

C74339
2011-0660

ECONOMIC DEVELOPMENT AGREEMENT

By and Between

CITY OF HOUSTON, TEXAS

and

HEB GROCERY COMPANY, LP

Dated: August _____, 2011

ECONOMIC DEVELOPMENT AGREEMENT

This ECONOMIC DEVELOPMENT AGREEMENT (the "Agreement") is made and entered into as of August ____, 2011 (the "Effective Date"), by and between the City of Houston, Texas (the "City"), and HEB Grocery Company, LP, a Texas limited partnership, (the "Tenant").

RECITALS

WHEREAS, the Tenant leases certain real property, which includes an H-E-B grocery store owned and operated by the Tenant in the Gulfgate Shopping Center, more particularly depicted as the "HEB Supermarket" and the "HEB Fuel Center" on Exhibit A, attached hereto and incorporated herein by reference (the "Property");

WHEREAS, the City has established a program in accordance with Article III, Chapter 52-a of the Texas Constitution and Chapter 380 of the Texas Local Government Code ("Chapter 380") under which the City has the authority to make loans or grants of public funds for the purposes of promoting local economic development and stimulating business and commercial activity within the City of Houston, including the authority to enter into this Agreement;

WHEREAS, the Tenant is contemplating closing its H-E-B grocery store currently located on the Property in Gulfgate Shopping Center, due to the poor economic conditions of the area and the inadequate amount of revenue generated by the store in that location;

WHEREAS, the City recognizes a critical need to maintain and attract quality retail and commercial enterprise in the Gulfgate area of the City of Houston, and that retaining the Tenant's business at the Gulfgate Shopping Center is critical to the ongoing economic growth and diversification of the economy in the surrounding mall and area;

WHEREAS, the City has concluded and hereby finds that this Agreement promotes economic development in the City of Houston and, as such, meets the requirements under Chapter 380 and the City's established economic development program, and, further, is in the best interests of the City and Tenant;

WHEREAS, the City recognizes the positive economic impact that the Tenant's business has brought and will continue to bring to the City through development and diversification of the economy, elimination of unemployment and underemployment through the retention of jobs, the attraction of new businesses, and the retention and growth of the ad valorem and sales and use tax revenue generated by the Tenant's business for the City;

WHEREAS, to ensure that the benefits the City provides under this Agreement are utilized in a manner consistent with Chapter 380 and other law, the Tenant has agreed to comply with certain conditions for receiving those benefits, including performance conditions relating to job retention and business operations;

WHEREAS, in consideration of the Tenant's continued operation of its business on the Property and in accordance with the performance measures set forth herein, which will generate

Retained Sales Tax Revenues (as defined herein) for the City, the City agrees to grant to Tenant the Maximum Reimbursement Amount (as defined herein);

WHEREAS, consistent with Chapter 380 and other law, City and the Tenant, as contemplated in this Agreement, agree to work together to advance the public purposes of developing and diversifying the economy of the state, eliminating unemployment or underemployment in the state, and developing or expanding transportation or commerce in the state; and

WHEREAS, the City and the Tenant desire to enter into this Agreement for their mutual benefit;

NOW, THEREFORE:

AGREEMENT

For and in consideration of the foregoing recitals and of the mutual promises, obligations, covenants and benefits herein contained, City and the Tenant contract and agree as follows:

ARTICLE I.

GENERAL TERMS

Section 1.1 Incorporation of Recitals. The recitals to this Agreement are hereby incorporated for all purposes.

Section 1.2 Definitions and Terms. The terms "Agreement," "Chapter 380," "City," "Tenant," and "Property" shall have the meanings given to such terms in the Recitals, and the following terms have the following meanings:

"City Commitment" shall have the meaning ascribed to it in Section 4.2.4. of this Agreement.

"Effective Date" shall mean the date that this Agreement is executed by HEB and countersigned by the City Controller.

"Force Majeure" shall have the meaning ascribed to in Section 6.2 of this Agreement.

"Gulfgate Shopping Center" means that certain real property described on Exhibit B attached hereto.

"Parties" or "Party" shall mean the City and the Tenant, the parties to this Agreement.

"Maximum Reimbursement Amount" shall mean \$2,000,000 over the Term of this Agreement.

"Maximum Annual Reimbursement Amount" shall mean \$200,000 per year.

"Reimbursement Amount" shall mean the Retained Sales Tax Revenues.

“Reimbursement Fund” shall mean the special fund created by the City as described in Section 4.1 of this Agreement.

