant. Notwithstanding any such reletting or reentry or taking possession, Landlord may, at

any time thereafter, elect to terminate this Lease for a previous default. Pursuit of any of the foregoing remedies shall not preclude pursuit of any other remedies provided by law, nor shall pursuit of any remedy provided in this Lease constitute a forfeiture or waiver of my monthly installment of Rent due to Landlord under this Lease or of any damages accruing to Landlord by reason of the violation of any of the terms, provisions and covenants contained in this Lease. Failure of Landlord to declare any default immediately upon its occurrence, or failure to enforce one or more of Landlord's remedies, or forbearance by Landlord to enforce one or more of Landlord's remedies upon an event of default shall not be deemed or construed to constitute a waiver of default or waiver of any violation or breach of the terms of this Lease. Pursuit of any one of the above remedies shall not preclude pursuit by Landlord of any of the other remedies provided in this Lease. The loss or damage that Landlord may suffer by reason of termination of this Lease or the deficiency from any Getting as provided for above shall include the expense of repossession and any repair or remodeling undertaken by Landlord following possession. If Landlord terminates this Lease at any time for any default, in addition to other remedies Landlord may have, Landlord may recover from Tenant all damages Landlord may incur by reason of the default, including the cost of recovering the Demised Premises and the cost of the Rent then remaining unpaid.

11.03. Notice of Default Tenant shall give written notice of any failure by Landlord to perform any of Landlord's obligations under this Lease to Landlord and to any ground lessor, mortgagee or beneficiary under any deed of trust encumbering the Demised Premises whose name and address have been furnished to Tenant in writing. Landlord shall not be in default under this Lease unless Landlord (or such ground lessor, mortgagee or beneficiary) fails to cure the nonperformance within thirty (30) days after receipt of Tenant's notice. However, if the nonperformance reasonably requires more than thirty (30) days to cure, Landlord shall not be in default if the cure is commenced within the 30-day period and is thereafter diligently pursued to completion.

11.04. Limitation of Landlord's liability. As used in this Lease, the term "Landlord" means only the current owner or owners of the fee title to the Demised Premises or the leasehold estate under a ground lease of the Demised Premises at the time in question. Each Landlord is obligated to perform the obligations of "Landlord" under this Lease only during the time such Landlord owns such interest or title. Any Landlord who transfers its title or interest is relieved of all liability with respect to the obligations of Landlord under this Lease accruing on or after the date of transfer, and Tenant agrees to recognize the transferee as Landlord under this Lease. However, each Landlord shall deliver to its transferee the Security Deposit held by Landlord if such Security Deposit has not than been applied under the terms of this Lease.

ARTICLE TWELVE: LANDLORD'S CONTRACTUAL LIEN

In addition to the statutory Landlord's lien, Tenant hereby grants to Landlord a security interest to secure payment of all Rent and other sums of money becoming due under this Lease from Tenant, upon all inventory, goods, wares, equipment, fixtures, furniture and all other personal property of Tenant situated in or upon the Demised Premises, together with the proceeds from the sale or lease thereof. Tenant may not remove such property without the consent of Landlord until all Rent in arrears and other sums of money then due to Landlord under this Lease have first been paid and discharged. Upon the occurrence of an event of default, Landlord may, in addition to any other remedies provided in this Lease or by law, enter upon the Demised Premises and take possession of any and all goods, wares, equipment, fixtures, furniture and Demised Premises without liability for trespass or conversion, and sell the property at public sale, after giving Tenant reasonable notice of the time and place of any such sale of the sale shall be deemed sufficient if given in the manner prescribed in this Lease at public sale made under this Article shall be deemed to have been conducted in a Premises or where the property is located, after the time, place and method of sale to be sold have been advertised in a daily newspaper published in the county where the days before the date of the sale. Landlord or its assigns may purchase at a public sale and, unless prohibited by law, at a private sale. The proceeds from any disposition dealt with in this Article, less my and all expenses connected with the taking of possession, holding and selling of the property (including reasonable attorneys' fees and legal expenses), shall be as a credit against the indebtedness secured by the security interest granted herein. Any surplus shall be paid to Tenant or as otherwise required by law, and Tenant shall promptly pay any deficiencies. Upon request by Landlord, Tenant agrees to execute and deliver to Landlord a Financing Statement in a form sufficient to perfect the security interest of Landlord in the aforementioned property and proceeds thereof under the provisions of the Business and Commerce Code in force in the State of Texas. The statutory lien for rent is expressly reserved; the security interest herein granted is in addition and supplementary thereto. Provided Tenant is not in default under any of the *terms* of this Lease, upon written request by Tenant Landlord shall deliver a written subordination of Landlord's statutory and contractual liens to any liens and security interests securing any institutional third party financing of Tenant. Landlord shall not unreasonably withhold or delay the delivery of Landlord's written subordination.

ARTICLE THIRTEEN: PROTECTION OF LENDERS

13.01. Subordination and Attornment. Landlord shall have the right to subordinate this Lease to any future ground Lease, deed of trust or mortgage encumbering the Demised Premises, and advances made on the security thereof and any renewals, modifications, consolidations, or recorded. Landlord's right to obtain such subordination is subject to Landlord's and Attornment Agreement from the ground lessor, beneficiary or mortgagee of the Demised Premises during the Lease Term shall not be disturbed if Tenant pays the Rent and performs all of Tenant's obligations under this Lease and is not otherwise in default, in which case Tenant shall attorn to the transferee of Premises and raise the transferee or successor as Landlord under this Lease. If any ground lessor, beneficiary or mortgagee elects to have this Lease superior to the lien of its ground lease, deed of trust or mortgage and gives Tenant written notice thereof, shall be deemed superior to the ground lease, deed of trust or mortgage whether this Lease is dated prior or subsequent to the lease, deed of trust or mortgage or the date of recording thereof. Tenant's rights under this Lease, unless specifically modified at the time this Lease is executed, are subordinated to any existing ground lease, deed of trust or mortgage encumbering the Demised Premises.

13.02. Signing of Documents. Tenant shall sign and deliver any instruments or documents necessary or appropriate to evidence any attornment or Subordination or any agreement to attorn or subordinate. If Tenant fails to do so within ten (10) days after written request, Tenant hereby makes, constitutes and irrevocably appoints Landlord, or any transferee or successor of Landlord, the attorney-in-fact of Tenant to execute and deliver the attornment or subordination document or agreement.

13.03. Estoppel Certificates.

A. Upon Landlord's written request, Tenant shall execute, acknowledge and deliver to Landlord a written statement certifying: (i) that none of the terms or provisions of this Lease have been changed (or if they have been changed, stating how they have been changed); (ii) that this Lease has not been canceled or terminated; (iii) the last date of payment of the Base Rent and other charges and the time period covered by that payment; and (iv) that Landlord is not in default under this Lease (or, if Landlord is claimed to be in default, stating why). Tenant shall deliver the statement to Landlord within ten (10) days after Landlord's request. Landlord may forward any such statement to any prospective purchaser or lender of the Demised Premises. The purchaser or lender may rely conclusively upon the statement as true and correct.

B. If Tenant does not deliver the written statement to Landlord within the 10-day period, Landlord, and any prospective purchaser or lender, may conclusively presume and rely upon the following facts: (i) that the terms and provisions of this Lease have not been changed except as otherwise represented by Landlord, (ii) that this Lease has not been canceled or terminated except as otherwise

represented by Landlord; (iii) that not more than one monthly installment of Base Rent or other charges have been paid in advance; and (iv) that Landlord is not in default under this Lease. In such event, Tenant shall be estopped from denying the truth of the presumed facts.

ARTICLE FOURTEEN: ENVIRONMENTAL REPRESENTATIONS AND INDEMNITY

14.01. Tenant's Compliance with Environmental Laws. Tenant, at Tenant's expense, shall comply with all laws, rules, orders, ordinances, directions, regulations and requirements of Federal, State, county and municipal authorities pertaining to Tenant's use of the Property and with the recorded covenants, conditions and restrictions, regardless of when they become effective, including, without limitation, all applicable Federal, State and local laws, regulations or ordinances pertaining to air and water quality, Hazardous Materials (as defined in Section 14.05), waste disposal, air emissions and other environmental matters, all zoning and other land use matters, and with any direction of any public officer or officers, pursuant to law, which impose any duty upon Landlord or Tenant with respect to the use or occupancy of the Property.

14.02. Tenant's Indemnification. Tenant shall not cause or permit any Hazardous Materials to be brought upon, kept or used in or about the property by Tenant, its agents, employees, contractors or invitees without the prior written consent of Landlord. If Tenant breaches the obligations stated in the preceding Section or sentence, or if the presence of Hazardous Materials on the Property caused or permitted by Tenant results in contamination of the Property or any other Property, or if contamination of the Property or any other property by Hazardous Materials otherwise occurs for which Tenant is legally liable to Landlord for damage resulting there from, then Tenant shall indemnify, defend and hold Landlord harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses (including, without limitation, diminution in value of the Property, damages for the loss or restriction on use of rentable or unusable space or of any amenity or appurtenance of the Property, damages arising from any adverse impact on marketing of building space or land area, sums paid in settlement of claims, reasonable attorneys' fees, court costs, consultant fees and expert fees) which arise during or after the Lease Term as a result of the contamination. This indemnification of Landlord by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any clean-up, remedial work, removal or restoration work required by any Federal, State or Local government agency because of Hazardous Materials present in the soil or ground water on or under the Property. Without limiting the foregoing, if the presence of any Hazardous Materials on the Property (or any other property) caused or permitted by Tenant results in any contamination of the Property, Tenant shall promptly take all actions at Tenant's sole expense as are necessary to return the Property to the condition existing prior to the introduction of any such Hazardous Materials, provided that Landlord's approval of such actions is first obtained. The foregoing indemnity shall survive the expiration or termination of this Lease.

14.03. Landlord's Representations and Warranties. Landlord represents and warrants, to the best of Landlord's actual knowledge, that on the Property to date, there has been no leak, spill, release, discharge, emission on or under the Property.

14.04. Landlord's Indemnification: Landlord hereby indemnifies, defends and holds Tenant harmless from any claims, judgments, damages, penalties, fines, costs, liabilities, (including sums paid in settlements of claims) or loss, including, without limitation, attorneys fees, court costs, consultant fees, and expert fees, which arise during or after the term of this Lease from or in connection with the presence or suspected presence of Hazardous Materials in the soil or groundwater on or under the Property, unless the Hazardous Material is released by Tenant or is present solely as a result of the negligence or willful conduct of Tenant. Without limiting the generality of the foregoing, the indemnification provided by this Section 14.04 shall specifically cover costs incurred in connection with any investigation of site renditions or any clean-up, remedial work, removal or restoration work required by any Federal, State or local governmental authority.

14.05. Definition. For purposes of this Lease, the term "Hazardous Materials" means any one or more pollutant, toxic substance, hazardous waste, hazardous material, hazardous substance solvent or oil as defined in or pursuant to the Resource Conservation and Recovery Act, as amended, the Comprehensive Environmental Response, Compensation and Liability Act, as amended, the Federal Clean Water Act, as amended, or any other Federal, State or local environmental law, regulation, ordinance, or rule, whether existing as of the date of this Lease or subsequently enacted.

14.06. Survival. The representations and indemnities contained in this Article 14 shall survive the expiration or termination of this Lease

ARTICLE FIFTEEN: MISCELLANEOUS

15.01 Disclosure. Landlord and Tenant understand that a real estate broker is qualified to advise on matters concerning real estate and is not expert in matters of law, tax, financing, surveying, hazardous materials, engineering, construction, safety, zoning, land planning, architecture or the ADA. The Brokers hereby advise Tenant to seek expert assistance on such matters. Brokers do not investigate a property 's compliance with building codes, governmental ordinances, statutes and laws that relate to the use or condition of a property and its construction, or that relate to its acquisition. If Brokers provide names of consultants or sources for advice or assistance, Tenant acknowledges that the Brokers do not warrant the services of the advisors or their products and cannot warrant the suitability of property to be acquired or leased. Furthermore, the Brokers do not warrant that the Landlord will disclose any or all property defects, although the Brokers will disclose to Tenant any actual knowledge possessed by Brokers regarding defects of the Demised Premises and the Property. In this regard, Tenant agrees to make all necessary and appropriate inquiries and to use diligence in investigating the Demised Premises and the Property before consummating this Lease. Landlord and Tenant hereby agree to indemnify, defend, and hold the Brokers harmless of and from any and all liabilities, claims, debts, damages, costs, or expenses, including but not limited to reasonable attorneys' fees and court costs, related to or arising out of or in any way connected to representations concerning matters properly the subject of advice by experts. In addition, to the extent permitted by applicable law, the Brokers' liability for errors or omissions, negligence, or otherwise, is limited to the return of the Fee, if any, paid to the Brokers pursuant to this Lease.

15.02. Force Majeure. If performance by Landlord of any term, condition or covenant in this Lease is delayed or prevented by any Act of God, strike, lockout, shortage of material or labor, restriction by any governmental authority, civil riot, flood, or any other cause not within the control of Landlord, the period for performance of the term, condition or covenant shall be extended for a period equal to the period Landlord is so delayed or prevented.

15.03. Interpretation. The captions of the Articles or Sections of this Lease are to assist the parties in reading this Lease and are not a part of the terms or provisions of this Lease. Tenant shall be responsible for the conduct, acts and omissions of Tenant's agents, employees, customers, contractors, invitees, agents, successors or others using the Demised Premises with Tenant's expressed or implied permission. Whenever required by the context of this Lease, the singular shall include the plural and the plural shall include the singular, and the masculine, feminine and neuter gender shall each include the other.

15.04. Waivers. All waivers to provisions of this Lease must be in writing and signed by the waiving party. Landlord's delay or failure to enforce any provisions of this Lease or its acceptance of late installments of Rent shall not be a waiver and shall not prevent Landlord from enforcing that provision or any other provision of this Lease in the future. No statement on a payment check from Tenant or in a letter accompanying a payment check shall be binding on Landlord. Landlord may, with or without notice to Tenant, negotiate, cash, or endorse the check without being bound to the conditions of any such statement.

15.05. Severability. A determination by a court of competent jurisdiction that any provision of this Lease is invalid or unenforceable shall not cancel or invalidate the remainder of that provision or this Lease, which shall remain in full force and effect.

- 15.06. Joint and Several Liability.** All parties signing this Lease as Tenant shall be jointly and severally liable for all obligations of Tenant.
- 15.07. Amendments or Modifications.** This Lease is the only agreement between the parties pertaining to the lease of the Demised Premises and no other agreements are effective unless made a part of this Lease. All amendments to this Lease must be in writing and signed by all parties. Any other attempted amendment shall be void.
- 15.08. Notices.** All notices and other communications required or permitted under this Lease must be in writing and shall be deemed delivered, whether actually received or not, on the earlier of: (i) Actual receipt if delivered in person or by messenger with evidence of delivery; or (ii) receipt of an electronic facsimile transmission ("Fax"); or (iii) upon deposit in the United States Mail as required below. Notices may be transmitted by Fax to the Fax telephone numbers specified in Article One on the first page of this Lease, if any. Notices delivered by mail must be deposited in the U.S. Postal Service, first class postage prepaid, and properly addressed to the intended recipient as set forth in Article One. After possession of the Demised Premises by Tenant, Tenant's address for notice purposes will be the address of the Demised Premises unless Tenant notifies Landlord in writing of a different address to be used for that purpose. Any party may change its address for notice by delivering written notice of its new address to all other parties in the manner set forth above. Copies of all notices should also be delivered to the Principal Broker, but failure to notify the Principal Broker will not cause an otherwise properly delivered notice to be ineffective.
- 15.09. Attorneys' Fees.** If on account of any breach or default by any party to this Lease in its obligations to any other party to this Lease (including but not limited to the Principal Broker), it becomes necessary for a party to employ an attorney to enforce or defend any of its rights or Remedies under this Lease, the non-prevailing party agrees to pay the prevailing party its reasonable attorneys' fees and court costs, if any, whether or not suit is instituted in connection with the enforcement or defense.
- 15.10. Venue.** All obligations under this Lease, including but not limited to the payment of Fees to the Principal Broker, shall be performable and payable in the county in which the Property is located. The laws of the State of Texas shall govern this Lease. The parties agree to Denton County, Texas as the exclusive venue for any lawsuit between the parties.
- 15.11. Survival.** All obligations of any party to this Lease, which are not fulfilled at the expiration, or the termination of this Lease shall survive such expiration or termination as continuing obligations of the party.
- 15.12. Binding Effect.** Lease shall inure to the benefit of, and be binding upon, each of the parties to this Lease and their respective heirs, representation successors and assigns. However, Landlord shall not have any obligation to Tenant's successors or assigns unless the rights or interests of the successors or assigns are acquired in accordance with the terms of this Lease.
- 15.13. Consult an Attorney.** This Lease is an enforceable, legally binding agreement. Read it carefully. The brokers involved in the negotiation of this Lease cannot give you legal advice. The parties to this Lease acknowledge that they have been advised by the Brokers to have this Lease reviewed by competent legal counsel of their choice before signing this Lease. By executing this Lease, Landlord and Tenant each agree to the provisions, terms, covenants and conditions contained in this Lease.
- 15.14. Offer.** The execution of this Lease by the first party to do so constitutes an offer to Lease the Demised Premises. Unless within the number of days stated in Section 1. 14 above after the date of its execution by the first party to do so, this Lease is signed by the other party and a fully executed copy is delivered to the first party, such offer to Lease shall be automatically withdrawn and terminated.
- 15.15. Construction.** No provision of this Agreement shall be interpreted in favor of, or against, any of the parties hereto by reason of the extent to which any such party or its counsel participated in the drafting thereof or by reason of the extent to which any such provision is inconsistent with any prior draft hereof or thereof.

ARTICLE SIXTEEN: EXPENSE REIMBURSEMENT

- 16.01 Expense Reimbursement.** N/A
- 16.02. Expense Reimbursement Payments.** N/A
- 16.03. Definitions.** N/A

ARTICLE SEVENTEEN: RENEWAL OPTIONS

- 17.02. Calculation of Rent.** See Article 19.
- Consumer Price Index Adjustment.** N/A

ARTICLE EIGHTEEN: PERSONAL GUARANTEE FOR SOLE PROPRIETORS AND PARTNERSHIPS; N/A

ARTICLE NINETEEN: ADDITIONAL PROVISIONS

- 19.01. Rent: The Lessee's annual rent for Captained Boat Charters is based on the percentage of the Gross Sales as follows:**
Tenant shall pay to Landlord 10% of the gross Sales including all captained boat charters, related accessories, and merchandise with Tenant's logo. The calculation for percentage rent shall exclude monies accepted as prepayments for future sales or reservations, and all monies received for reimbursement of damage to property assessed to clients, customers, or guests of Tenant and other monies received for limited liability agreements covering damage to rented property.
Tenant shall pay to The City of Lewisville 3% of the gross Sales including all captained boat charters, related accessories, and merchandise with Tenant's logo. The calculation for percentage rent shall exclude monies accepted as prepayments for future sales or reservations, and all monies received for reimbursement of damage to property assessed to clients, customers, or guests of Tenant and other monies received for limited liability agreements covering damage to rented property. Payments will be made payable to The City of Lewisville and be submitted to Landlord.
All sales reports and payments are due to Landlord by the 10th day of each month for the preceding month. All rent is due by the tenth (10th) day of each month for sales accumulated during the preceding month and shall be considered late after the 15th day of each.
- 19.02. Slip Rentals: As agreed to by Eagle Point Marina separately.**
- 19.03. Corps Lease:** All provisions, rules and regulations of the Lease Agreement between the Dept. of the Army, Corps of Engineers and Eagle Point Marina at Lake Lewisville shall apply to and become a part of this Lease Agreement. This Lease Agreement is subject to approval from the A.C.O.E.
- 19.04. Parking Lot:** All boat charter customer parking shall share common parking areas designated for Eagle Point Marina.
- 19.06. Waste Disposal:** Tenant shall have access to Eagle Point Marina's trash dumpsters. No oil, batteries, fuel or other hazardous materials may be discarded in trash dumpsters.
- 19.07. Signage and Advertising:** Landlord must approve Any and all signage prior to installation. Landlord shall retain the right to display marketing material in showroom space such as but not limited to, a display stand with brochure's, etc.
- 19.09. Water and Utilities:** Tenant shall maintain on a separate meter and be responsible for all water and utility costs relative to the building and slips Tenant is occupying.
- 19.10. Grounds Keeping:** Tenant shall be responsible for all cost relating to the routine daily maintenance and enhancement of the Demised Premises. All other common grounds will be maintained by Eagle Point Marina.

19.11. **Service:** No major engine work may be performed at the piers.

19.12. **Use of Launch Ramp:** Tenant may have use of the Launch Ramp at Eagle Point Marina for the purpose of Launching or Hauling charter boats to or from the water.

19.13. **Fuel:** No storage of fuel will be allowed on the piers or docks.

19.14. **Restroom Facilities:** Tenant and guests may have access to the public restrooms located within Eagle Point Marina.

19.16. **Taxes and Registrations:** Tenant is responsible for the property taxes and annual registrations of all inventories.

19.19. **Captained Charter Boats:** Tenant is granted permission to operate captained charter vessels for the general public.

20.00. **Statutes:** Tenant must comply with Texas Parks and Wildlife code Section 31.111.

21.00. **Training:** As determined by the State of Texas with regards to boat charter operations.

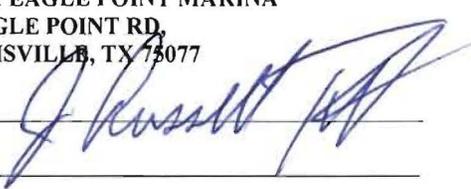
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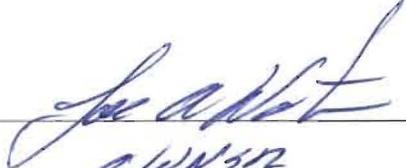
TENANT

Landlord:

TRETT ENTERPRISES, LLC.
D/B/A EAGLE POINT MARINA
1 EAGLE POINT RD.
LEWISVILLE, TX 75077

Tenant: JT Boat Rentals
10619 Buccaneer Point
Fisco, TX 75034

By [Signature]:  _____

By [Signature]:  _____

Name: _____

Title: owner _____

Date of Execution: _____

Date of Execution: 4/10/15 _____

COMMERCIAL MARINE INSURANCE

Policy Declarations Page

Insurance Company: TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA

Policy Number: SC00006731

This policy will take effect on: 3/15/2015 and will end on: 3/15/2016 beginning and ending at 12:01 am EST.

