

TC: Mayor via City Secretary **REQUEST FOR COUNCIL ACTION**

**SUBJECT:** Ordinances Approving Strategic Partnership Agreements with Various Utility Districts and Annexing Territory for Limited Purposes

Category	Page	Agenda Item
#61579A		#61564A

**FROM (Department or other point of origin):**  
Planning and Development Department

**Origination Date:** June 5, 2006  
**Agenda Date:** JUN 21 2006  
~~JUN 14 2006~~

**DIRECTOR'S SIGNATURE:**  
*M/S Maureen A. Hapwell*

**Council District affected:**  
ALL

**For additional information contact:** Margaret Wallace  
Phone: 713-837-7826

**Date and identification of prior authorizing Council action:**  
Public Hearings: May 17 and 24, 2006

**RECOMMENDATION:** (Summary) That City Council approve Strategic Partnership Agreements with the Utility Districts listed below, for the annexation for limited purpose of territory within and in the vicinity of those districts, and for the assignment of such territory to City Council Districts.

**Amount and Source of Funding:** NA

**F & A Budget:**

**SPECIFIC EXPLANATION:** The Planning and Development Department has negotiated Strategic Partnership Agreements between the City of Houston and the following utility districts.

- Chimney Hill Municipal Utility District
- Cinco Municipal Utility District No. 12 Amendment 1
- Cy-Champ Public Utility District Amendment 1
- Harris County Municipal Utility District No. 11
- Harris County Municipal Utility District No. 18
- Harris County Municipal Utility District No. 46
- Harris County Municipal Utility District No. 221 Amendment 1
- Harris County Municipal Utility District No. 342
- Harris County Municipal Utility District No. 412
- Harris County Water Control and Improvement District No. 96

- Heatherloch Municipal Utility District
- Jackrabbit Road Public Utility District
- Langham Creek Utility District
- Longhorn Town Utility District
- Mills Road Municipal Utility District
- Post Wood Municipal Utility District
- Prestonwood Forest Utility District Amendment 1
- Remington Municipal Utility District No. 1
- Westador Municipal Utility District

In each of these Districts, except Harris County MUD 342 and 412, the sales taxes collected in the areas will be divided evenly between the City and the District and the only service provided will be the fireworks ban. The City is only annexing commercial property and undeveloped land intended for commercial use. There is no population located in these territories proposed to be annexed for limited purposes.

Harris County MUDs 342 and 412, both located on the western side of Lake Houston along West Lake Houston Parkway, have different terms. Both districts will be included in the area's Fire Plan that supports the operation of the future Station 105 to be constructed on the corner of West Lake Houston Parkway and Deussen Parkway. In both districts, the City will provide fire suppression and emergency medical services to the area in exchange for a monthly assessment on each home, not to exceed \$15 per month. In addition, police services will be provided; no other city services will be provided. As for sales tax, the City will return 25% of the sales tax revenue back to 342. There is no sales tax to be derived from 412, as the area is entirely residential. In each of these two districts eligible voters will be allowed to vote in Houston elections for all city-wide positions and the District Council Member, in accordance with state law.

Council District assignments of the newly annexed areas are detailed on the accompanying memorandum.

Copy: Marty Stein, Agenda Director  
Arturo G. Michel, City Attorney  
Anna Russell, City Secretary

Harold Hurtt, Chief of Police  
Phil Boriskie, Fire Chief

**REQUIRED AUTHORIZATION**

**F & A Director:**

**Other Authorization:**

**Other Authorization:**

City of Houston, Texas, Ordinance No. 2006-707

**AN ORDINANCE ANNEXING TO THE CITY OF HOUSTON, TEXAS FOR LIMITED PURPOSES HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 342 AND CERTAIN TERRITORY LOCATED IN THE VICINITY OF HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 342, IN HARRIS COUNTY, TEXAS; CONTAINING FINDINGS AND OTHER PROVISIONS RELATING TO THE FOREGOING SUBJECT; ADOPTING A REGULATORY PLAN FOR CERTAIN AREAS IN THE VICINITY OF HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 342; IMPOSING THE SALES AND USE TAX OF THE CITY OF HOUSTON IN THE AREA WITHIN HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 342 ANNEXED FOR LIMITED PURPOSES; ASSIGNING ANNEXED AREAS TO ADJACENT DISTRICT FROM WHICH DISTRICT COUNCIL MEMBER IS ELECTED UNTIL SUCH TIME AS DISTRICT BOUNDARIES MAY BE CHANGED PURSUANT TO THE CITY OF HOUSTON CHARTER; PROVIDING FOR SEVERABILITY; AND DECLARING AN EMERGENCY.**

\* \* \* \* \*

**WHEREAS**, the City of Houston, Texas is authorized to annex territory for limited purposes in compliance with the procedures established by the Texas Local Government Code; and

**WHEREAS**, the City Council by Ordinance No. 2006-0410 adopted on April 26, 2006 called certain public hearings relating to the proposed annexation for limited purposes of Harris County Municipal Utility District No. 342 and certain territory located in the vicinity of Harris County Municipal Utility District No. 342, in Harris County, Texas; and

**WHEREAS**, in compliance with pertinent sections of the Texas Local Government Code, on May 17, 2006 and May 24, 2006 the City Council held the required public hearings regarding the proposed limited purpose annexation of said areas; and

**WHEREAS**, Article V, Section 3 of the Houston City Charter provides that promptly following the addition of territory to the City by a boundary change, the City Council shall, by ordinance, add such territory to an adjacent district or districts; and

**WHEREAS**, Section 42.005(a)(6) of the Texas Election Code prohibits county election precincts from containing territory from more than one city council district; and

**WHEREAS**, the City Council, having received the best available data and expert assistance from the Department of Planning and Development, has determined that the newly annexed tracts should be assigned to adjacent districts so as to preserve existing precinct assignments, to avoid splitting a precinct between council districts, and, where possible, to create district boundaries based on identifiable geographic features; **NOW, THEREFORE,**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HOUSTON, TEXAS:**

**Section 1.** The findings set forth in the preamble of this Ordinance are determined to be true and correct and are hereby adopted.

**Section 2.** Subject to all sections of this Ordinance, the City of Houston hereby annexes for limited purposes Harris County Municipal Utility District No. 342 and certain territory located in the vicinity of Harris County Municipal Utility District No. 342, in Harris County, Texas. The boundaries of the annexed areas are set out in written form in "Exhibit A," which exhibit is attached hereto, incorporated herein by this reference, and made a part hereof for all purposes. A visual map of the annexed area is represented in "Exhibit B."

**Section 3.** A regulatory plan for the territory located in the vicinity of Harris County Municipal Utility District No. 342 is hereby adopted as part of this Ordinance. Such regulatory plan is set out in "Exhibit C," which is attached hereto, incorporated herein by this reference, and made a part hereof for all purposes.

**Section 4.** In accordance with the authority granted by Section 43.0751(k) of the Texas Local Government Code, the City of Houston hereby imposes a retail sales and use tax within the boundaries of Harris County Municipal Utility District No. 342 annexed

for limited purposes. Such sales and use tax will be administered and governed by the pertinent provisions of the Texas Tax Code.

