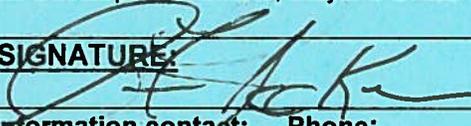


REQUEST FOR COUNCIL ACTION

TO: Mayor via City Secretary		RCA #	
SUBJECT: An ordinance approving an economic development agreement for the Reserve at Clear Lake between the City, Trendmaker Clear Lake LLC and Clear Dorado Land Associates L.P. pursuant to Chapter 380 of the Texas Local Government Code		Category #	Page 1 of 2
FROM: (Department or other point of origin): Andy Icken, Chief Development Officer, Mayor's Office		Origination Date	Agenda Date
DIRECTOR'S SIGNATURE: 		Council Districts affected: Council District E - Martin	
For additional information contact: Phone: Gwendolyn F. Tillotson Phone: 832-393-0937		Date and identification of prior authorizing Council Action:	

RECOMMENDATION: (Summary)
That the City Council approve an ordinance approving an economic development agreement for the Reserve at Clear Lake ("Agreement") between the City, Trendmaker Clear Lake LLC ("Trendmaker") and Clear Dorado Land Associates L.P. ("Clear Dorado") pursuant to Chapter 380 of the Texas Local Government Code

Amount of Funding:

SOURCE OF FUNDING: General Fund Grant Fund Enterprise Fund N/A

SPECIFIC EXPLANATION:

In 1989, the State legislature enacted Chapter 380 of the Local Government Code ("Chapter 380") to create a mechanism that allows municipalities to grant or loan public funds for economic development purposes by creating one or more programs to promote economic development and stimulate business and commercial development. Subsequently, by Ordinance No. 99-674, the City established the City of Houston Chapter 380 loan/grant program. The Administration now proposes to enter into the Agreement with Trendmaker and Clear Dorado for The Reserve at Clear Lake, a commercial and residential development on a site consisting of approximately 412 acres located in the general vicinity of El Dorado Blvd and Clear Lake City Blvd (the "Development Site"). The Development Site is a reclaimed restricted site and the developer, Fidelis Realty Partner secured a restriction waiver from the previous property owner, ExxonMobil, and secured state sanction from the Texas Railroad Commission for the property, enabling the Development Site to be utilized for residential development.

The Reserve at Clear Lake Residential Development

Trendmaker owns 372 acres of the Development Site (the "Trendmaker Property") and plans to invest approximately \$77 million to build more than 741 single family residential units in multiple phases over a three year period (the "Residential Development"). The Residential Development will add \$265 million in ad valorem tax value to the Trendmaker Property. To support the Residential Development, Trendmaker intends to construct roadway improvements and the related utilities critical to enhancing the economic and mobility conditions of the area. The planned public improvements include (1) the extension of El Dorado Blvd. from Clear Lake City Blvd. to the northern boundary of the development, (2) intersection improvements at El Dorado Blvd. and Clear Lake City Blvd., (3) a western collector road to Space City Blvd., and (4) sidewalk improvements and landscaping. The proposed roadway improvements will be constructed to meet the requirements of the City's Major Thoroughfare Plan, as applicable, and to meet all design and construction requirements established by the Department of Public Works and Engineering

The Reserve at Clear Lake Commercial Development

Clear Dorado owns 40 acres of the Development Site (the "Clear Dorado Property") and plans to invest approximately \$31 million to construct approximately 250,000 square feet of commercial development as a single phase project (the "Commercial Development"). The Commercial Development will add approximately \$35 million in ad valorem tax value and generate an estimated \$121,000,000 in annual sales volume for the Clear Dorado Property. Clear Dorado intends to relocate an existing detention facility to increase the usable land in the commercial realm. The planned public improvements include (1) the clearing and relocation of the detention infrastructure and related appurtenances, (2) the extension of Clear Lake City Blvd., and (3) intersection improvements at Clear Lake City Blvd. and Space Center Blvd. and related traffic signal improvements. All improvements will be constructed to meet all design and construction requirements established by the Department of Public Works and Engineering and other governmental agencies as applicable.

REQUIRED AUTHORIZATION

Other Authorization:	Other Authorization:	Other Authorization:
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Controller's Office

To the Honorable Mayor and City Council of the City of Houston:

I hereby certify, with respect to the money required for the contract, agreement, obligation, or expenditure contemplated by the ordinance set out below that:

- () Funds have been encumbered out of funds previously appropriated for such purpose.
- () Funds have been certified and designated to be appropriated by separate ordinance to be approved prior to the approval of the ordinance set out below.
- () Funds will be available out of current or general revenue prior to the maturity of any such obligation.
- () No pecuniary obligation is to be incurred as a result of approving the ordinance set out below.
- () The money required for the expenditure or expenditures specified below is in the treasury, in the fund or funds specified below, and is not appropriated for any other purposes.
- () A certificate with respect to the money required for the expenditure or expenditures specified below is attached hereto and incorporated herein by this reference.
- () Other.

Ronald C. Davis
City Controller of the City of Houston *Ch.B.M.*

Date: 5-12, 2014.

HLK mg DE

~~N/A - 3000~~
FUND REF: _____ AMOUNT: 00 ENCUMB. NO.: RF5051-14

City of Houston, Texas, Ordinance No. 2014 - 528

AN ORDINANCE APPROVING AND AUTHORIZING AN ECONOMIC DEVELOPMENT AGREEMENT BETWEEN THE CITY OF HOUSTON, TEXAS, TRENDMAKER CLEAR LAKE LLC, AND CLEAR DORADO LAND ASSOCIATES, L.P. FOR THE CONSTRUCTION OF CERTAIN PUBLIC WORKS AND IMPROVEMENTS; MAKING FINDINGS AND CONTAINING OTHER PROVISIONS RELATING TO THE FOREGOING SUBJECT; AND DECLARING AN EMERGENCY.

* * * * *

WHEREAS, Trendmaker Clear Lake LLC ("Trendmaker") owns or controls certain tracts of land totaling approximately 372 acres, on which Trendmaker intends to

construct, or cause to be constructed, improvements, including 741 single family residential housing units ("Residential Development"); and

WHEREAS, Clear Dorado Land Associates, L.P. ("Clear Dorado") owns certain tracts of land totaling approximately 40 acres, on which Clear Dorado intends to construct improvements, including approximately 250,000 square feet of commercial space that will be comprised of a grocery store and other retail space ("Commercial Development"), creating approximately 500 direct jobs; and

WHEREAS, the Residential Development and the Commercial Development together comprise the "Project"; and

WHEREAS, to serve the Project, Trendmaker intends to construct or cause to be constructed certain public improvements, including road and street improvements and traffic and mobility improvements, and Clear Dorado intends to construct or cause to be constructed certain public improvements, including road and street improvements, traffic and mobility improvements and detention and drainage improvements (collectively, the "Public Improvements"); and

WHEREAS, Trendmaker and Clear Dorado intend to develop the Public Improvements in accordance with the terms and conditions of an economic development agreement with the City (the "Economic Development Agreement"); and

WHEREAS, the City has the authority to contract with Trendmaker and Clear Dorado for the development of the Public Improvements; and

WHEREAS, the City recognizes that the Public Improvements will encourage the development of undeveloped or underdeveloped land in the City; and

WHEREAS, the City recognizes the positive economic impact that the Public Improvements will bring to the City by enabling the timely development of real property and diversification of the economy, elimination of unemployment and underemployment through the creation and retention of new jobs, the attraction of new businesses, and the retention and growth of the ad valorem tax revenues and sales and use tax revenues generated by the Project for the City; and

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 use public funds for the public purposes of promoting local economic development and stimulating business and commercial activity within the City ("Chapter 380 Program"); and

WHEREAS, in consideration of the design, timely construction, and development of the Project, which will bring additional ad valorem tax revenues and sales and use tax revenues to the City and additional jobs resulting from the construction of the Project, and pursuant to Chapter 380 and other laws applicable to the development of the Public Improvements, the City desires to enter into the Economic Development Agreement as an economic incentive for Trendmaker and Clear Dorado to construct the Public Improvements; and

WHEREAS, the Chapter 380 Program includes "Criteria for Chapter 380 Assistance" attached as Exhibit "A" to Ordinance No. 99-674; and

WHEREAS, Section 2 of Ordinance No. 99-674 provides that the Director of the City's Planning and Development Department or the Director's designee shall administer the Chapter 380 Program ("Program Administrator"); and

WHEREAS, the Director of the Planning and Development Department has designated the Deputy Director of the Mayor's Office of Economic Development/TIRZ as Program Administrator; and

WHEREAS, the Program Administrator has reviewed Trendmaker's and Clear Dorado's application for assistance initiating the required consideration for economic assistance and determined that Trendmaker and Clear Dorado have satisfied the qualifications for assistance; and

WHEREAS, consistent with Article III, Section 52-a of the Texas Constitution, Chapter 380, and other law, the City agrees to enter into the Economic Development Agreement with Trendmaker and Clear Dorado 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 has concluded and hereby finds that the construction of the Public Improvements pursuant to the Economic Development Agreement promotes economic development in the City and, as such, meets the requirements under Chapter 380 and the City's Chapter 380 Program, and, further, is in the best interests of the City, Trendmaker and Clear Dorado; and

WHEREAS, to ensure that the benefits the City provides under the Economic Development Agreement are utilized in a manner consistent with Chapter 380 and other law, Trendmaker and Clear Dorado have agreed to comply with certain conditions for receiving those benefits, including performance conditions relating to the construction of the Project; and

WHEREAS, the Program Administrator has determined, and the City Council finds, that the Economic Development Agreement generally meets the criteria for Chapter 380 assistance guidelines set forth in Ordinance No. 99-674; and

WHEREAS, the City Council hereby waives any requirements in Ordinance No. 99-674 with which Trendmaker and Clear Dorado or the City have not complied; **NOW, THEREFORE,**

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

Section 1. Findings. That the facts and recitals contained in the preamble of this Ordinance are hereby found and declared to be true and correct and are hereby adopted as part of this Ordinance.

Section 2. Economic Development Agreement. That the City Council hereby approves and authorizes the Economic Development Agreement described in the title of this Ordinance, in substantially the form shown in the document attached hereto as Exhibit "A" (the "Economic Development Agreement") and incorporated herein by this reference. The Mayor is hereby authorized to execute the Economic Development Agreement 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. City Attorney Authorization. That the City Attorney is hereby authorized to take all action necessary to enforce all legal obligations under such contracts, agreements, or other undertakings approved by this Ordinance without further authorization from Council.

Section 4. Emergency. That 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 28th day of May, 2014.

APPROVED this _____ day of _____, 2014.

Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is JUN 03 2014



City Secretary

(Prepared by Legal Department Mary Bouzale GWD)
(MFB:mfb May 6, 2014) Assistant City Attorney
(Requested by Andrew F. Icken, Chief Development Officer)
(L. D. File No. 0421300057001)

G:\LAND\CHAPTER 380\380 FIDELIS\ORD 4-30-14.DOC

AYE	NO	
✓		MAYOR PARKER
....	COUNCIL MEMBERS
✓		STARDIG
✓		DAVIS
✓		COHEN
✓		BOYKINS
✓		MARTIN
✓		NGUYEN
✓		PENNINGTON
✓		GONZALEZ
✓		GALLEGOS
✓		LASTER
✓		GREEN
✓		COSTELLO
✓		ROBINSON
✓		KUBOSH
✓		BRADFORD
✓		CHRISTIE
CAPTION	ADOPTED	

EXHIBIT A
ECONOMIC DEVELOPMENT AGREEMENT

ECONOMIC DEVELOPMENT AGREEMENT

This Economic Development Agreement ("Agreement") is made and entered into by and between the **CITY OF HOUSTON, TEXAS**, a Texas home-rule municipal corporation ("City"), **TRENDMAKER CLEAR LAKE LLC**, a Texas limited liability company ("Trendmaker"), and **CLEAR DORADO LAND ASSOCIATES, L.P.**, a Texas limited partnership ("Clear Dorado"), effective as of the date the City Controller countersigns this Agreement ("Effective Date").

