

ECONOMIC DEVELOPMENT AGREEMENT

This Economic Development Agreement (the “Agreement”) is entered into by and between the City of Lewisville, Texas, a home rule city and municipal corporation of Denton County, Texas, duly acting by and through its City Manager, (hereinafter referred to as “City”); and TSMA Holdings, LLC, a Texas limited liability company (hereinafter referred to as “Owner”) (hereinafter collectively referred to as the “Parties”).

W I T N E S S E T H:

WHEREAS, pursuant to Chapter 380 of the Texas Local Government Code ("Statute"), the City adopted an Economic Incentive Policy for making economic development incentives and grants on June 5, 2023 ("the Policy Statement"); and

WHEREAS, the Policy Statement constitutes appropriate guidelines and criteria governing economic development agreements to be entered into by the City as contemplated by the Statute; and

WHEREAS, in order to maintain and/or enhance the commercial, economic, and employment base of the Lewisville area to the long-term interest and benefit of the City, in accordance with said Statute, the City desires to enter into this Agreement; and

WHEREAS, on the 18th day of May, 2026, the City Council of the City of Lewisville, Texas, authorized this Agreement pursuant to the Statute; and

WHEREAS, the City seeks to enhance the economic vitality and appeal of Old Town Lewisville as a premier local and regional destination for business, dining, and entertainment; and

WHEREAS, the City aims to promote the revitalization of Old Town properties by encouraging improvements to commercial facades, thereby supporting the growth of office spaces, hospitality, food service, retail, and entertainment establishments; and

WHEREAS, the City recognizes that enhancing the visual and structural appeal of retail spaces contributes to the overall economic development of Old Town and fosters a thriving business environment.; and

WHEREAS, Owner currently owns the property located at 301 S. Mill Street in Lewisville, Texas (the “Property”), including the building located thereupon (the “Building”), as shown in Attachment “A”; and

WHEREAS, the City desires to see the Building improved in a manner that is visually compatible with other structures in Old Town Lewisville, thus enhancing the overall aesthetic

appeal and economic vitality of the area; and

WHEREAS, the Owner agrees to install a mural on the Building, the design of which shall be materially consistent with the Mural Plans (hereinafter defined and attached as Attachment “B”) as shown in Attachment “B”; and

WHEREAS, the City desires to provide, pursuant to Chapter 380, an incentive to the Owner for improving the façade of the Building in a manner that is beneficial to the City and its residents; and

WHEREAS, the City finds that the administration of an economic development agreement to provide a grant to the Owner in an amount equal to part of the costs of improving the façade in return for the improvement of the façade of the Building would promote local economic development and stimulate business and commercial activity within the municipality and would directly establish a public purpose; and

WHEREAS, the City has determined that this Agreement contains sufficient controls to ensure that the above-mentioned public purposes are carried out in all transactions involving the use of public funds and resources in the establishment and administration of the Agreement; and

NOW THEREFORE, the City, in consideration of the mutual benefits and promises contained herein and for good and other valuable consideration, the adequacy and receipt of which is hereby acknowledged, including the enhancement of Old Town Lewisville both aesthetically and as a destination for lodging, dining, and entertainment, which contributes to the economic development of the City and the enhancement of the tax base in the City, the Parties hereto do mutually agree as follows:

ARTICLE I TERM

This term of this Agreement (“Term”) shall commence on the date this Agreement is executed by both Parties (“Effective Date”) and shall continue through the first anniversary of Substantial Completion, subject to, and in accordance with, the terms and conditions of this Agreement, unless sooner terminated in accordance with the termination provisions in this Agreement.

ARTICLE II DEFINITIONS

2.1 Wherever used in this Agreement, the following terms shall have the meanings ascribed to them:

“**Agreement**” has the meaning set forth in the introductory paragraph of this document.

“**Building**” shall have the meaning set forth in the recitals to this Agreement.

“**City**” shall have the meaning set forth in the introductory paragraph of this Agreement.