**Section 5.** Funds received from section 7.04 of the strategic partnership agreement with the District (submitted to City Council for approval on June 14, 2006), which outlines a monthly fee paid by the District for fire/EMS services, shall be deposited in the General Fund to the credit of the Houston Fire Department and used by the Houston Fire Department to cover the costs of services provided.

**Section 6.** City Council, acting pursuant to the provisions of Article V, Section 3 of the City Charter, assigns the areas annexed by this Ordinance to the adjacent district below as recommended by the Department of Planning and Development as follows:

COUNCIL DISTRICT	LOCATED IN HARRIS COUNTY PRECINCT NO.	AREAS ANNEXED
E	380	Within and in the vicinity of Harris County Municipal Utility District No. 342

**Section 7.** This Ordinance shall not repeal, impair, modify, or otherwise affect any other ordinance annexing territory to the City of Houston or any other ordinance heretofore passed on one or more readings and not yet passed on final reading, annexing any territory to the City of Houston, but such other ordinance or ordinances shall remain and continue to be effective as to their intent and purpose as therein stated, wholly unaffected in any way or manner by the passage of this Ordinance. This Ordinance shall be effective as to its intent and purpose as hereinabove stated, wholly unaffected by any other annexation ordinance introduced and passed or hereafter introduced and passed on any reading, whether final or not.

**Section 8.** It is the intention of the City of Houston and its City Council to comply with the Constitutions and laws of the United States of America and the State of Texas and with all applicable provisions of the Charter of the City of Houston, and this Ordinance shall be interpreted and construed in harmony therewith.

**Section 9.** The City Council officially finds, determines, recites and declares that a sufficient written notice of the date, hour, place and subject of this meeting of the City Council was posted at a place convenient to the public at the City Hall of the City for the time required by law preceding this meeting, as required by the Open Meetings Law, Chapter 551, Texas Government Code; and that this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter thereof have been discussed, considered and formally acted upon. The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

**Section 10.** If any provision, section, subsection, sentence, clause, or phrase of this Ordinance, or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void or invalid, the validity of the remaining portions of this Ordinance or their application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this Ordinance that no portion hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any other portion hereof, and all provisions of this Ordinance are declared to be severable for that purpose. Should this Ordinance for any reason be ineffective as to any part of the area hereby annexed to the City of Houston, such ineffectiveness of this Ordinance as to any such part or parts of any such area shall not affect the effectiveness of this Ordinance as to all of the remainder of such area, and the City Council hereby declares it to be its purpose to annex to the City of Houston for limited purposes every part of the area described in Exhibit A of this Ordinance, regardless of whether any other part of such described area is hereby effectively annexed to the City. Provided, further, that if there is included within the description of territory set out in Exhibit A of this Ordinance to be hereby annexed for limited purposes to the City of Houston any area or lands which are presently part of and included within the general

limits of the City of Houston, or which are presently part of and included within the limits of any other municipality, or which are not within the jurisdiction or power of the City of Houston to annex, the same is hereby excluded and excepted from the territory to be hereby annexed as fully as if such excluded and excepted area were expressly described herein.

**Section 11.** There exists a public emergency requiring that this Ordinance be passed finally on the date of its introduction as requested in writing by the Mayor; therefore, this Ordinance shall be passed finally on that date and shall take effect immediately upon its passage and approval by the Mayor; however, in the event that the Mayor fails to sign this Ordinance within five days after its passage and adoption, it shall take effect in accordance with Article VI, Section 6, Houston City Charter.

**PASSED AND ADOPTED** this 21st day of June, 2006.

**APPROVED** this \_\_\_\_\_ day of June, 2006.

\_\_\_\_\_  
Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is JUN 27 2006

  
\_\_\_\_\_  
City Secretary

 (Prepared by Legal Dept. Sameen Kapesi Mahendran)  
Assistant City Attorney

Requested by Marlene Gaffrick, Director, Department of Planning and Development  
(L.D. No. 0610500202001)

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**CAPTION PUBLISHED IN DAILY COURT  
REVIEW  
DATE: JUN 27 2006**

AYE	NO	
✓		<b>MAYOR WHITE</b>
••••	••••	<b>COUNCIL MEMBERS</b>
✓		LAWRENCE
✓		JOHNSON
✓		CLUTTERBUCK
✓		EDWARDS
	✓	WISEMAN
✓		KHAN
✓		HOLM
	<b>ABSENT</b>	GARCIA
✓		ALVARADO
	<b>ABSENT</b>	BROWN
✓		LOVELL
✓		SEKULA-GIBBS
✓		GREEN
✓		BERRY
CAPTION	ADOPTED	

EXHIBIT "A"

Harris County Municipal Utility District No. 342 Limited Purpose Annexation  
Metes and Bounds

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BEGINNING at the intersection of a northwesterly city limits line of the City of Houston as described in Ordinance 2001-1145, passed December 12, 2001 and the northeasterly right of way line of the East Sam Houston Parkway, also called Beltway 8;

THENCE in a northwesterly direction along that northeasterly right of way line to its intersection with a southeasterly boundary line of Harris County Municipal Utility District 342;

THENCE in a southwesterly direction along that southeasterly boundary line to its intersection with a southwesterly boundary line of that District;

THENCE in a northwesterly direction along the curve of that southwesterly boundary line of that District to its intersection with a southeasterly right of way line of the Union Pacific Railroad;

THENCE in a northeasterly direction along that southeasterly right of way line to its intersection with a northerly boundary line of Harris County Municipal Utility District 342;

THENCE in an easterly direction along that northerly boundary line to its intersection with the westerly boundary of a 152.3576 acre, more or less, City of Houston tract;

THENCE in a northerly direction along that westerly boundary line to a northwesterly boundary line of that tract;

THENCE in a northeasterly direction along that northwesterly boundary line to its intersection with a northeasterly boundary line of that tract;

THENCE in a southeasterly direction along that northeasterly boundary line to its intersection with a northwesterly boundary line of that tract;

THENCE in a northeasterly direction along that northwesterly boundary line to its intersection with an easterly boundary line of that tract;

THENCE in a southerly direction along that easterly boundary line to its intersection with a northerly boundary line of Harris County Municipal Utility District 342;

THENCE in an easterly direction along that northerly boundary line to its intersection with an easterly boundary line of that District;

THENCE in a southerly direction along that easterly boundary line to its intersection with a northeasterly boundary line of that District;

