

APPENDIX "A"



# Cities Eligible to Reimpose Local Sales and Use Tax on Residential Use of Gas and Electricity

Alamo Heights	Gonzales	Reklaw
Anahuac	Granite Shoals	Richmond
Anthony	Greenville	Rising Star
Aquilla	Gunter	Rocksprings
Bartlett	Hart	Rockwall
Baytown	Hedwig Village	Rocky Mound
Bellaire	Hempstead	Rogers
Berryville	Hico	Sachse
Blooming Grove	Hollywood Park	San Antonio
Brenham	Humble	San Saba
Brookside Village	Hutchins	Schulenburg
Brownsboro	Impact	Scotland
Buda	Jacinto City	Seguin
Buffalo	Jersey Village	Shiner
Buffalo Gap	Jewett	Snyder
Bullard	Johnson City	Sonora
Burton	Junction	Splendora
Caldwell	Kennard	Spur
Campbell	Kress	Stafford
Carmine	Krum	Sunrise Beach
Castle Hills	La Porte	Sunset Valley

Centerville	League City	Sun Valley
Chester	Leakey	Surfside Beach
China Grove	Lefors	Taylor Lake Village
Cibolo	Liberty	Texas City
Cockrell Hill	Lincoln Park	Texline
Coleman	Live Oak	Thornton
Collinsville	Lone Star	Three Rivers
Columbus	Lovelady	Toco
Commerce	Lufkin	Tomball
Cotulla	Lytle	Trent
Crosbyton	Malakoff	Troup
Daingerfield	McLean	Tulia
Dalworthington Gardens	Milano	Universal City
Deer Park	Monahans	Wake Village
De Leon	Moody	Webster
Denver City	Morton	Weimar
Diboll	Mullin	West Lake Hills
Dilley	Murphy	Weston
Dimmitt	Mustang	Whitehouse
Domino	Needville	White Oak
Eagle Lake	Newark	Wickett
Edmonson	Olmos Park	Wilmer
El Paso	Pasadena	Windcrest
Estelline	Pineland	Winona
Falfurrias	Plains	Woodsboro
Flatonia	Post	Woodson
Galena Park	Prairie View	
George West	Quintana	

APPENDIX "B"

ORDINANCE NO. 2014 - \_\_\_\_\_

AN ORDINANCE OF THE [REDACTED], TEXAS, REPEALING SECTION 44-20 OF ARTICLE II OF CHAPTER 44 OF THE CODE OF ORDINANCES AND PROVIDING FOR A NEW SECTION 44-20 OF ARTICLE II OF CHAPTER 44 OF THE CODE OF ORDINANCES; REIMPOSING A LOCAL SALES AND USE TAX ON RESIDENTIAL USE OF GAS AND ELECTRICITY; PROVIDING A PENALTY; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

\* \* \* \* \*

WHEREAS, The City Council of the [REDACTED], Texas, ([REDACTED]); voted by majority vote via Ordinance No. 46, adopted on August, 14, 1978, to exempt from the local tax the sale of natural gas and electricity for residential use; and

WHEREAS, the City Council of the [REDACTED] is authorized by law to reimpose by a majority vote of the membership of the City Council a local sales and use tax on residential use of gas and electricity;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE [REDACTED], TEXAS:

Section 1. The facts and recitations contained in the preamble of this ordinance are true and correct and incorporated herein for all purposes.

Section 2 That Section 44-20 of Article II of Chapter 44 is deleted and a new Section 44-20 of Article II of Chapter 44 is added to provide as follows:

“CHAPTER 44 TAXATION

• • • •

ARTICLE II LOCAL SALES AND USE TAX

• • • •

**Sec. 44-20. REIMPOSITION OF LOCAL SALES AND USE TAX ON RESIDENTIAL USE OF GAS AND ELECTRICITY.**

(a) A local sales and use tax is hereby authorized on all receipts from residential use of gas and electricity within the Village.

(b) The rate of tax imposed by this section shall be the maximum rate allowed by law.

(c) The [REDACTED] vacates any exemption as authorized by prior ordinance or the Texas Tax Code as amended.

**Section 3.** The City Council directs the City Secretary to record the votes of the City Council in the minutes of the [REDACTED].

**Section 4.** The City Council further directs the City Secretary to forward to the comptroller by registered or certified mail a certified copy of this Ordinance.

**Section 5.** *Penalty.* Any person who violates or causes, allows or permits another to violate any provision of this Ordinance shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine of not more than five hundred dollars (\$500.00). Each occurrence of any such violation of this Ordinance shall constitute a separate offense. Each day on which any such violation of this Ordinance occurs shall constitute a separate offense.

**Section 6.** *Severability.* In the event any clause, phrase, provision, sentence or part of this Ordinance or the application of the same to any person or circumstances shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Ordinance as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the [REDACTED], Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any part thus declared to be invalid or unconstitutional, or whether there be one or more parts.

**Section 7.** *Effective date.* This Ordinance shall become effective when published as required by law. Upon receipt of this Ordinance by the comptroller, there shall elapse one whole calendar quarter prior to the reimposition becoming effective. The reimposition shall take effect beginning on the first day of the calendar quarter next succeeding the elapsed quarter. The reimposition of the local tax does not apply to sales of natural gas and electricity for residential use made during a customer's regular monthly billing period which begins before the effective date of the reimposition. The reimposition shall apply to each regular monthly billing period beginning on or after the effective date of the reimposition.

**PASSED, APPROVED, AND ADOPTED** this, the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
██████████, Mayor

**ATTEST:**

\_\_\_\_\_  
██████████, City Secretary

APPENDIX "C"



## **Legal Notice-Cedar Hill-05-16-14**

### **RESOLUTION NO. R14-406**

**A RESOLUTION OF THE CEDAR HILL CRIME CONTROL AND PREVENTION DISTRICT, AUTHORIZING THE IMPOSITION OF THE CRIME CONTROL AND PREVENTION DISTRICT SALES AND USE TAX AT THE RATE OF ONE-EIGHTH OF ONE PERCENT ON GAS AND ELECTRICITY FOR RESIDENTIAL USE; PROVIDING FOR THE NOTIFICATION OF THE STATE COMPTROLLER'S OFFICE; PROVIDING FOR THE NOTIFICATION OF GAS AND ELECTRIC COMPANIES WITHIN THE BOUNDARIES OF THE CEDAR HILL CRIME CONTROL AND PREVENTION DISTRICT; PROVIDING FOR THE PUBLICATION OF THIS RESOLUTION; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, on April 24th, 2012 the City Council of the City of Cedar Hill, Texas, passed Ordinance No. 2012-471 proposing the creation of the Cedar Hill Crime Control and Prevention District and establishing its boundaries as coterminous with the City of Cedar Hill's corporate boundaries; and

**WHEREAS**, on May 8, 2012, the City Council of the City of Cedar Hill, Texas, appointed itself as the temporary Board of Directors of the Cedar Hill Crime Control and Prevention District in accordance with Texas Local Government Code § 363.052; and

**WHEREAS**, on August 14, 2012, the City Council of the City of Cedar Hill, Texas, passed Ordinance No. 2012-476 ordering a special election to be held on the November 6, 2012 uniform election date on the proposition of the creation of the Cedar Hill Crime Control and Prevention District in accordance with Texas Local Government Code § 363.054; and

**WHEREAS**, on November 6, 2012 the eligible voters of the Cedar Hill Crime Control and Prevention District approved the crime control and prevention sales and use tax at a rate of one-eighth of one percent, as provided by Chapter 363 of the Texas Local Government Code and Section 321.108 of the Texas Tax Code; and

**WHEREAS**, the City of Cedar Hill, Texas, imposes a tax on the residential use of gas and electricity pursuant to Section 321.105 of the Texas Tax Code; and

**WHEREAS**, Section 321.1055 of the Texas Tax Code provides the authority for the Board of Directors of the Cedar Hill Crime Control and Prevention District to approve, by a majority vote of the membership of the Board of Directors following a public hearing, an order or resolution authorizing the imposition of the crime control and prevention district sales tax authorized by Section 321.108 of the Texas Tax Code on receipts from the sale, production, distribution, lease, or rental of, and the use storage or other consumption within the crime control and prevention district of gas and electricity for residential use; and

**WHEREAS**, consistent with Section 321.1055(b) of the Texas Tax Code, the Board of Directors of the Cedar Hill Crime Control and Prevention District held a public hearing

on May 13, 2014, and considered public comments provided on the imposition of the crime control and prevention district sales tax authorized by Section 321.108 of the Texas Tax Code, at a rate of one-eighth of one percent on receipts from the sale, production, distribution, lease or rental of, and the use, storage, or other consumption within the crime control and prevention district of gas and electricity for residential use, as authorized by Section 321.1055 of the Texas Tax Code.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF THE CEDAR HILL CRIME CONTROL AND PREVENTION DISTRICT, THAT:**

**SECTION 1.**All of the above premises are found to be true and correct factual and legislative determinations of the Cedar Hill Crime Control and Prevention District and are hereby approved and incorporated into the body of this Resolution as if copied in their entirety.

**SECTION 2.** The crime control and prevention district sales tax, at the rate of one-eighth of one percent, is hereby authorized and imposed on receipts from the sale, production, distribution, lease or rental of, and the use, storage, or other consumption within the crime control and prevention district of gas and electricity for residential use, as authorized by Section 321.1055 of the Texas Tax Code.

**SECTION 3.**The City Secretary shall forward to the State Comptroller's office by certified mail, return receipt requested, or by registered mail, a copy of this Resolution.

**SECTION 4.**The City Secretary shall send by certified mail, return receipt requested, or by registered mail, a copy of this Resolution, and a copy of the Cedar Hill Crime Control and Prevention District's boundaries to each gas and electric company whose customers are subject to the tax imposed by this Resolution.

**SECTION 5.**The City Secretary shall cause this Resolution to be published in a newspaper of general circulation within the Cedar Hill Crime Control and Prevention District.

**SECTION 6.**It is hereby declared to be the intention of the Cedar Hill Crime Control and Prevention District that the phrases, clauses, sentences, paragraphs and sections of this Resolution are severable, and if any phrase, clause, sentence, paragraph or section of this Resolution shall be declared to be unconstitutional or invalid by any court of competent jurisdiction, such unconstitutionality or invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Resolution.

**SECTION 7.**This Resolution shall become effective immediately upon its passage and approval.

Rob Franke, President  
Cedar Hill Crime Control and Prevention District  
Board of Directors

**HILL 05-16-14**

APPENDIX "D"



# Window on State Government

Susan Combs Texas Comptroller of Public Accounts

## Special Purpose Districts Eligible to Impose Local Sales and Use Tax on Residential Use of Gas and Electricity

<b>Special Purpose District</b>	<b>Associated Municipality</b>	<b>Type of Boundary</b>
<b>Azle Crime Control and Prevention District</b>	Azle	Citywide
<b>Balcones Heights Crime Control and Prevention District</b>	Balcones Heights	Citywide
<b>Blue Mound Crime Control and Prevention District</b>	Blue Mound	Citywide
<b>Bogata Crime Control and Prevention District</b>	Bogata	Citywide
<b>Cedar Hill Crime Control and Prevention District</b>	Cedar Hill	Citywide
<b>Colleyville Crime Control and Prevention District</b>	Colleyville	Citywide
<b>Corinth Crime Control and Prevention District</b>	Corinth	Citywide
<b>Crowley Crime Control and Prevention District</b>	Crowley	Citywide
<b>Everman Crime Control and Prevention District</b>	Everman	Citywide
<b>Fort Worth Crime Control and Prevention District</b>	Fort Worth	Citywide
<b>Fritch Crime Control and Prevention District</b>	Fritch	Citywide
<b>Grapevine Crime Control and Prevention District</b>	Grapevine	Citywide
<b>Haltom City Crime Control and Prevention District</b>	Haltom City	Citywide
<b>Keller Crime Control and Prevention District</b>	Keller	Citywide

<b>Special Purpose District</b>	<b>Associated Municipality</b>	<b>Type of Boundary</b>
<b>Lake Worth Crime Control and Prevention District</b>	Lake Worth	Citywide
<b>Saginaw Crime Control and Prevention District</b>	Saginaw	Citywide
<b>Sansom Park Crime Control and Prevention District</b>	Sansom Park	Citywide
<b>Seabrook Crime Control and Prevention District</b>	Seabrook	Citywide
<b>South Houston Crime Control and Prevention District</b>	South Houston	Citywide
<b>Southlake Crime Control and Prevention District</b>	Southlake	Citywide
<b>White Settlement Crime Control and Prevention District</b>	White Settlement	Citywide