“Retained Sales Tax Revenue(s)” means 100% of the amount of sales and use tax generated by businesses on the Property and collected by or for the City and remitted to the City by the State Comptroller, pursuant to Chapter 321 of the Texas Tax Code, not to exceed the Maximum Reimbursement Amount in the aggregate, commencing September 1, 2010, and continuing through the Term of this Agreement.

“State Comptroller” shall mean the Comptroller of Public Accounts for the State of Texas, or such other agency responsible for collecting sales and use taxes within the State of Texas and remitting them to the City.

Section 1.3 Singular and Plural. Words used herein in the singular, where the context so permits, also include the plural and vice versa. The definitions of words in the singular herein also apply to such words when used in the plural where the context so permits and vice versa.

ARTICLE II. REPRESENTATIONS

Section 2.1 Representations of the City. The City hereby represents to the Tenant that as the date hereof:

The City is a duly created and existing municipal corporation and home rule municipality of the State of Texas under the laws of the State of Texas and is duly qualified and authorized to carry on the governmental functions and operations as contemplated by this Agreement.

The City has the power, authority and legal right under the laws of the State of Texas and the City Charter to enter into and perform this Agreement and the execution, delivery and performance hereof (i) will not, to the best of its knowledge, violate any applicable judgment, order, law or regulation, and (ii) do not constitute a default under, or result in the creation of, any lien, charge, encumbrance or security interest upon any assets of the City under any agreement or instrument to which the City is a party or by which the City or its assets may be bound or affected.

This Agreement has been duly authorized, executed and delivered by the City and, constitutes a legal, valid and binding obligation of the City, enforceable in accordance with its terms except to the extent that (i) the enforceability of such instruments may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws of general application in effect from time to time relating to or affecting the enforcement of creditors’ rights and (ii) certain equitable remedies including specific performance may be unavailable.

The execution, delivery and performance of this Agreement by the City do not require the consent or approval of any person which has not been obtained.

Section 2.2 Representations of the Tenant. The Tenant hereby represents to the City that as of the date hereof:

The Tenant is duly authorized and existing and in good standing under the laws of the State of Texas, and is qualified to do business in the State of Texas.

The Tenant has the power, authority and legal right to enter into and perform its obligations set forth in this Agreement, and the execution, delivery and performance hereof, (i) have been duly authorized, and will not, to the best of its knowledge, violate any judgment, order, law or regulation applicable to the Tenant, and (ii) do not constitute a default under or result in the creation of, any lien, charge, encumbrance or security interest upon any assets of the Tenant under any agreement or instrument to which the Tenant is a party or by which the Tenant or its assets may be bound or affected.

This Agreement has been duly authorized, executed and delivered and constitutes a legal, valid and binding obligation of the Tenant, enforceable in accordance with its terms except to the extent that the enforceability of such instruments may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws of general application in effect from time to time relating to or affecting the enforcement of creditors' rights.

ARTICLE III. TENANT COMMITMENTS

In consideration of City agreeing to pay Tenant the Retained Sales Tax Revenues in accordance with the terms, provisions and conditions of this Agreement, Tenant agrees to the following, which are not obligations of Tenant, but are conditions that must be fulfilled in order to receive the Retained Sales Tax Revenues (collectively, the "Tenant Conditions"):

Section 3.1 Job Retention. The Tenant's receipt of the Reimbursement Amount is subject to the following commitment (the "Job Retention Condition"): the Tenant agrees to employ at least sixty (60) full-time equivalent positions at the Property. As used herein, the term "jobs" shall mean full-time equivalent positions providing a regular work schedule of at least 35 hours per week; provided that two part-time positions shall be equivalent to and considered one full-time equivalent position (For purposes hereof, a part-time position shall mean a position, which is not a full-time equivalent position, which provides a regular work schedule of at least 20 hours per week). On or before January 1 of each year the Agreement is in effect, a corporate officer of Tenant, or his or her designee, shall provide the City a sworn statement that Tenant is and has been in compliance with the Job Retention Condition for the preceding calendar year. The sworn statement shall constitute the sole information upon which the City may rely to determine Tenant's compliance with the Job Retention Condition for the subject year.

If the Tenant does not satisfy the Job Retention Condition for any period during the Term of this Agreement and if such failure continues for sixty (60) days after written notice to Tenant, the City may, as its sole and exclusive remedy, beginning on the date which is sixty (60) days after such written notice until Tenant has provided evidence that it has satisfied the Job Retention Condition, reduce the Reimbursement Amount to be paid to Tenant by a percentage by which the Tenant does not satisfy the Job Retention Condition. Any reduction of the Reimbursement Amount based on the above formula in this section shall be applied to the Maximum Annual Reimbursement Amount and the Maximum Reimbursement Amount, but shall not otherwise

affect the City's obligation to pay the reduced Maximum Annual Reimbursement Amount or the reduced Maximum Reimbursement Amount.

