

SUBLEASE AGREEMENT (UPLANDS)

THIS SUBLEASE AGREEMENT (UPLANDS) (this "Sublease") is entered into as of [___], 2026 (the "Effective Date") by and between the **CITY OF LEWISVILLE, TEXAS**, a home rule city (the "City") and **ARGO SMI EAGLE POINT, LLC**, a Delaware limited liability company ("Sublessee") (collectively, the "Parties" and each, a "Party").

RECITALS

WHEREAS, the City and the Secretary of the Army (U.S. Army USACE of Engineers) ("USACE") have entered into that certain Lease No. DACW63-1-24-0613, dated as of October 3, 2024 and effective as of April 15, 2025 (the "Master Lease"), pursuant to which the City has leased certain real property located in Lewisville, Denton County, Texas, in the Trinity Regional Project, Denton County, Texas, containing approximately 994.73 acres, as more particularly identified and described on Exhibit A and Exhibit B attached to the Master Lease (the "Master Leased Property"), from the USACE for public park and recreational purposes;

WHEREAS, a copy of the Master Lease is attached hereto as **Schedule 1** and all terms, conditions and obligations set forth in the Master Lease are binding on Sublessee and incorporated by reference herein for all purposes to the same extent as if such terms, conditions and obligations were fully set forth herein;

WHEREAS, the Master Lease authorizes the City to sublease a portion of the Master Leased Property with third parties to provide the facilities and services as agreed upon in the Development Plan (defined below), all subject to the approval of the Real Estate Contracting Officer (defined below);

WHEREAS, the City and Matthews Development, LLC, a Texas limited liability company (the "Matthew SW"), entered into that certain Development Consulting Agreement, dated as of October 3, 2022 (the "Development Agreement"), pursuant to which Matthew SW was engaged by the City to, among other things, assist with the new lake development project (the "Lake Project"), as more particularly set forth in the Development Agreement;

WHEREAS, as permitted pursuant to Section 9.02 of the Development Agreement, Matthew SW has assigned certain of its rights to assist with the development of the Lake Project under the Development Agreement to Sublessee pursuant to that certain Assignment and Assumption Agreement, between Matthew SW and Sublessee, dated as of the Effective Date (the "Development Agreement Assignment"), which Development Agreement Assignment was consented to by the City; and

WHEREAS, in connection with the rights obtained by Sublessee pursuant to the Development Agreement Assignment and to otherwise advance the business objectives of Sublessee, Sublessee desires to sublease from the City, and the City desires to sublease to Sublessee, that portion of the Master Leased Property as more particularly identified and described on **Exhibit A-1** and **Exhibit A-2** attached hereto (the "Leased Premises") subject to the terms and conditions set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of

all of which are mutually acknowledged, the Parties hereby agree as follows.

ARTICLE 1.

RECITALS; DEFINITIONS

Section 1.01. Recitals. The foregoing recitals (a) are incorporated into the body of this Sublease and shall be considered part of the mutual covenants, consideration and promises that bind the Parties; (b) form the basis upon which the Parties negotiated and entered into this Sublease; (c) are legislative findings of the City Council; and (d) reflect the final intent of the Parties with regard to the subject matter of this Sublease. In the event it becomes necessary to interpret any provision of this Sublease, the intent of the Parties, as evidenced by the recitals, shall be taken into consideration and, to the maximum extent possible, given full effect. The Parties have relied upon the recitals as part of the consideration for entering into this Sublease and, but for the intent of the Parties reflected by the recitals, would not have entered into this Sublease.

Section 1.02. Definitions. For purposes of this Sublease, the following terms shall have the meanings indicated:

(a) Affiliate: shall mean, as to any Person, any other Person that, directly or indirectly, is in Control of, is Controlled by or is under common Control with such Person or is a director or officer of such Person or of an Affiliate of such Person.

(b) Annual Meeting: shall have the meaning specified in Section 5.02.

(c) Anti-Terrorism Laws: shall have the meaning specified in Section 15.11.

(d) Applicable Law(s): shall mean all federal, state, municipal and local statutes, laws, ordinances, codes, rules, regulations, standards, executive orders, consent orders, orders and guidance from regulatory agencies, judicial decrees, permits, licenses or other governmental requirements of any kind, now in effect or that come into effect during the Term (and any present or future amendments to such Applicable Laws) that relate to: (i) Sublessee; (ii) the City; (iii) this Sublease or any matters addressed herein, or (iv) all or any portion of the Leased Premises, including, without limitation all Environmental Laws, all USACE Outgrant Requirements, all restrictive covenants existing of record, all rules and requirements of any existing association or improvement district affecting the Leased Premises and all ordinances, rules, regulations and codes governing the construction, maintenance or operation of buildings or other improvements on the Leased Premises.

(e) Approved Concession Agreement: shall have the meaning specified in Section 12.02(a).

(f) Approved Transfer: shall mean any Transfer that is expressly approved in writing by both the City and the USACE, subject to the terms and conditions set forth in Section 12.

(g) Authorized Representative: shall mean an officer, director or employee of Sublessee duly authorized to act on behalf of Sublessee in legal or official matters, with

full authority to sign contracts for and on behalf of Sublessee and to make decisions for and on behalf of Sublessee.

- (h) Bankruptcy Code: shall have the meaning specified in Section 12.03(f).
- (i) Base Rent: shall have the meaning specified in Section 4.01(a).
- (j) Base Rent Percentage: shall have the meaning specified in Section 4.01(a).

(k) Business Days: shall mean any day which is not a Saturday, Sunday or a day on which commercial banks in Texas are authorized by state or federal law to be closed. The use of "day" shall mean calendar day. In computing any period of time described in this Sublease, the last day of a designated period of time shall be included in the time period, unless it is not a Business Day, in which event the period of time runs until the end of the next Business Day.

(l) Change of Control: shall mean any direct or indirect issuance or transfer of any securities or interests, whether or not having ordinary voting power for the election of directors (or other comparable controlling body), of any Person or any transfer of an equity or beneficial interest in any Person that directly or indirectly results in either (i) a change of the Controlling Person of Sublessee, or (ii) the creation of a Controlling Person of Sublessee. For avoidance of doubt, a direct or indirect change of Control of a shareholder, member, partner or joint venturer of Sublessee or of any entity in the chain of ownership of Sublessee will constitute a change of the Controlling Person of Sublessee, but a Change of Control shall not be deemed to occur solely as a result of the hiring, resignation, death, or replacement of any employee or officer, including the chief executive officer, whose authority to direct management, policies, or major decisions derives solely from their position or employment with Sublessee or any direct or indirect owner of Sublessee, and not from ownership or other contractual rights.

- (m) City Indemnified Parties: shall have the meaning specified in Section 11.05.
- (n) City Manager: shall have the meaning specified in Section 10.01.
- (o) City: shall mean the City of Lewisville, Texas, a home rule city.
- (p) Collateral: shall have the meaning specified in Section 4.03.
- (q) Concession Agreement: shall have the meaning specified in Section 12.02.

(r) Control: including, with its correlative meanings, "controlled by", "controlling", and "under common control with", of any entity shall mean (i) the ownership, directly or indirectly, of more than fifty percent (50%) of the ownership interests in such entity, or (ii) the possession, directly or indirectly, of the power to either (1) vote fifty percent (50%) or more of the interests or securities having ordinary voting power for the election of directors (or other comparable controlling body) of the applicable Person, or (2) direct or cause the direction of management, policies or Major Decisions of the applicable Person, whether through the ownership of voting interests or securities by

contract, law, charter, trust, agreement or otherwise (other than by the exercise of an approval right that prevents an action that constitutes a Major Decision).

(s) Controlling Person of Sublessee: shall mean any Person that directly or indirectly Controls Sublessee.

(t) Default Rate: shall mean the higher of: (i) the annual rate of interest from time to time published or announced by The Wall Street Journal, as the prime rate or base commercial lending rate, or if The Wall Street Journal (or any other money center bank selected pursuant to this sentence) shall ever cease to exist or cease to announce a prime rate or base commercial lending rate, then the annual rate of interest from time to time announced by Citibank, N.A. (or by any other New York money center bank selected by the City) as its prime rate or base commercial lending rate, or (ii) the highest interest rate permitted by Applicable Law.

(u) Development Plan: shall mean the “Development Plan” as defined in the Master Lease, a copy of which is attached to the Master Lease as Exhibit C thereto, which Development Plan may be amended by the City and the USACE from time to time; provided, however, that the City shall not request or initiate any amendment to the Development Plan that could reasonably be expected to materially and adversely affect Sublessee’s rights in and to the Leased Premises or Sublessee’s rights hereunder without the prior written consent of Sublessee, not to be unreasonably withheld, conditioned or delayed; and provided, further, that the City shall provide Sublessee with written notice of the USACE’s request or initiation of any such amendment to the Development Plan that could reasonably be expected to materially and adversely affect Sublessee’s rights in and to the Leased Premises or Sublessee’s rights hereunder as soon as reasonably practicable, but in no event later than thirty (30) days after the City becomes aware of the USACE’s request or initiation of such amendment, except in situations of a human health or safety emergency.

(v) Development Meeting: shall have the meaning specified in Section 7.01(d).

(w) Dry Storage Buildings: shall mean those certain buildings noted in red and labeled “Demo Dry Storage” on Exhibit C-1 attached hereto.

(x) Dry Storage Business: shall mean commercial operations at the Dry Storage Buildings relating to public storage for boats, watercraft and related equipment.

(y) Environmental Laws: shall mean all applicable federal, state, municipal or local statute, law, rule, regulation, ordinance, code, permit, concession, grant, franchise, license, policy or rule of common law now in effect or adopted in the future, and in each case as may be amended or replaced, and any judicial or administrative interpretation thereof (including any judicial or administrative order, consent decree or judgment) relating to (i) the environment, health, safety or Hazardous Materials, (ii) the storage, handling, emission, discharge, release and use of chemicals and other Hazardous Materials, (iii) the generation, processing, treatment, storage, transport, disposal, investigation, remediation or other management of waste materials of any kind, and (iv) the protection of

environmentally sensitive areas, including the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 41 U.S.C. §9601-9657, as amended ("CERCLA"); the Hazardous Materials Transportation Act, as amended, 49 U.S.C. § 5101 et seq.; the Resource Conservation and Recovery Act of 1975 ("RCRA"), 42 U.S.C. §6901, et seq., as amended ("RCRA"); the Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251 et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Safe Drinking Water Act, 42 U.S.C. § 300f et seq.; the Endangered Species Act, as amended, 16 U.S.C. § 1531 et seq.; the Texas Solid Waste Disposal Act, Tex. Health & Safety Code Ann. Ch. 361 (Vernon 1990); the Texas Clean Air Act, Tex. Health & Safety Code Ann. Ch. 382 (Vernon 1990); the Texas Water Code, Tex. Water Code Ann. (Vernon 1988 and Supp. 1990); the Texas Hazardous Substances Spill Prevention and Control Act, Tex. Water Code Ann. (Vernon 1988 and Supp. 1990); the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. § 136 et. seq.; and the Emergency Preparedness and Response Community Right-to-Know Act, 42 U.S.C. § 11001.

- (z) Environmental Reports: shall have the meaning specified in Section 6.07.
- (aa) Event of Default: shall have the meaning specified in Section 13.01.
- (bb) Executive Order: shall have the meaning specified in Section 15.11.
- (cc) Extension Term(s): shall have the meaning specified in Section 3.01(b).
- (dd) Facilities: shall mean, collectively, all facilities, buildings, structures and/or improvements on the Leased Premises used for commercial operations or activities on the Leased Premises.
- (ee) Force Majeure: shall have the meaning specified in Section 16.02.
- (ff) Future Uplands Developer: shall have the meaning specified in Section 7.01(a).
- (gg) Gross Revenue: shall mean all revenues, receipts, income and other monies received by Sublessee, its lessees, assigns, concessionaires, operators, and licensees, subsequent to the Effective Date as a result of all commercial or business operations conducted on the Leased Premises, including the sales of goods or the provision of services on or from the Leased Premises, without any reductions or deductions whatsoever.
- (hh) Hazardous Materials: shall mean any substance that is designated, defined, or classified as a hazardous waste, hazardous material, pollutant, contaminant, or toxic or hazardous substance, or that is otherwise regulated under any Environmental Law, including, without limitation, any hazardous substance as defined under CERCLA, and petroleum, crude oil, gasoline, natural gas, fuel oil, motor oil, waste oil, diesel fuel, jet fuel, and other refined petroleum hydrocarbons.
- (ii) Initial Term: shall have the meaning specified in Section 3.01(a).

- (jj) Late Charge: shall have the meaning specified in Section 4.02.
- (kk) Leasehold Mortgage: shall mean any mortgage, deed of trust or similar lien on the subleasehold estate of Sublessee hereunder.
- (ll) Leasehold Mortgagee: shall mean the holder of any Leasehold Mortgage or other purchaser at a foreclosure or other sale pursuant to the terms of a Leasehold Mortgage that has acquired the subleasehold estate under this Sublease by foreclosure.
- (mm) Major Decisions: All actions, decisions and agreements relating to the financial affairs and management of the Sublessee, including, without limitation, the development, construction, management, operation, leasing, sale, Transfer, financing, encumbrance or other disposition or use of the interests, rights and ownership of Sublessee under this Sublease and Sublessee's compliance with its obligations hereunder.
- (nn) Marina: shall mean and include that certain marina facility located on the Marina Premises, commonly known as "Eagle Point Marina."
- (oo) Marina Premises: shall mean that certain land leased by the City adjacent and contiguous to the Leased Premises more particularly described and depicted on **Exhibit B-1** and **Exhibit B-2** attached hereto, which is part of the Master Leased Property.
- (pp) Marina Sublease: shall have the meaning specified in Section 7.01(a).
- (qq) Master Lease Amendment: shall have the meaning specified in Section 6.01.
- (rr) Master Plan: shall mean that certain Eagle Point Marina Master Plan approved by the USACE on December 3, 2024, a copy of which is attached hereto as **Exhibit E**, which may be amended by the City from time to time; provided, however, that the City shall not request or initiate any amendment to the Master Plan that could reasonably be expected to materially and adversely affect Sublessee's rights in and to the Leased Premises or Sublessee's rights hereunder without the prior written consent of Sublessee, not to be unreasonably withheld, conditioned or delayed; and provided, further, that the City shall provide Sublessee with written notice of the USACE's request or initiation of any such amendment to the Master Plan that could reasonably be expected to materially and adversely affect Sublessee's rights in and to the Leased Premises or Sublessee's rights hereunder as soon as reasonably practicable, but in no event later than thirty (30) days after the City becomes aware of the USACE's request or initiation of such amendment, except in situations of a human health or safety emergency.
- (ss) Memorandum of Sublease: shall have the meaning specified in Section 3.02.
- (tt) OFAC: shall have the meaning specified in Section 15.11.
- (uu) Operating Obligations: shall have the meaning specified in Section 6.02.

(vv) Permitted Transfers: shall have the meaning specified in Section 12.01(a).

(ww) Person: shall mean any individual, public or private corporation, limited or general partnership, joint venture, association, joint stock company, trust, limited liability company, unincorporated organization, governmental authority or any other form of entity.

(xx) Pre-Approved Leasehold Mortgagee: shall have the meaning specified in Section 12.03(e)(ii).

(yy) Pre-Approved Transfer: shall mean, collectively, (i) a Transfer to an Affiliate of Sublessee; (ii) a Transfer to any entity in which Sublessee or its parent company is a publicly traded Real Estate Investment Trust ("REIT") and such Transfer is necessary or advisable to maintain REIT status under the Internal Revenue Code of 1986, as amended (the "Code"); or (iii) a Transfer to a Qualified REIT Subsidiary (QRS), a Taxable REIT Subsidiary (TRS), or other entity owned directly or indirectly by Sublessee or its parent REIT, provided such Transfer does not adversely affect the City's rights under this Sublease or increase the City's liabilities hereunder, and subject in each case to the terms and conditions set forth in Section 12 below.

(zz) Prohibited Person: shall mean: (i) a Person that is listed in, or is otherwise subject to, the provisions of the Executive Order; (ii) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in or is otherwise subject to the provisions of, the Executive Order; (iii) a Person with whom Lessor is prohibited from dealing with or otherwise engaging in any transaction by any Anti-Terrorism Law, including the Executive Order and the USA Patriot Act; (iv) a Person who commits, threatens or conspires to commit or support "terrorism" as defined in Section 3(d) of the Executive Order; (v) a Person that restricted from doing business pursuant to the policies, procedures and regulations promulgated by OFAC; or (f) a Person who is affiliated with a Person listed in clauses (i) through (v), above.

(aaa) Real Estate Contracting Officer: shall mean the Real Estate Contracting Officer (as defined in the Master Lease) who is in charge of the administration of the Lewisville Lake Project, his successors, assigns or duly authorized representatives, with an address of Real Estate Contracting Officer, Attention: Chief, Real Estate Division, ATTN: CESWF-RE-M, Post Office Box 17300, Fort Worth, Texas 76102-0300.

(bbb) Removal and Demolition Obligations: shall have the meaning specified in Section 6.02.

(ccc) Rent: shall have the meaning specified in Section 4.01(b).

(ddd) Restoration: shall have the meaning specified in Section 10.02(b).

(eee) Service Buildings: shall mean those certain buildings noted in red and shown on **Exhibit C-2** attached hereto, five (5) of which are also shown and labeled on **Exhibit C-1** attached hereto.

(fff) Slalom Shop: shall mean the commercial operations related to buying, selling, trading, servicing, detailing, repairing boats, motors, parts, accessories, watercraft and other types of marine products and merchandise, occurring as of the Effective Date at the location commonly known as 2908 N. Stemmons Fwy., Lewisville, Texas 75077.

(ggg) Slalom Shop Operator: shall mean The Slalom Shop, LLC f/k/a The Slalom Shop, Inc., a Texas limited liability company, and/or Singleton Assets & Operations, LLC, a Georgia limited liability company acting as sublessee or agent of The Slalom Shop, LLC.

(hhh) Sneaky Pete's: shall mean Sneaky Pete's Restaurant & Club, Inc.

(iii) Sneaky Pete's Addition Date: shall have the meaning specified in Section 2.03(a).

(jjj) Sneaky Pete's Demolition Date: shall mean the date that the City and/or its agents, contractors or Affiliate completes demolition of the improvements existing on the Sneaky Pete's Premises as of the Effective Date in a commercially reasonable manner.

(kkk) Sneaky Pete's Premises: shall mean that certain area of the Master Leased Premises outlined in green and labeled "Sneaky Pete's Premises" on **Exhibit H** attached hereto.

(lll) Sublease Year: shall mean, during the Term of this Sublease, each twelve-month period commencing on the 1st day of January next following the Effective Date and ending on the next following 31st day of December, and each successive twelve-month calendar period thereafter.

(mmm) Sublessee Parties: shall have the meaning specified in Section 11.05.

(nnn) Term: shall have the meaning specified in Section 3.01(a).

(ooo) Termination Date: shall have the meaning specified in Section 3.01(b).

(ppp) Third-Party Reports: shall have the meaning specified in Section 6.06.

(qqq) Trailer Storage: shall mean the outdoor trailer storage and all other personal property, improvements and fixtures located within the Trailer Storage Area.

(rrr) Trailer Storage Area: shall mean that certain area of the Leased Premises noted in red and labeled "Remove Trailer Storage" on **Exhibit D** attached hereto.

(sss) Transfer: shall mean any direct or indirect sale, assignment, conveyance, transfer, sublease, license, mortgage, encumbrances or other disposition of: (i) any of Sublessee's right, title or interest in and to the Leased Premises, (ii) any of Sublessee's right, title, interest or obligations under this Sublease, or (iii) the subleasehold estate created hereunder or any portion of any of the foregoing, whether voluntarily, involuntarily, by operation of law or otherwise (including by way of merger, consolidation or other reorganization).

(ttt) Uplands Obligations: shall have the meaning specified in Section 6.02.

(uuu) USACE Outgrant Requirements: shall mean the Policy Guidance for Outgrant Management – Administration of Areas Leased for Recreation or Concession Purposes, Public or Private, promulgated by the Fort Worth District of the USACE, a copy of which is attached hereto as **Schedule 2** and incorporated herein for all purposes, as such document may be amended, supplemented or modified by the USACE from time to time, and any other similar rules, regulations, policies and requirements promulgated by the USACE relating to the ownership, management or use of the Leased Premises or any portion thereof. The City agrees to honor any extensions, waivers, or deferrals granted by the USACE with respect to the foam encapsulation requirement or any other USACE Outgrant Requirement; provided, however, that: (i) such extension, waiver, or deferral is communicated to the Parties in accordance with the ordinary and historical communication practices of the USACE, and (ii) Sublessee fully complies with any conditions and/or requirements imposed by the USACE with regard to any of the USACE Outgrant Requirements and any extensions, waivers, or deferrals thereof granted by the USACE.

(vvv) USA Patriot Act: shall have the meaning specified in Section 15.11.

Section 1.03. Authorized Representatives. Any reference herein to "USACE" or "Real Estate Contracting Officer" shall include their duly authorized representatives.

ARTICLE 2.

DEMISE OF LEASED PREMISES

Section 2.01. Demise of Leased Premises. The City, for and in consideration of the Rent, covenants and promises herein contained to be kept, performed and observed by Sublessee and subject to the use of the Leased Premises as described in Article 5 hereof, has demised and leased and by these presents does hereby demise and lease unto Sublessee, and Sublessee, for and in consideration of the covenants and agreements herein reserved on the part of the City to be kept and performed, does hereby lease and accept from the City, the Leased Premises together with the improvements thereon and the appurtenances thereto, subject to (a) all terms and conditions of the Master Lease, and (b) all other matters of record in any way appertaining to the Leased Premises, including any easements and mineral interests upon the Leased Premises. Without limiting the foregoing, Sublessee expressly agrees and acknowledges that (i) all obligations, duties and responsibilities of the City under the Master Lease, as they pertain to the Leased Premises, are obligations, duties and responsibilities of Sublessee hereunder; (ii) all references herein to the "Master Lease" shall be deemed to refer to the Master Lease as may be subsequently amended or modified following the Effective Date including, without limitation, the Master Lease Amendment referenced in Section 6.01 below; provided, however, that the City shall not request or initiate any further amendment to the Master Lease that could reasonably be expected to materially and adversely affect Sublessee's rights in and to the Leased Premises or Sublessee's rights hereunder without the prior written consent of Sublessee, not to be unreasonably withheld, conditioned or delayed, and that the City shall provide Sublessee with written notice of the USACE's request or initiation of any such amendment as soon as reasonably practicable, but in no event later than thirty (30) days after the City becomes aware of the USACE's request or initiation of such amendment,

except in situations of a human health or safety emergency; (iii) in the event of any inconsistency between the terms, conditions and provisions in the Master Lease and the terms, conditions and provisions set forth herein, the terms, conditions and provisions in the Master Lease shall control; and (iv) any reference to the terms or conditions of the Master Lease expressly set forth herein shall not be deemed to limit the terms and conditions actually set forth in the Master Lease in any manner.

Section 2.02. Acceptance of Leased Premises. Sublessee acknowledges that it has inspected the Leased Premises to its complete satisfaction and has had the opportunity to conduct due diligence regarding all matters pertaining to the Leased Premises, and the other matters related to the subleasehold estate established hereunder including the condition of title thereto and the adequacy and physical condition thereof and access thereto, and, Sublessee is leasing the Leased Premises and is accepting all rights and privileges granted to Sublessee in this Sublease, “AS IS,” “WHERE-IS,” and “WITH ALL FAULTS.” the City shall not be required to perform any work or furnish any materials in connection with the Leased Premises, except as expressly set forth in this Sublease. Except as expressly set forth in this Sublease, the City makes no warranty of any kind or nature, express, implied, by law or otherwise (including any warranty of suitability, habitability, merchantability or fitness for any particular purpose) or any representation or covenant of any kind or nature in connection with the title to, adequacy of, access to or condition of the Leased Premises, and the City shall not be liable for any latent or patent defects therein or be obligated in any way whatsoever to correct or repair any such latent or patent defects. Without limiting the foregoing, Sublessee acknowledges and agrees that, except as may be expressly provided in this Sublease, neither the City nor any brokers, agents, employees or representatives of the City have made any representations or warranties on which Sublessee is relying as to matters concerning the Leased Premises, including permissible uses, covenants, conditions and restrictions, water or water rights, access, topography, utilities, zoning, soil, subsoil, the purposes for which the Leased Premises are to be used, drainage, Environmental Law or any other Applicable Law or any other representations or warranties of any nature whatsoever, and Sublessee hereby assumes all risks relating to any of the foregoing and to all matters relating to the use and occupancy of the Leased Premises, whether known or unknown and whether foreseeable or unforeseeable.

Section 2.03. Sneaky Pete’s Premises.

(a) On or immediately following the Sneaky Pete’s Demolition Date, the City shall give Sublessee written notice that the Sneaky Pete’s Demolition Date has occurred. Promptly upon receiving such notice from the City (but in no event more than five (5) days thereafter), Sublessee shall have the right to inspect the Sneaky Pete’s Premises and approve the condition thereof, such approval not to be unreasonably withheld, conditioned or delayed. The City may elect, in its sole discretion, to have a City representative present with Sublessee during such inspection. If Sublessee fails to inspect the Sneaky Pete’s Premises within five (5) days after receiving written notice from the City that the Sneaky Pete’s Demolition Date has occurred, Sublessee shall be deemed to have approved the condition of the Sneaky Pete’s Premises. The date that Sublessee approves, or is deemed to have approved, the demolished condition of the Sneaky Pete’s Premises shall be referred to as the “Sneaky Pete’s Addition Date”. The Parties expressly agree and acknowledge that: (i) the Sneaky Pete’s Premises shall not be included as part of the Leased Premises for the period commencing on the Effective Date and expiring on the Sneaky Pete’s Addition

Date, and (ii) from and after the Sneaky Pete's Addition Date and for the remainder of the Term, the Sneaky Pete's Premises shall be included as part of the Leased Premises without any further action, consent, approval, agreement or writing by the Parties. Notwithstanding any provision in this Sublease, Sublessee shall not be responsible, and shall have no obligations, under this Section 2.03 or elsewhere in this Sublease related to the demolition of the improvements located on the Sneaky Pete's Premises, all of which shall be the sole responsibility of the City.

(b) Prior to the Sneaky Pete's Addition Date:

(i) Notwithstanding anything contained in this Sublease to the contrary, Sublessee and its Affiliates, invitees, customers, agents and contractors shall be strictly prohibited from accessing, occupying, using or otherwise entering the Sneaky Pete's Premises for any reason, at any time without the prior written consent of the City, to be given or withheld in the City's sole and absolute discretion. Any violation of this provision shall be deemed a material breach of this Sublease, subject to all remedies available to the City hereunder; and

(ii) Sublessee shall not obstruct the right of the City and/or its Affiliates, agents, contractors or employees to access the Sneaky Pete's Premises to complete the demolition obligations contemplated herein and shall provide the City and/or its Affiliates, agents, contractors or employees all necessary rights of ingress and egress to, from and across portions of the Leased Premises to access the Sneaky Pete's Premises.

(c) IN ADDITION TO AND WITHOUT LIMITING ANY OTHER INDEMNITY OBLIGATIONS UNDER THIS SUBLEASE, SUBLESSEE AGREES TO DEFEND, INDEMNIFY AND HOLD THE CITY INDEMNIFIED PARTIES (DEFINED BELOW) HARMLESS FROM AND AGAINST, ANY AND ALL CLAIMS, DEMANDS, LOSSES, DAMAGES (INCLUDING ALL CONSEQUENTIAL DAMAGES), ACTIONS, CAUSES OF ACTION, LAWSUITS AND LIABILITIES OF EVERY KIND, COSTS, FEES, JUDGMENTS, OR EXPENSES (INCLUDING ATTORNEY'S FEES AND COURT COSTS) WHATSOEVER INCURRED BY OR THREATENED AGAINST ANY CITY INDEMNIFIED PARTY, INCLUDING, WITHOUT LIMITATION, FOR INJURY TO OR SICKNESS OR DEATH OF ANY PERSON, OR FOR LOSS OR DAMAGE TO ANY PROPERTY OR FOR ANY OTHER LOSS, LIABILITY OR DAMAGE, INCLUDING ANY CIVIL OR CRIMINAL FINES OR PENALTIES, DIRECTLY OR INDIRECTLY ARISING OR ALLEGED TO ARISE OUT OF OR ANY WAY INCIDENTAL TO, IN WHOLE OR IN PART, (A) THE ACCESS, USE, ENTRY AND/OR OCCUPANCY OF THE SNEAKY PETE'S PREMISES BY ANY SUBLESSEE PARTY (DEFINED BELOW) PRIOR TO THE SNEAKY PETE'S ADDITION DATE, OR (B) THE BREACH OF THIS SECTION 2.03 BY ANY SUBLESSEE PARTY. THE PROVISIONS OF THIS SECTION ARE SOLELY FOR THE BENEFIT OF THE PARTIES HERETO AND ARE NOT INTENDED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, TO ANY THIRD PERSON OR ENTITY. THIS INDEMNIFICATION ALSO INCLUDES, COVERS AND RELATES TO, WITHOUT LIMITATION, ANY

NEGLIGENT ACT AND/OR OMISSION (WHETHER JOINT, COMPARATIVE, OR CONCURRENT) OF ANY SUBLESSEE PARTY. THE PROVISIONS OF THIS SECTION SHALL SURVIVE THE TERMINATION OR EXPIRATION OF THIS SUBLEASE. THIS INDEMNIFICATION SHALL SURVIVE THE TERMINATION OR EXPIRATION OF THIS SUBLEASE.

(d) From and after the Sneaky Pete's Addition Date (at which point the Sneaky Pete's Premises is part of the Leased Premises), Sublessee shall have the right to use, and to permit its invitees, customers, and contractors to use, the parking areas within the Sneaky Pete's Premises for vehicle parking and access, at no additional cost or charge to Sublessee, or Sublessee's invitees, customers, or customers, subject only to the City's reasonable rules and regulations which do not materially interfere with Sublessee's operations. The City shall not grant to any third party any right inconsistent with Sublessee's use of such parking areas as permitted by this Section 2.03(d) without Sublessee's prior written consent.

(e) For the avoidance of doubt, Sublessee shall have no obligation to assume, recognize, continue, or otherwise be bound by any lease, license, or occupancy right previously granted by the City to Sneaky Pete's, and the City shall be solely responsible for resolving, defending, and satisfying any claims or liabilities arising therefrom.

ARTICLE 3. **LEASE TERM**

Section 3.01. Term.

(a) The initial term of this Sublease shall commence on the Effective Date and expire on the date that is three (3) years following the Effective Date (the "Initial Term"), as extended by the Extension Terms (the Initial Term, as so extended, shall be referred to herein as the "Term"); provided, however, that the Term shall be subject to the earlier termination of the Master Lease or as otherwise contemplated pursuant to the terms and conditions set forth herein.

(b) Following the expiration of the Initial Term, this Sublease shall automatically renew for successive one (1) year periods (each, an "Extension Term" and collectively, the "Extension Term(s)"); provided, however, the City shall have the unilateral right, to be exercised in its sole and absolute discretion, to terminate this Sublease, for any reason or no reason at all, following the expiration of the Initial Term by providing written notice to Sublessee of such election not less than ninety (90) days prior to the termination date elected by the City (the "Termination Date").

Section 3.02. Memorandum of Sublease. The Parties agree to execute, acknowledge and deliver a memorandum of sublease, substantially in the form attached hereto as **Exhibit F** (the "Memorandum of Sublease"), which shall, among other things, memorialize the Effective Date, contemporaneously with the execution and delivery of this Sublease, and such Memorandum of

Sublease shall be recorded in the real property records of Denton County, Texas.

Section 3.03. Termination.

(a) This Sublease shall terminate and become null and void on the earlier of (i) the Termination Date, (ii) upon the revocation or termination of the Master Lease, or (iii) following a Sublessee Event of Default as specified in Section 13.01 below. In the event of a proposed revocation or early termination of the Master Lease, the Parties hereto acknowledge and agree that the City shall give notice thereof to Sublessee, and the City shall use commercially reasonable efforts to prevent any such revocation or early termination. Any holding over by Sublessee after the termination of this Sublease shall not constitute a renewal hereof nor give Sublessee any rights hereunder in or to the Leased Premises.

(b) Upon expiration of this Sublease in accordance with its terms, Sublessee shall vacate the Leased Premises and all improvements existing on the Leased Premises shall be and become the property of the City without compensation therefor; provided, however, Sublessee shall be entitled to remove from the Leased Premises removable personal property and equipment owned by Sublessee, provided, that such removal can be accomplished without injury to the Leased Premises or the remaining improvements on the Leased Premises.

(c) Sublessee shall be required to repair any damage to the Leased Premises caused by the removal of any personal property or equipment from the Leased Premises in a good and workmanlike manner and at Sublessee's sole cost and expense. If Sublessee shall fail or neglect to remove said personal property or perform any repair required by the this Section 3.03(c), then, at the option of the City, the City may, upon Sublessee's failure to perform such repairs within ten (10) days after receipt by Sublessee of the City's prior written notice, cause such repair to be performed and any removable fixtures, equipment or personal property remaining on the Leased Premises shall either become the property of the City without compensation therefor, or the City may cause the removable fixtures, equipment and personal property to be removed from the Premises, and no claim for damages against the City or its officials or agents shall be created by or made on account of such removal and repair work. Sublessee shall also pay the City on demand any sum which may be expended by the City in performing such removal and/or repair of the Leased Premises, including, without limitation, actual and reasonable administrative and legal fees associated therewith. The provisions of this Section 3.03 shall survive the termination or expiration of this Sublease.

ARTICLE 4.

RENT

Section 4.01. Rent.

(a) During the Term, as rent for the Leased Premises, Sublessee shall pay a sum equal to Three Percent (3%) (the "Base Rent Percentage") of Gross Revenue, directly to

the City, which shall be made in quarterly installments, each due and payable on or before the 30th day of the first calendar month following the end of each calendar quarter ("Base Rent").

(i) For purposes of determining Gross Revenue to be paid as Base Rent, Sublessee shall only be required to pay a sum equal to One Percent (1%) of Gross Revenue from the sale of new and used boats, watercrafts or other vessels.

(b) All Base Rent and other sums hereunder to be paid by Sublessee to the City (collectively, "Rent") shall be due and payable by Sublessee without demand, deduction, abatement, setoff or offset, unless otherwise provided herein.

(c) All payments of Base Rent shall be paid by check, wire transfer or other acceptable method of payment of US currency as designated by the City. If paid by check, such amounts shall be remitted to the addressed noted below (or at such other address as the City may designate hereafter):

City of Lewisville
ATTN: Finance Department
P.O. Box 299002
Lewisville, Texas 75029

Section 4.02. Interest on Late Payments. In the event any Rent to be paid hereunder or any other sum payable by Sublessee to the City under the provisions of this Sublease is not received by the City from Sublessee within five (5) days from the date it is due and payable, Sublessee shall pay to the City an additional sum ("Late Charge") equal to five percent (5%) of the amount due. Additionally, in the event any Rent to be paid hereunder or any other sum payable by Sublessee to the City under the provisions of this Sublease is not received by the City within ten (10) days after its due date for any reason whatsoever, it is agreed that the amount thus due shall bear interest from its due date at the Default Rate. Any such interest shall be payable as additional Rent hereunder, shall not be deducted from Gross Revenue, and shall be paid immediately to the City upon demand.

Section 4.03. Lien for Rent. In consideration of the mutual benefits arising under this Sublease, Sublessee hereby grants to the City a lien and security interest in all property of Sublessee (including, but not limited to, all fixtures, machinery, equipment, furnishings, and other articles of personal property now or hereafter placed in or on the Leased Premises by Sublessee and owned by Sublessee, together with the proceeds from the disposition of those items) (the "Collateral"), now or hereafter placed in or upon the Leased Premises, as security, for payment of all Rent and other sums agreed to be paid by Sublessee herein. The provisions of this Section 4.03 constitute a security agreement under the Texas Uniform Commercial Code, and the City has and may enforce a security interest in the Collateral. Except on account of replacement, removal or substitution in the ordinary course of business, the Collateral shall not be removed without the prior written consent of the City until all arrearages in Rent and other sums of money then due to the City hereunder have been paid and discharged. On or before the Effective Date, Sublessee shall execute, as Debtor, two or more Financing Statements, to perfect this security interest pursuant to the Texas Uniform Commercial Code. The City may at its election at any time file a

copy of this Sublease as a Financing Statement. The City, as Secured Party, has all of the rights and remedies afforded a secured party under the Texas Uniform Commercial Code in addition to and cumulative of the landlord's liens and rights provided by law or by the other terms and provisions of this Sublease.

Section 4.04. Books and Records.

(a) Sublessee shall maintain a complete set of books and records in connection with all aspects of and specific to this Sublease relating to Gross Revenue for the current and preceding five (5) Sublease Years, kept and maintained in accordance with generally accepted accounting practices and procedures. Sublessee's books and records shall at all reasonable times, upon forty-eight (48) hours' prior notice to Sublessee, be available for audit, inspection, copying and examination by the City, any properly designated employee or agent of the City (including, without limitation, an independent certified public accounting firm of recognized national standing selected by the City), the Real Estate Contracting Officer, or any properly designated employee or agent of the USACE, to confirm the amount of Gross Revenue actually received by Sublessee or for any other reason deemed reasonably necessary by the City in its sole and absolute discretion. The City may require the keeping of additional records or accounts relating to Gross Revenue which are customary for the businesses conducted on the Leased Premises and which are reasonably necessary for purposes of identifying, accounting for, and reporting Gross Revenue.

(b) In order to determine the Gross Revenue received by Sublessee, Sublessee agrees that within 90 days following the end of the first Sublease Year and each Sublease Year thereafter, it will file with the City a report certified by an authorized representative of Sublessee as being true and correct and in a form to be prescribed and acceptable to the City in sufficient detail to itemize all Gross Revenue received from the Leased Premises.

(c) The City shall have the right to audit the accounts, books and records of Sublessee pertaining to the calculation of Gross Revenue produced on and from the Leased Premises so as to confirm the accuracy of the annual report of Gross Revenue described in Section 4.04(b) above. Such audit, if any, shall be undertaken by an independent certified public accounting firm of recognized national standing mutually agreed upon by the Parties. Sublessee shall cooperate by all reasonable means in order to facilitate a timely and accurate completion of such audit. A copy of the report of such audit shall be addressed to each of the City and Sublessee and shall be delivered to each of the City and Sublessee.

(i) If any examination, inspection or audit undertaken as permitted hereunder reveals that Sublessee has understated Gross Revenue by three percent (3%) or more, then, Sublessee, upon demand, shall pay to the City the amount of any Rent deficiency based on such understated Gross Revenue (with such penalties for late payment as may be applicable pursuant to other provisions of this Sublease), plus interest thereon at the Default Rate, from the date due until the date collected. In such an event, Sublessee shall also reimburse the City upon demand for all reasonable and necessary costs incurred in the conduct of such examination,

inspection, or audit (including, but not limited to, all attorneys' fees).

(ii) If any examination, inspection or audit undertaken as permitted hereunder reveals that Sublessee has understated Gross Revenue by less than three percent (3%), then, Sublessee, upon demand, shall pay to the City the amount of any Rent deficiency based on such understated Gross Revenue (with such penalties for late payment as may be applicable pursuant to other provisions of this Sublease), plus interest thereon at the Default Rate, from the date due until the date collected. In such an event, all reasonable and necessary costs incurred in the conduct of such examination, inspection, or audit shall be paid one half by the City and one half by Sublessee; provided, however, each Party shall bear the cost of its own internal, administrative and attorneys' fees.

(iii) If any examination, inspection or audit undertaken as permitted hereunder indicates an overstatement of Gross Revenue and, if on account of such overstatement, Base Rent in excess of amounts due have been paid by Sublessee to the City, then such overpayment (less any amounts other than outstanding amounts then due and owing to the City) shall be credited against the next due installment of Base Rent. In such an event, all reasonable and necessary costs incurred in the conduct of such examination, inspection, or audit shall be paid by the City; provided, however, each Party shall bear the cost of its own internal, administrative and attorneys' fees.

(d) Sublessee shall promptly report to the City such other reasonably related information relating to Sublessee and the City as the City may reasonably consider useful and reasonably necessary.

(e) The City may, at any time, make written inquiries pertaining to the operation of the Leased Premises and the improvements thereon, and Sublessee shall promptly and fully respond to such inquiries.

ARTICLE 5.

USE OF THE LEASED PREMISES

Section 5.01. Permitted Use.

(a) Subject to the terms and conditions of the Master Lease, Sublessee shall manage, use and operate the Leased Premises solely for the purposes of performing the Uplands Obligations and to provide the services as agreed upon in the Development Plan.

(b) Sublessee is only authorized to conduct activities on the Leased Premises that are in furtherance of the Uplands Obligations and that have been approved in writing by the City and the USACE, in a manner satisfactory to the City and/or the USACE and in accordance with the terms and conditions of the Master Lease, including, without limitation, the Plan of Operation and Maintenance (as defined in the Master Lease)

applicable to the Leased Premises.

Section 5.02. Annual Reporting and Meeting Requirements.

(a) No later than November 15th of each Sublease Year during the Term, an Authorized Representative of Sublessee must meet with the City's Director of the Parks and Recreation Department or his/her designee (each, an "Annual Meeting") to discuss, among other things, the proposed annual Plan of Operation and Maintenance (as defined in the Master Lease) for the following year.

(b) On or before December 1st of each Sublease Year during the Term, Sublessee must provide the City with an annual report for the current year that includes the items specified in Section 5 of the Master Lease, which shall include, without limitation the final Plan of Operation and Maintenance.

Section 5.03. Inspection Rights. The City and/or the USACE, in person or through the one of its respective agents or representatives, shall have the right during the Term of this Sublease, at all reasonable and proper times, to enter into and upon the Leased Premises or any part thereof, for the purpose of examining the condition of same and confirming compliance by Sublessee and any concessionaire with the terms and conditions of this Sublease; provided, however, the City shall give the Sublessee 24 hours' prior written notice if reasonably feasible.

ARTICLE 6.

UPLANDS OBLIGATIONS

Section 6.01. Master Lease Amendment. The Parties expressly acknowledge that as of the Effective Date, the City is working with the USACE to amend the Master Lease (the "Master Lease Amendment") to expand the Master Leased Property, resulting in an expansion of the Marina Premises to include that certain real property area identified and described on **Exhibit G** attached hereto (the "Expanded Area"). The Parties expressly agree and acknowledge that on the date that the Master Lease Amendment is duly executed by the USACE and the City, then:

(a) All references herein to the "Master Lease" shall be deemed to refer to the Master Lease as amended by the Master Lease Amendment (as specified in Section 2.01 above);

(b) All references herein to the "Master Leased Property" shall be deemed to refer to the Master Leased Property as expanded by the Master Lease Amendment; and

(c) All references to the "Marina Premises" shall be deemed to refer to the Marina Premises as expanded by the Master Lease Amendment.

Section 6.02. Uplands Obligations. As consideration for the City's entry into this Sublease, commencing on the Effective Date, Sublessee shall be required to: (i) demolish and remove certain improvements located on the Leased Premises as of the Effective Date, as more particularly described in Section 6.03 below, in accordance with the terms and conditions set forth in this Sublease (collectively, the "Removal and Demolition Obligations"), and (ii) enter into an

Approved Concession Agreement for the Slalom Shop, and, at Sublessee's election, maintain and operate certain other Facilities located on the Leased Premises as of the Effective Date pursuant to any other Approved Concession Agreements, as more particularly described in Section 6.04 below, in accordance with the terms and conditions set forth in this Sublease (collectively, the "Operating Obligations", and together with the Removal and Demolition Obligations, collectively, the "Uplands Obligations").

(a) Sublessee shall, at Sublessee's sole cost and expense, prepare and submit all necessary applications for any permits and/or approvals required by the City or the USACE to commence and complete the Uplands Obligations.