Renewal: Renewal

Named Insured Under This Policy:

Agency Name & Address:

JT Goods Inc dba JT's Boat Rentals Joe and Toni Watson 10619 Buccaneer Point Frisco, TX 75034	Gallagher Charter Lakes 3455 East Paris SE Grand Rapids, MI 49512
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Insured Property:

Unit Number: # 1

Name	Year	Length	Make	Model	Hull ID #
See Breeze 2	2011	50	Catamaran Coaches	CCI 50 X16	CCIPT009A111

Insured Dinghy(s):

Insured Trailer(s):

Year	Length	Make	Serial #

Year	Make	Serial #

This declarations page and any endorsements are to be inserted in and form part of your policy. If a change effective date appears at the top of the declarations, then this declarations page replaces any previous declarations on that date. This policy provides only the insurance for which a specific premium charge is indicated below, or which is indicated as included without specific charge either below, in your policy, or as indicated by endorsement.

Parts	Coverages	Amount of Insurance	Elected Deductible	Premium	Endorsements
A	Physical Damage-Agreed Value	165,000	5,000	\$1,957.00	Additional Insured Additional Passenger (50) Swim & Snorkel Liability PART A: Disappearing Deductible Amt: \$3,750.00
B	Liability Coverage	1,000,000	0	\$1,872.00	
C	Medical Payments	25,000	0	Included	
B	Pollution Liability	854,400	0	Included	
G	Personal Property	2,500	250	Included	
D	Uninsured Boater	1,000,000	0	Included	
A	Towing	2,500	0	Included	PART A: Disappearing Deductible Amt: \$3,750.00
E	FL & HWCI	Included	0	Included	
	Endorsements/Charges	0	0	\$1,000.00	
				Unit Premium:	\$4,829.00
				Total Policy Premium:	\$9,378.00

Loss Payee: We will make payment for Part A: Physical Damage to the Insured and:

Navigation Limits:

Warranted confined to the Inland Lakes and Rivers of the State(s) of Texas.

Layup Warranty: It is warranted that the insured vessel(s) be laid-up from 11/20 to 3/1 Afloat at Eagle Point Marina, 1 Eagle Point Rd, Lewisville, TX, 75077

The insured vessel will be principally moored or berthed at:

Eagle Point Marina, 1 Eagle Point Road, Lewisville, TX, 75077

Countersigned 3/4/2015, at Grand Rapids, MI by:



, Agent.

**EAGLE POINT MARINA
DOCKING SPACE LEASE
AND
OPEN ACCOUNT AGREEMENT**

This Docking Space Lease and Open Account Agreement (“Agreement”) is made and entered in to be effective the 1st day of January, 2015, at Lewisville, Denton County, Texas by and between Trett Enterprises, LLC d/b/a Eagle Point Marina (“Marina”), and the party whose name and address appears below, who whether one or more are referred to hereinafter collectively as the “Customer.”

* The signature page of this Agreement provides definitions for many of the capitalized terms in this Agreement. Unless defined herein, capitalized terms shall have the meaning set forth on the signature page. This Agreement contains an Addendum to further set forth additional terms and conditions.

1. Marina hereby leases to Customer, and Customer hereby leases from Marina, a docking space/slip for the Vessel for the Term at the monthly Stall Rent rate (if Customer rents a boat lift from Marina, then the total of the Stall Rent and the Boat Life Rent shall hereinafter be referred to as the “Stall Rent”). The Term of the lease shall be for a period of one (1) year, commencing on the Start Date. In the event the Term does not begin on the first day of a calendar month, the term shall end on the last day of the calendar month thirteen months later. At the conclusion of the Term, the lease shall continue on a month to month basis, and may be terminated by either party by giving a full 30 day notice given at the 1st of the month to the other. The monthly Stall Rent is subject to change on April 1 of each year (original term or renewal term). During the original term of the lease, Customer may terminate the lease by giving notice in writing to Marina within thirty days of any increase in the monthly Stall Rent rate. Upon execution of this Agreement, Customer shall pay the Stall Rent for the first month of the Term and a security deposit equal to one month Stall Rent. On or before the **first day** of the second month of the Term and of each month thereafter, the Stall Rent and other sums due under this Agreement will be due and payable, in advance, without off-set, deduction or prior demand. Customer shall cause payments to be properly mailed or otherwise delivered so as to be actually received by Marina on or before the due date (and not merely deposited in the mail). If the Term commences or ends on a day other than the first or last day of a calendar month, the rent for any fractional calendar month following the commencement date or preceding the end of the Term will be prorated by days. The security deposit shall be retained by Marina in the event of termination prior to the expiration of the Term, or if any sums are due and owing from Customer to Marina. Return of the security deposit shall be conditioned upon Customer giving Marina at least thirty (30) days written notice of the intention to remove the Vessel, whether at the conclusion of the Term or thereafter and compliance with paragraph 2.

2. All alterations and improvements (“Improvements”) to a slip, which approval is subject to Marina’s sole discretion, must be constructed by Marina and will be at Customer’s sole cost and expense. All requests for Improvements must be submitted in writing to Marina. Once approved, Customer must make payment in full for all Improvements prior to the start of construction of the Improvements. Customer shall not, without Marina’s prior written consent, remove any Improvements during the term of this Agreement. All Improvement may be sold with approval of Marina and a commission equal to 20% of Marina’s then current established sales price shall be paid to Marina. Upon the expiration of this Agreement, Customer shall surrender Improvement to Marina. Marina may sell Improvements at no reimbursement to customer. In addition, Marina may require Customer to remove any Improvements (whether or not made with Marina’s consent) prior to the expiration or termination of this Agreement and to restore the slip to its prior condition, all at Customer’s expense. All Improvements (including an installed boat lift) that Marina has not

required Customer to remove will become Marina's property and must be surrendered to Marina upon the expiration or termination of this Agreement.

3. Notice must be given at the office of Marina prior to removal of said Vessel from the water. All fees must be paid prior to removal of the Vessel. In the event said Vessel changes ownership, Marina must be notified on the day of said changes or ownership. Sale of the Vessel does not terminate the term of this lease agreement. In the event the Vessel is sold without providing notification to Marina and the Vessel remains in the slip, Marina reserves a possessory lien on the Vessel and further reserves the right to prevent removal of the Vessel from the slip, or to move the Vessel to another slip, or to remove the Vessel from the water and to place it in dry storage. In any event, Customer will remain liable for all charges relating to storage, removal, and such other costs as may accrue in connection with retaining possession of the Vessel. In the event Customer notifies Marina of a pending or actual sale, Marina will endeavor to allow the purchaser of the Vessel to remain in the present slip, subject however to execution of a new lease agreement. Marina reserves the right to require the Vessel be moved to another location within the marina, or to require its removal from the marina.

4. Customer shall not have the right to sublease, assign, or otherwise transfer this lease or any interest in said lease.

5. Customer shall be entitled to reasonable use of the parking lot facilities belonging to Marina. Customer may use electricity, at Customer's expense, furnished by Marina, for the use in connection with Customer's Vessel. Electricity shall be billed to Customer on a monthly basis. Marina makes no warranty that electricity will be available at any or all times. Customer may use a reasonable amount of water provided at the expense of Marina.

6. Admittance to Eagle Point Marina is restricted to Marina's customers and immediate family members. All guests must be accompanied by the Vessel owner or a member of their immediate family.

7. MARINA SHALL NOT BE LIABLE OR RESPONSIBLE FOR, AND SHALL BE SAVED AND HELD HARMLESS BY CUSTOMER FROM AND AGAINST ANY AND ALL SUITS, ACTIONS, LOSSES, DAMAGES, CLAIMS, OR LIABILITY OF ANY CHARACTER, TYPE OR DESCRIPTION, INCLUDING ALL EXPENSES OF LITIGATION, COURT COSTS, AND ATTORNEY'S FEES FOR INJURY OR DEATH TO ANY PERSON, OR INJURY TO ANY PROPERTY, RECEIVED OR SUSTAINED BY ANY PERSON OR PERSONS, INCLUDING CUSTOMER, HIS GUESTS, INVITEES, OR OTHER THIRD PARTIES (COLLECTIVELY "CUSTOMER PARTIES"), OR PROPERTY, ARISING OUT OF, OR OCCASIONED BY, DIRECTLY OR INDIRECTLY, THE USE OF MARINA PREMISES PURSUANT TO THIS AGREEMENT, INCLUDING CLAIMS AND DAMAGES ARISING IN WHOLE OR IN PART FROM THE NEGLIGENCE OF MARINA. IT IS THE EXPRESSED INTENT OF THE PARTIES TO THIS AGREEMENT THAT THE INDEMNITY PROVIDED FOR IN THIS SECTION IS AN INDEMNITY EXTENDED BY CUSTOMER TO INDEMNIFY AND PROTECT MARINA FROM THE CONSEQUENCES OF MARINA'S OWN NEGLIGENCE, PROVIDED, HOWEVER, THAT THE INDEMNITY PROVIDED FOR THIS SECTION SHALL APPLY ONLY WHEN THE NEGLIGENT ACT OF MARINA IS A CONTRIBUTORY CAUSE OF THE RESULTANT INJURY, DEATH, OR DAMAGE, AND SHALL HAVE NO APPLICATION WHEN THE NEGLIGENT ACT OF MARINA IS THE SOLE CAUSE OF THE RESULTANT INJURY, DEATH, OR DAMAGE, UNMIXED WITH THE LEGAL FAULT OF ANOTHER PERSON OR ENTITY. CUSTOMER FURTHER AGREES TO DEFEND, AT ITS OWN EXPENSE, AND ON BEHALF OF MARINA AND IN THE NAME OF MARINA, ANY CLAIM OR LITIGATION BROUGHT IN CONNECTION WITH ANY SUCH INJURY, DEATH, OR DAMAGE.

8. **INSURANCE.** CUSTOMER SHALL REMAIN LIABLE AND RESPONSIBLE FOR ANY DAMAGE TO OR INJURIES SUSTAINED BY CUSTOMER, OR CUSTOMER PARTIES IN

CONNECTION WITH USE OF EAGLE POINT MARINA. MARINA SHALL NOT BE LIABLE FOR ANY DAMAGE OR INJURY INCURRED OR CAUSED TO CUSTOMER OR CUSTOMER PARTIES UNLESS SAID INJURY OR DAMAGE IS CAUSED BY GROSS NEGLIGENCE OR INTENTIONALLY. CUSTOMER IS REQUIRED TO OBTAIN AND MAINTAIN INSURANCE ON ANY VESSEL STORED AT EAGLE POINT MARINA, WHICH COVERAGE REQUIREMENTS MARINA REERVES THE RIGHT TO ADJUST FROM TIME TO TIME (CURRENTLY \$300,000.00 PER OCCURANCE) AND TO MAINTAIN PERSONAL LIABILITY INSURANCE FOR ANY ACCIDENTS OR INJURIES SUSTAINED. MARINA SHALL NOT BE LIABLE FOR THEFT OR DAMAGE TO THE VESSEL WHILE IT IS MOORED IN THE MARINA, INCLUDING DAMAGE ARISING FROM CONDITIONS OF NATURE AND ACTS OF THIRD PERSONS. MARINA MAY NOT AT ALL TIMES PROVIDE A SECURITY PATROL OR OTHER SECURITY FORCE FOR THE MARINA. CUSTOMER HEREBY CERTIFIES THAT HE HAS ACQUIRED AND WILL KEEP IN FORCE FOR AT LEAST THE TERM OF THIS LEASE, INSURANCE ON HIS PROPERTY AND PERSON, AND THE PROPERTY AND PERSON OF HIS CUSTOMER PARTIES, FOR HARM DUE TO INJURIES OR DAMAGES WHICH MAY BE RECEIVED AT THE MARINA.

9. Customer shall be responsible for the proper mooring or fastening of his Vessel and Marina shall have no responsibility for the mooring or fastening of any Vessel or for any damages or injuries caused in whole or in part by improper mooring or fastening.

10. Customer shall, at all times, maintain the slip in a neat and clean condition, and in accordance with the rules and regulations of the Marina. Customer agrees to store dinghies and all other personal property aboard the Vessel and not on walkways or in the harbor. Customer will place all his trash in the receptacles provided for that purpose and will keep walkways clear from obstruction caused by his property. Fishing is restricted to Customer's Vessel and slip.

11. Customer and Customer Parties shall follow rules of safe boating within the Marina and shall operate boats so as not to create a disturbing wake.

12. Customer understands that the operation of the premises is a commercial endeavor of Marina and, therefore, Customer hereby agrees to refrain from any commercial action competitive with the interest of Marina on Marina premises. Yacht brokers are prohibited from and will not be allowed to show or demonstrate the Vessel or any boat within the confines of Marina property. Customer may individually negotiate the private sale or trade of the Vessel; however, no sign is allowed indicating the Vessel is "For Sale", except the sign of a yacht broker authorized by Marina. Customer will not operate boat rentals, boat clubs, charter parties, or any commercial endeavor from the Marina. Marina shall be the exclusive provider of boat lifts used on Marina premises. In the event Customer sells a used boat lift to a third party, a commission equal to 20% of Marina's then current established sales price shall be paid to Marina. Non-payment of any commissions due Marina, shall be deemed a breach of this Agreement and Marina shall have all rights and remedies available to it under this Agreement.

13. Marina may from time to time provide a listing of activities or services that are deemed to be considered minor repair or maintenance. The classification of work as minor or major shall be in the sole discretion of Marina. Customer may personally perform minor repair or maintenance on the Vessel while the Vessel is moored within the marina. Major repair or maintenance to the Vessel within Marina premises shall be performed only by Marina's personnel unless written permission is obtained by Marina. Marina will require at a minimum that any outside mechanic, craftsman, or any other persons performing any work on the Vessel while in or on the premises of Marina, first provide Marina with a prepaid standard certificate of workman's compensation and liability insurance in the amount of \$1,000,000.00, listing Marina as an additional named insured.

14. Customer's failure to promptly pay sums due under this Agreement may cause Marina to incur unanticipated costs. The exact amount of those costs is impractical or extremely difficult to ascertain.

The costs may include, but are not limited to, processing and accounting charges and late charges that may be imposed on Marina. Payments due to Marina under this Agreement are not an extension of credit. Therefore, if any payment under the Agreement is not actually received on or before the due date (and not merely deposited in the mail), Marina may, at Marina's option and to the extent allowed by applicable law, impose a late charge on any late payments in the amount of the late fee shall be calculated as follows:

<u>Days Late</u>	<u>Late Fee</u>
1-30	\$25.00
31-60	\$50.00
61-90	\$75.00
91-120	\$100.00
120+	additional \$25.00 each 30 days; and/or (ii) interest at the

lesser of (a) one and one-half percent (1.5%), or (b) the maximum amount allowed by law of the amount of the past due payment ("**Late Charge**") per day for each day after the due date, until the past due amount is received by Marina. Any Late Charge will be in addition to Marina's other remedies for nonpayment of amounts due under this Agreement. A fee of \$30.00 shall be charged for returned checks in addition to any applicable Late Charge until good funds are received by Marina. The parties agree that any Late Charge and dishonored check fee represent a fair and reasonable estimate of the costs Marina will incur by reason of the late payment or dishonored check. Payments received from Customer will be applied first to any Late Charges, second to Stall Rent, and last to other unpaid charges or reimbursements due to Marina. All Customers utilizing the automatic payment option whereby a credit card is automatically charged for Customer's outstanding charges shall pay a fee of \$3.00 per credit card transaction, unless the transaction is less than \$100.00. Declined credit cards shall be subject to a Late Charge. If Customer fails to pay the outstanding balance on their account by the due date, Customer's key may be deactivated. A \$5.00 fee shall be charged for reactivating keys. If any amounts due under this Agreement becomes over 45 days in arrears, in addition to the other remedies available to Marina under the terms of this Agreement or available at law, Marina shall have the option of terminating Customer's lease, preventing removal of the Vessel from the slip, moving the Vessel to another slip, or removing the Vessel from the water and placing it in dry storage. In any event, Customer will remain liable for all charges relating to storage, removal, and such other costs as may accrue in connection with retaining possession of the Vessel. In the event the Vessel is removed from the slip and placed in dry storage, such removal and storage shall be at Customer's risk. In lieu of slip rentals, Customer shall be responsible for the then usual and customary charges for removing the Vessel from the water, any charges for winterizing the Vessel as Marina shall deem appropriate under the then known circumstances, and the then daily rate for dry storage of the Vessel. The possessory lien granted by Customer to Marina to shall further secure payment of all such charges.

15. **OPEN ACCOUNT:** I, the undersigned, hereby make application for an open account with Marina and agree to pay all charges thereon **ON OR BEFORE THE 10TH DAY OF THE MONTH** following the month in which any charges are incurred. I further agree to be personally liable for all charges, interest amounts, collection costs, and attorney fees incurred in connection with said open account and agree to be bound by the terms and conditions set forth in this Agreement. I further agree that Marina may have/place a lien on my Vessel if I do not comply with the terms of this Agreement and/or that Marina may sell the Vessel if I do not pay any and all amounts as they become due to Marina.

BY: 
 LMH-SP, Inc.
 By: John Lemley, President

TERMS AND CONDITIONS OF OPEN ACCOUNT

No Intention to Extend Credit. Marina, does not by this agreement intend to or agree to extend credit to applicant. ALL CHARGES FOR OIL, SUPPLIES, AND LABOR, ARE DUE ON OR BEFORE THE TENTH DAY OF THE MONTH FOLLOWING THE MONTH IN WHICH CHARGES ARE INCURRED. The person executing this Agreement specifically authorizes Marina to investigate his/her credit through whatever source Marina deems reasonable. An open account shall not entitle applicant to purchase gas or incur service department charges on open account. Gas and service department charges must be paid for at the time gas is received and/or services are rendered.

Exercise of Texas Property Code Lien Rights. Marina by this agreement retains any and all rights which it may have pursuant to the Texas Property Code to maintain and enforce any storage lien or other lien granted by statute or constitutional authority.

No Creation of Bailment. Both Customer and Marina expressly disclaim any intent to create a bailment relationship between the parties hereto.

16. CUSTOMER AGREES THAT ALL CHARGES ACCRUING UNDER THE TERMS OF THIS AGREEMENT SHALL GIVE MARINA AN EXPRESS LIEN UPON THE VESSEL AND CUSTOMER HEREBY GRANTS TO MARINA A SECURITY INTEREST IN SAID VESSEL TO SECURE SAME. THE CONTRACTUAL LIEN PROVIDED IN THIS PARAGRAPH SHALL ALSO EXTEND TO ALL ITEMS WITHIN THE VESSEL AND/OR SLIP, INCLUDING IMPROVEMENTS, BOAT TRAILERS, AND OTHER ITEMS. SUCH EXPRESS LIEN SHALL BE IN ADDITION TO THE STATUTORY LIENS PROVIDED BY TEXAS PROPERTY CODE CHAPTER 59 AND TEXAS PROPERTY CODE SECTIONS 70.003 AND 70.004. NO VESSEL SHALL BE REMOVED FROM EAGLE POINT MARINA PROPERTY BY CUSTOMER UNTIL ALL CHARGES ARE FULLY PAID. MARINA IS GRANTED THE RIGHT TO SECURE SUCH VESSEL FROM REMOVAL UNTIL ALL CHARGES ARE PAID IN FULL. THE LIEN GRANTED HEREIN SHALL EXTEND TO AND SECURE PAYMENT OF ALL CHARGES OF MARINA, INCLUDING BUT NOT LIMITED TO ADMINISTRATIVE CHARGES, SLIP RENTALS, DRY STORAGE, USUAL AND CUSTOMARY CHARGES FOR REMOVING THE VESSEL FROM THE WATER, CHARGES FOR PARTS, SUPPLIES, AND MAINTENANCE OR SERVICE, AND ALL CHARGES INCURRED AT THE FUEL DOCK FOR FUEL, LUBRICANTS, PUMP OUTS, OR REFRESHMENTS.

IN THE EVENT THAT CUSTOMER REMOVES THE VESSEL FROM THE SLIP FOR A PERIOD IN EXCESS OF FOURTEEN (14) DAYS WITHOUT WRITTEN NOTIFICATION TO MARINA, THE LEASED SLIP WILL BE PRESUMED TO HAVE BEEN ABANDONED. FURTHER, CUSTOMER AGREES THAT FAILURE TO PAY ALL CHARGES ACCRUING UNDER THE TERMS OF THIS AGREEMENT RESULTING IN THE SALE BY FORECLOSURE OF A VESSEL SHALL ALSO BE CONSIDERED AN ACT OF ABANDONMENT. ANY ABANDONMENT SHALL GIVE MARINA THE EXPRESS RIGHT, WITHOUT LIMITING ANY OTHER RIGHTS MARINA MAY HAVE, TO STORE ABANDONED PROPERTY, AT THE EXPENSE OF CUSTOMER, INCLUDING SLIP IMPROVEMENTS AND BOAT LIFTS AND OTHER FIXTURES, PENDING THE PAYMENT OF ALL CHARGES. CUSTOMER SHALL BE NOTIFIED BY CERTIFIED MAIL OF THE STORAGE OF THE PROPERTY AND METHOD OF DISPOSAL OF SUCH PROPERTY IN THE EVENT CHARGES ARE NOT PAID. IN THE EVENT THAT DISPOSAL OF SUCH ABANDONED PROPERTY RESULTS IN AN EXCESS OF THE CHARGES OWING, SUCH EXCESS SHALL BE RETURNED TO CUSTOMER.

Marina reserves the right to remove and hold, or to secure, the Vessel until all delinquent charges have been paid in full. Customer agrees that should the above conditions arise, that Marina will in no way be held liable or responsible for any loss, damage, or deterioration of or to said Vessel or to Customer due to said removal and/or storage. Customer also agrees to be liable for all costs incurred by Marina in the removal, securing and/or storage of said Vessel.

17. Customer agrees to pay any and all costs incurred by Marina for collection of any delinquent balance, including any delinquent balance on the open account, and for representation of Marina in connection with the exercise of any Texas Property Code Lien rights.

