

ECONOMIC DEVELOPMENT AGREEMENT

THIS ECONOMIC DEVELOPMENT AGREEMENT ("Agreement") is entered into by and between the City of Lewisville, Texas, a home rule municipality duly acting by and through its City Manager, ("City"), and CADG Mill St., LLC, ("Developer"), and both entities collectively referred to as Parties in this Agreement ("Parties").

WITNESSETH:

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 August 16, 2010 ("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 15th day of September 2014, the City Council of the City of Lewisville, Texas, authorized this Agreement pursuant to Chapter 380 of the Texas Local Government Code ("Chapter 380");

WHEREAS, the Developer currently owns property at 201 S. Mill Street and 226 S. Charles Street and Lot 2, Block A of the Lewisville Shopping Center Addition (collectively "Property" or "Premises") (more fully described in Exhibit "A", attached hereto and made a part hereof) that is the subject of this Agreement;

WHEREAS, the Property is located within Tax Increment Reinvestment Zone Number One;

WHEREAS, the Developer intends to develop the Property that is the subject of this Agreement;

WHEREAS, on June 16, 2014, the City approved an agreement for phase I of this development, which included the demolition of existing structures, attached and incorporated herein as Exhibit "C";

WHEREAS, this Agreement sets provisions for development of Phase II of the Property in accordance with a set of development standards and concept plan ("the Standards and Concept Plan"), attached and incorporated herein as Exhibit "B";

WHEREAS, the Parties desire to enter into this Agreement pursuant to Chapter 380;

WHEREAS, the City desires to provide, pursuant to Chapter 380, an incentive to Developer to develop the Property for a single family residential subdivision in accordance with the Standards and Concept Plan (Exhibit "B")

WHEREAS, the Developer agrees to develop the Property in a manner consistent with the Standards and Concept Plan (Exhibit "B") and in accordance with all other ordinances, rules and regulations of the City;

WHEREAS, the City finds that the administration of an economic development agreement to provide incentives to the Developer in return for developing the Property 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.

NOW, THEREFORE, in consideration of the foregoing, and on the terms and conditions hereinafter set forth, the Parties do mutually agree as follows:

ARTICLE I TERM

1.1 This Agreement shall be effective on the date that this Agreement is executed by the Parties ("Effective Date") and shall continue until December 31, 2020, or until all residential units within the subdivision are complete and all terms of this Agreement are met, whichever is sooner, unless sooner terminated as provided herein (the "Term").

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 Agreement.

"City" has the meaning set forth in the introductory paragraph of this Agreement.

"Developer" has the meaning set forth in the introductory paragraph of this Agreement.

"Effective Date" means the date established in Article I of this Agreement.

“Economic Development Grant” shall mean an economic development grant as defined in Article IV.

“Property” or **“Premises”** shall mean that property as described in Exhibit “A” and described by metes and bounds and property depiction attached thereto, and made a part hereof, and the improvements located or to be located thereon.

ARTICLE III GENERAL PROVISIONS

3.1 Developer shall develop the Premises in accordance with the City’s Transit Oriented Development Plan adopted on October 18, 2010, and the Standards and Concept Plan (Exhibit “B”). Developer shall submit plans in accordance with City ordinances and shall thereafter seek approval of the plans from the Old Town Design Review Committee (OTDRC) and if necessary, from the City Council and/or Board of Adjustment.

3.2 Developer shall submit preliminary and final plat/construction plans in accordance with City ordinances following approval from the OTDRC. These plans shall be approved by the City prior to commencing construction on the Premises. Developer shall dedicate all public improvements to the City upon completion and acceptance of the subdivision.

ARTICLE IV ECONOMIC DEVELOPMENT GRANT

4.1. Economic Development Grant. Subject to the Parties’ continued satisfaction of the terms and conditions of this Agreement and following the receipt of a certificate of occupancy for each completed residential unit, the City shall pay to Developer an amount equal to the value of all fees paid to the City for development and permit related fees collected by the City, including but not limited to plat and site plan review fees, building permit review and inspection fees, contractor registration fees, fire prevention fees, water and sanitary sewer impact fees, tap fees, connection fees, meter fees, roadway escrow fees and park development fees.