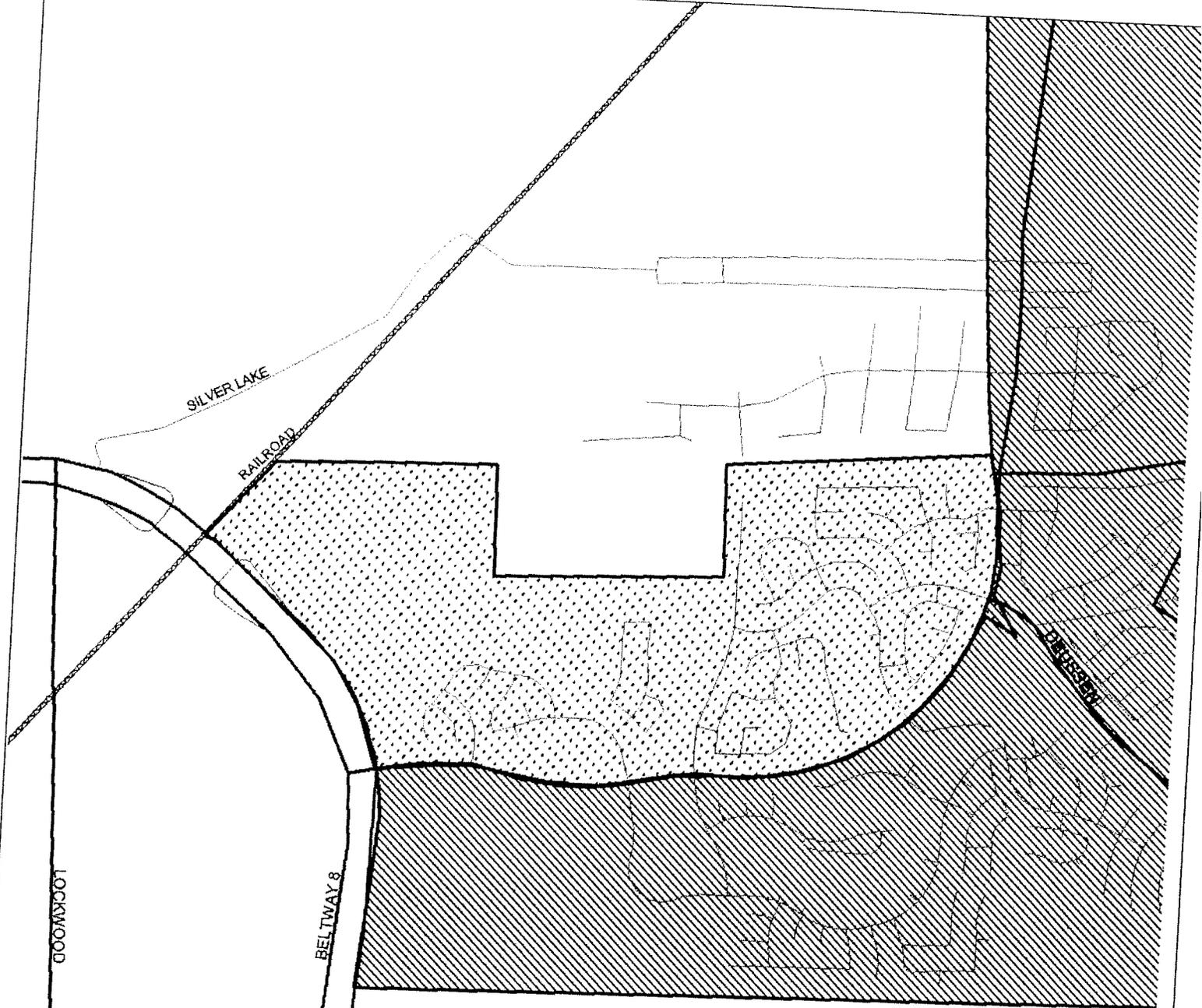
THENCE in a southeasterly direction along that northeasterly boundary line to its intersection with a southeasterly boundary line of that District;

THENCE in a northwesterly direction along that southeasterly boundary line of that district to its intersection with a southeasterly boundary line of that District;

THENCE in a generally southwesterly direction along the curves of that southeasterly boundary line to its intersection with a southwesterly boundary line of that District, such line also being the northeasterly right of way line of the East Sam Houston Parkway North, THE POINT OF BEGINNING.

Exhibit B

# HARRIS COUNTY MUNICIPAL UTILITY DISTRICT No. 34



**Limited Purpose Annexation**

-  Current City Limits
-  Area to be annexed

June 2006

Exhibit C

## **Regulatory Plan**

The City of Houston will provide police service in the area annexed for limited purposes. The City will enforce those provisions in the following chapters of the Code of Ordinances having to do with emergency services provided by the Houston Police Department and the Houston Fire Department.: Chapters 4, 6, 8, 11, 22, 28, 30, 32, 33, 34, 43, 45, and 46 of the City Code. The City will also enforce all applicable uncodified traffic ordinances. Since the City does not have a zoning ordinance, the area will not be zoned.

The area will be annexed for full purposes after the utility systems (water, wastewater and drainage) have been fully developed and any eligible developer reimbursements have been made. As a part of the Strategic Partnership Agreement a majority of the property owners waive the right to require the City to annex for full purposes within three years of the date that the area is annexed for limited purposes.

City of Houston, Texas Ordinance No. 2006-706

**AN ORDINANCE APPROVING AND AUTHORIZING A STRATEGIC PARTNERSHIP AGREEMENT BETWEEN THE CITY OF HOUSTON AND HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 342; MAKING VARIOUS FINDINGS AND CONTAINING PROVISIONS RELATING TO THE SUBJECT, AND DECLARING AN EMERGENCY.**

\* \* \* \*

**WHEREAS**, the City of Houston, Texas (the "City") is authorized to enter into a Strategic Partnership Agreement pursuant to § 43.0751 of the Texas Local Government Code; and

**WHEREAS**, the City Council, by Ordinance No. 2006-0410 adopted on April 26, 2006, called certain public hearings relating to the proposed Strategic Partnership Agreement with Harris County Municipal Utility District No. 342; and

**WHEREAS**, the City Council in compliance with Section 43.0751(d) of the Texas Local Government Code held the required public hearings regarding the proposed Strategic Partnership Agreement on May 17, 2006 and May 24, 2006; **NOW, THEREFORE,**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HOUSTON, TEXAS:**

**Section 1.** The findings contained in the preamble of this Ordinance are determined to be true and correct and are hereby adopted as a part of this Ordinance.

**Section 2.** The City Council hereby approves and authorizes the contract, agreement or other undertaking described in the title of this Ordinance, in substantially the form as shown in the document which is attached hereto and incorporated herein by this reference. The Mayor is hereby authorized to execute such document and all related documents on behalf of the City of Houston. The City Secretary is hereby authorized to attest to all such signatures and to affix the seal of the City to all such documents.

**Section 3.** The Mayor is hereby authorized to take all actions necessary to effectuate the City's intent and objectives in approving such agreement, agreements or other undertaking described in the title of this ordinance, in the event of changed

**FORM 132.M**  
**(Approving/Authorizing)**  
circumstances.

Section 4. The City Attorney is hereby authorized to take all action necessary to enforce all legal obligations under said contract without further authorization from Council.

Section 5. There exists a public emergency requiring that this Ordinance be passed finally on the date of its introduction as requested in writing by the Mayor; therefore, this Ordinance shall be passed finally on such date and shall take effect immediately upon its passage and approval by the Mayor; however, in the event that the Mayor fails to sign this Ordinance within five days after its passage and adoption, it shall take effect in accordance with Article VI, Section 6, Houston City Charter.

**PASSED AND ADOPTED this 21st day of June 2006.**

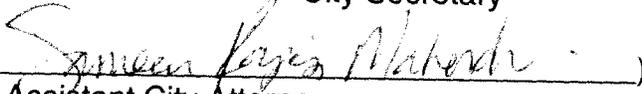
**APPROVED this \_\_\_\_\_ day of June 2006.**

\_\_\_\_\_  
Mayor of the City of Houston, Texas

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is JUN 27 2006.

  
\_\_\_\_\_  
City Secretary

∞ (Prepared by Legal Dept.