Section 6.03. Removal and Demolition Obligations. The Removal and Demolition Obligations, all of which must be addressed and completed in a manner that fully complies with all USACE Outgrant Requirements, the Development Plan and the Master Plan, shall include the following:

(a) By the end of the first (1st) Sublease Year following the Effective Date, subject to Force Majeure, Sublessee shall cease all commercial operations on the Trailer Storage Area; remove all Trailer Storage and any other removable fixtures, personal property or improvements from the Trailer Storage Area; demolish any signage located on the Trailer Storage Area; prohibit and cause to be immediately removed any outdoor storage of any kind on any of the Leased Premises; and establish native grasses and pollinators within the Trailer Storage Area..

(b) By the end of the Initial Term, subject to Force Majeure, Sublessee shall (i) demolish all six (6) Service Buildings, including, without limitation, the Boat Repair Shop; (ii) remove the underground equipment, fuel tanks or storage located within the proximity of the Service Buildings which are identified on Exhibit I and (iii) establish some type of ground cover in place of where the Service Buildings are located once the Service Buildings are demolished, such that the Service Building area of the Leased Premises is restored to its natural condition to the reasonable satisfaction of the City; and

(c) By the end of the Initial Term, subject to Force Majeure, Sublessee shall wind down the Dry Storage Business (including terminating all leases for space in the Dry Storage Buildings and otherwise discontinuing the use of all Dry Storage Buildings) and fully demolish all Dry Storage Buildings and any other improvements or fixtures associated with the Dry Storage Business.

Section 6.04. Operating Obligations. The Operating Obligations, all of which must be addressed and completed in a manner that fully complies with all USACE Outgrant Requirements, the Development Plan and the Master Plan, shall include the following:

(a) During the Initial Term, Sublessee may, at Sublessee's sole election, demolish, directly operate the Boat Repair Shop, or enter into an Approved Concession Agreement authorizing the counterparty thereto to manage and operate the Boat Repair Shop; provided, however, Sublessee shall be required in all events to terminate any

Approved Concession Agreement and fully demolish the Boat Repair Shop by the end of the Initial Term as expressly required pursuant to Section 6.03(b) above; and

(b) Sublessee shall enter into an Approved Concession Agreement with the Slalom Shop Operator, oversee and monitor the management and operations of the Slalom Shop by the Slalom Shop Operator pursuant to the Approved Concession Agreement, collect all rental amounts due to Sublessee from the Slalom Shop Operator under the Approved Concession Agreement, ensure the Slalom Shop Operator limits the outdoor display to the Slalom Shop building footprint in place as of the Effective Date and otherwise ensure the Slalom Shop Operator is in compliance with the terms of the Approved Concession Agreement and all Applicable Laws. The Approved Concession Agreement with the Slalom Shop Operator shall provide that such Approved Concession Agreement shall terminate at the expiration of the Initial Term, but may be extended for so long as this Sublease is extended, at the sole discretion of the City.

Section 6.05. Prohibition on New Developments and Operations.

(a) From and after the Effective Date and throughout the Term, Sublessee is expressly prohibited from: (i) constructing, placing, erecting or developing any new building, structure or other permanent improvement on the Leased Premises or any portion thereof, (ii) causing or permitting the construction, placement or development, of any new building, structure or other permanent improvement on the Leased Premises or any portion thereof, or (iii) making, or permitting or causing any party to make, any additions, alterations or material repairs to any building, structure or other permanent improvement existing on the Leased Premises as of the Effective Date. For the avoidance of doubt, the prohibition on alterations set forth in subsection (iii) of this Section 6.05(a) shall not apply to any demolition, removal or restoration activities directly associated with Sublessee's fulfillment of the Removal and Demolition Obligations expressly set forth herein.

(b) Without the prior written consent of the City and the USACE, to be given or withheld in their sole discretion, Sublessee shall not cause or permit any repairs, changes, alterations or improvements, regardless of the materiality or extent thereof, to be made to the Boat Repair Shop or the Slalom Shop. For the avoidance of doubt, the prohibition set forth in this Section 6.05(b) shall not apply to any demolition, removal or restoration activities directly associated with Sublessee's fulfillment of the Removal and Demolition Obligations expressly set forth herein.

(c) Notwithstanding the terms and conditions of Section 6.05(b) above, the following items relating to the Boat Repair Shop and/or the Slalom Shop do not require approval by, the City and/or the USACE; provided, however, Sublessee must comply with all Applicable Laws, which may require permits or approval by the City (acting in its capacity as a municipality and not in its capacity as the lessor hereunder) or other governmental entity:

(i) Such repairs as may be necessary to maintain existing structures and

improvements in a useful state of repair and operation;

(ii) Such changes and alterations, either at the time of the original construction or thereafter, as may be required by an authorized public official having authority or jurisdiction over such structures or improvements, in order to comply with Applicable Laws; and

(iii) Emergency repairs required to prevent imminent damage to property or harm to persons on the Leased Premises.

(d) From and after the Effective Date and throughout the Term, Sublessee is expressly prohibited from directly or indirectly conducting or engaging in new commercial operations or activities on the Leased Premises that do not exist as of the Effective Date.

Section 6.06. Procurement Process. To the extent any funds of the City are used in any way in connection with any the Uplands Obligations to be addressed by Sublessee, Sublessee shall fully comply with all Applicable Laws; including, without limitation, the Texas Local Government Code and any procurement requirements that may be applicable to the City.

Section 6.07. Reports. Sublessee shall promptly, and in no event later than three (3) Business Days after Sublessee's receipt thereof, provide the City with complete copies of (a) all environmental assessments, reports, audits or studies relating to the environmental condition of the Leased Premises (collectively, the "Environmental Reports"), and (b) all other written reports, surveys, assessments, audits, studies, plans or other documents pertaining to the condition of the Leased Premises (collectively and together with the Environmental Reports, the "Third-Party Reports") that Sublessee obtains during the Term. The City shall be entitled to rely on all Third-Party Reports. In connection therewith, Sublessee shall ensure that all Third-Party Reports are certified to the City, name the City as a reliance party or are accompanied by the necessary reliance letters from, or consents of, the consultant or firm that prepared such Third-Party Report to allow for the City to rely thereon. The City shall have the right, in its sole discretion, to conduct any further testing or analysis desired by the City following receipt and review of any Third-Party Reports, at the City's sole cost and expense.

ARTICLE 7.

FUTURE UPLANDS DEVELOPMENT

Section 7.01. Future Uplands Development.

(a) The Parties acknowledge and agree that, as of the Effective Date, the Marina Premises is leased by the City and subleased by Sublessee pursuant to that certain Sublease Agreement (Marina), dated as of the Effective Date, by and between the City, and Sublessee (the "Marina Sublease"), under which Sublessee has agreed to operate and develop the Marina Premises in accordance with the terms and conditions more particularly set forth therein. The Parties further acknowledge and agree that, following the expiration of the Term and the termination of this Sublease, the City intends to sublease the Leased Premises to an unaffiliated third-party or otherwise engage a third-party developer (the "Future Uplands Developer") to assist with the future operation and/or development of the

Leased Premises in accordance with the approved Development Plan for the Master Leased Property. Sublessee expressly acknowledges the existence of the planned future development of the Leased Premises and agrees to collaborate in good faith with both the City and the Future Uplands Developer in order to ensure coordinated planning and implementation of shared elements serving both the Leased Premises and the Marina Premises, including but not limited to parking, vehicular and pedestrian circulation, and site access. As of the Effective Date, the Future Uplands Developer shall be deemed to be Matthew SW or its Affiliate. The City shall promptly notify Sublessee in writing if at any time during the Term the Future Uplands Developer is no longer Matthew SW or its Affiliate.

(b) During the Term, the Parties will use good faith efforts to identify a mutually agreeable location on the Leased Premises to be used as a designated laydown site by Sublessee and its contractors, consultants, subcontractors, materialmen and other service providers engaged by, through or under Sublessee in connection with its Removal and Demolition Obligations set forth herein and its Development Obligations (as defined in the Marina Sublease) on the Marina Premises as more particularly described in the Marina Lease.

(c) During the Term, Sublessee expressly agrees and acknowledges that the City and the Future Uplands Developer are both permitted to use, access and occupy the Leased Premises, so long as such use, access and occupancy does not unreasonably interfere with Sublessee's operation and management of the Boat Repair Shop, the Slalom Shop, parking areas located on the Leased Premises or Sublessee's access to the Marina Premises or with Sublessee's rights and obligations under the Marina Sublease.

(d) Not less than once per Sublease Year during the Term, an Authorized Representative of Sublessee, the City Manager or an Authorized Representative of the City and an Authorized Representative of the Future Uplands Developer shall meet in person on a date and at a location determined by the City Manager to review the Development Plan (each, a "Development Meeting"). The City shall provide Sublessee and the Future Uplands Developer with prior written notice of the location, date and time of any Development Meeting at least sixty (60) days prior to the date thereof. If an Authorized Representative of Sublessee is not available to attend the Development Meeting on the date specified by the City in its notice, then Sublessee must notify the City in writing within ten (10) days after receiving the City's notice of same, and Sublessee shall then promptly contact the City to determine a date and time for such Development Meeting that works for the City, the Future Uplands Developer and Sublessee. The Development Meeting may correspond with the required Annual Meeting noted above in Section 5.02, or it may be separate from the Annual Meeting. Sublessee, the City and the Future Uplands Developer shall use good faith efforts to work together to coordinate on and accelerate the development of the Marina Premises and the Leased Premises in accordance with the Development Plan. If reasonably necessary to accomplish the foregoing, the City shall be permitted to require Sublessee to attend more than one (1) Development Meeting per Sublease Year.

ARTICLE 8.

TAXES

Section 8.01. Payment by Sublessee. Sublessee shall pay and discharge any and all taxes, general and special assessments or other similar charges which, during the Term, may be levied on or assessed against the Leased Premises, and all interests therein and all improvements and other property, including personal property thereon, owned by Sublessee or otherwise imposed on the business or activity of Sublessee on the Leased Premises. Sublessee shall pay all such taxes, charges and assessments to the public officer charged with the collection thereof not less than fifteen (15) days before the same shall become delinquent, AND SUBLESSEE AGREES TO INDEMNIFY AND SAVE HARMLESS THE CITY INDEMNIFIED PARTIES FROM ALL SUCH TAXES, CHARGES AND ASSESSMENTS. Sublessee shall have the right at its sole cost and expense by appropriate proceedings diligently conducted on good faith in accordance with all Applicable Laws to contest any such taxes, charges and assessments and shall be obligated to pay the contested amount only if and when finally determined to be due. Sublessee shall give notice to the City of its intent to contest any such taxes, charges or assessments, the amount thereof and the entity to which such taxes, charges or assessments are purportedly owed.

ARTICLE 9.

OPERATIONS OF THE LEASED PREMISES

Section 9.01. Utilities. Sublessee shall pay or cause to be paid all charges for water, heat, gas, electricity, sewer, and any and all other utilities used by Sublessee on the Leased Premises throughout the Term of this Sublease, including any connection fee or impact fee. All water and sewer infrastructure within the Leased Premises shall be paid for solely by Sublessee.

Section 9.02. Operating Covenants.

(a) At all times during the Term, Sublessee shall operate, or cause the operation of, the Leased Premises for the use expressly permitted hereunder. Notwithstanding the foregoing, Sublessee shall not be deemed in default of this Section 9.02 during any period in which (a) the Leased Premises are closed due to Force Majeure, or (b) the Leased Premises are undergoing repairs, restoration, renovation, or remodeling work that materially interferes with operations, provided such work is diligently pursued in a commercially reasonable manner.

(b) Sublessee must establish rules of conduct including quiet hours for the Leased Premises from 9 P.M. to 8 A.M. Such rules shall be consistent with all Applicable Laws.

(c) Sublessee must provide security for the Leased Premises, including certified security personnel conducting routine patrols and responding to emergency situations throughout the Leased Premises. Sublessee must also ensure 24/7 on-call security is available for guests, patrons, visitors and employees of the Leased Premises. In addition to general security, Sublessee's security personnel shall enforce noise regulations and the other rules and regulations promulgated by the City or the USACE or otherwise set forth

in this Sublease or the Master Lease. Sublessee shall provide to the City's Director of the Parks and Recreation Department or his/her designee the name and contact information of the security personnel who can be contacted regarding immediate concerns and complaints on the Leased Premises at any given time. Said individual(s) must be: (i) immediately available by phone (or must respond within 15 minutes following the City's first attempt to contact such individual) and (ii) able to respond in-person to address any immediate concerns or complaints within 30 minutes of being requested to do so by a member of the City staff.

ARTICLE 10.

REPAIRS, RESTORATION AND MAINTENANCE

Section 10.01. Sublessee's Duties to Repair; Discovery of Hazardous Substances. Sublessee, at Sublessee's own cost and expense at all times during the Term, shall keep and maintain, or cause to be kept and maintained, the Leased Premises and all buildings and improvements located on the Leased Premises as of the Effective Date in a good state of appearance and repair, reasonable wear and tear excepted, expressly excluding any buildings or improvements subject to the Removal and Demolition Obligations as set forth herein; provided, however, that Sublessee shall not be required to repair or restore any building or improvement located on the Leased Premises as of the Effective Date which cannot be repaired or restored within two hundred seventy (270) days from the date of any damage or destruction, or ninety (90) days if such damage or destruction occurs during the last twelve (12) months of the Term. The City Manager of the City or his/her designee (the "City Manager") acting alone or in concert with the Real Estate Contracting Officer, upon discovery of any hazardous conditions on the Leased Premises that presents a possible threat to health and/or danger to life or property, will so notify Sublessee in writing and will require that the affected part or all of the Leased Premises be closed to the public until such condition is corrected and the danger to the public eliminated to the satisfaction of the City and the USACE. If Sublessee does not correct the condition within the cure period specified in the USACE's written notice to the City (if any), a copy of which (if any) must be included in the City's written notice to the Sublessee, delivered to Sublessee pursuant to the preceding sentence, the City Manager will have the option to: (a) correct the hazardous conditions and collect the cost of repairs from Sublessee; or (b) terminate this Sublease. For any such action, neither Sublessee nor any Sublessee Party shall have any claim for damages against the United States, the City, or any of their officials, officers, agents, or employees.

Section 10.02. Notice of Damage or Destruction. In case of any damage to or destruction of the buildings, structures and equipment on the Leased Premises (expressly excluding any buildings or improvements subject to the Removal and Demolition Obligations as set forth herein), or any part thereof, Sublessee will promptly give written notice thereof to the City, generally describing the nature and extent of such damage and/or destruction.

Section 10.03. Mechanic's Liens.

(a) Sublessee shall not suffer or permit any mechanic's liens or other liens to be filed against the fee of the Leased Premises nor against the City's leasehold interest in the Leased Premises nor Sublessee's subleasehold interest in the Leased Premises nor any

buildings or improvements on the Leased Premises by reason of any work, labor, services or materials supplied or claimed to have been supplied to Sublessee or to anyone holding the Leased Premises or any part thereof through or under Sublessee.

(b) If any such mechanic's lien or materialmen's liens shall be recorded against the Leased Premises, or any improvements thereon, Sublessee shall cause the same to be removed or, in the alternative, if Sublessee in good faith desires to contest the same, Sublessee shall be privileged to do so, but in such case Sublessee hereby agrees to provide a surety bond, or other collateral, acceptable to the City and SUBLESSEE SHALL INDEMNIFY AND SAVE THE CITY INDEMNIFIED PARTIES HARMLESS FROM ALL LIABILITY FOR DAMAGES OCCASIONED THEREBY and shall, in the event of a judgment of foreclosure on said mechanic's or materialman's liens, cause the same to be discharged and removed prior to the execution of such judgment.

ARTICLE 11.

INSURANCE AND INDEMNIFICATION

Section 11.01. Required Coverages. During the Term, Sublessee shall obtain and maintain (or, to the extent applicable, cause any operator of any of the Slalom Shop or the Boat Repair Shop (if any) on the Leased Premises pursuant to an Approved Concession Agreement to obtain and maintain), at its sole cost and expense, the following insurance covering Sublessee's (or any operator's) access, use, occupancy and operation of commercial operations on the Leased Premises:

(a) A policy or policies of special form ("all risk") property insurance on all of the buildings, structures or other improvements, on the Leased Premises and all of Sublessee's contents, personal property, removable trade fixtures, supplies, furniture and equipment located on the Leased Premises, in an amount equal to the full insurable value thereof and endorsed to provide that Sublessee's insurance is primary in the event of any overlapping coverage with the insurance carried by the City. Such policy shall insure against loss or damage by fire, lightning and other risks, with extended coverage endorsement or its equivalent. The phrase "full insurable value" as used herein means actual replacement value at the time of such loss. Upon written request by the City and not more often than once every two (2) years such replacement value shall be determined by a qualified appraiser, a copy of whose findings shall be submitted to the City, and thereafter, proper adjustment in the limits of insurance coverage shall be effected based upon such findings. All such insurance shall be issued by companies as required by any such mortgagee or trustee, or if not so required, reasonably acceptable to any such mortgagee or trustee.

(b) Commercial General Liability and Umbrella/Excess Liability Insurance providing coverage for bodily injury and property damage arising in connection with the access, use, occupancy and operation of commercial operations on the Leased Premises and including coverage for contractual liability providing limits of not less than \$1,000,000

per occurrence/\$5,000,000 aggregate. Policy will include coverage for:

- (i) Premises – Operations
 - (ii) Broad Form Contractual Liability
 - (iii) Products Liability and Completed Operations
 - (iv) Personal Injury / Bodily Injury
 - (v) Broad Form Property Damage Liability
- (c) Commercial Business Automobile Liability Insurance including coverage for all owned, non-owned, and hired vehicles providing coverage for bodily injury and property damage liability with combined single limits of not less than \$1,000,000.
- (d) Workers' Compensation Insurance in such amounts that comply with applicable statutory requirements, and Employer's Liability limits, of not less than \$1,000,000 per accident, \$1,000,000 disease-policy limit, and \$1,000,000 disease each employee.
- (e) Employment Practices ("EPLI") of not less than \$1,000,000 each occurrence/aggregate.
- (f) Crime Liability Insurance covering all employees who have access to or responsibility for or who handle the City funds of not less than \$1,000,000 each occurrence/aggregate.
- (g) Pollution Liability/Environmental Impairment of not less than \$3,000,000 per accident/aggregate limit.

Section 11.02. Demolition. Sublessee shall be fully responsible for ensuring all contractors, consultants, subcontractors, materialmen and other service providers engaged by, through or under Sublessee for construction or demolition activities on the Leased Premises maintain insurance reasonably acceptable to the City and the USACE, including, without limitation, commercial general liability insurance, errors and omissions insurance and any other coverages requested or required by the City or the USACE.

Section 11.03. Insurance Requirements.

- (a) All such policies of insurance shall (i) be issued by insurance companies reasonably acceptable to the City rated at least A-:VI, or, A or better by Standard and Poor's. and licensed to do business in the state of Texas, and (ii) shall name the City, the USACE, and their respective officers, employees and agents as an additional insured or loss payee, as the case may be.
- (b) Each and every policy required to be carried hereunder shall be endorsed to state that coverage shall not be suspended, voided, canceled or non-renewed, reduced in

coverage or in limits or otherwise modified except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City and the USACE.

(c) Certified copies of all of such policies shall be promptly delivered to the City and the USACE; provided, however, that the City and the USACE, in their respective reasonable discretion and in lieu of certified copies of such policies, may permit the delivery of certificates of insurance together with the declaration page of such policies, along with the endorsement naming the City and the USACE as an additional insured or loss payee, as the case may be. The City reserves the right to review the insurance requirements contained herein and to reasonably adjust coverages and limits when deemed necessary and prudent by the City.

(d) The coverages shall contain no special limitations on the scope of protection afforded to the City, its officers, officials, employees, volunteers or the USACE, and all coverage shall include defense of claims against the City as additional insured.

(e) Sublessee's insurance must contain an endorsement that Sublessee's insurance is primary and non-contributory for claims arising out of an incident or event occurring within the Leased Premises. Any insurance or self-insurance maintained by the City, its officers, officials, employees or volunteers shall be excess of Sublessee's insurance and shall not contribute with it.

(f) Each and every policy required to be carried hereunder shall provide for waivers of subrogation by endorsement or other means which waivers of subrogation shall be effective as to the City, its officers, officials, employees, volunteers and the USACE even though the City, its officers, officials, employees, volunteers and/or the USACE may otherwise have a duty of indemnification, contractual or otherwise, may not have paid any insurance premiums directly or indirectly and may or may not have an insurable interest in the insured Leased Premises.

(g) Sublessee acknowledges that the City has made no representations or warranties that the coverages required hereunder are sufficient to fully protect Sublessee.

Section 11.04. The City's Right to Cure. Sublessee agrees that if it does not keep, or cause to be kept, such insurance in full force and effect that the City may provide written notice to Sublessee of such failure and if Sublessee does not deliver to the City within ten (10) Business Days after such notice policies or certificates, as may be requested by the City, showing all such insurance to be in full force and effect, the City may, at its option and without waiving any of its rights to terminate this Sublease, take out all necessary insurance to comply with the provisions hereof and pay the premiums on the items specified in such notice and Sublessee covenants thereupon on demand to reimburse and pay the City any amount so paid or expended in the payment of the insurance premiums required hereby and specified in the notices, with interest thereon at the Default Rate from the date of such payment by the City until repaid by Sublessee.

Section 11.05. INDEMNIFICATION. SUBLESSEE AGREES TO DEFEND, INDEMNIFY AND HOLD THE CITY, ITS OFFICIALS, OFFICERS, EMPLOYEES AND AGENTS AND THE USACE, ITS OFFICIALS, OFFICERS, EMPLOYEES, AND AGENTS

(COLLECTIVELY, THE "CITY INDEMNIFIED PARTIES") HARMLESS FROM AND AGAINST, ANY AND ALL LIABILITIES, LOSSES, COSTS, FEES, ACTIONS, CAUSES OF ACTION, LAWSUITS, JUDGMENTS, CLAIMS, DAMAGES (INCLUDING ALL CONSEQUENTIAL DAMAGES), OR EXPENSES (INCLUDING ATTORNEY'S FEES AND COURT COSTS) WHATSOEVER INCURRED BY OR THREATENED AGAINST ANY CITY INDEMNIFIED PARTY ARISING OUT OF, IN CONNECTION WITH OR BASED UPON, IN WHOLE OR IN PART, (A) ANY ACT OR OMISSION OF, OR ANY ACT ARISING OUT OF THE USE AND OPERATION OF THE LEASED PREMISES BY, SUBLESSEE, ITS OFFICERS, EMPLOYEES, ASSIGNEES, TRANSFEREES, AGENTS, AFFILIATES, SUBLESSEES, CONTRACTORS, SUBCONTRACTORS, INVITEES, LICENSEES, OR CONCESSIONAIRES (COLLECTIVELY, THE "SUBLESSEE PARTIES") UNDER OR IN CONNECTION WITH THIS SUBLEASE, THE MARINA SUBLEASE OR ANY CONCESSION AGREEMENT DURING THE TERM OF THIS SUBLEASE, (B) THE USE AND OCCUPANCY OF THE LEASED PREMISES BY ANY SUBLESSEE PARTY DURING THE TERM OF THIS SUBLEASE OR (C) THE BREACH OF THIS SUBLEASE OR ANY CONCESSION AGREEMENT BY ANY SUBLESSEE PARTY DURING THE TERM OF THIS SUBLEASE EXCEPT FOR ANY SUCH LIABILITY, LOSS, COST OR EXPENSE WHICH IS DETERMINED BY A NON-APPEALABLE DECISION OF A COURT OF COMPETENT JURISDICTION TO BE DIRECTLY ATTRIBUTABLE TO THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE CITY OR THE USACE, AS THE CASE MAY BE. THE PROVISIONS OF THIS SECTION ARE SOLELY FOR THE BENEFIT OF THE PARTIES HERETO AND ARE NOT INTENDED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, TO ANY THIRD PERSON OR ENTITY. THIS INDEMNIFICATION ALSO INCLUDES, COVERS AND RELATES TO, WITHOUT LIMITATION, ANY NEGLIGENT ACT AND/OR OMISSION (WHETHER JOINT, COMPARATIVE, OR CONCURRENT) OF ANY SUBLESSEE PARTY. THE PROVISIONS OF THIS SECTION SHALL SURVIVE THE TERMINATION OR EXPIRATION OF THIS SUBLEASE. THIS INDEMNIFICATION SHALL SURVIVE THE TERMINATION OR EXPIRATION OF THIS SUBLEASE.

Section 11.06. RELEASE. WITHOUT LIMITING SUBLESSEE'S INDEMNITY OBLIGATIONS UNDER THIS SUBLEASE, SUBLESSEE HEREBY AGREES TO RELEASE THE CITY AND THE USACE FROM AND AGAINST ANY CLAIMS, DEMANDS, ACTIONS, SUITS, CAUSES OF ACTION, DAMAGES, LIABILITIES, OBLIGATIONS, COSTS OR EXPENSES THAT SUBLESSEE MAY HAVE WITH RESPECT TO THE LEASED PREMISES OR RESULTING FROM, ARISING UNDER OR RELATED TO THIS SUBLEASE TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, PROVIDED HOWEVER, SUCH RELEASE SHALL NOT OPERATE TO LIMIT OR RESTRICT THE SUBLESSEE FROM BRINGING A CONTRACTUAL CLAIM FOR A BREACH OF AN EXPRESSLY STATED COVENANT OR OBLIGATION OF THE CITY INVOLVING A PROPRIETARY FUNCTION UNDER THIS SUBLEASE.

ARTICLE 12.

ASSIGNMENTS; TRANSFERS; MORTGAGES

Section 12.01. Transfers.

(a) Except for Approved Concession Agreements, Leasehold Mortgages permitted hereunder, and Pre-Approved Transfers (collectively, the "Permitted Transfers"), Sublessee shall not Transfer any of its rights, titles or obligations under this Sublease, any portion of the Leased Premises, Sublessee's subleasehold estate in the Leased Premises, nor any portion thereof nor all or any portion of any building or improvement erected, located or placed on the Leased Premises at any time, without having first obtained the express written approval of the City and the USACE, which approval shall not be unreasonably withheld by the City, provided that there is no Event of Default (or circumstances which, with the passing of time, giving notice, or both, would constitute an Event of Default), at the time of such request. Without purporting to limit the circumstances in which it would be reasonable for the City to withhold its consent to a proposed Transfer, it shall be deemed reasonable for the City to withhold its consent to a proposed Transfer if: (i) the proposed transferee does not, in the City's commercially reasonable and good faith judgment, possess sufficient financial and professional capabilities and expertise to satisfy the obligations of Sublessee hereunder; (ii) the proposed transferee proposes to use the Leased Premises for a use other than that permitted under this Sublease; (iii) such proposed transferee is a Prohibited Person or (iv) such Transfer would result in the Change of Control of Sublessee. For the avoidance of doubt, the foregoing prohibitions shall not apply to a Transfer to any Affiliate of Sublessee. Any Permitted Transfer or Approved Transfer shall be expressly subject to all the terms and provisions of this Sublease. No Transfer (including any Permitted Transfers or Approved Transfers) shall constitute a novation. In the event of the occurrence of an Event of Default following any Permitted Transfer or Approved Transfer, the City, in addition to any other remedies provided herein or by law, may at the City's option, collect directly from such assignee or subtenant all rents or other sums becoming due under such assignment or subletting and apply such rent against any sums due to the City hereunder. No direct collection by the City from any such assignee or subtenant or any other set of circumstances shall release Sublessee from the payment or performance of Sublessee's obligations hereunder.

(b) Prior to the effective date of any Approved Transfer and as a condition to the City's consent to such Transfer hereunder, the City shall have received:

(i) a written request for consent by the City and the USACE to such Transfer, together with reasonably detailed information concerning the type of Transfer, the interests affected by the Transfer, the identity, reputation and financial condition of the proposed transferee, and such other information related to the Transfer and the transferee as the City or the USACE may reasonably request;

(ii) a copy of the fully executed conveyance or assignment document effecting the Transfer from Sublessee to its assignee; and

(iii) a fully executed form of assignment and assumption agreement, in form and substance approved by the City in its sole discretion, pursuant to which

such sublessee or assignee agrees to be bound by the terms and conditions of this Sublease and expressly agrees to assume all duties, obligations and liabilities of the Sublessee hereunder from and after the effective date of the Transfer.

(c) The City's prior written approval shall not be required for a Pre-Approved Transfer; provided, however, all Pre-Approved Transfers shall be subject to the following:

(i) Sublessee shall provide the City with at least thirty (30) days' prior written notice of such Pre-Approved Transfer, together with proposed documentation to effectuate the Transfer and evidence reasonably satisfactory to the City to evidence: (1) the relationship of the Transfer transaction; (2) that the proposed transferee possess sufficient financial and professional capabilities and expertise to satisfy the obligations of Sublessee hereunder, and (3) that the proposed transferee shall use the Leased Premises for the uses permitted hereunder;

(ii) Sublessee shall provide the City a fully executed form of assignment and assumption agreement, in form and substance approved by the City in its sole discretion, pursuant to which such sublessee or assignee agrees to be bound by the terms and conditions of this Sublease and expressly agrees to assume all duties, obligations and liabilities of the Sublessee hereunder from and after the effective date of the Transfer;

(iii) No Pre-Approved Transfer shall release or relieve Sublessee of its obligations under this Sublease;

(iv) No Pre-Approved Transfer shall result in the Change of Control of Sublessee; and

(v) No Pre-Approved Transfer shall involve a Prohibited Person.

Section 12.02. Concession Agreements. Subject to the prior review and written approval of the City and the USACE, Sublessee shall be permitted to enter into concession agreements (each, a "Concession Agreements"), pursuant to which Sublessee may grant third parties the authority to operate commercial activities on a portion of the Leased Premises and otherwise use and operate the Slalom Shop or the Boat Repair Shop to provide the services permitted under this Sublease and the Master Lease. Sublessee must deliver a copy of any fully executed Approved Concession Agreement to the City and the USACE promptly following execution thereof.

(a) Any Concession Agreement that satisfies the requirements of this Sublease, including, without limitation, the requirements set forth in this Section 12.02(a) below, shall be deemed to be an "Approved Concession Agreement".

(i) Sublessee's entry into such Concession Agreement, and the form and substance of such Concession Agreement, must be approved in advance in writing by the City and the USACE.

(ii) Such Concession Agreement must:

(1) state that it is being granted subject to the terms, conditions and provisions of this Sublease and the Master Lease and is subject to every term, condition and provision set forth in this Sublease and the Master Lease;

(2) include provisions that provide that the Concession Agreement shall not be for a term extending beyond the Term of this Sublease;

(3) at the City's sole discretion, include the City as a direct party thereto or expressly provide that the City is a third-party beneficiary thereof;

(4) include provisions that the concessionaire is responsible for complying with all Applicable Laws, and that the concessionaire's failure to cure any non-compliance after receiving notice thereof will result in Sublessee's or the City's right to terminate the Concession Agreement;

(5) include provisions that the concessionaire is responsible for obtaining insurance identical to that required of Sublessee as described in Article 11 hereof;

(6) include provisions that the concessionaire is responsible for indemnifying the City Indemnified Parties on terms and conditions provided by the City;

(7) clarify that such Concession Agreement shall not be effective until the third-party activities have been approved by the Real Estate Contracting Officer and the City in writing; and

(8) require that the concessionaire provide the City with copies of any notices (of default or otherwise) required to be provided to Sublessee under any such Concession Agreement concurrently upon delivery of such notice(s) to Sublessee.

(b) If this Sublease terminates for any reason, including Sublessee's default, the City may, in its sole discretion, accept the attornment by any concessionaire in good standing and paying fair market rentals under the Approved Concession Agreement.

(c) Notwithstanding any Concession Agreements, assignment or transfer, Sublessee shall at all times remain fully responsible and liable for the payment of the Rent herein specified and for compliance with all of its other obligations under this Sublease (even if future assignments, conveyances or transfers occur subsequent to the assignment, conveyance or transfer by Sublessee, and regardless of whether or not the City's approval has been obtained for such future assignments, conveyances or transfers). The City shall be permitted to enforce the provisions of this Sublease against the undersigned Sublessee and/or any assignee without demand upon or proceeding in any way against any other person. Sublessee shall reimburse the City for the City's reasonable expenses incurred by

the City in connection with any request by Sublessee for any assignments, conveyances or transfers (including, without limitation, entry into any Concession Agreement).

Section 12.03. Leasehold Mortgage.

(a) Sublessee may mortgage its subleasehold estate, but not the City's leasehold estate or the USACE fee estate, in order to secure a mortgage loan to obtain financing or refinancing directly benefiting the Leased Premises so long as the conditions precedent set forth in Section 12.03(e) are satisfied. No Leasehold Mortgage shall constitute a lien on the USACE's fee title to the Leased Premises nor the City's leasehold estate in the Leased Premises, and the indebtedness secured by any Leasehold Mortgage shall at all times be and remain inferior and subordinate to all the conditions, covenants and obligations of this Sublease and to all of the rights of the City hereunder.

(b) If Sublessee permissibly mortgages or encumbers its subleasehold estate, the Leasehold Mortgagee shall in no event be required to perform the obligations of Sublessee under this Sublease unless and until the Leasehold Mortgagee becomes the owner of the subleasehold estate pursuant to foreclosure, assignment in lieu of foreclosure or otherwise; thereafter, the Leasehold Mortgagee shall remain subject to these obligations only so long as the Leasehold Mortgagee remains the owner of the subleasehold estate, and in no event shall the obligations to be performed hereunder be more expansive for the Leasehold Mortgagee than for Sublessee.

(c) With the exception of the rights granted to Leasehold Mortgagees pursuant to the express provisions of this Section 12.03, the execution and delivery of a mortgage, deed of trust or Leasehold Mortgage shall not give nor shall be deemed to give a mortgagee, a beneficiary under a deed of trust or a Leasehold Mortgagee any greater rights against the City than those granted to Sublessee hereunder.

(d) Notwithstanding the forgoing, it is specifically understood and agreed that no mortgaging by Sublessee and/or any actions taken pursuant to the terms of the Leasehold Mortgage shall ever eliminate or reduce Sublessee's obligation to pay any Rent or other amounts due hereunder and otherwise fully perform under this Sublease. Sublessee shall give prompt notice to the City of the terms of any Leasehold Mortgage. Sublessee agrees to duly and timely perform all of its obligations under any such Leasehold Mortgage.

(e) Sublessee agrees that, as a condition precedent to its right to execute any Leasehold Mortgage, it shall:

(i) obtain the USACE's prior written consent to any Leasehold Mortgage as required in the Master Lease;

(ii) obtain the City's prior written consent to any Leasehold Mortgage, which consent shall not be unreasonably withheld; provided, however, that such consent shall be deemed granted with respect to any Leasehold Mortgage in favor of Wells Fargo Bank, National Association, or any other nationally or regionally recognized banking institution, commercial lender, or financial institution having

substantially similar creditworthiness, reputation, and regulatory standing as Wells Fargo Bank, National Association, or any of their affiliates (each, a “Pre-Approved Leasehold Mortgagee”);

(iii) deliver to the City a copy of any notices received from Leasehold Mortgagee promptly upon Sublessee’s receipt;

(iv) furnish to the City the mortgage document entered into with the Leasehold Mortgagee; and

(v) cause its Leasehold Mortgagee to agree to the following:

(1) deliver to the City a copy of any notice given by the Leasehold Mortgagee to Sublessee pursuant to the Leasehold Mortgage at the time that it is given to Sublessee (provided that if Leasehold Mortgagee refuses to agree to this, Sublessee must deliver to the City a copy of any notices received from Leasehold Mortgagee promptly upon Sublessee’s receipt); and

(2) Leasehold Mortgagee will agree that there will be an ongoing covenant in the event the Leasehold Mortgagee forecloses on the Leasehold Mortgage that the Leased Premises shall continue to be operated in a first-class manner by an experienced operator of properties substantially similar to the Marina and the Leased Premises, and the City and the USACE shall have the reasonable right to approve such replacement operator of the Leased Premises and the Facilities located thereon; provided, however, that, subject to consent or approval from the USACE, Safe Harbor, Southern Marinas, and Oasis Marinas shall be deemed pre-approved operators and shall not require further consent or approval from the City, so long as, at the time of succession, such entities (A) remain engaged in the ownership or management of marina properties comparable in scope to its operations as of the Effective Date, (B) are not subject to any bankruptcy or receivership proceedings, and (C) maintain financial conditions not materially diminished from their financial conditions as of the Effective Date.

(f) The City hereby agrees to the following for the benefit of any Leasehold Mortgagee:

(i) Leasehold Mortgagee may realize on the security afforded by the subleasehold estate by exercising foreclosure proceedings or other remedies afforded at law or in equity and acquire and succeed to the interest of Sublessee by virtue of the exercise of any such remedies;

(ii) If the Leasehold Mortgage is foreclosed upon by the Leasehold Mortgagee, and the Leased Premises is acquired by such Leasehold Mortgagee or an independent third party as the result of a foreclosure sale or conveyance in lieu of foreclosure under said Leasehold Mortgage, Leasehold Mortgagee shall be permitted to exercise any rights of Sublessee under the Sublease; provided,

however, that any replacement sublessee or purchaser at a foreclosure sale shall be approved in advance in writing by the City and the USACE, unless the replacement sublessee or purchaser at the foreclosure sale is a Pre-Approved Leasehold Mortgagee, in which case such replacement sublessee or purchaser shall be deemed approved and shall not require further consent or approval from the City, subject to consent or approval from the USACE;

(iii) All notices required to be given to Sublessee pursuant to the terms of this Sublease shall be given simultaneously to the Leasehold Mortgagee, so long as the City has been given written notice of its address, and no notice shall be effective against Leasehold Mortgagee, and no grace period or cure period shall commence with respect to Leasehold Mortgagee, until such notice has been given to Leasehold Mortgagee;

(iv) All grace periods or rights to cure or remedy defaults held by Sublessee or to which Sublessee is entitled by reason of any notice hereunder shall likewise be held by the Leasehold Mortgagee (provided that, so long as Leasehold Mortgagee has commenced to cure the default and is proceeding with due diligence to cure the default, Leasehold Mortgagee shall receive an additional thirty (30) days to cure any such defaults, and if such default cannot reasonably be cured within a thirty (30) day period (as determined by the City in its reasonable judgment) and Leasehold Mortgagee is diligently proceeding to cure the default (as determined by the City in its reasonable judgment), Leasehold Mortgagee shall have such additional time period to cure the default as may be reasonably required not to exceed one hundred twenty (120) days);

(v) If the Leased Premises is acquired by such Leasehold Mortgagee or an independent third party as the result of a foreclosure sale or conveyance in lieu of foreclosure under said Leasehold Mortgage, the City agrees not to terminate the Sublease in connection with such foreclosure sale or conveyance in lieu thereof, provided that (A) Leasehold Mortgagee or such third party prosecutes and completes such foreclosure or other appropriate proceedings to acquire possession of and control over Sublessee's subleasehold estate in the Sublease with reasonable diligence, (B) during the pendency of any such foreclosure or other proceedings with respect to Sublessee's interest in the Sublease, Leasehold Mortgagee cures any defaults of Sublessee under this Sublease susceptible of being cured by Leasehold Mortgagee without possession of the Leased Premises by the Leasehold Mortgagee, (C) upon Leasehold Mortgagee's acquiring possession of the Leased Premises, it expressly assumes Sublessee liabilities and obligations and privileges under the Sublease and promptly commences to cure any default of Sublessee susceptible of being cured by Leasehold Mortgagee after Leasehold Mortgagee obtains possession of the Leased Premises, and (D) any successor-in-interest to Sublessee or any third party operator of the Marina put in place following Leasehold Mortgagee's obtaining possession of the Leased Premises shall be deemed approval and shall not require further approval by the City, subject to approval from the USACE in writing;

(vi) If the Sublease, without the consent of Leasehold Mortgagee, is terminated for any reason (whether by reason of default of the City or Sublessee, rejection of the Sublease in any bankruptcy case, voluntary surrender and acceptance, or otherwise) prior to its stated Term, then Sublessee shall provide written notice of such termination to Leasehold Mortgagee and, upon written request from Leasehold Mortgagee made within thirty (30) days after such notification, the City shall enter into a new sublease of the Leased Premises with Leasehold Mortgagee subject to prior written approval of the USACE as required under the Master Lease. The new sublease shall be effective as of the date of termination of the Sublease and be on the same terms and conditions as this Sublease (including, without limitation, any rights or options to extend the Term of this Sublease) and shall not materially expand or reduce the rights or obligations of the City or the successor sublessee thereunder. Leasehold Mortgagee and its nominee shall not be liable for or otherwise be required to cure any defaults which are personal to Sublessee (such as, for example, any default arising by virtue of any bankruptcy, insolvency or dissolution of Sublessee). The City's entry's into the new sublease, if any, shall be conditioned upon the following: (A) Leasehold Mortgagee shall have cured all defaults under the Sublease that can be cured by the payment of money or performance of an action and paid to the City all Rent and other sums that would have been due and payable by Sublessee under this Sublease but for such termination; (B) Leasehold Mortgagee shall reimburse the City for all reasonable costs and expenses incurred in entering into the new lease (including, without limitation, all attorneys' fees) and (C) the counterparty to the new sublease, as the new sublessee thereunder, has been approved in writing by the City and the USACE, unless the counterparty is a Pre-Approved Leasehold Mortgagee, in which case such counterparty shall be deemed approved and shall not require further consent or approval from the City, subject to consent or approval from the USACE. To the extent practicable, such new sublease shall have the same priority as this Sublease as of the Effective Date; provided, however, that the City shall not be deemed to have represented or covenanted that such new sublease shall be superior to encumbrances suffered or created by Sublessee, or claims of Sublessee, its other creditors or a judicially appointed receiver or trustee for Sublessee;

(vii) In any case commenced by or against the City under Title 11 of the United States Code (the "Bankruptcy Code"), if the City elects to reject the Sublease pursuant to the provisions of the Bankruptcy Code, the rejection will not terminate the Sublease but will be treated only as a breach of the Sublease by the City. The City further agrees that in such a bankruptcy case Sublessee shall be deemed in possession of the Leased Premises for purposes of Section 365(h) of the Bankruptcy Code, whether Sublessee has retained actual occupancy and use, or has by sublease, assignment or license permitted third parties to occupy and use portions of the Leased Premises; and as a result, upon a rejection of the Sublease by the City, Sublessee shall have the right to elect to remain in possession of the Leased Premises under Section 365(h). The City acknowledges that Leasehold Mortgagee shall have a lien on any rights and interests acquired or retained by Sublessee as a result of the City's rejection of the Sublease. The City acknowledges that Leasehold Mortgagee has in such bankruptcy case a power of attorney or other right to act for

and on behalf of Sublessee in relation to any proposed rejection or assumption of the Sublease (but Leasehold Mortgagee shall not have any obligations under the Sublease unless Leasehold Mortgagee expressly assumes the same); and

(viii) In addition, at Sublessee's option, the City will consent to the following for the benefit of any Leasehold Mortgagee:

(1) an assignment of Sublessee's share of the net proceeds from any award or other compensation resulting from a total or partial taking as set forth in Article 17 of this Sublease,

(2) a collateral assignment of this Sublease subject to the terms and conditions set forth in Section 12.03(e) above, and

(3) that, effective on a default in any Leasehold Mortgage, subject to the terms and conditions otherwise set forth herein, the Leasehold Mortgagee may (A) foreclose the Leasehold Mortgage pursuant to a power of sale by judicial proceedings or other lawful means and sell the subleasehold estate to the purchaser at the foreclosure sale, provided, however, that the purchaser has been approved in advance in writing by the City and the USACE, unless the purchaser is a Pre-Approved Leasehold Mortgagee, in which case such counterparty shall be deemed approved and shall not require further consent or approval from the City, subject to consent or approval from the USACE, (B) appoint a receiver, irrespective of whether any Leasehold Mortgagee accelerates the maturity of all indebtedness secured by the Leasehold Mortgage, (C) enter and take possession of the Leased Premises, manage and operate the same, collect the subrentals, issues and profits therefrom and cure any default under the Leasehold Mortgage or any default by Sublessee under this Sublease, and (D) assign Sublessee's right, title and interest in and to the premiums for or dividends on any insurance required by the terms of this Sublease, as well as in all refunds or rebates of taxes or assessments on or other charges against the Leased Premises, whether paid or to be paid, provided that none of the foregoing shall be effective with respect to the City until notice of the existence of the Leasehold Mortgage is delivered to the City.