“**Effective Date**” shall have the meaning given in Article I of this Agreement.

“**Eligible Project Costs**” shall mean the actual costs to the Owner of installing the Mural, which shall include, but not be limited to, artist design fees and labor, surface preparation (cleaning, priming, minor repairs), paint, sealants, and materials, equipment rental (lifts, scaffolding), and required permits or inspections. Whether a cost is an Eligible Project Costs shall be determined by the City Manager in her sole and absolute discretion.

“**Event of Bankruptcy**” means that the Owner becomes insolvent or bankrupt, has a receiver or trustee appointed for any part of its property, makes an assignment for the benefit of its creditors, or any proceeding is commenced either by the Owner or against it under any bankruptcy or insolvency laws, which proceeding is not dismissed within sixty (60) days.

“**Force Majeure**” shall mean any contingency or cause beyond the reasonable control of the Owner created by acts of God or the public enemy, war, riot, terrorism, civil commotion, insurrection, governmental or de facto governmental action including, but not limited to, government actions pertaining to the determination of flood zones or FEMA actions (unless caused by acts or omissions of the Owner), fire, explosion or flood, strikes; provided, however, that (a) the event giving rise to Force Majeure was not caused by the act or omission of the Owner and makes the performance of any obligation created under this Agreement illegal or impossible; and (b) the Owner gives reasonable notice of the event giving rise to Force Majeure and exercises all reasonable diligence to remove the cause of Force Majeure.

“**Mural**” shall have the meaning set forth in Article III.

“**Mural Grant**” shall have the meaning set forth in Article IV.

“**Mural Plans**” shall mean the mural design attached hereto as Attachment “B”, as it now exists or may be amended in accordance with this Agreement.

“**Owner**” shall have the meaning set forth in the introductory paragraph of this Agreement.

“**Proof of Payment**” shall mean adequate documentation to demonstrate that Eligible Project Costs have been paid by the Owner, and shall include copies of cleared checks or credit card or bank statements, attached to contractor invoices signed and dated by both the Owner and the contractor, or equivalent documentation as agreed to by the City. The City shall have the right to reject any Proof of Payment it deems inadequate.

“**Property**” shall have the meaning set forth in the recitals to this Agreement.

“**Substantial Completion**” shall mean the determination by the City that the Mural has been completed and is materially consistent with the design set forth in the Mural Plans and attached hereto as Attachment B, following inspection and written approval by the City Manager or her designee.

“**Term**” shall have the meaning set forth in Article I of this Agreement.

ARTICLE III GENERAL PROVISIONS

3.1 On or before the date of Substantial Completion, the Owner shall install or cause to be installed a mural on the south wall of the Building (the “Mural”) and shall maintain such mural during the Term of this Agreement as set forth herein.

3.1.2 If the Substantial Completion is not reached within twelve (12) months from the Effective Date and the failure is due to Force Majeure or the City Manager, in her sole and absolute discretion, determines that substantial progress has been made toward Substantial Completion, additional time to complete the Mural in order to reach Substantial Completion may be granted by the City Manager, at her sole and absolute discretion, for a period or periods not to exceed a total of twelve (12) months after the deadline set forth in this subsection.

3.1.3 Failure to reach Substantial Completion by the deadline as it may be extended pursuant to section 3.1.2 shall constitute a material breach of this Agreement.

3.2 Installation Requirements.

3.2.1. The Mural shall comprise of approximately 670 square feet of the total area of the south wall of the Building.

3.2.2. The Mural as installed must be materially consistent with the Mural Plans attached hereto as Attachment "B". If the installed Mural is not materially consistent with Mural Plans (Attachment "B"), the Owner must either correct the mural, within 30 days of notice by the City, to achieve compliance or forfeit the Mural Grant. The City Manager shall determine, in her sole discretion, whether the Mural is materially consistent with the Mural Plans (Attachment "B")

3.2.3. The City's Old Town Design Review Committee ("OTDRC") must approve any amendments to the Mural Plans (Attachment "B"). The City Manager must approve any proposed amendment to the Mural Plans (Attachment "B") before submission to the OTDRC. If approved, such amended and approved Mural Plans shall replace those attached hereto as Attachment "B".