4.2 As a condition precedent to the payment of the Economic Development Grant hereunder, the City shall have approved all plans for construction as required by the Lewisville Code of Ordinances for said project and authorized work to begin.

4.3 Developer shall request payment on quarterly basis in a letter addressed to the Director of Economic Development showing the number of residential units completed and City development and permit related fees paid for each unit. Any amount owed to Developer as allowed under the Economic Development Grant shall be paid within thirty (30) days after the City receives written notice and proper documentation from Developer requesting payment.

4.3.1 Payment shall be on a “per unit” basis following the issuance of the certification of occupancy for each residential unit

4.3.2 Said payment shall be based on the pro-rata share of any development and permit related fees paid by the Developer to develop the residential unit. For example, if the development consists of 75 residential units and the Developer paid \$7,500 in street escrow fees for the design and construction of a road that serves the development, an amount equal to the pro-rata share of that fee (1/75th or \$100) would be paid to the Developer after the issuance of a certificate of occupancy for each residential unit.

4.4 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 Grant under this Agreement shall be pledged or otherwise encumbered in favor of any commercial lender and/or similar financial institution.

ARTICLE V TERMINATION

This Agreement may be terminated upon any one of the following:

1. By written agreement of the parties;
2. Expiration of the Term;
3. By either party 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;
4. By City, if Developer suffers an Event of Bankruptcy; and
5. By City, if any taxes, assessments or payments owed to the City or the State of Texas by Developer shall become delinquent and not cured within sixty (60) days after written notice thereof (provided, however the Developer retains the right to timely and properly protest and contest any such taxes or assessments).

ARTICLE VI MISCELLANEOUS

6.1 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 Developer unless written permission is first granted by the City, which consent shall not be unreasonably withheld, so long as the Developer's assignee agrees to be bound by all terms and conditions of this Agreement. It is understood and agreed between the parties that the Developer, in performing its obligations thereunder, is acting independently, and the City assumes no responsibility or liabilities in connection therewith to third parties; it is further understood and agreed between the parties that the City, in performing its obligations hereunder, is acting independently, and the Developer assumes no responsibilities in connection therewith to third parties.

6.2 The Developer further agrees that the City, its agents and employees, shall have reasonable rights of access to the Premises to inspect the Premises in order to ensure that the

construction of the improvements to the Premises is 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 Developer's reasonable security requirements, to inspect the Premises to ensure that the Premises are thereafter maintained, operated, and occupied in accordance with all applicable agreements with the City, provided that with respect to matters concerning this Agreement (i) the City must give the Developer reasonable prior telephone or written notice of any such inspection, and (ii) a representative of the Developer shall have the right to accompany the agent or employee of the City who is conducting such inspection. The City represents and warrants that the Premises does not include any property that is owned by a member of the City Council having responsibility for the approval of this Agreement.

6.3 Notices required to be given to any party to this Agreement shall be given personally or by certified mail, return receipt requested, postage prepaid, addressed to the party at its address as set forth below, and, if given by mail, shall be deemed delivered three (3) days after the date deposited in the United States' mail:

For City by notice to:

City of Lewisville
Attn: City Manager
151 W. Church Street
P.O. Box 299002
Lewisville, Texas 75057

For Developer by notice to:

CADG Mill St., LLC
Attn: Mr. Mehrdad Moayed
1221 IH 35 E, Suite 200
Carrollton, TX 7500

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

6.4 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.

6.5 This Agreement may be modified or rescinded only by a writing signed by both of the parties or their duly authorized agents.

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

6.7 DEVELOPER AGREES TO DEFEND, INDEMNIFY AND HOLD THE 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 DEVELOPER'S BREACH OF THIS AGREEMENT OR BY ANY NEGLIGENT OR

STRICTLY LIABLE ACT OR OMISSION OF DEVELOPER, 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.

6.8 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.

6.9 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 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.

6.10 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.

6.11 This Agreement was authorized by action of the City Council, authorizing the City Manager to execute the Agreement on behalf of the City.