18. Marina reserves the right to terminate this lease with cause upon thirty (30) days written notice to Customer, and to remove the Vessel from its slip, moorage and from the premises owned or leased by said Customer. Customer agrees that Marina has the right to the above action and will in no way be held liable or responsible for any damage or loss to said Vessel or its contents, other than for the refunding of prepaid rent. Termination with cause shall include, but not be limited to, violation of any term of this Agreement, violation of any rule of the marina or receipt by Marina of more than one written complaint regarding the behavior of Customer or its guests. Marina expressly reserves the right to terminate the lease in the event that the leased slip becomes unusable because of any weather or water situation, or other "act of God" beyond the control of Marina. Marina further reserves the right to re-assign Customer to another slip in the event that the water level of the Lake or other weather situation which requires Marina to rearrange or adjust the slips of the marina.

19. This Agreement shall be construed under and in accordance with the laws of the State of Texas. All obligations of the parties created in this Agreement are performable in Denton County, Texas, and venue shall be in such County. This written contract is the sole and only agreement in effect between the parties relating to the lease of a slip and the open account and no other representation or warranty has been made by either party that is not contained in this agreement. This Agreement may only be amended in writing with the signatures of each party on such amendment. In the event that any one or more of the terms, provisions or agreements that are contained in this Agreement Space shall be held by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect for any reason, the invalid, illegal or unenforceable term, provision or agreement shall not affect any other term, provision or agreement that is contained in this Agreement shall be construed as if the invalid, illegal or unenforceable term, provision or agreement had never been contained herein.

20. Customer agrees that any notice to be given by Marina may be given by mailing the notices to him at the address below, and owner agrees to notify Marina promptly of any new mailing address. Notice shall be deemed completed when deposited in the mail, postage prepaid, addressed to the addressee below.

21. Customer may provide Marina with a set of main door or hatch ignition keys. In such event, the Vessel will be entered by Marina only for emergency service. Marina shall be obligated to render emergency service to Vessel but if in the sole opinion of Marina, the Vessel poses a danger to Marina's property or other tenants, Marina shall be authorized to perform the necessary work to remove the threat of danger caused by the Vessel and Customer agrees to pay Marina's usual and customary fees for such work.

22. Compliance With Rules, Regulations, Statutes, and Ordinances. Customer agrees to comply with all rules and regulations which may from time to time be promulgated and posted by Marina. Customer agrees to conduct himself/herself and to supervise the conduct of his invitees, guests, or other parties in an orderly manner and not to perform or take any action which would constitute a nuisance or disruption to others on the premises. Customer further agrees to comply with all regulations, statutes, and ordinances in effect under any local, state, or federal authority.

23. Legally Binding. This is a legally binding contract. The employees of Marina cannot give you legal advice. The parties to this contract acknowledge that they have been advised to have this contract reviewed by legal counsel before signing.

24. Customer must keep the Vessel registration up to date. In the event the Vessel registration expires and the Vessel remains in the slip, Marina reserves a possessory lien on the Vessel and further reserves the right to prevent removal of the Vessel from the slip, or to move the Vessel to another slip, or to remove the Vessel from the water and to place it in dry storage. In any event, Customer will remain liable for all charges relating to storage, removal, and such other costs as may accrue in connection with retaining possession of the Vessel.

IN WITNESS WHEREOF, the undersigned Marina and Customer execute this Agreement as of the day and year above.

CUSTOMER:



LMH-SP, Inc.
By: John Lemley, President
104 Royal Oaks Drive
Double Oak, Texas 75077

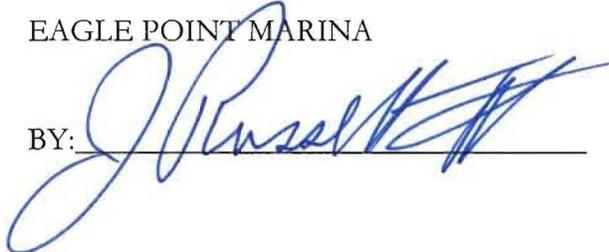
972-740-1992

HOME PHONE

972-420-9700

BUSINESS PHONE

MARINA:

EAGLE POINT MARINA
BY: 

TERM:

START DATE: January 1, 2015

END OF ORIGINAL TERM: December 31, 2015

STALL RENT: See Addendum

ADDENDUM

At execution of this Agreement LMH-SP, Inc. is currently past due in its payments to Eagle Point Marina in the approximate amount of Seventy-Five Thousand Dollars (\$52,000). This Agreement is executed in an attempt to allow LMH-SP, Inc. the opportunity to work its way out of the past due amounts and to resume normal operations. In the event of a conflict in the terms and conditions of this Addendum and the main body of the Agreement, the terms and conditions of this Addendum shall prevail.

Eagle Point Marina shall provide such docking space and slips as the parties shall agree to from time to time. The location and space to be provided shall be in the sole discretion of Eagle Point Marina.

Rent: LMH-SP, Inc. will pay Eagle Point Marina Ten Percent (10%) of its gross revenues as rental for the slip or dock space to be provided by Eagle Point Marina. Gross revenues shall be defined as all receipts of LMH-SP, Inc. for sales or rentals at Lake Lewisville, minus applicable state sales tax.

During such period of time as LMH-SP, Inc. is delinquent in the payment of any amount to Eagle Point Marina, LMH-SP, Inc. will pay Eagle Point Marina Fifteen Percent (15%) of its gross revenues as rental for the slip or dock space to be provided by Eagle Point Marina. An accounting and payment for the previous calendar month shall be provided to Eagle Point Marina at its marina office on or before the 10th day of each calendar month.

As clarification, said Fifteen Percent (15%) shall include the Ten Percent (10%) normal rental and an additional Five Percent (5%) to be applied against the past due rentals. The Fifteen Percent (15%) also does not include Just For Fun's separate account for gas dock fuel charges which totals \$15,199.35 as of March 26, 2015. Said fuel charges including associated finance charges shall be paid in full by June 1, 2015.

Concession Fees: LMH-SP, Inc. shall pay to **The City of Lewisville** 3% of the gross Sales including all captained boat charters, related accessories, and merchandise with tenant logo. The calculation for concession fee shall exclude monies accepted as prepayments for future sales or reservations, and all monies received for reimbursement of damage to property assessed to clients, customers, or guests of Tenant and other monies received for limited liability agreements covering damage to rented property. Payments will be made to the City of Lewisville and be submitted to Eagle Point Marina. All sales reports and concession payments are due to Eagle Point Marina by the 20th day of the month after each quarter, i.e. the 1st Quarter months of January through March's concession fees due April 20th for The City of Lewisville; 2nd Quarter due July 20th; 3rd Quarter due October 20th; and the 4th Quarter due January 20th. Please be advised, The City could request these payments be made by the 20th of each month if LMH-SP, Inc. is routinely late with quarterly payments.

Continuation Of Agreement: Eagle Point Marina is making the accommodations set forth herein in an attempt to keep LMH-SP, Inc. as a customer. In the event the accounting and payments as called for by this Agreement and Addendum are not timely made, i.e. by the 10th day of each month, Eagle Point Marina may without notice terminate the Agreement and seek to collect all amounts due and owing utilizing the remedies set forth in this Agreement and any prior agreements between LMH-SP, Inc., its owners and predecessors in interest, and Eagle Point Marina.

CUSTOMER:

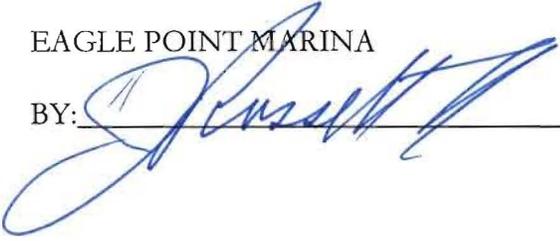


LMH-SP, Inc.

By: John Lemley, President
104 Royal Oaks Drive
Double Oak, Texas 75077

MARINA:

EAGLE POINT MARINA

BY:  _____

ACORD_{TM}

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
05/14/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Bell Insurance Agency 16980 Dallas Parkway Dallas, TX 75248	CONTACT NAME: Brenda Patterson
	PHONE (A/C No, Ext): 972.581.4800 FAX (A/C, No): 972.581.4850 E-MAIL ADDRESS:
INSURED Just for Fun 104 Royal Oaks Drive Double Oak, TX 75077	INSURER(S) AFFORDING COVERAGE INSURER A: Century Ins. Co. NAIC #
	INSURER B:
	INSURER C:
	INSURER D:
	INSURER E:
	INSURER F:

COVERAGES CERTIFICATE NUMBER: 14/15 Master REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						EACH OCCURRENCE	\$
							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$
							MED EXP (Any one person)	\$
							PERSONAL & ADV INJURY	\$
							GENERAL AGGREGATE	\$
							PRODUCTS - COMP/OP AGG	\$
								\$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident)	\$
							BODILY INJURY (Per person)	\$
							BODILY INJURY (Per accident)	\$
							PROPERTY DAMAGE (Per accident)	\$
								\$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTIONS						EACH OCCURRENCE	\$
							AGGREGATE	\$
								\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						W/C STATUTORY LIMITS	OTHER
							E.L. EACH ACCIDENT	\$
							E.L. DISEASE - EA EMPLOYEE	\$
							E.L. DISEASE - POLICY LIMIT	\$
A	Charter Watercraft Liability			TBD	05/13/2014	05/13/2015	\$1,000,000 Limit	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Trett Enterprises, LLC d/b/a Eagle Point Marina is named as additional insured.

CERTIFICATE HOLDER

CANCELLATION

Trett Enterprises, LLC d/b/a Eagle Point Marina Attn: John Mason 1 Eagle Point Drive Lewisville, TX 75007	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE Jack M. Davis



DFW Ice Vending, LLC

GROUND/SPACE LEASE AGREEMENT

This LEASE AGREEMENT is made and entered into this 1 day of May, 2015, by and between Eagle Point Marina (the Lessor), and DFW Ice Vending, LLC (the Lessee).

WITNESS THAT:

1. The Lessor, in consideration of the covenants and conditions hereinafter made and to be performed, and subject to the terms and conditions set forth below, does hereby lease for the term hereafter stated, the land/space located at: #1 Eagle Point Rd

Lewisville, TX 75077

2. Initial Term. The initial term of this Agreement shall be for a period of 1 year(s) which shall begin on the 1 day of May, 2015, conditioned upon the Lessee obtaining all governmental approvals required for the planned use of the Premises, and shall continue until the 30 day of April, 2016, unless terminated sooner according to the following provisions, or extended into a subsequent lease period.

3. Rent. During this lease term, the Lessee shall pay the Lessor as rental for the Premises, an monthly rental rate of one hundred and fifty Dollars (\$ 150.00), which shall be payable in twelve equal monthly installments of \$ 150.00 each. All Rent shall be due on or before the **fifth** day of each month during the lease term. This monthly rate includes utilities (water & elect.)

- If the term of this lease commences or ends on other than the first or last day of a calendar month, the rent for the partial month shall be prorated on the basis of the monthly rental and shall be payable with the first full month of rent.

4. Payments. All rent payments shall be in lawful money of the United State of America and shall be paid by Lessor by mailing it to the "address for notice" set forth herein, or at such other place as the Lessor may designate in writing.

- a) Concession Fee. Lessee shall pay to the City of Lewisville 3% of the gross sales of each ice vending machine. Payments will be made to the City of Lewisville and be submitted to Eagle Point Marina. All sales reports and concession fees are due to Eagle Point marina by the 20th day of the month after each quarter, i.e. the 1st Quarter months of January thru March's concession fees are due April 20th for the City of Lewisville. 2nd quarter is due July 20th, 3rd Quarter is due October 20th, and the 4th Quarter is due January 20th. Please be advised, the City could request these payments be made by the 20th of each month if Lessee is routinely late with quarterly

payments. Even if Lessee does not have sales in a quarter, a report indicating no sales still needs to be submitted quarterly.

5. Insurance. Lessee will at all times during the term of this Agreement, maintain at its sole cost and expense, comprehensive general liability insurance with a reputable insurance company licensed to do business in the state of Texas, where the premises is located. This insurance shall afford protection to the Lessor and the Lessee and shall name the Lessor as an “additional insured” under the policy to afford protection to the limit for each occurrence of not less than \$1,000,000 for liability damages. Any such policy shall contain an agreement by the insurer that such policy shall not be cancelled or allowed to lapse or expire without at least (30) days prior written notice to the Lessor, and that any loss payable to the Lessor shall be so payable, notwithstanding any act or negligence of the Lessee that might otherwise result in a forfeiture of all or part of such insurance. Lessee further agrees to deliver to Lessor at any time during the term of this Agreement, upon (10) days notice, a certificate of coverage evidencing the Lessee’s in force Comprehensive General Liability coverage.

6. Land and Improvements. Unless otherwise specified in this Agreement, the Lessor shall make all repairs, both structural and nonstructural, that are required to keep the Premises and all improvements thereon in good and usable condition and state of repair.

- a) Use and Operation. The Premises may be used only for installation, operation and maintenance of retail, consumer operated, automated ice production, storage and dispensing machinery, and for no other purpose.
- b) Lessee’s Covenant of Care. Lessee, during the lease Term, shall conform and comply with all federal, state, and local laws governing the use thereof. Lessee shall not permit or allow the Premises to be damaged or depreciated in value by any act of negligence of its employees, customers, or invitees. Lessee shall keep the Premises in a clean, neat, well maintained, and orderly condition.
- c) Compliance with Laws. Lessee shall procure, at its sole expense, any permits and licenses required for the conduct of the authorized use of the Premises and shall otherwise comply with all applicable laws, ordinances and governmental regulations.
- d) Location Maintenance. Lessee is responsible for any necessary leveling pad or land improvement for said ice vending unit lease spot.

7. Lessee’s Utilities. Lessee is responsible for cost and coordination associated with establishing water and electrical service required for ice vending unit. That said; all utility costs required to operate said Kooler Ice Machine shall be paid by the Lessor under the terms of this agreement. However, should Lessor’s monthly utility bills increase to more than \$120.00 above Lessor’s average monthly utility rate (based on the average cost of the monthly bill for the “specific” single monthly period for the previous year), and increase in utility cost cannot be determined to be caused by high sales volume, unusually high temperatures, or other reasonable factors, Lessee agrees to pay Lessor 100% of any yearly average amount over the \$120.00

increase. Should utility costs overages continue for more than three (5) months continuously, then Lessor and Lessee agree to renegotiate all previously determined lease terms.

8. Lessee's Fixtures. Lessee may install on the Premises such trade fixtures and equipment as Lessee deems desirable and all of said items shall remain Lessee's property whether or not affixed to the Premises. Lessee may remove its trade fixtures and equipment from the Premises at any time, but shall repair at its own cost and expense, any damage caused by such removal. If Lessee fails to remove such trade fixtures, Lessor may deem the trade fixtures part of the Premises, or may remove and dispose of such fixtures at Lessee's expense.

9. Lessee's Indemnification. Lessee agrees to indemnify and hold Lessor harmless of and from all liability, damage, expense, causes of action, suits claims or judgments resulting from injury to person or property on the Premises that arise out of any intentional act, failure to act, recklessness or negligence of Lessee, Lessee's agents, employees or invitees, or guests.

10. Termination. At the end of the term of this Agreement, or upon its termination at any earlier date by mutual agreement, the Lessee shall surrender and deliver up possession of the Premises in good and usable condition, ordinary wear and tear and damage by fire and other casualty excepted.

11. Holding Over. In the event that the Lessee shall be permitted by Lessor to "Hold Over" after the expiration or termination of this Lease, said Holding Over shall be construed as tenancy from calendar month to calendar month at a monthly rental rate equal to the last monthly rent paid under this agreement. A month-to-month tenancy arising by Lessee's Holding Over may be terminated by written notice from either party to the other party with (30) days advance written notice.

12. Default by Lessee. The occurrence of any of the following shall be considered an event of Default by the Lessee:

- a) Failure to pay rent as provided in this Agreement
- b) Failure to perform any other covenant or agreement contained herein which, after delivery to the Lessee of written notice of said default, has not been cured or corrected by Lessee.

13. Default by Lessor. In the event of any default by Lessor of any covenant or agreement contained herein, the Lessee shall give written notice of the default and shall allow Lessor (30) days to cure or correct such default.

14. Subordination and Estoppel. The Lessee agrees that its rights under this Agreement are and shall always be subordinate to the lien of any mortgage or trust deed now, or hereafter placed from time to time, upon the Premises by Lessor, subject, however, to the lender's recognition of all the rights of the Lessee provided under the terms of this Agreement, and provided that the lender will execute and deliver to Lessee, a non-disturbance agreement reasonably satisfactory in form and substance to Lessee. The parties acknowledge and agree that the form of Lessor subordination instrument shall not modify or alter in any way the terms of this Agreement.

15. Sale of Lessor's Property. Sale of property shall not lead to any change in the status of the lease with Lessee, and new owner shall be subject to the existing lease. If sale of Lessor's property does require Lessee to vacate property, Lessor shall give Lessee at least sixty (60) days notice and Lessee shall have ample time to vacate property, but not less than 30 days. If Lessee is required to vacate property during the first year of this Lease under this Section, Lessor will reimburse Lessee Fifty percent (50%) of relocation expense - not to exceed Fifteen Hundred Dollars (\$1,500.00).

16. Sale of Lessee's Property. If Lessee sells said Kooler Ice machine during the term of this Lease, Lessor shall continue this Lease with new owner of said Kooler Ice machine until lease term naturally expires. The new owner shall execute a new lease with the Lessor for the remaining Term of Lease and Lessor shall release Lessee from this Lease. All lease terms shall remain the same with new owner.

17. Early Termination by Lessee. Lessee may terminate this Lease Agreement prior to expiration for whatsoever reason by paying to Lessor an Early Termination Fee. The Early Termination Fee shall be one (1) months rent (\$ 150.00).

18. Attorney's Fees. If either party initiates litigation against the other relating to this Agreement, the prevailing party shall be entitled to recover from the other party, all court and litigation costs and expenses and reasonable attorney's fees incurred from the litigation.

19. Remedies Cumulative. No remedy herein conferred upon or reserved to Lessor or Lessee shall exclude any other remedy herein or provided by law, but each shall be cumulative and in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

20. Severability. If any provision herein should be held unenforceable or void, then such provision shall be deemed severed from the remaining provisions and shall in no way affect the validity of the remaining provisions of this Agreement.

21. Governing Law. This Agreement shall be governed by, construed and enforced in accordance with the laws of the state in which the Premises are situated.

22. Rights of Successors. All of the rights and obligations of the parties under this Agreement shall bind and inure to the benefit of their respective heirs, personal representatives, successors and assigns.

23. Notice. All notices, demands, requests or other communications required or permitted under this Agreement shall be in writing and, unless otherwise specified in a written notice by either party respectively, shall be sent to the parties at the following respective addresses:

If to Lessor: Eagle Point Marin
#1 Eagle Point Rd.
Lewisville, TX 75077
(972) 436-6561

If to Lessee: DFW Ice Vending, LLC
2619 Peninsula Dr.
Grapevine, Texas 76051
(214) 505-5473

24. Manner of Delivery. Each such notice, demand, request or other communication shall be deemed to have been properly given for all purposes if:

- i) Mailed by registered or certified mail of the United States Postal Service return receipt requested or postage prepaid, or
- ii) Delivered to a nationally recognized overnight courier service for next business day deliver, addressed to its addressee at such party's address as set forth above.

25. Receipt. Each notice, demand or request shall be deemed to have been received by its addressee upon the earlier of:

- i) The actual receipt or refusal date by the addressee, or
- ii) Three (3) days after deposit at any main or branch United States Post Office if sent in accordance with clause (i) above, and one day after deposit thereof with the courier if sent pursuant to clause (ii) above.

26. Document Execution. This Agreement and all schedules and exhibits hereto contain the entire agreement between the parties concerning the matters set forth herein and shall supersede all previous oral and written and all contemporaneous oral negotiations, commitments and understandings. In executing this Agreement, neither party has relied upon any statement, promise, or representation not herein expressed. This Agreement, once executed and delivered, shall not be modified, changed or altered in any respect except by a writing executed and delivered in the same manner as required for this Agreement.

27. Representations by Lessee. Lessee warrants and represents that:

- i) Lessee is a limited liability company duly organized, validly existing and in good standing under the laws of the state of Texas and is qualified to do business therein,
- ii) Lessee has all requisite power and authority to execute, deliver and perform this agreement,
- iii) The execution, delivery and performance by Lessee of this Agreement has been duly authorized by all necessary corporate action, and does not contravene Lessee's operating agreement or cause Lessee to be in conflict with or in default or breach of

LESSEE:

DFW Ice Vending, LLC

By: [Signature], Owner

ACKNOWLEDGMENT

STATE OF Texas)
)
COUNTY OF Denton) ss.

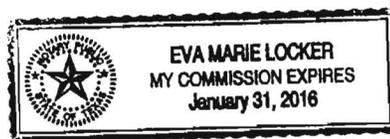
On the 29th day of April, 2015, before me, a duly qualified and acting Notary Public within and for the County and State aforesaid, personally appeared Vince Callender, who acknowledged himself to be the Owner of DFW Ice Vending, a(n) limited liability company, and that he, being authorized so to do, executed the foregoing instrument for the purposes and consideration therein contained, by signing the name of the company by himself as such owner.

In witness whereof, I hereunto set my hand and official seal.

[Signature: Eva Marie Locker]
Notary Public

My Commission Expires:

Jan 31, 2016



**EAGLE POINT MARINA
OUTSIDE VENDOR AGREEMENT**

This Outside Vendor Agreement (the "Agreement") is made and entered into this 18 day of February, 2015, at Lewisville, Denton County, Texas by and between Trett Enterprises, LLC d/b/a Eagle Point Marina, (the "Marina"), and the party or entity whose name and address appears below (the "Vendor"). The Marina permits persons and entities who are not affiliated with Trett Enterprises, LLC. to perform services for the benefit of the customers of the Marina. This Agreement shall govern the conduct of the Vendor while it is on the premises of the Marina.

Independent Contractor Status

The Vendor shall operate as an independent contractor to the customers of the Marina, and Vendor shall not represent it is in any manner affiliated with the Marina other than as a permitted Vendor. Vendor services allowed by this agreement is to provide boat pumpout services at the marina customer's individual boat slip. Marina agrees to provide vendor access to the Marina's gas dock pumpout machine for removal of waste from pumpout boats holding tank at no additional charge to the Vendor.