RECITALS

WHEREAS, Trendmaker owns or controls certain tracts of land totaling approximately 372 acres as more particularly described in **Exhibit A-1** attached hereto ("Trendmaker Property"), on which Trendmaker intends to construct, or cause to be constructed, improvements, including 741 single family residential housing units ("Residential Development"); and

WHEREAS, Clear Dorado owns certain tracts of land totaling approximately 40 acres as more particularly described in **Exhibit A-2** attached hereto ("Clear Dorado Property"), on which Clear Dorado intends to construct improvements, including approximately 250,000 square feet of commercial space that will be comprised of a grocery store and other retail space ("Commercial Development"), creating approximately 500 direct jobs; and

WHEREAS, the Residential Development and the Commercial Development together comprise the "Project"; and

WHEREAS, certain public improvements may be developed to serve the Project, including road and street improvements and traffic and mobility improvements to be constructed or caused to be constructed by Trendmaker as more particularly described in **Exhibit B-1** attached hereto ("Trendmaker Public Improvements") and road and street improvements, traffic and mobility improvements and detention and drainage improvements to be constructed or caused to be constructed by Clear Dorado as more particularly described in **Exhibit B-2** attached hereto ("Clear Dorado Public Improvements"); and

WHEREAS, Trendmaker intends to add approximately \$265,000,000.00 in ad valorem tax value to the Trendmaker Property by the Reimbursement Date (as defined in Article I, Section A of this Agreement); and

WHEREAS, Clear Dorado intends to add approximately \$35,000,000.00 in ad valorem tax value to the Clear Dorado Property by the Reimbursement Date (as defined in Article I, Section A of this Agreement); and

WHEREAS, the City recognizes the positive economic impact that the Project will bring to the City through the timely development and diversification of the economy, elimination of unemployment and underemployment through the creation and retention

of new jobs, the attraction of new businesses, and the retention and growth of the ad valorem tax revenues and sales and use tax revenues generated by the Project for the City; and

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") pursuant to which the City has authority to enter into this Agreement, and has authority to use public funds for the public purposes of promoting local economic development and stimulating business and commercial activity within the City; and

WHEREAS, consistent with Article III, Section 52-a of the Texas Constitution, Chapter 380, and other laws, the City agrees to enter into this Agreement with Trendmaker and Clear Dorado 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, in consideration of the design, timely construction, and development of the Project, which will bring additional ad valorem tax revenues and sales and use tax revenues to the City and additional jobs resulting from the construction of the Project, the City desires to enter into this Agreement pursuant to Chapter 380 and other applicable laws as an economic incentive for Trendmaker and Clear Dorado to develop, finance and construct the Project; and

WHEREAS, the City has determined and hereby finds that this Agreement promotes economic development in the City and, as such, meets the requirements of Chapter 380 and the City's established economic development program, and, further, is in the best interests of the City, Trendmaker and Clear Dorado; and

WHEREAS, to ensure that the benefits the City provides under this Agreement are utilized in a manner consistent with Chapter 380 and other laws, Trendmaker and Clear Dorado each have agreed that their receipt of such benefits shall be conditioned upon their satisfaction of certain conditions enumerated herein, including performance conditions relating to the construction of the Project; and

WHEREAS, to induce Trendmaker and Clear Dorado to develop and finance the construction of the Project for the public purposes of developing and diversifying the economy of the state, to create jobs, and to operate the Project in accordance with the performance measures set forth herein, which will generate sales and use tax revenues and increased ad valorem tax revenues for the City, the City agrees to grant to Trendmaker the Trendmaker Reimbursement Amount (as defined in Article I, Section A of this Agreement) and to grant to Clear Dorado the Clear Dorado Reimbursement Amount (as defined below), provided that the combined sum of the Trendmaker Reimbursement Amount and the Clear Dorado Reimbursement Amount shall not exceed the Maximum Reimbursement Amount (as defined in Article I, Section A of this Agreement); and

NOW, THEREFORE, in consideration of the promises and mutual agreements set forth herein, the City, Trendmaker and Clear Dorado agree as follows:

ARTICLE I
GENERAL TERMS; DEFINITIONS

A. Incorporation of Recitals. The Recitals to this Agreement are hereby incorporated for all purposes.

B. Definitions and Terms. The terms "Agreement," "Chapter 380," "City," "Clear Dorado," "Clear Dorado Property," "Clear Dorado Public Improvements," "Commercial Development," "Effective Date," "Project," "Residential Development," "Trendmaker," "Trendmaker Property," and "Trendmaker Public Improvements" shall have the meanings given to such terms in the Recitals, and the following terms have the following meanings:

"City Representative" means the Chief Development Officer of the City, or any successor position.

"Clear Dorado Annual Payment" has the meaning ascribed to it in Article VI, Section G of this Agreement.

"Clear Dorado Annual Payment Request" has the meaning ascribed to it in Article VI, Section G of this Agreement.

"Clear Dorado Base Sales Tax" means the amount of sales and use tax received by the City during calendar year 2014 under Chapter 321, Texas Tax Code, as amended, derived from the Commercial Development.

"Clear Dorado City-Approved Cost Certification" means the Cost Certification provided to the City by Clear Dorado pursuant to Article VI, Section F of this Agreement, as reviewed and approved in writing by the City Representative.

"Clear Dorado Cost Certification" has the meaning ascribed to it in Article VI, Section F of this Agreement.

"Clear Dorado Detention Improvements" means those Clear Dorado Public Improvements that are detention facilities to be conveyed to and maintained by HCFCD.

"Clear Dorado Phase I Public Improvements" means those Clear Dorado Public Improvements designated as Line Item 1 on **Exhibit B-2**.

"Clear Dorado Property Base Property Tax" means the amount of ad valorem taxes levied and collected by the City that are derived from the Clear Dorado Property, based on the total taxable value of the Clear Dorado Property as of January 1, 2014.

"Clear Dorado Property Tax Incremental Increase" means, for each calendar year after the Reimbursement Date, the amount of ad valorem tax revenues collected

by the City derived from the Commercial Development on the Clear Dorado Property above the Clear Dorado Property Base Property Tax.

"Clear Dorado Property Tax Revenues" means an amount equal to seventy-five percent (75%) of the Clear Dorado Property Tax Incremental Increase.

"Clear Dorado Public Improvements" means those certain Public Improvements described in **Exhibit B-2** that are (i) actually constructed or caused to be constructed by Clear Dorado, (ii) conveyed to and accepted by the City or the HCFCD, as applicable, and (iii) otherwise open to the public or available for public use.

"Clear Dorado Public Improvements Cost" means all past and future costs of acquisition, design, engineering, development and construction of the Clear Dorado Public Improvements, including, without limitation (i) the acquisition cost of any land or rights of way on which any part of the Clear Dorado Public Improvements will be constructed; (ii) all costs of design, engineering, planning, materials, labor, construction, testing and inspection and other services arising in connection with the design and construction of the Clear Dorado Public Improvements; (iii) all payments arising under any contracts entered into for the design or construction of the Clear Dorado Public Improvements; and (iv) all costs incurred in connection with obtaining governmental approvals, certificates and permits required in connection with the construction of the Clear Dorado Public Improvements.

"Clear Dorado Reimbursement Amount" means the amount equal to the Clear Dorado Property Tax Revenues and Clear Dorado Sales Tax Revenues necessary to reimburse Clear Dorado for the Clear Dorado Public Improvements Costs (as stated in the Clear Dorado City-Approved Cost Certification) in accordance with this Agreement, not to exceed \$4,257,820.00.

"Clear Dorado Sales Tax Incremental Increase" shall mean, for each calendar year after the Reimbursement Date, the amount of sales and use tax received by the City under Chapter 321, Texas Tax Code, as amended, derived from the Commercial Development above the Clear Dorado Base Sales Tax.

"Clear Dorado Sales Tax Revenues" shall mean 50% of the amount of Clear Dorado Sales Tax Incremental Increase collected by or for the City and remitted to the City by the State Comptroller, pursuant to Chapter 321 of the Texas Tax Code, as amended, during the Term of this Agreement.

"Commercial Development Site Plan" means the site plan depicted in **Exhibit C-2** attached hereto.

"Final Plans and Specifications" means the plans for the Public Improvements that have been approved by all governmental entities with jurisdiction, including the City and, if applicable, the HCFCD.

"Force Majeure" has the meaning ascribed to it in Article VII, Section E of this Agreement.

"HCFCD" means the Harris County Flood Control District.

"Maximum Reimbursement Amount" means an amount payable only from the Trendmaker Property Tax Revenues, the Clear Dorado Property Tax Revenues and the Clear Dorado Sales Tax Revenues that is equal to the lesser of (i) the combined sum of the actual Trendmaker Public Improvements Costs and Clear Dorado Public Improvements Costs, or (ii) \$9,828,400.00, and that may be reduced pursuant to Article VI, Section I of this Agreement.

"Party" or "Parties" means the City, Trendmaker and Clear Dorado, the parties to this Agreement.

"Phase" means any component of the Public Improvements that has been constructed and inspected and accepted by the City or other governmental entity, as applicable, in accordance with the Article IV, Section D of this Agreement.

"Proposed Public Improvement" means a line item listed in **Exhibit B-1** or **Exhibit B-2** that is not constructed during the Term of this Agreement.

"Public Improvements" means the Trendmaker Public Improvements and the Clear Dorado Public Improvements.

"Public Works Director" means the City's Director of the Department of Public Works and Engineering, or his or her designee.

"Reimbursement Date" means the date on which the following two events occur: (i) Clear Dorado has received all final certificates of completion or letters of acceptance from the Public Works Director (or such other equivalent documentation indicating acceptance of the Clear Dorado Detention Improvements on the part of the HCFCD, as applicable) for all Clear Dorado Phase I Public Improvements, and (ii) Trendmaker has received all final certificates of completion or letters of acceptance from the Public Works Director (or such other equivalent documentation indicating acceptance of Trendmaker Improvements on the part of another governmental entity, as applicable) for all Trendmaker Phase I Public Improvements.

"Residential Development Site Plan" means the site plan depicted in **Exhibit C-1** attached hereto.

"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.

"Trendmaker Annual Payment" has the meaning ascribed to it in Article VI, Section C of this Agreement.

"Trendmaker Annual Payment Request" has the meaning ascribed to it in Article VI, Section C of this Agreement.

"Trendmaker City-Approved Cost Certification" means the Cost Certification provided to the City by Trendmaker pursuant to Article V, Section B of this Agreement, as reviewed and approved in writing by the City Representative.

"Trendmaker Cost Certification" has the meaning ascribed to it in Article V, Section B of this Agreement.

"Trendmaker Phase I Public Improvements" means those Trendmaker Public Improvements designated as Line Item 1 on **Exhibit B-1**.

"Trendmaker Property Base Property Tax" means the amount of ad valorem taxes levied and collected by the City that are derived from the Trendmaker Property, based on the total taxable value of the Trendmaker Property as of January 1, 2014.

"Trendmaker Property Incremental Increase" means, for each calendar year after the Reimbursement Date, the amount of ad valorem tax revenues collected by the City derived from the Residential Development on the Trendmaker Property above the Trendmaker Property Base Property Tax.

"Trendmaker Property Tax Revenues" means an amount equal to seventy-five percent (75%) of the Trendmaker Property Incremental Increase.