3.3 Maintenance Requirements.

3.3.1. Owner, at Owner's sole cost and expense, shall maintain, and if necessary, repair the Mural during the term of this Agreement so that the Mural shall remain in compliance with the Mural Plans (Attachment "B"). Such maintenance and repair shall include, but not be limited to: repainting faded, chipped, or peeling paint; repairing masonry work; and removing or covering graffiti.

3.3.2. Owner may remove the mural if Owner determines that the Mural is suffering excessive damage or Owner is unwilling or unable to maintain the Mural as required herein. If Owner removes the Mural from the Building under the provisions of this section, Owner shall restore the wall upon which the Mural was installed to, at a minimum, its condition prior to Mural installation. Removal shall be at the Owner's sole expense.

3.3.3. The City may require removal of the Mural or any part thereof by the Owner if the City Manager determines, in her reasonable discretion, that the Mural is not being maintained and repaired as required by this Agreement, following written notice to Owner and at least sixty (60) days to cure. Removal shall be at the Owner's sole expense.

3.3.4. Should the Mural or any part thereof be removed for any reason during the

Term of this Agreement, including removal required by section 3.3.3, above, Owner shall be obligated to repay the City a portion of the Mural Grant, prorated by month, proportional to the time remaining in the Term.

3.4 During the Term of this Agreement, Owner shall be subject to all applicable City taxation not specifically abated or exempted, including but not limited to, any applicable sales tax and ad valorem taxation on land, inventory and supplies. The Owner shall pay all applicable taxes in accordance with state and local regulations.

ARTICLE IV ECONOMIC DEVELOPMENT INCENTIVES

4.1 Mural Grant. Subject to the terms and conditions of this Agreement, the City agrees to provide to Owner a one-time economic development grant in an amount equal to up to fifty percent (50%) of the Eligible Project Costs for installation of the Mural (the “Mural Grant”), which shall not exceed ten thousand dollars (\$10,000.00). In no case shall the Mural Grant exceed 50% of the actual Eligible Project Costs for installation of the Mural.

4.2. Disbursement of Mural Grant. Upon Substantial Completion, the Owner shall submit a written request for payment of the Mural Grant, along with Proof of Payment, to the City’s Office of Economic Development. A payment request with attached Proof of Payment shall be submitted no later than forty-five (45) days after the date of Substantial Completion. **Failure to timely submit such request may cause delay or denial of payment of the Mural Grant at the City’s sole discretion.**

4.2.1 If Proof of Payment presented by the Owner is deemed inadequate by the City, the Owner shall have until either ten (10) business days after notice from the City or forty-five (45) days after Substantial Completion, whichever is later, to cure, or the submitted payment request shall not be accepted, and the Mural Grant shall not be paid.

4.2.2 The Mural Grant shall be paid by the City within thirty (30) days after the Owner submits the Owner’s payment request with attached adequate Proof of Payment for the Eligible Project Costs.

4.2.3 At the time the payment request is submitted, the Owner shall submit a signed Payment Certification Statement (attached hereto as Attachment “C”) and documentation of written approval of the Mural by the City Manager or her designee.

ARTICLE V AGREEMENT CONDITIONS

5.1 No Obligation. The City shall not be obligated to pay any commercial bank, lender, or similar institution for any loan or credit agreement made by the Owner. None of the City's obligations with respect to the incentives under this Agreement shall be pledged or otherwise encumbered in favor of any commercial lender and/or similar financial institution.