Section 3.2 Operational Condition. Tenant shall operate a grocery store on the Property during the Term of this Agreement. For purposes of this Agreement, the term "grocery store" shall mean a fully staffed and stocked grocery store that is substantially similar to the standard of quality of the HEB grocery store currently operated by Tenant at the Property as of the date hereof, or the standard of quality of the fully staffed and stocked grocery stores typically operated by Albertsons, Safeway, or Kroger as of the date hereof, in either case utilizing not less than 73,000 square feet of space (provided that portions of such space may be utilized for operating department(s) comprising a part of the grocery store or a use which directly or indirectly benefits Tenant's grocery store business on the Property), and open for business to the public at least sixteen (16) hours per day, seven (7) days per week (except on holidays), subject only to (i) events of Force Majeure, (ii) periods of closing for repair or restoration following casualty and condemnation, and (iii) temporary closings (not to exceed 270 days, and not more frequently than once each three (3) years) for repair, renovations and/or alterations of the Property (the "Operation Condition"). For purposes of this Agreement, the term "grocery store" shall not mean or include a grocery store operated as or substantially similar to a "Mi Tienda" store, a "Fiesta" store, or a "Joe V's Smart Shop," as the foregoing stores are operated as of the date hereof. On or before January 1 of each year the Agreement is in effect, a corporate officer of Tenant, or his or her designee, shall provide the City a sworn statement that Tenant is and has been in compliance with the Operation Condition for the preceding calendar year. The sworn statement shall constitute the sole information upon which the City may rely to determine Tenant's compliance with the Operation Condition for the subject year.

Section 3.3 Utilization of Local Contractors and Suppliers. Tenant's receipt of the Reimbursement Amount is subject to the following condition during any year of this Agreement that Tenant performs exterior expansion improvements to the Property (the "Local Requirement"): in consideration of the Reimbursement Amount, Tenant agrees to exercise commercially reasonable efforts to utilize local contractors and suppliers in making any exterior expansion improvements to the Property, with a goal of at least thirty percent (30%) of the total dollar amount of all construction contracts and supply agreements being paid to local contractors and suppliers (the "Contractor Goal") (it being expressly acknowledged and agreed that Tenant will be deemed to be in compliance with this section if Tenant satisfies the Contractor Goal). A contractor or supplier shall be considered as local if it has maintained an office within the City of Houston for at least one year. However, the parties acknowledge that this condition shall not apply to Tenant's reconstruction or replacement of the tent entry feature at the main entrance to Tenant's store, since such entry feature was (and its replacement will be) a unique, specially fabricated structure from a contractor that is not a local contractor. On or before January 1 of each year the Agreement is in effect, a corporate officer of Tenant, or his or her designee, shall provide the City a sworn statement that Tenant is and has been in compliance with the Local Requirement for the preceding calendar year. The sworn statement shall constitute the sole information upon which the City may rely to determine Tenant's compliance with the Local Requirement for the subject year.

Section 3.4 Sales Tax Disclosure. For each calendar year during the Term of this Agreement, Tenant agrees to provide a release to the City that will allow the State Comptroller to

release information to the City that documents the amount of Retained Sales Tax Revenues collected by the State Comptroller for the City (the "Sales Tax Disclosure"). The City and Tenant shall rely on the Sales Tax Disclosure as accurate and definitive for purposes of this Agreement, and City shall have no right to review or audit records of Tenant. (An example release is attached hereto as Exhibit C.) The City shall not be required to pay Tenant the Reimbursement Amount under Article IV until such time that Tenant provides the required release and the State Comptroller provides the Sales Tax Disclosure.

Section 3.5 Use of Community Room. Subject to availability and advance reservations, Tenant agrees that members of the community may have access to and use of a "community room" on the Property designated by HEB from time-to-time for the sole purpose of community meetings and that no fee will be charged for such use (the "Community Room Condition"). The use of the community room will be subject to HEB's rules and regulations pertaining thereto from time-to-time. This Community Room Condition shall not be a condition to Tenant's receipt of any retroactive Retained Sales Tax Revenues due Tenant and shall only be effective for periods following the Effective Date. On or before January 1 of each year the Agreement is in effect, a corporate officer of Tenant, or his or her designee, shall provide the City a sworn statement that Tenant is and has been in compliance with the Community Room Condition for the preceding calendar year. The sworn statement shall constitute the sole information upon which the City may rely to determine Tenant's compliance with the Community Room Condition for the subject year.