"Trendmaker Public Improvements" means those certain Public Improvements described in **Exhibit B-1** that are (i) actually constructed or caused to be constructed by Trendmaker, (ii) conveyed to and accepted by the City or other governmental entity, as applicable, and (iii) otherwise open to the public or available for public use.

"Trendmaker Public Improvements Cost" means all past and future costs of acquisition, design, engineering, development and construction of the Trendmaker Public Improvements, including, without limitation (i) the acquisition cost of any land or rights of way on which any part of the Trendmaker Public Improvements will be constructed; (ii) all costs of design, engineering, planning, materials, labor, construction, testing and inspection and other services arising in connection with the design and construction of the Trendmaker Public Improvements; (iii) all payments arising under any contracts entered into for the design or construction of the Trendmaker Public Improvements; and (iv) all costs incurred in connection with obtaining governmental approvals, certificates and permits required in connection with the construction of the Trendmaker Public Improvements.

"Trendmaker Reimbursement Amount" means the amount equal to the Trendmaker Property Tax Revenues necessary to reimburse Trendmaker for the Trendmaker Public Improvements Costs (as stated in the Trendmaker City-Approved Cost Certification) in accordance with this Agreement, not to exceed \$5,570,580.00.

"Term" means the duration of this Agreement, commencing on the Effective Date and continuing until the earlier of: (i) the payment to Trendmaker and Clear Dorado of the Maximum Reimbursement Amount; or (ii) ten (10) years from the Reimbursement Date.

C. 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 THE PROJECT AND THE PUBLIC IMPROVEMENTS

A. The Residential Development. The Residential Development is a 741-unit single family home residential development to be constructed on the Trendmaker Property, as more particularly depicted in the Residential Development Site Plan. Trendmaker may modify the Residential Development Site Plan at any time, provided that Trendmaker certifies to the City that the Residential Development as modified will (i) maintains its character as a residential development, and (ii) meets the commitments set forth in Article IV, Section A hereof. Trendmaker agrees to comply with all City permitting requirements, including, but not limited to, Chapter 9 of the City's Department of Public Works and Engineering Infrastructure Design Manual and building permitting requirements.

B. The Commercial Development. The Commercial Development is an approximately 250,000 square foot commercial development comprising a grocery store and other retail space to be constructed on the Clear Dorado Property, as more particularly depicted in the Commercial Development Site Plan. Clear Dorado may modify the Commercial Development Site Plan at any time, provided that Clear Dorado certifies to the City that the Commercial Development as modified will (i) maintain its character as a commercial development, and (ii) meet the commitments set forth in Article IV, Section B hereof. Clear Dorado agrees to comply with all City permitting requirements, including, but not limited to, Chapter 9 of the City's Department of Public Works and Engineering Infrastructure Design Manual and building permitting requirements.

C. The Trendmaker Public Improvements. The Trendmaker Public Improvements, consisting of the components listed as line items in **EXHIBIT B-1**, will be constructed in two or more Phases, and may be modified by mutual agreement of the Mayor of the City, or his or her designee, and Trendmaker at the time that a modification is proposed, as applicable, to modify, add, or remove Public Improvements if the Mayor determines that the modification, addition, or removal is necessary to achieve the intent of this Agreement and does not result in costs that exceed the Maximum Reimbursement Amount. The Final Plans and Specifications must be approved by the appropriate department of the City, and any modification thereof requires the review and approval of the City's Chief Development Officer. The actual costs of any of the line items listed as Trendmaker Public Improvements may exceed the estimated amounts listed in **EXHIBIT B-1**, but no modifications or changes to the list of Trendmaker Public Improvements or Final Plans and Specifications will entitle Trendmaker to reimbursement for costs which exceed the Maximum Reimbursement Amount.

D. The Clear Dorado Public Improvements. The Clear Dorado Public Improvements, consisting of the components listed as line items in **EXHIBIT B-2**, will be constructed in two or more Phases, and may be modified by mutual agreement of the Mayor of the City, or his or her designee, and Clear Dorado at the time that a modification is proposed, as applicable, to modify, add, or remove Public Improvements if the Mayor determines that the modification, addition, or removal is necessary to achieve the intent of this Agreement and does not result in costs that exceed the Maximum Reimbursement Amount. The Final Plans and Specifications must be approved by the appropriate department of the City, and any modification thereof requires the review and approval of the City's Chief Development Officer. Provided, further, that Clear Dorado shall construct the Clear Dorado Detention Improvements in substantial accordance with the HCFCD Policy, Criteria and Procedures Manual as published and as reflected in the Final Plans and Specifications submitted to and approved by the HCFCD, and any modification thereof shall be subject to the review and approval of the HCFCD. The actual costs of any of the line items listed as Clear Dorado Public Improvements may exceed the estimated amounts listed in **EXHIBIT B-2**, but no modifications or changes to the list of Clear Dorado Public Improvements or Final Plans and Specifications will entitle Clear Dorado to reimbursement for costs which exceed the Maximum Reimbursement Amount.

E. Standards and Approvals. Construction of the Public Improvements must be in substantial accordance with the Final Plans and Specifications, subject to reasonable changes and modifications in the course of construction, which, to the extent required, shall be subject to the review and approval of the City and/or the HCFCD or other governmental entity, as applicable. Trendmaker and Clear Dorado each agree to comply with or cause their respective contractors to comply with all applicable legal requirements relating to construction of the Public Improvements from all governmental entities with jurisdiction.

ARTICLE III REPRESENTATIONS

A. Representations of the City. The City hereby represents to Trendmaker and Clear Dorado that as of 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 that has not been obtained.

B. Representations of Trendmaker. Trendmaker hereby represents to the City and Clear Dorado that as of the date hereof:

Trendmaker 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.

Trendmaker 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 Trendmaker, 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 Trendmaker under any agreement or instrument to which Trendmaker is a party or by which Trendmaker 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 Trendmaker, 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.

C. Representations of Clear Dorado. Clear Dorado hereby represents to the City and Trendmaker that as of the date hereof:

Clear Dorado 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.

Clear Dorado 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 Clear Dorado, 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 Clear Dorado under any agreement or instrument to which Clear Dorado is a party or by which Clear Dorado 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 Clear Dorado, 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 IV TRENDMAKER AND CLEAR DORADO COMMITMENTS

In consideration of the City's agreeing to pay to Trendmaker the Trendmaker Reimbursement Amount and to pay to Clear Dorado the Clear Dorado Reimbursement Amount in accordance with the terms and conditions of this Agreement, Trendmaker and Clear Dorado agree to fulfill the following conditions in order to receive the Trendmaker Reimbursement Amount and the Clear Dorado Reimbursement Amount:

A. Residential Development and Trendmaker Public Improvements Funding. Trendmaker intends to invest approximately \$77,000,000.00 from and after the Effective Date, from private funding sources other than the Trendmaker Property Tax Revenues, toward the design and construction of the Residential Development and the Trendmaker Public Improvements. Trendmaker hereby represents and warrants that it will have all funds, from private sources, necessary to design and construct all phases of the Residential Development, at the time such funds are required.

B. Commercial Development and Clear Dorado Public Improvements Funding. Clear Dorado intends to invest approximately \$31,000,000.00 from and after the Effective Date, from private funding sources other than the Clear Dorado Property Tax Revenues and the Clear Dorado Sales Tax Revenues, toward the design and construction of the Commercial Development and the Clear Dorado Public Improvements. Clear Dorado hereby represents and warrants that it will have all funds, from private sources, necessary to design and construct all phases of the Commercial Development, at the time such funds are required.

C. Ownership, Operation, and Maintenance of the Public Improvements. Subject to Trendmaker's or Clear Dorado's right to modify or remove a Public Improvement in accordance with the provisions of Article II, Sections C and D, as applicable, as the acquisition and construction of the Public Improvements is completed and become operational, Trendmaker and Clear Dorado shall convey (where applicable) such Public Improvements, including rights-of-way, to the City, the HCFCD, or other governmental entity, as applicable.

D. Inspection; Conveyance of Public Improvements to the City or Other Governmental Entity; Conveyance of Clear Dorado Detention Improvements to the HCFCD. Except as otherwise provided by this Section, as construction of each Phase of the Public Improvements is completed, City representatives shall inspect the same and, if the City finds that the Public Improvements have been completed in accordance with the Final Plans and Specifications, or any modifications thereof, and in accordance with all applicable laws, rules, and regulations, the City will accept the Public Improvements (except for the Clear Dorado Detention Improvements and certain

landscaping reserve elements of the Trendmaker Public Improvements), whereupon such portion of the Public Improvements shall be operated and maintained by the City at its sole expense.

Provided, further, that the Parties acknowledge that (i) the Clear Dorado Detention Improvements, upon acceptance by HCFCD in substantial accordance with the HCFCD Policy, Criteria and Procedures Manual as published and as reflected in the Final Plans and Specifications submitted to and approved by the HCFCD, will be operated and maintained by the HCFCD at its sole expense, and (ii) the landscaping reserve elements of the Trendmaker Public Improvements, upon acceptance by another governmental entity, will be operated and maintained by that governmental entity at its sole expense.

E. Competitive Bidding. Construction contracts for the Public Improvements shall be let on a competitive bidding basis. After preparation of the Final Plans and Specifications and their approvals as required by this Agreement, Trendmaker and Clear Dorado shall advertise for bids or cause the advertisement for bids (as required by law applicable to the City) for construction as described in the Final Plans and Specifications. The City Representative shall be notified of, and invited to attend when applicable, pre-bid conferences, bid openings, and the award of contracts in accordance with the notice provision of Article VIII, Section B of this Agreement. The City shall designate from time to time, in writing, the persons who shall be its designated representatives. In the event of the failure of the City to designate representatives, the Public Works Director shall be the City's representative. Notwithstanding the foregoing provisions providing for construction contracts on a competitive bidding basis, in accordance with the requirements of Section 271.114(a), Local Government Code, the City has determined that the "competitive sealed proposals method," in accordance with Section 271.116, Local Government Code, provides the best value for the City and hereby delegates authority to Trendmaker and Clear Dorado as its designated representatives to take any and all actions required to implement such method. Trendmaker and Clear Dorado each reserve the right to reject all proposals and re-advertise for proposals if the proposals are not acceptable to them.

F. Performance Bonds. Trendmaker and Clear Dorado shall require each contractor constructing the Public Improvements to furnish a performance bond in an amount equal to the full cost of the construction contract with that contractor, conditioned on the contractor's full and timely performance under the construction contract. Trendmaker and City shall be dual obligees for each performance bond for a Trendmaker Public Improvements construction contract. Clear Dorado and the City shall be dual obligees for each performance bond for a Clear Dorado Public Improvements construction contract. The performance bond(s) must be in a form approved by the City Attorney and issued by a corporate surety authorized and admitted to write surety bonds in Texas. If the amount of the bond exceeds \$100,000, the surety must be listed on the current list of accepted sureties on federal bonds published by the United States Treasury Department or reinsured for any liability in excess of \$100,000 by a reinsurer listed on the U.S. Treasury list.

G. Utilization of Local Contractors and Suppliers. Trendmaker and Clear Dorado agree to exercise commercially reasonable efforts to cause local contractors and suppliers to be used in the construction of the Project and the Public Improvements, 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. A contractor or supplier shall be considered as local if it has maintained an office within the City for at least one year.

H. Affirmative Action. Trendmaker and Clear Dorado shall demonstrate good faith efforts to comply with the City's Affirmative Action program in the design and construction of the Project and the Public Improvements.