CITY OF LEWISVILLE, TEXAS


Donna Barron, City Manager

ATTEST:


Julie Heinze, City Secretary

APPROVED TO FORM:


Lizbeth Plaster, City Attorney

CADG Mill St., LLC

By: Mehrdad Moayed

Name: Mehrdad Moayed

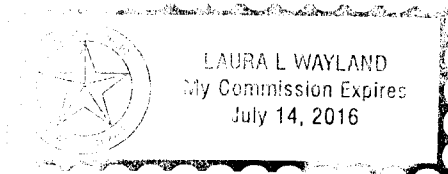
Title: _____

STATE OF TEXAS §

§

COUNTY OF DALLAS §

This instrument was acknowledged before me on September 15, 2014, by Mehrdad Moayed of CADG Mill St., LLC, on behalf of said limited liability company..



Laura Wayland
Notary Public, State of Texas

Exhibit "A"
LEGAL DESCRIPTION
4.080 ACRES

Being all that certain lot, tract or parcel of land situated in the J. W. King Survey, Abstract Number 696, City of Lewisville, Denton County, Texas, and being all of Lot 1 and Lot 2, Block A, L. S. C. Addition, an addition to the City of Lewisville, Denton County, Texas, according to the plat thereof recorded in Cabinet B, Page 340 & 341 and being a tract or parcel of land as described in deed to Patrick A. Guzik in Document Number 2003-164213 of the Plat Records of Denton County, Texas, and being more particularly described as follows:

COMMENCING at a 1/2" rebar found at the northeast corner of said Lot 1, being on the south line of Elm Street(no record found) and the west line of line of Mill Street(called 80 foot right-of-way) as evidenced by that certain called 0. 20 acre tract of land described in deed to the State of Texas, recorded in Volume 223, Page 64 of the Deed Records of Denton County, Texas;

THENCE S 00°47' 25" E, 149.00 feet with the west line of Mill Street and the east line of said Lot 1 to a point for corner at the POINT OF BEGINNING;

THENCE S 00°47' 25" E, 135.60 feet with the west line of Mill Street and the east line of said Lot 1 to a 1/2" capped rebar found (Brittain & Crawford) at the easterly southeast corner thereof, being the north corner of that certain tract of land described in deed to Kenneth W. Owens recorded in Document Number 2004- 87752 of the Real Property Records of Denton County, Texas;

THENCE S 64°20' 00" W, with the south line of said Lot 1 and the north line of said Owens tract, passing at 106. 1 feet the west corner thereof and the north corner of that certain tract of land described in deed to J. B. Wood recorded in Volume 451, Page 624 of the Deed Records of Denton County, Texas, from said point a PK nail found bears N 25° 30' W, 1. 8 feet, continuing with the north line of said Wood tract a total distance of 221. 43 feet (called 220.63 feet) to a 1/2" capped rebar set (G& A) at the west corner thereof, being the southerly southwest corner of said Lot 1 and being the northeast corner of Lot 1, Block A, Lewisville Center Addition an addition to the City of Lewisville, Denton County, Texas, according to the plat thereof recorded in Cabinet B, Page 340 of the Plat Records of Denton County, Texas;

THENCE S 88° 21' 00" W, 249. 56 feet (called 250.01 feet) with the south line of said Lot 1, L. S. C. Addition and the north line of said Lot 1, Lewisville Center Addition to the northwest corner thereof, the southerly southwest corner of said Lot 1, L. S. C. Addition and being on the east line of Lot 2 of said L. S. C. Addition, from which a "+" found in concrete bears N 88°21' 00" E, 0.2 feet;

THENCE S 00° 34' 50" E, 7.72 feet with the south line of said Lot 2, L. S. C. Addition and the west line of said Lot 1, L. S. C. Addition to a point for corner in the north line of a tract of land described in deed to Lynne Seflin, Stephen J. Cloobek & Richard L. Cloobek, Trustees Lynne

Cloobeck Support Trust in Document Number 1995-63473 of the Plat Records of Denton County, Texas;

THENCE S 89°05' 00" W, along said south line of Lot 2, L.S.C. Addition and the north line of said Cloobeck tract a distance of 200.13 feet (called 200.00 feet) to a "+" found for corner in the east line of Charles Street;

THENCE N 00° 35' 00" W, along said easterly line of Charles Street and the west line of said Lot 2, a distance of 79.54 feet to a ½" iron rod at the northwest corner of said Lot 2 and the southwest corner of a tract of land described in deed to Kenneth Neill and Kathy H. Neill recorded in Document Number 2010- 73480 of the Real Property Records of Denton County, Texas;