ARTICLE IV. REIMBURSEMENT

Section 4.1 Reimbursement Fund. The City hereby covenants and agrees upon the Effective Date of this Agreement to create a special fund (the "Reimbursement Fund") for the benefit of the Tenant for the purpose of paying the Tenant, effective as of September 1, 2010. Following the Effective Date of this Agreement, the City shall deposit the Retained Sales Tax Revenues into the Reimbursement Fund pursuant to this Agreement. The Reimbursement Fund shall always remain unencumbered by the City and segregated from all other funds of the City. Such funds are held in trust by the City for the Tenant to be used in accordance with the terms hereof as long as Tenant is in compliance with this Agreement.

Section 4.2 City Commitment.

Section 4.2.1. Calculation of Reimbursement Amount; Deposit of Retained Sales Tax Revenues. For the period commencing September 1, 2010, and for each month thereafter during the Term of this Agreement, the City shall determine the amount of the Retained Sales Tax Revenues received by the City from the State Comptroller in cooperation with the Tenant and the State Comptroller. The parties acknowledge that the City may not receive sufficient information from the State Comptroller to determine the Retained Sales Tax Revenues until fifteen (15) or more days into the subsequent month. Based upon the monthly calculation by City of the Reimbursement Amount, the City hereby agrees to deposit the Retained Sales Tax Revenues due to Tenant in the Reimbursement Fund within thirty (30) business days following receipt from the State Comptroller.

Section 4.2.2. Confidential Information. The City hereby designates this Agreement as a Revenue Sharing Agreement, thereby entitling the City to request sales tax information from the State Comptroller, pursuant to section 321.3022, Texas Tax Code, as amended. Unless determined otherwise by the Texas Attorney General in writing, any information received relating to the Retained Sales Tax Revenues shall be considered confidential proprietary financial information not subject to immediate release to the public. The City shall seek a written opinion from the Texas Attorney General, raising any applicable exception to release, prior to any release to a third-party under the Texas Public Information Act.

Section 4.2.3. Maintenance of Records. The City shall maintain complete books and records showing deposits to and disbursements from the Reimbursement Fund, which books and records shall be deemed complete if kept in accordance with generally accepted accounting principles as applied to Texas municipalities. Such books and records shall be available for examination by the duly authorized officers or agents of the Tenant during normal business hours upon request made not less than five business days prior to the date of such examination. The City shall maintain such books and records throughout the Term of this Agreement and store the same for four years thereafter. Tenant shall, upon not less than five (5) business days prior written notice, have the right to review and audit such books and records.

Section 4.2.4. Payment of Reimbursement Amounts. Beginning on the first day of the first month that follows the Effective Date and continuing each month throughout the Term of this Agreement, the City shall pay the Reimbursement Amount due to the Tenant within forty-five (45) days following the end of the month for which Retained Sales Tax Revenues are collected by the City and deposited into the Reimbursement Fund, pursuant to this Agreement (the "City Commitment"). Except for a reduction of the Reimbursement Amount pursuant to Section 3.1 herein, the City Commitment is an unconditional obligation of payment by the City (but solely from the Reimbursement Fund), if the Property generates the Retained Sales Tax Revenue. Except for a reduction of the Reimbursement Amount pursuant to Section 3.1 herein, such payments are not subject to any reduction, whether offset or otherwise.

Section 4.2.5. Maximum Annual Payment Limit. For each calendar year during the Term of this Agreement, City shall not pay Reimbursement Amounts to Tenant that cumulatively exceed the Maximum Annual Reimbursement Amount.

Section 4.2.6. Maximum Cumulative Payment Limit. During the Term of this Agreement, City shall not pay Reimbursement Amounts to Tenant that cumulatively exceed the Maximum Reimbursement Amount.

ARTICLE V.

TERM OF THE AGREEMENT AND OTHER OBLIGATIONS

Section 5.1 Term and Termination. This Agreement shall have a term (the "Term") beginning on the Effective Date and continuing for a period of ten (10) years. Upon receipt of the Maximum Reimbursement Amount by the Tenant in accordance with this Agreement, the City's obligation to maintain the Reimbursement Fund and pay the Reimbursement Amount shall terminate. Upon expiration of the Term of this Agreement, the parties' obligations hereunder shall terminate, whether or not the Maximum Reimbursement Amount has been paid hereunder.

**ARTICLE VI.
DEFAULT AND REMEDY**

Section 6.1 Default; Failure to Satisfy Conditions. If the City fails to perform its obligations hereunder in substantial compliance with this Agreement (other than the financial obligations, which shall be in strict compliance) and, if such default remains uncured for a period of sixty (60) days after notice thereof shall have been given, Tenant shall have all rights and remedies to which it is entitled under this Agreement and under all applicable laws. Notwithstanding anything in this Agreement which is or may appear to be to the contrary, nothing in this Agreement shall be construed as a waiver of the City's immunity from suit.