I. Business Opportunity. Trendmaker and Clear Dorado are encouraged to review the City's Minority and Women Business Enterprise ("MWBE") program as set forth in Chapter 15, Article V of the City of Houston Code of Ordinances and the requirements for good faith efforts on file with the City Office of Business Opportunity ("OBO"). In connection with the construction of Public Improvements, Trendmaker and Clear Dorado shall make good faith efforts to award or cause the award of the maximum number of subcontracts or supply agreements to entities that are certified by the City as MWBEs.

J. Maintenance of Records by Trendmaker. Trendmaker shall be responsible for maintaining records of all costs incurred and payments made for the Residential Development and the Trendmaker Public Improvements and records evidencing compliance with its respective commitments required by this Article IV and shall provide the City with all such records for review and approval prior to payment of the Trendmaker Reimbursement Amount.

K. Maintenance of Records by Clear Dorado. Clear Dorado shall be responsible for maintaining records of all costs incurred and payments made for the Commercial Development and the Clear Dorado Public Improvements and records evidencing compliance with its respective commitments required by this Article IV and shall provide the City with all such records for review and approval prior to payment of the Clear Dorado Reimbursement Amount.

ARTICLE V ADMINISTRATIVE ROLES OF TRENDMAKER AND CLEAR DORADO

A. Trendmaker's Administrative Capacity. Trendmaker shall act as administrator in connection with reimbursing its developer/contractor for eligible Trendmaker Public Improvements Costs, including ensuring that its developer/contractor complies with the terms of this Agreement.

B. Clear Dorado's Administrative Capacity. Clear Dorado shall act as administrator in connection with reimbursing its developer/contractor for eligible Clear Dorado Public Improvements Costs, including ensuring that its developer/contractor complies with the terms of this Agreement.

C. Trendmaker's Approval of Invoices. Trendmaker shall review and approve all invoices received from its developer/contractor to determine relevance to the Trendmaker Public Improvements and that its developer/contractor is in compliance with the terms of this Agreement.

D. Clear Dorado's Approval of Invoices. Clear Dorado shall review and approve all invoices received from its developer/contractor to determine relevance to the Clear Dorado Public Improvements and that its developer/contractor is in compliance with the terms of this Agreement.

E. Trendmaker's Annual Reporting. Trendmaker will provide to the City, on an annual basis and as part of the Trendmaker Annual Payment Request, the amount of Trendmaker Annual Payments received to date.

F. Clear Dorado's Annual Reporting. Clear Dorado will provide to the City, on an annual basis and as part of the Clear Dorado Annual Payment Request, the amount of Clear Dorado Annual Payments received to date.

ARTICLE VI REIMBURSEMENT

A. Calculation of Trendmaker Reimbursement Amount. Calculation of the Trendmaker Property Tax Revenues in any particular year will be without regard to any future abatement or rebate (pursuant to an economic development agreement, tax abatement, etc. granted by the City) of any portion of such taxes.

B. Certification of Trendmaker Public Improvement Costs. After each Phase of the Trendmaker Public Improvements is completed, Trendmaker will provide to the City Representative for review and approval a certification in the form attached hereto as **EXHIBIT D-1**, certifying as to the actual Trendmaker Public Improvement Costs incurred or reimbursed by Trendmaker (the "Trendmaker Cost Certification"). The City Representative shall approve the Trendmaker Cost Certification if he or she determines that the costs were actually incurred for the Trendmaker Public Improvements set forth on **EXHIBIT B-1**, as may be modified from time to time, and if the costs are commercially reasonable (the "Trendmaker City-Approved Cost Certification"). If the City Representative is unable to approve the Trendmaker Cost Certification, he or she shall so advise Trendmaker in writing, identifying the items of concern. Trendmaker shall have an opportunity to respond, in writing, and submit a modified Trendmaker Cost Certification to the City for review and approval. Upon the City Representative's request, Trendmaker shall promptly provide invoices and other supporting documentation for the City's review and approval of the Trendmaker Cost Certification. The amount of the Trendmaker Public Improvement Costs set forth in the Trendmaker City-Approved Cost Certification shall be used to validate the Trendmaker Reimbursement Amount.

C. Payment of the Trendmaker Annual Payments; Assignment of Payment. The Trendmaker Reimbursement Amount shall be paid by the City in annual payments (each a "Trendmaker Annual Payment") in an amount equal to the Trendmaker Property Tax Revenues received by the City for the preceding calendar year, as follows:

1. Commencing on July 1 of the first calendar year after the Reimbursement Date and continuing each calendar year throughout the Term of this Agreement and so long as no Event of Default by Trendmaker then exists, Trendmaker may submit to the City for approval a request for the Trendmaker Annual Payment based upon the Trendmaker Property Tax Revenues received for the previous year ("Trendmaker Annual Payment Request"). The Trendmaker Annual Payment Request shall be in the form attached hereto as **EXHIBIT E-1**. Upon approval of the Trendmaker Annual Payment Request, the City shall pay the Trendmaker Annual Payment to Trendmaker sixty (60) days after the City's receipt of the Trendmaker Annual Payment Request.

2. The City is unconditionally obligated to make each Trendmaker Annual Payment solely from the Trendmaker Property Tax Revenues through the Term of this Agreement, except in an Event of Default by Trendmaker, and the City may not suspend or discontinue any Trendmaker Annual Payment except in an Event of Default by Trendmaker. Except as otherwise expressly set forth in this Agreement, payment of the Trendmaker Annual Payment is not subject to any reduction, whether offset or otherwise. The City shall never be obligated to make any payment to Trendmaker from any funds other than the Trendmaker Property Tax Revenues generated on the Trendmaker Property.

D. Final Payment. The final payment of the Trendmaker Reimbursement Amount will be the amount necessary to reimburse the balance of the Trendmaker Public Improvement Costs set forth in the Trendmaker City-Approved Cost Certification, not to exceed \$5,570,580.00, subject, however, to the terms of Article VI, Section I of the Agreement, unless the Term of the Agreement is reached prior to payment of the Maximum Reimbursement Amount.

E. Calculation of Clear Dorado Reimbursement Amount. Calculation of the Clear Dorado Property Tax Revenues and Clear Dorado Sales Tax Revenues in any particular year will be without regard to any future abatement or rebate (pursuant to an economic development agreement, tax abatement, etc. granted by the City) of any portion of such taxes.

F. Certification of Clear Dorado Public Improvement Costs. After each Phase of the Clear Dorado Public Improvements is completed, Clear Dorado will provide to the City Representative for review and approval a certification in the form attached hereto as **EXHIBIT D-2**, certifying as to the actual Clear Dorado Public Improvement Costs incurred or reimbursed by Clear Dorado (the "Clear Dorado Cost Certification"). The City Representative shall approve the Clear Dorado Cost Certification if he or she determines that the costs were actually incurred for the Clear Dorado Public Improvements set forth on **EXHIBIT B-2**, as may be modified from time

to time, and if the costs are commercially reasonable (the "Clear Dorado City-Approved Cost Certification"). If the City Representative is unable to approve the Clear Dorado Cost Certification, he or she shall so advise Clear Dorado in writing, identifying the items of concern. Clear Dorado shall have an opportunity to respond, in writing, and submit a modified Clear Dorado Cost Certification to the City for review and approval. Upon the City Representative's request, Clear Dorado shall promptly provide invoices and other supporting documentation for the City's review and approval of the Clear Dorado Cost Certification. The amount of the Clear Dorado Public Improvement Costs set forth in the Clear Dorado City-Approved Cost Certification shall be used to validate the Clear Dorado Reimbursement Amount.

G. Payment of the Clear Dorado Annual Payments. The Clear Dorado Reimbursement Amount shall be paid by the City in annual payments (each a "Clear Dorado Annual Payment") in an amount equal to the Clear Dorado Property Tax Revenues and Clear Dorado Sales Tax Revenues received by the City for the preceding calendar year, as follows:

1. Commencing on July 1 of the first calendar year after the Reimbursement Date and continuing each calendar year throughout the Term of this Agreement and so long as no Event of Default by Clear Dorado then exists, Clear Dorado may submit to the City for approval a request for the Clear Dorado Annual Payment based upon the Clear Dorado Property Tax Revenues and Clear Dorado Sales Tax Revenues received for the previous year ("Clear Dorado Annual Payment Request"). The Clear Dorado Annual Payment Request shall be in the form attached hereto as **EXHIBIT E-2** and shall be accompanied by a list of the sales and use tax permit holders located within the Commercial Development for the preceding calendar year, including the taxpayer identification number, name of business, address, and, if applicable, outlet number. Upon approval of the Clear Dorado Annual Payment Request, provided that the City has received Clear Dorado's annual sales tax report from the State Comptroller's office for the preceding calendar year, the City shall pay the Clear Dorado Annual Payment to Clear Dorado sixty (60) days after the City's receipt of the Clear Dorado Annual Payment Request. Clear Dorado shall submit to the State Comptroller's office the waiver in the form of **Exhibit F** attached hereto (or other form required by the State Comptroller's office) to provide the City the annual revenue reports reflecting the sales taxes collected from the Commercial Development.

2. The City is unconditionally obligated to make each Clear Dorado Annual Payment solely from the Clear Dorado Property Tax Revenues and Clear Dorado Sales Tax Revenues through the Term of this Agreement, except in an Event of Default by Clear Dorado, and the City may not suspend or discontinue any Clear Dorado Annual Payment except in an Event of Default by Clear Dorado. Except as otherwise expressly set forth in this Agreement, payment of the Clear Dorado Annual Payment is not subject to any reduction, whether offset or otherwise. The City shall never be obligated to make any payment to Clear Dorado from any funds other than the Clear Dorado Property Tax Revenues and the Clear Dorado Sales Tax Revenues generated on the Clear Dorado Property.

H. Final Payment. The final payment of the Clear Dorado Reimbursement Amount will be the amount necessary to reimburse the balance of the Clear Dorado Public Improvement Costs set forth in the Clear Dorado City-Approved Cost Certification, not to exceed \$4,257,820.00, subject, however, to the terms of Article VI, Section I of the Agreement, unless the Term of the Agreement is reached prior to payment of the Maximum Reimbursement Amount.

I. Exceptions to Reimbursement Obligation. Notwithstanding anything to the contrary in this Agreement, if either Trendmaker or Clear Dorado fails to construct or caused to be constructed a Proposed Public Improvement, the Maximum Reimbursement Amount will be reduced by an amount equal to the estimated cost allocated to such Proposed Public Improvement on the applicable exhibit.

Provided, further, that if the Public Works Director, or the HCFCD or other governmental entity, as applicable, approves modifications to a Public Improvement listed as a line item on **Exhibit B-1** or **Exhibit B-2**, the Maximum Reimbursement Amount shall be reduced by an amount equal to the difference between the estimated cost of the applicable line item and the actual cost of that line item as modified.

In addition, if, following the construction of any Public Improvement, either Trendmaker or Clear Dorado fails to fulfill and comply with its obligations related to such Public Improvement set forth in Article IV, as applicable (including but not limited to an obligation on the part of Trendmaker or Clear Dorado to convey or caused to be conveyed such Public Improvement to the City or to the HCFCD or other governmental entity, as applicable), the City shall not remain obligated to pay the Reimbursement Amount for such Public Improvement, and the Maximum Reimbursement Amount will be reduced by an amount equal to the total cost allocated to such Public Improvement.

J. Assignment of Reimbursement Rights to District. Trendmaker and Clear Dorado may assign their respective rights to receive payment of the Trendmaker Reimbursement Amount and the Clear Dorado Reimbursement Amount to a special district created under Section 59, Article XVI of the Texas Constitution (the "District"). An assignment under this Section shall be effective only if (i) both Trendmaker and Clear Dorado assign their rights to the District and (ii) at the time of the assignments, neither Trendmaker nor Clear Dorado has received any reimbursement provided under this Article. If Trendmaker assigns its right to the Trendmaker Reimbursement Amount to the District and Clear Dorado assigns its right to the Clear Dorado Reimbursement Amount to the District, the City shall combine the Trendmaker Reimbursement Amount and the Clear Dorado Reimbursement Amount into one reimbursement amount (the "District Reimbursement Amount"), which shall not exceed the Maximum Reimbursement Amount. The City shall pay the District Reimbursement Amount in annual payments to the District as provided in this subsection (the "District Annual Payment").