APPENDIX "E"

**ORDINANCE NO. 2013-###**

**AN ORDINANCE CALLING TWO (2) PUBLIC HEARINGS BEFORE THE CITY COUNCIL OF THE CITY OF <CITY NAME>, TEXAS TO BE HELD AT CITY OF <CITY NAME> CITY HALL, <ADDRESS>, <CITY NAME>, TEXAS, TO HEAR ANY AND ALL PERSONS DESIRING TO BE HEARD ON OR IN CONNECTION WITH ANY MATTER OR QUESTION INVOLVING THE PROPOSED CREATION AND ADOPTION OF A COMMUNITY DEVELOPMENT PROGRAM AS AUTHORIZED BY CHAPTER 373 OF THE LOCAL GOVERNMENT CODE, HEREAFTER REFERRED TO AS THE “CITY OF <CITY NAME> COMMUNITY DEVELOPMENT PROGRAM NO. 1”, FOR THE PROPOSED REDEVELOPMENT OF AN APPROXIMATE <##> ACRE TRACT OF LAND LOCATED NEAR THE NORTHWEST CORNER OF <LOCATION>, ALL OF WHICH IS WITHIN THE CORPORATE LIMITS OF THE CITY OF <CITY NAME>, TEXAS, AND DIRECTING SAID NOTICE BE PUBLISHED IN THE OFFICIAL NEWSPAPER OF THE CITY OF <CITY NAME>, TEXAS AND POSTING ON THE CITY’S WEBSITE.**

**WHEREAS**, the City Council of the City of <CITY NAME>, Texas, (“City”) desires to adopt and create a community development program (“Program”) designed to establish a sustainable, livable community center for the property located at the corner of <LOCATION>, which consists of an approximate ##-acre tract of land (“Property”) pursuant to Chapter 373 of the Tex. Loc. Gov’t Code; and

**WHEREAS**, part of the Property is located at <STREET NAME>, which is a major thoroughfare through the City; and

**WHEREAS**, the City appropriated significant funds for the redevelopment, expansion and reconstruction of <ENTER DETAILS OF PROJECT> to accommodate the significant growth occurring in the City; and

**WHEREAS**, the reconstruction of <ENTER DETAILS OF PROJECT> is nearing completion and now represents a significant entrance to the economic and residential centers of the City; and

**WHEREAS**, the City is committed to preserving the existing character of the community while encouraging the development of new residential, retail and office development which will increase neighborhood amenities and continue to redistribute

the balance of mixed income residential ownership and densities throughout the City;  
and

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY  
OF <CITY NAME>, TEXAS:**

1. That the City Council of the City of <CITY NAME>, Texas does hereby call a first public hearing to be held on the \_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_:\_\_\_\_ p.m., and a second public hearing to be held on the \_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_:\_\_\_\_ p.m. at the <CITY NAME> City Hall, located at <ADDRESS>, <CITY NAME> Texas, at which time all persons desiring to be heard will be heard on or in connection with the proposed creation and adoption and creation of the "City of <CITY NAME> Community Development Program No. 1" by the City of <CITY NAME>, Texas, for the proposed redevelopment of that certain tract of land located at the northwest corner of <ENTER LOCATION>, in the City of <CITY NAME>, Texas.

2. The City Council directs the City Secretary, or in her absence the City Administrator, to publish and post the notices of these public hearings pursuant to the requirements of the Open Meetings Act and Chapter 373 of the Local Government Code.

**PASSED, APPROVED and ADOPTED** this, the \_\_\_\_ day of \_\_\_\_\_, 201\_\_.

\_\_\_\_\_  
Mayor

**ATTEST:**

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



**NOTICE OF PUBLIC HEARING FOR  
PROPOSED ADOPTION AND CREATION OF THE  
“CITY OF <ENTER CITY> COMMUNITY DEVELOPMENT PROGRAM NO. 1”  
IN THE CITY OF <ENTER CITY>, <ENTER COUNTY>, TEXAS**

NOTICE is hereby given that the City Council of <ENTER CITY>, Texas will hold two (2) public hearings to consider a proposal to a community development program pursuant to Chapter 373 of the Local Government Code entitled the “City of <ENTER CITY> Community Development Program No. 1” affecting the real property located near the northwest corner of <ENTER LOCATION, as described herein.

The first public hearing is scheduled for the \_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_:\_\_\_\_ p.m. at the City of <ENTER CITY> City Hall, <STREET>, <CITY>, Texas.

The second public hearing is scheduled for the \_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_:\_\_\_\_ p.m. at the City of <ENTER CITY> City Hall, <STREET>, <CITY>, Texas.

<ADD TRACT DESCRIPTION>

**ORDINANCE NO. 2013-047**

**AN ORDINANCE AUTHORIZING THE CREATION AND ADOPTION OF A COMMUNITY DEVELOPMENT PROGRAM AS AUTHORIZED BY CHAPTER 373 OF THE LOCAL GOVERNMENT CODE, HEREAFTER REFERRED TO AS THE “CITY OF MONT BELVIEU COMMUNITY DEVELOPMENT PROGRAM NO. 1”, FOR THE PROPOSED PRESERVATION AND FUTURE REDEVELOPMENT OF AN APPROXIMATE 76.321 ACRE TRACT OF LAND LOCATED NEAR THE NORTHWEST CORNER OF FM 3180 (EAGLE DRIVE) AND WESTBOUND INTERSTATE HIGHWAY 10, WITHIN THE CORPORATE LIMITS AND THE EXTRATERRITORIAL JURISDICTION OF THE CITY OF MONT BELVIEU, TEXAS; PROVIDING FOR AN EFFECTIVE DATE; PROVIDING FOR SEVERABILITY.**

**WHEREAS**, the City Council of the City of Mont Belvieu, Texas, (“City”) wishes to adopt and create a community development program, hereafter known as the City of Mont Belvieu Community Development Program No. 1 (“Program”) pursuant to Chapter 373 of the Tex. Loc. Gov’t Code; and

**WHEREAS**, the Program is designed to establish a sustainable, livable community center for the real property consisting of an approximate 76.321 acre tract of land described in the attached Exhibit “A” (“the Site”) and located at the corner of FM 3180 (“Eagle Drive”), which is a major thoroughfare through the City, and westbound Interstate Highway 10, and

**WHEREAS**, the City appropriated significant funds for the expansion, redevelopment and reconstruction of Eagle Drive to accommodate the significant growth occurring in the City; and

**WHEREAS**, the reconstruction of Eagle Drive is nearing completion and now represents a significant thoroughfare and gateway to the economic and residential centers and public amenities of the City; and

**WHEREAS**, the City is committed to preserving the existing character of the community while encouraging the development of new residential, commercial, retail and office development which will increase neighborhood amenities and continue to redistribute the balance of mixed income residential ownership and densities throughout the City and the surrounding community; and

**WHEREAS**, the City approved Ordinance 2013-043, a copy of which is attached hereto as Exhibit "B", which called two public hearings as required by Sec. 373.006 of the Texas Local Government Code where any and all persons desiring to be heard on or in connection with the proposed creation and adoption of a community development program were provided an opportunity to speak; and

**WHEREAS**, the City published notice of the two public hearings in The Baytown Sun, a newspaper of general circulation in the City, a copy of which is attached hereto as Exhibit "C", providing public notice of the two public hearings that were conducted on Monday, December 9, 2013, at 6:00 p.m. and 6:15 p.m.; and

**WHEREAS**, the City hereby adopts this Ordinance after conducting those properly noticed public hearings where any and all persons were heard on or in connection with the proposed creation and adoption of the Program as required by Sec. 373.006 of the Texas Local Government Code.

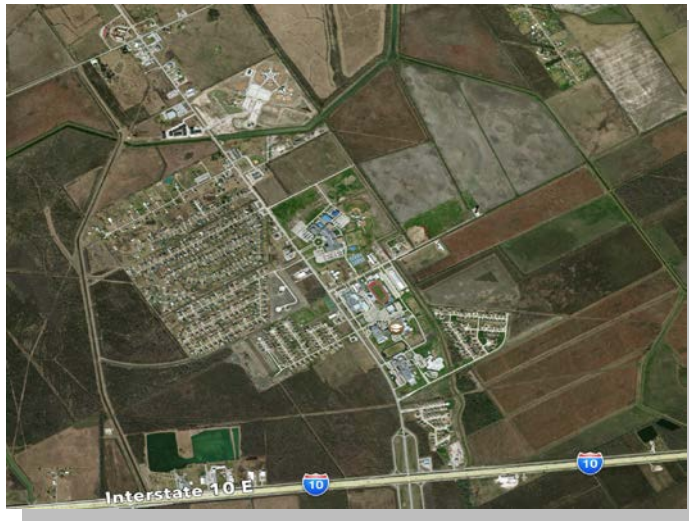
**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MONT BELVIEU, TEXAS:**

**Section 1.** The City finds that all of the recitals stated above are found to be true and correct and hereby incorporates its comprehensive plan, as may be amended, as if fully set forth herein.

**Section 2.** This Ordinance shall apply to the Site as described herein and reflected in the attached Exhibit “A” located in the City and the City’s Extraterritorial Jurisdiction except where specifically exempted by Ordinance or otherwise prohibited by state law.

**Section 3. Purpose of the Program.** The City of Mont Belvieu Community Development Program No. 1 represents one element of the City’s long range and comprehensive plan for encouraging thoughtful, sustainable development in the Mont

Belvieu community. Upon creating the Program, the City will take the necessary steps to preserve the Site in its current undeveloped and vacant state. Thereafter, the City will begin formulating a feasible plan for the future development of the Site that

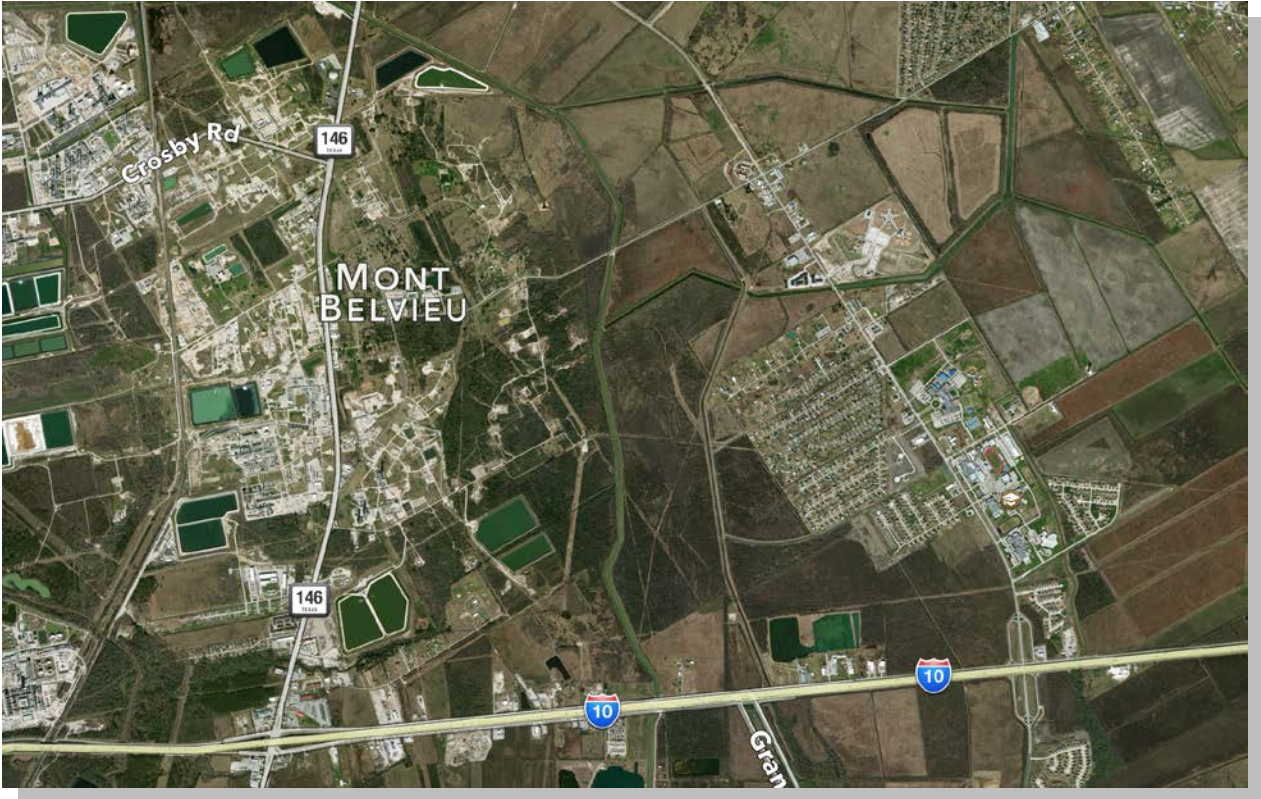


may draw upon the creative visions of the community, including but not limited to area homeowners and residents, local businesses and potential investors. The City’s plan may utilize professional consultants, strategic planning, public-private partnerships or any other tool or program to ensure that the Site develops in a manner that maximizes the Site’s highest and best use for the City and the surrounding community.