(g) The City agrees to provide Sublessee with copies of all notices given by the USACE to the City of a default under the Master Lease and the USACE's intent to terminate the Master Lease if such default is not timely cured within twenty (20) days of receipt by the City of such notice. If the USACE notifies the City of a default under the Master Lease and the USACE's intent to terminate the Master Lease if such default is not timely cured, and: (i) the default relates to the Leased Premises, (ii) such default is not caused by a Sublessee Event of Default hereunder, (iii) the USACE provides the City with an opportunity to cure such default, and (iv) the USACE permits the cure of such default by Sublessee or any Leasehold Mortgagee on the City's behalf, then Sublessee and any Leasehold Mortgagee, at each of their options and in their sole discretion, shall be permitted to cure any of the City's defaults under the Master Lease; provided, however,

that the City is only required to provide Sublessee and its Leasehold Mortgagee with the same cure period as the cure period provided by the USACE (if any), and any extension of such cure period shall be in the USACE's sole discretion. Sublessee's and its Leasehold Mortgagee's right to cure defaults is for the full protection of Sublessee and its Leasehold Mortgagee, and the existence of this right shall not release the City from the obligation to perform all of its obligations under the Master Lease or deprive Sublessee or its Leasehold Mortgagee of any other right which Sublessee or its Leasehold Mortgagee may have by reason of such default by the City.

(h) The City represents and warrants to Sublessee, as of the Effective Date, that, to the City's current actual knowledge, (a) the USACE is not in default of its obligations under the Master Lease; and (b) no event has occurred or failed to occur that, with the passage of time, the giving of notice or both would constitute a default or breach by the USACE or the City of their respective obligations and liabilities under the Master Lease, subject, however, to Sublessee's obligation to complete the Development Obligations (as defined in the Marina Sublease) in accordance with the terms and conditions of the Marina Sublease to comply with the USACE Outgrant Requirements. To the City's current actual knowledge, the City is not entitled to any refunds, rebates, offsets, or credits with respect to any amounts paid by the City under the Master Lease, and the City has no claim, counterclaim, or other defense to the payment of rent or other amounts due or to become due under the Master Lease or the performance of any of the City's other obligations under the Master Lease. The City, as of the Effective Date, has not assigned the Master Lease, in whole or in part, nor has the City assigned any of its rights, title, or interests under the Master Lease, and, as of the Effective Date, the City has the full power and authority to transfer good subleasehold title in and to the Leased Premises to Sublessee. As of the Effective Date, the Master Leased Property is tenantable and occupied by the City.

ARTICLE 13.

DEFAULT AND REMEDIES

Section 13.01. Events of Default. Any of the following occurrences or acts shall constitute an event of default (each, an "Event of Default") under this Sublease:

(a) If Sublessee shall fail to fully and timely comply with any of its Removal and Demolition Obligations by the deadlines specified therefore, subject to Force Majeure;

(b) If Sublessee shall fail to fully and timely comply with any of its Operating Obligations;

(c) If Sublessee shall fail to fully comply with the USACE Outgrant Requirements, and such default shall continue for more than the lesser of (i) thirty (30) days after receipt by Sublessee of (1) the USACE's written notice to either the City or the Sublessee identifying such default, or (2) the City's written notice to Sublessee of such default, or, to the extent permitted by the USACE Outgrant Requirements, such longer period if such default cannot be reasonably cured within such thirty (30) day period, provided that Sublessee diligently commences the cure within the thirty (30) day period

and diligently prosecutes such cure to completion and (ii) the period of time granted by the USACE to the City or the Sublessee in the USACE's written notice identifying such default, if applicable;

(d) If Sublessee shall fail to pay any installment of Rent or any other payment due under this Sublease, and such failure shall continue for a period of ten (10) days following receipt of written notice from the City of such delinquency;

(e) If Sublessee shall fail to observe, perform or comply with any provision of this Sublease, other than those other provisions specifically referred to hereinabove in this Section 13.01, and such default shall continue for more than thirty (30) days after receipt by Sublessee of the City's written notice to Sublessee of such default, or such longer period if such default cannot be reasonably cured within such thirty (30) day period, provided that Sublessee diligently commences the cure within the thirty (30) day period and diligently prosecutes such cure to completion;

(f) If Sublessee shall make a general assignment for the benefit of creditors, or shall file a petition in bankruptcy, or shall be adjudicated, bankrupt or insolvent, or shall file a petition seeking any reorganization, arrangement, composition readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, or shall file an answer admitting or shall fail reasonably to contest the material allegations of a petition filed against it in any such proceeding, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of Sublessee or any material part of its properties;

(g) If, within ninety (90) days after commencement of any proceeding against Sublessee seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, such proceeding shall not have been dismissed, or within ninety (90) days after the appointment without the consent or acquiescence by Sublessee, of any trustee, receiver or liquidator of Sublessee or of any material part of its properties, such appointment shall not have been vacated;

(h) If a final judgment for the payment of money in any material amount in excess of One Million Dollars (\$1,000,000) and which is not covered by any insurance insuring the interest of Sublessee shall be rendered against Sublessee, and within ninety (90) days after the entry thereof such judgment shall not have been discharged or execution thereof stayed pending appeal or if within ninety (90) days after the expiration of such stay, such judgment shall not have been discharged; or

Section 13.02. Remedies of the City. Upon the occurrence of any of the Events of Default described herein, which default remains uncured after the respective period set forth above, the City shall have the option to pursue any one or more of the following remedies without notice or demand whatsoever:

(a) Terminate this Sublease, in which event Sublessee shall immediately surrender the Leased Premises to the City. If Sublessee fails to so surrender the Leased

Premises, the City may, without prejudice to any other remedy which the City may have for possession of the Leased Premises or arrearages in Rent, enter upon and take possession of the Leased Premises and expel or remove Sublessee and any other person who may be occupying the Leased Premises or any part thereof, without being liable for prosecution or any claim for damages therefor.

(b) Enter upon and take possession of the Leased Premises without terminating this Sublease and without being liable for prosecution or for any claim for damages therefor, and expel or remove Sublessee and any other person who may be occupying the Leased Premises or any part thereof, the City may relet the Leased Premises and receive the Rent therefor.

(c) Enter upon the Leased Premises without terminating this Sublease and without being liable for prosecution or for any claim for damages therefor, and do whatever Sublessee is obligated to do under the terms of this Sublease. Sublessee agrees to pay the City on demand for all costs and expenses which the City may incur in thus effecting compliance with Sublessee's obligations under this Sublease (including, but not limited to, all attorneys' fees). The City shall not be liable for any damages resulting to Sublessee from such action, whether caused by negligence of the City or otherwise.

(d) Pursuit of any of the remedies hereunder shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any Rent due to the City hereunder or of any damages accruing to the City by reason of the violation of any of the terms, conditions and covenants herein contained. The City shall be entitled to pursue all available remedies at law or in equity, including, without limitation, suit for damages, injunctive relief or specific performance.

ARTICLE 14.

HISTORIC PRESERVATION; ENVIRONMENTAL COVENANTS

Section 14.01. Historic Preservation. Sublessee shall not remove or disturb, or cause or permit to be removed or disturbed, any historical, archaeological, architectural or other cultural artifacts, relics, remains, or objects of antiquity. In the event such items are discovered on the Leased Premises, Sublessee shall immediately notify the City and protect the site and the material from further disturbance until the City gives clearance to proceed, which clearance shall not be unreasonably withheld or delayed.

Section 14.02. Environmental Covenants. Sublessee covenants that (a) except in accordance with all Applicable Laws and as is reasonably necessary in the ordinary course of business of Sublessee, no Hazardous Materials, including, without limitation, asbestos and the group of organic compounds known as polychlorinated biphenyls (except such substances as are used in accordance with all Applicable Laws), shall be generated, treated, stored or disposed of, or otherwise deposited in or located on, or released on or to the Leased Premises, including, without limitation, the surface and the subsurface waters of the Leased Premises, (b) Sublessee will not engage in and will not permit any other party to engage in any activity on the Leased

Premises which would cause (i) the Leased Premises to become a hazardous waste treatment storage or disposal facility within the meaning of, or otherwise bring the Leased Premises within the ambit of, RCRA or any similar state law or local ordinance or other Environmental Law, (ii) a release or threatened release of any Hazardous Material from or to the Leased Premises within the ambit of, CERCLA, or any similar state law or local ordinance of any other Environmental Law, or (iii) the discharge (except in accordance with all Applicable Laws) of pollutants or effluents into any water source or system, or the discharge (except in accordance with all Applicable Laws) into the air of any emissions, which would require a permit under the Federal Water Pollution Control Act, 33 U.S.C. §1251, et seq., or the Clean Air Act, 42 U.S.C. §7401, et seq., or any similar state law or local ordinance or any other Environmental Law, (c) Sublessee will not permit any Hazardous Materials, substances or other conditions in or on the Leased Premises which might support a claim or causes of action under RCRA, CERCLA, or any other Environmental Law, and (d) no other ground storage tank will be located on or under the Leased Premises, as presently exists, or with the express written approval of the City and USACE. As used herein, the term "release" shall have the meaning specified in CERCLA, and the terms "solid waste" and "disposal" (or "disposed") shall have the meanings specified in RCRA; provided, in the event either CERCLA or RCRA is amended so as to broaden the meaning of any term defined thereby, such broader meaning shall apply subsequent to the effective date of such amendment, provided, further, to the extent that the laws of the State of Texas establish a meaning for such terms which is broader than that specified in either CERCLA or RCRA, such broader meaning shall apply.

(a) Subject to the terms and conditions set forth in Section 14.02(d) below clarifying that Sublessee is only responsible for environmental conditions that directly result from, or are directly related to, the acts or omissions of Sublessee during the Term of this Sublease, in the event Sublessee or the City is obligated by any Applicable Law or otherwise directed by any governmental agency or authority, to remediate, clean up, remove or encapsulate or cause the remediation, clean-up, removal or encapsulation of any Hazardous Materials from the Leased Premises, Sublessee hereby guarantees to the City that Sublessee (i) shall promptly undertake to arrange for such remediation, clean up, removal or disposal in accordance with all Applicable Laws and any directions by any governmental agency or authority, (ii) shall exercise its best efforts to insure that such remediation, clean up or removal shall be conducted in a timely and diligent manner, and (iii) hereby assumes the costs and expense, including any fines, of such remediation, clean up, removal or disposal. In the alternative, the City, in its sole discretion, may directly cause such remediation, clean-up, removal or encapsulation of any Hazardous Materials from the Leased Premises, and Sublessee shall pay the City on demand any amounts incurred by the City in connection therewith.

(b) Subject to the terms and conditions set forth in Section 14.02(d) below clarifying that Sublessee is only responsible for environmental conditions that directly result from, or are directly related to, the acts or omissions of Sublessee during the Term of this Sublease, in the event that any lien is recorded or filed against the Leased Premises pursuant to any Environmental Law or other governmental regulation regarding Hazardous Materials, Sublessee hereby guarantees to the City that Sublessee shall, not later than thirty (30) days following the filing of such lien, satisfy the claim and cause the lien thereunder to be discharged of record (whether by payment, bonding or as otherwise permitted hereunder).

(c) SUBJECT TO THE TERMS AND CONDITIONS SET FORTH IN SECTION 14.02(D) BELOW CLARIFYING THAT SUBLESSEE IS ONLY RESPONSIBLE FOR ENVIRONMENTAL CONDITIONS THAT DIRECTLY RESULT FROM, OR ARE DIRECTLY RELATED TO, THE ACTS OR OMISSIONS OF SUBLESSEE DURING THE TERM OF THIS SUBLEASE, SUBLESSEE SHALL PROTECT, DEFEND, INDEMNIFY AND SAVE HARMLESS THE CITY INDEMNIFIED PARTIES FROM AND AGAINST ALL LOSS (INCLUDING DIMINUTION IN THE VALUE OF THE LEASED PREMISES), COST, DAMAGE, LIABILITY, OBLIGATION, CAUSES OF ACTION, FINE, PENALTY OR EXPENSE (INCLUDING ATTORNEYS' FEES AND EXPENSES FOR INVESTIGATION, INSPECTION, REMOVAL, CLEAN UP, AND REMEDIAL COSTS INCURRED TO PERMIT CONTINUED OR RESUME NORMAL OPERATION OF THE LEASED PREMISES), IMPOSED UPON OR INCURRED BY OR ASSERTED AGAINST THE CITY BY REASON OF (I) THE PRESENCE, DISPOSAL, ESCAPE, SEEPAGE, LEAKAGE, SPILLAGE, DISCHARGE, EMISSION, RELEASE, OR THREATENED RELEASE OF ANY HAZARDOUS MATERIALS ON, FROM, OR AFFECTING THE LEASED PREMISES OR ANY OTHER PROPERTY OR THE PRESENCE OF HAZARDOUS MATERIALS ON THE LEASED PREMISES OR ANY PORTION THEREOF; (II) ANY PERSONAL INJURY (INCLUDING WRONGFUL DEATH) OR PROPERTY DAMAGE (REAL OR PERSONAL) ARISING OUT OF OR RELATED TO SUCH HAZARDOUS MATERIALS; (III) ANY LAWSUIT BROUGHT OR THREATENED, SETTLEMENT REACHED, OR GOVERNMENT ORDER RELATING TO SUCH HAZARDOUS MATERIALS; OR (IV) ANY VIOLATION OF ANY ENVIRONMENTAL LAW, OR OTHER ORDER, REGULATION, REQUIREMENT OR DEMAND OF ANY GOVERNMENTAL AUTHORITY, WHICH ARE BASED UPON OR IN ANY WAY RELATED TO SUCH HAZARDOUS MATERIALS INCLUDING, WITHOUT LIMITATION, THE COSTS AND EXPENSES OF ANY REMEDIAL ACTION, ATTORNEY AND CONSULTANT FEES, INVESTIGATION AND LABORATORY FEES, COURT COSTS, AND LITIGATION EXPENSES. THE PROVISIONS OF THIS SECTION SHALL SURVIVE THE TERMINATION OR EXPIRATION OF THIS SUBLEASE.

(D) NOTWITHSTANDING ANY PROVISION IN THIS SUBLEASE, SUBLESSEE SHALL NOT BE RESPONSIBLE, AND SHALL HAVE NO OBLIGATIONS, UNDER THIS SECTION 14.02 OR ELSEWHERE IN THIS SUBLEASE FOR ANY ENVIRONMENTAL CONDITIONS, OR FOR ANY REPLACEMENT, REMEDIATION, OR MONITORING OF ANY ENVIRONMENTAL CONTAMINATION ON THE LEASED PREMISES RESULTING FROM OR RELATED TO SUCH ENVIRONMENTAL CONDITIONS, EXCEPT TO THE EXTENT SUCH ENVIRONMENTAL CONDITIONS RESULT FROM OR ARE RELATED TO THE ACTS OR OMISSIONS OF SUBLESSEE DURING THE TERM OF THIS SUBLEASE.

Section 14.03. Soil and Water Conservation. Sublessee shall maintain in a manner reasonably satisfactory to the City, all soil and water conservation structures that may be in existence upon the Leased Premises at the beginning of, or that may be constructed by Sublessee

during the Term of this Sublease, and Sublessee shall take appropriate measures to prevent or control soil erosion within the Leased Premises.

Section 14.04. Natural Resources. Sublessee shall cut no timber, conduct no mining operations, remove no sand, gravel, or kindred substances from the ground, commit no waste of any kind, nor in any manner substantially change the contour or condition of the Leased Premises, except as may be authorized by the City and the USACE or as may be incidental to construction of improvements in accordance with plans and specifications approved by the City and the USACE in writing.

Section 14.05. Waiver of Liability. Neither the City nor the USACE shall be responsible for damages to property or injuries to persons which may arise from or be incident to the use and occupation of the Leased Premises, nor for damages to the property of any Sublessee Party, or for injuries to the person of any Sublessee Party, arising from or incident to the flooding of the said Leased Premises by the USACE or flooding from any other cause, or arising from or incident to any other governmental activity, and Sublessee shall hold the City and the USACE harmless from any and all such claims.

ARTICLE 15.

COVENANTS AND WARRANTIES

Section 15.01. The City's Power and Authority. The City hereby represents and warrants that it is the lessee under the Master Lease, and that, pursuant thereto, it has the full power and authority to enter into this Sublease, subject to the USACE right of approval of the terms set forth herein. The City further represents and warrants that the City shall not subject this Sublease to any encumbrances or liens, except those approved in writing by Sublessee.

Section 15.02. Sublessee's Quiet Enjoyment. Except as otherwise expressly set forth in Article 7 above, the City covenants and agrees that Sublessee, so long as Sublessee is paying the Rent and other charges required to be paid herein and is not in default of any terms and conditions of this Sublease beyond any applicable notice and cure periods, shall lawfully and quietly hold, occupy, and enjoy the Leased Premises during the term of this Sublease without hindrance or molestation of the City or any other person claiming by, through or under the City.

Section 15.03. Certain Non-Discrimination Matters. Sublessee covenants and agrees that the Facilities existing on and operated on the Leased Premises shall be open to and for use by the general public and that Sublessee, its assignees, lessees or concessionaires shall not discriminate against any person or persons or exclude any persons from participation in and use of the Facilities or any other programs or activities conducted on the Leased Premises because of race, color, age, sex, handicap, national origin or religion. Sublessee, by acceptance of this Sublease, hereby gives assurances that Title VI of the Civil Rights Act of 1964 (Public Law 88- 352) and all requirements imposed by or pursuant to the Directive of the Department of Defense (32) CFR Part 300 issued as Department of Defense Directive 5500.11. 27 May 1971) will be complied with.

Section 15.04. Compliance with Laws. Sublessee covenants and agrees that it shall comply with all Applicable Laws, including, without limitation, all Environmental Laws, relating to the

Leased Premises and the construction, use, condition or occupancy of any improvements on the Leased Premises and the use of all personal property used on the Leased Premises or in or related to the operation of any improvements thereon. Without limiting the foregoing, Sublessee expressly covenants and agrees that all buildings and other improvements constructed on the Leased Premises shall be constructed in accordance with the building codes and regulations and inspection procedures imposed by the City on commercial construction within the City's municipal boundaries.

Section 15.05. Estoppel Certificates. Upon the written request of either Party to this Sublease, the other covenants that it shall execute, acknowledge and deliver to the requesting Party, a written statement certifying: (i) that none of the terms or provisions of this Sublease have been changed (or if they have been changed, stating how they have been changed); (ii) that this Sublease has not been canceled or terminated; (iii) the last date of payment of Base Rent and other charges, and the time period covered by such payment; and (iv) that the other Party is not in default under this Sublease (or, if the other Party is claimed to be in default, stating why). Such Party shall deliver such statement to the Party requesting the same within ten (10) days after the requesting Party's request.

Section 15.06. Immigration Reform And Control Act (8 U.S.C 1324a). The City supports the Immigration Reform and Control Act (IRCA), which is a comprehensive scheme prohibiting the employment of unauthorized aliens in the United States. Sublessee shall at all times during the Term of this Sublease comply with the requirements of IRCA and shall notify the City within fifteen (15) working days of receiving notice of a violation of IRCA. Sublessee also warrants that it has not had an IRCA violation within the last five (5) years.

Section 15.07. 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. Sublessee must verify the identity and employment eligibility of anyone to be hired, which includes completing the Employment Eligibility Verification Form (I-9). Sublessee shall establish appropriate procedures and controls so no services under this Sublease will be performed by any worker who is not legally eligible to perform such services or employment. The City reserves the right to audit Sublessee's employment records to verify the existence of a completed Employment Eligibility Verification Form (I-9) for every worker performing services under this Sublease. The audit will be at Sublessee's expense.

Section 15.08. Anti-Boycott Verification. Sublessee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other Affiliates, if any, do not boycott Israel and, to the extent this Sublease is construed to be a contract for goods or services, will not boycott Israel during the Term of this Sublease. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, but only to the extent such section is applicable, and to the extent such Section does not contravene applicable federal law. As used in the foregoing verification, 'boycott Israel' means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business

purposes.

Section 15.09. Iran, Sudan and Foreign Terrorist Organizations.

(a) Sublessee represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other Affiliates, if any, is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website: <https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>, <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or <https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

(b) The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such section does not contravene applicable federal law and excludes Sublessee and each of its parent company, wholly- or majority-owned subsidiaries, and other Affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

Section 15.10. Ethics Disclosure. Sublessee represents that it has completed a Texas Ethics Commission ("TEC") form 1295 ("Form 1295") generated by the TEC's electronic filing application in accordance with the provisions of Texas Government Code 2252.908 and the rules promulgated by the TEC. The Parties agree that, with the exception of the information identifying the City and the contract identification number, the City is not responsible for the information contained in the Form 1295. The information contained in the Form 1295 has been provided solely by Sublessee and the City has not verified such information.

Section 15.11. Prohibited Persons and Transactions. Sublessee covenants, represents and warrants that as of the Effective Date and at all times during the Term: (a) neither Sublessee nor any of its Affiliates, nor any of their respective partners, members, shareholders or other equity owners, and none of their respective employees, officers, directors, representatives or agents is, nor will they become, a person or entity with whom U.S. persons or entities are: (a) restricted from doing business under regulations of the Office of Foreign Assets Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated Nationals and Blocked Persons List); (b) neither Sublessee nor any of its Affiliates, nor any of their respective partners, members, shareholders or other equity owners, and none of their respective employees, officers, directors, representatives or agents are or will be in violation of any Applicable Law relating to terrorism or money laundering (collectively, the "Anti-Terrorism Laws"), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 and relating to Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (the "Executive Order") and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107-56) (the "USA Patriot Act"); and (c) neither Sublessee nor any of its Affiliates, nor any of their respective partners, members, shareholders or other equity owners, and none of their respective employees, officers, directors, representatives or agents is a Prohibited Person. Sublessee will not attempt to effectuate any Transfer to any Prohibited Person

(and any such Transfer shall be void), contract with or otherwise engage in any dealings or transactions or be otherwise associated with any Prohibited Persons.

ARTICLE 16.

GENERAL PROTECTIVE PROVISION

Section 16.01. Relationship Between Parties. The relationship between the City and Sublessee at all times shall remain solely that of sublessor and sublessee and not be deemed to be a partnership or joint venture.

Section 16.02. Force Majeure. To the extent Sublessee is prevented by Force Majeure from carrying out, in whole or part, any of its obligations under this Sublease (expressly excluding Sublessee's obligation to pay Rent or other sums due by Sublessee to the City hereunder) and Sublessee gives written notice and details of the Force Majeure to the City as soon as practicable (but no later than thirty (30) days after the commencement of any Force Majeure event), then the deadline for Sublessee's completion of such obligation shall be extended by one (1) day for each day that Sublessee is actually delayed in completing such obligation due to such Force Majeure. Sublessee will use commercially reasonable efforts to eliminate or avoid the Force Majeure and resume performing its obligations hereunder; provided, however, that neither Party is required to settle any strikes, lockouts or similar disputes except on terms acceptable to such Party, in its sole discretion. "Force Majeure" means: fire, earthquake, flood, tornado or other acts of God and natural disasters; strikes or labor disputes; war, civil strife or other violence; pandemic, epidemic or other infectious disease (including due to governmental restriction or widely followed voluntary practice), any law, order, proclamation, regulation, ordinance, action, demand or requirement of any government agency, or any other act or condition beyond the reasonable control of a Party that cannot be remedied by the payment of money.

Section 16.03. No Waiver. No waiver by the City of any default or breach of any covenant, condition, or stipulation herein contained shall be treated as a waiver of any subsequent default, or breach of the same or any other covenant, condition, or stipulation hereof.

Section 16.04. Use Clause. Sublessee agrees not to use the Leased Premises or any building or improvement situated upon said Leased Premises, or any part thereof for any use or purpose in violation of any Applicable Law, regulation, or ordinance of the United States, the State of Texas or the City, or other lawful authority having jurisdiction over the Leased Premises.

Section 16.05. Other Agreements and Remedies. Nothing in this Sublease is intended to constitute a waiver by the City of any remedy the City may have outside this Sublease against Sublessee. The obligations of Sublessee hereunder shall be those as a Party hereto and not solely as a sublessee of the Leased Premises. Nothing herein shall be construed, nor is intended, to affect the City's or Sublessee's rights and duties to perform its obligations under other agreements, regulations and ordinances.

Section 16.06. No Waiver of Governmental Powers and Immunities. The City does not waive or surrender any of its governmental powers, immunities or rights and, notwithstanding any provision in this Sublease, this Sublease does not control, waive, limit or supplant the legislative

authority or discretion of the City Council.

ARTICLE 17.

CONDEMNATION

Section 17.01. If during the Term of this Sublease, any part of the Leased Premises shall be acquired or condemned by eminent domain for any public or quasi-public use or purpose, or are sold to a condemning authority under threat of condemnation, and after such taking by or sale to said condemning authority the remainder of the Leased Premises is not susceptible to efficient and economic occupation and operation by Sublessee, this Sublease shall automatically terminate as of the date that said condemning authority takes possession of the Leased Premises.

Section 17.02. If after such taking by or sale to said condemning authority the remainder of the Leased Premises is susceptible to efficient and economic occupation and operation by Sublessee, in Sublessee's commercially reasonable discretion, this Sublease shall not terminate.

Section 17.03. If this Sublease is not terminated pursuant to Section 17.01, Sublessee shall promptly upon receipt of the proceeds of the condemnation award restore the improvements on the Leased Premises, and the condemnation proceeds to which the City and Sublessee are entitled shall be awarded and paid first to cover the costs and expenses for restoring the remaining portion of the Leased Premises to a condition susceptible to efficient and economic occupation and operation by Sublessee, and any remaining proceeds to which the City and Sublessee are entitled shall be awarded and paid to the City and Sublessee, as their interest may appear. Sublessee may, but shall not be required to, expend amounts in excess of the amount of any award it receives in order to restore the remaining portion of the Leased Premises to operation. If this Sublease is terminated pursuant to Section 17.01, condemnation proceeds to which the City and Sublessee are entitled shall be awarded and paid to the City and Sublessee as their interests may appear.

ARTICLE 18.

MISCELLANEOUS

Section 18.01. Delivery of Notice. All notices, demands, or requests from one Party to another shall be (a) personally delivered, (b) sent by United States mail certified, registered, return receipt requested, postage prepaid, (c) sent via overnight delivery by Federal Express, UPS or other nationally recognized overnight carrier or (d) sent via electronic mail (with a copy sent by one of the foregoing methods within one (1) Business Day following such electronic mail being sent), to the addresses stated in this Section:

| | |
|-----------------|--|
| If to the City: | The City of Lewisville c/o City Manager's Office 151 West Church Street Lewisville, Texas 75057 Attn: City Manager Email: ClairePowell@cityoflewisville.com |
|-----------------|--|

With a Copy to: The City of Lewisville
 c/o City Attorney's Office
 P.O. Box 299002
 Lewisville, Texas 75029
 Attn: City Attorney
 Email: lplaster@cityoflewisville.com

If to Sublessee: Argo SMI Eagle Point, LLC
 17330 Preston Road, Suite 100C
 Dallas, Texas 75252
 Attn: Chris Petty
 Email: cpetty@suntex.com

Such written notices, demands, and communications will be effective on the date shown on the delivery record as the date delivered or in the case of certified mail two (2) Business Days following deposit of such instrument in the United States Mail, or in the case of electronic mail, if sent before 5:00 p.m. on a Business Day, then on the day such electronic mail was sent and otherwise on the immediately following Business Day (so long as a copy was sent by one of the other methods prescribed in this Section 19.01 within one (1) Business Day following such electronic mail being sent). The addresses and addressees for the purpose of this Section may be changed by giving notice of such change in the manner herein provided for giving notice. Unless and until such written notice is received the last addresses and addressee stated by written notice, or provided herein if no written notice of change has been sent or received, shall be deemed to continue in effect for all purposes hereunder.

Section 18.02. Parties Bound: Authority to Execute Sublease. This Sublease shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns where permitted by this Sublease. The undersigned officers and/or agents of the Parties hereto are the properly authorized officials and have the necessary authority to execute this Sublease on behalf of the Parties hereto, and each Party hereby certifies to the other that any necessary resolutions or other act extending such authority have been duly passed and are now in full force and effect.

Section 18.03. Texas Law to Apply. This Sublease shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the Parties created hereunder are performable in Denton County, Texas. Venue for any action hereunder shall be in Denton County, Texas.

Section 18.04. Severability. In case of any one or more of the provisions contained in this Sublease shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof and this Sublease shall be construed as if such invalid, illegal, or unenforceable provision had never been

contained herein.

Section 18.05. Prior Agreements Superseded. This Sublease constitutes the sole and only agreement of the Parties hereto and supersedes any prior understandings or written or oral agreements between the Parties respecting the within subject matter.

Section 18.06. Amendment. No amendment, modification or alteration of the terms hereof shall be binding unless the same be in writing, dated subsequent to the date hereof and duly executed by the Parties hereto, and approved in writing by the Real Estate Contracting Officer.

Section 18.07. Rights and Remedies Cumulative. The rights and remedies provided by this Sublease are cumulative and the use of any one right or remedy by either Party shall not preclude or waive its right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the Parties may have by law statute, ordinance, or otherwise.

Section 18.08. Attorney's Fees. In the event the City or Sublessee breaches any of the terms of this Sublease whereby the Party not in default employs attorneys to protect or enforce its rights hereunder and prevails, then the defaulting Party agrees to pay the other Party reasonable attorney's fees so incurred by such other Party. Sublessee shall reimburse the City on demand for all reasonable fees and expenses (including attorney's fees) which it incurs in connection with the seeking and obtaining of permits and approvals required of the City hereunder. The City or its attorney shall advise Sublessee in advance of incurring such fees or expenses, of the approximate amount of said fees or expenses and shall obtain Sublessee's approval for said expenditures before incurring same.

Section 18.09. Time of Essence. Time is of the essence in this Sublease.

[Signature Pages Follow.]

IN WITNESS WHEREOF, the Parties hereto have caused this Sublease to be executed by their respective duly authorized representatives as of the date noted below but to be effective for all purposes as of the Effective Date.

CITY:

THE CITY OF LEWISVILLE, TEXAS,
a home rule city

By: _____

Name: _____

Title: _____

Date: _____

LESSEE:

ARGO SMI EAGLE POINT, LLC,
a Delaware limited liability company

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT A-1

LEASED PREMISES

LEGAL DESCRIPTION

UPLAND LEASE AREA

119.178 Acres**

City of Lewisville

Denton County, Texas

BEING all that certain lot, tract, or parcel of land, situated in the S. Luttrell Survey, Abstract Number 743, the W. Ramsey Survey, Abstract Number 1076, and the P. Wagner Survey, Abstract Number 1342, being part of United States of America Tract, described as Tract D354 recorded in Volume 379, Page 169, and Tract D355A recorded in Volume 380, Page 51, Deed Records, Denton County, Texas, being part of that certain called 3.85 acre tract of land, described in deed to the United States of America, recorded in Volume 382, page 305, Deed Records, Denton County, Texas, and being part of that that certain Lease to the City of Lewisville, known as Lease No. DACW63-1-24-0613, and being more particularly described as follows:

BEGINNING at a Corps of Engineers Monument (C.O.E.) found stamped D41 on the east line of said tract D354 and being on the northeast right-of-way line of Dallas Area Rapid Transit Railway, a called 100' right-of-way, and formerly known as the M.K. & T. Railway (no record found);

THENCE Northwesterly with the east line of said M.K. & T. Railroad right-of-way being 50' east of the centerline at this point, having a radius of 8544.42 feet, a central angle of 11°50'46", an arc length of 1766.61 feet and whose chord bears N 30°35'00" W, a distance of 1763.46 feet to a 1/2" capped rebar set stamped "MCADAMS";

THENCE N 16°49'02" W, with the east line of said M.K. & T. Railroad right-of-way, a distance 200.11 feet, being 75' east of the centerline at this point, a 1/2" capped rebar set stamped "McAdams";

THENCE N 22°39'37" W, with the east line of said M.K. & T. Railroad right-of-way, a distance of 198.25 feet, being 75' east of the centerline at this point, a 1/2" capped rebar set stamped "McAdams";

THENCE N 28°30'12" W, with the east line of said M.K. & T. Railroad right-of-way, a distance of 200.11 feet, being 50' east of the centerline at this point, a 1/2" capped rebar set stamped "McAdams";

THENCE Northwesterly, with the east line of said M.K. & T. Railroad right-of-way, having a radius of 8544.42 feet, a central angle of 03°27'31", an arc length of 515.78 feet, and whose chord bears N 18°55'51" W, a distance of 515.70 feet to a "+" set in concrete at the northwest corner of an Easement for ROW to the State of Texas, known as Parcel 5, recorded in Volume 439, Page 681, Deed Records, Denton County, Texas;

THENCE N 40°23'20" E, with the north line of said Easement for ROW, passing at a distance of 56.27 feet, the northwest corner of a Lease to Slalom Shop Inc. recorded in Document Number 1998-58052, Deed Records, Denton County, Texas, and continuing with the north line thereof, passing at 70.31 feet the northeast corner of said Easement for ROW, and being the southerly corner of a called 0.871 acre right-of-way dedication, as shown on plat of DCTA Lewisville Lake Station Addition, an addition to the City of Lewisville, according to the plat thereof, recorded in Document Number 2010-14, Plat Records, Denton County, Texas, and continuing with the east line thereof, a total distance of 309.16 feet to a C.O.E. monument found stamped D60 in 2002 (destroyed) and replaced with a 1/2" capped rebar set stamped "MCADAMS" and being the northwest corner of said Slalom Shop lease;

THENCE N 03°27'28" E, with the east line of said 0.871 acre right-of-way dedication, a distance of 369.57 to a 1/2" capped rebar set stamped "MCADAMS";

THENCE N 28°24'27" W, with the east line of said 0.871 acre right-of-way dedication, a distance of 35.90 feet to a Wood ROW monument found in 2002 (destroyed) replaced with a 1/2" capped rebar set stamped "MCADAMS" and being the southeast corner of that certain tract of land, described as Tract 1 in Cause No 4543 Denton County V. Frank O. Long et ux, dated November 26, 1957;

THENCE N 40°09'28" W, with the east line of said Tract 1, a distance of 268.62 feet to a 1/2" capped rebar found stamped "DCA Inc.", and being the southeast corner of that certain tract of land, described in deed to ABC Land Development, recorded in Document Number 2018-18185, Official Public Records, Denton County, Texas;

THENCE N 39°23'04" E, with the east line of said ABC Land Development tract, a distance of 334.36 feet to a C.O.E. monument found stamped D-58;

THENCE N 59°22'30" E, with the east line of said ABC Land Development tract, a distance of 107.32 feet to a C.O.E. monument found stamped D-32 in 2016 (destroyed) replaced with a 1/2" capped rebar set stamped "MCADAMS" on the south line of Lot 1, Block A, Tower Bay Lofts, an addition to the City of Lewisville, according to the plat thereof, recorded in Document Number 2017-299, Plat Records, Denton County, Texas;

THENCE S 89°55'00" E, with the south line of said Lot 1, passing at a distance of 620.11 feet a C.O.E. monument found stamped D-34-A (destroyed) replaced with a 1/2" capped rebar set stamped "MCADAMS" at the southeast corner thereof, continuing a total distance of 826.36 feet;

THENCE over and across said City of Lewisville Lease Area, the following:

S 68°54'53" E, a distance of 317.32 feet to a 1/2" capped rebar set stamped "MCADAMS";

S 18°41'00" W, a distance of 57.00 feet to a 1/2" capped rebar set stamped "MCADAMS";

S 40°58'00" W, a distance of 120.00 feet to a 1/2" capped rebar set stamped "MCADAMS";

S 34°01'00" W, a distance of 126.50 feet to a 1/2" capped rebar set stamped "MCADAMS";

SUBLEASE AGREEMENT –

S 23°34'00" W, a distance of 164.00 feet to a 1/2" capped rebar set stamped "MCADAMS";

S 73°00'00" E, a distance of 71.00 feet to a 1/2" capped rebar set stamped "MCADAMS";

N 17°00'00" E, a distance of 91.50 feet to a 1/2" capped rebar set stamped "MCADAMS";

N 70°18'00" E, a distance of 79.00 feet to a 1/2" capped rebar set stamped "MCADAMS";

S 63°35'00" E, a distance of 269.00 feet to a 1/2" capped rebar set stamped "MCADAMS";

N 81°05'00" E, a distance of 258.00 feet to a 1/2" capped rebar set stamped "MCADAMS";

S 71°40'00" E, a distance of 79.00 feet to a 1/2" capped rebar set stamped "MCADAMS";

N 72°23'00" E, a distance of 194.00 feet to a 1/2" capped rebar set stamped "MCADAMS";

S 87°34'00" E, a distance of 124.00 feet to a 1/2" capped rebar set stamped "MCADAMS";

S 61°49'00" E, a distance of 161.00 feet to a 1/2" capped rebar set stamped "MCADAMS";

S 72°52'30" E, a distance of 108.00 feet to a 1/2" capped rebar set stamped "MCADAMS";

N 86°50'30" E, a distance of 21.50 feet to a 1/2" capped rebar set stamped "MCADAMS";

N 73°38'35" E, a distance of 48.00 feet to a 1/2" capped rebar set stamped "MCADAMS";

S 76°12'00" E, a distance of 27.00 feet to a 1/2" capped rebar set stamped "MCADAMS";

S 28°32'24" E, passing at a distance of 87.50 feet an ell corner of said City of Lewisville Lease, continuing with said Lease line, a distance of 567.85 feet;

THENCE S 85°06'49" E, with said City of Lewisville Lease, a distance of 129.68 feet;

THENCE S 70°16'21" W, a distance of 233.65 feet to the northwest corner of Oakbrook on the Lake, an addition to the City of Lewisville, according to the plat thereof, recorded in Volume B, Page 358, Plat Records, Denton County, Texas;

THENCE S 25°29'51" W, with the west line of said Oakbrook on the Lake, a distance of 177.00 feet, to a 1" pipe found;

THENCE S 09°45'37" W, with the west of said Oakbrook on the Lake, a distance of 240.09 feet to a C.O.E. monument found, from which a 5/8" rebar found bears S 89°50' W, a distance of 0.7 feet;

THENCE S 00°18'00" E, with the east line of said tract D354, passing at 166.3 feet, and 1.1 feet west of said course, a 3/8" rebar found at the southwest corner of said Oakbrook on the Lake, continuing with the east line of said tract D354, a total distance of 429.34 feet to a C.O.E. monument found stamped D38 at the southeast corner thereof, and being the northerly corner of Lakeside Estate, an addition to the City of Lewisville, according to the plat thereof, recorded in Cabinet F, Page 147, Plat Records, Denton County, Texas;

THENCE with the northwest line of said Lakeside Estate, and the southeast line of said Tract D354, the following:

S 59°50'36" W, a distance of 293.00 feet to a C.O.E. monument found stamped D39;

S 35°37'49" W, a distance of 247.60 feet to a C.O.E. monument found stamped D40;

S 22°15'35" W, passing at a distance of 993.51 feet the southwest corner of said Lakeside Estate, and being the northwest corner of Lot 1, Block A, Milliken School Addition, an addition to the City of Lewisville, according to the plat thereof, recorded in Document Number 2009-26, Plat Records, Denton County, Texas, and continuing with the west line thereof, passing at 1415.27 feet the southwest corner thereof, and being the northwest corner of that certain tract of land, described as Tract No. 1 in deed to the State of Texas, recorded in Volume 400, Page 116, Deed Records, Denton County, Texas, continuing with the northwest line thereof, a total distance of 1485.45 feet to the **POINT OF BEGINNING** and containing approximately 119.178 Acres of land;

****PROVIDED, HOWEVER,** from the period commencing on the Effective Date and expiring on the Sneaky Pete's Addition Date only, the Leased Premises shall expressly exclude the Sneaky Pete's Premises outlined in green and labeled "Sneaky Pete's Premises" below.



EXHIBIT A-2

LEASED PREMISES

[Attached.]

EXHIBIT B-1

MARINA PREMISES

**LEGAL DESCRIPTION
WATER SURFACE LEASE AREA**

57.916 Acres

City of Lewisville

Denton County, Texas

BEING all that certain lot, tract, or parcel of land, situated in the S. Luttrell Survey, Abstract Number 743, the W. Ramsey Survey, Abstract Number 1076, and the P. Wagner Survey, Abstract Number 1342, being part of United States of America Tract, described as Tract D354 recorded in Volume 379, Page 169, and Tract D355A recorded in Volume 380, Page 51, Deed Records, Denton County, Texas, being part of that certain called 3.85 acre tract of land, described in deed to the United States of America, recorded in Volume 382, page 305, Deed Records, Denton County, Texas, and being part of that that certain Lease to the City of Lewisville, known as Lease No. DACW63-1-24-0613, and being more particularly described as follows:

COMMENCING at a Corps of Engineers Monument (C.O.E.) monument found stamped D-32 in 2016 (destroyed) replaced with a 1/2" capped rebar set stamped "MCADAMS" on the south line of Lot 1, Block A, Tower Bay Lofts, an addition to the City of Lewisville, according to the plat thereof, recorded in Document Number 2017-299, Plat Records, Denton County, Texas;

THENCE S 89°55'00" E, with the south line of said Lot 1, passing at a distance of 620.11 feet a C.O.E. monument found stamped D-34-A (destroyed) replaced with a 1/2" capped rebar set stamped "MCADAMS" at the southeast corner thereof, continuing a total distance of 826.36 feet to the **POINT OF BEGINNING** of the herein described tract of land;

THENCE over and across Lewisville Lake, the following courses and distances;

N 36°00'00" E, a distance of 282.24 feet;

N 00°05'00" E, a distance of 173.99 feet to the north line of that certain Lease Area described to the City of Lewisville (Lease No. DACW63-1-24-0613);

THENCE Continuing over and across Lewisville Lake and the north line of said Lease Area, the following:

N 18°02'01" E, a distance of 522.28 feet;

N 89°26'46" E, a distance of 155.49 feet;

S 67°21'19" E, a distance of 220.78 feet;

N 22°26'05" E, a distance of 283.42 feet;

N 36°47'44" E, a distance of 125.98 feet;

N 74°19'20" E, a distance of 101.01 feet;

SUBLEASE AGREEMENT –

S 63°08'50" E, a distance of 142.90 feet;
S 55°36'52" E, a distance of 147.44 feet;
S 63°20'16" E, a distance of 518.62 feet;
S 67°30'09" E, a distance of 269.23 feet;
S 50°21'43" E, a distance of 200.10 feet;
S 17°22'31" E, a distance of 118.39 feet;
S 16°04'01" W, a distance of 184.27 feet;
S 32°28'21" W, a distance of 336.97 feet;
S 30°30'19" W, a distance of 776.09 feet;

THENCE over and across said City of Lewisville Lease Area, the following:

N 28°32'24" W, a distance of 87.50 feet to a 1/2" capped rebar set stamped "MCADAMS";
N 76°12'00" W, a distance of 27.00 feet to a 1/2" capped rebar set stamped "MCADAMS";
S 73°38'35" W, a distance of 48.00 feet to a 1/2" capped rebar set stamped "MCADAMS";
S 86°50'30" W, a distance of 21.50 feet to a 1/2" capped rebar set stamped "MCADAMS";
N 72°52'30" W, a distance of 108.00 feet to a 1/2" capped rebar set stamped "MCADAMS";
N 61°49'00" W, a distance of 161.00 feet to a 1/2" capped rebar set stamped "MCADAMS";
N 87°34'00" W, a distance of 124.00 feet to a 1/2" capped rebar set stamped "MCADAMS";
S 72°23'00" W, a distance of 194.00 feet to a 1/2" capped rebar set stamped "MCADAMS";
N 71°40'00" W, a distance of 79.00 feet to a 1/2" capped rebar set stamped "MCADAMS";
S 81°05'00" W, a distance of 258.00 feet to a 1/2" capped rebar set stamped "MCADAMS";
N 63°35'00" W, a distance of 269.00 feet to a 1/2" capped rebar set stamped "MCADAMS";
S 70°18'00" W, a distance of 79.00 feet to a 1/2" capped rebar set stamped "MCADAMS";
S 17°00'00" W, a distance of 91.50 feet to a 1/2" capped rebar set stamped "MCADAMS";
N 73°00'00" W, a distance of 71.00 feet to a 1/2" capped rebar set stamped "MCADAMS";
N 23°34'00" E, a distance of 164.00 feet to a 1/2" capped rebar set stamped "MCADAMS";
N 34°01'00" E, a distance of 126.50 feet to a 1/2" capped rebar set stamped "MCADAMS";

SUBLEASE AGREEMENT –

N 40°58'00" E, a distance of 120.00 feet to a 1/2" capped rebar set stamped "MCADAMS";
N 18°41'00" E, a distance of 57.00 feet to a 1/2" capped rebar set stamped "MCADAMS";
N 68°54'53" W, a distance of 317.32 feet to the **POINT OF BEGINNING** and containing approximately 57.916 acres of land.