The procedure for the District Annual Payment shall be consistent with the procedures provided in Sections C and G of this Article, except as provided herein. The District Annual Payment shall consist of the Trendmaker Annual Payment and the Clear Dorado

Annual Payment. It is the intent of this subsection that if the assignments are made as provided in this subsection, the Clear Dorado Reimbursement Amount and the Trendmaker Reimbursement Amount should be treated as a whole and the Trendmaker Property Tax Revenues and the Clear Dorado Property Tax Revenues should be treated as a whole.

Any payments to the District as provided in this subsection shall be subject to and otherwise limited by Trendmaker's and Clear Dorado's individual compliance with the terms and conditions of this Agreement. The assignments provided in this subsection shall only be an assignment of Trendmaker's and Clear Dorado's respective rights to receive payment. An assignment under this Section does not relieve Trendmaker or Clear Dorado of their individual obligations to fulfill and comply with the terms and conditions of this Agreement. In making the assignments as provided in this subsection, Trendmaker and Clear Dorado shall represent and certify to the City that each party has made an agreement with the District for allocation of the District Reimbursement Amount between Trendmaker and Clear Dorado and shall absolve the City from liability for any failure by the District to pay the District Reimbursement Amount to Trendmaker or Clear Dorado.

ARTICLE VII DEFAULT AND REMEDY

A. Payment Default. The City agrees that its failure to transfer the Trendmaker Reimbursement Amount or the Clear Dorado Reimbursement Amount when due is an event of default ("Payment Default") and that Trendmaker and Clear Dorado shall be entitled to any and all of the remedies available in this Article or otherwise at law or equity.

B. General Events of Default. A Party shall be deemed in default under this Agreement (which shall be deemed a breach hereunder) if such Party fails to materially perform, observe or comply with any of the commitments, covenants, agreements or obligations set forth in Article IV of this Agreement or if any of its representations contained in Article III of this Agreement are false. Neither Trendmaker's failure to construct any portion of the Trendmaker Public Improvements in **Exhibit B-1** nor Clear Dorado's failure to construct any portion of the Clear Dorado Public Improvements in **Exhibit B-2** shall constitute an event of default so long as Trendmaker or Clear Dorado has modified the applicable list of Public Improvements in accordance with Article II, Sections C and D of this Agreement.

C. Notice. Before the failure of any Party to perform its obligations under this Agreement, except a Payment Default, is deemed to be a breach of this Agreement, the Party claiming such failure shall give written notice to the Party alleged to have failed to perform of the alleged failure and shall demand performance. No breach of this Agreement, except for a Payment Default, may be found to have occurred if performance has commenced to the reasonable satisfaction of the complaining Party within thirty (30) days of the receipt by the defaulting Party of such notice.

D. Remedies. 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 is given, Trendmaker and Clear Dorado shall have all rights and remedies to which each Party 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 Trendmaker fails to satisfy any of the conditions and obligations hereunder that must be fulfilled in order for Trendmaker to receive the Trendmaker Reimbursement Amount, and if any such condition or other obligation remains unsatisfied for a period of sixty (60) days after notice shall have been given, then the City, as its sole and exclusive remedy (as expressly provided herein) may terminate this Agreement with Trendmaker by written notice to Trendmaker and may pursue a reduction in the Maximum Reimbursement Amount as provided in this Agreement. If Clear Dorado fails to satisfy any of the conditions and obligations hereunder that must be fulfilled in order for Clear Dorado to receive the Clear Dorado Reimbursement Amount, and if any such condition or other obligation remains unsatisfied for a period of sixty (60) days after notice shall have been given, then the City, as its sole and exclusive remedy (as expressly provided herein) may terminate this Agreement with Clear Dorado by written notice to Clear Dorado and may pursue a reduction in the Maximum Reimbursement Amount as provided in this Agreement. In addition, the City reserves the right to seek recapture from Trendmaker or Clear Dorado, as applicable, of any portion of the Reimbursement Amount actually paid to the applicable Party that is related to the engineering, design or permitting costs of a Proposed Public Improvement.

E. 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 any Party (except for a Payment Default) 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, hurricanes or tornadoes] labor action, strikes or similar acts) the time for such performance shall be extended by the amount of time of such delay ("Force Majeure").

ARTICLE VIII GENERAL PROVISIONS

A. Time of the Essence. Time is of the essence in the performance of this Agreement. The Parties will make every reasonable effort to expedite the subject matters hereof and acknowledge that the successful performance of this Agreement requires their continued cooperation, including, without limitation, subject to Trendmaker's and Clear Dorado's compliance with all applicable laws, expeditiously

processing permits and approvals to facilitate Trendmaker's and Clear Dorado's timely procurement of all entitlements required for the Project and the Public Improvements.

B. Notices. Any notice sent pursuant to this Agreement (except as otherwise expressly required) shall be in writing and mailed by U.S. Mail or sent by rapid transmission confirmed by mailing written confirmation at substantially the same time as such rapid transmission, or personally delivered to an officer of the receiving Party at the following addresses:

If to Trendmaker:

Collins Pier
Trendmaker Clear Lake LLC
16430 Park Ten Place, Suite 250
Houston, TX 77084

If to Clear Dorado:

Alan Hassenflu
Fidelis Realty Partners
4500 Bissonnet, Suite 300
Bellaire, TX 77401

With a copy to:

General Counsel
Fidelis Realty Partners
4500 Bissonnet, Suite 300
Bellaire, TX 77401

If to the City:

Chief Development Officer
City of Houston, Texas
P.O. Box 1562
Houston, Texas 77002

With a copy to:

City Attorney
City of Houston, Texas
900 Bagby, 4th Floor
City Hall Annex
Houston, Texas 77002

Notice shall be deemed to have been received on the date such notice is personally delivered or three (3) days from the date such notice is mailed or sent by rapid transmission. Any Party may change its address by written notice in accordance with this Section. Any communication addressed and mailed in accordance with this

Section shall be deemed to be given when so mailed, any notice so sent by rapid transmission shall be deemed to be given when receipt of such transmission is acknowledged, and any communication so delivered in person shall be deemed to be given when received for by, or actually received by, an authorized officer of Trendmaker, Clear Dorado, or the City, as the case may be.

C. Amendments and Waivers. Any provision of this Agreement may be amended or waived if such amendment or waiver is in writing and is approved by Trendmaker, Clear Dorado, and the City. No course of dealing on the part of Trendmaker, Clear Dorado, or the City nor any failure or delay by Trendmaker, Clear Dorado, or the City with respect to exercising any right, power or privilege pursuant to this Agreement shall operate as a waiver thereof, except as otherwise provided in this Section.

D. Invalidity. In the event that any of the provisions contained in this Agreement shall be held unenforceable in any respect, such unenforceability shall not affect any other provisions of this Agreement and, to that end, all provisions, covenants, agreements or portions of this Agreement are declared to be severable.

E. Successors and Assigns. Except as otherwise provided in Article VI hereof, 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 Parties, except that Trendmaker may assign its rights and responsibilities hereunder to (i) a lending institution of all of its rights hereunder as security for repayment of one or more loans to finance the construction or ownership of any component of the Trendmaker Property, (ii) any related, affiliated or subsidiary entity to which substantially all of its assets, liabilities and its rights to proceed with development of the Residential Development and the Trendmaker Public Improvements are transferred or (iii) any person or entity to which Trendmaker assigns, subleases, or otherwise conveys its interest in the Trendmaker Property, provided that any assignee under (ii) or (iii) agrees in writing to assume Trendmaker's obligations under this Agreement; and Clear Dorado may assign its rights and responsibilities hereunder to (i) a lending institution of all of its rights hereunder as security for repayment of one or more loans to finance the construction or ownership of any component of the Clear Dorado Property, (ii) any related, affiliated or subsidiary entity to which substantially all of its assets, liabilities and its rights to proceed with development of the Commercial Development and the Clear Dorado Public Improvements are transferred or (iii) any person or entity to which Clear Dorado assigns, subleases, or otherwise conveys its interest in the Clear Dorado Property, provided that any assignee under (ii) or (iii) agrees in writing to assume Clear Dorado's obligations under this Agreement. The City shall not unreasonably withhold its written consent. The City's Chief Development Officer, or his or her designee, may consent to a qualifying assignment under this Section on behalf of the City.

F. Exhibits, Headings, 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 among 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.

G. Applicable Law. 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, and any actions concerning this Agreement shall be brought in either the State Courts of Harris County, Texas, or the United States District Court for the Southern District of Texas.

H. Entire Agreement. This Agreement represents the final agreement among 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 among the Parties.

I. Approval by the Parties. Whenever this Agreement requires or permits approval or consent to be hereafter given by any of the Parties, the Parties agree that such approval or consent shall not be unreasonably withheld or delayed.

J. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

K. Interpretation. This Agreement has been jointly negotiated by the Parties and shall not be construed against a Party because that Party may have assumed primary responsibility for the drafting of this Agreement.

L. Conflicts with Ordinances. The Parties agree that, in the event of a conflict between the provisions of this Agreement and any City ordinance or regulation by any other agency over which the City has control, whether heretofore or hereafter adopted, the provisions of this Agreement shall govern matters addressed by this Agreement.

[EXECUTION PAGE FOLLOWS]

IN TESTIMONY OF WHICH this instrument has been executed in multiple counterparts, each of equal dignity and effect, on behalf of Trendmaker, Clear Dorado and the City, effective as of the Effective Date defined herein.

CITY: CITY OF HOUSTON, a Texas home-rule municipal corporation _____ Mayor Date: _____ ATTEST/SEAL: _____ City Secretary Date: _____ COUNTERSIGNED: _____ City Controller Date: _____ APPROVED AS TO FORM: _____ Assistant City Attorney LD No. 0421300057001	TRENDMAKER: Trendmaker Clear Lake, LLC, a Texas limited liability company By: _____ Will Holder President Date: _____ CLEAR DORADO: Clear Dorado Land Associates, L.P., a Texas limited partnership By Clear Dorado Land Associates GP, LLC, a Texas limited liability company, its general partner By: _____ Name: _____ Title: _____ Date: _____
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EXHIBIT A-1

DESCRIPTION OF TRENDMAKER PROPERTY

Revised December 20, 2012
Revised November 20, 2012
October 26, 2012
Job No. 1298-0012

DESCRIPTION OF
372.386 ACRES
(16,221,135 Sq. Ft.)