**Section 4. Geography and Local Development.**

The City of Mont Belvieu is located on the peripheries of a salt dome formation which was a major petroleum source earlier in the century, and since has been converted to underground storage for various petroleum products. The primary

business of the area is petro chemical oriented, with several refineries in addition to the storage uses. The original town site was well up the west slope of the salt dome (an actual physical hill of about 40 feet in height) along State Highway 146.



***The City of Mont Belvieu (Aerial)***

What was once the center of Mont Belvieu, this area known as “the Hill” was rocked by a series of industrial explosions in the 1980’s. As a result, most of the residents have been relocated to the east. Most of the residents that remain on the Hill are of low-to-moderate income and are living in mobile home parks or recreational vehicles. Similarly, schools moved from the State Highway146 corridor to what is now the Eagle Drive corridor (State Highway 3180) located several miles east of State Highway146, and off of the dome structure. As a result, much of the City’s new development has also shifted to this location. The result has been a city divided



geographically and economically – one being the original location to the west of a canal and including State Highway 146 which has over the years experienced economic distress; the other being the area east of a canal along Eagle Drive and between Interstate 10 and State Highway 565 which has experienced revitalization and growth in recent years.



***Mont Belvieu Apartments (SH 146 – West)    Eaglebrook Apartments (Eagle Drive – East)***

There have been many new subdivisions developed to the north and east of the Program Site, and also to the south of I-10, which creates constant traffic for Eagle Drive. Population growth has been of near explosive proportions in recent years, which has resulted in the development of many retail and office facilities along Eagle Drive, including several bank branches, medical clinics, fast food, convenience retail, and an office complex. The result is a zone subject to rapidly increasing demand for sites, particularly in the southerly portion of the neighborhood around the Program Site. However, the national credit crunch that began in 2008 and the slow recovery from a deep recession drastically slowed the construction of new commercial development. The majority of brokers in the area suggest that once the economy begins to regain strength construction activity will strengthen. With that strengthening, new

opportunities for the Site will likely present themselves and the City wants to ensure that the character of the Site is preserved and developed in a manner that (i) serves as a gateway to attract local and surrounding residents, (ii) diversifies and strengthens the local economy, and (iii) is consistent with the City's vision for a "Town Center."

**Section 5. Program Site Location and Analysis.**

The Program Site is predominantly located within the City of Mont Belvieu at the northwest corner of Interstate 10 and Eagle Drive. The area is situated approximately 40 miles east of downtown Houston, and approximately 55 miles west of Beaumont. A portion of the Site's southwestern boundary is located outside of the City and is not subject to the City's zoning but it is within the City's ETJ which monitors development.

To the west of the City's boundary and ETJ is the City of Baytown with an estimated population of 73,238 as of 2012.



A review of the local and Greater Houston Metro Market indicates that the real estate market has been affected by the economic

downturn and financial market crisis observed since mid 2008, which generally began after Hurricane Ike struck the area in September of 2008. The expanded market as a whole has seen less development of late, and occupancies for most property types are down. However, the Program Site is very well identified with surrounding uses in the immediate neighborhood with immediately surrounding properties consisting of

commercial uses along Eagle Drive and Interstate 10. The Program Site is zoned for "Village Mixed Use", which allows for residential and commercial uses pending site plan review by the City.

It is the City's intent and desire that any plan for the future development of the Program Site utilize the property at its "Highest and Best Use." "Highest and Best Use" is defined as "the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value." Based on a review of financial information available at the time the City considered this Ordinance, the City reasonably believes that the highest and best use of the property is for commercial, retail or mixed-use development as future demand warrants.

#### **Section 6. Basis for the Program.**

The Program Site is located in what the City's comprehensive plan identifies as the "I-10 Corridor." The land along the I-10 corridor, which represents a major transit corridor between Houston and Beaumont and beyond, is composed of a mix of land uses including commercial, industrial, multi-family and vacant. The City considers the I-10 Corridor its "front porch" because it is highly visible and provides direct access to the heart of the City, its schools, its city parks and recreation centers, and City Hall. As such, development and land use planning should be thoughtfully pursued with a vision of the City's image in mind in accordance with the comprehensive plan. In the past, land use patterns have followed a typical pattern seen at the edge of large metropolitan areas, with heavy commercial uses seeking cheap land and interstate access for such uses as construction equipment yards, trucking firms, sand and gravel operations,



concrete and asphalt plants, etc. To the extent possible, the City wants to discourage the *exclusive* development of these types of uses along the Interstate 10 and Eagle Drive corridor because of the negative influence these uses may have on the quality of community services available to the residents of the City in the future. By encouraging the development of a major economic center at the City's gateway that offers commercial and residential opportunities, the City could help reverse this common trend and instead attract higher value land uses. Accordingly, the City's adoption of the Program for the Site described herein serves a public purpose and is designed to accomplish the following goals:

- a. elimination of slums and areas affected by blight;
- b. prevention of blighting influences that may have an adverse effect on the welfare of the City and the surrounding community;
- c. elimination and prevention of conditions that are or could be detrimental to the public health, safety and welfare;
- d. expansion and improvement of the quantity and quality of community services essential for the development of viable urban communities;
- e. encourage, promote and facilitate the more rational use of land;
- f. encourage, promote and facilitate the improved arrangement of residential, commercial, industrial, recreational, and other necessary activity centers for the City and the surrounding community;
- g. encourage, promote and facilitate the restoration and preservation of properties of special value for historic, architectural, or aesthetic reasons;
- h. encourage, promote and facilitate the alleviation of physical and economic distress through the stimulation of private investment and community revitalization; and
- i. meet any other urgent community development needs that the City may later identify as part of the Program.

Based on the foregoing, the approval and creation of the Program serves an important public purpose that will improve the public health, safety, welfare, and local economic opportunities for the City and its residents.

**Section 7. Effective Date.** The City hereby adopts this Ordinance, and by doing so, creates the City of Mont Belvieu Community Development Program No. 1 which shall be effective when published as required by law.

**Section 8. Severability.** In the event any clause, phrase, provision, sentence or part of this Ordinance or the application of the same to any person or circumstances shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Ordinance as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Mont Belvieu, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any part thus declared to be invalid or unconstitutional, or whether there be one or more parts.

**PASSED, APPROVED and ADOPTED** this, the 26<sup>th</sup> day of December, 2013.

\_\_\_\_\_  
Nick Dixon, Mayor

**ATTEST:**

\_\_\_\_\_  
Kori Schweinle, City Secretary

**76.321 ACRE TRACT OF LAND  
IN THE CHAMBERS COUNTY SCHOOL LAND SURVEY, ABSTRACT NO. 321  
CITY OF MONT BELVIEU, CHAMBERS COUNTY, TEXAS**

*Being a 76.321 acre (3,324,529 square feet) parcel situated in the Chambers County School Land Survey, Abstract Number 321, City of Mont Belvieu, Chambers County, Texas, being a called remainder 375.388 acre tract (designated as Tract 1B) conveyed to Joni Anderson, Trustee by deed recorded under Clerk's File Number 200950399 of the Official Public Records of Chambers County, Texas; said 76.321 acre parcel being more particularly described by metes and bounds as follows (Bearing basis per called remainder 375.388 acre tract along the north right-of-way line of Interstate Highway 10 called South 82°18'38" West):*

**BEGINNING** at a 1-inch iron rod found at the south corner of the northwest cut-back corner at the intersection of the north right-of-way line of Interstate Highway 10 (as recorded under Volume 71 Page 412 of the Chambers County Deed Records, Texas) and the west right-of-way line of Farm to Market (F.M.) 3180 also known as Eagle Drive (variable width as recorded under Volume 276, Page 509 and Volume 276, page 514 of the Chambers County Deed Records);

**THENCE**, South 82°18'38" West, along the north right-of-way line of Interstate Highway 10, pass at a distance of 661.29 feet a found concrete monuments which bears South 07°41'22" East, 0.91 feet, and continuing for a total distance of 2600.91 to a set 5/8-inch iron rod with cap stamped "AGS" for the southeast corner of said called 375.388 acre tract and hereof and from which a 1/2-inch iron rod with cap stamped "RPLS 4980" bears South 82°19'12" West, 28.62 feet for the southeast corner of Lot 5 of Brick Tard Section I Subdivision as recorded under Chamber County Clerk's File No. 5277-B of the Official Property Records of Chamber County, Texas;

**THENCE**, North 02°55'35" West, 351.21 feet departing the north right-of-way of Interstate Highway 10 and along the west line of said called 375.388 acre to a set 5/8-inch iron rod with cap stamped "AGS" for corner;

**THENCE**, North 82°18'38" East, 1741.14 feet departing the west line and through the interior called 375.388 acre tract to a point for corner;

**THENCE**, North 09°15'55" West, 1644.24 feet to a found 5/8-inch iron rod with cap stamped "Windrose Land Services" for an angle point;

**THENCE**, North 41°54'54" West, 234.91 feet to a found 5/8-inch iron rod with cap stamped "Windrose Land Services" in the northwest line of said called 375.388 acre tract and the southeast line of a called 20.087 acre tract conveyed to Mount Belvieu Assembly of God, Inc. as recorded under Volume 719, Page 15 of the Chamber County Deed Records, Texas, from which a found 1/2-inch iron rod bears South 57°03'42" West, 57.44 feet for the south corner of said called 20.087 acre tract;

**THENCE**, North 57°03'42" East, along the southeast line of said called 20.087 acre tract pass at a distance of 942.36 feet a found 1/2-inch iron rod for the south corner of a called 2.870 acre tract conveyed to Mount Belvieu Assembly of God, Inc. as recorded under Chamber County Clerk's File No. 20072850 and continuing for a total distance of 1189.19 feet (called 1250.00 feet) to a set 5/8-inch iron rod with cap stamped "AGS" in the west right-of-way line of FM 3180 (Eagle Drive) for the beginning of a curve to the right, non-tangent at this point and from which a found 2-inch iron pipe bears North 31°53'10" West, 137.16 feet along an arc to the left having a radius of 3759.83 feet;

**THENCE**, along the west right-of-way line of FM 3180 (Eagle Drive-variable width) the following five (5) courses and distances:

1. Along said curve to the right, having a radius of 3759.83 feet, a central angle of 23°13'22", an arc length of 1523.91 feet and whose chord bearing and distance bears South 19°13'46" East, 1513.50 feet to a point of tangency from which a found concrete monument bears, North 03°13'09" West, 4.8 feet;
2. South 07°37'06" East, a distance of 58.75 feet to a set 5/8-inch iron rod with cap stamped "AGS" for an angle point;
3. South 36°12'46" West, a distance of 346.55 feet to a set 5/8-inch iron rod with cap stamped "AGS" from which a 5/8-inch iron rod found bears South 21°15'38" East, 1.98 feet;
4. South 07°37'06" East, a distance of 775.00 feet to a concrete monument found;
5. South 37°22'54" West, a distance 182.29 feet to the **POINT OF BEGINNING** and containing 76.321 acre (3,324,529 square feet) tract of land.