Maintenance of Insurance

The Vendor shall at its own expense maintain a policy or policies of commercial general liability insurance with respect to its activities on the Marina premises, with the premiums thereon fully paid on or before the due date, naming Marina, L.J.H. Corporation, the City of Lewisville, Texas, and the United States Army Corps of Engineers as additional insureds by endorsement in form acceptable to Marina, and issued by and binding upon an insurance company approved by Marina, such insurance to afford minimum protection of not less than \$1,000,000 combined single limit coverage of bodily injury, property damage or combination thereof. Additionally, Vendor shall maintain workers' compensation insurance for all of its non-shareholder employees or employees for whom workers' compensation is available. All insurance required of Vendor shall be in form and content and written by one or more insurance companies acceptable to Marina. Vendor shall, at Marina's request from time to time, provide Marina with current certificates of insurance evidencing Vendor's compliance with this Agreement. Vendor shall obtain the agreement of Vendor's insurers to notify Marina that a policy is due to expire at least ten (10) days prior to such expiration.

Liability of Marina

Marina shall not be liable to Vendor or to Vendor's employees, subcontractors, agents, customers, or to any other person whomsoever, and Vendor hereby releases Marina, L.J.H. Corporation, the City of Lewisville, Texas, and the United States Army Corps of Engineers from (i) any injury or damage to person or property due to the condition of the Marina premises, (ii) any loss or damage that may be occasioned by or through the acts or omissions of other Vendors or customers of the Marina on the Marina premises, or (iii) any damage or inconvenience which may arise through repair or alteration of any part of the Marina, INCLUDING WITHOUT LIMITATION, ANY OF THE FOREGOING MATTERS CAUSED BY THE SOLE OR CONCURRENT NEGLIGENCE OF MARINA, L.J.H. CORPORATION, THE CITY OF LEWISVILLE, TEXAS, AND THE UNITED STATES ARMY CORPS OF ENGINEERS. Vendor agrees that all personal property upon the Premises shall be at the risk of Vendor only, and that Marina shall not be liable for any damage thereto or theft thereof.

Waiver of Subrogation

Anything in this Agreement to the contrary notwithstanding, Vendor hereby waives any and all rights of subrogation, recovery, claim, action or cause of action, against the Marina, L.J.H. Corporation, the City of Lewisville, Texas, and the United States Army Corps of Engineers, or the agents, officers, or employees of each, for any loss or damage that may occur to Vendor, its Vendor's employees, subcontractors, agents, customers, or to any other person whomsoever regardless of cause or origin, including negligence of the Marina, L.J.H. Corporation, the City of Lewisville, Texas, and the United States Army Corps of Engineers, or the agents, officers, or employees of each.

Indemnity of Marina

Vendor agrees that it will indemnify and hold Marina, L.J.H. Corporation, the City of Lewisville, Texas, and the United States Army Corps of Engineers harmless of, from and against (i) all fines, suits, loss, cost, liability, claims, demands, actions and judgments of every kind and character by reason of any breach, violation or nonperformance of any term, provision, covenant, agreement or condition on the part of the Vendor hereunder and (ii) all claims, demands, actions, damages, loss, cost, liabilities, expenses and judgments suffered by, recovered from or asserted against Marina, L.J.H. Corporation, the City of Lewisville, Texas, and the United States Army Corps of Engineers on account of injury or damage to person or property to the extent that any such damage or injury may be incident to, arise out of or be caused, either proximately or remotely, wholly or in part, by an act, omission, negligence or misconduct on the part of Vendor or any of its agents, servants, employees, contractors, patrons, guests, licensees or invitees or of any other person entering upon the Marina premises under or with the express or implied invitation or permission of Vendor or when any such injury or damage is the result, proximate or remote, of the violation by

Vendor or any of its agents, employees, subcontractors, or customers of any law, ordinance or governmental order of any kind, or when any such injury or damage may in any other way arise from or out of the use by Vendor, its agents, employees, subcontractors, or customers of the Marina premises, SUCH INDEMNITY BY VENDOR SHALL INCLUDE MATTERS ARISING IN WHOLE OR IN PART AS A RESULT OF THE SOLE OR CONCURRENT NEGLIGENCE OF MARINA, L.J.H. CORPORATION, THE CITY OF LEWISVILLE, TEXAS, OR THE UNITED STATES ARMY CORPS OF ENGINEERS. Vendor covenants and agrees that in case Marina shall be made a party to any litigation commenced by or against Vendor or relating to the Agreement or to the Marina premises, then Vendor shall pay all costs and expenses, including attorneys' fees and court costs, incurred by or imposed upon Marina, L.J.H. Corporation, the City of Lewisville, Texas, and the United States Army Corps of Engineers by virtue of any such litigation and the amount of all such costs and expenses, including attorneys' fees and court costs, shall be paid by Vendor to Marina, L.J.H. Corporation, the City of Lewisville, Texas, and the United States Army Corps of Engineers within ten (10) days following receipt of a request therefore, plus interest from the date expended until payment.

Right to Terminate Agreement

The Marina reserves the right to terminate this Agreement without cause and without prior notice to Vendor. The Vendor agrees that the Marina has the right to the above action and will in no way be held liable or responsible for any damage or loss to Vendor.

Choice of Law and Venue

This agreement shall be construed under and in accordance with the laws of the State of Texas. All obligations of the parties created in this Agreement are performable in Denton County, Texas, and venue shall be in such County. This written contract is the sole and only Agreement in effect between the parties. This Agreement may only be amended in writing with the signatures of each party on such amendment.

Notices

Vendor agrees that any notice to be given by Marina may be given by mailing the notices to the address below, and owner agrees to notify Marina promptly of any new mailing address. Notice shall be deemed completed when deposited in the Mail, postage prepaid, addressed to the addressee below.

IN WITNESS WHEREOF, the undersigned Marina and Vendor execute this Agreement as of the day and year above.

Initial  Initial MB

Concession Fees

Vendor shall pay to the Marina 7% of Vendor's gross sales on a quarterly basis with the 1st quarter beginning January 1 of each year. Payment to the Marina shall be by the 14th of the month following the end of the quarter and include a written accounting of how payment is calculated. Vendor shall also pay to the City of Lewisville 3% of Vendor's gross sales on a quarterly basis at the same time that the Marina payment is due. Vendor shall include a separate accounting of how payment is calculated for the City's concession fee quarterly.

MARINA



John Mason, General Manager
Trett Enterprises, LLC

VENDOR:

Texoma Clean Marine LLC
Name of Vendor

 _____
Signature Printed Name
C. Mark Bliss

2164 Tanglewood Blvd #4244
ADDRESS (No P.O. Boxes)

(903) 361-2727
Telephone

Pottsboro Texas 75076
CITY STATE ZIP

(817) 925-9010
Cell Phone

Initial  Initial MB

MEMORANDUM

TO: Donna Barron, City Manager

FROM: Eric Ferris, Assistant City Manager

DATE: May 5, 2015

SUBJECT: **Consideration of a Variance to the 1996 Castle Hills Agreement to Allow a Single Family Residence Located at 5020 Joseph Street, in Castle Hills to Encroach Approximately One-Foot and Five Inches Into the Required Five-Foot Side Yard Setback, as Requested by Matt Taylor, Division Manager of American Legend Homes.**

BACKGROUND

In February, 2015, Barrow Land Surveying unknowingly staked the lot incorrectly at 5020 Joseph Street. As a result the house was built slightly askew on the lot and created an encroachment on the eastern side yard setback. A letter was received from Barrow Land Surveying stating that they believed the form boards were in the correct location both at the time of staking and the initial form survey, however, this was not the case. The mistake was not identified until the final survey was done most recently, where it was discovered that the forms had been set to the wrong pin creating an encroachment into the required side yard setback of five inches at the front left corner and one-foot and five inches at the back left corner of the house.

Issues relating to variances to the Zoning Ordinance such as setbacks and height, for properties located within the City are dealt with via the Zoning Board of Adjustment (ZBOA). ZBOA variances are granted based on hardship, such as topography, lot configuration or other conditions provided such variance will not be contrary to the public interest, where, owing to special conditions, a literal enforcement of the Ordinance will result in unnecessary hardship. Castle Hills, however, is not located in the City of Lewisville, but rather it is located in the City of Lewisville's Extra-Territorial Jurisdiction, and does not have zoning. Per the 1996 Castle Hills Agreement, Castle Hills agreed to develop properties in accordance with City of Lewisville zoning categories and are listed as zoning designations. Castle Hills has received variances to zoning items in the past via variances by City Council to the 1996 Castle Hills Agreement. On February 2, 2015, the City Council granted a similar variance due to incorrect staking and on April 12, 2010, the City Council approved a variance for Castle Hills Phase VI Section A, a residential subdivision, allowing a reduction of the required minimum interior lot side yard width to 5 feet in lieu of the standard 6.5 feet. Within the city, staff has processed numerous ZBOA encroachments into the various setbacks of homes in existence.

Subject: Castle Hills – 2050 Joseph Street

May 5, 2015

Page 2 of 2

ANALYSIS

American Legend Homes does not believe that the house at its current location poses any concern for the adjacent property. An exhibit provided by the survey company illustrates the encroachment. In order to correct these issues American Legend Homes is requesting the following variance.

Variance a): To allow the single family residence to encroach approximately one-foot and five inches into the five-foot side yard setback

The exhibit illustrates that the side yard encroachment runs down the eastern side of the house. It is approximately five inches over at the northeastern corner of the dwelling unit and one-foot five inches over at the southeastern corner of the house.

RECOMMENDATION

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



April 16, 2015

To Whom It May Concern:

American Legend Homes (ALH) is requesting a variance at the address of 5020 Joseph Street on Lot 2 Block H of Castle Hills Phase 8 Section A. ALH built a single family residence that is over the left side build line by 0.4' (5") at the front left corner and 1.4' (1'-5") at the rear left corner as shown on the Form Board Survey #2 attached. Also attached are the Form Survey (#1), a letter from Barrow Land Surveying, the Lot referenced on the Final Plat, and pictures of the actual property.

ALH takes precautionary measures to ensure an error like this does not happen. We have the property pins staked prior to foundation form boards (this time incorrectly) and then a form survey after forms are set. In this case, our surveyor installed the property pin located at the back left corner incorrectly. When the surveyor came to do the form survey (see attached to reference), they used the same incorrect pin. We then in turn constructed the home with it built over the build lines using this incorrect data.

Thanks for your consideration in reviewing this variance. If there are any questions pertaining to this variance, you can contact me via email at mtaylor@alhld.com or directly at 972-897-5478.

Respectfully,

Matt Taylor
Division Manager
American Legend Homes





Platting / Planning / Residential / Commercial

**105 Denton Street
Roanoke, TX 76262-6114
817-961-0082 phone
817-961-0086 fax**

DATE: 3/31/2015

TO: Matt Taylor

RE: 5020 Joseph Street Block H Lot 2 Castle Hills Phase 8 / INCORRECT FORM SURVEY

On 2/3/2015 our crew went to 5020 Joseph Street and staked the lot (Property Corners). On 2/9/2015 a form survey was performed and the form boards were not in the correct location. However it appeared to our crew that they were in the correct location by mistake and our office prepared a survey to show the form boards in the correct location by mistake. The forms were set to a property corner that was incorrect. Our crew failed to measure or check to make sure the home was built to the correct property corner. The left side of the home should have been placed parallel to the left property line on the 5' building line. The incorrect location placed the home at an 1'-5" angle off of parallel which pushed the home to the left 1'-5" thus over the 5' side building line.

Please call the office if you have any other questions.

Respectfully,

A handwritten signature in blue ink, appearing to read "Terry Barrow", with a long horizontal flourish extending to the right.

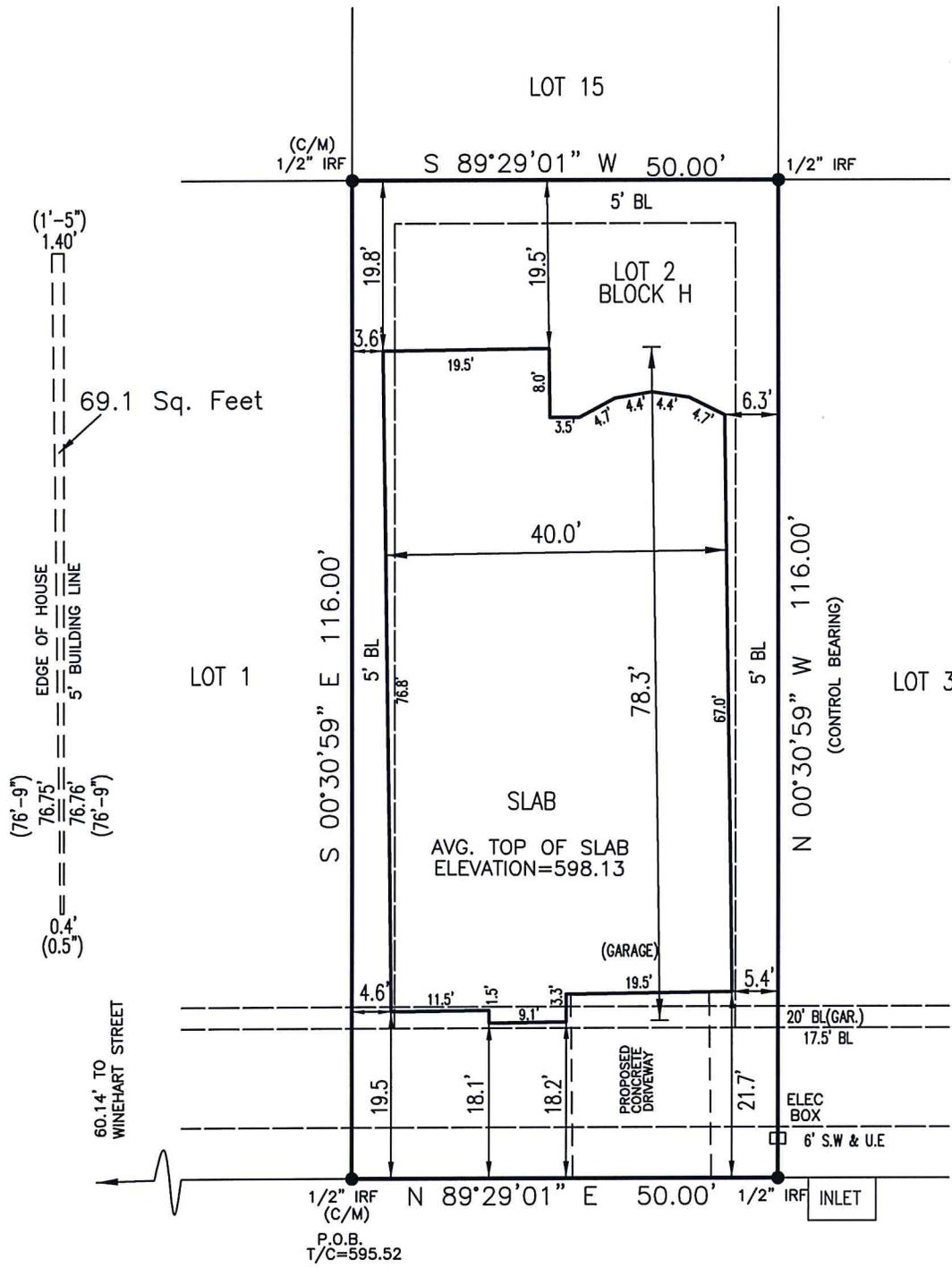
Terry Barrow

PLAT SHOWING

Being Lot 2, in Block H, of CASTLE HILLS PHASE 8, SECTION A, an Addition to the City of Lewisville ETJ, Denton County, Texas, according to the Plat thereof recorded under DOC. NO. 2013-359, Plat Records, Denton County, Texas.

5020 JOSEPH STREET

FORM BOARD SURVEY # 2



5020 JOSEPH STREET
41' R.O.W.

"FLOOD CERTIFICATION"
Subject property is located in Zone "X" (unshaded) according to the Flood Insurance Rate Map Community Panel Map # 48121C0570 G Dated: April 18, 2011

"Zone X (unshaded)"
Areas determined to be outside the 0.2% annual chance floodplain.

NOTE:
THIS SURVEY WAS PERFORMED WITHOUT THE BENEFIT OF A TITLE COMMITMENT.

VERTICAL DATUM
ELEVATIONS SHOWN HEREON ARE BASED ON A PLOT PLAN FROM SITE PLANNING SOLUTIONS PROVIDED BY AMERICAN LEGEND HOMES

BEARING SOURCE
BEARINGS SHOWN HEREON ARE BASED ON RECORDED PLAT RECORDED UNDER DOC NO. 2013-359, P.R.D.C.T.



I hereby certify that the forms are in place upon this lot according to the distances to property lines shown, and were determined from a survey made on the ground.

SURVEY DATE: 3-27-2015

- LEGEND
- BL = BUILDING LINE
 - UE = UTILITY EASEMENT
 - DE = DRAINAGE EASEMENT
 - PUE = PUBLIC UTILITY EASEMENT
 - CM = CONTROLLING MONUMENT
 - IRF = IRON ROD FOUND
 - IRS = IRON ROD SET
 - o = IRON ROD
 - X- = FENCE
 - = DIRECTION OF FLOW

SCALE: 1" = 20'

DRAWN BY: MS

ALH JOB # CH8-H-02

BLS JOB # 1402100-03



BARROW
LAND SURVEYING

Platting / Planning / Residential / Commercial

105 DENTON ST.
ROANOKE, TEXAS 76262
PHONE (817) 961-0082
FAX (817) 961-0086

FIRM REGISTRATION NO. 10183700

5020 Joseph Street



Wider side: 5.4' to 6.3' in lieu of 5'



Short side: 3.6' to 4.6' in lieu of 5'





SH 121 TOLL

SUBJECT PROPERTY

CARROLLTON PARKWAY

KADIN

JOSEPH ST

Lewisville

AMANDE

TITLE

HIGHWOOD

TRAVIS

WILTSHIRE

CYNDUR

PROUD KNIGHT

DEL MOLIN

WINEHART

WARWICK

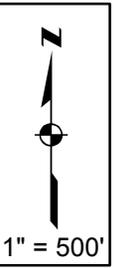
WINDHAVEN PARKWAY

VERA

Castle Hills ETJ Lewisville

TRINITY

LOCATION MAP FOR 5020 JOSEPH ST



SH
121
TOLL

SUBJECT
PROPERTY

KADIN

JOESPH ST

AMANDE

HIGHWOOD

PROUD KNIGHT

DEL MOLIN

WILSHIRE

CYNDUR

WINEHART

WARWICK

TITTLE

Lewisville

TRAVIS

WINDHAVEN PARKWAY

VERA

TRINITY

Lewisville - Castle Hills ETJ

LOCATION MAP
FOR
5020 JOSEPH ST

MEMORANDUM

TO: Donna Barron, City Manager

FROM: Steven L. Bacchus, Assistant City Manager

DATE: May 13, 2015

SUBJECT: Consideration of an Ordinance of the City Council of the City of Lewisville, Texas, Approving a Negotiated Settlement Between the Atmos Cities Steering Committee (“ACSC”) and Atmos Energy Corp., Mid-Tex Division Regarding the Company’s 2014 and 2015 Rate Review Mechanism Filings; Approving a Settlement Agreement With Attached Rate Tariffs and Proof of Revenues; Declaring Existing Rates to be Unreasonable; Adopting Tariffs that Reflect Rate Adjustments Consistent With the Negotiated Settlement; Finding the Rates to be Set by the Settlement Tariffs to be Just and Reasonable and in the Public Interest; Requiring the Company to Reimburse ASCS’s Reasonable Ratemaking Expenses; Determining that this Ordinance was Passed in Accordance With the Requirements of the Texas Open Meetings Act; Adopting a Savings Clause; Declaring an Effective Date; Requiring Delivery of this Ordinance to the Company and the ACSC’s Legal Counsel; and Declaring an Emergency.

BACKGROUND

The City, along with other similarly situated cities served by Atmos Energy Corp., Mid-Tex Division (“Atmos Mid-Tex” or “Company”), is a member of the Atmos Cities Steering Committee (“ACSC”). The RRM Tariff was adopted by the City as an alternative to the Gas Reliability Infrastructure Program (“GRIP”), the statutory provision that allows Atmos to bypass the City’s rate regulatory authority to increase its rates annually to recover capital investments. In February 2014, Atmos Mid-Tex filed its second annual filing under the Rate Review Mechanism (“RRM”) Tariff, seeking an increase of \$45.7 million. Although ACSC attempted to reach a settlement with the Company as it had in past years, the wide differences between the Company and ACSC’s consultants’ recommendations made a compromise impossible. On the recommendation of the ACSC Executive Committee and ACSC’s legal counsel, the City in 2014 adopted a Resolution denying the requested rate increase.

The Company appealed the City’s denial to the Railroad Commission of Texas (“Commission”), and revised its requested increase to \$43.8 million. A hearing was held on the Company’s appeal on September 3, 2014. On April 28, 2015, the Commission’s Hearings Examiner issued his Proposal for Decision (“PFD”) in the Company’s appeal of the City’s denial of the 2014 RRM rate increase. This PFD was not favorable to ACSC, but did recommend a reduction of approximately \$860,000 to the Company’s adjusted 2014 filing.

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While the parties were waiting for the PFD from the Hearings Examiner in the appeal of the 2014 RRM filing, on February 27, 2015, Atmos Mid-Tex filed with the City another rate increase request under the RRM Tariff, seeking additional revenues in the amount of \$28.762 million (total system) or \$24.0 million (affected cities). The City worked with ACSC to analyze the schedules and evidence offered by Atmos Mid-Tex to support its 2015 request to increase rates. The Ordinance and attached Settlement Agreement and tariffs are the result of negotiation between the Mid-Tex Executive Committee and the Company to resolve issues raised by ACSC during the review and evaluation of Atmos Mid-Tex's filing. The recommended Settlement Agreement also requires Atmos to abate its appeal of the City's rejection of the 2014 RRM rate increase pending approval by all ACSC cities of the Settlement Agreement. The Agreement requires Atmos to give the City the benefit of the adjustments to the 2014 rate increase recommended by the PFD.