THENCE N 87° 12' 00" E along the common line of said lot 2, L. S. C. Addition and said Kenneth Neill tract, a distance of 165.76 feet to a "+" found for corner in the west line of said Lot 1, L. S. C. Addition;

THENCE N 01° 16' 20" W, 75. 28 feet (called 75. 17 feet) with the west line of said Lot 1, L. S. C. Addition and the east line of said Neill tract to a 1/ 2" rebar found at the northeast corner thereof and being the southeast corner of that certain tract of land described in deed to Patricia A. Guzik recorded in Document Number 2003- 164213 of the Real Property Records of Denton County, Texas;

THENCE S 87° 01' 40" W, 164.84 feet with the south line of said Guzik tract and the north line of the Neill tract to a 1" pipe for corner in said easterly line of Charles Street;

THENCE N 00° 26' 20" E, a distance of 75.38 feet along said Charles Street right-of-way line and the west line of the Guzik tract to a ½" pipe found for corner in the north line of said Guzik tract and the southwest corner of that certain called 0.667 acre tract of land described in deed to Eric G. Schweitzer and Sharon Schweitzer recorded in Document Number 2002- 78606 of the Real Property Records of Denton County, Texas;

THENCE N 87°11' 50" E, along said north line of the Guzik tract and the south line of the Schweitzer tract, a distance of 164.91 feet to a 1" pipe found for corner in the said west line of Lot 1, L. S. C. Addition;

THENCE N 00°41' 30" W, 171. 07 feet with the west line of said Lot 1, L. S. C. Addition and the east line of said Schweitzer tract and the west line of said Lot 1, L. S. C. Addition to a 1/ 2" capped rebar found (Brittain & Crawford) at the northeast corner thereof, being the northwest corner of said Lot 1, L. C. S. Addition and the south line of Elm Street;

THENCE S 89° 22' 40" E, 298.41 feet with the south line of Elm Street and the north line of Lot 1, L. S. C. Addition to a point for corner;

THENCE S 00° 47' 25" E, 153.56 feet to a point for corner;

THENCE S 89° 12' 35" E, 185.00 feet to the POINT OF BEGINNING and containing approximately 4.080 acres of land, more or less.

Exhibit “B”
DEVELOPMENT STANDARDS AND CONCEPT PLAN

I. PROJECT LOCATION

The South Village Development Plan consists of approximately 4.08 acres of land bounded by Charles Street on the west, Elm Street on the north and Mill Street on the east.

II. PURPOSE AND INTENT

- A. Purpose:** The purpose of the district is to create a residential community featuring townhomes of varying designs and elevations.
1. The purpose of this district is to provide development and land use flexibility within the framework of the Old Town Mixed Use Two District.
 2. The intent of this district is to provide a community with a mix of residential units that will encourage sustainable neighborhoods and development.
- B. Applicability:** These standards shall apply to all development within the South Village Development boundaries.
- C. Zoning Ordinance:** All references herein to the City of Lewisville Zoning Ordinance shall be to the City of Lewisville Zoning Ordinance in effect at the time of final plat approval.

III. DEFINITIONS

Architectural Features: Building enhancements that improve the feel and experience of the street, including porches, stoops, bay windows, balconies, masonry clad chimneys, attached pergolas and colonnades, wood veneer garage doors.

Fenestration: Windows, glass doors and other clear facade treatments that provide a sense of openness to a structure.

Masonry: Masonry for the South Village Development shall mean brick, stone, cement plaster (stucco) when used above the first floor and cementitious board.

Open Space: Publicly accessible parks, greens, squares, courtyards, plazas, parkways, medians and commons.

Shall: A term requiring compliance.

Should: A term encouraging compliance.

IV. LOT TYPE REGULATIONS

The South Village Development will include a variety of designs and elevations in order to achieve the goals established for the district. The requirements for each shall be as follows:

- A. Permitted Uses:** Land use shall comply with uses permitted for the OTMU2 –Old

Town Mixed Use 2 District of the City of Lewisville Zoning Ordinance.

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

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

Minimum Floor Area: The minimum square footage of a dwelling unit, exclusive of garages, breezeways and porches, shall be 1,900 square feet for single-family detached dwelling units and 1,700 square feet for single-family attached dwelling units. No more than five (5) units may be allowed to have a minimum of 1,500 square feet.