**ORDINANCE NO. 2013-043**

**AN ORDINANCE CALLING TWO (2) PUBLIC HEARINGS BEFORE THE CITY COUNCIL OF THE CITY OF MONT BELVIEU, TEXAS TO BE HELD AT CITY OF MONT BELVIEU CITY HALL, 11607 EAGLE DRIVE, MONT BELVIEU, TEXAS, ESTABLISHING A PLAN TO HEAR ANY AND ALL PERSONS DESIRING TO BE HEARD ON OR IN CONNECTION WITH ANY MATTER OR QUESTION INVOLVING THE PROPOSED CREATION AND ADOPTION OF A COMMUNITY DEVELOPMENT PROGRAM AS AUTHORIZED BY CHAPTER 373 OF THE LOCAL GOVERNMENT CODE, HEREAFTER REFERRED TO AS THE "CITY OF MONT BELVIEU COMMUNITY DEVELOPMENT PROGRAM NO. 1", FOR THE PROPOSED REDEVELOPMENT OF AN APPROXIMATE 76 ACRE TRACT OF LAND LOCATED NEAR THE NORTHWEST CORNER OF FM 3180 (EAGLE DRIVE) AND WESTBOUND INTERSTATE HIGHWAY 10, ALL OF WHICH IS WITHIN THE CORPORATE LIMITS OF THE CITY OF MONT BELVIEU, TEXAS, AND DIRECTING SAID NOTICE BE PUBLISHED IN THE OFFICIAL NEWSPAPER OF THE CITY OF MONT BELVIEU, TEXAS AND POSTING ON THE CITY'S WEBSITE.**

**WHEREAS**, the City Council of the City of Mont Belvieu, Texas, ("City") desires to adopt and create a community development program ("Program") designed to establish a sustainable, livable community center for the property located at the corner of FM 3180 ("Eagle Drive") and westbound Interstate Highway 10, which consists of an approximate 76-acre tract of land ("Property") pursuant to Chapter 373 of the Tex. Loc. Gov't Code; and

**WHEREAS**, part of the Property is located at Eagle Drive, which is a major thoroughfare through the City; and

**WHEREAS**, the City appropriated significant funds for the redevelopment, expansion and reconstruction of Eagle Drive to accommodate the significant growth occurring in the City; and

**WHEREAS**, the reconstruction of Eagle Drive is nearing completion and now represents a significant entrance to the economic and residential centers of the City; and

**WHEREAS**, the City is committed to preserving the existing character of the community while encouraging the development of new residential, retail and office

development which will increase neighborhood amenities and continue to redistribute the balance of mixed income residential ownership and densities throughout the City; and


**WHEREAS**, the City hereby adopts this Ordinance as evidence of its plan to conduct public hearings to hear any and all persons desiring to be heard on or in connection with the proposed creation and adoption of a community development program as required by Sec. 373.006 of the Texas Local Government Code.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MONT BELVIEU, TEXAS:**

1. That the City Council of the City of Mont Belvieu, Texas does hereby call a first public hearing to be held on the 9<sup>th</sup> day of December at 6:00 p.m., and a second public hearing to be held on the 9<sup>th</sup> day of December at 6:15 p.m. at the Mont Belvieu City Hall, located at 11607 Eagle Drive, Mont Belvieu Texas, at which time all persons desiring to be heard will be heard on or in connection with the proposed creation and adoption and creation of the "City of Mont Belvieu Community Development Program No. 1" by the City of Mont Belvieu, Texas, for the proposed redevelopment of that certain tract of land located at the northwest corner of FM 3180 (Eagle Drive) and westbound Interstate Highway 10, in the City of Mont Belvieu, Texas.

2. The City Council directs the City Secretary, or in her absence the City Manager, to publish and post the notices of these public hearings pursuant to the requirements of the Open Meetings Act and Chapter 373 of the Local Government Code.

**PASSED, APPROVED and ADOPTED** this, the 25<sup>th</sup> day of November, 2013.

  
\_\_\_\_\_  
Nick Dixon, Mayor

**ATTEST:**

  
\_\_\_\_\_  
Kori Schweinle, City Secretary

The Baytown Sun  
1301 Memorial Drive  
Baytown, Texas 77520  
281-422-8302


AFFIDAVIT OF PUBLICATION

City of Mont Belvieu  
Attn: Kori Schweinle  
P.O. Box 1048  
Mont Belvieu, TX 77580

COUNTY OF CHAMBERS STATE OF TEXAS

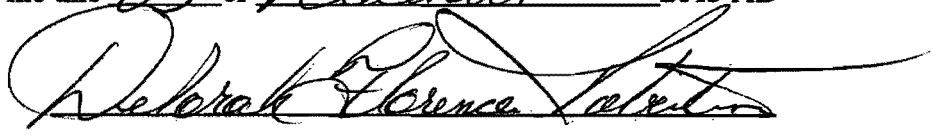
Reference: Notice of Pubic Hearing

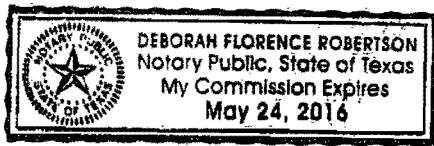
Before me, the undersigned authority, on this day personally appeared, Ruth Fawvor who being duly sworn, deposes and says that she is an agent of the Baytown Sun: that said newspaper is regularly published in Harris County and generally circulated in Harris and Chambers Counties, Texas: that the attached notice was published on the following date.

  
Ruth Fawvor, Agent

Printed: November 27, 2013

Subscribed and sworn before me this 03 of December 2013 AD





## 706 Trades

communications protocols. • Electrical power distribution systems. • Pneumatic, hydraulic, and mechanical systems. • Installing and repairing electrical systems, apparatus, and electrical and electronic components of industrial machinery and equipment. • Following electrical code, manuals, schematic diagrams, blueprints, and other specifications. • Using hand tools, power tools, and electrical and electronic test equipment. Job Requirements: 1-3 years of Industrial Maintenance experience preferred. Excellent written and oral communication and presentation skills. Must be able to adjust to changing priorities and handle multiple tasks. Must be able to work rotating night shifts. The ability to work in a fast paced environment.

**LOOKING FOR**  
Sub-contractor for: Painter, sheetrock work, carpentry, minor plumbing and electrical work. Must have own truck, tools and speak English. Call 281-391-7959

## 707 Clerical

**CONSULTING ENGINEERING** firm's branch office in Baytown seeking full-time front office clerical/new hire onboarding support. MS/Office required. Prior working in refinery preferred. Full benefits. Salary commensurate with experience. Send cover letter, resume and salary requirements to BT coordinator@becht.com.

## 708 General

**Bo-Mac Contractors, Ltd.** seeks Journeyman Form Carpenters, Cement Finishers, Carpenter Helpers, Trackhoe & Dozer Operators, Skilled Laborers. For work in the Houston, TX area. To apply, call 409-840-8329.

**CALL TAKERS**  
Immediate Openings Full/Part Time Must Be Reliable Bilingual A Plus Apply In Person: 820 W Main St LaPorte, Tx 77571

## 708 General

Adjusting functioning parts of devices and control instruments. Repairing or replacing defective parts. Installing special functional and structural parts in devices. Testing the performance of devices. Lubricating and cleaning parts. Additional duties as become necessary and/or are assigned by management Job Requirements: 1-3 years of Industrial Maintenance experience preferred. Excellent written and oral communication and presentation skills. Must be able to adjust to changing priorities and handle multiple tasks. Must be able to work rotating night shifts. The ability to work in a fast paced environment.

**IMMEDIATE OPENINGS FOR AMP/PM POSITIONS. APPLY AT JELLYBEAN JUNCTION DAY CARE, MONT BELVIEU, TX. 281-578-4664**

**INDUSTRIAL SALES OPPORTUNITIES:**  
Large independent distributor in Southeast Texas is seeking individuals for current inside and/or outside sales positions. Knowledge of the welding supply and industrial gas business is a plus. Please call (800) 852-4177 ext. 2114, Fax: (409) 832-2621, or email [employment@coastalwa.com](mailto:employment@coastalwa.com).

## 712 Business Opportunities

**If You Are Employed but need extra income, please call 713-808-9771.**

## 804 Special Notices

**WITNESSES SEEING** the 10/18/13 accident at 6200 Garth Rd. at 7:30 pm are asked to call Ofc. Clayton Breeding 281-422-8371 or Weston Cotten @ 281-421-5774

## 805 Lost & Found

**(M) WHITE Bichon Frise** Puppy Lost in Falcons Point Neighborhood. Reward (713)806-2049.

**FOUND HUSKY** puppy. 822-882-1616

## 810 Legal Notices

Baytown, Texas. Call 281-420-5394 for more information.

The City of Baytown public facilities are wheelchair accessible and accessible parking spaces are available. Reasonable accommodations and equal access to communications will be provided upon request. For assistance please call 281-420-6522, Fax 281-420-6586, or contact 281-420-6522 via Relay Texas at 711 or 1-800-735-2989 for TTY Services. For more information concerning Relay Texas please visit: [HTTPS://PUC.STATE.TX.US/RELAYTEXAS/OV ERVIEW.ASPX](https://puc.state.tx.us/relaytexas/overview.aspx)

**NOTICE OF PUBLIC HEARING FOR PROPOSED ADOPTION AND CREATION OF THE "CITY OF MONT BELVIEU COMMUNITY DEVELOPMENT PROGRAM NO. 1" IN THE CITY OF MONT BELVIEU, CHAMBERS COUNTY, TEXAS**

NOTICE is hereby given that the City Council of Mont Belvieu, Texas will hold two (2) public hearings to consider a proposal to adopt a community development program pursuant to Chapter 373 of the Local Government Code entitled the "City of Mont Belvieu Community Development Program No. 1" affecting the real property located near the northwest corner of FM 3180 (Eagle Drive) and westbound Interstate Highway 10. The first public hearing is scheduled for the 8th day of December at 8:00 p.m. at the City of Mont Belvieu City Hall, 11607 Eagle Drive, Mont Belvieu, Texas. The second public hearing is scheduled for the 9th day of December at 6:15 p.m. at the City of Mont Belvieu City Hall, 11607 Eagle Drive, Mont Belvieu, Texas.

**NOTICE TO BIDDERS CITY OF BAYTOWN REMOVAL AND DISPOSAL OF DERELICT PILING IN TABBS BAY - PHASE 3**

**BID NUMBER: 1411-01 MANDATORY**

## 810 Legal Notices

16.643 ACRES OF LAND LOCATED JUST WEST OF SJOLANDER AND SOUTH OF I-10, IN BAYTOWN, HARRIS COUNTY, TEXAS, TO REZONE SUCH PROPERTY FROM OPEN SPACE/RECREATION (OR) ZONING DISTRICT TO LIGHT INDUSTRIAL (LI) ZONING DISTRICT; PRESCRIBING A MAXIMUM PENALTY OF TWO THOUSAND AND NO/100 DOLLARS (\$2,000.00); PROVIDING A REPEALING CLAUSE; CONTAINING A SAVINGS CLAUSE; AND PROVIDING FOR THE PUBLICATION AND EFFECTIVE DATE THEREOF.

**CITY OF BAYTOWN ORDINANCE NO. 12,417**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS, AMENDING CHAPTER 88 "SOLID WASTE," ARTICLE IV "PRIVATE COLLECTION VEHICLES" OF THE CODE OF ORDINANCES, BAYTOWN, TEXAS, TO REVISE THE PROCEDURE FOR REVOCATION OF A WASTE COLLECTION PERMIT, TO INCLUDE AN APPEAL PROCESS, TO UPDATE THE APPLICATION REQUIREMENTS, AND TO ESTABLISH THE DATES DURING WHICH THE ANNUAL PERMITS SHALL BE VALID; PROVIDING A REPEALING CLAUSE; CONTAINING A SAVINGS CLAUSE; PRESCRIBING A MAXIMUM PENALTY OF FIVE HUNDRED AND NO/100 DOLLARS (\$500.00); AND PROVIDING FOR THE PUBLICATION AND EFFECTIVE DATE THEREOF.