The Ordinance and Settlement tariffs approve rates that will increase the Company's revenues by \$65.7 million for the Mid-Tex Rate Division, effective for bills rendered on or after June 1, 2015. The monthly residential customer charge will be \$18.60. The consumption charge will change from \$0.08819 per Ccf to \$0.09931 per Ccf. The monthly bill impact for the typical residential customer consuming 60 Ccf will be an increase of \$1.14 (about a 1.59% increase in the base bill). The typical commercial customer will see an increase of \$2.69 or 0.96%.

The ACSC Executive Committee and its designated legal counsel and consultants recommend that all Cities adopt the Ordinance approving the negotiated Settlement Agreement resolving both the 2014 and the 2015 RRM filings, and implementing the rate change.

RRM Background:

The RRM tariff was originally approved by ACSC Cities as part of the settlement agreement to resolve the Atmos Mid-Tex 2007 system-wide rate filing at the Railroad Commission. In early 2013, the City adopted a renewed RRM tariff for an additional five years. This is the third RRM filing under the renewed tariff. The RRM tariff and the process implementing that tariff were created collaboratively by ACSC and Atmos Mid-Tex as an alternative to the legislatively-authorized GRIP surcharge process. ACSC has opposed GRIP because it constitutes piecemeal ratemaking, does not allow any review of the reasonableness of Atmos' expenditures, and does not allow participation by cities or recovery of cities' rate case expenses. In contrast, the RRM process has allowed for a more comprehensive rate review and annual adjustment as a substitute for GRIP filings. ACSC's consultants have calculated that had Atmos filed its 2015 case under the GRIP provisions, it would have received additional revenues from ratepayers of approximately \$10 million.

Purpose of the Ordinance:

The purpose of the Ordinance is to approve the Settlement Agreement and the resulting rate change under the RRM tariff. As a result of the negotiations, the Executive Committee was able to reduce the Company's requested \$28.8 million rate increase for Mid-Tex cities to \$21,962,784. When added to the settlement of the 2014 RRM filing and the adjustments recommended by the PFD, the Company will receive total additional annual revenues of \$65.7 million. Because the 2014 rates have been in effect since June 1, 2014, the increase to currently-billed rates is \$21 million. Approval of the Ordinance will result in rates that implement an increase in Atmos Mid-Tex's revenues effective June 1, 2015.

Why Approve the Settlement Agreement:

While it is annoying and disconcerting to annually consider rate adjustments from Atmos Mid-Tex, the Texas legislature has granted gas utilities the right, through the GRIP process, to an annual increase based on increases in invested capital. GRIP is piecemeal ratemaking and ignores increases in revenues and declines in O&M expenses that may be associated with plant additions. ACSC found it preferable to negotiate with Atmos to substitute an expedited comprehensive review process that includes consideration of revenues and expenses as well as invested capital for the GRIP process.

Compelling reasons for approving the Settlement include:

While the 2015 RRM system-wide filing exceeded \$28 million, a comparable GRIP filing would have been in excess of \$38 million. ACSC has negotiated a reduction to the 2015 filing of approximately \$6 million. Therefore, the 2015 RRM result is approximately \$16 million better for ratepayers within municipal limits than ratepayers within Environs.

ACSC counsel is convinced that the Proposal for Decision ("PFD") by Railroad Commission Examiners in the 2014 RRM appeal will not improve if we file Exceptions and Replies to Exceptions. Counsel recommends action to avoid the PFD becoming a final order that would serve as precedent in future rate proceedings.

The token benefit to ratepayers authorized in the PFD to the 2014 appeal has been incorporated into the Settlement Agreement. Atmos will file its formal withdrawal of its 2014 appeal only after all ACSC members approve the Settlement Agreement.

The alternative to approval of the Settlement Agreement would be another contested case hearing on appeal of the 2015 filing, implementation of interim rates on June 1, 2015 at the full value of the Company's request (or \$6 million higher than proposed by the Settlement) and continuation of the 2014 appeal with resulting rate case expenses borne by ratepayers.

Explanation of “Be It Ordained” Sections:

1. This section approves all findings in the Ordinance.
2. This section finds the Settlement Agreement (attached to the Ordinance) to be a comprehensive settlement of gas utility rate issues arising from Atmos Mid-Tex’s 2014 and 2015 RRM filings, and that such settlement is in the public interest and consistent with the City’s statutory authority.
3. This section finds the existing Atmos Mid-Tex rates to be unreasonable, and approves the new tariffed rates providing for additional revenues over currently-billed rates of \$21 million and adopts the attached new rate tariffs.
4. This section establishes the baseline for pensions and other post-employment benefits for future rate cases.
5. This section renews the Atmos Mid-Tex RRM Tariff for an additional period of time, commencing with the filing to be made on March 1, 2016, and continuing until the RRM Tariff is suspended by ordinance of the City.
6. This section requires the Company to reimburse Cities for reasonable ratemaking costs associated with reviewing and processing the RRM filing.
7. This section repeals any resolution or ordinance that is inconsistent with this Ordinance.
8. This section finds that the meeting was conducted in compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.
9. This section is a savings clause, which provides that if any section(s) is later found to be unconstitutional or invalid, that finding shall not affect, impair or invalidate the remaining provisions of this Ordinance. This section further directs that the remaining provisions of the Ordinance are to be interpreted as if the offending section or clause never existed.
10. This section provides for an effective date upon passage which, according to the Cities’ ordinance that adopted the RRM process, is June 1, 2015.
11. This paragraph directs that a copy of the signed Ordinance be sent to a representative of the Company and legal counsel for the Steering Committee.

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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 CITY COUNCIL OF THE CITY OF LEWISVILLE, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE (“ACSC”) AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY’S 2014 AND 2015 RATE REVIEW MECHANISM FILINGS; APPROVING A SETTLEMENT AGREEMENT WITH ATTACHED RATE TARIFFS AND PROOF OF REVENUES; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT; FINDING THE RATES TO BE SET BY THE SETTLEMENT TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; REQUIRING THE COMPANY TO REIMBURSE ACSC’S REASONABLE RATEMAKING EXPENSES; DETERMINING THAT THIS ORDINANCE WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY AND THE ACSC’S LEGAL COUNSEL; AND DECLARING AN EMERGENCY.

WHEREAS, the City of Lewisville, Texas (“City”) is a gas utility customer of Atmos Energy Corp., Mid-Tex Division (“Atmos Mid-Tex” or “Company”), and a regulatory authority with an interest in the rates and charges of Atmos; and

WHEREAS, the City is a member of the Atmos Cities Steering Committee (“ACSC”), a coalition of similarly-situated cities served by Atmos Mid-Tex (“ACSC Cities”) that have joined together to facilitate the review of and response to natural gas issues affecting rates charged in the Atmos Mid-Tex service area; and

WHEREAS, ACSC and the Company worked collaboratively to develop a new Rate Review Mechanism (“RRM”) tariff that allows for an expedited rate review process by ACSC Cities as a substitute to the Gas Reliability Infrastructure Program (“GRIP”) process instituted by

the Legislature, and that will establish rates for the ACSC Cities based on the system-wide cost of serving the Atmos Mid-Tex Division; and

WHEREAS, the initial RRM Tariff was in effect for four (4) years; and

WHEREAS, ACSC Cities and Atmos Mid-Tex entered into another settlement agreement and revised the RRM Tariff; and

WHEREAS, ACSC Cities and Atmos Mid-Tex compromised and reached agreements on the amount of the rate increases to be in effect for the RRM Tariff filings for 2012 and 2013; and

WHEREAS, ACSC Cities and Atmos Mid-Tex were unable to reach an agreement on the 2014 RRM Tariff filing, resulting in the ACSC Cities' rejection of the 2014 RRM filing; and

WHEREAS, Atmos Mid-Tex appealed the ACSC Cities' actions rejecting its 2014 RRM filing to the Railroad Commission of Texas ("Commission"), pursuant to the provisions of the RRM Tariff; and

WHEREAS, Atmos Mid-Tex and ACSC litigated the appeal of the 2014 RRM filing at the Commission; and

WHEREAS, on February 27, 2015, Atmos Mid-Tex filed its 2015 RRM Tariff filing, requesting to increase natural gas base rates system-wide by \$28.762 million; and

WHEREAS, ACSC coordinated its review of Atmos Mid-Tex RRM filing through its Executive Committee, assisted by ACSC's attorneys and consultants, to resolve issues identified in the Company's RRM filing; and

WHEREAS, Atmos Mid-Tex has agreed to withdraw its appeal of ACSC's rejection of its 2014 RRM Tariff rate increase; and

WHEREAS, the Executive Committee, as well as ACSC's counsel and consultants, recommend that ACSC Cities approve the attached Settlement Agreement (Attachment A to this

Ordinance) as well as the tariffs attached thereto, resolving both the 2014 and the 2015 RRM Tariff filings, which together will increase the Company's revenues by \$65.7 million over the amount allowed under City-approved rates set in 2013; and

WHEREAS, the attached tariffs implementing new rates are consistent with the negotiated Settlement Agreement and are just, reasonable, and in the public interest; and

WHEREAS, the RRM Tariff should be renewed for a period of time commencing in 2016 and continuing until the RRM Tariff is suspended by ordinance of the City; and

WHEREAS, the RRM Tariff contemplates reimbursement of ACSC's reasonable expenses associated with RRM applications;

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

Section 1. That the findings set forth in this Ordinance are hereby in all things approved.

Section 2. That the City Council finds that the Settlement Agreement (Attachment A to this Ordinance) represents a comprehensive settlement of gas utility rate issues affecting the rates, operations, and services offered by Atmos Mid-Tex within the municipal limits arising from Atmos Mid-Tex's 2014 and 2015 RRM filings, is in the public interest, and is consistent with the City's authority under Section 103.001 of the Texas Utilities Code.

Section 3. That the existing rates for natural gas service provided by Atmos Mid-Tex are unreasonable. The new tariffs attached hereto and incorporated herein as Attachment C, are just and reasonable, and are designed to allow Atmos Mid-Tex to recover annually an additional \$65.7 million in revenue over the amount allowed under currently approved rates, or \$21 million over currently-billed rates, as shown in the Proof of Revenues attached hereto and incorporated herein as Attachment B; such tariffs are hereby adopted.

Section 4. That the ratemaking treatment for pensions and other post-employment benefits in Atmos' next RRM filing shall be as set forth on Attachment D, attached hereto and incorporated herein.

Section 5. That in an effort to streamline the regulatory review process, the Atmos Mid-Tex RRM Tariff is renewed for a period commencing with the Company's March 1, 2016 RRM filing for calendar year 2015, effective June 1, 2016, and continuing thereafter until such time as the City adopts an ordinance suspending operation of the RRM Tariff.

Section 6. That Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of the ACSC in processing the Company's RRM application.

Section 7. That to the extent any resolution or ordinance previously adopted by the Council is inconsistent with this Ordinance, it is hereby repealed.

Section 8. That the meeting at which this Ordinance was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 9. That if any one or more sections or clauses of this Ordinance is adjudged to be unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Ordinance and the remaining provisions of the Ordinance shall be interpreted as if the offending section or clause never existed.

Section 10. That consistent with the City Ordinance that established the RRM process, this Ordinance shall become effective from and after its passage with rates authorized by attached tariffs to be effective for bills rendered on or after June 1, 2015.

Section 11. That a copy of this Ordinance shall be sent to Atmos Mid-Tex, care of Chris Felan, Vice President of Rates and Regulatory Affairs Mid-Tex Division, Atmos Energy

Corporation, 5420 LJB Freeway, Suite 1862, Dallas, Texas 75240, and to Geoffrey Gay, General Counsel to ACSC, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

Section 12. That the fact that the present ordinances and regulations of the City are inadequate to properly safeguard the health, safety, peace and general welfare of the inhabitants of the City, creates an emergency for the immediate preservation of the public business, property, health, safety and general welfare, and the rule requiring this Ordinance be read on three separate occasions be, and the same is hereby, waived and this Ordinance shall now be placed on its third and final reading for its passage, and shall be in full force and effect from and after its passage.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF LEWISVILLE, TEXAS, BY A VOTE OF _____ TO _____, ON THIS THE 18th DAY OF MAY, 2015.

APPROVED:

Rudy Durham, MAYOR

ATTEST:

Julie Heinze, CITY SECRETARY

APPROVED AS TO FORM:

Lizbeth Plaster, CITY ATTORNEY

**SETTLEMENT AGREEMENT BETWEEN ATMOS ENERGY CORP., MID-TEX
DIVISION AND ATMOS CITIES STEERING COMMITTEE**

WHEREAS, this agreement (“Settlement Agreement”) is entered into by Atmos Energy Corp’s Mid-Tex Division and Atmos Cities Steering Committee (“ACSC”) whose members include the Cities of Abilene, Addison, Allen, Alvarado, Angus, Anna, Argyle, Arlington, Aubrey, Bedford, Bellmead, Benbrook, Beverly Hills, Blossom, Blue Ridge, Bowie, Boyd, Bridgeport, Brownwood, Buffalo, Burkburnett, Burleson, Caddo Mills, Canton, Carrollton, Cedar Hill, Celeste, Celina, Centerville, Cisco, Clarksville, Cleburne, Clyde, College Station, Colleyville, Colorado City, Comanche, Commerce, Coolidge, Coppell, Copperas Cove, Corinth, Corral City, Crandall, Crowley, Dalworthington Gardens, Denison, DeSoto, Duncanville, Eastland, Edgecliff Village, Emory, Ennis, Euless, Everman, Fairview, Farmers Branch, Farmersville, Fate, Flower Mound, Forest Hill, Fort Worth, Frisco, Frost, Gainesville, Garland, Garrett, Grand Prairie, Grapevine, Gunter, Haltom City, Harker Heights, Haskell, Haslet, Hewitt, Highland Park, Highland Village, Honey Grove, Hurst, Hutto, Iowa Park, Irving, Justin, Kaufman, Keene, Keller, Kemp, Kennedale, Kerens, Kerrville, Killeen, Krum, Lake Worth, Lakeside, Lancaster, Lewisville, Lincoln Park, Little Elm, Lorena, Madisonville, Malakoff, Mansfield, McKinney, Melissa, Mesquite, Midlothian, Murphy, Newark, Nocona, North Richland Hills, Northlake, Oakleaf, Ovilla, Palestine, Pantego, Paris, Parker, Pecan Hill, Petrolia, Plano, Ponder, Pottsboro, Prosper, Quitman, Red Oak, Reno (Parker County), Richardson, Richland, Richland Hills, Roanoke, Robinson, Rockwall, Roscoe, Rowlett, Royse City, Sachse, Saginaw, Sansom Park, Seagoville, Sherman, Snyder, Southlake, Springtown, Stamford, Stephenville, Sulphur Springs, Sweetwater, Temple, Terrell, The Colony, Trophy Club, Tyler, University Park, Venus, Vernon, Waco, Watauga, Waxahachie, Westlake, White Settlement, Whitesboro, Wichita Falls, Woodway, and Wylie.

WHEREAS, on February 28, 2014, Atmos filed with the ACSC Cities an application, hereinafter referred to as the 2014 RRM filing, to adjust rates pursuant to Rider RRM - Rate Review Mechanism, which were subsequently consolidated into GUD No. 10359 at the Railroad Commission of Texas; and

WHEREAS, on February 27, 2015, Atmos filed with the ACSC Cities an application, hereinafter referred to as the 2015 RRM filing, to adjust rates pursuant to Rider RRM - Rate Review Mechanism; and

WHEREAS, the Settlement Agreement resolves all issues between Atmos and ACSC (“the Signatories”) regarding the 2014 RRM filing, which is currently pending before the Commission, and the 2015 RRM filing, which is currently pending before the ACSC Cities, in a manner that the Signatories believe is consistent with the public interest, and the Signatories represent diverse interests; and

WHEREAS, the Signatories believe that the resolution of the issues raised in the 2014 RRM filing and the 2015 RRM filing can best be accomplished by each ACSC City approving this Settlement Agreement and the rates, terms and conditions reflected in the tariffs attached to this Settlement Agreement as Exhibit A;

NOW, THEREFORE, in consideration of the mutual agreements and covenants established herein, the Signatories, through their undersigned representatives, agree to the

Attachment A

following Settlement Terms as a means of fully resolving all issues between Atmos and the ACSC Cities involving the 2014 RRM filing and 2015 RRM filing:

Settlement Terms

1. Upon the execution of this Settlement Agreement, the ACSC Cities will approve an ordinance or resolution to approve the Settlement Agreement and implement the rates, terms and conditions reflected in the tariffs attached to the Settlement Agreement as Exhibit A. (Attachment A to the Ordinance ratifying the Agreement). Said tariffs should allow Atmos to recover annually an additional \$65.7 million in revenue over the amount allowed under currently approved rates by implementation of rates shown in the proof of revenues attached as Exhibit B. (Attachment B to the Ordinance ratifying this Agreement). The uniform implementation of gas rates, terms and conditions established by the Settlement Agreement shall be effective for bills rendered on or after June 1, 2015. Consistent with the City's authority under Section 103.001 of the Texas Utilities Code, the Settlement Agreement represents a comprehensive settlement of gas utility rate issues affecting the rates, operations and services offered by Atmos within the municipal limits of the ACSC Cities arising from Atmos' 2014 RRM filing and 2015 RRM filing. No refunds of charges billed to customers by Atmos under the RRM in past periods shall be owed or owing.
2. In an effort to streamline the regulatory review process, Atmos and the ACSC Cities have agreed to renew the Rate Review Mechanism ("Rider RRM") for a period commencing with the Company's March 1, 2016 filing under this mechanism for the calendar year 2015, effective June 1, 2016, and continuing thereafter until such time as either the ACSC Cities issue an ordinance stating a desire to discontinue the operation of the tariff or Atmos files a Statement of Intent. Atmos and the ACSC Cities further agree that the RRM tariff shall remain in effect until such time as new, final rates are established for Atmos. Upon approval of this Settlement Agreement by the ACSC Cities, Atmos shall file an updated RRM Tariff with each city reflecting the provisions of this agreement.
3. Atmos and the ACSC Cities agree that rate base as of December 31, 2014 in the amount of \$1,955,948,256 is just and reasonable and shall be recovered in rates.
4. Atmos and the ACSC Cities agree that a pension and other postemployment benefits balance as of December 31, 2014 in the amount of \$18,284,949 is just and reasonable and shall be used as the beginning balance for purposes of determining pension and other postemployment benefits to be recovered in the next RRM filing (Attachment D to the Ordinance ratifying the Agreement).
5. With regard to the treatment of Atmos' Rule 8.209 regulatory asset under the RRM, Atmos and the ACSC Cities agree to the following with respect to any pending and future RRM filings:
 - a. the capital investment in the Rule 8.209 regulatory asset in the 2014 RRM filing and 2015 RRM filing is reasonable and consistent with the requirements of Rule 8.209;

Attachment A

- b. the classification of projects included in the Rule 8.209 regulatory asset in the 2014 RRM filing and 2015 RRM filing is reasonable and consistent with the requirements of Rule 8.209 and shall serve as a basis for classification of projects in future RRM filings;
 - c. the treatment of blanket replacement projects, system upgrades, relocations, and transmission line replacements in the Rule 8.209 regulatory asset in the 2014 RRM filing and 2015 RRM filing is reasonable and consistent with the requirements of Rule 8.209 and shall be included in future RRM filings.
 - d. the incurred expenses included in the Rule 8.209 regulatory asset in the 2014 RRM and the 2015 RRM are reasonable and consistent with the requirements of Rule 8.209 and shall be included in future RRM filings;
 - e. interest on the Rule 8.209 regulatory asset account shall be calculated using the pre-tax cost of capital most recently approved by the Commission. The use of the pre-tax cost of capital is consistent with Rule 8.209. A return on Rule 8.209 capital investment is only earned once the investment is included in rate base. No change in the Company's calculation of the interest component in its Rule 8.209 regulatory asset accounts is warranted through the period ended May 31, 2015. Beginning June 1, 2015, interest expense shall be calculated monthly using simple interest (*i.e.* 11.49% divided by 12, or approximately 0.96% per month) applied to the total value of the Rule 8.209 asset investment (exclusive of interest) until such time the Rule 8.209 regulatory asset is approved for inclusion in the Company's rate base.
 - f. While Atmos and the ACSC Cities agree to apply the treatments and methodologies set forth in this paragraph, subsections (a) – (e) in all future RRM filings, the regulatory authority retains its right to disallow any capital investment that is not shown to be prudently incurred, and any expense not shown to be reasonable and necessary, in future RRM filings.
 - g. Atmos and the ACSC Cities acknowledge that their agreement regarding the treatment and methodologies applicable to Rule 8.209 capital investments under the RRM tariff shall not prejudice the right of either party to argue for different treatments or methodologies in a future statement of intent proceeding.
6. Revenues approved pursuant to Paragraph 1 of the Settlement Agreement include reimbursement of rate case expenses owed to the ACSC Cities in connection with the 2014 RRM filing.
 7. The Signatories agree that each ACSC city shall approve this Settlement Agreement and adopt an ordinance or resolution to implement for the ACSC Cities the rates, terms, and conditions reflected in the tariffs attached to the Settlement Agreement as Exhibit A. Atmos and ACSC further agree that at such time as all of the ACSC Cities have passed an ordinance or resolution consistent with the Settlement and Atmos has received such ordinance or resolution, Atmos shall withdraw its appeal of the currently pending RRM filing before the Railroad Commission of Texas in connection with the 2014 RRM filing.