Front Yard: Per Concept Plan.

Rear Yard: Per Concept Plan.

Side Yard: Attached product is Five (5) feet, Detached product shall be zero feet/five (5) feet.

Lot Width: Per Concept Plan.

Lot Depth: Per Concept Plan.

Garage: Each unit will have a minimum two (2) car garage.

Minimum Number of Lots: Per Concept Plan

C. Elevations. The South Village Development shall have a minimum of four (4) different elevations and be approved by the Old Town Design Review Committee.

V. DEVELOPMENT AND DESIGN STANDARDS

A. Alleys: Per Concept Plan. Shall be located per the Concept Plan.

B. Easements:

1. A four (4) foot reduced width utility easement shall be provided.
2. A five (5) foot Private Access and Maintenance Easement shall be located between units. No side yard fences shall be allowed.

C. Street Types: The following street types shall establish the criteria for streets allowed within the South Village Development.

1. Type A: Local Street, 41 foot Right-of-Way

Classification: Designed to provide access to residential areas.

Public Right of Way Width: Minimum 41 feet except as identified on the Concept Plan

Pavement Width: 31 feet B/B minimum

Pavement Section: 6 inch concrete

Curb Radii: 20'
 Maximum Street deflection: 5 degrees
 Minimum Sidewalk Width: 4 feet
 Parkway Width: 5 feet
 Parking: Allowed on both sides of street
 Where front entry product is located, mountable curb shall be used on the entire block length of the street.

2. Type B: Local Street, Variable Width Right-of-Way

Classification: Designed to provide access to residential areas.
 Public Right of Way Width: Minimum 24 feet except as identified on the Concept Plan
 Pavement Width: 24 feet B/B minimum
 Pavement Section: 6 inch concrete
 Curb Radii: 20'
 Maximum Street deflection: 5 degrees
 Minimum Sidewalk Width: 4 feet
 Parkway Width: 5 feet
 Parking: Allowed on the south side of street only.

- D. Water line location:** As approved by the City Engineer, water mains may be under pavement where required.

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

- E. Screening and Fences:** All development within the South Village Development shall comply with Chapter 4, Article X of the City of Lewisville Code of Ordinances, with the following modification:

1. Fencing on corner lots facing side streets shall be enhanced wooden fences (board-on-board cedar with a top cap). All enhanced fencing within the development shall be consistent.
2. Fencing facing open space and parks shall be wrought iron (or tubular steel).
3. External surface of retaining walls shall be constructed of masonry, stonework, or brick.
4. There shall be no fencing or screening along Elm Street.

5. Entryway features on Mill Street per Concept Plan.
6. Board-on-board fence shall be required along southern property line. This shall be maintained by the HOA.

F. Landscape Standards: All development within the South Village Development shall comply with the following:

1. **Tree Requirements:**
All lots shall have at minimum one (1) tree in the front yard. To count toward the tree requirements, trees shall be a minimum 20 gallons and be one of the trees listed below unless otherwise agreed to, in writing, by the City.

Tree List
Italian Cypress
Sky Pencil Japanese Holly
Dwarf Crepe Myrtle

2. Shrubs, bushes, annual and perineal plantings are allowed.

G. Residential Architectural Standards:

The residential architectural standards in this Subsection G are the exclusive architectural standards applicable to residential development in the South Village Development.

1. **Architectural Features:** All buildings shall include at least two (2) of the following design features to provide visual relief along the front of the residence:

Wood veneer garage doors on front entry garages
Architectural pillars or posts
Bay window
Brick chimney on exterior wall (front of house)
Cast stone accents
Covered front porches
Cupolas or turrets
Dormers
Gables
Garage door not facing street
Roof accent upgrades (i.e. metal, tile, slate, etc.)
Recessed entries, a minimum of three (3) feet deep
Separate transom windows
Variable roof pitch
Shutters