**CITY OF BAYTOWN ORDINANCE NO. 12,418**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS, AMENDING CHAPTER 18 "BUILDINGS AND BUILDING REGULATIONS," ARTICLE "PLUMBING CODE" SECTION 18-462



Rita M. Kaplan

Rita M. Kaplan, Ab had peaceful Monday at St. Jan Texas. 1 October Willie a at their Mississiq and grad Heart A 1938. On M married Kaplan, Ab had



Willie A. Kaplan, Ab had peaceful Monday at St. Jan Texas. 1 October Willie a at their Mississiq and grad Heart A 1938. On M married Kaplan, Ab had



APPENDIX "F"

**CHAPTER 380 ECONOMIC DEVELOPMENT,  
PERFORMANCE, AND REIMBURSEMENT AGREEMENT**

**BETWEEN**

**THE CITY OF OAK RIDGE NORTH, TEXAS,  
A Type-A General Law Municipality,**

**AND**

**CITY OF OAK RIDGE NORTH  
ECONOMIC DEVELOPMENT CORPORATION**

**AND**

**THE GROCERS SUPPLY CO., INC.,  
A Texas Corporation**

<b>STATE OF TEXAS</b>	<b>§</b>
	<b>§</b>
<b>COUNTY OF MONTGOMERY</b>	<b>§</b>

This Chapter 380 Economic Development Agreement, Performance and Reimbursement Agreement, hereinafter collectively referred to as the “Agreement,” is made and entered into by and between THE CITY OF OAK RIDGE NORTH, TEXAS, a Type-A general law municipality located in Montgomery County, Texas (the “CITY”), the CITY OF OAK RIDGE NORTH ECONOMIC DEVELOPMENT CORPORATION, a Section 4B corporation created pursuant to the authority of the Development Corporation Act of 1979, as amended (the “EDC”), and THE GROCERS SUPPLY CO., INC., a Texas Corporation (“GSC”), hereinafter collectively referred to as the “Parties” and sometimes individually referred to as a “Party.”

**RECITALS**

**WHEREAS**, the purpose of this Agreement is to encourage major economic investment in the redevelopment of the Secondary and Highway Business District that extends along the Interstate Highway 45 North (IH-45) freeway corridor and to attract new and retain primary employment within the CITY; and

**WHEREAS**, GSC has purchased that commercial property known as the “Oak Ridge North Shopping Center” and that certain commercial property located at the intersection of the IH-45 feeder road and Lane Lane, and more particularly located within the addresses identified as 26860 thru 27642 Interstate 45 North (the “Property”); and

**WHEREAS**, GSC plans to construct substantial improvements to the Property as reflected on the site plan attached hereto as Exhibit “A” and referred to herein as the “Project;” and

**WHEREAS**, GSC’s proposed Project will constitute a major economic investment in the redevelopment of the Property located within the Secondary and Highway Business District that extends along the IH-45 freeway corridor and within the addresses identified as 26860 thru 27642 Interstate 45 North which will attract new retail and commercial development; and

**WHEREAS**, the CITY recognizes the positive economic impact that the Project will bring to the CITY through the redevelopment and diversification of the local economy, the attraction of other new businesses to the CITY and thereby the reduction of unemployment through the creation of new jobs or underemployment through the retention of existing jobs, and the retention and growth of the *ad valorem*, personal property, and sales and use tax revenue generated by the Project; and

**WHEREAS**, in accordance with Chapter 380, Texas Local Government Code, and Article III, Section 52-a, of the Texas Constitution, the CITY may establish and provide for the administration of a program for the making of loans or grants of public money and providing municipal personnel and services of the municipality to promote state or local economic development and to stimulate business and commercial activity in the municipality; and

**WHEREAS**, the EDC is authorized by Section 505.158, Texas Local Government Code, to participate in or otherwise sponsor projects relating to business development in certain small municipalities, such as the CITY, with such projects specifically relating to land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements that are found by the EDC to promote new and expanded development and which the CITY authorizes by resolution pursuant to Section 505.159, Texas Local Government Code; and

**WHEREAS**, consistent with Chapter 380, Texas Local Government Code, and Article III, Section 52-a, of the Texas Constitution and other applicable law, the CITY hereby establishes an economic development program whereby the EDC agrees to make a grant of public money to GSC, in the form of reimbursement grants and tax sharing incentives, to advance the public purposes of developing and diversifying the economy of the CITY, reducing unemployment or underemployment in the CITY and the state of Texas, stimulating business and commercial activity in the CITY, and developing or expanding transportation and commerce to and through the CITY; and

**WHEREAS**, the CITY and the EDC hereby conclude that this Agreement promotes economic development in the CITY and, as such, meets the requirements under the law for an economic development program for which a grant of public money is allowed, and, further, is in the best interest of the CITY and the surrounding community; and

**WHEREAS**, GSC has agreed to satisfy and comply with the terms and conditions of this Agreement in exchange for and as consideration for economic development funding

and incentives from the EDC in the form of reimbursement grants and tax sharing incentives; and

**WHEREAS**, the CITY, the EDC and GSC each agree that the provisions of this Agreement substantially advance a legitimate interest of the CITY and the EDC by expanding the tax base of the CITY, increasing employment, and stimulating economic development; and

**WHEREAS**, the CITY and the EDC have each determined that they are duly authorized by the Constitution and laws of the State of Texas to enter into this Agreement, and GSC has determined that it is duly authorized by its officer(s) to enter into this Agreement, and each have further determined that the terms, provisions, and conditions hereof are mutually fair and advantageous to each; and

**WHEREAS**, on the Effective Date, the commitments contained in this Agreement shall become legally binding obligations enforceable against the Parties; and

**WHEREAS**, the recitals as set forth above are declared true and correct and are hereby incorporated as part of this Agreement; and

**NOW, THEREFORE, FOR AND IN CONSIDERATION** of the mutual benefits and promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, the CITY, the EDC, and GSC each agree as follows:

## **ARTICLE I.**

### **DEFINITIONS**

1.1 The terms “Agreement,” “CITY,” “EDC,” and “GSC” shall have the meanings provided for them in the Recitals above. Except as may be otherwise defined, or if the context clearly requires otherwise, capitalized terms and phrases as used in this Agreement shall have the meanings as follow:

**“Event of Bankruptcy or Insolvency”** means the dissolution, termination or liquidation of GSC’s existence as a going business (but not in connection with a merger or other corporate reorganization), the reorganization of GSC as part of a bankruptcy proceeding, insolvency, appointment of receiver for any significant part of GSC’s property and such appointment is not terminated within ninety (90) days after such appointment is initially made, any general assignment for the benefit of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against GSC and such proceeding is not dismissed within ninety (90) days after the filing thereof.

**“Economic Development Funds”** means any grant of public monies GSC receives from the EDC in the form of a Reimbursement Grant or any reimbursement of EDC Sales Tax Collections in the form of an EDC Sales Tax Grant for gross taxable sales exceeding the EDC Taxable Sales Threshold as provided for herein.

**“Effective Date”** means the date this Agreement is executed by the last Party to execute this Agreement.

**“EDC Sales Tax Collections”** means and includes all EDC sales tax obligations currently imposed by the EDC.

**“EDC Sales Tax Grant”** means that amount of the EDC Sales Tax Collections generated in a fiscal twelve (12) month period by retail and commercial tenants located and operating from the Property that is paid to GSC in the form of a grant of public monies according to the EDC Taxable Sales Threshold as provided herein.

**“EDC Taxable Sales Threshold”** means that minimum threshold amount of gross taxable sales that must be generated in a fiscal twelve (12) month period by retail and commercial tenants located and operating from the Property before GSC can qualify for an EDC Sales Tax Grant in the form of a percentage reimbursement of EDC Sales Tax Collections on gross taxable sales that exceed the threshold amount.

**“Program”** means the economic development program established by the CITY and the EDC pursuant to Chapter 380 of the Texas Local Government Code to promote local economic development and stimulate business and commercial activity within the CITY.

**“Project”** means GSC’s planned construction of substantial improvements to the Property located within the CITY and as reflected in the site plan attached hereto as Exhibit “A” for the purpose of attracting new retail and commercial development to the Property.

**“Property”** means that commercial real property known as the “Oak Ridge North Shopping Center” and that certain commercial property located at the intersection of the IH-45 feeder road and Lane Lane, and more particularly located within the addresses identified as 26860 thru 27642 Interstate 45 North.

**“Reimbursement Grant”** means the EDC’s grant of public monies from available Economic Development Funds that are paid to GSC for the reimbursement toward the cost of certain improvements to the Property as provided herein.

**“Undocumented Worker”** means an individual who, at the time of employment, is not lawfully admitted for permanent residence to the United States, or authorized under law to be employed in that manner in the United States.

## **ARTICLE II.**

### **TERM**

2.1 This Agreement shall commence on the Effective Date and, unless sooner terminated pursuant to any provisions of this Agreement, shall terminate upon GSC receiving the

EDC Sales Tax Grant as contemplated under this Agreement in Year Three according to the terms and conditions for the payment of same.

### **ARTICLE III.**

#### **CONDITIONS PRECEDENT**

3.1 The CITY, EDC and GSC each agree that as a condition of this Economic Development, Performance and Reimbursement Agreement and any Economic Development Funds resulting therefrom, GSC must tender all plans for any improvements to the Property to the CITY for review and approval, obtain all necessary permits as required by the CITY's Code of Ordinances, and comply with all development regulations including, but not limited to, the CITY's zoning code, and comply in all material respects with any other reasonable terms or conditions established or otherwise imposed by the CITY or the EDC that are consistent with terms and conditions imposed by the CITY or EDC on other parties seeking similar economic development assistance. The CITY and EDC acknowledge and agree that the CITY has already received and approved the plans for the substantial exterior remodel of the Property required under this Economic Development, Performance and Reimbursement Agreement (the "Approved Plans").

3.2 GSC agrees that as a condition of this Economic Development, Performance and Reimbursement Agreement and any Economic Development Funds resulting there from, GSC or its designated leasing agent must work in conjunction with The Retail Coach, L.L.C. (or other firm or organization dedicated primarily to the attraction and promotion of retail business as designated by the CITY) to actively recruit those businesses and tenants that represent the highest and best use of the Property toward the underlying purpose of the Project which includes increasing the retention and growth of the *ad valorem*, personal property, and sales and use tax revenue generated by the Property. The EDC shall bear the cost of GSC utilizing The Retail Coach (or other designated firm or organization) for business and tenant recruitment for the Property according to the Project. The CITY and the EDC acknowledge and agree that by reasonably attempting to negotiate leases on commercially reasonable terms with prospective tenants proposed by The Retail Coach (or other firm or organization dedicated primarily to the attraction and promotion of retail business as designated by the CITY), GSC shall be deemed to have actively recruited those businesses and tenants that represent the highest and best use of the Property as required under this Section 3.2.

3.3 GSC must retain full ownership of the Property until September 30, 2016, unless the loss of any or all of such "full ownership" is a result of condemnation (or deed in lieu thereof), granting easements necessary for the further use and development of the Property for a retail shopping center, execution of commercially reasonable leases contemplated by this Agreement or transfer to a wholly owned subsidiary.

3.4 By executing this Agreement, GSC hereby certifies that it does not now, and will not, knowingly employ an Undocumented Worker as defined by the Tex. Gov't. Code Sec. 2264.001(4)(A-B) and Article I above.

**ARTICLE IV.**

**ESTIMATED VALUE OF AGREEMENT**

4.1 GSC agrees to construct substantial improvements to the Property pursuant to the Approved Plans (subject to reasonable modification so long as such modifications do not materially change the scope of the proposed improvements) and operate, or cause to be operated, that retail shopping center known as Oak Ridge North Shopping Center as contemplated by the Project.

4.2 GSC estimates that the Project, and the retail and commercial development that it will attract, will generate new primary employment jobs that will be available in the CITY in addition to those already existing primary employment jobs that will be retained.

4.3 Based on information provided by GSC, the CITY and the EDC estimate that the Project will generate moderate to substantial growth in the number and quality of retail and commercial tenants leasing space within the Property thereby stimulating an increase in sales tax collections within the CITY. The total estimated economic value of the Agreement to the CITY and the EDC as derived from those estimates reflected in the attached Exhibit “B” is reflected in Table 1a and Table 1b below:

Table 1a.

<b>Total Incentive Value to GSC Over Three Years</b>	
Low estimate	\$201,500.00
Average estimate	\$255,250.00
High estimate	\$317,750.00
Exceptional estimate	\$365,250.00

Table 1b.