EXHIBIT B-2

MARINA PREMISES

[Attached.]

EXHIBIT C-1

DRY STORAGE AND DEMO SERVICE BUILDINGS (PARTIAL)



EXHIBIT C-1

DEMO SERVICE BUILDINGS

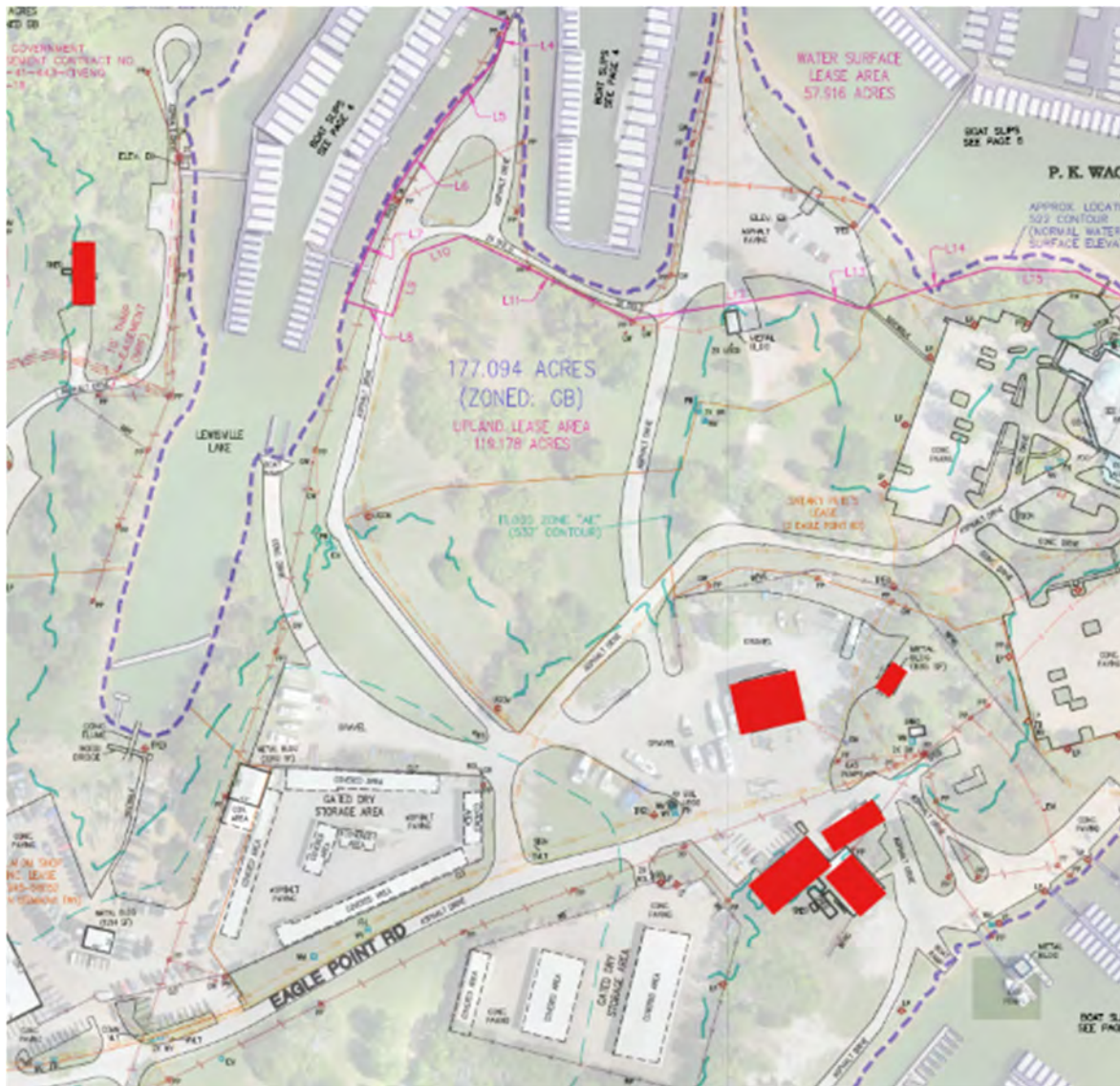


EXHIBIT D
TRAILER STORAGE AREA



EXHIBIT E

EAGLE POINT MARINA MASTER PLAN

[Attached.]



DEPARTMENT OF THE ARMY
U.S. ARMY CORPS OF ENGINEERS, FORT WORTH DISTRICT
P.O. BOX 17300
FORT WORTH, TX 76102-0300

December 3, 2024



Real Estate Division

SUBJECT: Lake Lewisville, Texas; Approval Letter for Lease No. DACW63-1-00-0820

Ms. Claire Powell
City Manager
City of Lewisville
151 West Church Street
Lewisville, Texas 75057

Dear Ms. Powell:

I am writing in response to your request for conceptual approval of the Master Plan for Lake Park and Eagle Point Marina at Lake Lewisville, Texas. Your request is approved contingent upon the following conditions:

- a. The Master Plan is conceptually approved as depicted in **Enclosure 1 - Plans**.
- b. Plans for each proposed item shall be submitted to the Lewisville Lake Office for written approval of the Real Estate Contracting Officer prior to commencing construction.
- c. Conceptual approval of the hotel and restaurant complex does not supersede the requirement to be reviewed by a district team prior to final approval as described in ER-1130-2-550, Chapter 16, nor does it supersede or negate any NEPA requirements.

If you have any questions, please contact Ms. Lanell Woodard, 817-886-1991, or glennis.l.woodard@usace.army.mil.

Sincerely,

Lee A. Flannery
Deputy Chief, Real Estate Division
Real Estate Contracting Officer

Enclosure



LEWISVILLE

Deep Roots. Broad Wings. Bright Future.

April 12, 2024

Mr. Kenneth Myers,
Lewisville Lake Manager
U.S. Army Corps of Engineers
Lewisville Lake Project Office
1801 N. Mill St.
Lewisville, Texas 75057

Sent via email to Kenneth.D.Myers@usace.army.mil

RE: Request for Approval – City of Lewisville, Lake Park and Eagle Point Marina Master Plan

Dear Mr. Myers,

This letter is in reference and support of the Lewisville Lake, Lease No. DACW63-1-00-0820 (See attached) between the USACE and the City of Lewisville (the “Lease”) for public park and recreation facilities for Lewisville Lake Park (635 ac.) sent in February 2024, by the City of Lewisville. This letter and attached maps (Attachment A – C) represent a progression of the Lake Park Master Plan that the City Council reviewed and provided direction for moving forward at the City Council Workshop held on November 6, 2023, and which was listed as a scheduled project in the February 2024 letter.

The purpose of this letter is to provide a brief description of the proposed project master plan, identify the City of Lewisville and authorized agent, (REQUESTOR), for the request to update the Lewisville Lake Park and Eagle Point Marina Master Plan (PROJECT), and to provide information regarding the proposed plan improvements. The USACE operates its lease holdings on a 25-year lease agreement and is currently held by the City of Lewisville who sub-leases to a host of lessees. This document is supplemental information to the new 2025 Lease agreement.

The project goal is to develop a master plan that address existing and future recreation and tourism opportunities, short- and long-term maintenance solutions, emergency shoreline erosion repair(s), and to update and enhance existing overnight camping, RV, day use and proposed hotel, restaurant facilities that provide outdoor recreation and lake access to amenities on USACE leased properties on Lewisville Lake.

Project Overview:

Lake Park and Eagle Point Marina are located on the shores of Lewisville Lake which is managed and operated by the USACE. The primary focus of the USACE is Flood Damage Reduction, Water Supply, Natural Resource Preservation and Recreation. During past and recent reoccurring rain and flood events, Lewisville Lake Park has experienced frequent inundation of their Day Use areas, internal park roads and trails, boat ramps and swim beaches. This has also caused extensive erosion along approximately +/- 2 miles of shoreline and rendered a majority of the park inaccessible and inoperable for periods of 2 to 3 months at a time during these events.

The Master Plan for Lake Park and Eagle Point reviewed existing site conditions, vegetation, recreational uses, travel patterns before and during sustained flood events, controlled gate access points, roadway re-

alignment alternatives, RV/overnight camping, day use, trail connectivity, vehicular ingress/egress, and parking. The Master Plan includes a list of recreational program items to adapt to the existing site constraints, evaluated the market and economic potential of Lake Park and Eagle Point Marina, and recommend other revenue generating opportunities that creates a destination for the region, enhances the user experience while providing lake access and enjoyment of outdoor recreation. This study also includes the review of the Sport and Athletic Fields and Lake Park Golf areas for potential recreational enhancements and partnership opportunities.

Existing Program

Lake Park – Is located one half mile east of I-35 on Lake Park Road and N. Mill St.121. Lewisville Lake Park is comprised of three (03) distinct areas. This includes the Day Use/Camping area, Sports and Athletic Field area and Lake Park Golf Course(s).

- The Day Use/Camping Area - Includes picnic facilities, day use area, playgrounds, restrooms, RV/overnight camping, beach area, 2 boat launches with curtesy docks, walking trails, disc golf; a fishing barge, 1 cricket field and nature area.
- Sport and Athletic Field Area - Includes 4 youth softball fields, 2 adult softball fields, 4 baseball fields, 8 soccer fields, associated parking, restroom and concession buildings, and walking trails; and
- Lake Park Golf Course - Includes an 18-hole golf course, an executive golf course, driving range, a clubhouse, pro-shop and batting cages.

Eagle Point Marina Area – Is located east of I-35 at Garden Ridge Blvd. and includes the land area, marina area and lake frontage. The land mass is comprised of Eagle Point Marina and parking, Sneaky Pete's Sports Bar and Grill and parking, Copperas Branch Trail, boat storage, boat sales and service facilities, roadways and public and private boat ramps.

Proposed Master Plan

The purpose of this master plan is to expand and enhance outdoor recreational opportunities, while improving access to Lewisville Lake, address safety issues and concerns, and protect the existing shoreline of Lewisville Lake. The master plan process commenced in spring 2021 and continued through spring of 2024. This process included extensive community engagement, several meetings with key stakeholders, Arcis Golf, Cricket Player Organization, Disc Golf, and other user groups. The project included several review meetings with the City of Lewisville staff, Lewisville City Council, USACE Lewisville Lake Office staff members and former Lake Managers, Robert Jordan and Adam Tarplee, and Operations Project Manager, James Murphy during the three-year period.

The proposed master plan aims to enhance the overall user experience and to address the safety needs of Lake Park and Eagle Point Marina for years to come:

1. **Water Activities:** Encourage a variety of water-based activities, including swimming, boating, kayaking, canoeing, paddleboarding, and fishing. Safety measures and signage will be implemented, alongside the provision of equipment rental facilities.
2. **Safety:** Establishment of an emergency support facility to reduce response time at Eagle Point Marina. Provide new roadway realignment at Lake Park for access and safety during high water rain events and provide additional controlled access points at Lake Park. Master Plan includes

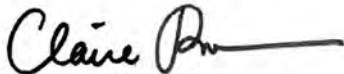
- improved safety measures for water-based activities, shoreline erosion protection, by reconfiguring designated swimming areas, and provide additional signage, and user education.
3. **Picnic/Day Use Areas:** Improved and enhanced picnic areas with tables, benches, and shelters near the lake to expand day-use activities within the park.
 4. **Overnight Camping:** Provision of diverse overnight camping experiences to cater to a broader audience, that includes primitive tent camping, improvement and expansion of the existing RV park, and cabins with modernized amenities.
 5. **Walking and Biking Trails:** Development of shared-use walking and biking trails, boardwalks, soft surface trails and nature trails throughout the park and around the lake. Provide additional access and connectivity points to the community for nearby neighborhoods. Trails will be well-maintained and accessible to people of all abilities.
 6. **Wildlife Viewing Areas:** Provide designated areas where visitors can observe wildlife such as birds, fish, and other aquatic animals. Includes educational signage with information about the local fauna and flora will also be included.
 7. **Natural/Open Space:** Condense the existing built environment at Eagle Point Marina to create more natural and open space areas promoting biodiversity.
 8. **Playgrounds and Recreational Facilities:** Provide signature destination "Playscape" that includes an all-abilities and inclusive nature-based amenities and splashpad. Additional recreational amenities include renovated disc golf course, multipurpose courts, camp store, kayak rentals, and upgraded Golf Course Clubhouse and Pro-shop.
 9. **Educational Programs:** Provide educational programs such as nature walks, birdwatching tours, or fishing clinics to engage visitors and promote environmental awareness.
 10. **Events and Activities:** Increase frequency of events and activities throughout the year such as festivals, celebrations, nature workshops, or fishing tournaments, to attract visitors.
 11. **Eagle Point Marina:** Redevelop the existing marina and boat slips in one location to provide a more cohesive boater experience. Reduce and minimize the footprint of the proposed site development improvements to protect and enhance the environment. This includes a new hotel, restaurant(s), emergency response facility, boat ramp, cabins, trails, and water-based activities.
 12. **Environmental Conservation:** Implement measures to protect and preserve the ecological health of the lake and its surroundings, including the removal of the boat storage and repair shops, reducing overhead utilities, invasive species control, and to advance shoreline restoration projects.
 13. **Accessibility:** Provide fully accessible park amenities and activities for park users/visitors.
 14. **Partnerships:** Collaborate with local developers, community groups, and government agencies to enhance recreational opportunities, secure funding for improvements, and promote the park as a destination. This includes the attraction of a hotel and other support restaurant/facilities that can accommodate overnight visitors.
 15. **Promotion and Marketing:** Use various channels such as social media, local publications, and community events to promote the park and its recreational offerings, attracting, residents, regional, and out of state visitors.
 16. **Feedback Mechanisms:** Establish channels for gathering feedback from park visitors to understand their preferences and improve amenities and services accordingly.

On behalf of City of Lewisville, I am requesting the review of the Lake Park and Eagle Point Marina Master Plan. We are obliged to meet and provide further information as needed during a pre-application meeting for the PROJECT. My contact information is as follows: Lenny Hughes, PLA, Vice President, lhughes@halff.com, (214) 346-6266. The City of Lewisville authorized agent for this action is Claire Powell, City Manager, clairepowell@cityoflewisville.com, (972) 219-3409.

We look forward to working collaboratively with you and your team to ensure the success of the master plan and new lease agreement. If you have any questions or require further information, please do not hesitate to reach out to us.

Thank you for your attention and support in this matter. We are eager to move forward with this critical project for the benefit of the community.

Sincerely,



Claire Powell, City Manager
City of Lewisville
151 West Church Street
Lewisville, TX 75057
(972) 219-3409

Enclosures (2)

cc:

USACE

James Murphy, Operations Project Manager
James.A.Murphy@usace.army.mil

City of Lewisville

Stacie Anaya, Director of Parks and Recreation
sanaya@cityoflewisville.com





EXHIBIT F

FORM OF MEMORANDUM OF SUBLEASE

After Recording Return To:

Bracewell LLP

1445 Ross Avenue, Suite 3800

Dallas, Texas 75202

Attention: Christie Latimer

MEMORANDUM OF SUBLEASE

THE STATE OF TEXAS §

§

COUNTY OF DENTON §

THIS MEMORANDUM OF SUBLEASE AGREEMENT (this "Memorandum") is entered into as of [___], 2026, by and between the **CITY OF LEWISVILLE, TEXAS**, a home rule city (the "City") and **ARGO SMI EAGLE POINT, LLC**, a Delaware limited liability company ("Sublessee") (collectively, the "Parties" and each, a "Party"), with regard to that certain Sublease Agreement (the "Sublease"), dated effective as of [___], 2026 (the "Effective Date"), pursuant to which the City has subleased to Sublessee, and Sublessee has subleased from the City, that portion of the Master Leased Property (as defined below) as more particularly identified and described on **Exhibit A** attached hereto (the "Leased Premises") subject to the terms and conditions set forth in the Sublease.

RECITALS:

A. The City and the Secretary of the Army (U.S. Army USACE of Engineers) ("USACE") have entered into that certain Sublease No. DACW63-1-24-0613, dated as of October 3, 2024 and effective as of April 15, 2025 (the "Master Lease"), pursuant to which the City has leased certain real property located in Lewisville, Denton County, Texas, in the Trinity Regional Project, Denton County, Texas, containing approximately 994.73 acres, as more particularly identified and described on **Exhibit A** and **Exhibit B** attached to the Master Lease (the "Master Leased Property"), from the USACE for public park and recreational purposes;

B. The Master Lease authorizes the City to sublease a portion of the Master Leased Property with third parties to provide the facilities and services as agreed upon in the Development Plan (as defined in the Sublease), all subject to the approval of the Real Estate Contracting Officer (as defined in the Sublease);

C. In connection with the rights obtained by Sublessee pursuant to the Development Agreement Assignment (as defined in the Sublease) and to otherwise advance the business objectives of Sublessee, Sublessee desires to sublease from the City, and the City desires to sublet

SUBLEASE AGREEMENT –

to Sublessee, the Leased Premises subject to the terms and conditions set forth in the Sublease; and

D. The City and Sublessee desire to execute this Memorandum to provide notice of Sublessee's rights, titles and interest under the Sublease and in and to the Leased Premises.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of all of which are mutually acknowledged, the Parties hereby agree as follows.

1. **Definitions and Usage.** Unless the context shall otherwise require, capitalized terms used in this Memorandum shall have the meanings assigned to them in the Sublease, which also contains rules as to usage that shall be applicable herein.

2. **Sublease.** Subject and pursuant to the terms and conditions set forth in the Sublease, the City has subleased to Sublessee, and Sublessee has subleased from the City, the Leased Premises. All of the terms and conditions of the Sublease, as may be amended, supplemented, or otherwise modified as permitted thereunder, are incorporated in this Memorandum by reference as though set forth fully herein.

3. **Term.**

a. The initial term of the Sublease shall commence on the Effective Date and expire on the date that is three (3) years following the Effective Date (the "**Initial Term**"), as extended by the Extension Terms (the Initial Term, as so extended, shall be referred to herein as the "**Term**"); provided, however, that the Term shall be subject to the earlier termination of the Master Lease or as otherwise contemplated pursuant to the terms and conditions set forth herein.

b. Following the expiration of the Initial Term, the Sublease shall automatically renew for successive one (1) year periods (each, an "**Extension Term**" and collectively, the "**Extension Term(s)**"); provided, however, the City shall have the unilateral right, to be exercised in its sole and absolute discretion, to terminate the Sublease, for any reason or no reason at all, following the expiration of the Initial Term by providing written notice to Sublessee of such election not less than ninety (90) days prior to the termination date elected by the City (the "**Termination Date**").

4. **Permitted Use.**

a. Subject to the terms and conditions more particularly set forth in the Sublease, Sublessee's use of the Leased Premises during the Term shall be limited to the management, use and operation of the Leased Premises solely for purposes inherent in Sublessee's completion of the Uplands Obligations (as defined in the Sublease), in each case, in accordance with the terms and conditions of the Master Lease.

b. Sublessee is only authorized to conduct commercial activities on the Leased Premises that have been approved in writing by the City and the USACE, in a manner satisfactory to the City and/or the USACE and in accordance with the terms and conditions

of the Master Lease, including, without limitation, the Plan of Operation and Maintenance (as defined in the Master Lease) applicable to the Leased Premises.

5. **Financing; Assignments; Transfers.** Subject to the terms, conditions and restrictions more particularly set forth in the Sublease, Sublessee shall have the right, in certain instances, to: (a) Transfer (i) any of Sublessee's right, title or interest in and to the Leased Premises, the Facilities or any improvements constructed on the Leased Premises by, through or under Sublessee, (ii) any of Sublessee's right, title, interest or obligations under the Sublease, or (iii) the subleasehold estate created by the Sublease or any portion of any of the foregoing, and (b) grant a Leasehold Mortgage on the Sublessee's subleasehold estate arising under the Sublease to a Leasehold Mortgagee.

6. **Successors and Assigns.** This Memorandum and the Sublease shall bind and inure to the benefit of the Parties and their respective successors and assigns, subject however, to the provisions of the Sublease regarding any Transfers.

7. **Conflicts.** This Memorandum is not intended to be construed as a summary of the Sublease or the provisions herein discussed, and in no way does this Memorandum modify, alter or amend any of the terms, conditions or provisions of the Sublease. In the event of any conflict or inconsistency between the terms of this Memorandum and the terms of the Sublease, the terms of the Sublease shall control. Nothing contained herein is intended to, nor shall modify or alter, any terms, conditions or provisions of the Sublease.

8. **Notice and Recording.** This Memorandum is executed and recorded solely for the purpose of giving notice of the Sublease and of certain terms and provisions set forth in the Sublease. The City and Sublessee consent to the recording of this Memorandum in the real property records of Denton County, Texas for such purpose.

9. **Supplemental Memoranda.** The City and Sublessee agree to execute and record supplemental memoranda if necessary to clarify or modify the provisions of this Memorandum or as otherwise expressly contemplated in the Sublease.

10. **Counterparts.** This Memorandum may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Signature Pages Follow.]

IN WITNESS WHEREOF, the City and Sublessee have caused this Memorandum to be executed and delivered by their respective duly authorized representatives, to be effective as of the Effective Date.

CITY:

THE CITY OF LEWISVILLE, TEXAS,
a home rule city

By: _____
Name: _____
Title: _____

STATE OF TEXAS §
 §
COUNTY OF DENTON §

This instrument was acknowledged before me on _____, 2026 by _____, _____ of the City of Lewisville, Texas, a home-rule city of the State of Texas principally situated in Denton County, Texas, acting by and through the governing body, the City Council, on behalf of said municipal corporation.

{SEAL}

Printed Name: _____
Notary Public in and for the
State of Texas
My Commission Expires: _____

[Signature Pages Continue.]

SUBLEASE AGREEMENT –

LESSEE:

ARGO SMI EAGLE POINT, LLC,
a Delaware limited liability company

By: _____

Name: _____

Title: _____

STATE OF _____ §

§

COUNTY OF _____ §

This instrument was acknowledged before me on _____, 2026 by _____,
_____ of **ARGO SMI EAGLE POINT, LLC**, a Delaware limited liability company, on
behalf of said limited liability company.

{SEAL}

Printed Name: _____

Notary Public in and for the

State of _____

My Commission Expires: _____

EXHIBIT A

LEASED PREMISES

LEGAL DESCRIPTION

UPLAND LEASE AREA

119.178 Acres**

City of Lewisville

Denton County, Texas

BEING all that certain lot, tract, or parcel of land, situated in the S. Luttrell Survey, Abstract Number 743, the W. Ramsey Survey, Abstract Number 1076, and the P. Wagner Survey, Abstract Number 1342, being part of United States of America Tract, described as Tract D354 recorded in Volume 379, Page 169, and Tract D355A recorded in Volume 380, Page 51, Deed Records, Denton County, Texas, being part of that certain called 3.85 acre tract of land, described in deed to the United States of America, recorded in Volume 382, page 305, Deed Records, Denton County, Texas, and being part of that that certain Lease to the City of Lewisville, known as Lease No. DACW63-1-24-0613, and being more particularly described as follows:

BEGINNING at a Corps of Engineers Monument (C.O.E.) found stamped D41 on the east line of said tract D354 and being on the northeast right-of-way line of Dallas Area Rapid Transit Railway, a called 100' right-of-way, and formerly known as the M.K. & T. Railway (no record found);

THENCE Northwesterly with the east line of said M.K. & T. Railroad right-of-way being 50' east of the centerline at this point, having a radius of 8544.42 feet, a central angle of 11°50'46", an arc length of 1766.61 feet and whose chord bears N 30°35'00" W, a distance of 1763.46 feet to a 1/2" capped rebar set stamped "MCADAMS";

THENCE N 16°49'02" W, with the east line of said M.K. & T. Railroad right-of-way, a distance 200.11 feet, being 75' east of the centerline at this point, a 1/2" capped rebar set stamped "McAdams";

THENCE N 22°39'37" W, with the east line of said M.K. & T. Railroad right-of-way, a distance of 198.25 feet, being 75' east of the centerline at this point, a 1/2" capped rebar set stamped "McAdams";

THENCE N 28°30'12" W, with the east line of said M.K. & T. Railroad right-of-way, a distance of 200.11 feet, being 50' east of the centerline at this point, a 1/2" capped rebar set stamped "McAdams";

THENCE Northwesterly, with the east line of said M.K. & T. Railroad right-of-way, having a radius of 8544.42 feet, a central angle of 03°27'31", an arc length of 515.78 feet, and whose chord bears N 18°55'51" W, a distance of 515.70 feet to a "+" set in concrete at the northwest corner of an Easement for ROW to the State of Texas, known as Parcel 5, recorded in Volume 439, Page 681, Deed Records, Denton County, Texas;

SUBLEASE AGREEMENT –

Exhibit F-6

[Exhibit A to Memorandum of Sublease]

THENCE N 40°23'20" E, with the north line of said Easement for ROW, passing at a distance of 56.27 feet, the northwest corner of a Lease to Slalom Shop Inc. recorded in Document Number 1998-58052, Deed Records, Denton County, Texas, and continuing with the north line thereof, passing at 70.31 feet the northeast corner of said Easement for ROW, and being the southerly corner of a called 0.871 acre right-of-way dedication, as shown on plat of DCTA Lewisville Lake Station Addition, an addition to the City of Lewisville, according to the plat thereof, recorded in Document Number 2010-14, Plat Records, Denton County, Texas, and continuing with the east line thereof, a total distance of 309.16 feet to a C.O.E. monument found stamped D60 in 2002 (destroyed) and replaced with a 1/2" capped rebar set stamped "MCADAMS" and being the northwest corner of said Slalom Shop lease;

THENCE N 03°27'28" E, with the east line of said 0.871 acre right-of-way dedication, a distance of 369.57 to a 1/2" capped rebar set stamped "MCADAMS";

THENCE N 28°24'27" W, with the east line of said 0.871 acre right-of-way dedication, a distance of 35.90 feet to a Wood ROW monument found in 2002 (destroyed) replaced with a 1/2" capped rebar set stamped "MCADAMS" and being the southeast corner of that certain tract of land, described as Tract 1 in Cause No 4543 Denton County V. Frank O. Long et ux, dated November 26, 1957;

THENCE N 40°09'28" W, with the east line of said Tract 1, a distance of 268.62 feet to a 1/2" capped rebar found stamped "DCA Inc.", and being the southeast corner of that certain tract of land, described in deed to ABC Land Development, recorded in Document Number 2018-18185, Official Public Records, Denton County, Texas;

THENCE N 39°23'04" E, with the east line of said ABC Land Development tract, a distance of 334.36 feet to a C.O.E. monument found stamped D-58;

THENCE N 59°22'30" E, with the east line of said ABC Land Development tract, a distance of 107.32 feet to a C.O.E. monument found stamped D-32 in 2016 (destroyed) replaced with a 1/2" capped rebar set stamped "MCADAMS" on the south line of Lot 1, Block A, Tower Bay Lofts, an addition to the City of Lewisville, according to the plat thereof, recorded in Document Number 2017-299, Plat Records, Denton County, Texas;

THENCE S 89°55'00" E, with the south line of said Lot 1, passing at a distance of 620.11 feet a C.O.E. monument found stamped D-34-A (destroyed) replaced with a 1/2" capped rebar set stamped "MCADAMS" at the southeast corner thereof, continuing a total distance of 826.36 feet;

THENCE over and across said City of Lewisville Lease Area, the following:

S 68°54'53" E, a distance of 317.32 feet to a 1/2" capped rebar set stamped "MCADAMS";

S 18°41'00" W, a distance of 57.00 feet to a 1/2" capped rebar set stamped "MCADAMS";

S 40°58'00" W, a distance of 120.00 feet to a 1/2" capped rebar set stamped "MCADAMS";

S 34°01'00" W, a distance of 126.50 feet to a 1/2" capped rebar set stamped "MCADAMS";

S 23°34'00" W, a distance of 164.00 feet to a 1/2" capped rebar set stamped "MCADAMS";

S 73°00'00" E, a distance of 71.00 feet to a 1/2" capped rebar set stamped "MCADAMS";

N 17°00'00" E, a distance of 91.50 feet to a 1/2" capped rebar set stamped "MCADAMS";

N 70°18'00" E, a distance of 79.00 feet to a 1/2" capped rebar set stamped "MCADAMS";

S 63°35'00" E, a distance of 269.00 feet to a 1/2" capped rebar set stamped "MCADAMS";

N 81°05'00" E, a distance of 258.00 feet to a 1/2" capped rebar set stamped "MCADAMS";

S 71°40'00" E, a distance of 79.00 feet to a 1/2" capped rebar set stamped "MCADAMS";

N 72°23'00" E, a distance of 194.00 feet to a 1/2" capped rebar set stamped "MCADAMS";

S 87°34'00" E, a distance of 124.00 feet to a 1/2" capped rebar set stamped "MCADAMS";

S 61°49'00" E, a distance of 161.00 feet to a 1/2" capped rebar set stamped "MCADAMS";

S 72°52'30" E, a distance of 108.00 feet to a 1/2" capped rebar set stamped "MCADAMS";

N 86°50'30" E, a distance of 21.50 feet to a 1/2" capped rebar set stamped "MCADAMS";

N 73°38'35" E, a distance of 48.00 feet to a 1/2" capped rebar set stamped "MCADAMS";

S 76°12'00" E, a distance of 27.00 feet to a 1/2" capped rebar set stamped "MCADAMS";

S 28°32'24" E, passing at a distance of 87.50 feet an ell corner of said City of Lewisville Lease, continuing with said Lease line, a distance of 567.85 feet;

THENCE S 85°06'49" E, with said City of Lewisville Lease, a distance of 129.68 feet;

THENCE S 70°16'21" W, a distance of 233.65 feet to the northwest corner of Oakbrook on the Lake, an addition to the City of Lewisville, according to the plat thereof, recorded in Volume B, Page 358, Plat Records, Denton County, Texas;

THENCE S 25°29'51" W, with the west line of said Oakbrook on the Lake, a distance of 177.00 feet, to a 1" pipe found;

THENCE S 09°45'37" W, with the west of said Oakbrook on the Lake, a distance of 240.09 feet to a C.O.E. monument found, from which a 5/8" rebar found bears S 89°50' W, a distance of 0.7 feet;

THENCE S 00°18'00" E, with the east line of said tract D354, passing at 166.3 feet, and 1.1 feet west of said course, a 3/8" rebar found at the southwest corner of said Oakbrook on the Lake, continuing with the east line of said tract D354, a total distance of 429.34 feet to a C.O.E. monument found stamped D38 at the southeast corner thereof, and being the northerly corner of

Lakeside Estate, an addition to the City of Lewisville, according to the plat thereof, recorded in Cabinet F, Page 147, Plat Records, Denton County, Texas;

THENCE with the northwest line of said Lakeside Estate, and the southeast line of said Tract D354, the following:

S 59°50'36" W, a distance of 293.00 feet to a C.O.E. monument found stamped D39;

S 35°37'49" W, a distance of 247.60 feet to a C.O.E. monument found stamped D40;

S 22°15'35" W, passing at a distance of 993.51 feet the southwest corner of said Lakeside Estate, and being the northwest corner of Lot 1, Block A, Milliken School Addition, an addition to the City of Lewisville, according to the plat thereof, recorded in Document Number 2009-26, Plat Records, Denton County, Texas, and continuing with the west line thereof, passing at 1415.27 feet the southwest corner thereof, and being the northwest corner of that certain tract of land, described as Tract No. 1 in deed to the State of Texas, recorded in Volume 400, Page 116, Deed Records, Denton County, Texas, continuing with the northwest line thereof, a total distance of 1485.45 feet to the **POINT OF BEGINNING** and containing approximately 119.178 Acres of land;

****PROVIDED, HOWEVER,** from the period commencing on the Effective Date and expiring on the Sneaky Pete's Addition Date only, the Leased Premises shall expressly exclude the Sneaky Pete's Premises outlined in green and labeled "Sneaky Pete's Premises" below.



EXHIBIT G

EXPANDED AREA

**LEGAL DESCRIPTION
WATER SURFACE LEASE EXPANSION AREA**

**34.199 Acres
City of Lewisville
Denton County, Texas**

BEING all that certain lot, tract, or parcel of land, situated in the S. Luttrell Survey, Abstract Number 743, the W. Ramsey Survey, Abstract Number 1076, and the P. Wagner Survey, Abstract Number 1342, being part of United States of America Tract, described as Tract D354 recorded in Volume 379, Page 169, and Tract D355A recorded in Volume 380, Page 51, Deed Records, Denton County, Texas, being part of that certain called 3.85 acre tract of land, described in deed to the United States of America, recorded in Volume 382, page 305, Deed Records, Denton County, Texas, and being part of that that certain Lease, Parcel A-1 to the City of Lewisville, known as Lease No. DACW63-1-24-0613, and being more particularly described as follows:

COMMENCING at a Corps of Engineers Monument (C.O.E.) monument found stamped D-32 in 2016 (destroyed) replaced with a 1/2" capped rebar set stamped "MCADAMS" on the south line of Lot 1, Block A, Tower Bay Lofts, an addition to the City of Lewisville, according to the plat thereof, recorded in Document Number 2017-299, Plat Records, Denton County, Texas;

THENCE S 89°55'00" E, with the south line of said Lot 1, passing at a distance of 620.11 feet a C.O.E. monument found stamped D-34-A (destroyed) replaced with a 1/2" capped rebar set stamped "MCADAMS" at the southeast corner thereof, continuing a total distance of 826.36 feet;

THENCE over and across Lewisville Lake, the following courses and distances;

N 36°00'00" E, a distance of 282.24 feet;

N 00°05'00" E, a distance of 173.99 feet to the north line of that certain Lease Area described to the City of Lewisville (Lease No. DACW63-1-24-0613);

THENCE Continuing over and across Lewisville Lake and the north line of said Lease Area, the following:

N 18°02'01" E, a distance of 522.28 feet;

N 89°26'46" E, a distance of 155.49 feet;

S 67°21'19" E, a distance of 220.78 feet;

N 22°26'05" E, a distance of 283.42 feet;

N 36°47'44" E, a distance of 125.98 feet;

SUBLEASE AGREEMENT –

N 74°19'20" E, a distance of 101.01 feet;

S 63°08'50" E, a distance of 142.90 feet;

S 55°36'52" E, a distance of 147.44 feet;

S 63°20'16" E, a distance of 259.31 feet to the **POINT OF BEGINNING** of the herein described tract of land;

THENCE Continuing over and across Lewisville Lake the following:

N 90°00'00" E, a distance of 379.82 feet;

S 60°44'49" E, a distance of 1255.63 feet;

S 26°04'06" W, a distance of 1603.61 feet;

S 74°49'53" W, a distance of 185.85 feet to the north line of said lease Area;

THENCE Continuing over and across Lewisville Lake and the north line of said Lease Area, the following:

N 64°36'42" W, a distance of 84.32 feet;

N 68°45'09" W, a distance of 121.39 feet;

N 85°06'49" W, a distance of 129.68 feet;

N 28°32'24" W, a distance of 480.35 feet;

N 30°30'19" E, a distance of 776.09 feet;

N 32°38'21" E, a distance of 336.97 feet;

N 16°04'01" E, a distance of 184.27 feet;

N 17°22'31" W, a distance of 118.39 feet;

N 50°21'43" W, a distance of 200.10 feet;

N 67°30'09" W, a distance of 269.23 feet;

N 63°20'16" W, a distance of 259.31 feet to the **POINT OF BEGINNING** and containing approximately 34.199 acres of land.

SCHEDULE 1
MASTER LEASE

[Attached.]

DEPARTMENT OF THE ARMY
LEASE TO NON-STATE GOVERNMENTAL AGENCIES
FOR PUBLIC PARK AND RECREATIONAL PURPOSES
LEWISVILLE LAKE
DENTON COUNTY, TEXAS

THIS LEASE, made on behalf of the United States, between the **SECRETARY OF THE ARMY**, hereinafter referred to as the Secretary, and City of Lewisville, Texas, hereinafter referred to as the Lessee.

WITNESSETH:

That the Secretary, by authority of Title 16, United States Code, Section 460d, and for the consideration hereinafter set forth, hereby leases to the Lessee, the property identified in **Exhibits A – MAP and B – LEGAL DESCRIPTION**, attached hereto and made a part hereof, hereinafter referred to as the Premises, for public park and recreational purposes.

THIS LEASE is granted subject to the following conditions:

1. TERM

Said Premises are hereby leased for a term of **twenty-five (25)** years, beginning **April 15, 2025** and ending **April 14, 2050**.

The Lessee shall have the right to extend the original term of the lease for an additional twenty-five (25) year option period, provided that Lessee shall give notice to the Government of its election to extend such term at least eighteen (18) months prior to the time when the term then in force would otherwise expire and that, at the time when such notice is given, there shall not be any uncured event of default on the part of the Lessee.

2. CONSIDERATION

The consideration for this lease is the operation and maintenance of the Premises by the Lessee for the benefit of the United States and the general public in accordance with the conditions herein set forth.

3. NOTICES

All notices and correspondence to be given pursuant to this lease shall be addressed, if to the Lessee, to City Manager, City of Lewisville, 151 West Church Street, Lewisville, Texas 75057; and if to the United States, to the Real Estate Contracting Officer, Attention: Chief, Real Estate Division, ATTN: CESWF-RE-M, Post Office Box 17300, Fort Worth, Texas 76102-0300; or as may from time to time otherwise be directed by the parties. Notice shall be deemed to have been duly given if and when enclosed in a properly sealed envelope addressed as aforesaid, and deposited, postage prepaid, in a post office regularly maintained by the United States Postal Service.

4. AUTHORIZED REPRESENTATIVES

Except as otherwise specifically provided, any reference herein to "Secretary", "Real Estate Contracting Officer", or "said officer" shall include their duly authorized representatives. Any reference to "Lessee" shall include any sub-lessees, assignees, transferees, successors and their duly authorized representatives.

5. DEVELOPMENT PLANS

The Lessee shall be guided by an annual Plan of Operation and Maintenance in furtherance of the Lessee's implementing Plan of Recreation Development and Management (Development Plan), attached as **Exhibit C**, which shows the facilities and services necessary to meet the current and potential public demand and the management and development activities to be undertaken by the Lessee and any sub-lessees. No later than December 15th of each year, the Lessee will submit the annual Plan to be mutually agreed on between the Lessee and the Real Estate Contracting Officer. Such annual Plan shall include but is not limited to the following:

- a. Plans for management, maintenance and development activities to be undertaken by the Lessee and any sub-lessees.
- b. Report of the management, maintenance and development accomplishments of the Lessee for the preceding year.
- c. Report on any significant modification of policies or procedures which are planned for the following year as well as those implemented in the preceding year.
- d. Minor modifications to the Development Plan. Major modifications are to be accomplished by amendment to the Plan before proceeding to implement any changes in the development or management of the leased Premises.
- e. Budget of the Lessee for carrying out all activities for the upcoming year.

f. Personnel to be used in the management of the leased Premises.

g. Annual certification that all water and sanitary systems on the Premises have been inspected and comply with Federal, state, and local standards. Lessee will also provide a statement of compliance with the Rehabilitations Act and the Americans with Disabilities Act, as required in the condition on **NON-DISCRIMINATION**, noting any deficiencies and providing a schedule for correction.

h. The use and occupation of the Premises shall be subject to the general supervision and approval of the Real Estate Contracting Officer. During the term of the lease, the Real Estate Contracting Officer will notify the Lessee of any updates to the existing project Master Plan affecting the Premises and the Lessee may provide comments.

6. STRUCTURE AND EQUIPMENT

The Lessee shall have the right, during the term of the lease, to erect such structures and to provide such equipment upon the Premises as may be necessary to furnish the facilities and services authorized. Those structures and equipment shall be and remain the property of the Lessee, except as otherwise provided in the Condition on **RESTORATION**. However, no structures may be erected or altered upon the Premises unless and until the type of use, design, and proposed location or alteration thereof shall have been approved in writing by the Real Estate Contracting Officer. The Real Estate Contracting Officer may require the Lessee, upon the completion of each of the proposed developments to furnish complete "as built" construction plans for all facilities.

7. APPLICABLE LAWS AND REGULATIONS

a. The Lessee shall comply with all applicable Federal laws and regulations and with all applicable laws, ordinances, and regulations of the state, county, and municipality wherein the Premises are located, including, but not limited to, those regarding construction, health, safety, food service, water supply, sanitation, use of pesticides, and licenses or permits to do business. The Lessee shall make and enforce such regulations as are necessary and within its legal authority in exercising the privileges granted in this lease, provided that such regulations are not inconsistent with those issued by the Secretary of the Army or with the provisions of 16 U.S.C. § 460d.

b. The Lessee will provide an annual certification that all water and sanitary systems on the Premises have been inspected and comply with Federal, state and local standards. The Lessee will also provide a statement of compliance with the Rehabilitations Act and the Americans with Disability Act, as required in the condition on **NON-DISCRIMINATION**, noting any deficiencies and providing a schedule for correction.

8. CONDITION OF PREMISES

a. The Lessee acknowledges that it has inspected the Premises, knows its condition, and understands that the same is leased without any representations or warranties whatsoever and without obligation on the part of the United States to make any alterations, repairs, or additions thereto.

b. As of the date of this lease, an inventory and condition report of all personal property and improvements of the United States included in this lease shall be made by the Real Estate Contracting Officer and the Lessee to reflect the condition of said property and improvements. A copy of said report is attached hereto as **Exhibit D** and made a part hereof. Upon the expiration, revocation or termination of this lease, another inventory and condition report shall be similarly prepared. This report shall constitute the basis for settlement for property damaged or destroyed. Any such property must be either replaced or restored to the condition required by the condition on **PROTECTION OF PROPERTY**.

9. FACILITIES AND SERVICES

The Lessee shall provide the facilities and services as agreed upon in the Development Plan referred to in the Condition on **DEVELOPMENT PLANS** either directly or through subleases or concession agreements that have been reviewed and accepted by the Real Estate Contracting Officer. These subleases or agreements shall state: (1) that they are granted subject to the provisions of this lease; and (2) that the agreement will not be effective until the third-party activities have been approved by the Real Estate Contracting Officer. The Lessee will not allow any third-party activities with a rental to the Lessee or prices to the public which would give the third party an undue economic advantage or circumvent the intent of the Development Plan. The rates and prices charged by the Lessee or its sub-lessees or concessionaires shall be reasonable and comparable to rates charged for similar goods and services by others in the area. The use of sublessees and concessionaires will not relieve the Lessee from the primary responsibility for ensuring compliance with all of the terms and conditions of this lease.

10. TRANSFERS, ASSIGNMENTS, SUBLEASES

a. Without prior written approval of the Real Estate Contracting Officer, the Lessee shall neither transfer nor assign this lease nor sublet the Premises or any part thereof, nor grant any interest, privilege, or license whatsoever in connection with this lease.

b. The Lessee will not sponsor or participate in timeshare ownership of any structures, facilities, accommodations, or personal property on the Premises. The Lessee will not subdivide nor develop the Premises into private residential development.