If Tenant fails to satisfy any of the conditions and other obligations hereunder that must be fulfilled in order for Tenant to receive the Reimbursement Amount, and if any such condition or other obligation remains unsatisfied for a period of sixty (60) days after notice thereof shall have been given, then the City, as its sole and exclusive remedy (except as expressly provided in Section 3.1 above), may terminate this Agreement by written notice to Tenant and hereby waives all other rights and remedies it may have at law or in equity for the failure of Tenant to satisfy any such condition.

Section 6.2 Force Majeure. Notwithstanding anything in this Agreement which is or may appear to be to the contrary, if the performance of any covenant or obligation to be performed hereunder by either Party (specifically excluding any monetary obligations) is delayed as a result of circumstances which are beyond the reasonable control of such Party (which circumstances may include, without limitation, pending or threatened litigation, acts of God, war, acts of civil disobedience, fire or other casualty, shortage of materials, adverse weather conditions (such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures, hurricane or tornadoes) labor action, strikes or similar acts) the time for such performance shall be extended by the amount of time of such delay. The Party claiming delay of performance as a result of any of the foregoing "force majeure" events shall deliver written notice of the commencement of any such delay resulting from such force majeure event not later than seven days after the claiming Party becomes aware of the same, and if the claiming Party fails to so notify the other Party of the occurrence of a force majeure event causing such delay, the claiming Party shall not be entitled to avail itself of the provisions for the extension of performance contained in this Section.

**ARTICLE VII.
ESCROW**

The Parties agree that in the event of any legal challenge to this Agreement, the City shall place any and all funds to which the Tenant would have a claim under the terms of this Agreement in an interest bearing account, capable of separate identification, during the pendency of the legal challenge. Upon any final decision upholding the enforceability of this Agreement, all amounts in such account, including principal and accrued interest, shall be paid forthwith to the Tenant. If this Agreement is determined to be invalid or unenforceable, all amounts in such account, including principal and accrued interest, shall be deposited by the City into its General Fund and the Tenant shall have no further claim thereto. The Parties covenant that neither will initiate any legal challenge to the validity or enforceability of this Agreement, and the Parties

will cooperate in defending the validity or enforceability of this Agreement against any challenge by any third party.

**ARTICLE VIII.
GENERAL**

Section 8.1 Severability. If any provision of this Agreement is held to be invalid or unenforceable by any court of competent jurisdiction for any reason, such provision shall be fully severable, and the remainder of this Agreement shall remain in full force and effect. This Agreement shall be construed and enforced as if such invalid or unenforceable provision had never comprised a part of this Agreement.

Section 8.2 Notice. Any notice or other communication required or permitted to be given pursuant to this Agreement shall be given to the other Party at the following address:

If to the Tenant:	HEB Grocery Company, LP Real Estate Attn: Richard Golden 4301 Windfern Houston, Texas 77041-8915 Fax: (713) 329-3948 Telephone: (713) 329-3940
If to the City:	City of Houston P. O. Box 1562 Houston, Texas 77002 Attn: Director, Finance Department

Any such notice or communication shall be deemed given on the date so delivered or so deposited in the mail, unless otherwise provided herein. Either Party may change the above address by sending written notice of such change to the other Party in the manner provided above. With the consent of the receiving Party, notice may be given by facsimile transmission or electronic mail.

Section 8.3 Amendments and Waivers. Any provision of this Agreement may be amended or waived if such amendment or waiver is in writing and is signed by the City and the Tenant.

Section 8.4 No Third Party Beneficiaries. Except as may be expressly provided herein, there are no intended third-party beneficiaries to this Agreement.

Section 8.5 Successors and Assigns. No Party shall have the right to assign its rights under this Agreement or any interest herein, without the prior written consent of the other Party except the Tenant may assign its rights and responsibilities hereunder to (i) any related, affiliated or subsidiary entity to which substantially all of its assets, liabilities and its rights to proceed with development of the Project are transferred or (ii) to any person or entity to which Tenant assigns,

subleases, or otherwise conveys its interest the Property, provided that such assignee agrees in writing to assume Tenant's obligations under this Agreement. Such written consent shall not be unreasonably withheld and if such consent is not received by the Party seeking consent within thirty (30) days of its request for consent, the assignment will be deemed approved. Notwithstanding the foregoing, the City hereby consents to Tenant's assignment to a lending institution of all of the Tenant's rights hereunder as security for repayment of one or more loans to finance the construction or ownership any component of the Property. The City's Director of the Finance Department, or his or her designee, is authorized by the City to consent on behalf of the City.