5.2 Employment of Undocumented Workers. During the term of this Agreement, the Owner agrees not to knowingly employ any undocumented workers as defined in Tex. Govt. Code §2264.001. If convicted of a violation under 8 U.S.C. §1324a(f), the Owner shall repay the amount of the grants and any other funds received by the Owner from the City as of the date of such violation not later than one hundred and twenty (120) days after the date the Owner is notified by the City of a violation of this section, plus interest from the date the abatements were paid to the Owner, at the rate periodically announced by the Wall Street Journal as the prime or base commercial lending rate, or if the Wall Street Journal shall ever cease to exist or cease to announce a prime or base lending rate, then at 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 or base commercial lending rate. The payment of interest shall be as if it had been accruing from the date the abatement was paid to the Owner until the date the grants are repaid to the City.

ARTICLE VI TERMINATION

- 6.1 Termination. This Agreement may be terminated upon any one of the following:
- a. By written agreement of the Parties;
 - b. Expiration of the Term;
 - c. By either of the Parties in the event the other Party breaches any of the terms or conditions of this Agreement and such breach is not cured within sixty (60) days after written notice thereof;
 - d. By City, if Owner suffers an Event of Bankruptcy; and
 - e. By the City, if any taxes, assessments or payments owed to the City or the State of Texas by the Owner shall become delinquent and not cured within sixty (60) days after written notice thereof (provided, however, that the Owner retains the

right to timely and properly protest and contest any such taxes or assessments);
and

- f. By the City, within thirty (30) days of providing written notice, if the Owner is convicted of a violation of 8 U.S.C. §1324a(f) as determined by a court of competent jurisdiction or other competent authority.

6.2 Refund of Mural Grant.

a. In the event the Agreement is terminated by the City pursuant to Section 6.1.c., d., or e., the Owner shall be ineligible for further grant disbursements pursuant to this Agreement and shall, within thirty (30) days of written notice of termination, be required to refund all funds received from the City under this Agreement up to the date of termination.

b. In the event the Agreement is terminated by the City pursuant to Section 6.1.f., the Owner shall, within one-hundred twenty (120) days after the date the Owner is notified by the City of a violation, pay to the City the amounts specified in Section 5.3 of this Agreement.

**ARTICLE VII
MISCELLANEOUS**

7.1 The terms and conditions of this Agreement are binding upon the successors and assigns of all Parties hereto. This Agreement cannot be assigned by the Owner unless written permission is first granted in writing by the City Manager or her designee, and the assignee agrees to be bound by all terms and conditions of this Agreement. Any assignment made without the required consent is void.

7.2 It is understood and agreed between the Parties that the Owner, in performing its obligations thereunder, is acting independently, and the City assumes no responsibility or liabilities in connection therewith to third parties.

7.3 The Owner further agrees that the City and its agents and employees shall have reasonable rights of access to the Property and Building for inspection purposes in order to ensure that the installation of the Mural as well as the maintenance of the Mural are in accordance with all applicable agreements with the City, including this Agreement, and all applicable state and local laws and regulations, as well as the continuing right, subject to the Owner's reasonable security requirements, to inspect the Mural to ensure that the Mural is thereafter maintained in accordance with all applicable agreements with the City, provided that with respect to matters

concerning this Agreement (i) the City must give the Owner reasonable notice by phone, email or letter of any such inspection, and (ii) a representative of the Owner shall have the right to accompany the agent or employee of the City who is conducting such inspection. The notice requirements and right to accompany shall not apply to inspections to ensure compliance with applicable state and local laws and regulations, including any inspection necessary to issue required permits.

7.4 The City represents and warrants that the Building and Property do not and will not include any property that is owned by a member of the City Council having responsibility for the approval of this Agreement.