11. FEES

Fees may be charged by the Lessee for the entrance to or use of the Premises or any facilities, however, no user fees may be charged by the Lessee or its sub-lessees for use of facilities developed in whole or part with federal funds if a user charge by the Corps of Engineers for the facility would be prohibited under law.

12. ACCOUNTS, RECORDS AND RECEIPTS

All monies received by the Lessee from operations conducted on the Premises, including, but not limited to, entrance, admission and user fees and rental or other consideration received from its concessionaires, may be utilized by the Lessee for the administration, maintenance, operation and development of the Premises. Beginning 5 years from the date of this lease and continuing at 5-year intervals, any such monies not so utilized or programmed for utilization within a reasonable time shall be paid to the Real Estate Contracting Officer. The Lessee shall establish and maintain accurate records and accounts and provide an annual statement of receipts and expenditures to the Real Estate Contracting Officer. Annual or weekly entrance fees not collected on the Project, which also are honored at other recreational areas operated by the Lessee, are excluded from this requirement. The Real Estate Contracting Officer shall have the right to perform audits or to require the Lessee to audit the records and accounts of the Lessee, third party concessionaires and sub-lessees, in accordance with auditing standards and procedures promulgated by the American Institute of Certified Public Accountants or by the state, and furnish the Real Estate Contracting Officer with the results of such an audit.

13. PROTECTION OF PROPERTY

The Lessee shall be responsible for any damage that may be caused to property of the United States by the activities of the Lessee under this lease and shall exercise due diligence in the protection of all property located on the Premises against fire or damage from any and all other causes. Any property of the United States damaged or destroyed by the Lessee incident to the exercise of the privileges herein granted shall be promptly repaired or replaced by the Lessee to the satisfaction of the Real Estate Contracting Officer, or at the election of the Real Estate Contracting Officer, reimbursement may be made therefore by the Lessee in an amount necessary to restore or replace the property to a condition satisfactory to the Real Estate Contracting Officer.

14. RIGHT TO ENTER AND FLOOD

The right is reserved to the United States, its officers, agents, and employees to enter upon the Premises at any time and for any purpose necessary or convenient in connection with Government purposes; to make inspections; to remove timber or other material, except property of the Lessee; to flood the Premises; to manipulate the level of

the lake or pool in any manner whatsoever; and/or to make any other use of the land as may be necessary in connection with project purposes, and the Lessee shall have no claim for damages on account thereof against the United States or any officer, agent, or employee thereof.

15. LIGHTS, SIGNALS AND NAVIGATION

There shall be no unreasonable interference with navigation by the exercise of the privileges granted by this lease. If the display of lights and signals on any work hereby authorized is not otherwise provided for by law, such lights and signals as may be prescribed by the Coast Guard or by the Real Estate Contracting Officer shall be installed and maintained by and at the expense of the Lessee.

16. INSURANCE

a. At the commencement of this lease, the Lessee, unless self-insured, and its sub-lessees and concessionaires at the commencement of operating under the terms of this lease as third parties, shall obtain from a reputable insurance company or companies contracts of liability insurance. The insurance shall provide an amount not less than that which is prudent, reasonable and consistent with sound business practices or a minimum Combined Single Limit of \$250,000, whichever is greater, for any number of persons or claims arising from any one incident with respect to bodily injuries or death resulting therefrom, property damage, or both, suffered or alleged to have been suffered by any person or persons, resulting from the operations of the Lessee, sub-lessees and concessionaires under the terms of this lease. The Lessee shall require its insurance company to furnish to the Real Estate Contracting Officer a copy of the policy or policies, or, if acceptable to the Real Estate Contracting Officer, certificates of insurance evidencing the purchase of such insurance. The Real Estate Contracting Officer shall have the right to review and revise the amount of minimum liability insurance required.

b. The insurance policy or policies shall specifically provide protection appropriate for the types of facilities, services and products involved; and shall provide that the Real Estate Contracting Officer be given thirty (30) days notice of any cancellation or change in such insurance.

c. In the event the Lessee is self-insured, the Lessee shall certify such self-insurance in writing in the minimum amount specified above to the Real Estate Contracting Officer. The Lessee's insurance status shall not eliminate the requirement for its sub-lessees and concessionaires to have insurance from a reputable insurance carrier as set out above.

d. The Real Estate Contracting Officer may require closure of any or all of the Premises during any period for which the Lessee and/or its sub-lessees and concessionaires do not have the required insurance coverage.

17. RESTORATION

On or before the expiration of this lease or its termination by the Lessee, the Lessee shall vacate the Premises, remove the property of the Lessee, and restore the Premises to a condition satisfactory to the Real Estate Contracting Officer. If, however, this lease is revoked, the Lessee shall vacate the Premises, remove said property therefrom, and restore the Premises to the aforesaid condition within such time as the Real Estate Contracting Officer may designate. In either event, if the Lessee shall fail or neglect to remove said property and restore the Premises, then, at the option of the Real Estate Contracting Officer, said property shall either become the property of the United States without compensation therefor, or the Real Estate Contracting Officer may cause the property to be removed and no claim for damages against the United States or its officers or agents shall be created by or made on account of such removal and restoration work. The Lessee shall also pay the United States on demand any sum which may be expended by the United States after the expiration, revocation, or termination of this lease in restoring the Premises.

18. NON-DISCRIMINATION

a. The Lessee shall not discriminate against any person or persons or exclude them from participation in the Lessee's operations, programs or activities conducted on the leased Premises, because of race, color, religion, sex, age, handicap, or national origin. The Lessee will comply with the Americans with Disabilities Act and attendant Americans with Disabilities Act Accessibility Guidelines (ADAAG) published by the Architectural And Transportation Barriers Compliance Board.

b. The Lessee, by acceptance of this lease, is receiving a type of Federal assistance and, therefore, hereby gives assurance that it will comply with the provisions of Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. § 2000d); the Age Discrimination Act of 1975 (42 U.S.C. § 6102); the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794); and all requirements imposed by or pursuant to the Directive of the Department of Defense (32 CFR Part 300) issued as Department of Defense Directives 5500.11 and 1020.1, and Army Regulation 600-7. This assurance shall be binding on the Lessee, its agents, successors, transferees, sublessees and assignees.

19. SUBJECT TO EASEMENTS

This lease is subject to all existing easements, easements subsequently granted, and established access routes for roadways and utilities located, or to be located, on the Premises, provided that the proposed grant of any new easement or route will be coordinated with the Lessee, and easements will not be granted which will, in the opinion of the Real Estate Contracting Officer, interfere with developments, present or proposed, by the Lessee. The Lessee will not close any established access routes without written permission of the Real Estate Contracting Officer.

20. SUBJECT TO MINERAL INTERESTS

This lease is subject to all outstanding mineral interests. As to federally owned mineral interests, it is understood that they may be included in present or future mineral leases issued by the Bureau of Land Management (BLM) which has responsibility for mineral development on federal lands. The Secretary will provide lease stipulations to BLM for inclusion in said mineral leases that are designed to protect the Premises from activities that would interfere with the Lessee's operations or would be contrary to local law.

21. COMPLIANCE, CLOSURE, REVOCATION AND RELINQUISHMENT

a. The Lessee and/or any sub-lessees or licensees are charged at all times with full knowledge of all the limitations and requirements of this lease, and the necessity for correction of deficiencies, and with compliance with reasonable requests by the Real Estate Contracting Officer. This lease may be revoked in the event that the Lessee violates any of the terms and conditions and continues and persists in such non-compliance, or fails to obtain correction of deficiencies by sub-lessees or licensees. The Lessee will be notified of any non-compliance, which notice shall be in writing or shall be confirmed in writing, giving a period of time in which to correct the non-compliance. Failure to satisfactorily correct any substantial or persistent non-compliance within the specified time is grounds for closure of all or part of the Premises, temporary suspension of operation, or revocation of the lease, after notice in writing of such intent. Future requests by the Lessee to extend the lease, expand the Premises, modify authorized activities, or assign the lease shall take into consideration the Lessee's past performance and compliance with the lease terms.

b. This lease may be relinquished by the Lessee by giving one (1) year prior written notice to the Real Estate Contracting Officer in the manner prescribed in the Condition on **NOTICES**.

22. HEALTH AND SAFETY

a. The Lessee shall keep the Premises in good order and in a clean, sanitary, and safe condition and shall have the primary responsibility for ensuring that any sub-lessees and concessionaires operate and maintain the Premises in such a manner.

b. In addition to the rights of revocation for non-compliance, the Real Estate Contracting Officer, upon discovery of any hazardous conditions on the Premises that presents an immediate threat to health and/or danger to life or property, will so notify the Lessee and will require that the affected part or all of the Premises be closed to the public until such condition is corrected and the danger to the public eliminated. If the condition is not corrected within the time specified, the Real Estate Contracting Officer will have the option to: (1) correct the hazardous conditions and collect the cost of repairs from the Lessee; or, (2) revoke the lease. The Lessee and its assignees or sub-

lessees shall have no claim for damages against the United States, or any officer, agent, or employee thereof on account of action taken pursuant to this condition.

23. PUBLIC USE

No attempt shall be made by the Lessee, or any of its sub-lessees or concessionaires, to forbid the full use by the public of the Premises and of the water areas of the project, subject, however, to the authority and responsibility of the Lessee to manage the Premises and provide safety and security to the visiting public.

24. PROHIBITED USES

a. The Lessee shall not permit gambling on the Premises or install or operate, or permit to be installed or operated thereon, any device which is illegal, or use the Premises or permit them to be used for any illegal business or purpose. There shall not be conducted on or permitted upon the Premises any activity which would constitute a nuisance.

b. As an exception, some games of chance, such as raffles, games and sporting events, may be conducted by nonprofit organizations under special use permits issued in conjunction with special events, if permissible by state and local law. Any request to conduct such activities must be submitted in writing to the Real Estate Contracting Officer.

c. In accordance with state and local laws and regulations, the Lessee may sell, store, or dispense, or permit the sale, storage, or dispensing of beer, malt beverages, light wines or other intoxicating beverages on the Premises in those facilities where such service is customarily found. Bar facilities will only be permitted if offered in connection with other approved activities. Advertising of such beverages outside of buildings is not permitted. Carry out package sales of hard liquor is prohibited.

25. NATURAL RESOURCES

The Lessee shall cut no timber, conduct no mining operations, remove no sand, gravel, or kindred substances from the ground, commit no waste of any kind, nor in any manner substantially change the contour or condition of the Premises, except as may be authorized under and pursuant to the Development Plan described in the Condition on **DEVELOPMENT PLANS** herein. The Lessee may salvage fallen or dead timber; however, no commercial use shall be made of such timber. Except for timber salvaged by the Lessee when in the way of construction of improvements or other facilities, all sales of forest products will be conducted by the United States and the proceeds therefrom shall not be available to the Lessee under the provisions of this lease.

26. DISPUTES CLAUSE

a. Except as provided in the Contract Disputes Act of 1978 (41 U.S.C. 1701-1709) (the Act), all disputes arising under or relating to this lease shall be resolved under this clause and the provisions of the Act.

b. "Claim", as used in this clause, means a written demand or written assertion by the Lessee seeking, as a matter of right, the payment of money in a sum certain, the adjustment of interpretation of lease terms, or other relief arising under or relating to this lease. A claim arising under this lease, unlike a claim relating to this lease, is a claim that can be resolved under a lease clause that provides for the relief sought by the Lessee. However, a written demand or written assertion by the Lessee seeking the payment of money exceeding \$100,000 is not a claim under the Act until certified as required by subparagraph c.(2) below. The routine request for rental payments that is not in dispute is not a claim under the Act. The request may be converted to a claim under the Act, by this clause, if it is disputed either as a liability or amount or is not acted upon in a reasonable time.

c.

(1) A Claim by the Lessee shall be made in writing and submitted to the Real Estate Contracting Officer for a written decision. A claim by the Government against the Lessee shall be subject to a written decision by the Real Estate Contracting Officer.

(2) For Lessee claims exceeding \$100,000, the Lessee shall submit with the claim a certification that—

(i) the claim is made in good faith; and

(ii) supporting data are accurate and complete to the best of the Lessee's knowledge and belief;

(iii) and the amount requested accurately reflects the lease adjustment for which the Lessee believes the Government is liable.

(3) If the Lessee is an individual, the certificate shall be executed by that individual. If the Lessee is not an individual, the certification shall be executed by –

(i) a senior company official in charge of the Lessee's location involved; or

(ii) an officer or general partner of the Lessee having overall responsibility of the conduct of the Lessee's affairs.

d. For Lessee claims of \$100,000 or less, the Real Estate Contracting Officer must, if requested in writing by the Lessee, render a decision within 60 days of the request. For Lessee-certified claims over \$100,000, the Real Estate Contracting Officer

must, within 60 days, decide the claim or notify the Lessee of the date by which the decision will be made.

e. The Real Estate Contracting Officer's decision shall be final unless the Lessee appeals or files a suit as provided in the Act.

f. At the time a claim by the Lessee is submitted to the Real Estate Contracting Officer or a claim by the Government is presented to the Lessee, the parties, by mutual consent, may agree to use alternative means of dispute resolution. When using alternate dispute resolution procedures, any claim, regardless of amount, shall be accompanied by the certificate described in paragraph c.(2) of this clause, and executed in accordance with paragraph c.(3) of this clause.

g. The Government shall pay interest or the amount found due and unpaid by the Government from (1) the date the Real Estate Contracting Officer received the claim (properly certified if required), or (2) the date payment otherwise would be due, if that date is later, until the date of payment. Simple interest on claims shall be paid at the rate, fixed by the Secretary of the Treasury as provided in the Act, which is applicable to the period during which the Real Estate Contracting Officer receives the claim and then at the rate applicable for each 6-month period as fixed by the Treasury Secretary during the pendency of the claim. Rental amounts due to the Government by the Lessee will have interest and penalties as set out in the condition on **CONSIDERATION**.

h. The Lessee shall proceed diligently with the performance of the lease, pending final resolution of any request for relief, claim, or action arising under the lease, and comply with any decision of the Real Estate Contracting Officer.

27. ENVIRONMENTAL PROTECTION

a. Within the limits of their respective legal powers, the parties to this lease shall protect the project against pollution of its air, ground, and water. The Lessee shall comply promptly with any laws, regulations, conditions or instructions affecting the activity hereby authorized, if and when issued by the Environmental Protection Agency, or any Federal, state, interstate or local governmental agency having jurisdiction to abate or prevent pollution. The disposal of any toxic or hazardous materials within the leased area is specifically prohibited. Such regulations, conditions, or instructions in effect or prescribed by the Environmental Protection Agency, or any Federal, state, interstate or local governmental agency, are hereby made a condition of this lease. The Lessee shall require all sanitation facilities on boats moored at the Lessee's facilities, including rental boats, to be sealed against any discharge into the lake. Services for waste disposal, including sewage pump-out of watercraft, shall be provided by the Lessee as appropriate. The Lessee shall not discharge waste or effluent from the Premises in such a manner that the discharge will contaminate streams or other bodies of water or otherwise become a public nuisance.

b. The Lessee will use all reasonable means available to protect the environment and natural resources, and where damage nonetheless occurs from activities of the Lessee, the Lessee shall be liable to restore the damaged resources.

c. The Lessee must obtain approval in writing from said officer before any pesticides or herbicides are applied to the Premises.

28. PHASE I ENVIRONMENTAL SITE ASSESSMENT

A Phase I Environmental Site Assessment (ESA), documenting the known history of the property with regard to the storage, release or disposal of hazardous substances thereon, is attached hereto and made a part hereof as **EXHIBIT E**. Upon expiration, revocation or relinquishment of this lease another ESA shall be prepared which will document the environmental condition of the property at that time. A comparison of the two assessments will assist the said officer in determining any environmental restoration requirements. Any such requirements will be completed by the Lessee in accordance with the condition on **RESTORATION**.

29. HISTORIC PRESERVATION

The Lessee shall not remove or disturb, or cause or permit to be removed or disturbed, any historical, archeological, architectural or other cultural artifacts, relics, remains or objects of antiquity. In the event such items are discovered on the Premises, the Lessee shall immediately notify said officer and protect the site and the material from further disturbance until said officer gives clearance to proceed.

30. SOIL AND WATER CONSERVATION

The Lessee shall maintain in a manner satisfactory to the Real Estate Contracting Officer, all soil and water conservation structures that may be in existence upon said Premises at the beginning of, or that may be constructed by the Lessee during the term of, this lease, and the Lessee shall take appropriate measures to prevent or control soil erosion within the Premises. Any soil erosion occurring outside the Premises resulting from the activities of the Lessee shall be corrected by the Lessee as directed by the Real Estate Contracting Officer.

31. TRANSIENT USE

a. Camping, including transient trailers or recreational vehicles, at one or more campsites for a period longer than thirty (30) days during any sixty (60) consecutive day period is prohibited. The Lessee will maintain a ledger and reservation system for the use of any such campsites, said system to be acceptable to the Real Estate Contracting Officer.

b. Occupying any lands, buildings, vessels, or other facilities within the Premises for the purpose of maintaining a full- or part-time residence is prohibited, except for employees, residing on the Premises, for security purposes, if authorized by the Real Estate Contracting Officer.

32. COVENANT AGAINST CONTINGENT FEES

The Lessee warrants that no person or selling agency has been employed or retained to solicit or secure this lease upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or established commercial or selling agencies maintained by the Lessee for the purpose of securing business. For breach or violation of this warranty, the United States shall have the right to annul this lease without liability or, in its discretion, to require the Lessee to pay, in addition to the lease rental or consideration, the full amount of such commission, percentage, brokerage, or contingent fee.

33. OFFICIALS NOT TO BENEFIT

No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this lease or to any benefits to arise therefrom. However nothing herein contained shall be construed to extend to any incorporated company if the lease be for the general benefit of such corporation or company.

34. MODIFICATIONS

This lease contains the entire agreement between the parties hereto, and no modification of this agreement, or waiver, or consent hereunder shall be valid unless the same be in writing, signed by the parties to be bound or by a duly authorized representative and this provision shall apply to this condition as well as all other conditions of this lease.

35. DISCLAIMER

This lease is effective only insofar as the rights of the United States in the Premises are concerned; and the Lessee shall obtain such permission as may be required on account of any other existing rights. It is understood that the granting of this lease does not preclude the necessity of obtaining a Department of the Army permit for activities which involve the discharge of dredge or fill material or the placement of fixed structures in the waters of the United States, pursuant to the provisions of Section 10 of the Rivers and Harbors Act of 3 March 1899 (33 USC Section 403), and Section 404 of the Clean Waters Act (33 USC Section 1344), Section 408 (33 U.S.C. § 408) or any other permit or license which may be required by Federal, state, interstate or local laws in connection with the use of the Premises.

36. DETERMINATION REGARDING EXECUTIVE ORDER 13658

Any reference in this section to “prime contractor” or “contractor” shall mean the Lessee and any reference to “contract” shall refer to the Lease.

The parties expressly stipulate this contract is subject to Executive Order 13658, the regulations issued by the Secretary of labor in 29 CFR Part 10 pursuant to the Executive Order, and the following provisions.

a. Minimum Wages.

(1) Each worker (as defined in 29 CFR 10.2) engaged in the performance of this contract by the prime contractor or any subcontractor, regardless of any contractual relationship which may be alleged to exist between the contractor and worker, shall be paid not less than the applicable minimum wage under Executive Order 13658.

(2) The minimum wage required to be paid to each worker performing work on or in connection with this contract between January 1, 2015 and December 31, 2015 shall be \$10.10 per hour. The minimum wage shall be adjusted each time the Secretary of Labor’s annual determination of the applicable minimum wage under section 2(a)(ii) of Executive Order 13658 results in a higher minimum wage. Adjustments to the Executive Order minimum wage under section 2(a)(ii) of Executive Order 13658 will be effective for all workers subject to the Executive Orders beginning January 1 of the following year. If appropriate, the contracting officer, or other agency official overseeing this contract shall ensure the contractor is compensated only for the increase in labor costs resulting from the annual inflation increases in the Executive Order 13658 minimum wage beginning on January 1, 2016. The Secretary of Labor will publish annual determinations in the Federal Register no later than 90 days before such new wage is to take effect. The Secretary will also publish the applicable minimum wage on www.wdol.gov (or any successor Web site). The applicable published minimum wage is incorporated by reference into this contract.

(3) The contractor shall pay unconditionally to each worker all wages due free and clear and without subsequent deduction (except as otherwise provided by 29 CFR 10.23), rebate, or kickback on any account. Such payments shall be made no later than one pay period following the end of the regular pay period in which such wages were earned or accrued. A pay period under this Executive Order may not be of any duration longer than semi-monthly.

(4) The prime contractor and any upper-tier subcontractor shall be responsible for the compliance by any subcontractor or lower-tier subcontractor with the Executive Order minimum wage requirements. In the event of any violation of the minimum wage obligation of this clause, the contractor and any subcontractor(s) responsible therefore shall be liable for the unpaid wages.

(5) If the commensurate wage rate paid to a worker on a covered contract whose wages are calculated pursuant to a special certificate issued under 29 U.S.C. 214(c), whether hourly or piece rate, is less than the Executive Order minimum wage, the contractor must pay the Executive Order minimum wage rate to achieve compliance with the Order. If the commensurate wage due under the certificate is greater than the Executive Order minimum wage, the contractor must pay the 14(c) worker the greater commensurate wage.

b. Withholding. The agency head shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the prime contractor under this or any other Federal contract with the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay workers the full amount of wages required by Executive Order 13658.

c. Contract Suspension/Contract Termination/Contractor Debarment. In the event of a failure to pay any worker all or part of the wages due under Executive Order 13658 or 29 CFR Part 10, or a failure to comply with any other term or condition of Executive Order 13658 or 29 CFR Part 10, the contracting agency may on its own action or after authorization or by direction of the Department of Labor and written notification to the contractor, take action to cause suspension of any further payment, advance or guarantee of funds until such violations have ceased. Additionally, any failure to comply with the requirements of this clause may be grounds for termination of the right to proceed with the contract work. In such event, the Government may enter into other contracts or arrangements for completion of the work, charging the contractor in default with any additional cost. A breach of the contract clause may be grounds for debarment as a contractor and subcontractor as provided in 29 CFR 10.52.

d. The contractor may not discharge any part of its minimum wage obligation under Executive Order 13658 by furnishing fringe benefits or, with respect to workers whose wages are governed by the Service Contract Act, the cash equivalent thereof.

e. Nothing herein shall relieve the contractor of any obligation under Federal, State or local law, or under contract, for the payment of a higher wage to any worker, nor shall a lower prevailing wage under any such Federal, State, or local law, or under contract, entitle a contractor to pay less than \$10.10 (or the minimum wage as established each January thereafter) to any worker.

f. Payroll Records.

(1) The contractor shall made and maintain for three years of records containing the information specified in paragraphs f(1)(i) through (vi) of this section for each worker and shall make the records available for inspection and transcription by authorized representative of the Wage and Hour Division of the U.S. Department of Labor:

- (i) Name, address, and social security number.
- (ii) The worker's occupation(s) or classification(s).
- (iii) The rate or rates of wages paid.
- (iv) The number of daily and weekly hours worked by each worker.
- (v) Any deductions made; and
- (vi) Total wages paid.

(2) The contractor shall also make available a copy of the contract, as applicable, for inspection or transcription by authorized representatives of the Wage and Hour Division.

(3) Failure to make and maintain or to make available such records for inspection and transcription shall be a violation of 29 CFR Part 10 and this contract, and in the cause of failure to produce such records, the contracting officer, upon direction of an authorized representative of the Department of Labor, or under its own action, shall take such action as may be necessary to cause suspension of any further payment or advance of funds until such time as the violations are discontinued.

(4) The contractor shall permit authorized representative of the Wage and Hour Division to conduct investigation, including interviewing workers at the worksite during normal working hours.

(5) Nothing in this clause limits or otherwise modifies the contractor's payroll and recordkeeping obligations, if any, under the Davis-Bacon Act, as amended, and its implementing regulation; the Service Contract Act, as amended, and its implementing regulations; the Fair Labor Standards Act, as amended, and its implementing regulations; or any other applicable law.

g. The contractor (as defined in 29 CFR 10.2) shall insert this clause in all of its covered subcontracts and shall require its subcontractors to include this clause in any covered lower-tier subcontracts. The prime contractor and any upper-tier subcontractor shall be responsible for the compliance by any subcontractor or lower-tier subcontractor with this contract clause.

h. Certification of Eligibility.

(1) By entering into this contract, the contractor (an official thereof) certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by

virtue of the sanctions imposed pursuant to section 5 of the Service Contract Act, section 3(a) of the Davis-Bacon Act, or 29 CFR 5.12(a)(1).

(2) No part of this contract shall be subcontracted to any person or firm whose name appears on the list of persons or firms ineligible to receive Federal contracts.

(3) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

i. Tipped employees. In paying wages to a tipped employee as defined in section 3(t) of the Fair Labor Standards Act, 29 U.S.C 203(t), the contractor may take a partial credit against the wage payment obligation (tip credit) to the extent permitted under section 3(a) of Executive Order 13658. In order to take such a tip credit, the employee must receive an amount of tips at least equal to the amount of the credit taken; where the tipped employee does not receive sufficient tips to equal the amount of the tip credit the contractor must increase the cash wage paid for the workweek so that the amount of cash wage paid and the tips received by the employee equal the applicable minimum wage under Executive Order 13658. To utilize this proviso:

(1) The employer must inform the tipped employee in advance of the use of the tip credit;

(2) The employer must inform the tipped employee of the amount of cash wage that will be paid and the additional amount by which the employee's wages will be considered increased on account of the tip credit;

(3) The employees must be allowed to retain all tips (individually or through a pooling arrangement and regardless of whether the employer elects to take a credit for tips received); and

(4) The employer must be able to show by records that the tipped employee received at least the applicable Executive Order minimum wage through the combination of direct wages and tip credit.

j. Anti-retaliation. It shall be unlawful for any person to discharge or in any other manner discriminate against any worker because such worker has filed any complaint or instituted or caused to be instituted any proceeding under or related to Executive Order 13658 or 29 CFR Part 10, or has testified or is about to testify in any such proceeding.

k. Disputes concerning labor standards. Disputes related to the application of Executive Order 13658 to this contract shall not be subject to the general disputes clause of the contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Part 10. Disputes within the meaning of this contract clause include disputes between the contractor (or any of its

subcontractors) and the contracting agency, the U.S. Department of Labor, or the workers or their representatives.

I. Notice. The contractor must notify all workers performing work on or in connection with a covered contract of the applicable minimum wage rate under the Executive Order. With respect to service employees on contracts covered by the Service Contract Act and laborers and mechanics on contracts covered by the Davis-Bacon Act, the contractor may meet this requirement by posting, in a prominent and accessible place at the worksite, the applicable wage determination under those statutes. With respect to workers performing work on or in connection with a covered contract whose wages are governed by the FLSA, the contractor must post a notice provided by the Department of Labor in a prominent and accessible place at the worksite so it may be readily seen by workers. Contractors that customarily post notices to workers electronically may post the notice electronically provided such electronic posting is displayed prominently on any Web site that is maintained by the contractor, whether external or internal, and customarily used for notices to workers about terms and conditions of employment.

m. If a duly authorized representative of the United States discovers or determines, whether before or subsequent to executing this contract, that an erroneous determination regarding the applicability of Executive Order 13658 was made, contractor, to the extent permitted by law, agrees to indemnify and hold harmless the United States, its officers, agents, and employees, for and from any and all liabilities, losses, claims, expenses, suites, fines, penalties, judgments, demands or actions, costs, fees, and damages directly or indirectly arising out of, caused by, related to, resulting from or in any way predicated upon, in whole or in part, the erroneous Executive Order 13658 determination. This includes contractor releasing any claim or entitlement it would otherwise have to an equitable adjustment to the contract and indemnifying and holding harmless the United States from the claims of subcontractors and contractor employees.

37. DETERMINATION REGARDING EXECUTIVE ORDER 13706

Any reference in this section to “prime contractor” or “contractor” shall mean the Lessee and any reference to “contract” shall refer to the Lease.

a. Executive Order 13706. This contract is subject to Executive Order 13706, the regulations issued by the Secretary of Labor in 29 CFR part 13 pursuant to the Executive Order, and the following provisions.

b. Paid Sick Leave.

(1) The contractor shall permit each employee (as defined in 29 CFR 13.2) engaged in the performance of this contract by the prime contractor or any subcontractor, regardless of any contractual relationship that may be alleged to exist

between the contractor and employee, to earn not less than 1 hour of paid sick leave for every 30 hours worked. The contractor shall additionally allow accrual and use of paid sick leave as required by Executive Order 13706 and 29 CFR part 13. The contractor shall in particular comply with the accrual, use, and other requirements set forth in 29 CFR 13.5 and 13.6, which are incorporated by reference in this contract.

(2) The contractor shall provide paid sick leave to all employees when due free and clear and without subsequent deduction (except as otherwise provided by 29 CFR 13.24), rebate, or kickback on any account. The contractor shall provide pay and benefits for paid sick leave used no later than one pay period following the end of the regular pay period in which the paid sick leave was taken.

(3) The prime contractor and any upper-tier subcontractor shall be responsible for the compliance by any subcontractor or lower-tier subcontractor with the requirements of Executive Order 13706, 29 CFR part 13, and this clause.

c. Withholding. The contracting officer shall, upon its own action or upon written request of an authorized representative of the Department of Labor, withhold or cause to be withheld from the prime contractor under this or any other Federal contract with the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay employees the full amount owed to compensate for any violation of the requirements of Executive Order 13706, 29 CFR part 13, or this clause, including any and/or benefits denied or lost be reason of the violation; other actual monetary losses sustained as a direct result of the violation, and liquidated damages.

d. Contract Suspension/Contract Termination/Contractor Debarment. In the event of a failure to comply with Executive Order 13706, 29 CFR part 13, or this clause, the contracting agency may on its own action or after authorization or by direction of the Department of Labor and written notification to the contractor, take action to cause suspension of any further payment, advance, or guarantee of funds until such violations have ceased. Additionally, any failure to comply with the requirements of this clause may be grounds for termination of the right to proceed with the contract work. In such event, the Government may enter into other contracts or arrangements for completion of the work, charging the contractor in default with any additional cost. A breach of the contract clause may be grounds for debarment as a contractor and subcontractor as provided in 29 CFR 13.52.

e. The paid sick leave required by Executive Order 13706, 29 CFR part 13, and this clause is in addition to a contractor's obligations under the Service Contract Act and Davis-Bacon Act, and a contractor may not receive credit toward its prevailing wages or fringe benefit obligations under those Acts for any paid sick leave provided in satisfaction of the requirements of Executive Order 13706 and 29 CFR part 13.

f. Nothing in Executive Order 13706 or 29 CFR part 13 shall excuse noncompliance with or supersede any applicable Federal or State law, any applicable

law or municipal ordinance, or a collective bargaining agreement requiring greater paid sick leave or leave rights than those established under Executive Order 13706 and 29 CFR part 13.

g. Recordkeeping.

(1) Any contractor performing work subject to Executive Order 13706 and 29 CFR part 13 must make and maintain, for no less than three (3) years from the completion of the work on the contract, records containing the information specified in paragraphs (i) through (xv) of this section for each employee and shall make them available for inspection, copying, and transcription by authorized representatives of the Wage and Hour Division of the U.S. Department of Labor:

- (i) Name, address, and Social Security number of each employee;
- (ii) The employee's occupation(s) or classifications(s);
- (iii) The rate or rates of wages paid (including all pay and benefits provided);
- (iv) The number of daily and weekly hours worked;
- (v) Any deductions made;
- (vi) The total wages paid (including all pay and benefits provided) each pay period;
- (vii) A copy of notifications to employees of the amount of paid sick leave the employee has accrued, as required under 29 CFR 13.5(a)(2);
- (viii) A copy of employees' requests to use paid sick leave, if in writing, or, if not in writing, any other records reflecting such employee requests;
- (ix) Dates and amounts of paid sick leave taken by employees (unless a contractor's paid time off policy satisfies the requirements of Executive Order 13706 and 29 CFR part 13 as described in §13.5(f)(5), leave must be designated in records as paid sick leave pursuant to Executive Order 13706);
- (x) A copy of any written responses to employees' requests to use paid sick leave, including explanations for any denials of such requests, as required under 29 CFR 13.5(d)(3);
- (xi) Any records reflecting the certification and documentation a contractor may require an employee to provide under 29 CFR 13.5(e), including copies of any certification or documentation provided by an employee;

(xii) Any other records showing any tracking of or calculations related to an employee's accrual or use of paid sick leave;

(xiii) The relevant covered contract;

(xiv) The regular pay and benefits provided to an employee for each use of paid sick leave; and

(xv) Any financial payment made for unused paid sick leave upon a separation from employment intended, pursuant to 29 CFR 13.5(b)(5), to relieve a contractor from the obligation to reinstate such paid sick leave as otherwise required by 29 CFR 13.5(b)(4).

(2)(i) If a contractor wishes to distinguish between an employee's covered and non-covered work, the contractor must keep records or other proof reflecting such distinctions. Only if the contractor adequately segregates the employee's time will time spent on non-covered work be excluded from hours worked counted toward the accrual of paid sick leave. Similarly, only if that contractor adequately segregates the employee's time may a contractor properly refuse an employee's request to use paid sick leave on the ground that the employee was scheduled to perform non-covered work during the time they asked to use paid sick leave.

(ii) If a contractor estimates covered hours worked by an employee who performs work in connection with covered contracts pursuant to 29 CFR 13.5(a)(i) or (iii), the contractor must keep records or other proof of the verifiable information on which such estimates are reasonably based. Only if the contractor relies on an estimate that is reasonable and based on verifiable information will an employee's time spent in connection with non-covered work be excluded from hours worked counted toward the accrual of paid sick leave. If a contractor estimates the amount of time an employee spends performing in connection with covered contracts, the contractor must permit the employee to use their paid sick leave during any work time for the contractor.

(3) In the event a contractor is not obligated by the Service Contract Act, the Davis-Bacon Act, or the Fair Labor Standards Act to keep records of an employee's hours worked, such as because the employee is exempt from the FLSA's minimum wage and overtime requirement, and the contractor chooses to use the assumption permitted by 29 CFR 13.5(a)(1)(iii), the contractor is excused from the requirement in paragraph (1)(d) of this section to keep records of the employee's number of daily and weekly hours worked.

(4)(i) Records relating to medical histories or domestic violence, sexual assault, or stalking, created for purposes of Executive Order 13706, whether of an employee or an employee's child, parent, spouse, domestic partner, or other individual related by blood or affinity whose close association with the employee is the equivalent

of a family relationship, shall be maintained as confidential records in separate files/records from the usual personnel files.

(ii) If the confidentiality requirements of the Genetic Information Nondiscrimination Act of 2008 (GINA), section 503 of the Rehabilitation Act of 1973, and/or the Americans with Disabilities Act (ADA) apply to records or documents created to comply with the recordkeeping requirements in this contract clause, the records and documents must also be maintained in compliance with the confidentiality requirement of the GINA, section 503 of the Rehabilitation Act of 1973, and/or ADA as described in 29 CFR 1635.9, 41 CFR 60-741.23(d), and 29 CFR 1630.14(c)(1), respectively.

(iii) The contractor shall not disclose any documentation used to verify the need to use 3 or more consecutive days of paid sick leave for the purposes listed in 29 CFR 13.5(c)(1)(iv) (as described in 29 CFR 13.5(e)(1)(ii)) and shall maintain confidentiality about any domestic abuse, sexual assault, or stalking, unless the employee consents or when disclosure is required by law.

(5) The contractor shall permit authorized representative of the Wage and Hour Division to conduct interviews with employees at the worksite during normal working hours.

(6) Nothing in this contract clause limits or otherwise modifies the contractor's recordkeeping obligations, if any, under the Davis-Bacon Act, the Service Contract Act, the Fair Labor Standards Act, the Family and Medical Leave Act, Executive Order 13658, their respective implementing regulations, or any other applicable law.

h. The contractor (as defined in 29 CFR 13.2) shall insert this clause in all of its covered subcontracts and shall require its subcontractors to include this clause in any covered lower-tier subcontracts.

i. Certification of Eligibility.

(1) By entering into this contract, the contractor (an officials thereof) certifies that neither it (nor he or she) nor any person of firm who has an interest in the contractor's firm is a person of firm ineligible to be awarded Government contracts by virtue of the sanctions imposed pursuant to section 5 of the Service Contract Act, section 3(a) of the Davis-Bacon Act, or 29 CFR 5.12(a)(1).

(2) No part of this contract shall be subcontracted to any person or firm whose name appears on the list of persons or firms ineligible to received Federal contracts currently maintained on the System for Award Management Web site, <http://www.SAM.gov>.

(3) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

j. Interference/Discrimination.

(1) A contractor may not in any manner interfere with an employee's accrual or use of paid sick leave as required by Executive Order 13706 or 29 CFR part 13. Interference includes, but is not limited to, miscalculating the amount of paid sick leave an employee has accrued, denying or unreasonably delaying a response to a proper request to use paid sick leave, discouraging an employee from using paid sick leave, reducing an employee's accrued paid sick leave by more than the amount of such leave used, transferring an employee to work on non-covered contracts to prevent the accrual or use of paid sick leave, disclosing confidential information contained in certification of other documentation provided to verify the need to use paid sick leave, or making the use of paid sick leave contingent on the employee's finding a replacement worker or the fulfillment of the contractor's operational needs.

(2) A contractor may not discharge or in any other manner discriminate against any employee for:

(i) Using, or attempting to use, paid sick leave as provided for under Executive Order 13706 and 29 CFR part 13;

(ii) Filing any complaint, initiating any proceeding, or otherwise asserting any right or claim under Executive Order 13706 and 29 CFR part 13;

(iii) Cooperating in any investigation or testifying in any proceeding under Executive Order 13706 and 29 CFR part 13;

(iv) Informing any other person about his or her rights under Executive Order 13706 and 29 CFR part 13.

k. Waiver. Employees cannot waive, nor may contractors induce employees to waive, their rights under Executive Order 13706, 29 CFR part 13, or this clause.

l. Notice. The contractor must notify all employees performing work on or in connection with a covered contract of the paid sick leave requirements of Executive Order 13706, 29 CFR part 13, and this clause by posting a notice provided by the Department of Labor in a prominent and accessible place at the worksite so it may be readily seen by employees. Contractors that customarily post notices to employees electronically may post the notice electronically, provided such electronic posting is displayed prominently on any Web site that is maintained by the contractor, whether external or internal, and customarily used for notices to employees about terms and conditions of employment.

m. Disputes concerning labor standards. Disputes related to the application of Executive Order 13706 to this contract shall not be subject to the general disputes clause of the contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR part 13. Disputes within the meaning of this contract clause include disputes between the contractor (or any of its subcontractors) and the contracting agency, the U.S. Department of Labor, or the employees or their representatives.

38. ADDED CONDITIONS

a. BACKGROUND INVESTIGATIONS: Prior to the assignment of any sublease, the Lessee shall be required to perform background investigations of any prospective sublessees. Persons who have been convicted of a violent crime, sexual crime, arson, crime with a weapon, sale or intent to distribute illegal drugs, are an organized crime figure, or an undocumented noncitizen, may not be approved as a sublessee. A short description of the required background investigations is below:

(1) Nationwide Background Checks. There are many private companies that conduct pre-employment criminal background checks for employers. This type of check requires the full name of the applicant and residential address. In some locations a signed release is also required from the applicant.

(2) U.S. Citizen Verification. The Department of Homeland Security has a program that employers can participate in, at no cost, which allows them to conduct a social security verification and immigration check on an individual. To register for the program, contact the Department of Homeland Security Systematic Alien Verification for Entitlements Program (SAVE) at <https://www.uscis.gov/save> or call 1-888-464-4210.

b. Time limitations for camping, including but not limited to transient trailers or recreational vehicles, shall follow current policy guidance.

c. A copy of the Lessee's Inventory of Private Real Property is included as **Exhibit F**.

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LEASE NO. DACW63-1-24-0613

IN WITNESS WHEREOF, I have hereunto set my hand by authority of the
Secretary of the Army this _____ day of _____, 2024.

Lee A. Flannery
Deputy Chief, Real Estate Division
Real Estate Contracting Officer

THIS LEASE is also executed by the Lessee this _____ day of
_____, 2024.

City of Lewisville

Name

Title

CERTIFICATE OF AUTHORITY

I, _____ (Name), certify that I am the
_____ (Title) of **City of Lewisville** , named as the Grantee
herein; and that _____ (signator of outgrant), who signed the
foregoing instrument on behalf of the Grantee, was then _____ (title
of signator of outgrant) of **City of Lewisville**. I further certify that the said officer was
acting within the scope of powers delegated to this governing body of the Grantee in
executing said instrument.

City of Lewisville

Date

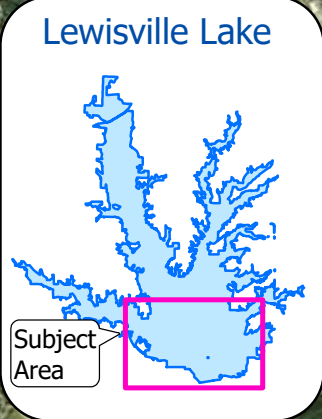
Authorized Representative

Title

AFFIX COMPANY SEAL

NOTE: This form certifies that the person signing the attached instrument has the authority to do so. The signature of the Secretary/Attesting Officer and the individual signing the attached instrument cannot be the same person.

City of Lewisville
Park and Recreation Lease
Lewisville Lake
Trinity Regional Project
Denton County, Texas

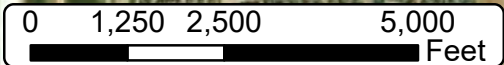


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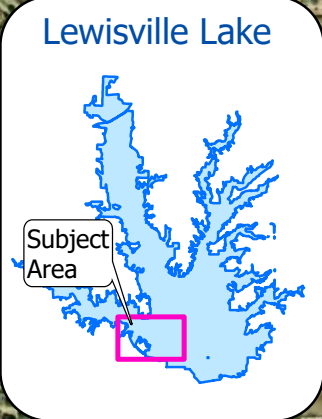
- Parcel A-1
- Parcel A-2
- Parcel A-3
- Parcel B



MAP TO BE USED FOR
EXHIBIT PURPOSES ONLY.