Section 8.6 Exhibits: Titles of Articles, Sections and Subsections. The exhibits attached to this Agreement are incorporated herein and shall be considered a part of this Agreement for the purposes stated herein, except that in the event of any conflict between any of the provisions of such exhibits and the provisions of this Agreement, the provisions of this Agreement shall prevail. All titles or headings are only for the convenience of the Parties and shall not be construed to have any effect or meaning as to the agreement between the Parties hereto. Any reference herein to a Section or Subsection shall be considered a reference to such Section or Subsection of this Agreement unless otherwise stated. Any reference herein to an exhibit shall be considered a reference to the applicable exhibit attached hereto unless otherwise stated.

Section 8.7 Construction. This Agreement is a contract made under and shall be construed in accordance with and governed by the laws of the United States of America and the State of Texas, as such laws are now in effect. Venue for any action arising under this Agreement shall lie in the state district courts of Harris County, Texas.

Section 8.8 Entire Agreement. This written Agreement represents the final agreement between the Parties and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the Parties. There are no unwritten oral agreements between the Parties.

Section 8.9 Approval by the Parties. Whenever this Agreement requires or permits approval or consent to be hereafter given by either Party, the Parties agree that such approval or consent shall not be unreasonably withheld or delayed.

Section 8.10 Additional Actions. The Parties agree to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications as may be necessary or appropriate, from time to time, to carry out the terms, provisions and intent of this Agreement and to aid and assist each other in carrying out said terms, provisions and intent.

[EXECUTION PAGES FOLLOW]

IN WITNESS WHEREOF, the Parties hereto have caused this instrument to be duly executed as of the Effective Date.

(CITY SEAL)

CITY OF HOUSTON, TEXAS

Annise D. Parker
Mayor M. M. B. B. B.

Date: 8/8/11

ATTEST:

[Signature]
By: _____
City Secretary

COUNTERSIGNED:

[Signature]
City Controller Ch. B. B.

Date: 8-10-11

APPROVED AS TO FORM:

By: Donna Capps
Assistant City Attorney

HEB GROCERY COMPANY, LP,
a Texas limited partnership

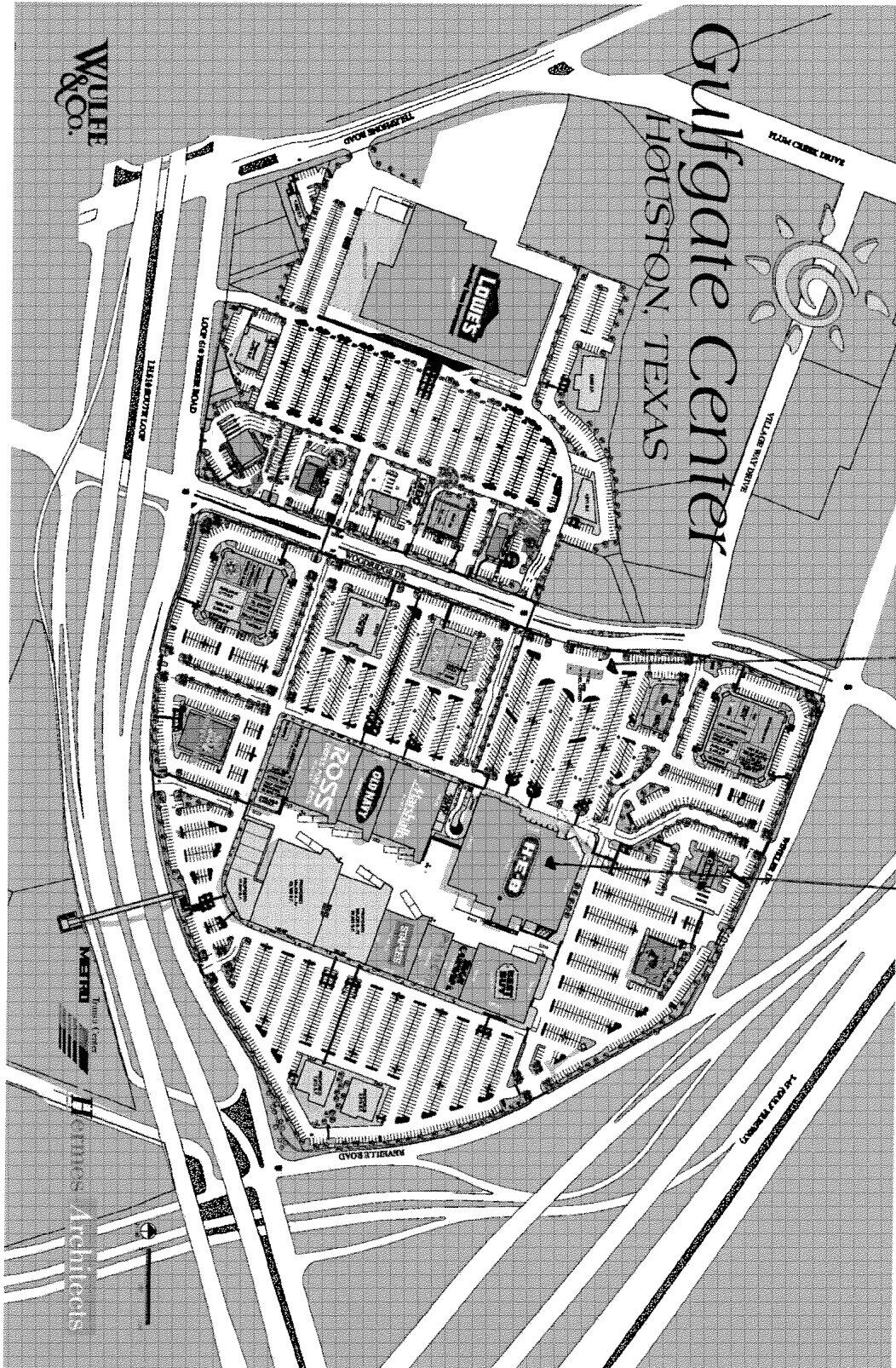
[Handwritten initials]