8. Atmos and the ACSC Cities further agree that the express terms of the Rider RRM are supplemental to the filing, notice, regulatory review, or appellate procedural process of the ratemaking provisions of Chapter 104 of the Texas Utilities Code. If the statute requires a mandatory action on behalf of the municipal regulatory authority or Atmos, the parties will follow the provisions of such statute. If the statute allows discretion on behalf of the municipal regulatory authority, the ACSC Cities agree that they shall exercise such discretion in such a way as to implement the provisions of the RRM tariff. If Atmos appeals an action or inaction of an ACSC City regarding an RRM filing to the Railroad Commission, the ACSC Cities agree that they will not oppose the implementation of interim rates or advocate the imposition of a bond by Atmos consistent with the RRM tariff. Atmos agrees that it will make no filings on behalf of its Mid-Tex Division under the provisions of Section 104.301 of the Texas Utilities code while the Rider RRM is in place. In the event that a regulatory authority fails to act or enters an adverse decision regarding the proposed annual RRM adjustment, the Railroad Commission of Texas shall have exclusive appellate jurisdiction, pursuant to the provisions of the Texas Utilities Code, to review the action or inaction of the regulatory authority exercising exclusive original jurisdiction over the RRM request. In addition, the Signatories agree that this Settlement Agreement shall not be construed as a waiver of the ACSC Cities' right to initiate a show cause proceeding or the Company's right to file a Statement of Intent under the provisions of the Texas Utilities Code.
9. The Signatories agree that the terms of the Settlement Agreement are interdependent and indivisible, and that if any ACSC city enters an order that is inconsistent with this Settlement Agreement, then any Signatory may withdraw without being deemed to have waived any procedural right or to have taken any substantive position on any fact or issue by virtue of that Signatory's entry into the Settlement Agreement or its subsequent withdrawal. If any ACSC city rejects this Settlement Agreement, then this Settlement Agreement shall be void *ab initio* and counsel for the ACSC Cities shall thereafter only take such actions as are in accordance with the Texas Disciplinary Rules of Professional Conduct.
10. The Signatories agree that all negotiations, discussions and conferences related to the Settlement Agreement are privileged, inadmissible, and not relevant to prove any issues associated with Atmos' 2014 RRM filing and 2015 RRM filing.
11. The Signatories agree that neither this Settlement Agreement nor any oral or written statements made during the course of settlement negotiations may be used for any purpose other than as necessary to support the entry by the ACSC Cities of an ordinance or resolution implementing this Settlement Agreement.
12. The Signatories agree that this Settlement Agreement is binding on each Signatory only for the purpose of settling the issues set forth herein and for no other purposes, and, except to the extent the Settlement Agreement governs a Signatory's rights and obligations for future periods, this Settlement Agreement shall not be binding or precedential upon a Signatory outside this proceeding.

Attachment A

13. The Signatories agree that this Settlement Agreement may be executed in multiple counterparts and may be filed with facsimile signatures.

Agreed to this 7 day of May, 2015.

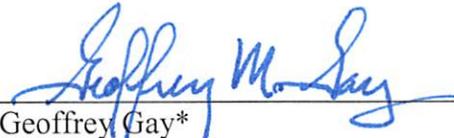
ATMOS ENERGY CORP., MID-TEX DIVISION

By: John A. Paris
John A. Paris
President, Mid-Tex Division

Attachment A

Agreed to this 7th day of May 2015.

ATTORNEY FOR ATMOS CITIES STEERING COMMITTEE, WHOSE MEMBERS INCLUDE THE CITIES OF ABILENE, ADDISON, ALLEN, ALVARADO, ANGUS, ANNA, ARGYLE, ARLINGTON, AUBREY, BEDFORD, BELLMEAD, BENBROOK, BEVERLY HILLS, BLOSSOM, BLUE RIDGE, BOWIE, BOYD, BRIDGEPORT, BROWNWOOD, BUFFALO, BURKBURNETT, BURLESON, CADDO MILLS, CANTON, CARROLLTON, CEDAR HILL, CELESTE, CELINA, CENTERVILLE, CISCO, CLARKSVILLE, CLEBURNE, CLYDE, COLLEGE STATION, COLLEYVILLE, COLORADO CITY, COMANCHE, COMMERCE, COOLIDGE, COPPELL, COPPERAS COVE, CORINTH, CORRAL CITY, CRANDALL, CROWLEY, DALWORTHINGTON GARDENS, DENISON, DESOTO, DUNCANVILLE, EASTLAND, EDGECLIFF VILLAGE, EMORY, ENNIS, EULESS, EVERMAN, FAIRVIEW, FARMERS BRANCH, FARMERSVILLE, FATE, FLOWER MOUND, FOREST HILL, FORT WORTH, FRISCO, FROST, GAINESVILLE, GARLAND, GARRETT, GRAND PRAIRIE, GRAPEVINE, GUNTER, HALTOM CITY, HARKER HEIGHTS, HASKELL, HASLET, HEWITT, HIGHLAND PARK, HIGHLAND VILLAGE, HONEY GROVE, HURST, HUTTO, IOWA PARK, IRVING, JUSTIN, KAUFMAN, KEENE, KELLER, KEMP, KENNEDALE, KERENS, KERRVILLE, KILLEEN, KRUM, LAKE WORTH, LAKESIDE, LANCASTER, LEWISVILLE, LINCOLN PARK, LITTLE ELM, LORENA, MADISONVILLE, MALAKOFF, MANSFIELD, MCKINNEY, MELISSA, MESQUITE, MIDLOTHIAN, MURPHY, NEWARK, NOCONA, NORTH RICHLAND HILLS, NORTHLAKE, OAKLEAF, OVILLA, PALESTINE, PANTEGO, PARIS, PARKER, PECAN HILL, PETROLIA, PLANO, PONDER, POTTSBORO, PROSPER, QUITMAN, RED OAK, RENO (PARKER COUNTY), RICHARDSON, RICHLAND, RICHLAND HILLS, ROANOKE, ROBINSON, ROCKWALL, ROSCOE, ROWLETT, ROYSE CITY, SACHSE, SAGINAW, SANSOM PARK, SEAGOVILLE, SHERMAN, SNYDER, SOUTHLAKE, SPRINGTOWN, STAMFORD, STEPHENVILLE, SULPHUR SPRINGS, SWEETWATER, TEMPLE, TERRELL, THE COLONY, TROPHY CLUB, TYLER, UNIVERSITY PARK, VENUS, VERNON, WACO, WATAUGA, WAXAHACHIE, WESTLAKE, WHITE SETTLEMENT, WHITESBORO, WICHITA FALLS, WOODWAY, AND WYLIE.

By: 
Geoffrey Gay*

* Subject to approval by ACSC City Councils

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RRC Tariff No:

RATE SCHEDULE:	C – COMMERCIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 06/01/2015	PAGE:

Application

Applicable to Commercial Customers for all natural gas provided at one Point of Delivery and measured through one meter and to Industrial Customers with an average annual usage of less than 30,000 Ccf.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	\$ 40.00 per month
Rider CEE Surcharge	\$ 0.00 per month ¹
Total Customer Charge	\$ 40.00 per month
Commodity Charge – All Ccf	\$ 0.08020 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

¹ Reference Rider CEE - Conservation And Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2014.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RRC Tariff No:

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 06/01/2015	PAGE:

Application

Applicable to Industrial Customers with a maximum daily usage (MDU) of less than 3,500 MMBtu per day for all natural gas provided at one Point of Delivery and measured through one meter. Service for Industrial Customers with an MDU equal to or greater than 3,500 MMBtu per day will be provided at Company's sole option and will require special contract arrangements between Company and Customer.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and MMBtu charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Meter	\$ 700.00 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.2937 per MMBtu
Next 3,500 MMBtu	\$ 0.2151 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0461 per MMBtu

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Curtailement Overpull Fee

Upon notification by Company of an event of curtailement or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailement or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RRC Tariff No:

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 06/01/2015	PAGE:

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions

In order to receive service under Rate I, Customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RRC Tariff No:

RATE SCHEDULE:	R – RESIDENTIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 06/01/2015	PAGE:

Application

Applicable to Residential Customers for all natural gas provided at one Point of Delivery and measured through one meter.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	\$ 18.60 per month
Rider CEE Surcharge	\$ 0.02 per month ¹
Total Customer Charge	\$ 18.62 per month
Commodity Charge – All <u>Ccf</u>	\$0.09931 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

¹Reference Rider CEE - Conservation And Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2014.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RRC Tariff No:

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 06/01/2015	PAGE:

Application

Applicable, in the event that Company has entered into a Transportation Agreement, to a customer directly connected to the Atmos Energy Corp., Mid-Tex Division Distribution System (Customer) for the transportation of all natural gas supplied by Customer or Customer's agent at one Point of Delivery for use in Customer's facility.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's bill will be calculated by adding the following Customer and MMBtu charges to the amounts and quantities due under the riders listed below:

Charge	Amount
Customer Charge per Meter	\$ 700.00 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.2937 per MMBtu
Next 3,500 MMBtu	\$ 0.2151 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0461 per MMBtu

Upstream Transportation Cost Recovery: Plus an amount for upstream transportation costs in accordance with Part (b) of Rider GCR.

Retention Adjustment: Plus a quantity of gas as calculated in accordance with Rider RA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Imbalance Fees

All fees charged to Customer under this Rate Schedule will be charged based on the quantities determined under the applicable Transportation Agreement and quantities will not be aggregated for any Customer with multiple Transportation Agreements for the purposes of such fees.

Monthly Imbalance Fees

Customer shall pay Company the greater of (i) \$0.10 per MMBtu, or (ii) 150% of the difference per MMBtu between the highest and lowest "midpoint" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" during such month, for the MMBtu of Customer's monthly Cumulative Imbalance, as defined in the applicable Transportation Agreement, at the end of each month that exceeds 10% of Customer's receipt quantities for the month.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RRC Tariff No:

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 06/01/2015	PAGE:

Curtailement Overpull Fee

Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

Agreement

A transportation agreement is required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions

In order to receive service under Rate T, customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 11/01/2015	PAGE:

Provisions for Adjustment

The Commodity Charge per Ccf (100 cubic feet) for gas service set forth in any Rate Schedules utilized by the cities of the Mid-Tex Division service area for determining normalized winter period revenues shall be adjusted by an amount hereinafter described, which amount is referred to as the "Weather Normalization Adjustment." The Weather Normalization Adjustment shall apply to all temperature sensitive residential and commercial bills based on meters read during the revenue months of November through April. The five regional weather stations are Abilene, Austin, Dallas, Waco, and Wichita Falls.

Computation of Weather Normalization Adjustment

The Weather Normalization Adjustment Factor shall be computed to the nearest one-hundredth cent per Ccf by the following formula:

$$WNAF_i = R_i \frac{(HSF_i \times (NDD-ADD))}{(BL_i + (HSF_i \times ADD))}$$

Where

- i = any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification
- $WNAF_i$ = Weather Normalization Adjustment Factor for the i^{th} rate schedule or classification expressed in cents per Ccf
- R_i = Commodity Charge rate of temperature sensitive sales for the i^{th} schedule or classification.
- HSF_i = heat sensitive factor for the i^{th} schedule or classification divided by the average bill count in that class
- NDD = billing cycle normal heating degree days calculated as the simple ten-year average of actual heating degree days.
- ADD = billing cycle actual heating degree days.
- BL_i = base load sales for the i^{th} schedule or classification divided by the average bill count in that class

The Weather Normalization Adjustment for the j th customer in i th rate schedule is computed as:

$$WNA_j = WNAF_i \times q_{ij}$$

Where q_{ij} is the relevant sales quantity for the j th customer in i th rate schedule.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 11/01/2015	PAGE:

Base Use/Heat Use Factors

Weather Station	<u>Residential</u>		<u>Commercial</u>	
	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>
Abilene	10.22	0.1404	98.80	0.6372
Austin	11.59	0.1443	213.62	0.7922
Dallas	14.12	0.2000	208.11	0.9085
Waco	9.74	0.1387	130.27	0.6351
Wichita Falls	11.79	0.1476	122.35	0.5772

Weather Normalization Adjustment (WNA) Report

On or before June 1 of each year, the company posts on its website at atmosenergy.com/mtx-wna, in Excel format, a *Weather Normalization Adjustment (WNA) Report* to show how the company calculated its WNAs factor during the preceding winter season. Additionally, on or before June 1 of each year, the company files one hard copy and a Excel version of the *WNA Report* with the Railroad Commission of Texas' Gas Services Division, addressed to the Director of that Division.

ATMOS ENERGY CORP., MID-TEX DIVISION
 PROOF OF REVENUES AND PROPOSED TARIFF STRUCTURE
 TEST YEAR ENDING DECEMBER 31, 2014

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Proposed Change In Rates:		\$21,066,527	Schedule A			
2	Proposed Change In Rates without Revenue Related Taxes:		\$19,757,254	Ln 1 divided by factor on WP_F-5.1			
3							
4							
5							
6		Revenue Requirements	Allocations				
7	Residential	\$ 338,431,486	77.95%	Per GUD 10170 Final Order			
8	Commercial	\$ 84,223,622	19.40%	Per GUD 10170 Final Order			
9	Industrial and Transportation	\$ 11,490,316	2.65%	Per GUD 10170 Final Order			
10	Net Revenue Requirements GUD No. 10170	\$ 434,145,424					
11							
12							
17							
18							
19							
20	Residential Base Charge	\$ 18.20	\$ 0.36	\$ 18.56	\$ 6,351,350	\$ 327,447,398	\$ 18.60
21	Residential Consumption Charge	\$ 0.08819	\$ 0.01112	\$ 0.09931	\$ 9,049,383	\$ 80,817,829	\$ 0.09931
22	Commercial Base Charge	\$ 38.50	\$ 1.37	\$ 39.87	\$ 2,000,584	\$ 58,221,364	\$ 40.00
23	Commercial Consumption Charge	\$ 0.07681	\$ 0.00339	\$ 0.08020	\$ 1,834,968	\$ 43,411,339	\$ 0.08020
24	I&T Base Charge	\$ 675.00	\$ 22.35	\$ 697.35	\$ 220,192	\$ 6,870,292	\$ 700.00
25	I&T Consumption Charge Tier 1 MMBTU	\$ 0.2807	\$ 0.0130	\$ 0.2937	\$ 142,055	\$ 3,209,350	\$ 0.2937
26	I&T Consumption Charge Tier 2 MMBTU	\$ 0.2056	\$ 0.0095	\$ 0.2151	\$ 117,051	\$ 2,650,282	\$ 0.2151
27	I&T Consumption Charge Tier 3 MMBTU	\$ 0.0441	\$ 0.0020	\$ 0.0461	\$ 42,703	\$ 984,314	\$ 0.0461
28							
29					\$ 19,758,287	\$ 523,612,169	

Data Sources:
 GUD10170_FINAL.xlsm

ATMOS ENERGY CORP., MID-TEX DIVISION
 PROOF OF REVENUES AND PROPOSED TARIFF STRUCTURE
 TEST YEAR ENDING DECEMBER 31, 2014

(a) (b) (c) (d) (e) (f) (g)

1 Proposed Change In Rates: \$21,066,527 Schedule A
 2 Proposed Change In Rates without Revenue Related Taxes: \$19,757,254 Ln 1 divided by factor on WP_F-5.1
 3
 4
 5

Revenue Requirements	Allocations
\$ 338,431,486	77.95%
\$ 84,223,622	19.40%
\$ 11,490,316	2.65%
<u>\$ 434,145,424</u>	

6
 7 Residential Per GUD 10170 Final Order
 8 Commercial Per GUD 10170 Final Order
 9 Industrial and Transportation Per GUD 10170 Final Order
 10 Net Revenue Requirements GUD No. 10170
 11
 12
 17

Rate Class	Current	Proposed Change	Proposed Rates	Proposed Change In Revenues	Proposed Revenues	Proposed Rates with Rate Case Expenses
20 Residential Base Charge	\$ 18.20	\$ 0.36	\$ 18.56	\$ 6,351,350	\$ 327,447,398	\$ 18.60
21 Residential Consumption Charge	\$ 0.08819	\$ 0.01112	\$ 0.09931	\$ 9,049,383	\$ 80,817,829	\$ 0.09931
22 Commercial Base Charge	\$ 38.50	\$ 1.37	\$ 39.87	\$ 2,000,584	\$ 58,221,364	\$ 40.00
23 Commercial Consumption Charge	\$ 0.07681	\$ 0.00339	\$ 0.08020	\$ 1,834,968	\$ 43,411,339	\$ 0.08020
24 I&T Base Charge	\$ 675.00	\$ 22.35	\$ 697.35	\$ 220,192	\$ 6,870,292	\$ 700.00
25 I&T Consumption Charge Tier 1 MMBTU	\$ 0.2807	\$ 0.0130	\$ 0.2937	\$ 142,055	\$ 3,209,350	\$ 0.2937
26 I&T Consumption Charge Tier 2 MMBTU	\$ 0.2056	\$ 0.0095	\$ 0.2151	\$ 117,051	\$ 2,650,282	\$ 0.2151
27 I&T Consumption Charge Tier 3 MMBTU	\$ 0.0441	\$ 0.0020	\$ 0.0461	\$ 42,703	\$ 984,314	\$ 0.0461
28			\$	\$ 19,758,287	\$ 523,612,169	
29						

Data Sources:
 GUD10170_FINAL.xlsm

RATE SCHEDULE:	C – COMMERCIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 06/01/2015	PAGE:

Application

Applicable to Commercial Customers for all natural gas provided at one Point of Delivery and measured through one meter and to Industrial Customers with an average annual usage of less than 30,000 Ccf.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	\$ 40.00 per month
Rider CEE Surcharge	\$ 0.00 per month ¹
Total Customer Charge	\$ 40.00 per month
Commodity Charge – All Ccf	\$ 0.08020 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

¹ Reference Rider CEE - Conservation And Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2014.

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 06/01/2015	PAGE:

Application

Applicable to Industrial Customers with a maximum daily usage (MDU) of less than 3,500 MMBtu per day for all natural gas provided at one Point of Delivery and measured through one meter. Service for Industrial Customers with an MDU equal to or greater than 3,500 MMBtu per day will be provided at Company's sole option and will require special contract arrangements between Company and Customer.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and MMBtu charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Meter	\$ 700.00 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.2937 per MMBtu
Next 3,500 MMBtu	\$ 0.2151 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0461 per MMBtu

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Curtailement Overpull Fee

Upon notification by Company of an event of curtailement or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailement or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 06/01/2015	PAGE:

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions

In order to receive service under Rate I, Customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

RATE SCHEDULE:	R – RESIDENTIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 06/01/2015	PAGE:

Application

Applicable to Residential Customers for all natural gas provided at one Point of Delivery and measured through one meter.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	\$ 18.60 per month
Rider CEE Surcharge	\$ 0.02 per month ¹
Total Customer Charge	\$ 18.62 per month
Commodity Charge – All <u>Ccf</u>	\$0.09931 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

¹Reference Rider CEE - Conservation And Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2014.

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 06/01/2015	PAGE:

Application

Applicable, in the event that Company has entered into a Transportation Agreement, to a customer directly connected to the Atmos Energy Corp., Mid-Tex Division Distribution System (Customer) for the transportation of all natural gas supplied by Customer or Customer's agent at one Point of Delivery for use in Customer's facility.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's bill will be calculated by adding the following Customer and MMBtu charges to the amounts and quantities due under the riders listed below:

Charge	Amount
Customer Charge per Meter	\$ 700.00 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.2937 per MMBtu
Next 3,500 MMBtu	\$ 0.2151 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0461 per MMBtu

Upstream Transportation Cost Recovery: Plus an amount for upstream transportation costs in accordance with Part (b) of Rider GCR.

Retention Adjustment: Plus a quantity of gas as calculated in accordance with Rider RA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Imbalance Fees

All fees charged to Customer under this Rate Schedule will be charged based on the quantities determined under the applicable Transportation Agreement and quantities will not be aggregated for any Customer with multiple Transportation Agreements for the purposes of such fees.

Monthly Imbalance Fees

Customer shall pay Company the greater of (i) \$0.10 per MMBtu, or (ii) 150% of the difference per MMBtu between the highest and lowest "midpoint" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" during such month, for the MMBtu of Customer's monthly Cumulative Imbalance, as defined in the applicable Transportation Agreement, at the end of each month that exceeds 10% of Customer's receipt quantities for the month.

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 06/01/2015	PAGE:

Curtailement Overpull Fee

Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

Agreement

A transportation agreement is required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions

In order to receive service under Rate T, customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 11/01/2015	PAGE:

Provisions for Adjustment

The Commodity Charge per Ccf (100 cubic feet) for gas service set forth in any Rate Schedules utilized by the cities of the Mid-Tex Division service area for determining normalized winter period revenues shall be adjusted by an amount hereinafter described, which amount is referred to as the "Weather Normalization Adjustment." The Weather Normalization Adjustment shall apply to all temperature sensitive residential and commercial bills based on meters read during the revenue months of November through April. The five regional weather stations are Abilene, Austin, Dallas, Waco, and Wichita Falls.

Computation of Weather Normalization Adjustment

The Weather Normalization Adjustment Factor shall be computed to the nearest one-hundredth cent per Ccf by the following formula:

$$WNAF_i = R_i \frac{(HSF_i \times (NDD-ADD))}{(BL_i + (HSF_i \times ADD))}$$

Where

- i = any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification
- $WNAF_i$ = Weather Normalization Adjustment Factor for the i^{th} rate schedule or classification expressed in cents per Ccf
- R_i = Commodity Charge rate of temperature sensitive sales for the i^{th} schedule or classification.
- HSF_i = heat sensitive factor for the i^{th} schedule or classification divided by the average bill count in that class
- NDD = billing cycle normal heating degree days calculated as the simple ten-year average of actual heating degree days.
- ADD = billing cycle actual heating degree days.
- BL_i = base load sales for the i^{th} schedule or classification divided by the average bill count in that class

The Weather Normalization Adjustment for the j th customer in i th rate schedule is computed as:

$$WNA_j = WNAF_i \times q_{ij}$$

Where q_{ij} is the relevant sales quantity for the j th customer in i th rate schedule.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 11/01/2015	PAGE:

Base Use/Heat Use Factors

Weather Station	<u>Residential</u>		<u>Commercial</u>	
	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>
Abilene	10.22	0.1404	98.80	0.6372
Austin	11.59	0.1443	213.62	0.7922
Dallas	14.12	0.2000	208.11	0.9085
Waco	9.74	0.1387	130.27	0.6351
Wichita Falls	11.79	0.1476	122.35	0.5772

Weather Normalization Adjustment (WNA) Report

On or before June 1 of each year, the company posts on its website at atmosenergy.com/mtx-wna, in Excel format, a *Weather Normalization Adjustment (WNA) Report* to show how the company calculated its WNAs factor during the preceding winter season. Additionally, on or before June 1 of each year, the company files one hard copy and a Excel version of the *WNA Report* with the Railroad Commission of Texas' Gas Services Division, addressed to the Director of that Division.