City of Lewisville
Park and Recreation Lease
Lewisville Lake
Trinity Regional Project
Denton County, Texas

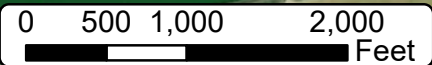


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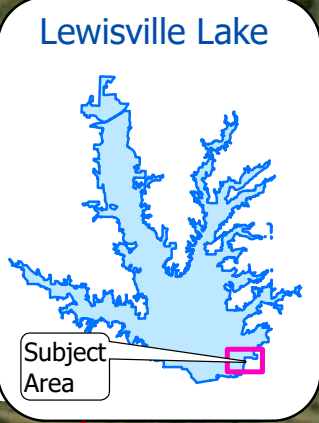
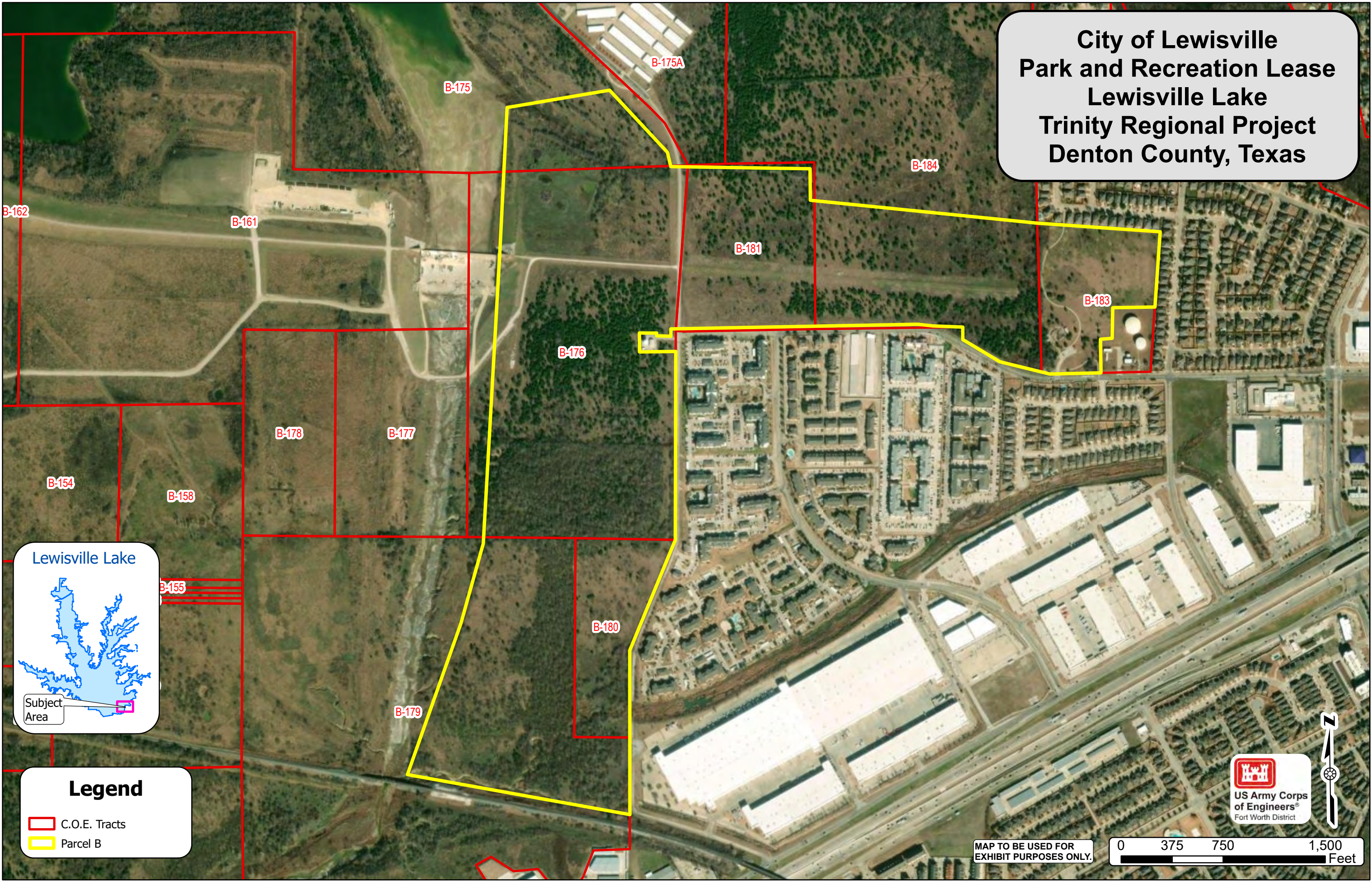
- Parcel A-1
- Parcel A-2
- Parcel A-3



MAP TO BE USED FOR
EXHIBIT PURPOSES ONLY.



City of Lewisville
Park and Recreation Lease
Lewisville Lake
Trinity Regional Project
Denton County, Texas

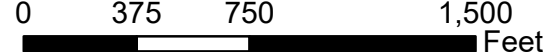


Legend

C.O.E. Tracts

Parcel B

MAP TO BE USED FOR
EXHIBIT PURPOSES ONLY.



LEWISVILLE RESERVOIR
TRINITY REGION PROJECT
PARK AND RECREATION LEASE

Grantee: City of Lewisville

Acres: 993.72

Parcel A-1: 706.12 acres

BEING A PORTION OF THAT CERTAIN CALLED 0.79 ACRE TRACT OF LAND SITUATED IN THE P. K. WAGNER SURVEY, A-1342, AWARDED TO THE UNITED STATES OF AMERICA (TRACT 4-104), RECORDED IN CIVIL ACTION 5-90-206-CA-MF-804-7, FILED 24 SEPTEMBER 1990 IN DENTON COUNTY, AND ALSO **BEING** A PORTION OF THAT CERTAIN CALLED 5.1 ACRE TRACT OF LAND SITUATED IN THE S. RIGGS SURVEY, A-1088, AND J. WAGNER SURVEY, A-1399, CONVEYED TO THE UNITED STATES OF AMERICA (TRACT A-3) IN DEED WITHOUT WARRANTY EXECUTED 17 AUGUST 1956, AND ALSO **BEING** A PORTION OF THAT CERTAIN CALLED 64.4 ACRE TRACT OF LAND SITUATED IN THE J. WAGNER SURVEY, A-1399, CONVEYED TO THE UNITED STATES OF AMERICA (TRACT A-4) IN GENERAL WARRANTY DEED EXECUTED 22 JANUARY 1952, AND ALSO **BEING** A PORTION OF THAT CERTAIN CALLED 157.75 ACRE TRACT OF LAND SITUATED IN THE J. WAGNER SURVEY, A-1399, CONVEYED TO THE UNITED STATES OF AMERICA (TRACT A-5) IN GENERAL WARRANTY DEED EXECUTED 15 APRIL 1949, AND ALSO **BEING** A PORTION OF THAT CERTAIN CALLED 275 ACRE TRACT OF LAND SITUATED IN THE J. SUTTON SURVEY, A-1156, AND W. LUTTRELL SURVEY, A-742, AWARDED TO THE UNITED STATES OF AMERICA (TRACT A-11), RECORDED IN CIVIL ACTION 470, DECLARATION OF TAKING NO. 1, FILED 7 FEBRUARY 1949 IN DENTON COUNTY, AND ALSO **BEING** A PORTION OF THAT CERTAIN CALLED 4.6 ACRE TRACT OF LAND SITUATED IN THE J. WAGNER SURVEY, A-1399, CONVEYED TO THE UNITED STATES OF AMERICA (TRACT A-30) IN QUITCLAIM DEED EXECUTED 27 FEBRUARY 1956, AND ALSO **BEING** A PORTION OF THAT CERTAIN CALLED 130.05 ACRE TRACT OF LAND SITUATED IN THE S. RIGGS SURVEY, A-1088, CONVEYED TO THE UNITED STATES OF AMERICA (TRACT D-301) IN GENERAL WARRANTY DEED EXECUTED 7 JULY 1951, AND ALSO **BEING** A PORTION OF THAT CERTAIN CALLED 50 ACRE TRACT OF LAND SITUATED IN THE S. RIGGS SURVEY, A-1088, AND THE J. WAGNER SURVEY, A-1399, CONVEYED TO THE UNITED STATES OF AMERICA (TRACT D-302) IN GENERAL WARRANTY DEED EXECUTED 5 JULY 1951, AND ALSO **BEING** A PORTION OF THAT CERTAIN CALLED 77.7 ACRE TRACT OF LAND SITUATED IN THE S. RIGGS SURVEY, A-1088, THE J. WAGNER SURVEY, A-1399, AND THE P. K. WAGNER SURVEY, A-1342, AWARDED TO THE UNITED STATES OF AMERICA (TRACT D-303), RECORDED IN CIVIL ACTION 692, FILED 8 JANUARY 1952 IN DENTON COUNTY, AND ALSO **BEING** A PORTION OF THAT CERTAIN CALLED 360.87 ACRE TRACT OF LAND SITUATED IN THE S. RIGGS SURVEY, A-1088, THE M. RAMSOUR SURVEY, A-1089, AND THE J. S. WELDON SURVEY, A-1398, AWARDED TO THE UNITED STATES OF AMERICA (TRACT D-304A), RECORDED IN CIVIL ACTION 664, FILED 4 FEBRUARY 1952 IN DENTON COUNTY, AND ALSO **BEING** A PORTION OF THAT CERTAIN

CALLED 102.6 ACRE TRACT OF LAND SITUATED IN THE W. LUTTRELL SURVEY, A-742, THE S. RIGGS SURVEY, A-1088, AND THE M. RAMSOUR SURVEY, A-1089, AWARDED TO THE UNITED STATES OF AMERICA (TRACT D-304B), RECORDED IN CIVIL ACTION 664, FILED 4 FEBRUARY 1952 IN DENTON COUNTY, AND ALSO **BEING** A PORTION OF THAT CERTAIN CALLED 137.7 ACRE TRACT OF LAND SITUATED IN THE S. LUTTRELL SURVEY, A-744, AND THE HRS. W. G. RAMSEY SURVEY, A-1076, AWARDED TO THE UNITED STATES OF AMERICA (TRACT D-347A), RECORDED IN CIVIL ACTION 672, FILED 22 AUGUST 1951 IN DENTON COUNTY, AND ALSO **BEING** A PORTION OF THAT CERTAIN CALLED 58.5 ACRE TRACT OF LAND SITUATED IN THE HRS. W. G. RAMSEY SURVEY, A-1076, AND THE P. K. WAGNER SURVEY, A-1342, AWARDED TO THE UNITED STATES OF AMERICA (TRACT D-348A), RECORDED IN CIVIL ACTION 705, DECLARATION OF TAKING NO. 1, FILED 19 FEBRUARY 1952 IN DENTON COUNTY, AND ALSO **BEING** A PORTION OF THAT CERTAIN CALLED 50.9 ACRE TRACT OF LAND SITUATED IN THE HRS. W. G. RAMSEY SURVEY, A-1076, AND THE P. K. WAGNER SURVEY, A-1342, AWARDED TO THE UNITED STATES OF AMERICA (TRACT D-349-1), RECORDED IN CIVIL ACTION 759, DECLARATION OF TAKING NO. 1, FILED 12 JUNE 1952 IN DENTON COUNTY, AND ALSO **BEING** A PORTION OF THAT CERTAIN CALLED 6.4 ACRE TRACT OF LAND SITUATED IN THE P. K. WAGNER SURVEY, A-1342, AWARDED TO THE UNITED STATES OF AMERICA (TRACT D-349-2), RECORDED IN CIVIL ACTION 759, DECLARATION OF TAKING NO. 1, FILED 12 JUNE 1952 IN DENTON COUNTY, AND ALSO **BEING** A PORTION OF THAT CERTAIN CALLED 6.8 ACRE TRACT OF LAND SITUATED IN THE P. K. WAGNER SURVEY, A-1342, CONVEYED TO THE UNITED STATES OF AMERICA (TRACT D-351B) IN GENERAL WARRANTY DEED EXECUTED 15 FEBRUARY 1952, AND ALSO **BEING** A PORTION OF THAT CERTAIN CALLED 3.9 ACRE TRACT OF LAND SITUATED IN THE P. K. WAGNER SURVEY, A-1342, AWARDED TO THE UNITED STATES OF AMERICA (TRACT D-353-1), RECORDED IN CIVIL ACTION 705, DECLARATION OF TAKING NO. 1, FILED 19 FEBRUARY 1952 IN DENTON COUNTY, AND ALSO **BEING** A PORTION OF THAT CERTAIN CALLED 67.6 ACRE TRACT OF LAND SITUATED IN THE P. K. WAGNER SURVEY, A-1342, AWARDED TO THE UNITED STATES OF AMERICA (TRACT D-354), RECORDED IN CIVIL ACTION 692, FILED 8 JANUARY 1952 IN DENTON COUNTY, AND ALSO **BEING** A PORTION OF THAT CERTAIN CALLED 91 ACRE TRACT OF LAND SITUATED IN THE P. K. WAGNER SURVEY, A-1342, CONVEYED TO THE UNITED STATES OF AMERICA (TRACT D-355A) IN GENERAL WARRANTY DEED EXECUTED 21 APRIL 1952, AND ALSO **BEING** A PORTION OF THAT CERTAIN CALLED 0.35 ACRE TRACT OF LAND SITUATED IN THE P. K. WAGNER SURVEY, A-1342, CONVEYED TO THE UNITED STATES OF AMERICA (TRACT D-355B) IN GENERAL WARRANTY DEED EXECUTED 21 APRIL 1952, AND ALSO **BEING** A PORTION OF THAT CERTAIN CALLED 92.11 ACRE TRACT OF LAND SITUATED IN THE S. LUTTRELL SURVEY, A-744, CONVEYED TO THE UNITED STATES OF AMERICA (TRACT D-356A) IN GENERAL WARRANTY DEED EXECUTED 22 AUGUST 1951, AND ALSO **BEING** A PORTION OF THAT CERTAIN CALLED 33.7 ACRE TRACT

OF LAND SITUATED IN THE S. LUTTRELL SURVEY, A-744, AND THE W. P. PEARCE SURVEY, A-1015, CONVEYED TO THE UNITED STATES OF AMERICA (TRACT D-356B) IN GENERAL WARRANTY DEED EXECUTED 22 AUGUST 1951, AND ALSO **BEING** A PORTION OF THAT CERTAIN CALLED 79 ACRE TRACT OF LAND SITUATED IN THE S. BURNLEY SURVEY, A-116, AWARDED TO THE UNITED STATES OF AMERICA (TRACT D-357), RECORDED IN CIVIL ACTION 664, DECLARATION OF TAKING NO. 1, FILED 10 JULY 1951 IN DENTON COUNTY, AND ALSO **BEING** A PORTION OF THAT CERTAIN CALLED 41 ACRE TRACT OF LAND SITUATED IN THE S. BURNLEY SURVEY, A-116, CONVEYED TO THE UNITED STATES OF AMERICA (TRACT D-358) IN GENERAL WARRANTY DEED EXECUTED 12 SEPTEMBER 1951, AND ALSO **BEING** A PORTION OF THAT CERTAIN CALLED 27.3 ACRE TRACT OF LAND SITUATED IN THE W. P. PEARCE SURVEY, A-1015, AWARDED TO THE UNITED STATES OF AMERICA (TRACT D-359), RECORDED IN CIVIL ACTION 692, FILED 8 JANUARY 1952 IN DENTON COUNTY, AND ALSO **BEING** A PORTION OF THAT CERTAIN CALLED 20.8 ACRE TRACT OF LAND SITUATED IN THE W. P. PEARCE SURVEY, A-1015, AND THE F. PEARCE SURVEY, A-1016, AWARDED TO THE UNITED STATES OF AMERICA (TRACT D-360), RECORDED IN CIVIL ACTION 692, FILED 8 JANUARY 1952 IN DENTON COUNTY, AND ALSO **BEING** A PORTION OF THAT CERTAIN CALLED 24.01 ACRE TRACT OF LAND SITUATED IN THE HRS. J. RAMSEY SURVEY, A-1075, THE S. RIGGS SURVEY, A-1088, THE M. RAMSOUR SURVEY, A-1089, AND THE J. S. WELDON SURVEY, A-1398, CONVEYED TO THE UNITED STATES OF AMERICA (TRACT D-376) IN QUITCLAIM DEED EXECUTED 27 FEBRUARY 1956, AND ALSO **BEING** A PORTION OF THAT CERTAIN CALLED 0.11 ACRE TRACT OF LAND SITUATED IN THE P. K. WAGNER SURVEY, A-1342, AWARDED TO THE UNITED STATES OF AMERICA (TRACT D-377), RECORDED IN CIVIL ACTION 705, DECLARATION OF TAKING NO. 1, FILED 19 FEBRUARY 1952 IN DENTON COUNTY, AND ALSO **BEING** A PORTION OF THAT CERTAIN CALLED 19.28 ACRE TRACT OF LAND SITUATED IN THE S. LUTTRELL SURVEY, A-744, THE W. DIMMENT SURVEY, A-345, AND THE P. K. WAGNER SURVEY, A-1342, CONVEYED TO THE UNITED STATES OF AMERICA (TRACT D-381) IN QUITCLAIM DEED EXECUTED 27 FEBRUARY 1956, AND ALSO **BEING** A PORTION OF THAT CERTAIN CALLED 25.13 ACRE TRACT OF LAND SITUATED IN THE L. A. BROWN SURVEY, A-108, THE HRS. W. G. RAMSEY SURVEY, A-1076, AND THE P. K. WAGNER SURVEY, A-1342, CONVEYED TO THE UNITED STATES OF AMERICA (TRACT D-382) IN DEED WITHOUT WARRANTY EXECUTED 17 AUGUST 1956, SAID LEASE AREA BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AND REFERENCING THE TEXAS COORDINATE SYSTEM, NORTH CENTRAL ZONE, NAD83:

COMMENCING at C.O.E. Monument D-25, said point having the coordinates: X= 2417596.34, Y= 7083878.97;

THENCE North 47-49-20 East, a distance of 2,316.93 feet to the **POINT OF BEGINNING**, said point having coordinates: X= 2419308.497, Y= 7085420.461;

THENCE North 86-7-2 East, a distance of 486.952 feet to a point;
THENCE South 12-9-57 East, a distance of 133.415 feet to a point;
THENCE South 14-31-13 West, a distance of 447.556 feet to a point;
THENCE South 2-47-16 East, a distance of 379.556 feet to a point;
THENCE South 21-12-54 East, a distance of 376.832 feet to a point;
THENCE South 41-10-25 East, a distance of 223.194 feet to a point;
THENCE South 3-49-52 East, a distance of 248.879 feet to a point;
THENCE South 43-49-5 East, a distance of 250.455 feet to a point;
THENCE North 30-16-43 East, a distance of 87.562 feet to a point;
THENCE South 60-11-14 East, a distance of 269.821 feet to a point;
THENCE South 11-55-35 East, a distance of 469.621 feet to a point;
THENCE South 57-49-4 East, a distance of 360.385 feet to a point;
THENCE North 81-38-5 East, a distance of 397.744 feet to a point;
THENCE South 36-22-24 East, a distance of 270.495 feet to a point;
THENCE South 5-56-19 East, a distance of 172.734 feet to a point;
THENCE South 38-28-49 West, a distance of 259.159 feet to a point;
THENCE South 86-46-32 West, a distance of 184.962 feet to a point;
THENCE North 73-17-10 West, a distance of 186.098 feet to a point;
THENCE North 41-14-42 West, a distance of 285.66 feet to a point;
THENCE South 85-38-8 West, a distance of 421.39 feet to a point;
THENCE North 49-28-14 West, a distance of 752.648 feet to a point;
THENCE South 25-48-43 East, a distance of 404.16 feet to a point;
THENCE South 28-19-20 East, a distance of 398.248 feet to a point;
THENCE South 34-29-36 East, a distance of 128.058 feet to a point;
THENCE South 76-11-33 East, a distance of 184.079 feet to a point;
THENCE South 36-44-42 East, a distance of 247.279 feet to a point;
THENCE South 78-20-0 East, a distance of 121.148 feet to a point;
THENCE South 0-48-19 East, a distance of 91.57 feet to a point;

THENCE South 32-55-56 East, a distance of 142.66 feet to a point;
THENCE South 58-40-27 East, a distance of 313.949 feet to a point;
THENCE North 18-35-15 East, a distance of 522.282 feet to a point;
THENCE North 90-0-0 East, a distance of 155.491 feet to a point;
THENCE South 66-48-5 East, a distance of 220.779 feet to a point;
THENCE North 22-59-19 East, a distance of 283.416 feet to a point;
THENCE North 37-20-58 East, a distance of 125.978 feet to a point;
THENCE North 74-52-34 East, a distance of 101.01 feet to a point;
THENCE South 62-35-36 East, a distance of 142.904 feet to a point;
THENCE South 55-3-38 East, a distance of 147.441 feet to a point;
THENCE South 62-47-2 East, a distance of 518.618 feet to a point;
THENCE South 66-56-55 East, a distance of 269.227 feet to a point;
THENCE South 49-48-29 East, a distance of 200.102 feet to a point;
THENCE South 16-49-17 East, a distance of 118.389 feet to a point;
THENCE South 16-37-15 West, a distance of 184.273 feet to a point;
THENCE South 33-11-35 West, a distance of 336.975 feet to a point;
THENCE South 31-3-33 West, a distance of 776.093 feet to a point;
THENCE South 27-59-10 East, a distance of 480.346 feet to a point;
THENCE South 84-33-35 East, a distance of 129.681 feet to a point;
THENCE South 68-11-55 East, a distance of 121.385 feet to a point;
THENCE South 64-3-28 East, a distance of 84.315 feet to a point;
THENCE South 59-15-52 East, a distance of 88.209 feet to a point;
THENCE South 69-51-49 East, a distance of 65.477 feet to a point;
THENCE North 90-0-0 East, a distance of 77.868 feet to a point;
THENCE South 78-55-47 East, a distance of 96.048 feet to a point;
THENCE South 58-8-2 East, a distance of 89.273 feet to a point;
THENCE South 41-25-25 East, a distance of 92.915 feet to a point;
THENCE South 26-33-54 East, a distance of 105.387 feet to a point;

THENCE South 0-0-0 West, a distance of 92.212 feet to a point;
THENCE South 25-12-4 West, a distance of 77 feet to a point;
THENCE South 32-28-16 West, a distance of 53.435 feet to a point;
THENCE South 5-2-33 East, a distance of 69.942 feet to a point;
THENCE South 29-14-56 East, a distance of 58.715 feet to a point;
THENCE South 84-38-39 East, a distance of 65.86 feet to a point;
THENCE North 75-18-10 East, a distance of 129.227 feet to a point;
THENCE North 79-22-49 East, a distance of 100.073 feet to a point;
THENCE North 89-20-29 East, a distance of 178.288 feet to a point;
THENCE South 78-32-28 East, a distance of 154.721 feet to a point;
THENCE South 73-12-6 East, a distance of 113.446 feet to a point;
THENCE South 71-33-54 East, a distance of 129.6 feet to a point;
THENCE South 78-57-33 East, a distance of 85.6 feet to a point;
THENCE South 77-47-58 East, a distance of 77.571 feet to a point;
THENCE South 71-46-42 East, a distance of 63.571 feet to a point;
THENCE South 42-2-57 East, a distance of 97.605 feet to a point;
THENCE South 30-48-57 East, a distance of 94.322 feet to a point;
THENCE South 45-0-0 East, a distance of 62.304 feet to a point;
THENCE South 73-14-27 East, a distance of 63.24 feet to a point;
THENCE North 26-33-54 East, a distance of 87.059 feet to a point;
THENCE North 13-10-21 West, a distance of 98.913 feet to a point;
THENCE North 47-1-17 West, a distance of 123.239 feet to a point;
THENCE North 39-42-36 West, a distance of 157.158 feet to a point;
THENCE North 38-45-56 West, a distance of 173.453 feet to a point;
THENCE North 31-27-25 West, a distance of 204.186 feet to a point;
THENCE North 11-59-49 West, a distance of 167.592 feet to a point;
THENCE North 3-8-11 East, a distance of 149.812 feet to a point;
THENCE North 7-28-18 East, a distance of 126.069 feet to a point;

THENCE North 50-11-40 East, a distance of 64.018 feet to a point;
THENCE North 90-0-0 East, a distance of 100.408 feet to a point;
THENCE South 63-26-6 East, a distance of 105.387 feet to a point;
THENCE South 44-25-17 East, a distance of 143.455 feet to a point;
THENCE South 45-0-0 East, a distance of 130.407 feet to a point;
THENCE South 56-39-33 East, a distance of 93.208 feet to a point;
THENCE South 62-6-10 East, a distance of 78.832 feet to a point;
THENCE South 40-18-51 East, a distance of 88.683 feet to a point;
THENCE South 16-51-30 East, a distance of 70.659 feet to a point;
THENCE South 5-57-52 East, a distance of 138.04 feet to a point;
THENCE South 24-16-28 East, a distance of 114.643 feet to a point;
THENCE South 30-27-56 East, a distance of 121.247 feet to a point;
THENCE South 21-15-2 East, a distance of 118.727 feet to a point;
THENCE South 22-54-21 East, a distance of 157.944 feet to a point;
THENCE South 55-24-28 East, a distance of 72.187 feet to a point;
THENCE South 48-12-56 East, a distance of 129.162 feet to a point;
THENCE South 43-12-36 East, a distance of 92.779 feet to a point;
THENCE South 25-54-23 East, a distance of 159.466 feet to a point;
THENCE South 10-41-6 East, a distance of 110.521 feet to a point;
THENCE South 2-54-39 West, a distance of 121.056 feet to a point;
THENCE South 35-50-16 East, a distance of 90.997 feet to a point;
THENCE South 46-32-30 East, a distance of 97.525 feet to a point;
THENCE South 62-6-10 East, a distance of 96.314 feet to a point;
THENCE South 75-57-50 East, a distance of 96.343 feet to a point;
THENCE South 75-4-7 East, a distance of 77.732 feet to a point;
THENCE South 58-44-11 East, a distance of 54.672 feet to a point;
THENCE South 54-17-36 East, a distance of 65.774 feet to a point;
THENCE South 58-19-28 East, a distance of 92.176 feet to a point;

THENCE South 85-25-34 East, a distance of 83.719 feet to a point;
THENCE North 69-35-24 East, a distance of 76.576 feet to a point;
THENCE North 45-0-0 East, a distance of 63.73 feet to a point;
THENCE North 18-26-6 East, a distance of 52.78 feet to a point;
THENCE North 22-50-1 East, a distance of 68.817 feet to a point;
THENCE North 58-40-17 East, a distance of 89.881 feet to a point;
THENCE North 78-41-24 East, a distance of 93.615 feet to a point;
THENCE South 83-32-28 East, a distance of 89.024 feet to a point;
THENCE South 63-56-47 East, a distance of 83.602 feet to a point;
THENCE South 79-9-35 East, a distance of 79.87 feet to a point;
THENCE North 85-14-11 East, a distance of 100.49 feet to a point;
THENCE North 66-56-55 East, a distance of 85.252 feet to a point;
THENCE North 65-51-16 East, a distance of 106.086 feet to a point;
THENCE South 88-46-52 East, a distance of 78.463 feet to a point;
THENCE South 85-41-2 East, a distance of 88.711 feet to a point;
THENCE South 70-42-36 East, a distance of 70.733 feet to a point;
THENCE South 47-51-45 East, a distance of 47.267 feet to a point;
THENCE South 30-4-7 East, a distance of 36.643 feet to a point;
THENCE South 18-5-0 East, a distance of 86.033 feet to a point;
THENCE South 46-44-9 East, a distance of 38.964 feet to a point;
THENCE South 74-34-54 East, a distance of 30.212 feet to a point;
THENCE South 81-38-37 East, a distance of 174.753 feet to a point;
THENCE North 83-30-58 East, a distance of 177.195 feet to a point;
THENCE South 74-33-13 East, a distance of 132.352 feet to a point;
THENCE South 30-10-25 East, a distance of 250.474 feet to a point;
THENCE South 68-57-3 East, a distance of 106 feet to a point;
THENCE North 68-35-42 East, a distance of 122.716 feet to a point;
THENCE North 44-49-37 East, a distance of 392.876 feet to a point;

THENCE North 14-38-4 East, a distance of 288.872 feet to a point;
THENCE South 86-28-41 East, a distance of 259.866 feet to a point;
THENCE South 29-23-46 East, a distance of 136.791 feet to a point;
THENCE South 5-48-40 East, a distance of 189.283 feet to a point;
THENCE South 20-26-30 East, a distance of 430.577 feet to a point;
THENCE South 54-28-48 East, a distance of 375.333 feet to a point;
THENCE South 26-3-56 East, a distance of 261.71 feet to a point;
THENCE South 3-52-8 West, a distance of 234.61 feet to a point;
THENCE South 10-58-11 West, a distance of 236.222 feet to a point;
THENCE South 37-18-3 East, a distance of 177.81 feet to a point;
THENCE North 86-48-17 East, a distance of 178.901 feet to a point;
THENCE North 67-6-49 East, a distance of 132.071 feet to a point;
THENCE South 86-42-49 East, a distance of 180.855 feet to a point;
THENCE South 27-16-42 East, a distance of 206.003 feet to a point;
THENCE South 22-39-7 West, a distance of 263.114 feet to a point;
THENCE South 22-52-10 East, a distance of 358.252 feet to a point;
THENCE South 9-13-58 West, a distance of 171.156 feet to a point;
THENCE South 69-6-49 East, a distance of 212.239 feet to a point;
THENCE North 89-9-53 East, a distance of 238.858 feet to a point;
THENCE South 52-27-34 East, a distance of 207.769 feet to a point;
THENCE South 20-36-38 East, a distance of 405.312 feet to a point;
THENCE South 2-41-23 West, a distance of 327.709 feet to a point;
THENCE South 41-21-9 West, a distance of 501.076 feet to a point;
THENCE South 76-43-46 West, a distance of 283.267 feet to a point;
THENCE North 69-58-38 West, a distance of 237.204 feet to a point;
THENCE North 83-4-52 West, a distance of 543.673 feet to a point;
THENCE South 40-56-51 West, a distance of 157.886 feet to a point;
THENCE South 12-38-34 East, a distance of 320.833 feet to a point;

THENCE South 4-53-39 West, a distance of 263.291 feet to a point;
THENCE North 78-23-4 West, a distance of 3495.041 feet to a point;
THENCE North 25-28-2 West, a distance of 1375.046 feet to a point;
THENCE North 9-7-54 East, a distance of 185.027 feet to a point;
THENCE North 5-29-0 East, a distance of 652.1 feet to a point;
THENCE North 21-23-0 East, a distance of 813.5 feet to a point;
THENCE North 60-26-0 West, a distance of 834.4 feet to a point;
THENCE South 18-57-0 West, a distance of 289.3 feet to a point;
THENCE South 12-19-0 East, a distance of 433.1 feet to a point;
THENCE South 26-7-21 West, a distance of 338.146 feet to a point;
THENCE North 31-36-1 West, a distance of 990.377 feet to a point;
THENCE North 13-28-0 East, a distance of 220.9 feet to a point;
THENCE North 21-13-0 West, a distance of 194.3 feet to a point;
THENCE North 46-46-0 West, a distance of 133.2 feet to a point;
THENCE North 63-27-0 East, a distance of 145 feet to a point;
THENCE North 7-41-0 East, a distance of 151 feet to a point;
THENCE North 20-58-0 West, a distance of 42 feet to a point;
THENCE South 89-22-0 East, a distance of 352 feet to a point;
THENCE North 6-40-0 East, a distance of 106.8 feet to a point;
THENCE North 41-28-0 West, a distance of 640 feet to a point;
THENCE North 71-29-0 West, a distance of 325 feet to a point;
THENCE South 0-23-0 East, a distance of 360 feet to a point;
THENCE South 85-11-0 West, a distance of 318.3 feet to a point;
THENCE South 58-48-54 West, a distance of 28.728 feet to a point;
THENCE North 31-31-0 West, a distance of 755.199 feet to a point;
THENCE South 87-23-11 West, a distance of 80.607 feet to a point;
THENCE North 32-33-48 West, a distance of 482.603 feet to a point;
THENCE North 55-19-46 West, a distance of 97.27 feet to a point;

THENCE North 86-30-49 West, a distance of 326.29 feet to a point;
THENCE South 43-48-50 West, a distance of 110.98 feet to a point;
THENCE South 9-21-26 West, a distance of 262.118 feet to a point;
THENCE South 0-18-26 West, a distance of 413.533 feet to a point;
THENCE South 60-36-0 West, a distance of 293 feet to a point;
THENCE South 36-19-0 West, a distance of 247.8 feet to a point;
THENCE South 23-0-0 West, a distance of 1485.2 feet to a point;
THENCE North 33-5-5 West, a distance of 1273.797 feet to a point;
THENCE North 23-46-50 West, a distance of 975.957 feet to a point;
THENCE North 16-59-27 West, a distance of 592.475 feet to a point;
THENCE North 40-37-0 East, a distance of 309.6 feet to a point;
THENCE North 3-38-0 East, a distance of 368.9 feet to a point;
THENCE North 38-52-0 West, a distance of 638.8 feet to a point;
THENCE North 57-45-24 East, a distance of 100.119 feet to a point;
THENCE North 89-30-9 East, a distance of 653.951 feet to a point;
THENCE North 0-8-15 East, a distance of 335.342 feet to a point;
THENCE South 89-45-15 West, a distance of 903.027 feet to a point;
THENCE North 12-34-25 West, a distance of 59.293 feet to a point;
THENCE North 18-42-9 West, a distance of 79.117 feet to a point;
THENCE North 11-2-10 West, a distance of 259.251 feet to a point;
THENCE North 10-30-52 West, a distance of 741.971 feet to a point;
THENCE North 6-13-46 West, a distance of 1,584.232 feet to a point;
THENCE North 0-10-38 West, a distance of 1203.453 feet to the **POINT OF BEGINNING**,
containing 706.12 acres, more or less.

Parcel A-2: (13.3 acres)

BEING A PORTION OF THAT CERTAIN CALLED 2.9 ACRE TRACT OF LAND SITUATED
IN THE P. K. WAGNER SURVEY, A-1342, CONVEYED TO THE UNITED STATES OF
AMERICA (TRACT D-351C) IN GENERAL WARRANTY DEED EXECUTED 15
FEBRUARY 1952, AND ALSO **BEING** A PORTION OF THAT CERTAIN CALLED 8.26

ACRE TRACT OF LAND SITUATED IN THE P. K. WAGNER SURVEY, A-1342, AWARDED TO THE UNITED STATES OF AMERICA (TRACT D-352A), RECORDED IN CIVIL ACTION 705, DECLARATION OF TAKING NO. 1, FILED 19 FEBRUARY 1952 IN DENTON COUNTY, AND ALSO **BEING** A PORTION OF THAT CERTAIN CALLED 1.6 ACRE TRACT OF LAND SITUATED IN THE P. K. WAGNER SURVEY, A-1342, CONVEYED TO THE UNITED STATES OF AMERICA (TRACT D-373) IN GENERAL WARRANTY DEED EXECUTED 3 NOVEMBER 1951, AND ALSO **BEING** A PORTION OF THAT CERTAIN CALLED 19.28 ACRE TRACT OF LAND SITUATED IN THE P. K. WAGNER SURVEY, A-1342, CONVEYED TO THE UNITED STATES OF AMERICA (TRACT D-381) IN QUITCLAIM DEED EXECUTED 27 FEBRUARY 1956, SAID LEASE AREA BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AND REFERENCING THE TEXAS COORDINATE SYSTEM, NORTH CENTRAL ZONE, NAD83:

BEGINNING at C.O.E. monument D-33, said point having coordinates: X= 2423106.402, Y= 7079444.421;

THENCE South 67-30-9 East, a distance of 38.498 feet to a point;

THENCE South 32-12-54 East, a distance of 710.854 feet to a point;

THENCE South 58-48-54 West, a distance of 26.689 feet to a point;

THENCE North 31-56-46 West, a distance of 240.628 feet to a point;

THENCE South 44-38-0 West, a distance of 126 feet to a point;

THENCE North 87-42-0 West, a distance of 49 feet to a point;

THENCE South 14-54-0 West, a distance of 73.26 feet to a point;

THENCE South 38-19-0 West, a distance of 163.84 feet to a point;

THENCE South 13-6-0 West, a distance of 133.3 feet to a point;

THENCE South 87-58-59 East, a distance of 15 feet to a point;

THENCE South 18-59-0 West, a distance of 168.6 feet to a point;

THENCE South 87-1-0 West, a distance of 188 feet to a point;

THENCE South 40-47-0 West, a distance of 317 feet to a point;

THENCE North 17-2-3 West, a distance of 444.112 feet to a point;

THENCE South 88-18-0 East, a distance of 160.5 feet to a point;

THENCE North 1-52-0 East, a distance of 826.7 feet to a point;

THENCE North 89-6-0 East, a distance of 401.2 feet to the **POINT OF BEGINNING**, containing 13.3 acres, more or less.

Parcel A-3: (38.03 acres)

BEING A PORTION OF THAT CERTAIN CALLED 55.1 ACRE TRACT OF LAND SITUATED IN THE S. RIGGS SURVEY, A-1074, THE S. RIGGS SURVEY, A-1088, THE P. K. WAGNER SURVEY, A-1342, AND THE J. WAGNER SURVEY, A-1399, AWARDED TO THE UNITED STATES OF AMERICA (TRACT A-1), RECORDED IN CIVIL ACTION 705, DECLARATION OF TAKING NO. 1, FILED 19 FEBRUARY 1952 IN DENTON COUNTY, AND ALSO **BEING** A PORTION OF THAT CERTAIN CALLED 6.9 ACRE TRACT OF LAND SITUATED IN THE S. RIGGS SURVEY, A-1088, THE P. K. WAGNER SURVEY, A-1342, AND THE J. WAGNER SURVEY, A-1399, CONVEYED TO THE UNITED STATES OF AMERICA (TRACT A-2) IN QUITCLAIM DEED EXECUTED 27 FEBRUARY 1956, SAID LEASE AREA BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AND REFERENCING THE TEXAS COORDINATE SYSTEM, NORTH CENTRAL ZONE, NAD83:

COMMENCING at C.O.E. monument D-303-1, said point having coordinates: X= 2425282.78, Y= 7076176.51;

THENCE South 59-46-56 West, a distance of 201.24 feet to the **POINT OF BEGINNING**, said point having the coordinates: X= 2425104.034, Y= 7076061.072;

THENCE South 26-12-12 East, a distance of 851.466 feet to a point;

THENCE North 78-15-55 West, a distance of 259.737 feet to a point;

THENCE South 90-0-0 West, a distance of 20.102 feet to a point;

THENCE South 77-22-0 West, a distance of 194.506 feet to a point;

THENCE South 75-26-16 West, a distance of 172.912 feet to a point;

THENCE South 35-16-21 West, a distance of 140.86 feet to a point;

THENCE South 12-10-45 West, a distance of 132.952 feet to a point;

THENCE South 81-38-44 East, a distance of 270.266 feet to a point;

THENCE South 71-29-48 East, a distance of 123.734 feet to a point;

THENCE South 88-1-52 East, a distance of 299.364 feet to a point;

THENCE North 0-10-21 East, a distance of 155.204 feet to a point;

THENCE North 4-0-1 East, a distance of 67.013 feet to a point;

THENCE North 17-28-29 East, a distance of 26.465 feet to a point;

THENCE North 36-26-40 East, a distance of 37.773 feet to a point;

THENCE North 61-5-4 East, a distance of 56.076 feet to a point;
THENCE South 26-3-3 East, a distance of 530.119 feet to a point;
THENCE South 26-1-43 East, a distance of 995.793 feet to a point;
THENCE North 43-5-34 West, a distance of 157.818 feet to a point;
THENCE North 49-33-18 West, a distance of 205.962 feet to a point;
THENCE North 53-22-15 West, a distance of 221.764 feet to a point;
THENCE North 57-59-41 West, a distance of 246.129 feet to a point;
THENCE North 65-0-39 West, a distance of 1231.302 feet to a point;
THENCE North 61-46-58 West, a distance of 261.402 feet to a point;
THENCE North 1-5-18 East, a distance of 853.598 feet to a point;
THENCE North 0-45-0 East, a distance of 156.926 feet to a point;
THENCE North 87-57-44 East, a distance of 701.47 feet to a point;
THENCE North 88-10-39 East, a distance of 205.094 feet to the **POINT OF BEGINNING**,
containing 38.03 acres, more or less.

Parcel B: (236.27 acres)

BEING A PORTION OF THAT CERTAIN CALLED 271 ACRE TRACT OF LAND SITUATED IN THE J. BARTRAM SURVEY, A-54, CONVEYED TO THE UNITED STATES OF AMERICA (TRACT B-175) BY GENERAL WARRANTY DEED EXECUTED 25 FEBRUARY 1952, AND ALSO **BEING** A PORTION OF THAT CERTAIN CALLED 96 ACRE TRACT OF LAND SITUATED IN THE J. W. CHOWNING SURVEY, A-243, AWARDED TO THE UNITED STATES OF AMERICA (TRACT B-176), RECORDED IN CIVIL ACTION 470, DECLARATION OF TAKING NO. 2, FILED 7 NOVEMBER 1949 IN DENTON COUNTY, AND ALSO **BEING** A PORTION OF THAT CERTAIN CALLED 222 ACRE TRACT OF LAND SITUATED IN THE BBB&C RR CO SURVEY, A-180, AWARDED TO THE UNITED STATES OF AMERICA (TRACT B-179), RECORDED IN CIVIL ACTION 470, DECLARATION OF TAKING NO. 2, FILED 7 NOVEMBER 1949 IN DENTON COUNTY, AND ALSO **BEING** A PORTION OF THAT CERTAIN CALLED 17 ACRE TRACT OF LAND SITUATED IN THE BBB&C RR CO SURVEY, A-180, CONVEYED TO THE UNITED STATES OF AMERICA (TRACT B-180) BY GENERAL WARRANTY DEED EXECUTED 1 APRIL 1950, AND ALSO **BEING** A PORTION OF THAT CERTAIN CALLED 25.6 ACRE TRACT OF LAND SITUATED IN THE J. W. CHOWNING SURVEY, A-243, CONVEYED TO THE UNITED STATES OF AMERICA (TRACT B-181) BY GENERAL WARRANTY DEED EXECUTED 11 SEPTEMBER 1950, AND ALSO **BEING** A PORTION OF THAT CERTAIN CALLED 21 ACRE TRACT OF

LAND SITUATED IN THE H. O. HEDGCOXE SURVEY, A-533, CONVEYED TO THE UNITED STATES OF AMERICA (TRACT B-183) BY GENERAL WARRANTY DEED EXECUTED 7 OCTOBER 1950, AND ALSO **BEING** A PORTION OF THAT CERTAIN CALLED 182.8 ACRE TRACT OF LAND SITUATED IN THE R. P. HARDIN SURVEY, A-612, THE J. W. CHOWNING SURVEY, A-243, THE J. W. JOHNSON JR. SURVEY, A-1609, THE H. O. HEDGCOXE SURVEY, A-533, THE MCKINNEY & WILLIAMS SURVEY, A-938, AND THE I. HAMBY SURVEY, A-566, CONVEYED TO THE UNITED STATES OF AMERICA (TRACT B-184) BY GENERAL WARRANTY DEED EXECUTED 26 JUNE 1951, SAID LEASE AREA BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AND REFERENCING THE TEXAS COORDINATE SYSTEM, NORTH CENTRAL ZONE, NAD83:

BEGINNING at C.O.E. Monument B-25, said point having the coordinates: X= 2456878.494, Y= 7074794.48;

THENCE South 3-56-43 West, a distance of 554.228 feet to a point;

THENCE South 89-3-21 West, a distance of 310.769 feet to a point;

THENCE South 0-52-29 West, a distance of 224.964 feet to a point;

THENCE South 85-25-34 West, a distance of 86.129 feet to a point;

THENCE South 0-46-46 East, a distance of 247.411 feet to a point;

THENCE South 88-42-40 West, a distance of 377.533 feet to a point;

THENCE North 75-59-36 West, a distance of 61.27 feet to a point;

THENCE North 76-14-0 West, a distance of 316.1 feet to a point;

THENCE North 59-2-0 West, a distance of 317.7 feet to a point;

THENCE North 0-7-0 West, a distance of 91.3 feet to a point;

THENCE North 87-39-11 West, a distance of 218.192 feet to a point;

THENCE North 83-56-45 West, a distance of 113.963 feet to a point;

THENCE South 88-55-11 West, a distance of 1813.356 feet to a point;

THENCE South 0-13-58 West, a distance of 53.804 feet to a point;

THENCE North 88-21-6 West, a distance of 105.091 feet to a point;

THENCE North 0-0-0 East, a distance of 20.405 feet to a point;

THENCE North 89-39-32 West, a distance of 126.966 feet to a point;

THENCE South 0-37-22 East, a distance of 139.063 feet to a point;

THENCE North 89-19-27 East, a distance of 266.088 feet to a point;

THENCE South 0-7-0 West, a distance of 1385.449 feet to a point;
THENCE South 22-25-0 West, a distance of 879 feet to a point;
THENCE South 0-1-0 East, a distance of 1206.857 feet to a point;
THENCE North 79-48-18 West, a distance of 1660.773 feet to a point;
THENCE North 19-29-51 East, a distance of 1176.699 feet to a point;
THENCE North 15-36-14 East, a distance of 611.652 feet to a point;
THENCE North 3-15-59 East, a distance of 2142.317 feet to a point;
THENCE North 2-50-53 East, a distance of 1068.084 feet to a point;
THENCE North 80-24-25 East, a distance of 764.323 feet to a point;
THENCE South 42-55-48 East, a distance of 623.375 feet to a point;
THENCE South 13-20-44 East, a distance of 107.356 feet to a point;
THENCE South 89-6-37 East, a distance of 1023.333 feet to a point;
THENCE South 0-47-5 East, a distance of 231.992 feet to a point;
THENCE South 84-14-14 East, a distance of 1676.018 feet to a point;
THENCE South 85-58-1 East, a distance of 905.429 feet to the **POINT OF BEGINNING**,
containing 236.27 acres, more or less.