By: [Signature]

Todd A. Piland,
Executive Vice President of Real Estate

EXHIBIT A

Property Description



HEB Fuel Center

HEB Supermarket

EXHIBIT B

Description of Gulfgate Shopping Center

EXHIBIT B to Economic Development Agreement dated as of ~~July~~^{August} _____, 2011, executed by CITY OF HOUSTON, and HEB GROCERY COMPANY, LP, a Texas limited partnership, as Tenant.

All that certain real property located in the County of Harris, State of Texas, described as follows:

Being 46.1917 acres (2,012,111 square feet) of land in the Jacob Thomas Survey, A-762, Houston, Harris County, Texas, and being all of a 42.374 acre tract as described in deed filed under Harris County Clerk File No. S868632 and all of a 3.818 acre tract as described in deed filed under Harris County Clerk File No. N088096, said 46.1917 acres being more particularly described as follows:

BEGINNING at a point marked by a found 5/8 inch iron rod at the intersection of the East right-of-way line of Woodridge Drive, 80 feet wide, with the South right-of-way line of Winkler Drive, 80 feet wide, said point being the Northwest corner of said 3.818 acre tract;

THENCE South 69° 34' 30" East, along the South right-of-way line of Winkler Drive, a distance of 186.91 feet to a point of curve marked by a found 5/8 inch iron rod;

THENCE in an Easterly direction, continuing along the South right-of-way line of Winkler Drive, with a curve to the right whose radius is 4366.80 feet and central angle is 2° 16' 16", a distance of 173.09 feet to a point for compound curve marked by a found 5/8 inch iron rod, said point being the Northeast corner of said 3.818 acre tract and the most Northerly Northwest corner of said 42.374 acre tract;

THENCE in a Southeasterly direction, along the South right-of-way line of Winkler Drive, with a curve to the right whose radius is 4394.57 feet, central angle is 7° 25' 10" and whose chord bears South 63° 32' 00" East, a distance, measured along the arc of said curve, of 569.06 feet to a point for corner marked by a found 5/8 inch iron rod on the Southwesterly right-of-way line of Reveille Road;

THENCE South 29° 05' 00" East, along the Southwesterly right-of-way line of Reveille Road, a distance of 433.11 feet to a point on a curve marked by a found 5/8 inch iron rod;

THENCE in a Southeasterly direction, continuing along the Southwesterly right-of-way line of Reveille Road, with a curve to the right whose radius is 1114.75 feet and central angle is 22° 28' 00", and whose chord bears South 17° 45' 00" East, a distance, measured along the arc of said curve, of 437.11 feet to a point marked by a found 5/8 inch iron rod at the end of said curve;

THENCE South 2° 49' 00" East, continuing along the Westerly right-of-way line of Reveille Road, a distance of 154.70 feet to an angle point marked by a found 5/8 inch iron rod;

THENCE South 6° 31' 00" East, continuing along the Westerly right-of-way line of Reveille Road, a distance of 65.63 feet to a point for corner marked by a found 5/8 inch iron rod on the Northwesterly right-of-way line of IH 610 South Loop, same being the Northwesterly line of that certain 25 foot Roadway Easement granted to City of Houston by deed recorded in Volume 2929, Page 721, of the Deed Records of Harris County, Texas;