Being 372.386 acres (16,221,135 sq. ft.) of land located in the Sylvester Murphy League, Abstract 53, William Dobie 1/4 League, Abstract 16 and James Routh Survey, Abstract 64, Harris County, Texas, more particularly being all of that certain called 344.69 acre tract (described herein as Tract 1) conveyed to Clear Dorado Land Associates, L.P., by instrument of record in File No. 20070394486, Official Public Records of Real Property, of said Harris County (H.C.O.P.R.R.P.), and a portion of that certain called 66.96 acre tract (described herein as Tract 2) conveyed to Clear Dorado Land Associates, L.P., by instrument of record in File No. 20070394486, and a portion of Clear Lake Substation, a Partial Replat, a subdivision of record at Film Code No. 350118, Map Records, Harris County, Texas (H.C.M.R.), said 372.386 acres (16,221,135 sq.ft.) being more particularly described in two (2) parts by metes and bounds as follows (all bearings referenced to the Texas State Plane Coordinate System, South Central Zone, NAD 83, 2001 adjustment);

TRACT 1

Beginning at a 5/8-inch iron rod found for the Northeast corner of Northfork, Section Seven, a subdivision of record under Film Code No. 374011 of the Harris County Map Records (H.C.M.R), same being a point on the southeasterly line of a called 50.342 acre tract reserved by Exxon Corporation as recorded under File No. P454723 of said H.C.O.P.R.R.P, and being the most westerly corner of aforementioned 344.69 acre tract;

Thence, along the common line of said 50.342 acre tract and said 344.69 acre tract the following four (4) courses;

- 1) North 34° 41' 55" East, 115.25 feet to a 5/8-inch iron rod with cap stamped "SURVCON" found for corner;

372.386 acres

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- 2) South 30° 53' 52" East, 3.52 feet to a 5/8-inch iron rod with cap stamped "SURVCON" found for corner;
- 3) North 36° 19' 04" East, 1,324.88 feet to a 5/8-inch iron rod with cap stamped "SURVCON" found for corner;
- 4) North 35° 33' 30" East, 932.52 feet to a 5/8-inch iron rod with cap stamped "SURVCON" found for corner, same being the northwest corner of said 344.69 acre tract;

Thence, North 86° 13' 52" East, along the north line of said 344.69 acre tract and departing said common line, a distance of 4,426.85 feet to a 5/8-inch iron rod with cap stamped "SURVCON" found for corner, same being the northeasterly corner of said 344.69 acre tract;

Thence, South 07° 01' 20" West, along the easterly line of said 344.69 acre tract, 1,326.87 feet to a 5/8-inch iron rod with cap stamped "SURVCON" found for corner, same being the most northerly corner of a called 13.815 acre tract reserved by Exxon Corporation as recorder under File No. P454723 of aforementioned H.C.O.P.R.R.P.;

Thence, South 52° 01' 20" West, along the northwesterly line of said 13.815 acre tract 2,676.23 feet to a 5/8-inch iron rod with aluminum disc found for corner, same being the southeast corner of Restricted Reserve "A" as shown on the map of Clear Lake Substation as recorded under Volume 345, Page 135 of Harris County Map Records;

Thence, departing said northwesterly line, along the easterly, northerly and westerly lines of said Restricted Reserve "A", the following five (5) courses;

- 1) North 04° 17' 13" West, 96.15 feet to a 5/8-inch iron rod with aluminum disc found for corner;

372.386 acres

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- 2) South 52° 01' 20" West, 457.57 feet to a 5/8-inch iron rod with aluminum disc found for corner;
- 3) North 37° 58' 40" West, 270.00 feet to a 5/8-inch iron rod with aluminum disc found for corner;
- 4) South 52° 01' 20" West, 350.00 feet to a 5/8-inch iron rod with aluminum disc found for corner;
- 5) South 37° 58' 40" East, 350.00 feet to a 5/8-inch iron rod with aluminum disc found for corner on the aforementioned northwesterly line of said 13.815 acre tract;

Thence, along the northwesterly line of aforementioned 13.815 acre tract the following three (3) courses;

- 1) South 52° 01' 20" West, 1,423.48 feet to a 5/8-inch iron rod, found for corner;
- 2) South 51° 00' 38" West, 1,057.28 feet to a 5/8-inch iron rod, found for corner;
- 3) South 53° 12' 58" West, 159.01 feet to a 5/8-inch iron rod with cap stamped "SURVCON" found for corner, the beginning of a curve, same being a point on the northeasterly right-of-way line of Almond Creek Drive (60 feet wide) as shown on Northfork Section Three, a subdivision of record at film Code No. 357077 of said Harris County Map Records;

372.386 acres

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Thence 38.01 feet along said existing northeasterly right-of-way line of Almond Creek Drive and along the arc of a non-tangent curve to the right, having a radius of 570.00 feet, a central angle of $03^{\circ} 49' 14''$ and a chord which bears North $35^{\circ} 43' 49''$ West 38.00 feet to a 5/8-inch iron rod, found for corner;

Thence, North $33^{\circ} 49' 13''$ West, continuing along said existing northeasterly right-of-way line to the most southerly corner of Lot 1, Block 4 of Northfork Section Three, 76.16 feet to a 5/8-inch iron rod, found for corner;

Thence, North $51^{\circ} 00' 33''$ East, along the southeasterly line of said Block 4, 732.55 feet to a 5/8-inch iron rod, found for corner, same being the southeast corner of Northfork Section Five, a subdivision of record at Film Code No. 371088 of said Harris County Map Records;

Thence, North $30^{\circ} 56' 29''$ West, along the northeasterly line of said Northfork Section Five, passing at 793.92 a found 5/8-inch iron rod for the common easterly corner of said Northfork Section Five and aforementioned Northfork Section Seven, continuing in all, 2,682.04 feet to the POINT OF BEGINNING and containing 344.695 acres (15,014,915 sq.ft.) of land.

TRACT 2

BEGINNING at a found 5/8-inch iron rod, found for the northeast corner of aforementioned 66.96 acre tract;

Thence, South $07^{\circ} 01' 17''$ West, 141.53 feet, to a 5/8-inch iron rod with cap stamped "LJA ENG", set for corner on the northwesterly line of Pine Brook Section Nine, a subdivision of record at Film Code 385128 of said H.C.M.R.;

372.386 acres

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Thence, South 52° 01' 20" West, along said northwesterly line of Pine Brook Section Nine, 1,000.00 feet to a point for corner, from which a found 5/8-inch iron rod bears North 16°52'22" West, 0.47 feet;

Thence, South 22° 07' 41" West, 1,920.29 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" set for corner, same being a point on the northerly line of Pine Brook Section, Eight, a subdivision of record as shown at Film Code No. 380032 of Harris County Map Records;

Thence, departing said northerly line of Pine Brook Section Eight, North 49° 00' 25" West, 685.51 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" set for corner;

Thence, South 43° 14' 49" West, 16.37 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" set for corner, the beginning of a curve;

Thence, 74.29 feet along the arc of a tangent curve to the left, having a radius of 500.00 feet, a central angle of 08° 30' 47", and a chord which bears South 38° 59' 25" West, 74.22 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" set for corner;

Thence, South 34° 44' 01" West, 26.90 feet to a 5/8-Inch iron rod with cap stamped "LJA ENG" set for corner, the beginning of a curve;

Thence, 74.29 feet along the arc of a tangent curve to the right, having a radius of 500.00 feet, a central angle of 08° 30' 47", and a chord which bears South 38° 59' 25" West, 74.22 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" set for corner;

Thence, South 43° 14' 49" West, 126.62 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" set for corner, the beginning of a curve;

372.386 acres

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Thence, 53.89 feet along the arc of a tangent curve to the left, having a radius of 35.00 feet, a central angle of $88^{\circ} 13' 10''$, and a chord which bears South $00^{\circ} 51' 47''$ East, 48.72 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" set for corner on the arc of a curve on the east line of a 7.069 acre Access & Utility Easement as shown on aforementioned Clear Lake Substation, a Partial Replat,;

Thence, 157.85 feet along said east line and along the arc of a curve to the left, having a radius of 2550.00 feet, a central angle of $03^{\circ} 32' 48''$, and a chord which bears North $46^{\circ} 45' 11''$ West, 157.83 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" found for corner, the beginning of a curve;

Thence, departing said east line, 53.89 feet along the arc of a tangent curve to the left, having a radius of 35.00 feet, a central angle of $88^{\circ} 13' 10''$, and a chord which bears North $87^{\circ} 21' 24''$ East, 48.72 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" found for corner;

Thence, North $43^{\circ} 14' 49''$ East, 126.62 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" found for corner, the beginning of a curve;

Thence, 74.29 feet along the arc of a tangent curve to the right, having a radius of 500.00 feet, a central angle of $08^{\circ} 30' 47''$, and a chord which bears North $47^{\circ} 30' 12''$ East, 74.22 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" found for corner;

Thence, North $51^{\circ} 45' 36''$ East, 26.90 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" found for corner, the beginning of a curve;

Thence, 74.29 feet along the arc of a tangent curve to the left, having a radius of 500.00 feet, a central angle of $08^{\circ} 30' 47''$, and a chord which bears North $47^{\circ} 30' 12''$ East, 74.22 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" found for corner;

372.386 acres

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Thence, North 43° 14' 49" East, 14.01 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" found for corner;

Thence, North 49° 00' 25" West, 331.48 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" found for corner, same being a point on the southerly line of aforementioned 13.815 acre tract and on the northerly line of aforementioned 66.96 acres;

Thence, North 52° 01' 20" East, along the southerly line of said 13.815 acre tract and the northerly line of said 66.96 acres, 2,970.91 feet to POINT OF BEGINNING and containing 27.691 acres (1,206,220 sq.ft.) of land.

Said Tract 1 and Tract 2, containing a total of 372.386 acres (16,221,135 sq.ft.) of land.


Keith W. Monroe
Registered Professional Land Surveyor
Texas Registration No. 4797



LJA Engineering, Inc.

EXHIBIT A-2

DESCRIPTION OF CLEAR DORADO PROPERTY

October 12, 2012
Job No. 1298-0012

DESCRIPTION OF
39.278 ACRES

Being 39.278 acres of land located in the Sylvester Murphy League, Abstract 53 Harris County, Texas, more particularly being a portion of that certain called 66.96 acre tract (described as Tract 2) conveyed to Clear Dorado Land Associates, L.P., by instrument of record in File No. 20070394486, and being a portion of Clear Lake Substation, A Partial Replat, a subdivision of record at Film Code No. 350118, of the Harris County Map Records (H.C.M.R), said 39.278 acres being more particularly described by metes and bounds as follows (all bearings referenced to the Texas State Plane Coordinate System, South Central Zone, NAD 83, 2001 adjustment);

Beginning at the Northwest corner of said 66.96 acre tract, same being a point on the northeasterly right-of-way line of Almond Creek Drive (60 feet wide) as shown on the map of Northfork, Section Three, a subdivision of record at Film Code Number 357077, of the Harris County Map Records and the most southerly corner of a called 13.815 acre tract reserved by Exxon Corporation as recorded under File No. P454723 of the Harris County Official Public Records of Real Property (H.C.O.P.R.R.P);

Thence along the southerly line of said 13.815 acre tract and the north line of said 66.96 acre tract the following three (3) courses;

- 1) North $53^{\circ} 12' 53''$ East 150.61 feet to a point for corner;
- 2) Thence, North $51^{\circ} 00' 33''$ East, 1,058.39 feet to a point for corner;
- 3) Thence, North $52^{\circ} 01' 20''$ East, 1,782.13 feet to a point for corner;

Thence, South $49^{\circ} 00' 25''$ East, departing said southerly line 331.48 feet to a point for corner;

39.278 acres

October 12, 2012
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Thence, South $43^{\circ} 14' 49''$ West, 14.01 feet to a point for corner, the beginning of a curve;

Thence, 74.29 feet along the arc of a tangent curve to the right, having a radius of 500.00 feet, a central angle of $08^{\circ} 30' 47''$, and a chord which bears South $47^{\circ} 30' 12''$ West, 74.22 feet to a point for corner;

Thence, South $51^{\circ} 45' 36''$ West, 26.90 feet to a point for corner, the beginning of a curve;

Thence, 74.29 feet along the arc of a tangent curve to the left, having a radius of 500.00 feet, a central angle of $08^{\circ} 30' 47''$, and a chord which bears South $47^{\circ} 30' 12''$ West, 74.22 feet to a point for corner;

Thence, South $43^{\circ} 14' 49''$ West, 126.62 feet to a point for corner, the beginning of a curve;