This product was calculated from CADD/GIS systems software prepared by the U.S. Army Corps of Engineers utilizing spatial reference from various data sources. Data and product accuracy may vary. They may be developed from sources of differing accuracy, accurate only at certain scales, based on modeling or interpretation, incomplete while being created or revised, etc... Using CADD/GIS products for purposes other than those for which they were created may yield inaccurate or misleading results. The Corps of Engineers makes no guarantees to the accuracy of this legal description.

5 Year Operations and Development Plan
Lewisville Lake Park Lease No. DACW63-1-00-0820

FY23-24

General Maintenance and Operations

Park Maintenance

Mowing; trash removal; tree trimming, planting and removal; ballfield maintenance; playground and park equipment maintenance; boat ramp anmaintenance; restrooms cleaning

Campground and Toll Booth Administration

Entry passes; reservations; laundry facilities; visitor relations; pavilion and picnic area rentals.

Areas of concern

Shoreline Erosion - Trees, park equipment, boat ramps and docks along the shoreline have fallen or been damaged as they have been subjected to direct wave action. Halff Associates has identified six areas of the shoreline that need to be addressed protection/restoration measures, with three of these areas being highlighted as high priority. The City of Lewisville is working with Halff to address these high priority areas immediately. As of September 2023, surveys are being completed for the repair work to begin.

Swim Beach Closure – Due to unsafe conditions presented by low lake levels and repeated incidents of drownings and near-drownings, the Lake Park swimming beach was indefinitely closed on August 12, 2023. The area is now sectioned off with chain link fencing and signage to notify visitors that the swimming beach is closed. Long-term solutions for the area are being discussed as part of the Lake Park Master Plan.

Park Enforcement

Lake Park Traffic Plan – City of Lewisville staff will be working on revising the traffic plan to enter Lake Park for the 2024 season. Current concerns involve heavy traffic on busy weekends and holidays that impacts Lake Park Rd., nearby neighborhoods, and non-day-use amenities such as the Golf Course and RV Campground. As City staff prepares a revised traffic plan, it will be provided to USACE for reference and approval. Staff members are working towards having the plan implemented before Easter Weekend 2024.

Projects and Programs

Kiosk Replacement and Installation -

Kiosk entry at Lake Park and Tower Bay has been beneficial overall, but City of

Lewisville staff continues to have functionality issues with the current service provider, AdComp. City staff is currently researching other possible vendors, including VenTek, recommended by USACE. When a vendor is identified, City staff will coordinate with USACE for approval of kiosk replacements.

Large Athletic Events

Lake Park hosts league play for the Greater Lewisville Area Soccer Association, Lewisville Baseball and Softball Association and Parks & Recreation Adult Sports Leagues. Other tournaments and events at Lake Park include the Triple Crown Tournament, AAYBA Baseball Tournaments, the U90C soccer tournament, Cricket play, and an annual Disc Golf Tournament.

FY 2023-24 Scheduled Projects, New Programs, Changes to Operations

Maintenance and Operations

The City will continue to maintain and manage the park in the same manner as previous years except for the implementation of CityWorks as planning and scheduling software for public works and park operations. Maintenance projects to repair courtesy docks and roadside bollards are currently underway. ADA items mentioned in the compliance report were completed by December 31, 2023.

Lake Park maintenance teams have installed additional signs throughout the property to warn visitors about varying lake levels and the hazards that are presented as a result. Lifejacket stands continue to be utilized and are monitored by ranger personnel to ensure they remain stocked.

Lake Park Master Plan

In February 2020, the City approved a professional services agreement with Halff Associates to assist with the development of a Master Plan for Lake Park. The plan will be used to determine how the \$7.7 million in bond funds approved by voters in 2015 will be spent in the park. The City will create a plan that is congruent with the USACE Lewisville Lake Master Plan, Green Centerpiece Master Strategy and the Parks, Recreation and Open Space Master Plan.

The City is also planning to include the marina in the development of the master plan. Matthews Southwest (MS) has been chosen as the consultant and a kick off meeting was held in December 2022. In cooperation with Halff Associates and City staff, a concept plan was presented to USACE staff in March 2023, with a follow up bubble diagram in May 2023.

Within the day-use portion of Lake Park, City staff, along with consultants from Halff, have held recent meetings with various stakeholders to discuss concepts and plans for changes to Lake Park. Halff is beginning to prepare rendered plans for conceptual approval from USACE.

Athletic and Sporting Events

Lake Park Sports Complex will continue to host the annual tournaments referenced in the Programs and Projects section, along with other minor tournaments for softball, baseball and soccer throughout the year. Continuing sports agreements with the Greater Lewisville Area Soccer Association (GLASA), Lewisville Baseball and Softball Association (LBSA), United Cricket Club (UCC), and Hobie Fleet. Will focus on working with the City's Community Relation and Tourism department to recruit fishing, boating and other lake related events.

Subconcessionaires

The city works with sub-concessionaires to supplement services at Lake Park for the following areas:

Eagle Point Marina (LJH)

Sneaky Pete's
The Slalom Shop Boats & Yachts
Danny Wilson Enterprises
Charlotte's Cleaning
Michael Hildebrandt
Sams Dock
Texas Clean Marine
Splash Boats

Lake Park Golf Course (Arcis Golf)

Lake Park Jet Ski, Boat Rentals (JSR Dallas Rentals)

The agreements for each of these sub-concessionaires have been approved by the USACE, reference the master lease, terminate with the end of the master lease, and indemnify the USACE.

FY24-25

General Operations and Maintenance

Projects and Updates

- Request renewal of USACE Lease
- Submit City Council approved Lake Park Master Plan to USACE for review and approval; develop phased approach for improvements funded by 2014 and 2024 General Obligation Bonds, 4B (Sales Tax) Bonds, Grant Funds.
- Design and construct temporary shoreline restoration near Pike Pavilion, Copperas Branch Trail, and Walleye Picnic Area.
- Design shoreline repairs near boat ramp and courtesy dock #2, and the Walleye picnic area.
- Replace current entry kiosks at Lake Park Day Use and Tower Bay Boat Ramps

FY25-26

General Operations and Maintenance

Projects and Updates

- Construct shoreline restoration for near boat ramp and courtesy dock #2, and the

Walleye picnic area.

- Once the master plan receives the concept approval, begin development of construction documents for initial phases of improvements identified in the master plan for day use, RV campground and marina areas.
- Update concessionaire agreements for Golf Course, Seasonal Boat Rental, and Eagle Point Marina

FY26-27

General Operations and Maintenance

Projects and Updates

- Complete construction of shoreline repairs near boat ramp and courtesy dock #2, and Walley picnic area and re-open areas for boating, fishing and picnicking
- Finalize development of construction documents for initial phases of improvements identified in master plan for day use, RV campground and marina areas.

FY27-28

General Operations and Maintenance

Projects and Updates

- Once construction documents are approved, begin construction of initial phases of improvements identified in the master plan for day use, RV campground and marina areas.

| JOINT SURVEY AND INSPECTION OF CONDITION OF GOVERNMENT LEASED PROPERTY <small>(ER 405-1-12)</small> | | | |
|--|--|---|-------------------------------------|
| INSTRUCTIONS | | | |
| 1. If considered necessary, use a separate ENG Form 3143a for each room surveyed. 2. Additional sheets may be attached for physical characteristics of land and buildings: exterior | | and interior details of buildings; service facilities; inventory of machinery and equipment; miscellaneous items and general remarks not otherwise covered in section II of this form or on ENG Form 3143a. | |
| ADDED INSTRUCTIONS <i>(Overprint, if desired)</i> | | | |
| SECTION I - PROPERTY DATA AND CONDITION AGREEMENT | | | |
| DATE OF SURVEY 2024-08-22 | LEASE NO. DACW63-1-00-0820 | LEASE COMMENCEMENT DATE 2000-04-15 | DATE POSSESSION TAKEN 1958-01-01 |
| ACTIVITY Park and Recreation | | TOTAL LEASED BUILDING AREA <i>(Square feet)</i> 993.7 Acres | |
| DESCRIPTION AND LOCATION OF PROPERTY Lake park | | | |
| | | Condition | |
| LE- 42353 | Boat Ramp | Good | |
| LE- 26561 | UNPAVED ROADS 1.674 MILES (CAMPGROUND) | Good | |
| LE- 42354 | PARKING (42975.728 SQ FT) | Good | |
| LE- 26560 | PAVED ROADS 4.277 MILES | Good | |
| LE- 42340 | 26 PICNIC SITES | Good | |
| LE- 42356 | WELL HOUSE | Fair | |
| LE- 42348 | PARKING (23546.465 SQ FT) | Good | |
| LE- 42346 | 4 LANE BOAT RAMP | Good | |
| JOINT AGREEMENT ON THE CONDITION OF THE PROPERTY | | | |
| We, the undersigned, jointly made a survey and inspection of the condition of the property mentioned above. We agree that as of the date of survey, the condition of the property is as described herein. | | | |
| THE CONDITION OF THE EXTERIOR OF THE PROPERTY IS INDICATED ON THE REVERSE SIDE OF THIS FORM. ROOM CONDITIONS ARE INDICATED ON ATTACHED ENG FORM 3143A. | | | NO. OF ATTACHMENTS |
| NAME AND SIGNATURE OF <input type="checkbox"/> OWNER <input checked="" type="checkbox"/> LESSOR/LESSEE <input type="checkbox"/> AGENT <div style="display: flex; align-items: center;"> <div style="font-size: 2em; margin-right: 10px;">Stacie Anaya</div> <div style="font-size: 0.8em;"> Digitally signed by Stacie Anaya DN: C=US, E=sanaya@cityoflewsville.com, O=City of Lewisville, OU=Parks and Recreation, CN=Stacie Anaya Date: 2024.09.16 07:41:10-05'00' </div> </div> | | NAME, TITLE, AND SIGNATURE OF U.S. GOVERNMENT REPRESENTATIVE Gregory MacAllister Reality Specialist <div style="display: flex; align-items: center;"> <div style="font-size: 1.2em; margin-right: 10px;">MACALLISTER.GREGORY.J.1554075947</div> <div style="font-size: 0.8em;"> Digitally signed by MACALLISTER.GREGORY.J.1554075947 Date: 2024.08.28 13:38:02 -05'00' </div> </div> | |
| ADDRESS | | ORGANIZATION US Army Corps of Engineers, Ft. Worth District Ft. Worth, Texas | |

ENG FORM 3143, 1 JUN 1960

(Proponent: CERE-A)

PHASE I ENVIRONMENTAL SITE ASSESSMENT (ESA)

1. REAL PROPERTY TRANSACTION: The U.S. Army Corps of Engineers proposes to issue Lease No. DACW63-1-24-0613, which will allow City of Lewisville to continue to use approximately 993.72 acres of land and water, including boat ramps, paved and unpaved roads, parking areas, picnic sites, a well house, and a stationary walkway to a courtesy dock, for public park and recreation purposes, Lewisville Lake, Texas. The lease will become effective on April 15, 2025 and expires on April 14, 2050.

a. A COMPREHENSIVE RECORDS SEARCH was conducted which included a review of the following areas:

- 1) Real Estate Division files;
- 2) Real Estate Division maps;
- 3) Lewisville Lake Master plan;
- 4) Operations Division files;
- 5) Environmental Review Guide for Operations (ERGO).

b. INTERVIEWS WERE CONDUCTED with the following: n/a

c. A SITE INVESTIGATION was performed by U.S. Army Corps of Engineers Lead Ranger Mr. Chandler Sanford, on May 16, 2024, which consisted of a visual inspection of the area.

2. STATEMENT OF FINDINGS

a. COMPREHENSIVE RECORDS SEARCH SUMMARY

A complete search of the District files which pertain to the proposed lease area was made as stated in 1.a. above. The records search revealed no other evidence of any hazardous substance being stored, released or disposed of on the property involved. The operating plans and historical records also showed no other evidence of any activity which would have contaminated the property with hazardous substances.

b. SITE INVESTIGATION SUMMARY

A site investigation of the proposed lease area was made as stated in 1.c. above. This visual inspection revealed no unusual odors, stained soils, stressed vegetation, suspicious seepage, manmade land features, unnatural surface features or other evidence that would indicate the presence of hazardous wastes. Based on this inspection it was determined no hazardous substance has been stored, released or disposed of on the property involved. Project personnel have no other knowledge of past activities which might have created a hazardous situation.

Prepared By: TRACEE L. JOHNSTON
Realty Specialist
Management and Disposal Branch

Date

Approved By: LEE A. FLANNERY
Deputy Chief, Real Estate Division
Real Estate Contracting Officer

Date

| <u>Park</u> | <u>Structure Type</u> | <u>Address Line 1</u> | <u>Roof Type</u> | <u>Square Footage</u> | <u>Year Built</u> | <u>Last Inspection</u> |
|-------------------------|----------------------------|-----------------------|-------------------------|-----------------------|-------------------|------------------------|
| Lake Park Day Use | Conner Pavilion | 100 Perch Lake Park | Metal | 3580 | 1985 | April 2024 |
| Lake Park Day Use | Pike Pavilion | 100 Trot Line Rd | Metal | 882 | 2003 | April 2024 |
| Lake Park Day Use | Park Restroom #1 | 100 Trot Line Rd | Normal/Asphalt Shingles | 54 | 2003 | April 2024 |
| Lake Park Day Use | Park Restroom #2 | 100 Trot Line Rd | Normal/Asphalt Shingles | 54 | 2009 | April 2024 |
| Lake Park Day Use | Soccer Concession Stand | 5 Lake Park Rd | Normal/Asphalt Shingles | 1700 | 1985 | April 2024 |
| Lake Park Day Use | Restroom #4 | Catfish Dr & Minnow | Metal | 1132 | 1995 | April 2024 |
| Lake Park Day Use | Disc Golf Course | Lake Park Road | N/A | 0 | 1998 | April 2024 |
| Lake Park Day Use | Picnic Shelter (1 of 7) | Lake Park Road | Metal | 120 | 1985 | April 2024 |
| Lake Park Day Use | Picnic Shelter (2 of 7) | Lake Park Road | Metal | 120 | 1985 | April 2024 |
| Lake Park Day Use | Picnic Shelter (3 of 7) | Lake Park Road | Metal | 120 | 1985 | April 2024 |
| Lake Park Day Use | Picnic Shelter (4 of 7) | Lake Park Road | Metal | 120 | 1985 | April 2024 |
| Lake Park Day Use | Picnic Shelter (5 of 7) | Lake Park Road | Metal | 120 | 1985 | April 2024 |
| Lake Park Day Use | Picnic Shelter (6 of 7) | Lake Park Road | Metal | 120 | 1985 | April 2024 |
| Lake Park Day Use | Picnic Shelter (7 of 7) | Lake Park Road | Metal | 120 | 1985 | April 2024 |
| Lake Park Day Use | Lights/PE | Lake Park/Baseball | N/A | 0 | 2019 | April 2024 |
| Lake Park Day Use | Restrooms #3 | Lake Park/Baseball | Lease | 816 | 1990 | April 2024 |
| Lake Park Day Use | Sun Shades on Ballfields | Lake Park/Baseball | Metal | 0 | 2007 | April 2024 |
| Lake Park Day Use | Restrooms #2 | Lake Park/Baseball | Normal/Asphalt Shingles | 348 | 1982 | April 2024 |
| Lake Park Day Use | Snack Bar w/Storage | Lake Park/Baseball | Built Up | 288 | 1995 | April 2024 |
| Lake Park Day Use | Restroom w/Shower Building | Lake Park/Campground | Concrete Fill | 674 | 1995 | April 2024 |
| Lake Park Day Use | Campground Laundromat | Lake Park/Campground | Normal/Asphalt Shingles | 288 | 1995 | April 2024 |
| Lake Park Day Use | Campground Storage | Lake Park/Campground | Built Up | 704 | 1980 | April 2024 |
| Lake Park Day Use | Picnic Shelter #1 | Lake Park/Campground | Metal | 512 | 1995 | April 2024 |
| Lake Park Day Use | Picnic Shelter #2 | Lake Park/Campground | Metal | 512 | 1995 | April 2024 |
| Lake Park Day Use | Picnic Shelter | Lake Park/Campground | Metal | 264 | 1995 | April 2024 |
| Lake Park Day Use | Picnic Shelter | Lake Park/Campground | Metal | 144 | 1995 | April 2024 |
| Lake Park Day Use | Pavilion | Lake Park/Soccer | Metal | 660 | 1994 | April 2024 |
| Lake Park Day Use | Restroom w/Concession | Park/Connor Pavilion | Normal/Asphalt Shingles | 720 | 1990 | April 2024 |
| Lake Park Day Use | Restrooms #5 | Soccer Fields | Normal/Asphalt Shingles | 532 | 2002 | April 2024 |
| Lake Park Day Use | Gatehouse and Kiosk | Turtle Trail/Sandy | Normal/Asphalt Shingles | 304 | 1996 | April 2024 |
| Lake Park Fishing Barge | Fishing Barge | Sandy Beach Road | metal | Removed | 1956 | April 2024 |
| Lake Park Marina | Dry Storage 83 | Eagle Point Marina | Metal | 113,736 | | April 2024 |
| Lake Park Marina | Slalom Shop Retail Shop | Eagle Point Marina | Normal/Asphalt Shingles | 79,840 | | April 2024 |
| Lake Park Marina | Dry Storage 80 Bldg 1 | Eagle Point Marina | Metal | 3911 | | April 2024 |
| Lake Park Marina | Dry Storage 80 Bldg 2 | Eagle Point Marina | Metal | 8466 | | April 2024 |
| Lake Park Marina | Dry Storage 80 Bldg 3 | Eagle Point Marina | Metal | 13,014 | | April 2024 |
| Lake Park Marina | Sneaky Pete Restaurant | Eagle Point Marina | Normal/Asphalt Shingles | 43,796 | | April 2024 |
| Lake Park Marina | Fuel Dock/Pump | Eagle Point Marina | Metal/Floating | 2142 | | April 2024 |
| Lake Park Marina | Boat Slip Pier 1 | Eagle Point Marina | Metal/Floating | 8296 | | April 2024 |
| Lake Park Marina | Boat Slip Pier 2 | Eagle Point Marina | Metal/Floating | 9255 | | April 2024 |
| Lake Park Marina | Boat Slip Pier 3 | Eagle Point Marina | Metal/Floating | 6260 | | April 2024 |
| Lake Park Marina | Boat Slip Pier 4 | Eagle Point Marina | Metal/Floating | 5148 | | April 2024 |
| Lake Park Marina | Boat Slip Pier 5 | Eagle Point Marina | Metal/Floating | removed 2017 | | April 2024 |
| Lake Park Marina | Boat Slip Pier 6 | Eagle Point Marina | Metal/Floating | removed 2017 | | April 2024 |
| Lake Park Marina | Boat Slip Pier 7 | Eagle Point Marina | Metal/Floating | removed 2017 | | April 2024 |
| Lake Park Marina | Boat Slip Pier 8 | Eagle Point Marina | Metal/Floating | 5180 | | April 2024 |
| Lake Park Marina | Boat Slip Pier 9 | Eagle Point Marina | Metal/Floating | 5585 | | April 2024 |
| Lake Park Marina | Boat Slip Pier 10 | Eagle Point Marina | Metal/Floating | 5793 | | April 2024 |
| Lake Park Marina | Boat Slip Pier 11 | Eagle Point Marina | Metal/Floating | 13,190 | | April 2024 |
| Lake Park Marina | Boat Slip Pier 12 | Eagle Point Marina | Metal/Floating | 87,737 | | April 2024 |
| Lake Park Marina | Boat Slip Pier 13 | Eagle Point Marina | Metal/Floating | 4206 | | April 2024 |
| Lake Park Marina | Boat Slip Pier 14 | Eagle Point Marina | Metal/Floating | 5588 | | April 2024 |
| Lake Park Marina | Boat Slip Pier 15 | Eagle Point Marina | Metal/Floating | 4046 | | April 2024 |
| Lake Park Marina | Boat Slip Pier 16 | Eagle Point Marina | Metal/Floating | 5422 | | April 2024 |
| Lake Park Marina | Boat Slip Pier 17 | Eagle Point Marina | Metal/Floating | 8851 | | April 2024 |
| Lake Park Marina | Boat Slip Pier 18 | Eagle Point Marina | Metal/Floating | 17,337 | | April 2024 |
| Lake Park Marina | Boat Slip Pier 19 | Eagle Point Marina | Metal/Floating | 63,090 | | April 2024 |
| Lake Park Marina | Boat Slip Pier 20 | Eagle Point Marina | Metal/Floating | 56,223 | | April 2024 |
| Lake Park Marina | Boat Slip Pier 21 | Eagle Point Marina | Metal/Floating | 38,434 | | April 2024 |
| Lake Park Marina | Boat Slip Pier 22 | Eagle Point Marina | Metal/Floating | 46,813 | | April 2024 |

| <u>Park</u> | <u>Structure Type</u> | <u>Address Line 1</u> | <u>Roof Type</u> | <u>Square Footage</u> | <u>Year Built</u> | <u>Last Inspection</u> |
|-------------------------|-----------------------------|-----------------------|-------------------------|-----------------------|-------------------|------------------------|
| Lake Park Marina | Boat Slip Eagles Nest | Eagle Point Marina | Metal/Floating | 61,621 | | April 2024 |
| Lake Park Marina | EPM Restroom | Eagle Point Marina | Metal | 563 | | April 2024 |
| Lake Park Marina | Boat Slip Pier 23 | Eagle Point Marina | Metal/Floating | 63,795 | | April 2024 |
| Lake Park Marina | Boat Slip Pier 24 | Eagle Point Marina | Metal/Floating | 19,497 | | April 2024 |
| Lake Park Marina | Boat Slip Pier 25 | Eagle Point Marina | Metal/Floating | 7609 | | April 2024 |
| Lake Park Marina | Boat Slip Pier 26 | Eagle Point Marina | Metal/Floating | 9223 | | April 2024 |
| Lake Park Marina | Boat Slip Pier 27 | Eagle Point Marina | Metal/Floating | 7513 | | April 2024 |
| Lake Park Marina | Boat Slip Pier 28 | Eagle Point Marina | Metal/Floating | Removed pre 2014 | | April 2024 |
| Lake Park Marina | Boat Slip Pier 29 | Eagle Point Marina | Metal/Floating | Removed pre 2014 | | April 2024 |
| Lake Park Marina | Boat Slip Pier 30 | Eagle Point Marina | Metal/Floating | Removed pre 2014 | | April 2024 |
| Lake Park Marina | Boat Slip Pier 31 | Eagle Point Marina | Metal/Floating | Removed pre 2014 | | April 2024 |
| Lake Park Marina | Boat Slip Pier 32 | Eagle Point Marina | Metal/Floating | Removed pre 2014 | | April 2024 |
| Lake Park Marina | Boat Slip Pier 33 | Eagle Point Marina | Metal/Floating | 6660 | | April 2024 |
| Lake Park Marina | Boat Slip Pier 34 | Eagle Point Marina | Metal/Floating | 6660 | | April 2024 |
| Lake Park Marina | Boat Slip Pier 35 | Eagle Point Marina | Metal/Floating | 5060 | | April 2024 |
| Lake Park Marina | Boat Slip Pier 36 | Eagle Point Marina | Metal/Floating | 4947 | | April 2024 |
| Lake Park Marina | Boat Slip Pier 37 | Eagle Point Marina | Metal/Floating | 4281 | | April 2024 |
| Lake Park Marina | Boat Slip Pier 38 | Eagle Point Marina | Metal/Floating | Removed pre 2014 | | April 2024 |
| Lake Park Marina | Boat Slip Pier 39 | Eagle Point Marina | Metal/Floating | 6249 | | April 2024 |
| Lake Park Marina | Boat Slip Pier 40 | Eagle Point Marina | Metal/Floating | 9351 | | April 2024 |
| Lake Park Marina | Sam Boat Rental Pier | Eagle Point Marina | Metal/Floating | 10,941 | | April 2024 |
| Lake Park Marina | Marina Office | Eagle Point Marina | Normal/Asphalt Shingles | 3569 | | April 2024 |
| Lake Park Marina | Marina Shop (behind office) | Eagle Point Marina | Metal | 5053 | | April 2024 |
| Lake Park Marina | Marina Cleaning Pavilion | Eagle Point Marina | Metal | 2066 | | April 2024 |
| Lake Park Marina | Marina Repair Barn | Eagle Point Marina | Metal | 5654 | | April 2024 |
| Lake Park Marina | Marina Repair Barn Storage | Eagle Point Marina | Metal | 1006 | | April 2024 |
| Lake Park Golf Course | Main Clubhouse | Lake Park Road | Normal/Asphalt Shingles | 5837 | | April 2024 |
| Lake Park Golf Course | Driving Range/Lights | Lake Park Road | | | | April 2024 |
| Lake Park Golf Course | Cart Barn | Lake Park Road | Metal | 5616 | | April 2024 |
| Lake Park Golf Course | 9-hole Clubhouse | Lake Park Road | Normal/Asphalt Shingles | 4427 | | April 2024 |
| Lake Park Golf Course | 9-hole Pavilion | Lake Park Road | Normal/Asphalt Shingles | 932 | | April 2024 |
| Lake Park Golf Course | 9-hole Batting Cages | Lake Park Road | Metal | 13,233 | | April 2024 |
| Lake Park Golf Course | 9-hole Lights | Lake Park Road | | | | April 2024 |
| Tower Bay Boat Ramp | Restroom | N Stemmons Fwy | Normal/Asphalt Shingles | 251 | | April 2024 |
| Tower Bay Boat Ramp | Kiosk | N Stemmons Fwy | | | | April 2024 |
| East Hill/Spillway Park | Playground 1 | Lake Ridge Road | | | | April 2024 |
| East Hill/Spillway Park | Playground 2 | Lake Ridge Road | | | | April 2024 |
| East Hill/Spillway Park | Swings | Lake Ridge Road | | | | April 2024 |
| East Hill/Spillway Park | Pavilion 1 | Lake Ridge Road | Steel/Canvas | 243 | | April 2024 |
| East Hill/Spillway Park | Pavilion 2 | Lake Ridge Road | Steel/Canvas | 243 | | April 2024 |
| East Hill/Spillway Park | Pavilion 3 | Lake Ridge Road | Steel/Canvas | 219 | | April 2024 |
| East Hill/Spillway Park | Pavilion 4 | Lake Ridge Road | Steel/Canvas | 219 | | April 2024 |
| Copperas Branch Trail | Restroom | N Stemmons Fwy | Normal/Asphalt Shingles | 183 | | April 2024 |
| Copperas Branch Trail | Trailhead | N Stemmons Fwy | | | | April 2024 |

SCHEDULE 2

USACE OUTGRANT REQUIREMENTS

[Attached.]

DEPARTMENT OF THE ARMY
Fort Worth District, U.S. Army Corps of Engineers
P.O. Box 17300
Fort Worth, Texas 76102-0300

POLICY GUIDANCE
for
OUTGRANT MANAGEMENT - ADMINISTRATION OF AREAS LEASED
FOR RECREATION OR CONCESSION PURPOSES, PUBLIC OR PRIVATE

SECTION 1

General

1. Purpose. The SWF Outgrant Policy Guidance is intended to assist SWF employees in the performance of their duties with regard to applicable statutes and regulations for the administration of all outgrants for commercial concessions and recreation areas, and their subleases, whether public or private. The SWF Outgrant Policy Guidance is designed to improve the safe construction, operation and maintenance of all facilities within outgranted areas in the Fort Worth District. This Policy Guidance is a tool for the implementation and enforcement of applicable statutes and regulations.

2. References.

- a. ER 405-1-12, Real Estate Handbook, Outgrant Management, latest edition.
- b. ER 1130-2-550, Recreation Operations and Maintenance Policies, latest edition.
- c. ER 1110-2-4401, Clearances for Electric Power Supply Lines and Communication Lines over Reservoirs, latest edition.
- d. EP 310-1-6a & 6b, U.S. Army Corps of Engineers Sign Standards Manual, latest edition.
- e. CECW-CO memorandum (Policy Guidance – U.S. Army Corps of Engineers (USACE) Overhead Lines Crossing our Reservoirs), 21 Dec 2018.
- f. ER 200-2-3 Environmental Compliance Policies for the Environmental Review Guide for Operations Supplement, latest edition.

g. Title 16, United States Code, Section 460d; For Lands at Water Resources Development Projects or subsequent versions.

h. Title 36, United States Code, Chapter III, Part 327; Rules and Regulations Governing Public Use of Water Resources Development Projects Administered by the Chief of Engineers or subsequent versions.

i. Title 40, United States Code, Part 112, The Environmental Protection Agency Oil Pollution Prevention Regulation or subsequent versions.

j. Fort Worth District Special Event Permit Guidance, latest edition.

3. Applicability. This Policy Guidance is applicable to all leases (and subleases), for commercial concessions, limited motel resorts, campgrounds, yacht clubs, park and recreational areas, etc., whether public or private, at O&M Projects under the jurisdiction of the Fort Worth District. Items marked with an asterisk (*) are indicative of National Policy. **Appendix A** contains a list of national codes that have been previously adopted as the minimum standards for construction and maintenance of facilities at any subject lease area in the Fort Worth District, to the extent they do not conflict with this Policy Guidance or with other U.S. Army Corps of Engineers directives. If local and/or District regulations are more stringent than the national codes/regulations, the local and/or District regulations shall take precedence. This Policy Guidance becomes effective on the date of signature.

4. Responsibility.

a. *As set forth in ER 405-1-12, Real Estate Division is responsible for annual compliance inspections of all major outgrants and their subleases as well as minor easements and licenses which should be inspected at a minimum once every five years unless non-compliance is suspected. Minor inspections may be delegated to field personnel for efficiency of operations. All determinations as to questions of outgrant compliance shall rest in the Real Estate Division, subject to the Real Estate Contracting Officer's final approval. Compliance checklists are available for training purposes and as a tool for general cursory inspection purposes, and will be updated, as required.

b. The Lake Manager or his/her representative shall be responsible for performing routine inspections during construction of facilities in accordance with Section 3 and **Appendix C** of this Policy Guidance.

c. *It is encouraged that Operations District and Lake Office staff accompany Real Estate Division on all annual compliance inspections.

d. *The Lake Manager or his/her representatives shall provide general supervision over all real property at the project and in connection with their usual administrative activities,

shall report any observed instances of outgrant violation immediately to the Real Estate Division.

5. Exceptions. Only the Real Estate Contracting Officer and Chief, Operations Division, in joint agreement may grant written exceptions to this Policy Guidance.

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SECTION 2

Operation and Management

1. Vessel Slips. Slips are authorized to store mobile recreational vessels only and may not be rented or used for any other purpose, as outlined in this Policy Guidance.

2. Vessels. All vessels stored on the lease must be constructed and maintained in compliance with the standards and requirements established by the *Federal Boat Safety Act of 1971, or the requirements promulgated pursuant to it. All vessels must be designed for (and remain readily capable of) safe, purposeful, and self-propelled navigation by motor or wind transportation on open lake waters. Unacceptable flotation materials for vessels includes non-encased polystyrene and metal or plastic drums. Vessels must also be equipped with operating propulsion and steering controls that are located at a point on the vessel from which there is forward visibility of at least a 180-degree arc. Floating structures which do not meet these requirements shall not be accepted for storage in a slip and shall be removed from the lease property. Exceptions include non-motorized personal water craft like canoes and kayaks which may be stored in the slip as long as there is a "mobile recreational vessel," as defined in this Policy Guidance. Any vessel introduced onto the lake waters for slip storage must be maintained with the capability to be readily removed from the lake within 48 hours should circumstances require it. Vessels may not be manufactured/constructed or repaired on the water surface or on floating facilities. Moored vessels shall not exceed the length of the designated slip (not including the length of the roof).

NOTE: "Floating structures" currently moored at existing floating facilities that do not meet the definition of a recreational vessel above are exempt until such time as they are sold, become unsafe or create a solid waste issue. The floating facility operator shall deny these floating structures moorage.

3. Vessel Use and Occupancy. Vessels or other floating structures shall not be used as places of full-time or part-time habitation or residence. Vessels may be used for overnight occupancy only when such use is incidental to recreational boating. Unauthorized engaging in, or solicitation of, business on project lands and water, including in floating facility slips, is prohibited.

4. Multiple Vessels. The Fort Worth District Water-Related Development Policy established a target recreational vessel density on U.S. Army Corps of Engineers lakes in order to provide boaters a more safe and enjoyable recreation experience. One of several factors used to determine this density is the number of vessels stored at floating facilities. Storage of multiple vessels in one slip is authorized but the number of vessels being stored shall count towards the density and authorized slips. For example, if two vessels are stored in one slip and the floating facility is only authorized two slips, the single slip with two

vessels is considered two slips (meeting the number of authorized slips), and additional slips or vessels shall not be allowed.

5. Flotation. Encased flotation is required for all replacement and/or new floating facility construction. Installation of non-encased flotation is prohibited. A minimum of 10% of non-encased flotation must be replaced with encased flotation annually. All non-encased flotation must be replaced by 1 October 2028. Non-encased flotation that is fragmenting or shedding material, or deteriorated to a point that it is no longer serviceable or capable of supporting the structure, must be replaced immediately.

a. Encased flotation shall be comprised of flotation material and an encasement around the flotation material specifically designed for that purpose. The flotation material may be air, expanded polystyrene, extruded polystyrene or polyurethane. The encasement may be concrete, plastic, steel, aluminum, polyethylene or fiberglass. The use of plastic or metal drums or non-compartmentalized air containers for encasement or floats is prohibited.

b. Flotation shall provide a minimum freeboard of nine (9) inches from the water surface to the top of the dock/decking surface. All docks shall float level under all conditions.

c. Floats and the flotation material shall be fabricated of materials manufactured for marine use. The float and its flotation material shall be 100% warranted by the manufacturer for a minimum of 8 years against sinking, becoming waterlogged, cracking, peeling, fragmenting, or losing beads. All flotation shall resist puncture and penetration and shall not be subject to damage by animals under normal conditions for the area. Any flotation used within 40 feet of a line carrying fuel shall be 100% impervious to water and fuel.

d. Flotation shall be kept free from vegetation or other potentially damaging vegetation/plants at all times.

e. Flotation shall be securely fastened to the dock using corrosion-resistant means as recommended by the manufacturer.

f. The shoreline and waters within the lease area shall be kept free of flotation fragments or shedding materials, and any debris or trash resulting from floating facilities or operations.

g. Non-encased foam flotation shall not be stored on the leased premises.

h. Any matter concerning flotation not covered by the foregoing shall be subject to the approval of the Real Estate Contracting Officer.

6. Walkways.

a. Main walkways shall be not less than 4 feet in width. The minimum width of walkways between slips shall be 3 feet. Slip separation finger docks, not designed or used for vessel access, may be less than 3 feet minimum width. Minimum widths shall not be reduced by location of storage lockers.

b. Walkways from shore to dock shall be free from excessive spring, deflection, and lateral movement, and adequately supported to provide safe access.

c. All access ways including walkways, gangways, finger docks, etc., including secondary access ways between slips, must remain clear of all equipment and other items in order to prevent tripping hazards and provide a safe and open access way meeting the minimum widths identified in Section 2, Paragraph 6.a. above. Access ways shall be kept free from mud, ice, snow, grease, or any other materials or obstructions that would render them unsafe to the persons using them. Access ways shall be free from protruding nails, loose boards, or other defects that may create a tripping hazard. Access ways shall be provided with a non-slip surface treatment where slope or other conditions dictate.

d. The only equipment authorized to remain on the access ways are approved steps to access vessels, utility pedestals and hydraulic lift control panels.

7. Handrails.

a. Handrails, shall be installed and maintained on all stairways, steps, and walkways from shore to dock, and all office and service docks open to the general public. They shall be installed in accordance with specifications set forth in the *International Building Code.

b. Handrails are not required on vessel storage docks or gas docks. However, a gate and a sign are recommended at the walkway entrance to vessel storage docks to limit access to authorized personnel.

c. *Stairways, walkways, landings and ramps, balconies, or decking which are more than 30 inches above grade or the floor below, shall be protected by handrails in accordance with the International Building Code.

d. *Intermediate railing shall be installed between the deck surface and top of all handrails to prevent small objects from passing under the top handrail in accordance with the International Building Code standards.

8. Anchorage. An anchorage system shall be provided to secure mooring of floating facilities, taking into consideration the water depth, water level fluctuation, exposure to waves, and wind loads. Anchor cables or other securing devices shall be attached to structures specifically designed to support moorings of floating facilities and shall not be

attached to trees, stumps, power poles, or guardrail posts. Anchor cables shall be maintained in good repair, and shall be located in such a manner as to minimize obstruction hazards to pedestrians, boaters, and vehicular traffic. Overhead anchorage cables shall not be located within boating lanes. Anchor cable winches or winch handles shall be kept locked and/or secured and should be checked/adjusted regularly to accommodate fluctuating water levels.

9. Breakwaters. New breakwaters or expansion, reconstruction or relocation of an existing breakwater must be approved prior to installation. New breakwaters must be of an approved environmentally safe design. It is recommended that breakwaters have sufficient illumination to prevent poor visibility navigation hazards. Tires are not approved for new construction. Existing breakwaters consisting of tires must be replaced or removed by 1 October 2028, when no longer functioning properly or once they begin to create a navigation hazard, whichever occurs first.

10. Electrical.

a. The design, installation, and maintenance of all electrical systems and their parts shall meet the requirements of this Policy Guidance as well as all local and state codes, and the current *National Electrical Code (NEC) – *National Fire Protection Association (NFPA) 70, Article 555. Floating facilities shall also be in compliance with the *Fire Protection Standard for Marinas and Boatyards - NFPA 303. Electrical systems must be designed and installed by a Registered Professional Electrical Engineer or a Licensed Master Electrician.

b. Overhead electrical cables, must be approved and shall be designed and installed in accordance with *ER 1110-2-4401, Clearance for Electric Power Supply Lines and Communication Lines over Reservoirs, and District Policy.

c. Overhead secondary distribution lines servicing floating facilities, to include docks, piers, etc., shall be installed parallel to and over the edge of walkways in accordance with *NFPA 70 and *ER 1110-2-4401.

d. Recreational vehicle park service cables shall contain a separate identified insulated grounding conductor in addition to the grounded neutral conductor in accordance with *Article 551-77 of the NFPA 70.

e. If required by the lease, or upon request by the Real Estate Contracting Officer or his authorized representative, the Lessee shall provide a certification that all electrical installations on the premises have been inspected by a Registered Professional Electrical Engineer or a Licensed Master Electrician and comply with all applicable codes.

f. In conjunction with approval of major alteration or renovation of existing structures or systems, the Lessee shall be required to upgrade the electrical system servicing the entire

structure or system to meet the requirements of the current *NFPA 70 and *NFPA 303, as required, at the time the alterations are to be made.

11. Fire Protection.

a. Portable fire extinguishers and/or equipment shall be provided, inspected, and maintained in accordance with the current *NFPA 303 section 4-3, *NEC, and *NFPA 10.

b. Fire extinguishers shall be approved by a nationally recognized laboratory and labeled to identify the listing and labeling organization and the fire test and performance standard that the extinguisher meets or exceeds.

c. Fire extinguishers shall be marked with their letter (class of fire) and numeric (relative extinguishing effectiveness) classification.

d. Fire extinguishers shall be in a fully charged and operable condition and shall be suitably placed, distinctly marked, and readily accessible.

e. Fire extinguishers using carbon tetrachloride or chlorobromomethane extinguishing agents, or soldered or riveted shell self-generating foam or gas cartridge water-type extinguishers, which are operated by inverting the extinguisher to rupture or initiate an uncontrollable pressure-generating chemical reaction to expel the agent, are prohibited.

f. "NO SMOKING OR OPEN FLAME" signs shall be posted conspicuously at flammable storage tanks, refueling dispensers, gas pumps, battery storage areas, gasoline storage areas, and any other areas where flammable, combustible, or oxidizing materials are stored or dispensed.

12. Fuel Storage.

a. All petroleum storage tanks shall be installed, registered and maintained in accordance with the current *Texas Administrative Code, Title 30, Part 1, Chapter 334, *Texas Commission on Environmental Quality (TCEQ) petroleum storage tank requirements and *NFPA 30A Automotive and Marine Service Station code. Copies of all required permits and registrations must be furnished to the Lake Manager for approval processing.

b. The Lessee must provide, at all times, the necessary materials, equipment and capability to prevent the discharge of petroleum products into or onto the lands and waters of the United States. The Lessee must prepare and implement a Spill Prevention Control and Countermeasure Plan (SPCCP) in accordance with *40 CFR, Part 112.

c. Except for approved double-walled tanks, all above ground storage tanks (AST) shall be provided with a secondary containment system to prevent the spread of liquids in case

of leakage in a tank or piping. Containment systems for multiple tanks shall have a capacity equal in volume to at least that of the largest tank plus 10% of all other tanks enclosed. Provisions shall be made for removing accumulations of water and/or petroleum products. The contents of the secondary containment system (water and/or petroleum products) shall be stored in an approved and labeled container and properly disposed of in accordance with local, state, and Federal regulations. Records shall be kept that detail the amount of liquids removed, date of removal, and date of disposal. Drain plugs shall remain in place except when draining. Earthen containment systems shall be constructed with an approved vinyl liner and must be submitted to the Lake Manager for approval processing.

d. Above ground storage tanks that are located in areas subject to flooding shall be secured in place to prevent dislodgement, and shall be protected from any floating objects carried by floodwater that could jeopardize the integrity of the tank. Prior to installation of new storage tanks, the Lessee shall contact the Lake Manager for approval and an on-site inspection shall be conducted to determine the location for the new storage tank. As part of the inspection, the elevation of the proposed location shall be identified.

13. Refueling Area.

a. Refueling areas shall be constructed and maintained in accordance with the current *NFPA 30A Automotive and Marine Service Station Code and *NFPA 70 National Electric Code.

b. Fuel pipe connections and accessories shall be readily accessible. All fuel dispensing nozzles shall be equipped with an automatic-closing valve and must not have a latch-open device.

c. Where possible, all fuel handling facilities shall be outside the main docking area.

d. The refueling area shall have an on-site attendant or supervisor whenever the station is open for business. The attendant's primary function shall be to supervise, observe and control the dispensing of liquids. Credit card (pay at the pump) devices may be installed and used only when attended.

14. Battery Storage Areas.

a. Areas in which batteries are charged or stored shall be a separate enclosed room or a completely closed area in accordance with *NFPA 303 section 6-11. The area shall not be used for any other purpose; materials not required for battery storage or charging shall not be placed or stored therein. However, new batteries for retail sale may be displayed on the store's sales floor.

b. All metal parts in the battery room shall be of corrosion-resistant material or suitably protected from corrosion.

15. Roads, Parking Areas, and Boat Ramps. All roads, parking areas, and boat ramps constructed on Government land by the Lessee shall meet, at a minimum, the *Standard Specifications for Highways and Public Transportation. All required signage, warnings and prohibitions shall be installed in accordance with guidance referenced in Section 1, Paragraph 2, and Section 2 Paragraph 29, and maintained in such a condition as to effectively alert the recreating public to potential hazards, rules and other pertinent information.

16. Sewage Disposal. The design, location, installation, maintenance, and operation of any sewage disposal systems must be in compliance with guidelines set by the *TCEQ and/or other local agencies having jurisdiction. Copies of site and design plans, and operating permits approved by the governing authority must be forwarded to the Lake Manager for review and approval processing for all new construction or modification to existing systems. Copies of inspection/effluent quality reports, as well as operator certification (See **Appendix B** for a sample form letter), shall be provided annually by the Lessee to the Real Estate Contracting Officer.

17. Potable Water Supply. Design, location, installation, maintenance and operation of any potable water supply system must comply with guidelines and standards set by the *TCEQ (Texas Administrative Code, Title 30, Part 290) and/or other local agencies. Copies of site and design plans approved by the governing authority must be forwarded to the Lake Manager for review and approval processing for all new construction or modification of existing systems. Where groundwater and/or surface water supply (surface water intakes must be located a minimum of 1000' from marinas, fishing barges; etc.) is utilized, inspection and water quality analysis reports from the governing authority, along with operator certification (See **Appendix B** for a sample form letter), must be provided annually by the Lessee to the Real Estate Contracting Officer.