2. Building Materials:

- a. All units shall be constructed primarily of masonry. Other materials of equal or similar characteristics may be allowed upon approval of the City's Building Official.
 - i. For all homes, a minimum of 80% of all exterior wall surfaces shall be constructed of masonry, excluding doors, windows, boxed or bay windows, ornamental trim, dormers, areas above a roof line, areas under covered porches not extending to the first floor, and architectural projections.
 - ii. For all homes, the front elevation shall have 85% of all exterior wall surfaces constructed of masonry, excluding doors, windows, boxed or bay windows, ornamental trim, dormers, areas above a roof line, area under covered porches not extending to the first floor, and architectural projections.
 - iii. Any material utilized on the exterior of the residences that is not masonry, as defined above, shall be cementitious fiberboard or a similar product and is allowed above the first floor.
 - iv. All homes on all Lot Types shall have at least two (2) masonry types on the front elevation.
- b. Roofs shall be constructed of a process and of materials that shall have a minimum installation and manufacturer's warranty of thirty (30) years. Seamless and standing seam metal roofs are permitted provided that they are of architectural quality. No wooden shingles shall be used on roofs.

3. Garages: All residential lots shall provide a two-car (or larger) garage.

4. Signage in Residential Areas: Monument signs at the entry-ways of neighborhoods are permitted and shall conform to the general monument sign regulations adopted by the City. Other signage for mixed use purposes shall be allowed per adopted City regulations.

Ornamental hanging signs suspended from a decorative post shall be allowed in lieu of monument signs for entry-ways of neighborhoods.

5. Sidewalks: Sidewalks shall have a minimum width of four (4) feet.
6. Elevations: Single family detached house plans shall vary from lot to lot as follows:
 - a. The same floor plan with the same elevation shall be separated by a minimum of two (2) lots between them on the same side of the street and by a minimum of one (1) lot between them on the opposite side of the street.
7. Utility lines: All utility lines shall be placed underground.
8. Fire Safety Devices: All residences shall be equipped with automatic fire sprinkler systems as well as any applicable fire safety devices per City of Lewisville Fire and Building Codes in effect at the time of submittal of construction plans,

VI. OPEN SPACE REQUIREMENTS

Open Space shall be provided for as shown on the Concept Plan.

VII. HOMEOWNER'S ASSOCIATION

A homeowners association shall be created for the South Village Development. The Covenants Conditions and Restrictions (CC&R) shall be submitted to the City with the final plat.