**ATMOS ENERGY CORP., MID-TEX DIVISION
PENSIONS AND RETIREE MEDICAL BENEFITS FOR CITIES APPROVAL
TEST YEAR ENDING DECEMBER 31, 2014**

Line No.	Description	Shared Services		Mid-Tex Direct			Adjustment Total
		Pension Account Plan ("PAP")	Post-Retirement Medical Plan ("FAS 106")	Pension Account Plan ("PAP")	Supplemental Executive Benefit Plan ("SERP")	Post-Retirement Medical Plan ("FAS 106")	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Fiscal Year 2014 Towers Watson Report (excluding Removed Cost Centers)	\$ 6,388,826	\$ 4,542,023	\$ 9,481,670	\$ 165,758	\$ 8,736,645	
2	Allocation to Mid-Tex	46.26%	46.26%	71.70%	100.00%	71.70%	
3	FY14 Towers Watson Benefit Costs (excluding Removed Cost Centers) Allocated to MTX (Ln 1 x Ln 2)	\$ 2,955,304	\$ 2,101,021	\$ 6,798,531	\$ 165,758	\$ 6,264,334	
4	O&M and Capital Allocation Factor	100.00%	100.00%	100.00%	100.00%	100.00%	
5	FY14 Towers Watson Benefit Costs To Approve (excluding Removed Cost Centers) (Ln 3 x Ln 4)	\$ 2,955,304	\$ 2,101,021	\$ 6,798,531	\$ 165,758	\$ 6,264,334	\$ 18,284,949
6							
7							
8	Summary of Costs to Approve:						
9							
10	Total Pension Account Plan ("PAP")	\$ 2,955,304		\$ 6,798,531			\$ 9,753,835
11	Total Post-Retirement Medical Plan ("FAS 106")		\$ 2,101,021			\$ 6,264,334	8,365,356
12	Total Supplemental Executive Retirement Plan ("SERP")				\$ 165,758		165,758
13	Total (Ln 10 + Ln 11 + Ln 12)	\$ 2,955,304	\$ 2,101,021	\$ 6,798,531	\$ 165,758	\$ 6,264,334	\$ 18,284,949
14							
15							
16	O&M Expense Factor	95.82%	95.82%	43.03%	21.00%	43.03%	
17							
18	Expense Portion (Ln 13 x Ln 16)	\$ 2,831,859	\$ 2,013,260	\$ 2,925,600	\$ 34,809	\$ 2,695,721	\$ 10,501,250
19							
20	Capital Factor	4.18%	4.18%	56.97%	79.00%	56.97%	
21							
22	Capital Portion (Ln 13 x Ln 20)	\$ 123,445	\$ 87,761	\$ 3,872,930	\$ 130,949	\$ 3,568,614	\$ 7,783,699
23							
24	Total (Ln 18 + Ln 22)	\$ 2,955,304	\$ 2,101,021	\$ 6,798,531	\$ 165,758	\$ 6,264,334	\$ 18,284,949



LEWISVILLE

Deep Roots. Broad Wings. Bright Future.

MEMORANDUM

TO: Mayor Rudy Durham
Mayor Pro Tem T.J. Gilmore
Deputy Mayor Pro Tem R. Neil Ferguson
Councilman Brent Daniels
Councilman Leroy Vaughn
Councilman Greg Tierney

FROM: Brenda Martin, Director of Finance
Clifford J. Howard, Fiscal Services Manager

DATE: May 13, 2015

**SUBJECT: QUARTERLY INVESTMENT REPORT
JANUARY 1, 2015 – MARCH 31, 2015**

The attached quarterly investment report for the period from January 1, 2015 through March 31, 2015 is provided as required by an amendment to the Public Funds Investment Act.

Each of the Investment Officers has reviewed the report, and by virtue of their signature, represent that the investments making up the report are in compliance with the investment policy of the City of Lewisville and meet the requirements of the amended Public Funds Investment Act.

Brenda Martin, Director of Finance

Clifford J. Howard, Fiscal Services Manager



LEWISVILLE

Deep Roots. Broad Wings. Bright Future.

MEMORANDUM

TO: Mayor Rudy Durham
Mayor Pro Tem T.J. Gilmore
Deputy Mayor Pro Tem R. Neil Ferguson
Councilman Brent Daniels
Councilman Leroy Vaughn
Councilman Greg Tierney

FROM: Brenda Martin, Director of Finance
Clifford J. Howard, Fiscal Services Manager

DATE: May 13, 2015

**SUBJECT: QUARTERLY INVESTMENT REPORT
JANUARY 1, 2015 – MARCH 31, 2015**

Attached is the City's quarterly investment report for the quarter ended March 31, 2015 as required by the Amended Public Funds Investment Act.

The report must:

1. Describe in detail the investment position of the entity on the date of the report.
2. Be prepared jointly by all investment officers of the entity.
3. Be signed by each investment officer of the entity.
4. Contain a summary statement of each pooled group that states the:
 - a. Beginning market value of the reporting period.
 - b. Additions and changes to the market value during the period.
 - c. Ending market value for the period.
5. State the book value and market value of each separately invested asset at the beginning and end of the reporting period by the type of asset and fund type invested.
6. State the maturity date of each separately invested asset that has a maturity date.
7. State the account or fund or pooled group fund for which each individual investment was acquired.
8. State the compliance of that investment portfolio as it relates to the investment strategy expressed in the investment policy.

As required, the attached report presents the individual investments by type including par value, book value, i.e. (cost), market values - both beginning and ending, purchase and maturity dates, and rate and yield information.

Par value is the value of the investment at the maturity date. In other words, investments held and kept until the maturity date will be redeemed at the par value.

Cost is the same as book value and represents the amount the City paid for the investment. It may be at par value, but in most instances will be at an amount either more or less than par value. This is the result of the investment being purchased either at a premium or discount depending on current interest rate levels on the purchase date compared to the fixed rate of the particular investment.

Market value varies inversely with current interest rate levels. Generally as interest rates increase, the market value of a fixed rate security declines. Conversely, as interest rates decrease, market value of a fixed rate security increases.

Rate represents the stated annual rate of return on the investment. The yield rate represents the effective rate of return, taking into account any premium or discount.

The City's investment strategy is safety, liquidity, and yield in that order. Consequently, investments are purchased in a manner whereby cash flow requirements are planned for, and as a result, usually eliminates the need to sell investments to provide cash prior to maturity.

City of Lewisville, Texas

Quarterly Investment Report

March 31, 2015

Report Highlights

- City consolidated bank, investment, and safekeeping accounts. The City continues to shift short term investment dollars to Cash (Bank) balances due to having the highest short term rate at 25 basis points in earnings credits. Staff continues to monitor the Earned Income Credit Rates (ECR) which are essentially interest earnings paid by our depository bank which can be applied toward bank fee offset. Typically this rate is higher than short term interest rates and therefore more beneficial to the city to use as an offset than to receive actual interest earnings. The city's current rate is 0.25%.
- The 'Change in Market Value' column on the attached detail portfolio is a comparison of only the past quarter. Also on this report is the total net change associated with the Fair Market Value as of the report date, compared to the original cost of the portfolio. Fair Market Value (FMV) of an investment represents what the city would receive if we were to sell the security. Depending on whether interest rates are rising or falling, the FMV will fluctuate. If held to maturity, a security is redeemed at par, (no gain or loss). As a rule, the city holds all securities until maturity.
- The Consolidated Report has been modified to incorporate reporting for securities in the three year market. The investment policy was revised in the 4th quarter of Fiscal Year 2012 to allow a maximum duration on an investment to be up to three years and the weighted average of the portfolio to be one and one half years. Cash is considered as same day liquidity and TexPool is calculated using the pool's average day calculation.
- Agency credit ratings are listed on page two of the report as a method of monitoring security types within the city's portfolio as directed by the Public Funds Investment Act.

News in the Markets

- Job growth, sales tax collections and building permits all signal that the Texas economy continues to outpace the national economy.
- Concerning **Texas Housing**, in March 2015, there were 24,772 **sales of existing single-family homes, 10.7% percent more than in March 2014**. There were 4,638 **multi-family building permits issued in March 2015, 33.8 percent more than in March 2014**. During the 12 months ending in March 2015, a total of 68,908 permits were issued, 20.85 percent more than in the previous year .
- The **Texas unemployment rate was 4.2 percent** for March 2015, down from 5.3 percent in March 2014. The Texas unemployment rate has been at or below the national rate for **99 consecutive months**.
- **Texas state sales tax receipts** for April 2015 were **1.1 percent higher** than for April 2014. **State Sales tax collections have increased for 61 consecutive months** (year-over-year) , with improvement apparent across all major economic sectors..
- **Glenn Hegar was elected Texas Comptroller of Public Accounts** in November 2014, and he was sworn into office on January 2, 2015.
- The **March CPI rose 0.2%**, a tenth less than expected, pulling the year-on-year inflation rate to -0.1%.
- Federal Reserve Chair Janet Yellen said **interest rates will probably be raised in 2015** and made the case for a cautious approach to subsequent increases that will keep borrowing costs low for years come. Fed officials have kept the **rate at zero since December 2008**.
- Fed has missed its **2% inflation target** for almost 3 year.



Portfolio Investment Report
for Quarter Ending March 31, 2015

Consolidated Investment Report

Cash and Investment Balances

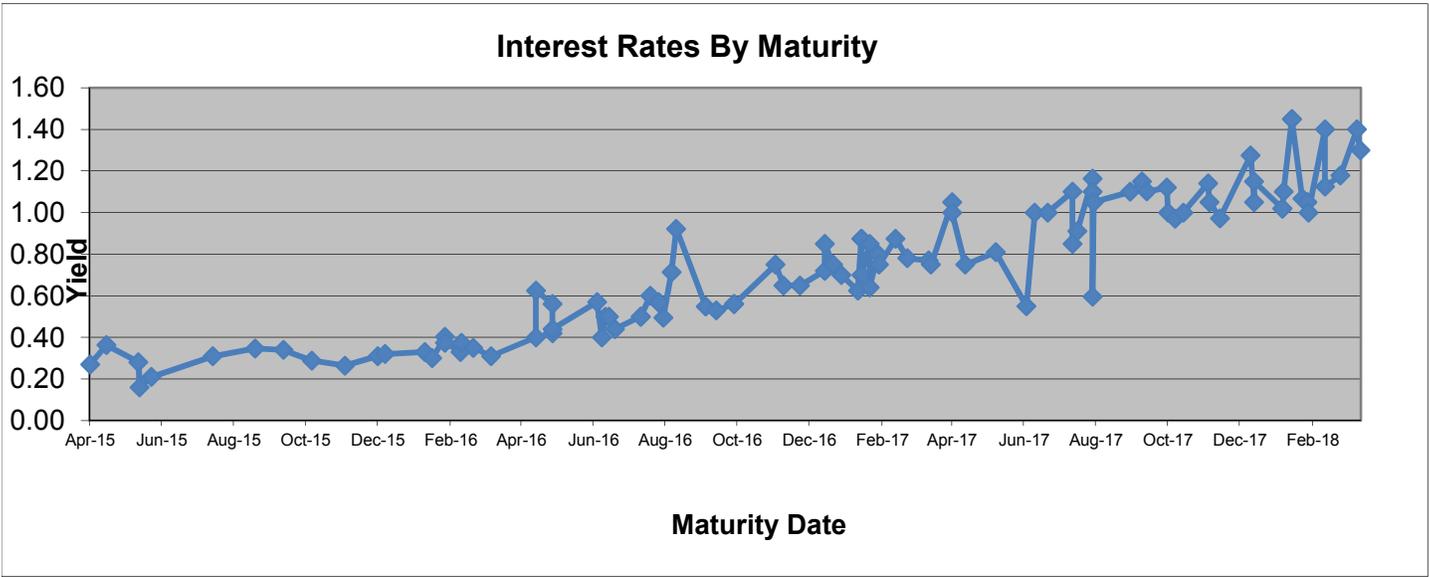
		Same Quarter Last Year
Cash Balances	\$ 48,635,299.51	\$ 55,977,061.72
TexPool Balance	\$ 13,464,346.53	\$ 29,452,449.35
Other Investment Portfolio Balance	<u>\$ 156,972,043.65</u>	<u>\$ 139,723,994.37</u>
Total Cash, Texpool & Investment Amount	<u>\$ 219,071,689.69</u>	<u>\$ 225,153,505.44</u>

Investment Yields, Maturities, and Interest

TexPool Average Quarter Yield	0.05%	0.03%
TexPool End of Qtr Weighted Maturity	71 Days	44 Days
Bank Earned Income Credit	0.25%	0.25%
13 Week Treasury - Benchmark	0.03%	0.05%
Other Investment Average Weighted Yield	0.72%	0.55%
Average Weighted Maturity: Agency / Total	636 / 460 Days	580 / 366 Days
Other Investment Accrued Interest	\$ 215,504.96	\$ 147,350.75

Outstanding Portfolio (excluding TexPool)

Distribution by Maturity	Number	Amount	Percent	Market Value
1 to 365 days	20	\$ 37,128,958.88	23.65%	\$ 37,108,603.30
366 to 730 days	41	\$ 61,873,389.37	39.42%	\$ 61,888,631.40
Over 730 days	41	\$ 57,969,695.40	36.93%	\$ 58,041,613.00
Total	<u>102</u>	<u>\$ 156,972,043.65</u>	<u>100.00%</u>	<u>\$ 157,038,847.70</u>

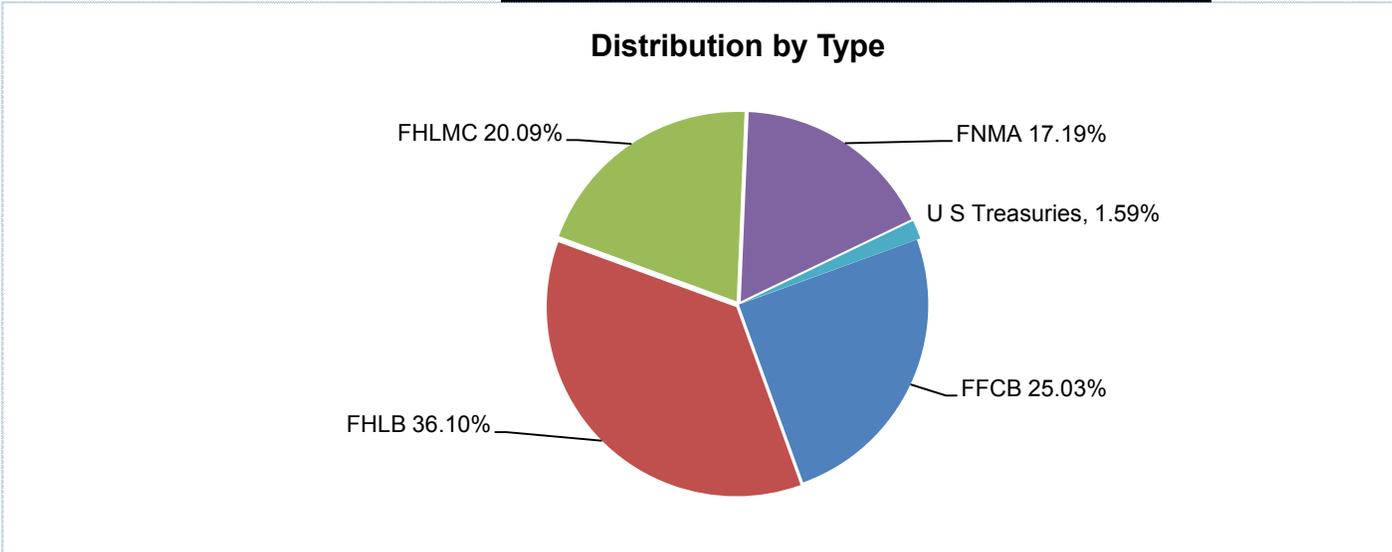




Portfolio Investment Report
for Quarter Ending March 31, 2015

Consolidated Investments - continued

Outstanding Portfolio (excluding TexPool)				
Distribution by Investment type	Number	Amount	Percent	Market Value
Federal Farm Credit Bank	25	\$ 39,294,972.62	25.03%	\$ 39,298,252.90
Federal Home Loan Bank	35	\$ 56,670,816.26	36.10%	\$ 56,705,487.80
Federal Home Loan Mortgage Corp	25	\$ 31,533,304.27	20.09%	\$ 31,543,627.50
Federal National Mortgage Assoc.	15	\$ 26,978,832.50	17.19%	\$ 26,991,245.00
U S Treasuries	2	\$ 2,494,118.00	1.59%	\$ 2,500,234.50
Total	102	\$ 156,972,043.65	100.00%	\$ 157,038,847.70



Agencies Credit Ratings

	S & P	Moody's
Federal Farm Credit Bank	AA+	Aaa
Federal Home Loan Bank	AA+	Aaa
Federal Home Loan Mortgage Corp	AA+	Aaa
Federal National Mortgage Assoc.	AA+	Aaa

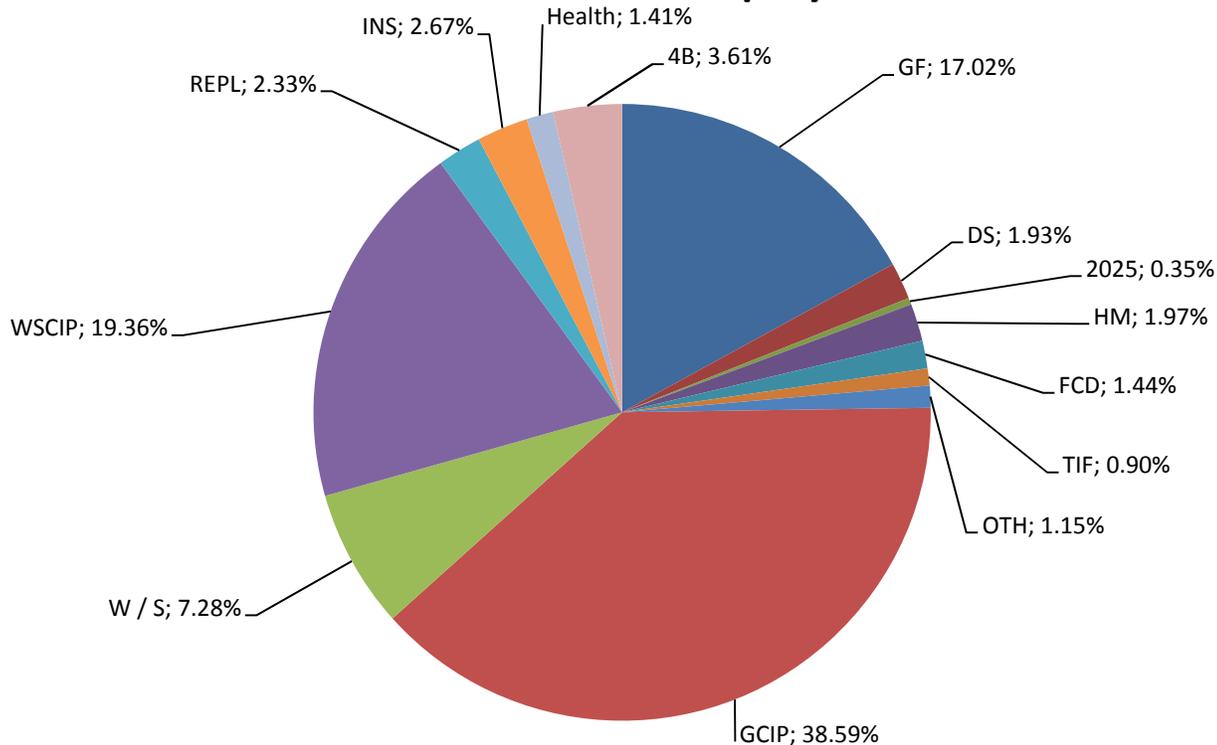


Portfolio Investment Report
for Quarter Ending March 31, 2015

Outstanding Portfolio - Major Funds

	Chart Key	Equity Balance	% of Total Equity
GENERAL	GF	\$ 37,295,263	17.02%
DEBT SERVICE	DS	\$ 4,234,121	1.93%
LEWISVILLE 2025	2025	\$ 757,243	0.35%
HOTEL/MOTEL	HM	\$ 4,314,558	1.97%
FIRE & CRIME DISTRICTS	FCD	\$ 3,162,391	1.44%
TIF & TIRZ	TIF	\$ 1,966,564	0.90%
Funds under 1 million	OTH	\$ 2,512,552	1.15%
G O CIP	GCIP	\$ 84,546,952	38.59%
W&S Operating	W / S	\$ 15,938,032	7.28%
W&S CIP	WSCIP	\$ 42,411,743	19.36%
EQUIP REPLACEMENT	REPL	\$ 5,094,985	2.33%
INSURANCE RISK	INS	\$ 5,843,806	2.67%
HEALTH INS	Health	\$ 3,092,494	1.41%
4-B SALES TAX	4B	\$ 7,900,985	3.61%
Total		\$ 219,071,690	100.00%