Thence, 53.89 feet along the arc of a tangent curve to the right, having a radius of 35.00 feet, a central angle of $88^{\circ} 13' 10''$, and a chord which bears South $87^{\circ} 21' 24''$ West, 48.72 feet to a point for corner on the arc of a curve on the east line of a 7.069 acre Access & Utility Easement as shown on aforementioned Clear Lake Substation, a Partial Replat;

Thence, 157.85 feet along said east line, and along the arc of a curve to the right, having a radius of 2550.00 feet, a central angle of $03^{\circ} 32' 48''$, and a chord which bears South $46^{\circ} 45' 11''$ East, 157.83 feet to a point for corner, the beginning of a curve;

Thence, departing said east line, 53.89 feet along the arc of a curve to the right, having a radius of 35.00 feet, a central angle of $88^{\circ} 13' 10''$, and a chord which bears North $00^{\circ} 51' 47''$ West, 48.72 feet to a point for corner;

39.278 acres

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Thence, North 43° 14' 49" East, 126.62 feet to a point for corner, the beginning of a curve;

Thence, 74.29 feet along the arc of a tangent curve to the left, having a radius of 500.00 feet, a central angle of 08° 30' 47", and a chord which bears North 38° 59' 25" East, 74.22 feet to a point for corner;

Thence, North 34° 44' 01" East, 26.90 feet to a point for corner, the beginning of a curve;

Thence, 74.29 feet along the arc of a tangent curve to the right, having a radius of 500.00 feet, a central angle of 08° 30' 47", and a chord which bears North 38° 59' 25" East, 74.22 feet to a point for corner;

Thence, North 43° 14' 49" East, 16.37 feet to a point for corner;

Thence, South 49° 00' 25" East, 685.39 feet to a point for corner, same being a point on the northerly line of Pine Brook Section Eight, a subdivision of record as shown at Film Code No. 380032 of the Harris County Map Records and a point on the south line of aforementioned 66.96 acre tract;

Thence, South 22° 07' 41" West, along said, northerly line of Pine Brook Section Eight, 84.18 feet to a point for corner, same being the northeasterly corner of Restricted Reserve "B", as shown on El Dorado Boulevard Fire Station, a subdivision of record at Film Code No. 358053 of the Harris County Map Records and an angle point on the southerly line of said 66.96 acre tract;

Thence, along the common line of said Restricted Reserve "B" and said 66.96 acre tract the following four (4) courses;

- 1) South $63^{\circ} 49' 46''$ West, 344.32 feet to a point for corner, the beginning of a curve;
- 2) 26.61 feet along the arc of a non curve to the left, having a radius of 3055.00 feet, a central angle of $00^{\circ} 29' 57''$, and a chord which bears South $63^{\circ} 55' 29''$ West, 26.61 feet to a point for corner, the beginning of a curve;
- 3) 65.45 feet along the arc of a non-tangent curve to the left, having a radius of 2075.00 feet, a central angle of $01^{\circ} 48' 26''$, and a chord which bears North $35^{\circ} 26' 57''$ West, 65.45 feet to a point for corner, the beginning of a curve;
- 4) 352.33 feet along the arc of a non-tangent curve to the left, having a radius of 2575.00 feet, a central angle of $07^{\circ} 50' 23''$, and a chord which bears North $38^{\circ} 19' 29''$ West, 352.06 feet to a point for corner, the beginning of a curve;

Thence, along the northerly line of said Restricted Reserve "B" and the south line of said 66.96 acre tract, passing at an arc distance of 25.81 feet the northwesterly corner of said Restricted Reserve "B" and the easterly right-of-way line of said El Dorado Boulevard, passing at an arc distance of 128.72 feet the westerly right-of-way line of said El Dorado Boulevard and northeasterly corner of Restricted Reserve "A" of said El Dorado Boulevard Fire Station, passing at an arc distance of 502.38 feet the common northerly corner of said Restricted Reserve "A" and a called 16.0808 acre tract, conveyed to Harris County Flood Control District at File No. S990332 of the Harris County Official Public Records of Real Property, and continuing in all, 823.58 feet along the arc of a non-tangent curve to the left, having a radius of 3465.00 feet, a central angle of $13^{\circ} 37' 06''$, and a chord which bears South $55^{\circ} 28' 50''$ West, 821.64 feet to a point for corner;

39.278 acres

October 12, 2012
Job No. 1298-0011

Thence, South 48° 40' 17" West, along the northerly line of said 16.0808 acre tract and the south line of said 66.96 acre tract, 100.00 feet to a point for corner, the beginning of a curve;

Thence, with the common line of said 16.0808 acre tract and said 66.96 acre tract, along the arc of a tangent curve to the right, having a radius of 4535.00 feet, passing at an arc distance of 1,186.78 feet the northwest corner of said 16.0808 acre tract and the northeast corner of Restricted Reserve "B" as shown on Northfork Section Three, a subdivision of record as shown at Film Code No. 357077 of the Harris County Map Records, continuing in all a total arc length of 1,201.84 feet through a central angle of 15° 11' 03", and a chord which bears South 56° 15' 49" West, 1,198.32 feet to a point for corner;

Thence, South 30° 56' 24" East, along the westerly line of said Restricted Reserve "B" 104.90 feet to a point for corner, same being the northerly corner of Lot 9, Block 2 of said Northfork, Section Three

Thence, South 86° 49' 38" West, along the northerly line of said Northfork, Section Three and the most southwesterly line of aforementioned 66.96 acre tract, 726.08 feet to a point for corner, same being the northwest corner of Lot 23, Block 2 as shown on said Northfork, Section Three and a point on the easterly right-of-way line of aforementioned Almond Creek Drive;

Thence, North 53° 17' 55" West, along the east right-of-way line of said Almond Creek Drive and said 66.96 acre tract, 97.01 feet to a point for corner, the beginning of a curve;

Thence, along the common line of said Almond Creek Drive and said 66.96 acre tract, 55.13 feet along the arc of a tangent curve to the right, having a radius of 570.00 feet, a central angle of 05° 32' 29", and a chord which bears North 50° 31' 40" West, 55.11 feet to the POINT OF BEGINNING and containing 39.278 acres of land.

EXHIBIT B-1

LIST OF TRENDMAKER PUBLIC IMPROVEMENTS*

Line Item 1	El Dorado Boulevard from the intersection of Clear Lake City Boulevard north to the first intersection north of the ExxonMobil Fee Strip. Roadway to be a four lane boulevard section (Paving, drainage, pipeline crossings, street lights and related appurtenances)	\$ 1,080,000
Line Item 2	El Dorado Boulevard from the first intersection north of the ExxonMobil Fee Strip to the first intersection north of the roundabout. Roadway to be a four lane boulevard section (Paving, drainage, street lights, and related appurtenances)	\$ 972,000
Line Item 3	El Dorado Boulevard from the first intersection north of the roundabout to the northernmost boundary of the Trendmaker Property. Roadway to be a four lane boulevard section (Paving, drainage, street lights, and related appurtenances) ¹	\$ 520,000
Line Item 4	Collector road from the roundabout west to the first intersection (Paving, drainage, street lights and related appurtenances) ²	\$ 432,000

* Street lights that are constructed within each Phase of the Trendmaker Public Improvements will be accepted, operated and maintained by CenterPoint Energy. Landscaping reserves will be accepted and maintained by a special district created under Section 59, Article XVI of the Texas Constitution.

¹ If the City's Department of Public Works and Engineering approves a modification of the Trendmaker Public Improvements with respect to this line item, Trendmaker shall only be required to construct two (2) lanes instead of four (4) of El Dorado Boulevard from the first intersection north of the roundabout to the northernmost boundary of the Trendmaker Property and Trendmaker shall not be responsible in the future for construction of the additional two (2) lanes. In the event of such a modification, Trendmaker shall dedicate the full right-of-way as required by the City's Department of Planning and Development and shall construct drainage facilities to serve the ultimate build out of this portion of El Dorado Boulevard with the exception of inlets and inlet leads that serve the future two (2) lanes. The cost for this line item, if modified to consist of the construction of two (2) lanes, shall be reduced to \$419,420.

² If the City's Department of Public Works and Engineering approves a modification of the Trendmaker Public Improvements with respect to this line item and line item 5, Trendmaker shall only be required to construct a twenty-eight (28) foot wide (back of curb to back of curb) residential street from the roundabout west to existing Space Center Boulevard. The combined cost for this line item, if modified to consist of the construction of a twenty-eight (28) foot wide (back of curb to back of curb) residential street, together with the corresponding modifications to line item 5, shall be reduced to \$683,724.

Line Item 5	Collector road from the first intersection west to Space Center Boulevard (Paving, drainage, street lights, pipeline crossings, turn lanes on Space Center and related appurtenances) ³	\$ 528,000
Line Item 6	Intersection improvements at the intersection of Clear Lake City Boulevard and El Dorado Boulevard (Paving, drainage, demolition and relocation of existing infrastructure)	\$ 450,000
Line Item 7	Landscape, irrigation, plantings, sidewalks and related appurtenances adjoining El Dorado Boulevard from the intersection of Clear Lake City Boulevard to the northern boundary of the Trendmaker Property, and adjoining collector road from round about west to Space Center Boulevard	\$ 699,160
	Engineering, Design, Permitting Costs of Line Items 1-7 above (actual costs only)	\$ 1,569,240
TOTAL		\$ 5,570,580

³ See footnote 2 above.

EXHIBIT B-2

LIST OF CLEAR DORADO PUBLIC IMPROVEMENTS

Line Item 1	Detention relocation and clearing (Includes excavation, filling, demolition, storm sewer, relocation of existing infrastructure and related appurtenances)	\$ 2,203,000
Line Item 2	Extension of Clear Lake City Boulevard from its current four lane terminus east to the intersection of El Dorado Boulevard (Paving, drainage, pipeline crossings, demolition and relocation of existing infrastructure)	\$ 900,000
Line Item 3	Intersection improvements at Space Center Boulevard and Clear Lake City Boulevard. (Paving, drainage, demolition and relocation of existing infrastructure)	\$ 225,000
Line Item 4	Traffic Signal and related improvements at the intersection of Clear Lake City Boulevard and El Dorado Boulevard (Traffic signal, demolition, relocation of existing infrastructure)	\$ 250,000
	Engineering, Design, Permitting Costs of Line Items 1-4 above(actual costs only)	\$ 679,820
TOTAL		\$ 4,257,820

EXHIBIT C-1

RESIDENTIAL DEVELOPMENT SITE PLAN

EXHIBIT C-2

COMMERCIAL DEVELOPMENT SITE PLAN

EXHIBIT D-1

FORM OF TRENDMAKER COST CERTIFICATION

Chief Development Officer
City of Houston, Texas
P.O. Box 1562
Houston, Texas 77002

Re: ECONOMIC DEVELOPMENT AGREEMENT BETWEEN THE CITY OF HOUSTON, TEXAS, TRENDMAKER CLEAR LAKE LLC, AND CLEAR DORADO LAND ASSOCIATES, L.P.; COST CERTIFICATION

This Trendmaker Cost Certification is being delivered by Trendmaker Clear Lake LLC ("Trendmaker") in connection with that certain Economic Development Agreement between the City of Houston, Texas (the "City"), Trendmaker, and Clear Dorado Land Associates, L.P., as of _____, 2014 (the "Agreement"). All terms used herein have the meanings ascribed to them in the Agreement unless otherwise defined herein.

1. The undersigned authorized officer of Trendmaker hereby certifies to the City that the Reimbursement Date occurred on _____, 20____. Attached hereto as Exhibit A is a true and complete copy of the Final Certificate of Completion or Letter of Acceptance from the Public Works Director for the Trendmaker Phase I Public Improvements and documentation evidencing the approval by another governmental entity of the acceptance and obligation to maintain the landscaping reserve elements of the Trendmaker Phase I Public Improvements.