THENCE South 60° 05' 00" West, along the Northwesterly right-of-way of IH 610 South Loop, same being the Northwesterly line of said 25 foot Roadway Easement, a distance of 238.27 feet to a point of curve marked by a found 5/8 inch iron rod;

THENCE in a Southwesterly direction, continuing along the Northwesterly right-of-way line of IH 610 South Loop, same being the Northwesterly line of said 25 foot Roadway Easement, with a curve to the left whose radius is 1532.39 feet and central angle is 4° 36' 01", a distance of 123.04 feet to a point of tangent marked by a found Railroad Spike;

THENCE South 55° 28' 59" West, continuing along the Northwesterly right-of-way line of IH 610 South Loop, same being the Northwesterly line of said 25 foot Roadway Easement, a distance of 1.31 feet to a point of curve marked by a found Railroad Spike;

THENCE in a Southwesterly and Westerly direction, continuing along the Northwesterly right-of-way line of IH 610 South Loop, same being the Northwesterly line of said 25 foot Roadway Easement, with a curve to the right whose radius is 1332.39 feet and central angle is 51° 24' 53", a distance of 1195.63 feet to a point of reverse curve marked by a found 5/8 inch iron rod;

THENCE in a Westerly direction, continuing along the Northwesterly right-of-way line of IH 610 South Loop, same being the Northwesterly line of said 25 foot Roadway Easement, with a curve to the left whose radius is 1532.39 feet and central angle is $9^{\circ} 09' 02''$, a distance of 244.73 feet to a point for corner marked by a found "X" cut in concrete on the Southeasterly right-of-way line of Woodridge Drive, 80 feet wide;

THENCE North $19^{\circ} 38' 30''$ East, along the Southeasterly right-of-way line of Woodridge Drive, a distance of 970.17 feet to a point of curve marked by a found $5/8$ inch iron rod;

THENCE in a Northerly direction, continuing along the Easterly right-of-way line of Woodridge Drive, with a curve to the left, whose radius is 908.33 feet and central angle is $19^{\circ} 20' 48''$, a distance of 306.71 feet to a point for end of said curve marked by a found $5/8$ inch iron rod, said point being the Southwest corner of said 3.818 acre tract and the most Westerly Northwest corner of said 42.374 acre tract;

THENCE North $0^{\circ} 18' 12''$ East, along the East right-of-way line of Woodridge Drive, a distance of 46.52 feet to a point for curve marked by a found "V" cut in concrete;

THENCE in a Northerly direction, continuing along the East right-of-way line of Woodridge Drive, with a curve to the right whose radius is 840.00 feet and central angle is $20^{\circ} 07' 18''$, a distance of 295.00 feet to a point of tangent marked by a found $5/8$ inch iron rod;

THENCE North $20^{\circ} 25' 30''$ East, continuing along the East right-of-way line of Woodridge Drive, a distance of 165.00 feet to the POINT OF BEGINNING and containing 46.1917 acres (2,012,111 square feet) of land.

EXHIBIT C

**EXAMPLE AGREEMENT FOR DISCLOSURE OF CONFIDENTIAL
TAX INFORMATION**

This agreement is entered into between the City of Houston, Texas (“City”) and (*business name*) (“Taxpayer”) for the purposes indicated herein.

I, _____, _____ (title), the duly authorized agent of (business name) , a vendor doing business at Name and Address of Facility, do hereby stipulate and agree as follows:

I hereby authorize the Texas Comptroller’s Office to release and disclose any and all Sales and Use tax information relating to the operation of Taxpayer’s business location to the City. I understand and agree that this release will be made by the Comptroller’s Office to the City on an ongoing monthly basis beginning on the date this Agreement is executed. This Agreement waives any and all rights with respect to the parties regarding the confidentiality of tax information under Sections 111.006, 151.027, Texas Tax Code, or other state law.

The City agrees that it will use the tax information disclosed by the Comptroller pursuant to this Agreement solely and exclusively for the purposes of calculating payments to be made pursuant to a Texas Local Government Code Chapter 380 Economic Development Agreement between the City and Taxpayer, dated effective _____, 20__.

This Agreement is entered into in or with regard to property located in Houston, Harris County, Texas, and Texas law will apply to its interpretation and enforcement.

SIGNED AND AGREED TO on the _____ day of _____, 20__.

name
title
On Behalf of the “City”

name
title
On behalf of the “Taxpayer”

Texas Taxpayer Identification No.