7.5 Any notice provided or permitted to be given under this Agreement must be in writing and may be served via email, read receipt requested, by depositing same in the United States mail, addressed to the party to be notified, postage pre-paid and registered or certified with return receipt requested, or by delivering the same in person to such party via a hand-delivery service, Federal Express or any courier service that provides a return receipt showing the date of actual delivery of same, to the address thereof. Notice given by mail shall be deemed delivered three (3) days after the date deposited in the United States' mail. Notice delivered in person shall be effective upon receipt at the address of the addressee. Notice delivered by email will be deemed to have been received when sent, even if the sender receives a machine-generated message that delivery has failed. If a party sending an email notice under this Agreement receives a machine-generated message that delivery has failed, for that notice to be valid the sender must no later than ten business days after sending the email message deliver a tangible copy of that notice as otherwise set forth herein. Communication, details, and notices concerning this Agreement shall be directed to the following representatives:

For City by notice to:

City of Lewisville
Attn: Economic Development Director
151 W. Church Street
P.O. Box 299002
Lewisville, Texas 75057
Email: msamples@cityoflewisville.com with copy to
economicdevelopment@cityoflewisville.com

For Owner by notice to:
T SMA Holdings, LLC
Attn: Terry Sullivan
301 S. Main Street
Lewisville, TX
Email: terrysullivanbbq@gmail.com

Either Party may change the address to which notices are to be sent by giving the other Party written notice in the manner provided in this paragraph.

7.6 This Agreement may be executed in multiple counterparts, each of which shall constitute an original, but all of which in the aggregate shall constitute one agreement. This Agreement may be executed by facsimile transmission or email, in each case, with the same force and effect as originals.

7.7 No claim or right arising out of a breach of this Agreement can be discharged in whole or in part by a waiver or renunciation of the claim or right unless the waiver or renunciation is supported by consideration and is in writing signed by the aggrieved.

7.8 This Agreement may be modified only by a writing signed by both of the Parties or their duly authorized agents.

7.9 Venue for any litigation arising from this Agreement shall lie in Denton County, Texas.

7.9 THE OWNER AGREES TO DEFEND, INDEMNIFY AND HOLD CITY, ITS OFFICERS, AGENTS AND EMPLOYEES, HARMLESS AGAINST ANY AND ALL CLAIMS, LAWSUITS, JUDGMENTS, COSTS AND EXPENSES FOR PERSONAL INJURY (INCLUDING DEATH), PROPERTY DAMAGE OR OTHER HARM FOR WHICH RECOVERY OF DAMAGES IS SOUGHT, SUFFERED BY ANY PERSON OR PERSONS, THAT MAY ARISE OUT OF OR BE OCCASIONED BY THE OWNER'S BREACH OF THIS AGREEMENT OR BY ANY NEGLIGENT OR STRICTLY LIABLE ACT OR OMISSION OR INTENTIONAL TORT OF THE OWNER, ITS OFFICERS, AGENTS, EMPLOYEES OR SUBCONTRACTORS, OR THE OWNER, ITS OFFICERS, AGENTS, EMPLOYEES OR SUBCONTRACTORS, IN THE PERFORMANCE OF THIS AGREEMENT. THE PROVISIONS OF THIS PARAGRAPH ARE SOLELY FOR THE BENEFIT OF THE PARTIES HERETO AND NOT INTENDED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, TO ANY OTHER PERSON OR ENTITY. THIS PARAGRAPH SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

7.10 This Agreement may be executed in multiple counterparts, each of which shall constitute an original, but all of which in the aggregate shall constitute one agreement.

7.11 If any provision contained in this Agreement is held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof. In lieu of each invalid, illegal or unenforceable provision, there shall be added a new provision by written agreement of the Parties as similar in terms to such invalid, illegal or unenforceable provision as may be possible and yet be valid, legal and enforceable.

7.12 Whenever the context requires, all words herein shall be deemed to include the male, female, and neuter gender, singular words shall include the plural, and vice versa.

7.13 The City represents and warrants to the Owner that this Agreement has been authorized by action of the Lewisville City Council, authorizing the City Manager to execute the Agreement on behalf of the City. Owner represents and warrants that this Agreement has been approved by appropriate action of Owner, and that the individual executing this Agreement on behalf of Owner has been duly authorized to do so. This Agreement shall be binding on and inure to the benefit of the Parties hereto, and their respective successors and permitted assigns.