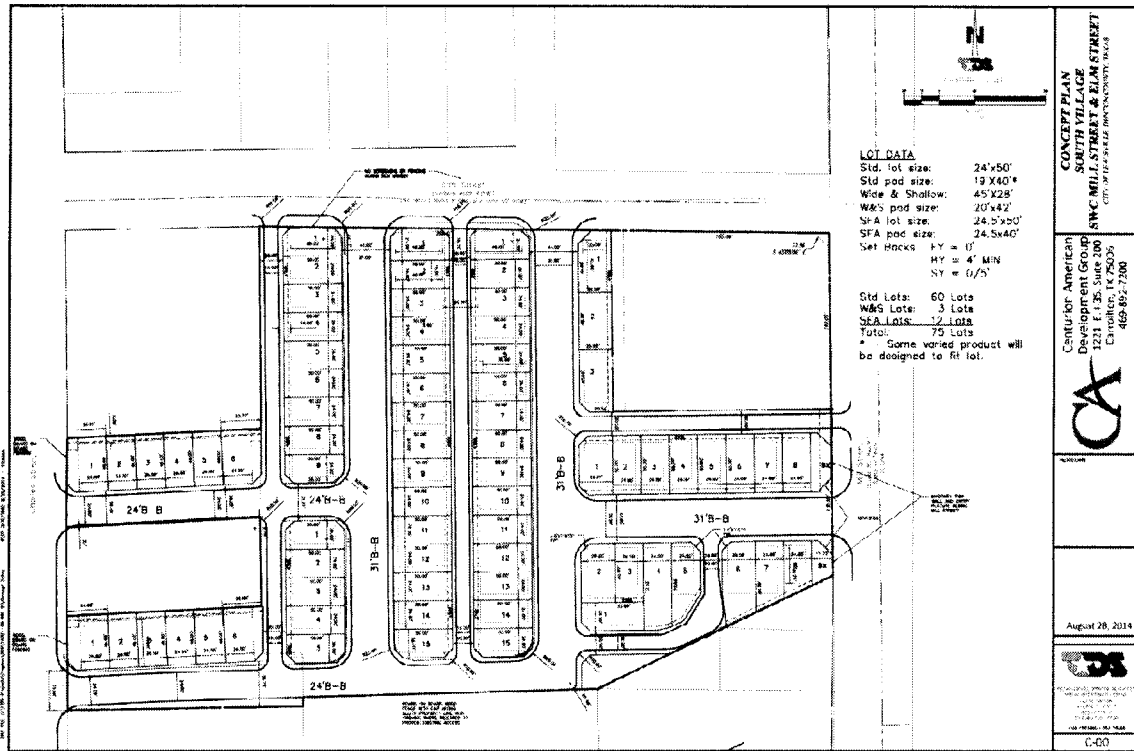


Exhibit "C"
DEVELOPMENT AGREEMENT, PH. I

ECONOMIC DEVELOPMENT AGREEMENT

THIS ECONOMIC DEVELOPMENT AGREEMENT ("Agreement") is entered into by and between the City of Lewisville, Texas, a home rule municipality duly acting by and through its City Manager, (hereinafter called "City"), and CADG Mill St., LLC, (hereinafter called "the Developer"), and both entities collectively referred to as Parties in this Agreement ("Parties").

WITNESSETH:

WHEREAS, pursuant to Chapter 380 of the Texas Local Government Code (hereinafter referred to as "Statute"), the City adopted an Economic Incentive Policy for making economic development incentives and grants on August 16, 2010 (hereinafter referred to as "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 16th day of June 2014, the City Council of the City of Lewisville, Texas, authorized this Agreement pursuant to Chapter 380 of the Texas Local Government Code ("CHAPTER 380");

WHEREAS, the Developer currently owns property at 201 S. Mill Street and 226 S. Charles Street (collectively "Property" or "Premises") (more fully described in Attachment "A", attached hereto and made a part hereof) that is the subject of this Agreement;

WHEREAS, the Property is located within Tax Increment Reinvestment Zone Number One;

WHEREAS, the Developer intends to develop the Property that is the subject of this Agreement starting with phase I, which includes the demolition of existing structures;

WHEREAS, the Parties desire to enter into this Agreement pursuant to Chapter 380;

WHEREAS, the City desires to provide, pursuant to Chapter 380, an incentive to the Developer to develop the Property in phases, beginning with phase I which includes the demolition of existing structures;

WHEREAS, the Developer agrees to develop the Property in a manner consistent with an approved development plan in accordance with all ordinances, rules and regulations of the City;

WHEREAS, the City finds that the administration of an economic development agreement to provide incentives to the Developer in return for developing the Property in phases, beginning with phase I which includes the demolition of existing structures, 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.

NOW, THEREFORE, in consideration of the foregoing, and on the terms and conditions hereinafter set forth, the Parties do mutually agree as follows:

ARTICLE I TERM

1.1 This Agreement shall be effective on the date that this Agreement is executed by the Parties ("Effective Date") and shall continue for 24 months or until the demolition and removal of the existing structures are complete and all terms of this Agreement are met, whichever is sooner, unless sooner terminated as provided herein.

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 Agreement.

"City" has the meaning set forth in the introductory paragraph of this Agreement.

"Demolition Costs" means costs related to the demolition of existing structures including removal of existing paved or parking areas and disposal of materials including environmental clean-up related to the demolition in accordance with all City, State and Federal laws and regulations.

"Developer" has the meaning set forth in the introductory paragraph of this Agreement.

"Effective Date" means the date established in Article I of this Agreement.

"Force Majeure" shall mean any contingency or cause beyond the reasonable control of Developer, including without limitation, 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 Developer), fire, explosion or flood, and strikes.

"Economic Development Grant" shall mean an economic development grant as defined in Article IV.

"Property" or **"Premises"** shall mean that property as described in Attachment "A" and described by metes and bounds, lot and block or abstract and survey attached hereto, and made a part hereof, and the improvements located or to be located thereon.

ARTICLE III GENERAL PROVISIONS

3.1 Developer intends to develop the Premises in accordance with the City's Transit Oriented Development Plan adopted on October 18, 2010. Developer shall submit preliminary development plans within 18 months following the execution of this Agreement and shall thereafter seek approval of the plans from the Old Town Design Review Committee.

3.2 As soon as practical after the Effective Date of this Agreement, but no later than 6 months following approval of this Agreement, the Developer shall commence the demolition of existing structures on the Premises including removal of existing paved areas in accordance with a demolition plan approved by the City.