  
\_\_\_\_\_  
Assistant City Attorney

(Requested by Marlene Gafrick, Director, Planning and Development Department)  
(L.D. No. 0610500202001)

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CAPTION PUBLISHED IN DAILY COURT  
REVIEW  
DATE: 9002 22 N06

AYE	NO	
✓		<b>MAYOR WHITE</b>
••••	••••	<b>COUNCIL MEMBERS</b>
✓		LAWRENCE
✓		JOHNSON
✓		CLUTTERBUCK
✓		EDWARDS
	✓	WISEMAN
✓		KHAN
✓		HOLM
✓		GARCIA
✓		ALVARADO
✓		BROWN
✓		LOVELL
✓		SEKULA-GIBBS
✓		GREEN
✓		BERRY
CAPTION	ADOPTED	

**STRATEGIC PARTNERSHIP AGREEMENT  
BETWEEN THE CITY OF HOUSTON, TEXAS,  
AND HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 342**

**THE STATE OF TEXAS   §  
  §  
COUNTY OF HARRIS   §**

This **STRATEGIC PARTNERSHIP AGREEMENT** (this "Agreement") is made and entered into as of the Effective Date by and between the **CITY OF HOUSTON, TEXAS**, a municipal corporation principally situated in Harris County, Texas, acting by and through its governing body, the City Council of the City of Houston, Texas (the "City") and **HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 342** (the "District"), a conservation and reclamation district created pursuant to Article XVI, Section 59, Texas Constitution and operating pursuant to Chapters 49 and 54, Texas Water Code.

**RECITALS**

1. Texas Local Government Code, §43.0751 (the "Act") authorizes the City and the District to negotiate and enter into a strategic partnership agreement by mutual consent; and

2., This Agreement provides for the annexation of the District for the limited purposes of applying certain of the City's Planning, Zoning, Health and Safety Ordinances (defined herein); and

3. As required by the Act, the City held public hearings on May 17, 2006, and May 24, 2006 at City Council Chamber, City Hall, 901 Bagby, Houston, Texas, and the District held public hearings on May 4, 2006, and May 19, 2006, at 1300 Post Oak Boulevard, Suite 1400, Houston, Texas, and at 14530 Kings Head, Houston, Texas, within the District, respectively, at which members of the public were given the opportunity to present testimony or evidence regarding the proposed Agreement, and the City and the District made copies of the proposed Agreement available, and published notices of the hearings prior to the public hearings in accordance with the terms of the Act; and

4. The City and the District wish to enter into a strategic partnership agreement to provide the terms and conditions under which services will be provided by the City and the District and under which the District will continue to exist for an extended period of time after the District is annexed for limited purposes.

**THE PARTIES AGREE AS FOLLOWS:**

**ARTICLE I**

**FINDINGS**

The City and the District hereby find and declare:

1. The Act authorizes the City and the District to enter into this Agreement to define the terms and conditions under which services will be provided to the City and the District and under which the District will continue to exist after the District is annexed for limited purposes pursuant to this Agreement;
2. This Agreement does not require the District to provide revenue to the City solely for the purpose of an agreement with the City to forgo annexation of the District;
3. This Agreement provides benefits to the City and the District, including revenue, services, and/or regulations which are reasonable and equitable with regard to the benefits provided to the other Party;
4. All the terms and conditions contained in this Agreement are lawful and appropriate to provide for the provision of municipal services and annexation; and
5. The City and the District negotiated this Agreement by mutual consent; the terms and conditions of the Agreement are not a result of the City's Annexation Plan or any arbitration between the City and the District.

## **ARTICLE II**

### **DEFINITIONS**

Unless the context requires otherwise, and in addition to the terms defined above, the following terms and phrases used in this Agreement shall have, solely for the purposes of this Agreement, the meanings set out below:

“Act” means Texas Local Government Code, §43.0751 and any amendments thereto.

“Agreement” means this strategic partnership agreement by and between the City and the District and the Developer.

“Board” means the Board of Directors of the District.

“City” means the City of Houston, Texas, a municipal corporation principally situated in Harris County, Texas.

“City Charter” means the Charter of the City and any amendments thereto.

“City Code” means the Code of Ordinances of the City and any amendments thereto.

“City Council” means the City Council of the City or any successor governing body.

“Code of Criminal Procedure” means the Texas Code of Criminal Procedure and any amendments thereto.

“Comptroller” means the Comptroller of Public Accounts of the State of Texas.

“Consent Ordinance” means Ordinance Nos. 87-1341, 95-1262, and 1999-1307 including all attachments and exhibits passed by the City Council collectively consenting to the creation of and inclusion of land in the District.

“Director” means the Director of Planning and Development Department of the City or his or her designee.

“District” means Harris County Municipal Utility District No. 342, a conservation and reclamation district created pursuant to Article XVI, Section 59, Texas Constitution and operating pursuant to Chapters 49 and 54, Texas Water Code.

“Effective Date” means the date the City Controller countersigns this Agreement.

“ETJ” means the extraterritorial jurisdiction of the City.

“Environmental Laws” means (i) Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601 et seq. as amended by the Superfund Amendments and Reauthorization Act of 1986; (ii) Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; (iii) Clean Water Act, 33 U.S.C. § 2601 et seq., as amended by the Oil Pollution Act of 1990, Pub. L. No. 101-380, 104 Stat. 484 (1990); (iv) Safe Drinking Water Act, 42 U.S.C. §§ 300f-300j; (v) Clean Air Act, 42 U.S.C. § 7401 et seq.; (vi) Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 et seq.; (vii) The Oil Pollution Act of 1990, Pub. L. No. 101-380, 104 Stat. 484 (1990); (viii) Hazardous Materials Transportation Act, 49 U.S.C. § 1501 et seq.; (ix) Williams-Steiger Occupational Safety and Health Act; (x) Texas Water Code; (xi) Texas Health and Safety Code; (xii) Texas Natural Resources Code; (xiii) Statewide Rules for Oil, Gas and Geothermal Operations (promulgated by the Railroad Commission of Texas); and (xiv) any amendments thereto and regulations promulgated thereunder from time to time, along with and any and all other laws, rules, regulations, ordinances or orders now or hereafter in effect of any federal, state or local executive, legislative, judicial, regulatory or administrative agency, board or authority or any judicial or administrative decision relating thereto that relate to (A) wetlands, pinelands or other protected land or wildlife species; (B) radioactive materials (including naturally occurring radioactive materials); (C) explosives; (D) pollution, contamination, preservation, protection, rededication or clean-up of the air, surface water, ground water, soil or wetlands; (E) solid, gaseous or liquid waste generation, handling, discharge, release, threatened release, treatment, storage, disposal or transportation; (F) exposure of persons or property to hazardous substances and the effects thereof; (G) injury to, death of or threat to the safety or health of employees and any other persons; (H) the manufacture, processing, distribution in commerce, use, treatment, storage, or disposal of hazardous substances; (I) destruction, contamination of, or the release onto any property (whether real or personal) directly or indirectly connected with hazardous substances; (J) the implementation of spill prevention and/or disaster plans relating to hazardous substances; (K) community right-to-know and other disclosure laws; or (L) maintaining, disclosing or reporting information to any governmental authorities under any Environmental Law.

“Fire Code” means the City’s Fire Code, as amended from time to time.

