

LEWISVILLE LOCAL GOVERNMENT CORPORATION
a Texas Nonprofit Local Government Corporation

AUGUST 13, 2007

Present:

Board of Directors:

Gene Carey
Dean Ueckert
Greg Tierney
Rudy Durham

Absent:

David Thornhill

City Staff:

Claude King, City Manager
Zane Miller, Economic Development Director
Steve Bacchus, Assistant City Manager
Julie Heinze, City Secretary
Ron Neiman, City Attorney

With a quorum of the Board of Directors present, the meeting of the Lewisville Local Government Corporation was called to order by Board President Gene Carey at 5:33 p.m. on Monday, August 13, 2007, in the City Council Conference Room of the Lewisville City Hall, 151 West Church Street, Lewisville, Texas.

**Tabled Item: Authorize President to Execute
the Second Amendment to Oil and Gas Lease
Option Agreement with Tracker Holdings,
LLC, and All Related Documents**

(Agenda Item 1)

Wayne Ferguson explained what was currently being done and what was built into the agreement. Discussion held regarding royalty and override signed leases that were being participated in today once everything had been closed.

City Manager King reviewed how the royalties and mineral rights tied together depending upon how many acres or amount of royalties a lessee held. City Manager King also reviewed the amount of mineral interest and royalties that the City currently holds. City Manager King explained how the percentages and override would work for the City of Lewisville.

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Discussion was held regarding surface acres currently accounted for; and what the City of Lewisville's percentage for that would be and that incentive for the drilling company.

Mr. Ferguson advised that the drilling company was willing to begin drilling within 18 months and to extend the option of the override for one year.

Mr. Ferguson explained that this is a very valuable deal for the City of Lewisville and from a political view everyone is covered from the standpoint that the City of Lewisville was able to obtain above the market plus a one percent on already sign and potentially future people that are included. Discussion was held regarding the general land development and who would be leasing the Corps property. Further discussion was held regarding this lease would be accomplished through a disannexation and putting a strip around the property and then reannexing it back in; however, research would have to be done to ensure this was handled correctly. City Attorney Ron Neiman advised that the disannexation would have to be long enough to get the paperwork done and that he was not sure how long that would take until he had done some further research.

Discussion was held regarding the list of assignees and if additional entities should be added. Mr. Ferguson advised that the Board could leave it as it and if additional entities need to be added at a later date that could be accomplished.

MOTION: Upon a motion made by Board Member Rudy Durham and seconded by Board Member Greg Tierney, the Board of Directors voted four (4) "ayes" and no (0) "nays" to approve the Second Amendment to Oil and Gas Lease Option Agreement with Tracker Holdings, LLC, and All Related Documents and add the following entities to Exhibit "C" Target List: Huffiness, ProLogis, Arthur James, Baruch, Billingsley, Ken Good, and Chris Bright. The motion carried.

Adjournment

(Agenda Item 2)

MOTION: Upon a motion made by Board Member Greg Tierney and seconded by Board Member Dean Ueckert, the Board of Directors voted four (4) "ayes" and no (0) "nays" to adjourn the Local Government Corporation at 5:55 p.m. on Monday, August 13, 2007. The motion carried.

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These minutes approved by the Lewisville Local Government Corporation on the 15th day of December, 2008.

APPROVED

Gene Carey
PRESIDENT

ATTEST:

Claude King
SECRETARY