<b>Net Sales Tax Revenue to CITY Over Three Years</b>	
Low estimate	\$158,500.00
Average estimate	\$428,083.33
High estimate	\$657,250.00
Exceptional estimate	\$841,416.67

4.4 The CITY and the EDC acknowledge and agree that the estimates and other information provided by GSC are projections only and GSC has not guaranteed any specific increase in sales tax or other revenues. The preceding sentence, however, is not intended to

modify the thresholds required for GSC to be entitled to reimbursements pursuant to this Agreement.

## **ARTICLE V.**

### **PROPOSED REIMBURSEMENT GRANT AND EDC SALES TAX COLLECTIONS**

5.1 After the Effective Date and subject to City Council approval and authorization by resolution as required by Section 505.159, Texas Local Government Code, the EDC agrees to provide GSC with Economic Development Funds in the form of Reimbursement Grants to offset the cost of the following:

- a. Reimbursement of the cost (up to a maximum of \$75,000) of infrastructure improvements to repair the existing water leak under the Property and to provide water and sewer service to the projected pad sites to be located at the front of the Property subject to GSC granting and conveying to the CITY the required utility easement(s);
- b. Reimbursement of the cost (up to a maximum of \$60,000) of visual improvements to the Property including, but not limited to, the facades, windows, awnings (excludes landscaping); and
- c. Reimbursement of the cost (up to a maximum of \$15,000) of landscaping improvements to the Property; and
- d. Reimbursement of fifty percent (50%) of the cost, up to a maximum of \$25,000.00, toward the purchase and installation of a new multi-tenant pylon sign that must be constructed to match the new façade of the renovated Property.

5.2 In order to obtain the Reimbursement Grants hereby pledged by the EDC, GSC shall submit an application for reimbursement to the EDC reflecting proof of purchase or payment for that improvement subject to reimbursement. The EDC or its designee may independently verify the completion of construction or installation of the improvement(s) made the subject of the reimbursement request prior to the EDC tendering the reimbursement to GSC. The Reimbursement Grants will be paid within 60 days after submission of the application unless the EDC finds that GSC has not complied with its obligations under this Agreement.

5.3 In order to identify the amount of EDC Sales Tax Collections generated by retail and commercial tenants located and operating from the Property for each of the three (3) fiscal years described below, the CITY shall be responsible for gathering the EDC Sales Tax Collections information from the Texas Comptroller of Public Accounts.

5.4 Upon GSC's initiation and operation of the Project in accordance with the Approved Plans and the requirements of this Agreement, the EDC agrees to reimburse GSC those EDC Sales Tax Collections generated from the Property for taxable sales that exceed the EDC Taxable Sales Threshold according to the reimbursement schedule in Table 2. GSC shall



only be eligible for reimbursements of the EDC’s Sales Tax Collections on taxable sales that exceed the EDC Taxable Sales Threshold for each twelve (12) month period.

5.5 The EDC shall tender the EDC Sales Tax Grant to GSC within ninety (90) days following the end of each twelve (12) month period from which such EDC Sales Tax Collections are derived.

Table 2.

**EDC SALES TAX GRANT SCHEDULE FOR  
GROSS TAXABLE SALES EXCEEDING EDC TAXABLE SALES THRESHOLD**

Fiscal Year Subject to Reimbursement	EDC Sales Tax Collections Qualifying for Reimbursement	Reimbursement Percentage
Year 1 – Fiscal Year 2014 (Beginning Oct. 1, 2013)	All EDC sales tax collected from the Property*	100%
Year 2 – Fiscal Year 2015 (Beginning Oct. 1, 2014)	EDC sales tax collected after first \$3,000,000.00 in gross taxable sales**	75%
Year 3 – Fiscal Year 2016 (Beginning Oct. 1, 2015)	EDC sales tax collected after first \$10,000,000.00 in gross taxable sales**	50%
Year 3 Fiscal Year Bonus	EDC sales tax collected after first \$20,000,000.00 in gross taxable sales**	25%

\* *Excludes* all EDC sales tax collected from "The Food Basket" in Fiscal Year 2014.

\*\* *Includes* any increase in EDC sales tax collected from "The Food Basket" over that collected in Fiscal Year 2014.

**ARTICLE VI.**

**LIABILITY**

6.1 By this Agreement, GSC assumes no obligation, duty or other responsibility with regard to any governmental function or service for which the CITY or the EDC is responsible that is not otherwise addressed by this Agreement. In addition, GSC assumes no legal liability for the actions of the CITY or the EDC through the execution of this Agreement. The CITY and the EDC, individually or in concert with one another, assume no obligation, duty or other responsibility with regard to any duty, right, obligation or responsibility associated with the Project for which GSC is responsible. In addition, the CITY and the EDC each assume no legal liability for the actions of GSC or a branch, division, department, subsidiary, affiliate or franchisee of GSC by virtue of its execution of this Agreement.

6.2 Each Party to this Agreement agrees that it shall have no liability for the actions or omissions of the employees, agents, directors, officers, members, stockholders or trustees of any

other Party, and each Party is solely responsible for the actions and omissions of its own employees, agents, directors, officers, members, stockholders or trustees.

6.3 GSC will file with the CITY and EDC, and maintain until October 1, 2016, a performance bond issued by a surety company authorized to do business in the State of Texas, guaranteeing payment by GSC of any amounts owed by GSC for failure to meet any term or condition of this Agreement as set forth herein if such failure has not been cured within thirty (30) days after demand by the CITY or EDC to cure such failure. Such bond shall be in a form and issued by a company approved by the CITY, which approval shall not be unreasonably withheld. Such bond shall be issued initially upon payment of the Reimbursement Grants in the amount of the Reimbursement Grants, and thereafter reissued, replaced or supplemented annually so that the aggregate amount of such bond(s) is equal to all Reimbursement Grants and EDC Sales Tax Grants previously provided to GSC under this Agreement.

## **ARTICLE VII.**

### **DEFAULT AND TERMINATION**

7.1 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 its covenants, agreements, or obligations hereunder or breaches or violates any of its representations contained in this Agreement and such failure, breach or violation continues for ten (10) days after written notice by a non-defaulting Party to the defaulting Party of such failure, breach or violation.

7.2 GSC shall be deemed in default under this Agreement (which shall be deemed a breach hereunder) if GSC experiences an Event of Bankruptcy or Insolvency as that term is defined herein. In the event of GSC's default pursuant to this section on or prior to October 1, 2016, GSC shall repay the full amount of any Reimbursement Grant(s) or EDC Sales Tax Grant(s) that GSC received from the EDC not later than one hundred twenty (120) days after the date the breach occurs.

7.3 The EDC Sales Tax Grant contemplated hereunder by the CITY and the EDC shall be contingent on the retail and commercial tenants located and operating from the Property generating revenue equal to the EDC Taxable Sales Threshold for each fiscal twelve (12) month period as set forth in Table 2.

7.4 During the term of this Agreement, GSC agrees not to knowingly employ any Undocumented Worker as defined herein and according to Tex. Gov't. Code Sec. 2264.001. If after receiving any Economic Development Funds qualifying as a public subsidy and on or prior to October 1, 2016, GSC, or a branch, division, or department of GSC, is convicted of a violation under 8 U.S.C. § 1324a(f), GSC shall repay the full amount of any Economic Development Funds received by GSC from the EDC as of the date of such violation not later than one hundred twenty (120) days after the date GSC is convicted.

7.5 Any event of default by GSC that triggers an obligation by GSC to repay the EDC shall include an interest payment accruing from the later of the date any Economic Development Funds were paid to GSC or the date of the violation giving rise to the right to recover such Economic Development Funds from GSC, at the rate periodically announced by the Wall Street Journal as the prime or base commercial lending rate, or if the Wall Street Journal shall ever cease to exist or cease to announce a prime or base lending rate, then at the annual rate of interest from time to time announced by Citibank, N.A. (or by any other New York money center bank selected by the CITY) as its prime or base commercial lending rate. The payment of interest shall be as if it had been accruing from the later of the date the Economic Development Funds were paid to GSC or the date of the violation giving rise to the right to recover such Economic Development Funds until the date the Economic Development Funds are repaid to the EDC.

7.6 If GSC is obligated to repay any amounts to the EDC and the EDC no longer exists, such amounts shall be repaid to the CITY.

## ARTICLE VIII.

### NOTICES

8.1 Any notice given under this Agreement must be in writing and may be given (i) by depositing it in the United States mail, certified, with return receipt requested, addressed to the Party to be notified at the address set forth below, or at the last address for notice that the sending Party has for the receiving Party at the time of mailing, and with all charges prepaid; (ii) by depositing it with Federal Express or another service guaranteeing "next day delivery," addressed to the Party to be notified and with all charges prepaid; (iii) by personally delivering it to the Party, or any agent of the Party listed in this Agreement; or (iv) by facsimile with confirming copy sent by one of the other described methods for notice set forth in this sentence. Notice by United States mail as provided in (i) will be deemed delivered, whether or not actually received, three (3) days after the date of mailing. Payments to any Party shall be made by check at the address set forth below (without copies), unless timely notice of change of address is given to a Party in writing. For purposes of this Article VIII, the addresses of the Parties will, until changed as provided in Sec. 8.2 below, be as follows:

**GSC:** The Grocers Supply Co., Inc.  
Attention: Jim N. Arnold,  
Vice President, Real Estate  
3131 E. Holcomb Blvd.  
P.O. Box 14200  
Houston, Texas 77221-4200

**with a copy to:** The Grocers Supply Co., Inc.  
Attention: Jeri Wechsler,  
General Counsel  
3131 E. Holcomb Blvd.  
P.O. Box 14200  
Houston, Texas 77221-4200

**CITY AND EDC:** City of Oak Ridge North  
Attention: City Manager  
27424 Robinson Road  
Oak Ridge North, Texas 77385

**with a copy to:** Christopher L. Nichols  
Randle Law Office Ltd., L.L.P.  
820 Gessner Rd., Suite 1570  
Houston, Texas 77024

8.2 Either Party may designate a different address by giving the other Party ten (10) days written notice.

**ARTICLE IX.**

**DISCLAIMER**

9.1 Nothing herein shall confer upon any person, firm or other entity other than the Parties hereto any benefit or any legal or equitable right, remedy or claim under this Agreement. All obligations hereunder of the Parties hereto shall be binding upon their respective successors and assigns.

9.2 No rights, duties, obligations, interest or options of a Party under this Agreement may be assigned or otherwise made available to a third party.

**ARTICLE X.**

**SEVERABILITY AND SURVIVAL OF AGREEMENT**

10.1 If any provision or application of this Agreement shall be held illegal, invalid or unenforceable by any court with competent jurisdiction, the invalidity of such provision shall not affect or impair any of the remaining provisions of this Agreement.

**ARTICLE XI.**

**GOVERNING LAW & IMMUNITY**

11.1 This Agreement shall be construed and interpreted in accordance with the laws of the State of Texas. It is further understood and agreed that any dispute arising out of or related to this Agreement shall be resolved in a court of competent jurisdiction in Montgomery County, Texas. Nothing in this Agreement shall constitute a waiver by the CITY or the EDC of its governmental or sovereign immunity. Nothing in this Agreement shall be construed as express or implied consent by the CITY or the EDC to being sued.

## ARTICLE XII.

### MISCELLANEOUS PROVISIONS

12.1 Force majeure. In the event either Party is rendered unable, wholly or in part, by force majeure to carry out any of its obligations under this Agreement, except the obligation to pay amounts owed or required to be paid pursuant to the terms of this Agreement, then the obligations of such Party, to the extent affected by such force majeure and to the extent that due diligence is being used to resume performance at the earliest practicable time, shall be suspended during the continuance of any inability so caused to the extent provided but for no longer period. As soon as reasonably possible after the occurrence of the force majeure relied upon, the Party whose contractual obligations are affected thereby shall give notice and full particulars of such force majeure to the other Party. Such cause, as far as possible, shall be remedied with all reasonable diligence. The term "force majeure," as used herein, shall include without limitation of the generality thereof, acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, orders of any kind of the government of the United States or the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, drought, arrests, restraint of government, civil disturbances, explosions, breakage or accidents to machinery, pipelines or canals, partial or entire failure of water supply resulting in an inability to provide water necessary for operation of the water and wastewater systems hereunder, if any, and any other incapacities of any Party, whether similar to those enumerated or otherwise, which are not within the control of the Party claiming such inability, which such Party could not have avoided by the exercise of due diligence and care.