2. The undersigned authorized officer of Trendmaker hereby certifies to the City that Trendmaker has paid or reimbursed its developer/contractor for Trendmaker Public Improvements Costs in the amount of \$ _____ and that attached hereto as Exhibit B is an itemization of these Trendmaker Public Improvements Costs.

The undersigned hereby certifies that I am a duly authorized representative of Trendmaker and am duly authorized to execute this Trendmaker Cost Certification.

ATTEST: TRENDMAKER CLEAR LAKE LLC

BY:

NAME – SIGNATURE

NAME – PRINTED

TITLE

DATE

STATE OF _____

COUNTY OF _____

Sworn to and subscribed to before me on the ____ day of _____,
20_____, by _____.

NOTARY NAME

NOTARY PUBLIC STATE OF _____

APPROVED BY THE CITY OF HOUSTON:

By: _____
City Representative

Date: _____

With a copy to:
City Attorney
City of Houston, Texas
900 Bagby, 4th Floor
City Hall Annex
Houston, Texas 77002

Exhibit A to Form of Trendmaker Cost Certification

**Final Certificate of Completion or Letter of Acceptance from Public Works
Director for the Trendmaker Phase I Public Improvements**

and

**Documentation evidencing the approval by another governmental entity of the
acceptance and obligation to maintain the landscaping reserve elements of the
Trendmaker Phase I Public Improvements**

Exhibit B to Form of Trendmaker Cost Certification
Itemization of Trendmaker Public Improvements Costs

EXHIBIT D-2

FORM OF CLEAR DORADO COST CERTIFICATION

Chief Development Officer
City of Houston, Texas
P.O. Box 1562
Houston, Texas 77002

Re: ECONOMIC DEVELOPMENT AGREEMENT BETWEEN THE CITY OF HOUSTON, TEXAS, TRENDMAKER CLEAR LAKE LLC, AND CLEAR DORADO LAND ASSOCIATES, L.P.; COST CERTIFICATION

This Clear Dorado Cost Certification is being delivered by Clear Dorado Land Associates, L.P. ("Clear Dorado") in connection with that certain Economic Development Agreement between the City of Houston, Texas (the "City"), Trendmaker Clear Lake LLC, and Clear Dorado, as of _____, 2014 (the "Agreement"). All terms used herein have the meanings ascribed to them in the Agreement unless otherwise defined herein.

1. The undersigned authorized officer of Clear Dorado hereby certifies to the City that the Reimbursement Date occurred on _____, 20____. Attached hereto as Exhibit A is a true and complete copy of the Final Certificate of Completion or Letter of Acceptance from the Public Works Director for the Clear Dorado Public Improvements (except for the Clear Dorado Detention Improvements) and a true and complete copy of the Final Acceptance Letter from the HCFCD and a true and complete copy of the Harris County Commissioners Court's approval of the acceptance and obligation to maintain the Clear Dorado Detention Improvements (or such other equivalent documentation indicating acceptance of the Clear Dorado Detention Improvements on the part of the HCFCD).

2. The undersigned authorized officer of Clear Dorado hereby certifies to the City that Clear Dorado has paid or reimbursed its developer/contractor for Clear Dorado Public Improvements Costs in the amount of \$_____ and that attached hereto as Exhibit B is an itemization of these Clear Dorado Public Improvements Costs.

The undersigned hereby certifies that I am a duly authorized representative of Clear Dorado and am duly authorized to execute this Clear Dorado Cost Certification.

ATTEST: CLEAR DORADO LAND ASSOCIATES, L.P.

BY:

NAME – SIGNATURE

NAME - PRINTED

TITLE

DATE

STATE OF _____

COUNTY OF _____

Sworn to and subscribed to before me on the ____ day of _____,
20_____, by _____.

NOTARY NAME

NOTARY PUBLIC STATE OF _____

APPROVED BY THE CITY OF HOUSTON:

By: _____
City Representative

Date: _____

With a copy to:
City Attorney
City of Houston, Texas
900 Bagby, 4th Floor
City Hall Annex
Houston, Texas 77002

Exhibit A to Form of Clear Dorado Cost Certification

**Final Certificate of Completion or Letter of Acceptance from Public Works
Director (for the Clear Dorado Public Improvements**

and

**Final Acceptance Letter from the HCFCD and Harris County Commissioners
Court's Approval for the Clear Dorado Detention Improvements (or such other
equivalent documentation indicating acceptance of the Clear Dorado Detention
Improvements on the part of the HCFCD)**

Exhibit B to Form of Clear Dorado Cost Certification
Itemization of Clear Dorado Public Improvements Costs

EXHIBIT E-1

FORM OF TRENDMAKER ANNUAL PAYMENT REQUEST

Chief Development Officer
City of Houston, Texas
P.O. Box 1562
Houston, Texas 77002

Re: ECONOMIC DEVELOPMENT AGREEMENT BETWEEN THE CITY OF HOUSTON, TEXAS, TRENDMAKER CLEAR LAKE LLC, AND CLEAR DORADO LAND ASSOCIATES, L.P.; TRENDMAKER ANNUAL PAYMENT REQUEST

This Annual Payment Request is being delivered by Trendmaker Clear Lake LLC ("Trendmaker") in connection with that certain Economic Development Agreement between the City of Houston, Texas (the "City"), Trendmaker and Clear Dorado Land Associates, L.P., effective _____, 2014 (the "Agreement"). All terms used herein have the meanings ascribed to them in the Agreement unless otherwise defined herein.

1. The undersigned authorized officer of Trendmaker hereby requests the City to make a Trendmaker Annual Payment of the Trendmaker Reimbursement Amount, and Trendmaker has submitted to the City all invoices and supporting documentation required and requested for the City's approval of Trendmaker's request.

2. The undersigned authorized officer of Trendmaker hereby certifies to the City that (i) the total Trendmaker Reimbursement Amount is \$_____; (ii) [Trendmaker has received the following prior Trendmaker Annual Payments: [ADD AS APPLICABLE] Trendmaker Annual Payment received _____, 20__ in the amount of \$_____; Trendmaker Annual Payment received _____, 20__ in the amount of \$_____; and (iii)] that, as of the date of this Trendmaker Annual Payment Request, the unpaid balance of the Trendmaker Reimbursement Amount is \$_____.

The undersigned hereby certifies that I am a duly authorized representative of Trendmaker and am duly authorized to execute this Trendmaker Annual Payment Request.

ATTEST: TRENDMAKER CLEAR LAKE LLC

BY: _____
NAME – SIGNATURE

NAME – PRINTED

TITLE

DATE

STATE OF _____

COUNTY OF _____

Sworn to and subscribed to before me on the ____ day of _____,
20_____, by _____.

NOTARY NAME

NOTARY PUBLIC STATE OF _____

APPROVED BY THE CITY OF HOUSTON:

By: _____
City Representative

Date: _____

With a copy to:
City Attorney
City of Houston, Texas
900 Bagby, 4th Floor
City Hall Annex
Houston, Texas 77002

EXHIBIT E-2

FORM OF CLEAR DORADO ANNUAL PAYMENT REQUEST

Chief Development Officer
City of Houston, Texas
P.O. Box 1562
Houston, Texas 77002

Re: ECONOMIC DEVELOPMENT AGREEMENT BETWEEN THE CITY OF HOUSTON, TEXAS, TRENDMAKER CLEAR LAKE LLC, AND CLEAR DORADO LAND ASSOCIATES, L.P.; CLEAR DORADO ANNUAL PAYMENT REQUEST

This Annual Payment Request is being delivered by Clear Dorado Land Associates, L.P. ("Clear Dorado") in connection with that certain Economic Development Agreement between the City of Houston, Texas (the "City"), Trendmaker Clear Lake LLC, and Clear Dorado, effective _____, 2014 (the "Agreement"). All terms used herein have the meanings ascribed to them in the Agreement unless otherwise defined herein.

1. The undersigned authorized officer of Clear Dorado hereby requests the City to make a Clear Dorado Annual Payment of the Clear Dorado Reimbursement Amount., and Clear Dorado has submitted to the City all invoices and supporting documentation required and requested for the City's approval of Clear Dorado's request.

2. The undersigned authorized officer of Clear Dorado hereby certifies to the City that (i) the total Clear Dorado Reimbursement Amount is \$ _____; (ii) [Clear Dorado has received the following prior Clear Dorado Annual Payments: [ADD AS APPLICABLE] Clear Dorado Annual Payment received _____, 20__ in the amount of \$ _____; Clear Dorado Annual Payment received _____, 20__ in the amount of \$ _____; and (iii)] that, as of the date of this Clear Dorado Annual Payment Request, the unpaid balance of the Clear Dorado Reimbursement Amount is \$ _____.

The undersigned hereby certifies that I am a duly authorized representative of Clear Dorado and am duly authorized to execute this Clear Dorado Annual Payment Request.

ATTEST: CLEAR DORADO LAND ASSOCIATES, L.P.

BY:

NAME – SIGNATURE

NAME – PRINTED

TITLE

DATE

STATE OF _____

COUNTY OF _____

Sworn to and subscribed to before me on the ____ day of _____,
20_____, by _____.

NOTARY NAME

NOTARY PUBLIC STATE OF _____

APPROVED BY THE CITY OF HOUSTON:

By: _____
City Representative

Date: _____

With a copy to:
City Attorney
City of Houston, Texas
900 Bagby, 4th Floor
City Hall Annex
Houston, Texas 77002

EXHIBIT F

FORM OF WAIVER OF SALES TAX CONFIDENTIALITY

**Texas Comptroller
Waiver of Sales Tax Confidentiality**

Date: _____ 20____

The undersigned authorizes the Texas Comptroller of Public Accounts to release sales tax information to the City of Houston, Texas, pertaining to the taxpayer indicated below. I understand that this waiver applies only to our retail facility located in the vicinity of Clear Lake City Boulevard and El Dorado Drive in Houston, Harris County, Texas.

Please print or type the following information as shown on your Texas Sales Tax permit:

Name of Taxpayer Listed on Texas Sales Tax Permit

Name Under Which Taxpayer is Doing Business (d/b/a or Outlet Name)

Taxpayer Mailing Address

Physical Location of Business Permitted for Sales Tax

Texas Taxpayer ID Number

Tax Outlet Number
(As Shown on Texas Sales Tax Permit)

Authorized Signature*

Print Name of Authorized Signature

Position of Authorized Signature

Phone # of Authorized Signature

*The authorized signature must be that of an owner, officer, director, partner, or agent authorized to sign a Texas Sales Tax Return. If you have any questions concerning this waiver of confidentiality, please contact the Texas Comptroller of Public Accounts at 1 (800) 531-5441.

SUBJECT: An ordinance approving an economic development agreement for the Reserve at Clear Lake between the City, Trendmaker Clear Lake LLC and Clear Dorado Land Associates L.P. pursuant to Chapter 380 of the Texas Local Government Code

Category #

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Agenda Item#

SPECIFIC EXPLANATION CONTINUED:

The development will be constructed in phases and is expected to be completed in December 2017, with the commercial scheduled to begin in the first phase. The projected property tax revenue for the combined residential and commercial development over a 30 year period is \$76 million assuming a modest growth rate of 3%. The maximum reimbursement for the public improvements to be constructed by Trendmaker and Clear Dorado is \$9,828,400 from the incremental property and sales taxes generated from the Development Site.

The Reserves at Clear Lake project was presented to the Budget and Fiscal Affairs Committee on March 4, 2014.

cc: City Secretary
Mayor's Office
Legal Department
Finance Department
Marta Crinejo