“Government Code” means the Texas Government Code and any amendments thereto.

“Implementation Date” means the effective date of the limited-purpose annexation that is passed by City Council pursuant to Section 3.01.

“Landowner” means a person that owns real property in the District.

“Local Government Code” means the Texas Local Government Code and any amendments thereto.

“Party” or “Parties” means a party or the parties to this Agreement, being the City, the District, and the Developer.

“Resident” means a person that resides in the District.

“Sales and Use Tax” means the sales and use tax authorized to be imposed in the District by the Act and Tax Code Chapter 321.

“Tax Code” means the Texas Tax Code and any amendments thereto.

“TCEQ” means the Texas Commission on Environmental Quality and its successors.

### **ARTICLE III**

#### **LIMITED-PURPOSE ANNEXATION**

##### **Section 3.01 Generally**

Upon the District’s obtaining the authorization of any governmental entity currently providing fire and emergency medical services within the District (which may include either or both of the Emergency Services Districts, as defined in Section 7.02 hereof), , as authorized by Subchapter F of Chapter 43 and the Act, the City shall annex the District for the limited purposes of applying the City’s Planning, Zoning, Health, and Safety Ordinances within the District. These ordinances will be applicable and enforceable in the District upon the date of limited-purpose annexation.

The Parties recognize that at the time of the Agreement, the City’s power to zone is restricted by City Charter Article VII-b, Section 13. If the City adopts a zoning ordinance pursuant to City Charter Article VII-b, Section 13, during the period of limited-purpose annexation, the zoning ordinance shall only apply to the District if the exclusion of the District from the zoning ordinance would, as a matter of law, invalidate the City’s ability to zone the City as a whole. If the City initiates procedures to adopt such a zoning ordinance, the City agrees to use its best efforts to draft such ordinance in a manner that would not require any application of the ordinance to the District. If the City is required to apply any such zoning ordinance to the

District during the period of limited-purpose annexation, the City agrees to apply a zoning classification to the property inside the District that would not cause any then-current structures or the use of any property inside the District to become noncomplying or nonconforming as a result of the classification.

### **3.02. Property Taxes and District Liability for Debts of the City**

Until the District is annexed for full purposes and except as otherwise provided in Article V: the District and all taxable property within the District shall not be liable for any present or future debts of the City, and current and future taxes for tax years levied by the City shall not be levied on taxable property within the District.

### **Section 3.03 Powers and Functions Retained by the District**

Except as limited by the Consent Ordinance, the District is authorized to exercise all powers and functions of a municipal utility district provided by existing law or any amendments or additions thereto. The District's assets, liabilities, indebtedness, and obligations will remain the responsibility of the District. Disposition or acquisition of additional assets, liabilities, indebtedness, and obligations will be governed by the Consent Ordinance to the extent the Consent Ordinance is not inconsistent with this Agreement.

### **3.04 Municipal Court's Jurisdiction**

Upon limited-purpose annexation the City's municipal court shall have jurisdiction to adjudicate criminal cases filed under the Fire Code and State laws as set out in Article 4.14 of the Code of Criminal Procedure.

### **Section 3.05 Environmental Regulations**

The City will continue to enforce environmental regulations for the areas adjacent to and in proximity to Lake Houston over which the City currently has jurisdiction to enforce such regulations in the same manner and to the same extent that the City enforces environmental regulations within the City of Houston general purpose boundaries.

## **ARTICLE IV**

### **VOTING RIGHTS IN THE DISTRICT**

#### **Section 4.01 Generally**

Upon annexation of the Tract for limited purposes by the City, the qualified voters of the District may vote in City elections pursuant to Local Government Code Section 43.130. Voting rights are subject to all state and federal laws and regulations.

#### **Section 4.02 Notice**

On or after the 15th day but before the fifth day before the date of the first election held in which the Residents are entitled to vote as set out in Section 4.01, the City at its own expense, shall publish a quarter-page advertisement in a newspaper of general circulation in the City and District per Subsection 43.0751(d) of the Act notifying the Residents of the District that they are eligible to vote in the election and stating the location of all polling places for the voters of the District. The District, at its own expense, may provide for similar notice in a newspaper of general circulation in the District or otherwise.

### **Section 4.03 Designation of District Precincts and Preparation of District Ballots**

The City shall include the District in a single-member City Council district and establish an election precinct or election precincts covering the District for the purpose of the District's limited participation in City elections. The City Secretary shall prepare the official ballot which the qualified Resident voters of the District are entitled to vote pursuant to this Agreement and the laws of the State of Texas.

## **ARTICLE V**

### **SALES AND USE TAX AGREEMENT**

#### **Section 5.01 Imposition of the City's Sales and Use Tax**

Pursuant to subsection (k) of the Act, the City shall impose a Sales and Use Tax within the boundaries of the District upon the limited-purpose annexation of the District. The Sales and Use Tax shall be imposed at the rate of one percent on the receipts from the sale and use at retail of taxable items, in accordance with Tax Code Chapter 321. The Sales and Use Tax shall take effect on the date described in Tax Code §321.102.

#### **Section 5.02 Payment of Sales and Use Tax to the District**

The City shall pay to the District an amount equal to 25% of the Sales and Use Tax revenues that are reported on the monthly sales tax report provided by the Comptroller and received by the City from the Comptroller after the date of the limited-purpose annexation of the Tract. The City shall deliver the District's portion of the Sales and Use Tax revenues to the District within 30 days of the City's receipt of the sales report from the Comptroller. Government Code Chapter 2251 shall govern and provide the penalty if the City fails to deliver the District's portion in a timely manner. For the purposes of determining the applicable overdue date under Chapter 2251, the City is deemed to have received an invoice from the District on the date the City receives the sales tax report from the Comptroller without further action from the District.

The City agrees to make reasonable efforts to obtain amended and supplemental reports from the Comptroller to reflect, to the greatest extent practicable, all Sales and Use Tax revenues generated within the boundaries of the Tract. Revenues resulting from such amended and supplemental reports will be divided and paid as provided above.

The City shall deliver to the District a condensed version of each monthly sales tax report provided by the Comptroller, containing only the contents of the sales tax report relating to retail sales and retailers in the Tract within 30 days of the City's receipt of the sales tax report.

**Section 5.03 Notification of Comptroller**

The City shall send notice of this Agreement and the limited-purpose annexation of the Tract to the Comptroller within three days of the Implementation Date in the manner provided by Tax Code 321.102. The City shall send to the District a copy of any notice from the Comptroller delaying the effectiveness of the Sales and Use Tax in the Tract.

**Section 5.04 District Use of Sales and Use Tax Revenue**

The District shall use the Sales and Use Tax revenue provided in Section 5.02 only for purposes for which the District is lawfully authorized to use its ad valorem tax revenues or other revenues.

**Section 5.05 District Audit Rights**

The District may audit the Sales and Use Tax collections by the City solely to determine whether the Sales and Use Tax revenue payments provided by Section 5.02 have been made to the District in accordance with this Agreement. Any audit shall be made at the District's sole cost and expense and may be performed at any time during the City's regular business hours by an auditor hired by the District on 30 days written notice to the City. For the purpose of any audits, the City shall maintain and make available to the District or its representatives all books, records, documents and other evidence of accounting procedures or practices in whatever form sufficiently maintained to reflect the collection of all Sales and Use Tax revenues that are subject to this Agreement.