7.14 Nothing in this Agreement shall constitute a waiver of the City's governmental immunity.

7.15 This Agreement shall be considered drafted equally by both the City and the Owner.

7.16 Submitted herewith is a completed Form 1295 generated by the Texas Ethics Commission's (the "TEC") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the "Form 1295"). The City hereby confirms receipt of the Form 1295 from the Owner, and the City agrees to acknowledge such form with the TEC through its electronic filing application not later than the 30th day after the receipt of such form. The Parties understand and agree that, with the exception of information identifying the City and the contract identification number, neither the City nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Owner; and, neither the City nor its consultants have verified such information.

DATED this the 18th day of May, 2026.

CITY OF LEWISVILLE, TEXAS

Gina McGrath, Deputy City Manager

ATTEST:

Jennifer Malone-Ippolito, City Secretary

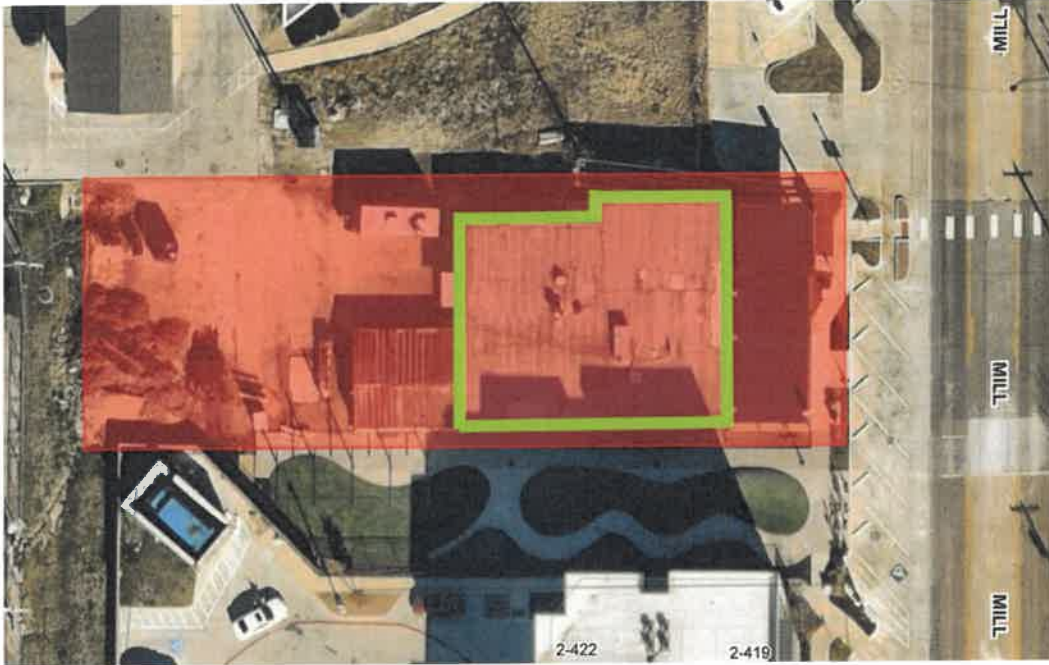
APPROVED TO FORM:

Lizbeth Plaster, City Attorney

OWNER:
TSMA Holdings, LLC, a Texas limited liability company

By: 
Name: Terry Sullivan, Owner

ATTACHMENT A
Property and Building:



Legend: Red – Property Green – Building



ATTACHMENT B
Mural Plans



ATTACHMENT C
CITY OF LEWISVILLE
OFFICE OF ECONOMIC DEVELOPMENT
PAYMENT CERTIFICATION STATEMENT

I, _____, on behalf of TSMA Holdings, LLC, a Texas limited liability company, do certify that the attached approved charges were incurred solely for the purposes of installation of a mural in accordance with the attached Agreement and that the charges are true and correct to the best of my knowledge.

Signed:

Terry Sullivan

Date:

Contact Information: Terry Sullivan

Phone: 469-451-5599

Address: 301 S. Main Street, Lewisville, TX