3.3 In the event of Force Majeure or, if in the reasonable opinion of the City, the Developer has made substantial progress toward the demolition of existing structures, additional time may be granted by the City as may be required.

ARTICLE IV ECONOMIC DEVELOPMENT INCENTIVES

4.1. Economic Development Grant. Subject to the Parties' continued satisfaction of the terms and conditions of this Agreement, the City shall pay the Developer an amount equal to 50% of the total Demolition Costs on the Property not to exceed \$144,350. Developer shall pay all costs associated with the demolition work and submit invoices and payment receipts to the City for calculation of the grant amount. After verification of the completed work to the full satisfaction of the City, the City will pay the Developer an amount in accordance with this Agreement within 30 days.

4.2. Waiver of all Construction Related Fees. The City agrees to waive all permit fees related to the demolition on the Premises.

ECONOMIC DEVELOPMENT AGREEMENT

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ARTICLE V TERMINATION

This Agreement may be terminated upon any one of the following:

1. By written agreement of the parties;
2. Expiration of the Term;
3. By either party 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;
4. By City, if Developer suffers an Event of Bankruptcy; and
5. By City, if any taxes, assessments or payments owed to the City or the State of Texas by Developer shall become delinquent and not cured within sixty (60) days after written notice thereof (provided, however the Developer retains the right to timely and properly protest and contest any such taxes or assessments).

ARTICLE VI MISCELLANEOUS

6.1 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 Developer unless written permission is first granted by the City, which consent shall not be unreasonably withheld, so long as the Developer's assignee agrees to be bound by all terms and conditions of this Agreement. It is understood and agreed between the parties that the Developer, in performing its obligations thereunder, is acting independently, and the City assumes no responsibility or liabilities in connection therewith to third parties; it is further understood and agreed between the parties that the City, in performing its obligations hereunder, is acting independently, and the Developer assumes no responsibilities in connection therewith to third parties.

6.2 The Developer further agrees that the City, its agents and employees, shall have reasonable rights of access to the Premises to inspect the Premises in order to ensure that the construction of the improvements to the Premises is 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 Developer's reasonable security requirements, to inspect the Premises to ensure that the Premises are thereafter maintained, operated, and occupied in accordance with all applicable agreements with the City, provided that with respect to matters concerning this Agreement (i) the City must give the Developer reasonable prior telephone or written notice of any such inspection, and (ii) a representative of the Developer shall have the right to accompany the agent or employee of the City who is conducting such inspection. The City represents and warrants that the Premises does not include any property that is owned by a member of the City Council having responsibility for the approval of this Agreement.

6.3 Notices required to be given to any party to this Agreement shall be given personally or by certified mail, return receipt requested, postage prepaid, addressed to the party

at its address as set forth below, and, if given by mail, shall be deemed delivered three (3) days after the date deposited in the United States' mail:

For City by notice to:

City of Lewisville
Attn: Economic Development Director
151 W. Church Street
P.O. Box 299002
Lewisville, Texas 75057

For Developer by notice to:

CADG Mill St., LLC
Attn: Mr. Mehrdad Moaydi
1221 IH 35 E, Suite 200
Carrollton, TX 75006

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

6.4 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.

6.5 This Agreement may be modified or rescinded only by a writing signed by both of the parties or their duly authorized agents.

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

6.7 DEVELOPER AGREES TO DEFEND, INDEMNIFY AND HOLD THE 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 DEVELOPER'S BREACH OF THIS AGREEMENT OR BY ANY NEGLIGENT OR STRICTLY LIABLE ACT OR OMISSION OF DEVELOPER, 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.

6.8 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.

6.9 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 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.

6.10 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.

6.11 This Agreement was authorized by action of the City Council, authorizing the City Manager to execute the Agreement on behalf of the City.

CITY OF LEWISVILLE, TEXAS


Donna Barron, City Manager

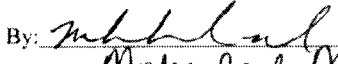
ATTEST:


Julie Heinze, City Secretary

APPROVED TO FORM:


Lizbeth Plaster, City Attorney

CADG Mill St., LLC

By: 
Name: Mehrdad Mayedi
Title: Manager