**Section 5.06 City Audit Rights**

The District is required by law to prepare an annual audit within 120 days after the close of the District's fiscal year. The District shall provide a copy of its annual audit to the City within 30 days after the audit is completed.

The City may audit the District's expenditures made with the Sales and Use Tax revenue paid under Section 5.02, solely to determine whether the expenditures have been made by the District in accordance with Section 5.04. Any audit shall be made at the City's sole cost and expense and may be performed at any time during regular business hours by the City's internal auditors or an independent auditing firm on 30 days written notice to the District. For the purpose of any audits, the District shall maintain and make available to the City or its representatives all books, records, documents and other evidence of accounting procedures or practices in whatever form maintained sufficient to reflect the expenditure of all Sales and Use Tax revenues that are subject to this Agreement.

**ARTICLE VI**

**SERVICES PROVIDED BY THE DISTRICT**

### **Section 6.01 Water, Sewer, and Drainage Services**

The District shall continue to develop, to own, and to operate and maintain a water, wastewater, and drainage system in the District. Further, as consideration of the receipt of funds from the City as described in the Agreement, the District shall take one or a combination of the following actions for the benefit of the District, the Developer, its Landowners and Residents:

1. Accelerate the development of the water, wastewater and drainage system in the District (including the Tract) as necessary to encourage private investment in new construction in the District;
2. Accelerate reimbursements to developers for eligible infrastructure development to encourage such development;
3. Lower the overall property tax rate of the Landowners to encourage additional investment and development within the District;
4. Perform other District functions that might otherwise be diminished, curtailed, abbreviated or delayed by financial limitations.

The District agrees to operate and maintain its water, wastewater, and drainage facilities at the same level as the District has operated and maintained them before the Implementation Date. The City may periodically inspect the District's water, wastewater, and drainage facilities.

## **ARTICLE VII**

### **SERVICES PROVIDED BY THE CITY**

#### **Section 7.01 Municipal services, generally**

As consideration for the services provided for in Article VI and for the District's waiver of the District's annexation rights and privileges provided in Local Government Code Chapter 43, the City shall provide fire suppression, police and emergency medical services, and other services as the Director and the District may agree pursuant hereto. During the period of limited-purpose annexation, the City shall provide such services at the same level as those services are provided at the corresponding time within other parts of the City with topography, land use, and population density similar to that of the District.

#### **Section 7.02 City Fire/EMS services**

The District will formulate, with the assistance and advice of the City, and in conjunction with the Harris County Municipal Utility District No. 361 and Harris County Municipal Utility District No. 344, a "fire plan," as such term is used in Water Code §49.351, consistent with the terms of this section. The City shall provide all required fire and emergency medical services ("EMS") within the District. Such services will be provided at the level determined pursuant to Section 7.01, above. The District will use its reasonable efforts to secure the required

authorization for the fire plan and to provide therein for compensation to the City for fire/EMS protection services to the District. Payment to the City with regard to services provided under this section shall be described in the fire plan, and shall be based upon the actual costs to the City, including reasonable overhead, in providing such services, subject to the terms of Section 7.04, below.

The City recognizes and acknowledges that the District is within the boundaries of Harris County Emergency Services District No. 2 and Harris County Emergency Services District No. 60 (the "Emergency Services Districts"), created and operating pursuant to Chapter 775 of the Texas Health and Safety Code. Further, the City recognizes and acknowledges that the Emergency Services Districts currently levy an ad valorem tax upon all taxable property within the District. As consideration for the District entering into this Agreement, the City agrees as follows:

1. The City shall request that each of the Emergency Services Districts disannex the territory in the District and cease to provide services to Residents of the District and shall immediately thereafter commence providing emergency medical services as set forth in Section 7.01 above. Said request by the City shall be given upon the first to occur of the following: (a) the time of institution of the Fee, as defined below, or (b) the commencement of operations by the City at the fire station described above.

2. The City shall cooperate with and assist the District and the Developer with respect to exclusion of the District from the Emergency Services Districts in order to minimize or eliminate any continuing liability of the District, the Developer, or Residents and Landowners within the District for taxes and/or indebtedness of the Emergency Services Districts following said exclusion.

It is specifically understood and agreed, notwithstanding any provision in this Agreement to the contrary, that the City shall be under no duty to commence fire suppression and emergency medical services until the exclusion of the District from the boundaries of the Emergency Services Districts, as applicable.

### **Section 7.03 Other City services**

Upon request by the District, the City shall provide street lighting to the District following receipt of written assurance from the District in a form acceptable to the City's Director of Public Works and Engineering or his designee of the District's ability to reimburse the City for its expenses in connection therewith. The Parties may also cooperate to provide solid waste collection within the District upon mutual agreement of the District and the Director of Solid Waste or his designee.

### **Section 7.04 Costs and assessments**

The City shall determine its actual costs of providing municipal services described in this Article using generally accepted municipal accounting procedures, and shall provide such cost to the District annually, at least 60 days prior to the beginning of the District's fiscal year. The costs of each City service shall be separately accounted for and, to the extent the City receives

fees or other revenues in connection therewith (e.g., user, inspection or permit fees), such revenues shall be described and used to offset the City's costs. In determining the cost of providing fire/EMS services pursuant to Section 7.02, above, the costs shall be spread over the entire area anticipated to be served by the fire/EMS facilities serving the District.

In accordance with the Act, the District shall impose a fee on residential property within the District to be used to pay the City as provided herein. The fee shall be equal to the costs of providing municipal services within the District as computed above, divided by the number of residential properties within the District. Fees with respect to multi-family properties, if any, shall be allocated based upon the number of dwelling units within each property. The District will convert the fee derived under this section into a monthly fee, payable by the owners of residential property within the District (the "Fee"), enforceable to the extent allowed by law in the same manner as other District fees and expenses. Notwithstanding the above, the Fee with respect to fire/EMS services shall not exceed \$15.00 per residence per month without the written consent of the District and the Director.

Each calendar quarter, the District shall pay the Fee collected pursuant to this Section, net of reasonable collection costs, to the City in lieu of full purpose annexation.

## **ARTICLE VIII**

### **FULL-PURPOSE ANNEXATION**

#### **Section 8.01 Full-purpose annexation**

The City agrees that, it will not annex or attempt to annex the District for full purposes until the following conditions have been met:

1. All of the water supply and distribution, wastewater collection and treatment, and drainage facilities of the District, Harris County Municipal Utility District No. 344, and Harris County Municipal Utility District No. 361 (collectively the "Districts" have been developed; and

2. The developer developing water supply and distribution, wastewater collection and treatment, and drainage facilities, has been reimbursed by each of the Districts to the maximum extent permitted by the rules of the TCEQ or the City assumes the full obligation for such reimbursement of each of the Districts under such rules.

If the City wishes to complete remaining District facilities to comply with Item 1, above, the District will cooperate with the City to provide access to the District's facilities and allow such connection or supplement thereto as may be reasonably necessary upon written notice of its intent to so complete from the City to the District; provided that any such construction by or on behalf of the City shall be performed consistent with the District's then-current land plan and shall provide water supply and distribution, wastewater collection and treatment, and drainage facilities to the entire District.