18. Housekeeping. All facilities, land based and water based, shall be maintained in a safe, functional condition which does not present health or safety hazards to the public. Leased land areas shall be kept mowed, clean, and free of any debris, trash, excess materials or supplies, unserviceable equipment, etc. Materials allowed on-site must be stored in an approved storage area. Excess materials (building materials, road gravel, fencing materials, docks, flotation, etc.) beyond that deemed necessary for reasonable maintenance of existing facilities shall not be stored within the lease area.

19. Waste receptacles. An adequate number of waste receptacles shall be provided and shall be serviced on a frequency adequate to meet demand. All waste receptacles shall be leak-proof and have lids. Solid waste must be disposed of in approved landfills or collection sites, in accordance with *TCEQ regulations.

20. Required Equipment and Operations.

a. Rental Equipment. All rental equipment shall be maintained in a safe operating condition. Rental vessels, including personal watercraft, must meet safety and registration requirements of the *Texas Water Safety Act. Rental of vessels with only temporary dealer registration is prohibited.

b. Mooring Buoys. Where permitted, all mooring buoys must be manufactured buoys that comply with the standards set by the *United States Coast Guard. All mooring buoys must be placed within the leased area and located inside the "no wake" buoys line.

c. Storage of Flammables.

(1) All flammables should be stored in a separate building/room/cabinet designed for that purpose. Storage areas where flammable or combustible materials are stored shall be ventilated so as to have no accumulation of fumes. These areas shall be kept locked when not in actual use (occupied). Oxidizing and water-reactive materials shall not be stored with flammable or combustible materials and must be stored separately in a well-ventilated area.

(2) "NO SMOKING OR OPEN FLAME" signs shall be conspicuously posted at all areas where flammable materials are stored, both inside these storage areas and on the outside wall of said areas.

(3) Batteries shall not be stored in the same room with flammable liquids.

(4) Storage of all flammable liquids in hand containers shall be in safety containers with flame arresters.

(5) Combustible waste material and residues shall be kept to a minimum, stored in covered metal receptacles, and disposed of daily in an approved manner.

(6) Flammable, combustible, or oxidizing materials shall not be stored in areas used for exits, stairways, or safe passage of people.

21. Fueling Vessels. All vessel fueling operations shall be carefully accomplished in accordance with *Fire Protection Standard for Pleasure and Commercial Motor Craft NFPA 302.

22. Vessel Cleaning and Painting. Wastewater and materials from vessel cleaning and painting operations shall not be allowed to flow into the lake or waterway and shall be collected and disposed of in accordance with all applicable Federal, state and local rules and regulations.

23. Facilities. The Lessee is required to provide certification or may self-certify (see **Appendix B** for a sample form letter) that facilities comply with the *Rehabilitation Act and the Americans with Disabilities Act. The Lessee and/or his contractor, manager, or sub-lessee, has the responsibility of requesting prior approval for all proposed alterations, additions, betterments or changes to the facilities in accordance with the requirements listed in **Appendix C**. Concession buildings and storage areas should be located at or above the recommended elevations cited in **Appendix D**. The Lessee shall assure that all modifications and uses of lease facilities are approved in accordance with lease conditions. Lessee shall document approval, and maintain records, drawings and photos, of all modifications and installations made to each slip on the floating facility. **The slip renter has no authority to change, alter, or modify the lease facilities, to install or affix personally owned equipment on or to the lease facilities, or to modify the facilities so as to deviate from the intended or approved purpose of the facilities.**

a. Common Use Area. The Lessee shall be permitted to provide a common use area with day-room-type facilities such as refrigerators, chairs, tables, televisions, and other similar items, provided it is centrally located and all facilities are owned by the Lessee and are available for use by all patrons of the concession. Open flame grills may be provided in group use areas or commercial cooking areas if specially equipped to prevent the spread of fire and operated by the Lessee only. Common-use areas must be posted with a sign indicating they are open to all patrons of the concession. All facilities and equipment provided in the common use area must be submitted to the Lake Manager for approval processing through the District Office. Requests for an additional common-use area shall be reviewed for approval on a case-by-case basis.

b. Lessee Provided Equipment. The following is a list of commonly requested equipment and items that may only be provided by the Lessee. This equipment must be owned, provided and installed by the Lessee and/or his contractor. The Lessee may choose not to provide any of the following equipment:

(1) Lighting.

(2) Outdoor Type Ceiling Fans.

(3) Communication Equipment. Hard wired and wireless communication equipment shall be installed by a certified service provider or contractor certified and licensed for the specific type of service and equipment being installed. All communication equipment shall be installed at a safe location approved by the Lessee.

(4) Storage Cabinets. Storage cabinets are allowed not to exceed 48 inches in height. Exception - One vertical storage cabinet or locker greater than 48 inches in height, not to exceed 48 inches in width, is allowed per slip.

(5) Storage Lockers. Outdoor marine type storage lockers (deck boxes) are allowed not to exceed 48 inches in height. Exception - One vertical storage cabinet or locker greater than 48 inches in height, not to exceed 48 inches in width, is allowed per slip. One additional outdoor marine type vertical storage locker is allowed at the end of the walkway between slips not to exceed 48 inches wide X 36 inches deep. No storage cabinets or lockers may impede or extend beyond the width of the walkways.

(6) Sinks. One sink per slip is allowed. Sinks must be hard plumbed into a landward approved treatment system, municipal or other. Temporary or permanent use of portable or permanent catch basins/containers is prohibited. Any other sinks or fish cleaning stations are prohibited. All non-functioning or disconnected sinks shall be removed.

(7) Walls/railings. Fencing, latticework, walls, or other delineation around individual slips shall not exceed 48 inches in height and the area enclosed must be accessible to U.S. Army Corps of Engineers personnel at all times. If gates are installed, no padlocks or other locking devices are allowed. The intent of the 48 inch height restriction is to allow for unobstructed line of sight into individual slips. Any other objects that obstruct the line of sight into the slip shall not be allowed. Enclosed boat slips are prohibited.

(8) Decking of Slips. The decking, boarding over, covering up, or filling in of an entire slip is prohibited. Slips were approved for vessel storage and any change or alteration to the lease facilities without prior approval is prohibited. Each slip must be used to moor a vessel.

(a) The decking, boarding over, covering up, or filling in of a slip, up to 50% of the total deckable surface of a slip (not including the length of the roof), is allowed.

(b) The floor of the decked in portion of the slip may not deviate more than 3 feet from the elevation of the walkway. Sufficient flotation must be placed under each section of decking meeting the flotation standards identified in Section 2. Paragraph 5. Second-level decking construction is prohibited.

(c) Furnishings on decked in areas of the slip shall be restricted to those designed or manufactured for outdoor use. All furnishings shall be located on the decked in portion of the slip or on the slip renter's vessel.

(d) Decked in areas must conform to existing outgrant standards and all applicable codes for construction.

c. Slip Renter Provided Equipment. The following is a list of commonly requested equipment and items that may be provided by the slip renter. All equipment and items provided by the slip renter must be approved by the Lessee. The Lessee may choose not

to allow any of the following equipment or items, or choose to allow only if provided and installed by the Lessee and/or his contractor:

(1) Electrical Extension Cords. Electrical extension cords and surge protectors/power strips shall not make physical contact with any metallic structure of the docks. These items are for temporary use only and should be disconnected and stored properly when not in use to prevent tripping hazards and potential for electric shock hazards. Fastening of these items to the dock structure as a form of permanent wiring is prohibited.

(2) Floor Covering. Only permeable floor coverings designed/manufactured for outdoor use are allowed and shall NOT be fastened to the dock surface. Indoor carpeting, or other floor covering, including vinyl tiles or linoleum that is not designed for outdoor use is not allowed. The covering may conceal weak, deteriorated, or substandard flooring. The covering may also induce and accelerate deterioration of decking by trapping and retaining moisture.

(3) Televisions. Any authorized television must be securely mounted and not interfere with the safety of users, block walkways or interfere with line of sight between 48" to 84" from the top of the main walkway.

(4) Electric Cooking Grills. One portable electric grill per slip is allowed. Charcoal and/or propane grills (or any other type of open flame device including grills, torches or heaters) are prohibited.

(5) Personal Property. The slip renter is allowed to store personal property, such as life jackets, recreation/fishing equipment, household items, etc., if approved by the Lessee. Personal property shall be stored inside an approved locker, cabinet, or on the slip renter's vessel.

(6) Refrigerators/Freezers. One refrigerator/freezer greater than 48 inches in height not to exceed 36 inches in width is allowed per slip. Additional outdoor type standard refrigerators/freezers are allowed but must not exceed a maximum height of 48 inches.

(7) Vessel Lifts and Covers. Vessel lifts must be installed by the Lessee and may be owned by the slip renter. Vessel covers designed and manufactured for that purpose which attach to the structure must be installed by the Lessee and may be owned by the slip renter. Vessel covers shall be used to cover vessels only and shall not cover or obstruct the view of any portion of the decked in area. Access to inspect inside vessel covers shall be provided upon request.

(8) Prohibited Items. Only those items listed above are permitted on the docks. Note: the Lessee/floating facility owner shall remove, or cause to be removed, all items not specifically authorized in this Policy Guidance.

24. Environmental Compliance. Lessees shall comply with all Federal, State, and Local environmental laws and regulations including but not limited to *Water Quality, *Invasive Species, and *Threatened and Endangered Species, such as but not limited to zebra mussels, water hyacinth, black capped vireo, etc. All Lessees are responsible for full compliance with local, state and Federal environmental laws and regulations, including proper record keeping and submittal of reports as required by regulatory agencies. Lessees are required, upon request to furnish copies of all permits, reports, and other records involving compliance with environmental laws and regulations.

25. Special Events. Special Events shall be permitted on a first-come, first-serve basis in accordance with current District policy or subsequent versions.

26. Alcoholic Beverages/Cigarettes/Gambling. In accordance with state and local laws and regulations, the Lessee may sell, store or dispense, or permit the sale, storage, or dispensing of beer, malt beverages, light wines, or other intoxicating beverages on the premises in those facilities where such service is customarily found. Bar facilities shall only be permitted if offered in connection with other approved activities. Advertising of such beverages outside of buildings is not permitted. Carry-out package sales of hard liquor is prohibited. Approval to sell, store or dispense alcoholic beverages must be approved by the Real Estate Contracting Officer unless specifically authorized in the lease agreement. All approved alcoholic beverage licensing and certification from federal, state and local agencies must be obtained and kept current. Cigarette dispensing machines are prohibited. Lessees shall not permit gambling of any kind on the premises, including the sale of lottery tickets.

27. Restricted Zones at Outgranted Areas.

a. Concession operators may not themselves impose restrictions on the use of water areas adjacent to their concession facilities. The Real Estate Contracting Officer may establish and post restrictions on the public use of a project or a portion of a project when necessitated by reason of public health, public safety, maintenance or other reasons in the public interest. Security of a concession operation is not justification for the Real Estate Contracting Officer to restrict access to an area normally open for public use. Such protections are a private interest and not a public interest.

b. Concession operators do have the right to secure and protect private property located within the lease premises. With the Real Estate Contracting Officer's approval, they may seek enactment of restrictions upon the use of the water and shoreline areas from the appropriate local governmental jurisdictions (City and/or County).

28. Rates and Prices.

a. All Lessees and sub-lessees that charge fees for services or goods, are required to furnish an information copy of a current rate and price list upon request.

b. The rates and prices charged by the Lessee or its sub-lessee shall be reasonable and comparable to rates and prices charged for similar goods and services by others in the area. The Real Estate Contracting Officer shall have the right to review such rates and prices and require an increase or reduction when it is determined that the objective of this paragraph has been violated. The Lessee shall keep such rates and prices posted at all times in an appropriate and conspicuous place on the premises. The Real Estate Contracting Officer may require submission of a schedule of the rates and prices at any time.

c. Fees may be charged by the Lessee for entrance to the premises and/or use of the facilities upon the premises.

29. Signs.

a. Prior to placement of any signs on leased property, the Lessee must submit a complete Sign Plan for the proposed site, as part of the overall Development Plan, and receive approval of the plan from the Real Estate Contracting Officer. Specific signage shall be required for public health and safety purposes in accordance with *EP 310-1-6a, U.S. Army Corps of Engineers Sign Standards Manual, Section 17, and *CECW-CO memorandum (Policy Guidance – U.S. Army Corps of Engineers (USACE) Overhead Lines Crossing our Reservoirs), 21 Dec 2018.

b. All identification and directional signs placed at a leased site shall be of a common design - legend easily legible, colors consistent, and placed for maximum visibility. The signs shall be well-constructed and properly maintained.

c. Placement of signs, i.e., height above ground, distance from road edge, etc., shall conform to the design standards in the *Sign Standards Manual, EP 310-1-6a, U.S. Army Corps of Engineers Sign Standards Manual, Section 17, and the *Texas Manual on Uniform Traffic Control Devices and/or the *US Department of Transportation - Manual on Uniform Traffic Control Devices for Streets and Highways. Location of the signs shall be determined on a case-by-case basis, to assure all safety standards are being met.

d. All signs shall be placed on leased property or private property. No signs shall be allowed on government property not covered by the lease agreement. No large billboard type signs or gasoline type signs shall be allowed. Commercial advertising type signs are prohibited unless permission from the Real Estate Contracting Officer has been granted. These signs shall only be allowed if displayed in a tasteful, non-obtrusive manner in keeping with the non-commercial nature of public property.

30. Non-transients. Since the early 1960's, the approval of non-transients for private exclusive use on U.S. Army Corps of Engineers property has been discouraged. However, on November 17, 1986, Congress passed *Public Law 99-662, which extended indefinitely a moratorium on removal of non-transients (previously enacted by *Public Law 97-140). Any concession with approved non-transient sites shall be allowed to retain these sites until such time as the law is changed. Expansion of existing non-transient numbers is not permitted. No new requests shall be considered and all non-transients shall meet the following requirements.

- a. All terrestrial non-transients must have wheels attached.
- b. All non-transients must bear current license plates and/or registration where required by state law.
- c. Permanent attachments affecting mobility of the non-transients are not permitted. Tiedowns and skirting may be allowed if attached directly to the non-transients so as not to significantly impair mobility. The skirting must be of a type which does not detract from the aesthetics of the area and must allow for inspection purposes. Storage of paint, oil, gasoline, or other flammable substances are prohibited underneath non-transients.
- d. Porches, decks, patios, as well as canopies to cover terrestrial non-transients, may be authorized after written approval is obtained following the guidelines set forth in Section 4 Submission and Approval of Development and Use Plan. The porches, decks, patios, and canopies may be located on three sides of the terrestrial non-transients but may not be placed on the tongue end. All porches, decks, patios and canopies must be freestanding with sufficient supporting posts. No other types of enclosure materials shall be approved.
- e. Any electrical facilities added to porches, decks or patios must have a certified statement from a licensed Master Electrician or Registered Professional Electrical Engineer stating that the new facilities meet *National Electrical Code standards. This requirement is applicable for replacement facilities as well as new construction. The certificate must be turned in to the Lake Manager after completion of construction (see **Appendix B** for a sample form letter).
- f. Photographs of terrestrial non-transients with porches, decks and patios (as they exist at the time of implementation of this policy) shall be taken by project personnel for reference. The photographs shall also identify all other structures located on the terrestrial non-transients site. Photos of all other non-transients should be taken as well for documentation purposes. The photos shall be provided to the Real Estate Contracting Officer and kept as a base-line historical documentation of existing facilities to prevent future expansion of those facilities currently outside the purview of this policy.

g. Outside auxiliary buildings shall be limited to one per terrestrial non-transient site and must remain mobile at all times.

h. The installation of communication lines in approved non-transients is permissible.

31. Overnight Campgrounds.

a. Semi-permanent or non-transient recreation vehicles are prohibited at all areas on U.S. Army Corps of Engineers projects within the Fort Worth District, except as previously described. Camping in outgranted areas is subject to the time limitations set forth in the Real Estate lease or as otherwise directed by the Real Estate Contracting Officer.

b. All recreational vehicle units must have wheels attached and tires must contain enough air pressure to support the weight of the unit at all times. Units must be maintained in a state of ready mobility at all times. Nothing may be added to, or removed from, units which would impede this mobility.

c. All units must bear current license plates and/or registration at all times when required by state law.

d. Detached porches, pads, decks, sidewalks or other structures may be placed only by the Lessee, after written approval is obtained following the guidelines set forth in Section 4 Submission and Approval of Development and Use Plan.

e. Units not in active use should be removed from the premises or stored in designated, approved storage areas. They shall not remain on individual campsites when not in use.

32. Sewage Pump-Out Facilities. In compliance with guidelines set by the *TCEQ (reference Section 2, paragraph 16), all floating facilities which house or moor vessels containing sanitary devices are required to provide, maintain and operate an approved pump-out facility and/or disposal facility for portable units.

33. Dry Storage Facilities. Dry storage facilities are permitted following U.S. Army Corps of Engineers approval.

a. Dry storage facilities are for the storage of vessels and vessel trailers only and contribute toward the authorized number of slips and density (reference Section 2 paragraph 4). Recreational vehicles may be stored in authorized areas approved by the U.S. Army Corps of Engineers that provide overnight camping facilities.

b. Storage areas must be physically delineated by fencing, guard post and cable, etc.

c. Storage facilities may be covered or enclosed but cannot have more than three solid walls. The front walls must be left open or constructed of a material that allows full view

inside the storage facility for inspection by U.S. Army Corps of Engineer personnel. Full access to storage facilities shall be provided upon request.

SECTION 3

Outgrant Compliance Inspection, Reporting, and Enforcement

1. General. *Real Estate Division is responsible for scheduling and coordinating joint compliance inspections on all areas leased for commercial concession and public and private recreation purposes. Lake Managers are responsible for monitoring the day-to-day operations of leases and promptly reporting any major deficiencies to Operations and Real Estate Divisions. The Lake Manager is also responsible for inspection of facilities placed or constructed on the area in accordance with approved site development plans and conceptual drawings.

2. Inspection Frequency.

a. Real Estate Division shall perform annual compliance inspections on all areas leased for commercial concession and public and private recreation purposes. It is encouraged that Operations Division and Project Office personnel join Real Estate Division personnel on all compliance inspections. Real Estate Division shall schedule and coordinate the joint inspections. The Lessee, or his/her representative, shall be notified prior to the inspection and it is recommended they accompany the U.S. Army Corps of Engineers inspection team during the inspection. Routine follow-up inspections for identified deficiencies shall be accomplished by project personnel and scheduled in accordance with timetables established. It is recommended that Real Estate Division be present for follow-up inspections, when possible. Additional inspections may be scheduled, if necessary.

b. *Park and recreation leases issued to the State shall be jointly inspected no more than once every 3 years. This schedule does not preclude more frequent inspections if necessary. Routine follow-up inspections shall be accomplished by project personnel and scheduled in accordance with timetables established for corrective actions.

c. *When delegated authority to do so, minor outgrants such as easements and licenses shall be inspected by project personnel at a minimum of every 5 years.

3. Reporting and Enforcement Procedures.

a. Lessee Conducted Inspections. Annually, the Lessee shall conduct an internal Lessee inspection for safety and environmental compliance prior to the U.S. Army Corps of Engineers annual inspections. Findings shall be provided to the Lake Manager. The Lessee shall provide annually to the Real Estate Contracting Officer, all documentation as required in the lease. This may include but is not limited to electrical code compliance, required insurance policies, financial statements, *Americans with Disability Act (ADA) standards, water and wastewater certification, etc.

b. Exit Interview. After completion of the U.S. Army Corps of Engineers annual inspection, inspectors shall hold an exit interview with the Lessee or his designated representative, if available, to discuss any findings from the inspection. The Lessee shall be immediately notified of any hazards to health and/or dangers to life or property. These hazards should be corrected immediately or the affected facility closed to the public until necessary repairs can be accomplished. Operations Division shall be notified immediately if any facilities or services are closed due to hazards of health and/or dangers to life or property. The Real Estate Contracting Officer reserves the right to correct threats to health and safety at the Lessee's cost, or to require suspension of the Lessee's operations in part or whole, until the situation, is corrected.

c. Reporting. *The findings of the U.S. Army Corps of Engineers annual inspection shall be documented by Real Estate Division on form ENG 3131, Report of Compliance Inspection of Army Property. Lake Office personnel shall document inspection findings of minor outgrants or other authorized inspections on form ENG 3131 and ENG 3560 providing comments and recommendations, including recommended timetables for correction of deficiencies, to Operations Division for review and forwarding to Real Estate Division.

d. Cure Letter. *The Real Estate Contracting Officer shall issue a cure letter to the Lessee with specific deadlines to correct each deficiency. A follow-up inspection shall be accomplished by project personnel to verify that deficiencies have been corrected in accordance with timetables established. This cure letter shall serve as a formal warning should non-compliance lead to a written citation or other actions.

e. Citation.

(1) All Lessee citations shall be coordinated with Operations Division, Real Estate Division, and Office of Counsel before issuance.

(2) The Natural Resource Management personnel shall be responsible for writing citations in coordination with Operations, Real Estate Division, and Office of Counsel.

(3) It is recommended that citations requiring Mandatory Court Appearance be issued under Title 36, Park 327.18(b), Commercial Activities.

(4) Follow-up inspections shall be accomplished by project personnel to verify deficiencies have been corrected in accordance with timetables established for corrective actions, or to verify that the Lessee is making a genuine effort to correct deficiencies. It is recommended that Real Estate Division be present for follow-up inspections when possible.

f. Other Actions. The Real Estate Contracting Officer may take additional action, i.e., issuance of another cure letter, request additional citations be issued, *suspend lease or a portion of lease operations, revoke the lease or other appropriate actions. The threat of

termination of the lease shall not be used in any correspondence from the Lake Manager to a Lessee.

4. Environmental Compliance. *U.S. Army Corps of Engineers Headquarters policy calls for an annual environmental compliance assessment at each lake, including outgrants. Once every five years, the environmental compliance assessment must be conducted by a team that includes the District Environmental Compliance Coordinator (ECC). While this five-year assessment shall be done as a separate "stand alone" assessment, the other annual assessments for Lessees may be accomplished at the same time of the joint annual compliance inspection to eliminate unnecessary duplication of effort. Prior to the inspection, the District ECC shall provide a list of open findings to the team leader for review. If any open findings have been corrected, the team leader shall note the date and description of the corrective action.

SECTION 4

Submission and Approval of Development or Use Plan

1. General. Lease terms require the Lessee to prepare, and submit for approval, either a Development Plan (usually for five years) or a Use Plan prior to execution of the lease. A Development Plan shall be required if the Lessee is proposing any new construction, or modifications to existing structures, during the term of the lease. A Use Plan shall be submitted when no, or limited, development is planned over the term of the lease.

2. Development Plan.

a. The Development Plan is a clear and well-developed guide for future facilities and activities rather than a detailed construction plan or an approval to begin construction. The Development Plan should list and describe all major modification of existing facilities, new facilities and new services proposed over a five-year period with estimated dates for completion. The plan should also include a site plan and conceptual designs of any new structures, or modification to existing structures, as well as their intended uses.

b. After the Development Plan has been approved, the Lessee must submit a separate request through the Project Office, including engineered drawings, site plans and specifications of all facilities to be modified or constructed, for approval by the Real Estate Contracting Officer, before any construction activities may begin. Once the request has been approved, the Lake Manager shall be notified before any new construction of major modification activities are started.

c. Upon completion of each major modification or new construction, the Lessee is required to submit "as built" site plans and specifications of all facilities and final costs of construction, with certification by a Registered Professional Engineer to the Real Estate Contracting Officer through the Lake Office.

3. Use Plan. A Use Plan should identify and show the location of all existing facilities and services currently being provided by the Lessee. A Use Plan is submitted in place of a Development Plan when the Lessee has no plans for future improvements to the lease premises. No new structures or facilities shall be permitted until the Lessee has obtained prior written approval from the Real Estate Contracting Officer.

4. Approval Process. The Development Plan or Use Plan shall be electronically submitted to the Lake Manager. The Lake Manager shall review the plan for completeness of information, site location suitability, etc., coordinate issues with the Lessee and furnish final comments and recommendations by way of transmittal memorandum to the Regional Office for forwarding to Operations Division. Operations Division shall coordinate regulatory, archaeological or environmental reviews, when needed. A final recommendation shall be sent to Real Estate Division. Real Estate Division shall reply

directly to the Lessee when requesting modification or additional information. A copy of the reply shall be furnished to the Lake Manager and Operations Division. After final approval, the Development Plan shall become an exhibit to the lease. Approval should not be granted unless the Lessee is in compliance with all lease conditions, administrative requirements, is current on rent, and has no major or on-going deficiencies.

SECTION 5

Sale or Assignment of Lease Application Information

1. General. Lease conditions permit the sale or transfer of leases and sublease operations, subject to approval of the Real Estate Contracting Officer.

2. Special Considerations.

a. It is the responsibility of the buyer to make sure that all lease provisions are understood and the conditions of the premises are known. Prior to assignment of the lease, the U.S. Army Corps of Engineers shall conduct a pre-assignment conference with the buyer and, if desired, the seller. At this conference, the lease shall be reviewed, U.S. Army Corps of Engineers policies shall be discussed, and the buyer shall be required to sign an acknowledgment attesting to the conference and the information contained therein.

b. Prior to assignment of the lease, a compliance inspection shall be conducted by Real Estate Division to determine if any maintenance or safety deficiencies exist. It is encouraged that the Safety & Occupational Health Office and Operations Division personnel accompany Real Estate Division on these inspections. The U.S. Army Corps of Engineers shall not approve an assignment of lease until all rental payments are current and all deficiencies have been corrected or financial arrangements have been made. Depending on the complexity of the deficiencies, this process may take several months. The Lessee should request an inspection of the lease premises at least 90 days prior to anticipated transfer date.

c. Any information provided by the buyer may be used by the U.S. Army Corps of Engineers in conducting a comprehensive background and credit check.

d. All questions concerning sales or transfers not addressed in this Policy Guidance should be directed to Real Estate Division through the Lake Manager.

3. Procedure. The following information must be submitted to the Lake Manager in charge of the lake at which the concession is located. Comments and application information shall then be sent through Operations Division to Real Estate Division for approval of the sale. This review process may take 90 days or more.

a. Items Required From Seller.

(1) Letter of request for lease assignment to the buyer; and

(2) Copy of the sales agreement containing the selling price and an itemized list of assets to be transferred.

b. Items Required From Buyer.

(1) Purchasing Entity

(a) If the buyer is a corporation, the following must be provided:

- Letter of request for lease assignment (to the buyer from the seller);
- Articles of Incorporation and by-laws;
- Names and addresses (current and prior 10-year period) of officers and participating principals;
- Corporate resolution authorizing the proposed transaction; and
- Credit Report on the corporation, its principal owners and others deemed necessary.

(b) If buyer is a partnership, the following must be provided:

- Partnership documentation;
 - Names and addresses (current and prior 10-year period) of the principals;
- and
- Credit Report on the partners and any others deemed necessary.

(c) If buyer is a sole proprietorship, he/she must provide a letter of request for lease assignment (to the buyer from the seller) and addresses (current and prior 10-year period).

(2) Financial Capability (Note: All financial data shall be held in confidence)

(a) If buyer is a corporation or limited partnership, it must provide a current financial statement prepared by an independent Certified Public Accountant or by an independent licensed public accountant. The buyer must also include a personal financial statement(s) of the key owners/principals.

(b) If the buyer is an individual or partnership, a complete and current personal financial statement of the individual owners or partners, including copies of the three most recent Federal Income Tax Returns must be provided.

(c) The buyer must provide information on how the Development Plan shall be funded.

(d) Provide the names, addresses, and telephone numbers of two commercial or institutional credit references from which the applicant has previously obtained substantial financing. Attach a letter authorizing each credit reference to respond to inquiries from the U.S. Army Corps of Engineers.

(3) Experience

(a) Provide a description of applicable management qualifications and experience; and

(b) Provide third-party personal and business references.

(4) Plan of Operation and Development

(a) Provide a five-year plan for operation and development of the lease premises. The plan must itemize goals and objectives for each year, showing anticipated beginning and completion dates and estimated cost of development;

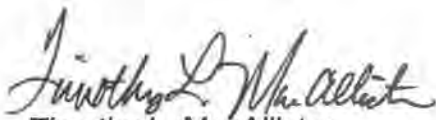
(b) Provide a preliminary budget, projected cash flow, estimated operating costs, and detailed plans of financing, including identity of proposed lenders. Identify all interim and permanent sources of funds and include copies of loan documents used to implement the assignment;

(c) Identify key personnel and their duties and responsibilities as they relate to the business; and

(d) Depending on the scope of development and individual circumstances of each concession, a performance bond, letter of credit or performance deposit may be required to assure completion of proposed development.

4. Other Information as Required by the Real Estate Contracting Officer. The buyer and/or the seller may be required to submit additional information as requested by the Real Estate Contracting Officer or his authorized representative including but not limited to information necessary to perform background investigations.

FOR THE COMMANDER:


Timothy L. MacAllister
Chief, Operations Division


Rocky D. Lee
Chief, Real Estate Division

APPENDIX A

***MINIMUM BUILDING AND INSPECTION CODES**

References:

1. National Fire Codes of the National Fire Protection Association, latest edition, which include but are not limited to:

National Electric Code - NFPA 70 or latest edition

Fire Protection Standard for Marinas and Boatyards - NFPA 303 or latest edition

Fire Protection Standard for Pleasure and Commercial Motor Craft - NFPA 302 or latest edition

Flammable and Combustible Liquids Code - NFPA 30 or latest edition

Automotive and Marine Service Station Code- NFPA 30 A. or latest edition

2. National Electrical Safety Code- ANSI C2, latest edition.

3. Standard Specifications For Construction of Highways, Streets and Bridges, Texas State Department of Highways and Public Transportation, latest edition.

4. International Building Code, General Design Requirements or latest edition.

5. U.S. Department of Transportation - Manual on Uniform Traffic Control Devices (MUTCD), latest edition.

6. Texas Manual on Uniform Traffic Control Devices For Streets and Highways, latest edition.

7. Various applicable laws and acts including but not limited to the Americans with Disabilities Act, Clean Water Act, etc. latest editions.

8. American National Standards Institute - all applicable standards of latest edition.

APPENDIX B
SAMPLE CERTIFICATION LETTERS

***CERTIFICATE OF ELECTRICAL COMPLIANCE**

This is to certify that on _____ day of _____, 20____, I personally inspected the electrical system at (Name of Facility)_____ and to the best of my knowledge all components of the electrical system are free of defects (with exceptions noted below), and are in compliance with current requirements of all applicable laws, codes, and ordinances including, but not limited to, the National Fire Protection Association (NFPA) Code 70, National Electric Code (NEC), and ANSI/NFPA Standard 303, Marinas and Boatyards (attach copy of electrical inspection report).

The following discrepancies/defects were noted during this inspection: (attach additional sheet if necessary).

- a. _____
- b. _____
- c. _____

Electrician's Name: _____
License Number: _____ Expires: _____

Comments: _____

Electrician/Inspectors Name: (type/print) _____
I am a certified electrician licensed by _____ (County), Texas. My license number is _____.

Signature: _____ Date: _____

Discrepancies noted during the above inspection have been corrected/repared and are in full compliance with all applicable laws, codes and ordinances.

Corrected by: _____ Date: _____

Inspected by: _____ Date: _____

***WATER AND SANITARY SEWER CERTIFICATION**
(On Company Letterhead)

I hereby certify that _____, operating a concession
(LESSEE)
/marina/public park/boat launching ramp complex at _____
(PROJECT)
under Lease No. DACW63- ____ - ____ - _____ does/does not have a water/sanitary
(Circle One)
system that has been inspected on _____, by
(DATE)
_____, (attach copy of inspection report by licensed plumber)
(LICENSED PLUMBER NAME)

and that the installation and operation of the system(s) meet(s) all Federal, state, and
local standards.

Date: _____ LESSEE: _____
(TYPED/PRINTED NAME)

(TITLE)

(SIGNATURE)

The following discrepancies/defects were noted during this inspection: (attach additional sheet if
necessary).

- a. _____
- b. _____
- c. _____
- d. _____

Comments: _____

Discrepancies noted during the above inspection have been corrected/repared and are in full
compliance with all applicable laws, codes and ordinances.

Corrected by: _____ Date: _____

Inspected by: _____ Date: _____

***SELF CERTIFICATION OF COMPLIANCE WITH
THE REHABILITATION ACT AND
THE AMERICANS WITH DISABILITIES ACT
(On Company Letterhead)**

In accordance with Condition _____ of Lease No. DACW63-____-____-_____,
I hereby certify that _____ (Lessee), operating a
commercial concession/public park and recreation/ or fish and wildlife management area in
_____ (facility name) at _____ (project) under the
above Lease No. (is)/(is not) in compliance with the Rehabilitation Act and the Americans
with Disabilities Act.

If the leased area is not in compliance, below are a list of deficiencies and a
schedule for correction:

Date: _____ LESSEE: _____
(TYPED/PRINTED NAME)

(TITLE)

(SIGNATURE)

Information about the Americans with Disabilities Act and its requirements can found on the
ADA Homepage at <http://www.ada.gov>. Searching the web or other resources is the
responsibility of the Lessee/Licensee to keep current with statutory requirements.

(Note: To be completed by the Lessee of: 1) State Public Park/Rec leases, 2) State Cost Shared Public
Park/Rec leases; 3) Non-State Public Park/Rec leases; 4) Fish/Wildlife Management lease; 5) Commercial
Concession leases; 6) Non-profit Park/Rec leases; 7) Private Rec Leases).

APPENDIX C

APPROVAL OF FACILITIES AND CONSTRUCTION

1. General.

a. Two types of Lease Agreements govern commercial concession outgrants in the Fort Worth District dependent upon lease execution date. The requirements for submission of plans vary between the two types.

b. Plans shall be submitted in accordance with Paragraph 3 of this Appendix for leases effective prior to 1 January 1994.

c. Leases effective after 1 January 1994 shall require the submission of plans in accordance with Paragraph 4 of this Appendix.

d. All leases that are renewed, transferred or renegotiated after 1 January 1994, shall require the submission of plans in accordance with Paragraph 4 of this Appendix.

2. Control Elevations. Certain facilities in any lease area must meet minimum foundation elevations. See **Appendix D**, Minimum Elevations for Structures.

3. Submission of Plans for Leases Effective Prior to 1 January 1994.

a. Lease terms require the Lessee to obtain written approval from the Real Estate Contracting Officer, before any new construction or modification of existing structures or systems is initiated.

b. The Lessee shall submit electronic copies of the conceptual designs and site plans along with a written request for construction, prior to any construction activity, to the Lake Manager. Detailed plans and specifications shall not be required prior to construction. The Lake Manager shall review the request for completeness of information, site location suitability, etc. (request additional information from Lessee if necessary and coordinate required changes) and furnish comments and recommendations through proper channels to Operations Division. Operations Division shall coordinate regulatory, archaeological, engineering, safety, or environmental reviews, when needed. A final recommendation shall be sent to Real Estate Division. Real Estate Division shall reply directly to the Lessee. A copy of the reply shall be furnished to the Lake Manager and Operations Division. Approval should not be granted unless the following conditions are met: the Lessee is in compliance with all lease conditions and other administrative requirements, current on rent, and has no major deficiencies. No construction shall be allowed until written authorization is received from the Real Estate Contracting Officer.

c. In the case of facilities located within public park leases, proposed actions shall be approved in writing by the appropriate public official prior to submission to the Lake Manager.

d. Once the site plan and conceptual design have been approved, general monitoring shall be conducted by project personnel during the construction period.

e. Upon completion of the project, the Lessee may be required to submit "as built" site plans and specifications of facilities with certification by a Registered Professional Engineer that the construction meets all applicable codes and standards. These plans should be submitted to the Lake Manager for forwarding to Operations Division and Real Estate Division.

4. Submission of Plans for Leases Effective After 1 January 1994:

a. Lease terms require the Lessee to prepare, and submit for approval, either a Development Plan (usually for five years) or a Use Plan prior to execution of the lease. A Development Plan shall be required if the Lessee is proposing any new construction or modifications to existing structures during the term of the lease. A Use Plan shall be submitted when no, or limited, development is planned over the term of the lease.

b. The Development plan is a guide for future activities not a detailed construction plan. The Development Plan should list all new facilities and services proposed over a five year period with estimated dates for completion. The plan should also include a site plan and conceptual designs of any proposed structures. After the Development Plan has been approved, the Lessee may proceed with any construction activities discussed in the plan without further approval or review by the Real Estate Contracting Officer. However, upon completion of each project the Real Estate Contracting Officer shall require the Lessee to submit "as built" site plans and specifications of all facilities with certification by a Registered Professional Engineer.

c. A Use Plan should identify and show the location of all existing facilities and services currently being provided by the Lessee. A Use Plan is submitted in place of a Development Plan when the Lessee has no plans for future improvements to the lease premises. No new structures or facilities shall be permitted upon the premises until the Lessee has obtained prior written approval from the Real Estate Contracting Officer.

d. The Development Plan or Use Plan shall be submitted electronically to the Lake Manager. The Lake Manager shall review the plan for completeness of information, site location suitability, etc. and furnish comments and recommendations to the Project Manager for forwarding to the Operations Division Project Coordinator. Operations Division shall coordinate regulatory, archaeological or environmental reviews, when needed. A final recommendation shall be sent to Real Estate Division. Real Estate Division shall reply directly to the Lessee if requesting modification or additional information. A copy of the

reply shall be furnished to the Lake Manager and Operations Division. After, final approval, the Development Plan shall become an exhibit to the lease. Approval should not be granted unless the Lessee is in compliance with all lease conditions, other administrative requirements, is current on rent, and has no major deficiencies.

e. In the case of facilities located within public park leases, the Development Plan or Use Plan should be submitted to the Lake Manager by the appropriate public official.

f. General monitoring shall be conducted by Project personnel of any construction in the Development Plan.

g. The Lessee shall notify the Lake Manager prior to initiation of any construction. The Lessee shall be required, upon completion of each of the proposed developments in the Development Plan, or approved structures, to furnish a complete "as built" site plan and "as built" construction plans and drawings for all facilities with certification by a Registered Professional Engineer that the construction meets all applicable codes and standards.

h. The Real Estate Contracting Officer may agree in writing to an extension of time for providing the facilities and activities designated in said Development Plan or may waive the providing thereof for other than those specified in the first lease year as designated in said Development Plan, whenever, in the opinion of the Real Estate Contracting Officer, the public demand does not reach the anticipated level at the time stated, or when a delay in providing the facilities and services is beyond the control of the Lessee; provided, however, that at the discretion of the Real Estate Contracting Officer, such undeveloped areas may be withdrawn from the leased premises.

i. Modifications to said Development Plan must be approved in writing by the Real Estate Contracting Officer prior to the implementation of any change.

5. Plans. The Lake Manager, Operations Division and Real Estate Division are to each retain a copy of all plans for their respective files. The following plans and drawings are required as a minimum, with additional plans and drawings as may be necessary, to completely describe the proposed work:

a. Site Plans. These drawings shall show the location of the proposed structures in relation to existing structures and shall be drawn to scale of not less than 1"= 20'-0".

b. Conceptual Design Plans. The drawings shall be dimensioned in sufficient detail to show the size and general characteristics of the proposed structure including the type of materials to be used.

c. Utility Plans and Drawings. Lessee must submit a site plan and a profile drawing showing all new or relocated utility lines. All proposed water and sanitation lines require

approval by the local health department and/or appropriate State agency, prior to submission to the U.S. Army Corps of Engineers.

d. Electrical Plans and Drawings. New facilities or major renovations shall be designed by a Registered Professional Electrical Engineer or qualified Licensed Master Electrician, who shall certify that the proposed systems meet the applicable codes listed in Section 2, paragraph 10. Plans and drawings shall be prepared in sufficient detail to show the location of all electrical facilities and the required mounting heights and clearances for fixtures and overhead lines. After installation of electrical facilities, Lessee must submit to the Lake Manager a certified statement from a qualified Licensed Master Electrician stating that the new facilities meet the requirements of this Policy Guidance as well as all local and State codes and the *National Electrical Code, *NFPA 70.

APPENDIX D

MINIMUM ELEVATIONS FOR STRUCTURES

General. The minimum elevations for concession buildings and dry storage areas listed below are recommendations only. Local site conditions may warrant lower or higher elevations than that listed below and Lessees should satisfy themselves as to the risks of locating structures at specific elevations.

Recommended minimum elevation for concession buildings/storage areas. All elevations are in feet NGVD (National Geodetic Vertical Datum).

| Lake | Permanent | Movable |
|-------------------|-----------|---------|
| Aquilla | 556.0 | 544.0 |
| Bardwell | 439.0 | 432.0 |
| B.A. Steinhagen | 86.0 | 84.0 |
| Belton | 625.0 | 605.0 |
| Benbrook | 715.0 | 697.0 |
| Canyon | 943.0 | 918.0 |
| Cooper | 446.2 | 443.5 |
| Granger | 525.0 | 511.0 |
| Grapevine | 560.0 | 542.0 |
| Georgetown | 830.0 | 803.0 |
| Hords Creek | 1,915.0 | 1,902.0 |
| Joe Pool | 536.0 | 524.5 |
| Lake O' the Pines | 248.0 | 236.0 |
| Lavon | 505.0 | 496.0 |
| Lewisville | 532.0 | 525.0 |
| Navarro Mills | 443.0 | 438.0 |
| O.C. Fisher | 1,930.0 | 1,909.0 |
| Proctor | 1,194.0 | 1,172.0 |
| Ray Roberts | 640.5 | 632.5 |
| Sam Rayburn | 176.0 | 171.0 |
| Somerville | 256.0 | 245.0 |
| Stillhouse Hollow | 659.0 | 632.0 |
| Waco | 500.0 | 470.0 |
| Whitney | 565.0 | 550.0 |
| Wright Patman | 259.0 | 243.0 |



DEPARTMENT OF THE ARMY
U.S. ARMY CORPS OF ENGINEERS, FORT WORTH DISTRICT
P.O. BOX 17300
FORT WORTH, TX 76102-0300

September 20, 2019

Real Estate Division

SUBJECT: Lewisville, Texas; Lease No. DACW63-1-98-0555 - Policy Guidance for Outgrant Management

Ms. Donna Barron
City Manager
City of Lewisville
Post Office Box 299022
Lewisville, Texas 75029

Dear Ms. Barron:

Enclosed for your reference is a copy of the Policy Guidance for Outgrant Management, effective as of September 15, 2019. This document establishes the regulations for commercial concessions and recreation areas, and their subleases, whether public or private, in outgranted areas in the Fort Worth District. As the Lessee, you have the responsibility of assuring that all modifications, operations, and uses of the leased facilities are in accordance with the enclosed policy guidance.

If you have any questions, please contact the Lake Manager, Robert Jordan, 469-645-9100.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lucas Cecil", is written above the typed name.

Lucas Cecil
Chief, Compliance and Disposal Section
Real Estate Division

Enclosure



RECEIVED

02-12
CITY MANAGER'S
OFFICE

EXHIBIT H
SNEAKY PETE'S PREMISES



EXHIBIT I

UNDERGROUND FUEL INFRASTRUCTURE TO BE REMOVED

THREE UNDERGROUND STORAGE TANKS (ONE 2,000, ONE 3,000 AND ONE 12,000 GALLON): (1) CURRENTLY LOCATED ON THE NORTHEAST SIDE OF THE MARINA OFFICE BUILDING AS MORE PARTICULARLY SHOWN BELOW AS THE “EXISTING FUEL TANKS,” AND (2) AS MORE PARTICULARLY DESCRIBED IN SECTION 6.2.2 OF THAT CERTAIN PHASE I ENVIRONMENTAL SITE ASSESSMENT, PREPARED BY ATLAS TECHNICAL CONSULTANTS LLC, DATED AS OF JULY 2, 2025.