12.2 Approvals or Consents. Approvals or consents required or permitted to be given under this Agreement shall be evidenced by an ordinance, resolution, or minute order adopted by the governing body or board of the appropriate Party or by a certificate executed by a person, firm or entity previously authorized to give such approval or consent on behalf of a Party. Approvals and consents shall be effective without regard to whether given before or after the time required for giving such approvals or consents.

12.3 Parties in interest. This Agreement shall be for the sole and exclusive benefit of the Parties hereto and shall not be construed to confer any rights upon any third parties.

12.4 Supplementation. In the event any further documentation or information is required for this Agreement to be valid, then the Parties to this Agreement shall provide or cause to be provided such documentation or information. The Parties shall execute and deliver such documentation, including but not limited to any amendments, corrections, deletions or additions as necessary to this Agreement provided however that the Parties shall not be required to do anything that has the effect of changing the essential economic terms of this Agreement or imposing greater liability on the Parties. The Parties further agree that they shall do anything necessary to comply with any requirements to enable the full effect of this Agreement; provided, however, that the Parties shall not be required to do anything that has the effect of changing the essential economic terms of this Agreement or imposing greater liability on the Parties.

12.5 Modification; Exhibits. This Agreement shall be subject to change or modification only with the mutual written consent of the CITY, the EDC, and GSC. All Exhibit(s) attached to this Agreement are hereby incorporated by reference for all purposes as if fully set forth in their entirety herein.

12.6 Attorney's Fees. In the event it becomes necessary for a Party to file a suit to enforce this Agreement or any provisions of this Agreement, the Party prevailing in such suit shall be entitled to recover, in addition to all other remedies or damages, reasonable attorneys' fees and court costs incurred by same.

12.7 Reservation of rights. All rights, powers, privileges, and authority of the Parties hereto not restricted or affected by the express terms and provisions hereof are reserved by the Parties and, from time to time, may be exercised and enforced by the Parties.

12.8 Merger. The terms contained in this Agreement represent the final agreement among and between the Parties with respect to the subject matter hereof and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the Parties. The Parties agree that by entering into this Agreement they have not relied upon any representation other than those contained in this Agreement. The Parties agree that they have read this Agreement, sought the advice of counsel, understand the terms of this Agreement and have executed this Agreement voluntarily.

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**CHAPTER 380 ECONOMIC DEVELOPMENT,  
PERFORMANCE, AND REIMBURSEMENT AGREEMENT**

**BETWEEN**

**THE CITY OF OAK RIDGE NORTH, TEXAS,  
A Type-A General Law Municipality,**

**AND**

**CITY OF OAK RIDGE NORTH  
ECONOMIC DEVELOPMENT CORPORATION,**

**AND**

**SKYGROUP INVESTMENTS, LLC,  
A Foreign Limited Liability Company**

<b>STATE OF TEXAS</b>	<b>§</b>
	<b>§</b>
<b>COUNTY OF MONTGOMERY</b>	<b>§</b>

This Chapter 380 Economic Development Agreement, Performance and Reimbursement Agreement, hereinafter collectively referred to as the "Agreement," is made and entered into by and between THE CITY OF OAK RIDGE NORTH, TEXAS, a Type-A general law municipality located in Montgomery County, Texas ("CITY"), the CITY OF OAK RIDGE NORTH ECONOMIC DEVELOPMENT CORPORATION, a Section 4B corporation created pursuant to the authority of the Development Corporation Act of 1979, as amended ("EDC"), and SKYGROUP INVESTMENTS, LLC., a Foreign Limited Liability Company ("SKYGROUP"), hereinafter collectively referred to as the "Parties" and sometimes individually referred to as a "Party."

**RECITALS**

**WHEREAS**, the purpose of this Agreement is to encourage major economic investment in the redevelopment of the CITY's Secondary and Highway Business District that extends along the Interstate Highway 45 North (IH-45) freeway corridor and to attract new and retain primary employment within the CITY; and

**WHEREAS**, SKYGROUP has leased certain commercial property in the Oak Ridge North Shopping Center located at the intersection of the IH-45 feeder road and Lane Lane, and more particularly located at the address identified as 26860 Interstate 45 North ("Property"); and

**WHEREAS**, SKYGROUP plans to construct substantial improvements on the Property, known as iFLY, as reflected on the site plan attached hereto as Exhibit "A" and referred to herein as the "Project;" and

**WHEREAS**, SKYGROUP's proposed Project represents a new retail and commercial development that constitutes a major economic investment in the redevelopment of the Property located within the Secondary and Highway Business District that extends along the IH-45 freeway corridor; and

**WHEREAS**, the CITY and the EDC recognize the positive economic impact that the Project will bring to the CITY through the redevelopment and diversification of the local economy, the attraction of other new businesses to the CITY that will complement those already existing within the Secondary and Highway Business District, and thereby the reduction of unemployment through the creation of new jobs or underemployment through the retention of existing jobs, and the retention and growth of the *ad valorem*, personal property, and sales and use tax revenue generated by the Project; and

**WHEREAS**, in accordance with Chapter 380, Texas Local Government Code, and Article III, Section 52-a, of the Texas Constitution, the CITY may establish and provide for the administration of a program for the making of loans or grants of public money and providing municipal personnel and services of the municipality to promote state or local economic development and to stimulate business and commercial activity in the municipality; and

**WHEREAS**, the EDC is authorized by Section 505.158, Texas Local Government Code, to participate in or otherwise sponsor projects relating to business development in certain small municipalities, such as the CITY, with such projects specifically relating to land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements that are found by the EDC to promote new and expanded development and which the CITY authorizes by resolution pursuant to Section 505.159, Texas Local Government Code; and

**WHEREAS**, consistent with Chapter 380, Texas Local Government Code, and Article III, Section 52-a, of the Texas Constitution and other applicable law, the CITY adopted Resolution 2012-31 thereby establishing an economic development program for the redevelopment of the Oak Ridge North Shopping Center and that certain commercial property located at the intersection of the Interstate 45 feeder road and Lane Lane; and

**WHEREAS**, the economic development program established by Resolution 2012-31 authorizes the EDC and the CITY to make grants of public money to SKYGROUP as part of the redevelopment of the Oak Ridge North Shopping Center, in the form of reimbursement grants and tax sharing/rebate performance incentives, to advance the public purposes of developing and diversifying the economy of the CITY, reducing unemployment or underemployment in the CITY and the state of Texas, stimulating business and commercial activity in the CITY, and developing or expanding transportation and commerce to and through the CITY; and



**WHEREAS**, the CITY and the EDC hereby conclude that this Agreement promotes economic development in the CITY and, as such, meets the requirements under the law for an economic development program for which a grant of public money is allowed, and, further, is in the best interest of the CITY and the surrounding community; and

**WHEREAS**, SKYGROUP has agreed to satisfy and comply with the terms and conditions of this Agreement in exchange for and as consideration for economic development funding and incentives from the CITY and the EDC in the form of reimbursement grants and tax sharing incentives; and

**WHEREAS**, the CITY, the EDC and SKYGROUP each agree that the provisions of this Agreement substantially advance a legitimate interest of the CITY and the EDC by expanding the tax base of the CITY, increasing employment, and stimulating economic development; and

**WHEREAS**, the CITY and the EDC have each determined that they are duly authorized by the Constitution and laws of the State of Texas to enter into this Agreement, and SKYGROUP has determined that it is duly authorized by its member(s) to enter into this Agreement, and each have further determined that the terms, provisions, and conditions hereof are mutually fair and advantageous to each; and

**WHEREAS**, on the Effective Date, the commitments contained in this Agreement shall become legally binding obligations enforceable against the Parties; and

**WHEREAS**, the recitals as set forth above are declared true and correct and are hereby incorporated as part of this Agreement;

**NOW, THEREFORE, FOR AND IN CONSIDERATION** of the mutual benefits and promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the CITY, the EDC, and SKYGROUP, each agree as follows:

## **ARTICLE I.**

### **DEFINITIONS**

1.1 The terms "Agreement," "CITY," "EDC," "Property," and "SKYGROUP" shall have the meanings provided for them in the Recitals above. Except as may be otherwise defined, or if the context clearly requires otherwise, capitalized terms and phrases as used in this Agreement shall have the meanings as follows:

**"Economic Development Funds"** means any public monies SKYGROUP receives from the CITY or the EDC, whether grant based incentives in the form of a Fee Reimbursement Grant, Qualified Infrastructure Grant, Marketing Reimbursement Grant, or any other grant, or performance based incentives in the form of a Sales Tax Rebate as provided for herein or as may later be provided by an amendment to this Agreement.

**“Effective Date”** means the date this Agreement is executed by the last Party to execute this Agreement.

**“Fee Reimbursement Grant”** means the total amount of up to \$60,000 payable by the EDC from available Economic Development Funds to SKYGROUP for the reimbursement of the CITY’s permit and inspection fees as provided herein.

**“Sales Tax Collections”** means and includes the sales tax obligations currently imposed upon and actually received by the CITY and the EDC as a result of taxable sales collected on the Property by the Project for the purpose of calculating the Sales Tax Rebate.

**“Marketing Reimbursement Grant”** means that amount payable to SKYGROUP from any hotel occupancy tax revenue collected by the CITY, if any, and remaining after the CITY satisfies any debt service obligation secured by any hotel occupancy tax revenue, if any, for the reimbursement of costs associated with marketing or promotion of the Project.

**“Program”** means the economic development program established by Resolution 2012-31 the CITY and the EDC pursuant to Chapter 380 of the Texas Local Government Code to promote local economic development and stimulate business and commercial activity within the CITY.

**“Project”** means SKYGROUP’s planned construction of an iFly indoor skydiving facility on the Property located within the CITY and as reflected in the site plan attached hereto as Exhibit “A.”

**“Qualified Infrastructure Grant”** means the total amount of up to \$150,000 payable by the EDC from available Economic Development Funds to SKYGROUP for the reimbursement of costs associated with the installation or improvement of infrastructure serving the Property or necessary for the operation of the Project.

**“Sales Tax Rebate”** means that amount payable to SKYGROUP in the form of a partial rebate of the Sales Tax Collections during a given fiscal year as provided herein.

**“Undocumented Worker”** means an individual who, at the time of employment, is not lawfully admitted for permanent residence to the United States, or authorized under law to be employed in that manner in the United States.

## ARTICLE II.

### TERM

2.1 This Agreement shall commence on the Effective Date and, unless sooner terminated pursuant to any provisions of this Agreement, shall terminate upon SKYGROUP receiving the final Marketing Reimbursement Grant from HOT Revenue as contemplated under this Agreement in Fiscal Year (“FY”) 2025 according to the terms and conditions for the payment of same.

### **ARTICLE III.**

#### **CONDITIONS PRECEDENT**

3.1 The CITY, EDC and SKYGROUP each agree that as a condition of this Agreement and any Economic Development Funds to be paid hereunder, SKYGROUP must tender all plans for any improvements to the Property to the CITY for review and approval, obtain all necessary permits as required by the CITY's Code of Ordinances, and comply with all development regulations including, but not limited to, the CITY's zoning code, and comply in all material respects with any other reasonable terms or conditions established or otherwise imposed by the CITY or the EDC that are consistent with terms and conditions imposed by the CITY or EDC on other parties seeking similar economic development assistance ("Approved Plans").

3.2 SKYGROUP must retain a leasehold interest in the Property at all times during the term of this Agreement.

3.3 By executing this Agreement, SKYGROUP hereby certifies that it does not now, and will not, knowingly employ an Undocumented Worker as defined by the Tex. Gov't. Code Sec. 2264.001(4)(A-B) and Article I above.

### **ARTICLE IV.**

#### **ESTIMATED ECONOMIC VALUE OF AGREEMENT**

4.1 SKYGROUP agrees to construct the Project on the Property pursuant to the Approved Plans (subject to reasonable modification so long as such modifications do not materially change the scope of the proposed improvements) and to operate, or cause to be operated, an iFLY indoor skydiving business thereon, similar in all material respects to other such businesses owned or operated by SKYGROUP or its affiliated entities in and around the state of Texas.

4.2 SKYGROUP estimates that the Project will generate new primary employment jobs that will be available in the CITY in addition to those already existing primary employment jobs that will be retained.