When the conditions of this section have been met, the City may, at its option, annex the District for full purposes 120 days after notifying the District of its intention to do so. Full-purpose annexation shall not be effective until the City Council has passed an ordinance declaring that the District is annexed for full purposes as provided by this Agreement. In no event shall the date that the City may exercise its option to annex the District for full-purpose annexation be more than 30 years from the Implementation Date.

**Section 8.02 Payments In Lieu of Full-Purpose Annexation**

As additional consideration, the District agrees to pay to the City an annual fee, in addition to the other consideration provided in this Agreement, for the provision of municipal services provided in this Agreement in lieu of full-purpose annexation. The annual fee shall be \$100. The annual fee shall be due on each anniversary of the Implementation Date. The City and the District hereby waive their respective right to request a cost-of-services study for the purpose of determining the annual fee provided in this section. The City waives its right to terminate this Agreement for failure by the District to make an annual fee payment stated in this section. Both the City and the District waive their right to request a renegotiation of the methodology for calculating the fee under this section.

**Section 8.03 Annexation Procedures**

Because the District, as of the Effective Date, is an area that is the subject of a strategic partnership agreement, the City is not required to include the District in its Annexation Plan. At the time that the City undertakes to annex the District for full purposes in accordance with this Agreement, the City shall follow the procedures and provide the level of services described in Local Government Code Chapter 43, Subchapter C-1. During the year before the date of full-purpose annexation, the City and the District shall develop an annexation transition plan so as to facilitate the orderly transition of municipal services, including water, wastewater, and drainage services.

**ARTICLE IX**

**MATERIAL BREACH, NOTICE AND REMEDIES**

**Section 9.01 Material Breach of Agreement**

A. It is the intention of the Parties to this Agreement that the District be regulated and annexed in accordance with the terms of this Agreement. A material breach of this Agreement by the District includes any one or more of the following:

1. Failure of the District to act in good faith in the annexation of territory within the District by the City for limited or full purpose as authorized by this Agreement; or

2. Failure of the District to develop and to operate and maintain the District's water, sewer, and drainage facilities as provided in Article VI.
- B. A material breach of this Agreement by the City includes any one or more of the following:
1. Failure of the City to provide the municipal services as provided in Article VII; or to give notice under Section 7.02 of this Agreement for the exclusion of the territory in the District from the boundaries of the Emergency Services Districts.
  2. Any attempt by the City to annex the District for full-purposes in contravention of the schedule set forth in Article VIII.
- C. A material breach of this Agreement by the Developer includes a failure of the Developer to convey the fire station site described in Section 7.02, above.

If a Party to this Agreement believes that another Party has, by act or omission, committed a material breach of this Agreement, the provisions of this Article shall govern the remedies for breach of this Agreement.

#### **Section 9.02 Notice of District's Default**

A. The City shall notify the District in writing of an alleged failure by the District to comply with a provision of this Agreement, describing the alleged failure with reasonable particularity. The District shall, within 30 days after receipt of such notice or such longer period of time as the City may specify in such notice, either cure such alleged failure or, in a written response to the City, either present facts and arguments in refutation or excuse of such alleged failure or state that such alleged failure will be cured and set forth the method and time schedule for accomplishing such cure.

B. The City shall determine (i) whether a failure to comply with a provision has occurred; (ii) whether such failure is excusable; and (iii) whether such failure has been cured or will be cured by the District. The District shall make available to the City, if requested, any records, documents or other information necessary to make the determination.

C. If the City determines that such failure has not occurred, or that such failure either has been or will be cured in a manner and in accordance with a schedule reasonably satisfactory to the City, or that such failure is excusable, such determination shall conclude the investigation.

D. If the City determines that a failure to comply with a provision has occurred and that such failure is not excusable and has not been or will not be cured by the District in a manner and in accordance with a schedule reasonably satisfactory to the District, then the City may exercise the applicable remedy under Section 9.04(A).

#### **Section 9.03 Notice of City's Default**

A. The District shall notify the Director in writing specifying any alleged failure by the City to comply with a provision of this Agreement, describing the alleged failure with reasonable particularity. The City shall, within 30 days after receipt of such notice or such longer period of time as the District may specify in such notice, either cure such alleged failure or, in a written response to the District, either present facts and arguments in refutation or excuse of such alleged failure or state that such alleged failure will be cured and set forth the method and time schedule for accomplishing such cure.

B. The District shall determine (i) whether a failure to comply with a provision has occurred; (ii) whether such failure is excusable; and (iii) whether such failure has been cured or will be cured by the City. The City shall make available to the District, if requested, any records, documents or other information necessary to make the determination.

C. If the District determines that such failure has not occurred, or that such failure either has been or will be cured in a manner and in accordance with a schedule reasonably satisfactory to the District, or that such failure is excusable, such determination shall conclude the investigation.

D. If the District determines that a failure to comply with a provision has occurred and that such failure is not excusable and has not been or will not be cured by the City in a manner and in accordance with a schedule reasonably satisfactory to the District, then the District may exercise the applicable remedy under Section 9.04(B).

#### **Section 9.04 Remedies**

A. If the City determines that the District has committed a material breach of this Agreement, the City may file suit in a court of competent jurisdiction in Harris County, Texas, and seek any relief available at law or in equity, including, but not limited to, an action under the Uniform Declaratory Judgment Act and termination of this Agreement as to the District in addition to the monetary awards as may be appropriate.

B. If the District determines that the City has committed a material breach of this Agreement, the District may file suit in a court of competent jurisdiction in Harris County, Texas, and seek any relief available at law or in equity, including, but not limited to, an action under the Uniform Declaratory Judgment Act in addition to the monetary awards as may be appropriate.

C. In the event the City determines that the Developer has failed to honor its obligation under the second paragraph of Section 7.02, the City may seek damages for the value of the fire station site or seek specific performance.

### **ARTICLE X**

#### **BINDING AGREEMENT, TERM, AND AMENDMENT**

##### **Section 10.01 Beneficiaries**

This Agreement shall bind and inure to the benefit of the Parties, their successors and assigns, and, only as provided in Article VIII, the Landowners and Residents. In the event of a material breach of Article VIII by the City, the Landowners and Residents shall have the same rights as the District and shall follow the same procedures as the District as set out in Article IX. This Agreement shall be recorded with the County Clerk in Official Records of Harris County, Texas and shall bind each owner and each future owner of land included within the District's boundaries in accordance with Subsection (c) of the Act.

#### **Section 10.02 Term**

This Agreement shall commence and bind the Parties on the Effective Date and continue until the earlier of full-purpose annexation or 30 years from the Effective Date. Any rights or privileges of the Landowners and Residents under this Agreement will terminate on the later of the date of full-purpose annexation or 30 years from the Effective Date.

#### **Section 10.03 Amendment**

The Parties by mutual consent may amend the terms and conditions of this Agreement at any time.