% of Total Equity



**City of Lewisville
Consolidated Account**

Security Type	Par Value	Cost	12/31/2014		3/31/2015		Change in Market Value	Cusip	Purchase Date	Maturity Date	Rate	Yield	Accrued Interest
			Beg. Market Value	End. Market Value	Beg. Market Value	End. Market Value							
Federal Home Loan Mortgage Corp. Note	\$ 1,000,000.00	\$ 1,004,810.00	\$ 1,000,930.00	\$ 1,000,188.00	\$ (742.00)	3137EADD8	3/11/2013	4/17/2015	0.50	0.27014	\$ 2,260.27		
Federal Farm Credit bank	\$ 1,000,000.00	\$ 1,002,467.40	\$ 1,000,963.60	\$ 1,000,317.00	\$ (646.60)	3133EANJ3	7/11/2013	5/1/2015	0.50	0.36274	\$ 2,054.79		
Federal Farm Credit bank	\$ 1,000,000.00	\$ 999,400.00	\$ 1,000,132.30	\$ 1,000,231.00	\$ 98.70	3133ECQF4	6/12/2013	5/28/2015	0.25	0.28070	\$ 842.47		
Federal Home Loan Bank Bond	\$ 1,000,000.00	\$ 1,001,370.26	\$ 1,000,130.20	\$ 1,000,206.00	\$ 75.80	313383GC9	11/20/2013	5/29/2015	0.25	0.16000	\$ 835.62		
Federal Farm Credit bank	\$ 1,000,000.00	\$ 1,004,485.22	\$ 1,001,279.90	\$ 1,000,607.00	\$ (672.90)	3133EATG3	11/20/2013	6/8/2015	0.50	0.21000	\$ 1,547.95		
Federal Farm Credit bank	\$ 3,000,000.00	\$ 3,002,880.00	\$ 3,001,649.10	\$ 3,001,992.00	\$ 342.90	3133ECHV9	3/15/2013	7/30/2015	0.35	0.30941	\$ 1,726.03		
Federal Home Loan Mortgage Corp. Note	\$ 1,000,000.00	\$ 1,002,500.00	\$ 1,001,145.40	\$ 1,000,991.00	\$ (154.40)	3134G3J76	3/28/2013	9/4/2015	0.45	0.34673	\$ 332.88		
Federal National Mortgage Assn. Bond	\$ 3,000,000.00	\$ 3,012,150.00	\$ 3,004,410.00	\$ 3,004,206.00	\$ (204.00)	3135G0NV1	3/11/2013	9/28/2015	0.50	0.34017	\$ 123.29		
Federal National Mortgage Assn. Bond	\$ 1,000,000.00	\$ 1,002,700.00	\$ 1,001,778.20	\$ 1,001,073.00	\$ (705.20)	3135G0QB2	7/10/2014	10/22/2015	0.50	0.28903	\$ 2,191.78		
Federal Farm Credit bank	\$ 3,000,000.00	\$ 2,999,250.00	\$ 2,995,581.30	\$ 2,998,599.00	\$ 3,017.70	3133EDFF4	2/20/2014	11/19/2015	0.25	0.26436	\$ 2,712.33		
Federal Farm Credit bank	\$ 2,000,000.00	\$ 1,999,700.00	\$ 1,996,758.40	\$ 2,000,264.00	\$ 3,505.60	3133EDH54	6/18/2014	12/17/2015	0.30	0.31005	\$ 1,709.59		
Federal Farm Credit bank	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,828.40	\$ 999,428.00	\$ 599.60	3133EDNX6	6/24/2014	12/23/2015	0.32	0.32000	\$ 859.18		
Federal Home Loan Bank Bond	\$ 2,000,000.00	\$ 2,001,440.00	\$ 2,000,138.20	\$ 2,001,116.00	\$ 977.80	3130A0JF8	6/18/2014	1/26/2016	0.38	0.33001	\$ 1,315.07		
Federal Home Loan Bank Bond	\$ 2,000,000.00	\$ 2,000,000.00	\$ 1,998,455.40	\$ 1,999,278.00	\$ 822.60	3130A2YY6	9/9/2014	2/1/2016	0.30	0.30010	\$ 953.42		
Federal Farm Credit bank	\$ 4,500,000.00	\$ 4,497,750.00	\$ 4,498,529.85	\$ 4,500,085.50	\$ 1,555.65	3133EDEZ1	7/31/2014	2/12/2016	0.37	0.40280	\$ 2,143.97		
Federal Home Loan Bank Bond	\$ 1,600,000.00	\$ 1,602,096.00	\$ 1,600,328.64	\$ 1,600,620.80	\$ 292.16	313382B77	3/28/2013	2/12/2016	0.42	0.37409	\$ 865.32		
Federal Home Loan Bank Bond	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,000,210.00	\$ 210.00	3130A46N7	2/25/2015	2/25/2016	0.33	0.33000	\$ 922.19		
Federal Farm Credit bank	\$ 2,000,000.00	\$ 1,995,960.00	\$ 1,995,939.00	\$ 1,999,246.00	\$ 3,307.00	3133EDMC3	7/10/2014	2/26/2016	0.25	0.37460	\$ 452.05		
Federal Home Loan Bank Bond	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00	\$ 1,999,936.00	\$ (64.00)	3130A44R0	2/18/2015	3/7/2016	0.35	0.35000	\$ 460.27		
Federal Home Loan Bank Bond	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,009.00	\$ 9.00	3130A4EJ7	2/23/2015	3/22/2016	0.31	0.31000	\$ 76.44		
Federal Farm Credit bank	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,388.70	\$ 999,996.00	\$ 1,607.30	3133EDRK0	7/29/2014	4/29/2016	0.40	0.40000	\$ 1,676.71		
Federal National Mortgage Assn. Bond	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,170.00	\$ 1,000,350.00	\$ 1,180.00	3135G0WR0	6/12/2013	4/29/2016	0.63	0.62495	\$ 2,619.86		
Federal Home Loan Mortgage Corp. Note	\$ 1,000,000.00	\$ 998,254.00	\$ 1,000,330.00	\$ 1,001,269.00	\$ 939.00	3137EADQ9	6/12/2013	5/13/2016	0.50	0.56036	\$ 1,890.41		
Federal Home Loan Mortgage Corp. Note	\$ 1,000,000.00	\$ 1,001,971.99	\$ 1,000,330.00	\$ 1,001,269.00	\$ 939.00	3137EADQ9	11/20/2013	5/13/2016	0.50	0.42000	\$ 1,890.41		
Federal Home Loan Mortgage Corp. Note	\$ 1,000,000.00	\$ 1,001,130.00	\$ 1,000,330.00	\$ 1,001,269.00	\$ 939.00	3137EADQ9	6/18/2014	5/13/2016	0.50	0.44028	\$ 1,890.41		
Federal Home Loan Mortgage Corp. Note	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,704.00	\$ 704.00	3134G46W3	1/20/2015	6/20/2016	0.57	0.56973	\$ 1,093.15		
Federal Home Loan Bank Bond	\$ 2,000,000.00	\$ 1,998,860.00	\$ 1,993,590.20	\$ 1,998,898.00	\$ 5,307.80	3133834R9	3/20/2014	6/24/2016	0.38	0.40033	\$ 1,993.15		
Federal Home Loan Bank Bond	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,493.00	\$ 995,780.00	\$ (2,713.00)	3130A15F1	3/27/2014	6/27/2016	0.50	0.50000	\$ 1,287.67		
Federal Home Loan Bank Bond	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,406.00	\$ 999,861.00	\$ 1,455.00	3130A2D45	6/30/2014	6/30/2016	0.50	0.50000	\$ 1,246.58		
Federal National Mortgage Assn. Bond	\$ 2,000,000.00	\$ 1,997,020.00	\$ 1,995,320.00	\$ 1,998,786.00	\$ 3,466.00	3135G0XP3	3/20/2014	7/5/2016	0.38	0.44040	\$ 1,746.58		
Federal Home Loan Bank Bond	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,001,332.00	\$ 1,332.00	3130A4C91	2/27/2015	7/27/2016	0.50	0.50000	\$ 876.71		
Federal Home Loan Bank Bond	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,666.00	\$ 666.00	3130A4C91	2/27/2015	7/27/2016	0.50	0.50000	\$ 438.36		
Federal Farm Credit bank	\$ 1,000,000.00	\$ 999,000.00	\$ 998,495.60	\$ 998,698.00	\$ 202.40	3133EDRL8	8/4/2014	8/4/2016	0.55	0.60038	\$ 828.77		
Federal Farm Credit bank	\$ 2,000,000.00	\$ 2,000,000.00	\$ 1,997,132.80	\$ 2,000,084.00	\$ 2,951.20	3133EDF31	2/11/2014	8/11/2016	0.57	0.57000	\$ 1,499.18		
Federal Farm Credit bank	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,042.00	\$ 42.00	3133EDF31	2/2/2015	8/11/2016	0.57	0.56845	\$ 749.59		
U S Treasury	\$ 1,500,000.00	\$ 1,504,218.00	\$ 1,502,109.30	\$ 1,504,453.50	\$ 2,344.20	912828VR8	6/11/2014	8/15/2016	0.63	0.49509	\$ 1,130.14		
Federal National Mortgage Assn. Bond	\$ 1,000,000.00	\$ 994,000.00	\$ 997,194.60	\$ 997,755.00	\$ 560.40	3135G0XC2	10/18/2013	8/22/2016	0.50	0.71348	\$ 506.85		
Federal National Mortgage Assn. Bond	\$ 1,000,000.00	\$ 991,350.00	\$ 1,000,560.00	\$ 1,002,655.00	\$ 2,095.00	3135G0YE7	9/11/2013	8/26/2016	0.63	0.92206	\$ 565.07		
Federal Home Loan Mortgage Corp. Note	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,358.00	\$ 358.00	3134G32N9	2/23/2015	9/20/2016	0.55	0.54872	\$ 331.51		
Federal Home Loan Bank Bond	\$ 1,000,000.00	\$ 1,002,360.00	\$ 998,890.70	\$ 1,001,869.00	\$ 2,978.30	3130A1KR8	5/12/2014	9/29/2016	0.63	0.53008	\$ 34.52		
Federal Home Loan Mortgage Corp. Note	\$ 2,000,000.00	\$ 2,018,095.38	\$ 2,008,280.00	\$ 2,011,206.00	\$ 2,926.00	3137EADS5	11/20/2013	10/14/2016	0.88	0.56000	\$ 8,054.79		
Federal Home Loan Mortgage Corp. Note	\$ 1,000,000.00	\$ 1,008,010.00	\$ 1,004,140.00	\$ 1,005,603.00	\$ 1,463.00	3137EADS5	3/20/2014	10/14/2016	0.88	0.56021	\$ 4,027.40		
Federal Home Loan Bank Bond	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,835.50	\$ 1,004,645.00	\$ 4,809.50	3130A34L5	9/18/2014	11/18/2016	0.75	0.75007	\$ 2,732.88		
Federal Home Loan Mortgage Corp. Note	\$ 500,000.00	\$ 500,000.00	\$ 498,318.50	\$ 499,493.50	\$ 1,175.00	3134G5NK7	11/25/2014	11/25/2016	0.65	0.65000	\$ 1,121.92		
Federal Home Loan Bank Bond	\$ 2,000,000.00	\$ 2,057,840.00	\$ 2,032,033.80	\$ 2,034,314.00	\$ 2,280.20	313371PV2	12/10/2013	12/9/2016	1.63	0.65005	\$ 9,972.60		
Federal Home Loan Mortgage Corp. Note	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,119.70	\$ 1,001,124.00	\$ 3,004.30	3134G4PS1	12/30/2013	12/30/2016	0.72	0.72000	\$ 1,795.07		
Federal National Mortgage Assn. Bond	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,680.00	\$ 1,003,310.00	\$ 2,630.00	3136G1YS2	12/30/2013	12/30/2016	0.85	0.85000	\$ 2,119.18		
Federal Home Loan Bank Bond	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,003,776.00	\$ 3,776.00	3130A3UR3	1/6/2015	1/6/2017	0.75	0.75000	\$ 1,726.03		
Federal Farm Credit bank	\$ 2,000,000.00	\$ 2,000,000.00	\$ 1,992,763.20	\$ 2,004,014.00	\$ 11,250.80	3133EDNC2	6/13/2014	1/13/2017	0.70	0.70003	\$ 2,953.42		
Federal Farm Credit bank	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00	\$ 1,998,876.00	\$ (1,124.00)	3133EELR9	2/3/2015	1/27/2017	0.63	0.62498	\$ 1,917.81		
Federal Home Loan Mortgage Corp. Note	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,485.00	\$ 485.00	3134G5XG5	1/30/2015	1/30/2017	0.88	0.87500	\$ 1,438.36		
Federal Home Loan Mortgage Corp. Note	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,485.00	\$ 485.00	3134G5XG5	1/30/2015	1/30/2017	0.88	0.87500	\$ 1,438.36		
Federal Home Loan Mortgage Corp. Note	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,228.00	\$ (1,772.00)	3134G6AA1	1/30/2015	1/30/2017	0.70	0.70000	\$ 1,150.68		

Federal Farm Credit bank	\$ 800,000.00	\$ 798,640.00	\$ 797,754.88	\$ 800,438.40	\$ 2,683.52	3133ECEK6	8/26/2014	2/6/2017	0.78	0.85039	\$ 906.08
Federal Farm Credit bank	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00	\$ 1,995,184.00	\$ (4,816.00)	3133EENC0	2/6/2015	2/6/2017	0.64	0.64000	\$ 1,858.63
Federal Home Loan Mortgage Corp. Note	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,002,097.00	\$ 2,097.00	3134G6CJ0	3/4/2015	2/13/2017	0.80	0.79963	\$ 1,775.34
Federal Home Loan Bank Bond	\$ 10,000,000.00	\$ 10,000,000.00	\$ 9,954,621.00	\$ 10,011,840.00	\$ 57,219.00	3130A26F8	6/19/2014	2/14/2017	0.75	0.75000	\$ 9,246.58
Federal Home Loan Mortgage Corp. Note	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,352.20	\$ 1,001,116.00	\$ 2,763.80	3134G4UY2	2/28/2014	2/28/2017	0.88	0.87500	\$ 743.15
Federal Home Loan Bank Bond	\$ 1,000,000.00	\$ 1,002,640.00	\$ 999,729.00	\$ 1,005,011.00	\$ 5,282.00	3133782N0	5/12/2014	3/10/2017	0.88	0.78036	\$ 503.42
Federal Home Loan Mortgage Corp. Note	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,426.00	\$ 1,001,976.00	\$ 3,550.00	3134G4XJ2	3/28/2014	3/28/2017	0.77	0.77000	\$ 63.29
Federal Home Loan Bank Bond	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,315.00	\$ (685.00)	3130A3ML5	1/15/2015	3/30/2017	0.75	0.74977	\$ 20.55
Federal Home Loan Bank Bond	\$ 2,000,000.00	\$ 2,000,000.00	\$ 1,999,012.00	\$ 2,000,726.00	\$ 1,714.00	3130A1FT0	4/17/2014	4/17/2017	1.05	1.05000	\$ 9,493.15
Federal Home Loan Bank Bond	\$ 2,000,000.00	\$ 2,000,000.00	\$ 1,999,529.40	\$ 2,000,652.00	\$ 1,122.60	3130A1GG7	4/17/2014	4/17/2017	1.00	1.00000	\$ 9,041.10
Federal Home Loan Mortgage Corp. Note	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,416.00	\$ (1,584.00)	3134G6BJ1	1/28/2015	4/28/2017	0.75	0.75000	\$ 1,273.97
Federal Home Loan Bank Bond	\$ 2,000,000.00	\$ 2,003,820.00	\$ 1,999,491.80	\$ 2,009,064.00	\$ 9,572.20	3130A1NN4	5/27/2014	5/24/2017	0.88	0.81025	\$ 6,089.04
Federal Home Loan Bank Bond	\$ 1,000,000.00	\$ 1,000,000.00	\$ 997,589.50	\$ 1,000,671.00	\$ 3,081.50	3130A26N1	6/19/2014	6/19/2017	0.55	0.55000	\$ 1,536.99
Federal Home Loan Mortgage Corp. Note	\$ 2,000,000.00	\$ 2,000,000.00	\$ 1,991,580.00	\$ 1,998,666.00	\$ 7,086.00	3134G56N0	6/26/2014	6/26/2017	1.00	1.00000	\$ 5,205.48
Federal Home Loan Mortgage Corp. Note	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,001,927.80	\$ 2,009,538.00	\$ 7,610.20	3134G5AR6	7/7/2014	7/7/2017	1.00	1.00000	\$ 4,547.95
Federal Home Loan Bank Bond	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,002,387.00	\$ 2,387.00	3130A3UX0	1/28/2015	7/28/2017	1.10	1.10000	\$ 1,868.49
Federal Home Loan Mortgage Corp. Note	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,070.00	\$ 70.00	3134G6AC7	1/28/2015	7/28/2017	0.85	0.85000	\$ 1,443.84
Federal Farm Credit bank	\$ 1,000,000.00	\$ 997,000.00	\$ 994,356.70	\$ 998,663.00	\$ 4,306.30	3133EAC63	11/5/2014	8/1/2017	0.80	0.91107	\$ 1,271.23
Federal Home Loan Bank Bond	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,761.40	\$ 1,000,929.00	\$ 1,167.60	3130A2PE0	8/14/2014	8/14/2017	0.50	1.16300	\$ 616.44
Federal Home Loan Mortgage Corp. Note	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,363.40	\$ 1,001,104.00	\$ 1,740.60	3134G5DM4	8/14/2014	8/14/2017	1.10	1.10000	\$ 1,356.16
Federal National Mortgage Assn. Bond	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,312.50	\$ 999,536.00	\$ (776.50)	3135G0NC3	1/16/2015	8/14/2017	1.00	0.59551	\$ 1,232.88
Federal National Mortgage Assn. Bond	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,001,180.00	\$ 2,005,524.00	\$ 4,344.00	3136G25B9	9/15/2014	9/15/2017	1.10	1.10000	\$ 964.38
Federal Home Loan Mortgage Corp. Note	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,001,226.90	\$ 1,003,576.00	\$ 2,349.10	3134G5J22	9/25/2014	9/25/2017	1.15	1.15000	\$ 189.04
Federal Home Loan Bank Bond	\$ 1,000,000.00	\$ 999,950.00	\$ 1,000,601.40	\$ 1,002,405.00	\$ 1,803.60	3130A2XL5	9/29/2014	9/29/2017	1.10	1.10170	\$ 60.27
Federal Farm Credit bank	\$ 1,000,000.00	\$ 1,000,000.00	\$ 996,779.10	\$ 998,974.00	\$ 2,194.90	3133EDY30	10/16/2014	10/16/2017	1.12	1.12000	\$ 5,093.70
Federal Home Loan Bank Bond	\$ 1,000,000.00	\$ 1,000,000.00	\$ 997,250.40	\$ 1,001,665.00	\$ 4,414.60	3130A3CU6	10/17/2014	10/17/2017	1.00	1.00000	\$ 4,520.55
Federal Farm Credit bank	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00	\$ 1,998,068.00	\$ (1,932.00)	3133EELC2	1/23/2015	10/23/2017	0.97	0.97000	\$ 3,561.10
Federal Home Loan Mortgage Corp. Note	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,722.00	\$ 722.00	3134G6AB9	1/30/2015	10/30/2017	1.00	1.00000	\$ 1,643.84
Federal National Mortgage Assn. Bond	\$ 1,000,000.00	\$ 992,300.00	\$ 992,300.00	\$ 995,750.00	\$ 3,450.00	3136G1MF3	3/9/2015	11/20/2017	0.85	1.14060	\$ 512.33
Federal Farm Credit bank	\$ 1,000,000.00	\$ 1,000,000.00	\$ 997,978.60	\$ 1,003,798.00	\$ 5,819.40	3133EECQ1	11/21/2014	11/21/2017	1.05	1.05000	\$ 3,739.73
U S Treasury	\$ 1,000,000.00	\$ 989,900.00	\$ 986,875.00	\$ 995,781.00	\$ 8,906.00	912828UA6	12/16/2014	11/30/2017	0.63	0.97242	\$ 1,797.95
Federal Home Loan Mortgage Corp. Note	\$ 2,000,000.00	\$ 1,998,532.90	\$ 1,997,697.40	\$ 2,003,674.00	\$ 5,976.60	3134G5SP1	12/26/2014	12/26/2017	1.25	1.27500	\$ 6,506.85
Federal Home Loan Bank Bond	\$ 1,000,000.00	\$ 1,000,000.00	\$ 997,044.00	\$ 1,004,461.00	\$ 7,417.00	3130A3N83	12/29/2014	12/29/2017	1.05	1.05000	\$ 2,646.58
Federal Home Loan Bank Bond	\$ 2,000,000.00	\$ 2,000,000.00	\$ 1,997,031.00	\$ 2,007,530.00	\$ 10,499.00	3130A3NK6	12/29/2014	12/29/2017	1.15	1.15000	\$ 5,797.26
Federal Farm Credit bank	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,352.00	\$ (1,648.00)	3133EEKV1	1/22/2015	1/22/2018	1.02	1.02000	\$ 1,900.27
Federal Farm Credit bank	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,352.00	\$ (1,648.00)	3133EEKV1	1/22/2015	1/22/2018	1.02	1.02000	\$ 1,900.27
Federal Farm Credit bank	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 999,091.00	\$ (909.00)	3133EELH1	1/23/2015	1/23/2018	1.10	1.10000	\$ 2,019.18
Federal Home Loan Bank Bond	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,761.00	\$ 761.00	3130A3UT9	1/30/2015	1/30/2018	1.45	1.45000	\$ 2,383.56
Federal Home Loan Bank Bond	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,761.00	\$ 761.00	3130A3UT9	1/30/2015	1/30/2018	1.45	1.45000	\$ 2,383.56
Federal National Mortgage Assn. Bond	\$ 2,000,000.00	\$ 1,989,000.00	\$ 1,989,000.00	\$ 1,998,698.00	\$ 9,698.00	3135G0TG8	3/4/2015	2/8/2018	0.88	1.06625	\$ 1,294.52
Federal National Mortgage Assn. Bond	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00	\$ 1,995,072.00	\$ (4,928.00)	3136G2D46	2/12/2015	2/12/2018	1.05	1.05000	\$ 2,704.11
Federal National Mortgage Assn. Bond	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,000,000.00	\$ 2,992,608.00	\$ (7,392.00)	3136G2D46	2/12/2015	2/12/2018	1.05	1.05000	\$ 4,056.16
Federal National Mortgage Assn. Bond	\$ 5,000,000.00	\$ 5,000,000.00	\$ 5,000,000.00	\$ 4,994,705.00	\$ (5,295.00)	3136G2D87	2/13/2015	2/13/2018	1.00	1.00000	\$ 6,301.37
Federal Home Loan Bank Bond	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,001,694.00	\$ 1,694.00	3130A4AC6	2/27/2015	2/27/2018	1.40	1.40000	\$ 1,227.40
Federal Home Loan Bank Bond	\$ 1,000,000.00	\$ 1,000,440.00	\$ 1,000,440.00	\$ 1,005,399.00	\$ 4,959.00	3130A4AJ1	2/27/2015	2/27/2018	1.14	1.12504	\$ 999.45
Federal Farm Credit bank	\$ 1,000,000.00	\$ 998,440.00	\$ 998,440.00	\$ 1,004,853.00	\$ 6,413.00	3133EETE0	3/12/2015	3/12/2018	1.13	1.17808	\$ 585.62
Federal Home Loan Bank Bond	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,001,852.00	\$ 1,852.00	3130A4JX1	3/26/2015	3/26/2018	1.40	1.40000	\$ 191.78
Federal Home Loan Bank Bond	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,005,848.00	\$ 5,848.00	3130A4MF6	3/30/2015	3/29/2018	1.30	1.30000	\$ 35.62
Sub-Total	\$ 156,900,000.00	\$ 156,972,043.65	\$ 156,793,310.87	\$ 157,038,847.70	\$ 245,536.83						\$ 215,504.96
outstanding	\$ 156,900,000.00	\$ 156,972,043.65		\$ 66,804.05							

TexPool Balance

13,464,346.53