### **ARTICLE XI**

#### **MISCELLANEOUS PROVISIONS**

#### **Section 11.01 Notice**

Any formal notices or other communications ("Notice") required to be given by one Party to another by this Agreement shall be given in writing addressed to the Party to be notified at the address set forth below for such Party, (i) by delivering the same in person (ii) by depositing the same in the United States Mail, certified or registered, return receipt requested, postage prepaid, addressed to the Party to be notified, (iii) by depositing the same with Federal Express or another nationally recognized courier service guaranteeing "next day delivery," addressed to the Party to be notified, or (iv) by sending the same by telefax with confirming copy sent by mail. Notice deposited in the United States mail in the manner herein above described shall be deemed effective from and after the date of such deposit. Notice given in any other manner shall be effective only if and when received by the Party to be notified. For the purposes of notice, the addresses of the Parties, until changed as provided below, shall be as follows:

All Notices required or permitted hereunder shall be in writing and shall be served on the Parties at the following address:

City:           City of Houston  
                  P.O. Box 1562  
                  Houston, Texas 77002  
Attn:   Director, Department of Planning and Development

or his or her designee

District: Harris County Municipal Utility District No. 342  
c/o Schwartz, Page & Harding LLP  
1300 Post Oak Blvd., Suite 1400  
Houston, Texas 77056  
Attn: Martha Bersch

The Parties shall have the right from time to time to change their respective addresses, and each shall have the right to specify as its address any other address within the United States of America by giving at least five days written notice to the other Parties. If any date or any period provided in this Agreement ends on a Saturday, Sunday, or legal holiday, the applicable period for calculating the notice shall be extended to the first business day following such Saturday, Sunday or legal holiday.

#### **Section 11.02 Time**

Time is of the essence in all things pertaining to the performance of this Agreement.

#### **Section 11.03 Severability**

If any part of this Agreement is found to be unenforceable, all other parts remain enforceable unless the result materially prejudices either party.

#### **Section 11.04 Waiver**

Any failure by a Party hereto to insist upon strict performance by the other Party of any material provision of this Agreement shall not be deemed a waiver thereof or of any other provision hereof, and such Party shall have the right at any time thereafter to insist upon strict performance of any and all of the provisions of this Agreement.

#### **Section 11.05 Applicable Law and Venue**

The construction and validity of this Agreement shall be governed by the laws of the State of Texas without regard to conflicts of law principles. Venue shall be in Harris County, Texas.

#### **Section 11.06 Reservation of Rights**

To the extent not inconsistent with this Agreement, each Party reserves all rights, privileges, and immunities under applicable laws.

#### **Section 11.07 Further Documents**

The Parties agree that at any time after execution of this Agreement, they will, upon request of another Party, execute and deliver such further documents and do such further acts and

things as the other Party may reasonably request in order to effectuate the terms of this Agreement.

**Section 11.08 Incorporation of Exhibits and Other Documents by Reference**

All Exhibits and other documents attached to or referred to in this Agreement are incorporated herein by reference for the purposes set forth in this Agreement.

**Section 11.09 Effect of State and Federal Laws**

Notwithstanding any other provision of this Agreement, the District shall comply with all applicable statutes or regulations of the United States and the State of Texas, as well as any City Ordinances or rules implementing such statutes or regulations.

**Section 11.10 Authority for Execution**

The City hereby certifies, represents, and warrants that the execution of this Agreement is duly authorized and adopted in conformity with the City Charter and City Ordinances. The District hereby certifies, represents, and warrants that the execution of this Agreement is duly authorized and adopted by the Board.

**Section 11.11 Semi-Annual Review**

At least semi-annually, the District shall review and confirm, and will notify the Planning and Development Department in a form prescribed by the Department, of the accuracy of the list of resale permit holders as provided by the State Comptroller's Office.

SIGNATURE PAGES FOLLOW

**SIGNATURE PAGE**

IN WITNESS WHEREOF, the parties have executed this Agreement in multiple copies, each of which shall be an original, as of the date countersigned by the City Controller of the City of Houston.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 342**

By: [Signature]  
President, Board of Directors

ATTEST:  
By: [Signature]  
Assistant Secretary, Board of Directors

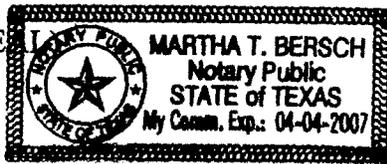
Tax ID No. 76-0264733

STATE OF TEXAS :  
:  
COUNTY OF HARRIS :

This instrument was acknowledged before me this 19<sup>th</sup> day of May, 2006, by Sydney Bailey, Jr., as President, and Victor Shinten, as Assistant Secretary, of Harris County Municipal Utility District No. 342, a political subdivision of the State of Texas, on behalf of said political subdivision.

[Signature]  
Notary Public in and for the State of Texas

(NOTARY SE



CITY OF HOUSTON, TEXAS

By: \_\_\_\_\_  
Mayor

ATTEST:

By: \_\_\_\_\_  
City Secretary

APPROVED:

By: Marlene R. Gajick  
Director, Department of Planning and Development

APPROVED AS TO FORM:

00 By: Sybil Kaye Mahade  
Assistant City Attorney  
L.D. File No. 061 05002 02001

COUNTERSIGNED:

By: \_\_\_\_\_  
City Controller

DATE COUNTERSIGNED: \_\_\_\_\_

Exhibit A

**METES AND BOUNDS DESCRIPTION OF TRACT**

## EXHIBIT "A"

### Harris County Municipal Utility District No. 342 Limited Purpose Annexation Metes and Bounds

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BEGINNING at the intersection of a northwesterly city limits line of the City of Houston as described in Ordinance 2001-1145, passed December 12, 2001 and the northeasterly right of way line of the East Sam Houston Parkway, also called Beltway 8;

THENCE in a northwesterly direction along that northeasterly right of way line to its intersection with a southeasterly boundary line of Harris County Municipal Utility District 342;

THENCE in a southwesterly direction along that southeasterly boundary line to its intersection with a southwesterly boundary line of that District;

THENCE in a northwesterly direction along the curve of that southwesterly boundary line of that District to its intersection with a southeasterly right of way line of the Union Pacific Railroad;

THENCE in a northeasterly direction along that southeasterly right of way line to its intersection with a northerly boundary line of Harris County Municipal Utility District 342;

THENCE in an easterly direction along that northerly boundary line to its intersection with the westerly boundary of a 152.3576 acre, more or less, City of Houston tract;

THENCE in a northerly direction along that westerly boundary line to a northwesterly boundary line of that tract;

THENCE in a northeasterly direction along that northwesterly boundary line to its intersection with a northeasterly boundary line of that tract;

THENCE in a southeasterly direction along that northeasterly boundary line to its intersection with a northwesterly boundary line of that tract;

THENCE in a northeasterly direction along that northwesterly boundary line to its intersection with an easterly boundary line of that tract;

THENCE in a southerly direction along that easterly boundary line to its intersection with a northerly boundary line of Harris County Municipal Utility District 342;

THENCE in an easterly direction along that northerly boundary line to its intersection with an easterly boundary line of that District;

THENCE in a southerly direction along that easterly boundary line to its intersection with a northeasterly boundary line of that District;

THENCE in a southeasterly direction along that northeasterly boundary line to its intersection with a southeasterly boundary line of that District;

THENCE in a northwesterly direction along that southeasterly boundary line of that district to its intersection with a southeasterly boundary line of that District;

THENCE in a generally southwesterly direction along the curves of that southeasterly boundary line to its intersection with a southwesterly boundary line of that District, such line also being the northeasterly right of way line of the East Sam Houston Parkway North, THE POINT OF BEGINNING.