4.3 Based on information provided by SKYGROUP, the CITY and the EDC estimate that the Project will generate an increase in Sales Tax Collections within the CITY, and an increase in *ad valorem* and personal property tax collections within the CITY.

4.4 The CITY and the EDC acknowledge and agree that the estimates and other information provided by SKYGROUP are projections only and SKYGROUP has not guaranteed any specific increase in sales tax or other revenues.

## ARTICLE V.

### ECONOMIC DEVELOPMENT FUNDS

5.1 After the Effective Date and subject to City Council and EDC Board approval , the CITY and the EDC agree to provide SKYGROUP with the following Economic Development Funds.

#### **5.2 Fee Reimbursement Grant.**

a. Upon SKYGROUP receiving a Certificate of Occupancy for the Project, the EDC agrees to pay SKYGROUP a Fee Reimbursement Grant of one hundred percent (100%) of the CITY's permit and inspection fees collected from SKYGROUP for the improvement of the Property and construction of the Project, up to a maximum of \$60,000.

b. In order to obtain the Fee Reimbursement Grant hereby pledged, SKYGROUP shall submit an application for reimbursement to the EDC requesting reimbursement for the permit and inspection fees SKYGROUP paid to the CITY. The EDC or its designee may independently verify SKYGROUP's payment of permit and inspection fees to the CITY and made the subject of the reimbursement request prior to the EDC tendering the reimbursement to SKYGROUP. The Fee Reimbursement Grant will be paid within sixty (60) days after submission of SKYGROUP's application unless the EDC finds that SKYGROUP has not complied with its obligations or is otherwise in default under this Agreement.

#### **5.3 Qualified Infrastructure Grant.**

a. The EDC agrees to pay SKYGROUP a Qualified Infrastructure Grant in the total amount of up to \$150,000 for any costs associated with the installation or improvement of infrastructure serving the Property or necessary for the operation of the Project.

b. In order to obtain the Qualified Infrastructure Grant hereby pledged, SKYGROUP shall submit an application for reimbursement to the EDC requesting reimbursement. The EDC or its designee may independently verify SKYGROUP's payment of any costs associated with SKYGROUP's application for reimbursement prior to the EDC tendering payment to SKYGROUP. The Qualified Infrastructure Grant may be paid in installments in amounts determined by the EDC but in no event will the Qualified Infrastructure Grant be paid to SKYGROUP later than the third anniversary of the Effective Date as provided herein unless the EDC finds that SKYGROUP has not complied with its obligations or is otherwise in default under this Agreement.

**5.4 Sales Tax Rebate.**

a. The CITY and the EDC agree to pay SKYGROUP a Sales Tax Rebate payable from Sales Tax Collections according to the schedule set forth in Table 1 below.

Table 1

<b>SALES TAX REBATE SCHEDULE</b>		
<u>Fiscal Year</u>	<u>Partial Sales Tax Rebate</u>	
2015	100%	of 1% sales tax generated at the Property by the Project
2016	100%	of 1% sales tax generated at the Property by the Project
2017	100%	of 1% sales tax generated at the Property by the Project
2018	70%	of 1% sales tax generated at the Property by the Project
2019	60%	of 1% sales tax generated at the Property by the Project
2020	50%	of 1% sales tax generated at the Property by the Project
2021	40%	of 1% sales tax generated at the Property by the Project
2022	30%	of 1% sales tax generated at the Property by the Project

b. In order to identify the amount of the Sales Tax Rebate due for any fiscal year, SKYGROUP shall be responsible for tendering to the CITY a copy of the Sales Tax Collections information it submits to the Texas Comptroller of Public Accounts in conjunction with any application for payment of the Sales Tax Rebate.

c. In order to obtain the Sales Tax Rebate hereby pledged, SKYGROUP shall submit an application to the CITY and the EDC requesting the Sales Tax Rebate within sixty (60) days of the end of the CITY's fiscal year. The CITY and the EDC may independently verify SKYGROUP's remittance of sales tax to the Texas Comptroller of Public Accounts prior to the CITY and the EDC tendering the Sales Tax Rebate. The Sales Tax Rebate will be paid within ninety (90) days after submission of SKYGROUP's application unless the CITY or the EDC finds that SKYGROUP has not complied with its obligations or is otherwise in default under this Agreement.

**5.5 Marketing Reimbursement Grant.**

a. The CITY agrees to pay SKYGROUP a Marketing Grant payable from hotel occupancy tax revenue, if any, and remaining after the CITY satisfies any annual debt service obligation it has that may be secured by the hotel occupancy tax revenue, if any, according to the schedule set forth in Table 2 below.

Table 2

**MARKETING REIMBURSEMENT GRANT SCHEDULE**

<u>Fiscal Year</u>	<u>Marketing Reimbursement Grant</u>		
2015	5%	of HOT revenue not to exceed	\$20,000
2016	5%	of HOT revenue not to exceed	\$20,000
2017	5%	of HOT revenue not to exceed	\$20,000
2018	5%	of HOT revenue not to exceed	\$20,000
2019	5%	of HOT revenue not to exceed	\$20,000
2020	5%	of HOT revenue not to exceed	\$20,000
2021	3%	of HOT revenue not to exceed	\$12,000
2022	3%	of HOT revenue not to exceed	\$12,000
2023	3%	of HOT revenue not to exceed	\$12,000
2024	3%	of HOT revenue not to exceed	\$12,000
2025	3%	of HOT revenue not to exceed	\$12,000

- b. In order to obtain the Marketing Reimbursement Grant hereby pledged, SKYGROUP shall submit an application for reimbursement to the CITY requesting reimbursement for any costs or expenses SKYGROUP paid to market or otherwise promote the Project. The CITY or its designee may independently verify SKYGROUP's payment of marketing or promotion costs made the subject of the reimbursement request prior to the CITY tendering the reimbursement to SKYGROUP. The Marketing Reimbursement Grant will be paid within sixty (60) days after submission of SKYGROUP's application unless the CITY finds that SKYGROUP has not complied with its obligations or is otherwise in default under this Agreement.

**ARTICLE VI.**

**LIABILITY**

6.1 By this Agreement, SKYGROUP assumes no obligation, duty or other responsibility with regard to any governmental function or service for which the CITY or the EDC is responsible that is not otherwise addressed by this Agreement. In addition, SKYGROUP assumes no legal liability for the actions of the CITY or the EDC through the execution of this Agreement. The CITY and the EDC, individually or in concert with one another, assume no obligation, duty or other responsibility with regard to any duty, right, obligation or responsibility associated with the Project for which SKYGROUP is responsible. In addition, the CITY and the EDC each assume no legal liability for the actions of SKYGROUP or a branch, division, department, subsidiary, affiliate or franchisee of SKYGROUP by virtue of its execution of this Agreement.

6.2 Each Party to this Agreement agrees that it shall have no liability for the actions or omissions of the employees, agents, directors, officers, members, stockholders or trustees of any other Party, and each Party is solely responsible for the actions and omissions of its own employees, agents, directors, officers, members, stockholders or trustees.

## **ARTICLE VII.**

### **DEFAULT, TERMINATION AND RECAPTURE**

7.1 In the event that (1) SKYGROUP allows its Sales Tax Collections to become delinquent; or (2) SKYGROUP breaches any of the terms or conditions of this Agreement, then SKYGROUP shall be in default. In the event of SKYGROUP's default, the CITY shall give SKYGROUP written notice of such default, and if SKYGROUP has not cured any default within thirty (30) days of said written notice, this Agreement may be terminated by the EDC and the CITY. In the event of a default by SKYGROUP, the EDC and the CITY shall be entitled to liquidated damages in the form of reimbursement of any Economic Development Funds consisting of grant based incentives tendered to SKYGROUP under the terms of this Agreement. In addition, the EDC and the CITY shall be entitled to any other remedies available at law or in equity.

7.2 During the term of this Agreement, SKYGROUP agrees not to knowingly employ any Undocumented Worker as defined herein and according to Tex. Gov't. Code Sec. 2264.001. If after receiving any Economic Development Funds that qualify as a public subsidy and on or prior to the termination of this Agreement, SKYGROUP, or a branch, division, or department of SKYGROUP, is convicted of a violation under 8 U.S.C. § 1324a(f), SKYGROUP shall repay the full amount of any Economic Development Funds received by SKYGROUP from the EDC as of the date of such violation not later than one hundred twenty (120) days after the date SKYGROUP is convicted.

7.3 If SKYGROUP is obligated to repay any amounts to the EDC and the EDC no longer exists, such amounts shall be repaid to the CITY.

## **ARTICLE VIII.**

### **NOTICES**

8.1 Any notice given under this Agreement must be in writing and may be given (i) by depositing it in the United States mail, certified, with return receipt requested, addressed to the Party to be notified at the address set forth below, or at the last address for notice that the sending Party has for the receiving Party at the time of mailing, and with all charges prepaid; (ii) by depositing it with Federal Express or another service guaranteeing "next day delivery," addressed to the Party to be notified and with all charges prepaid; (iii) by personally delivering it to the Party, or any agent of the Party listed in this Agreement; or (iv) by facsimile with confirming copy sent by one of the other described methods for notice set forth in this sentence. Notice by United States mail as provided in (i) will be deemed delivered, whether or not actually received, three (3) days after the date of mailing. Payments to any Party shall be made by check at the address set forth below (without copies), unless timely notice of change of address is given to a Party in writing. For purposes of this Article VIII, the addresses of the Parties will, until changed as provided in Sec. 8.2 below, be as follows:

**SKYGROUP:** Sky Group Investments, LLC  
Attn: Company Attorney  
6034 W. Courtyard Dr, Suite 135  
Austin, TX 70730

**CITY AND EDC:** City of Oak Ridge North  
Attention: City Manager  
27424 Robinson Road  
Oak Ridge North, Texas 77385

**with a copy to:** Randle Law Office Ltd., L.L.P.  
Attention: City Attorney  
820 Gessner Rd., Suite 1570  
Houston, Texas 77024

8.2 Either Party may designate a different address by giving the other Party ten (10) days written notice.

#### **ARTICLE IX.**

#### **DISCLAIMER**

9.1 Nothing herein shall confer upon any person, firm or other entity other than the Parties hereto any benefit or any legal or equitable right, remedy or claim under this Agreement. All obligations hereunder of the Parties hereto shall be binding upon their respective successors and assigns.

9.2 No rights, duties, obligations, interest or options of a Party under this Agreement may be assigned or otherwise made available to a third party.

#### **ARTICLE X.**

#### **SEVERABILITY AND SURVIVAL OF AGREEMENT**

10.1 If any provision or application of this Agreement shall be held illegal, invalid or unenforceable by any court with competent jurisdiction, the invalidity of such provision shall not affect or impair any of the remaining provisions of this Agreement.

#### **ARTICLE XI.**

#### **GOVERNING LAW & IMMUNITY**

11.1 This Agreement shall be construed and interpreted in accordance with the laws of the State of Texas. It is further understood and agreed that any dispute arising out of or related to this Agreement shall be resolved in a court of competent jurisdiction in Montgomery County, Texas. Nothing in this Agreement shall constitute a waiver by the CITY or the EDC of its governmental



## ARTICLE XII.

### MISCELLANEOUS PROVISIONS

12.1 Force majeure. In the event either Party is rendered unable, wholly or in part, by force majeure to carry out any of its obligations under this Agreement, except the obligation to pay amounts owed or required to be paid pursuant to the terms of this Agreement, then the obligations of such Party, to the extent affected by such force majeure and to the extent that due diligence is being used to resume performance at the earliest practicable time, shall be suspended during the continuance of any inability so caused to the extent provided but for no longer period. As soon as reasonably possible after the occurrence of the force majeure relied upon, the Party whose contractual obligations are affected thereby shall give notice and full particulars of such force majeure to the other Party. Such cause, as far as possible, shall be remedied with all reasonable diligence. The term "force majeure," as used herein, shall include without limitation of the generality thereof, acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, orders of any kind of the government of the United States or the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, drought, arrests, restraint of government, civil disturbances, explosions, breakage or accidents to machinery, pipelines or canals, partial or entire failure of water supply resulting in an inability to provide water necessary for operation of the water and wastewater systems hereunder, if any, and any other incapacities of any Party, whether similar to those enumerated or otherwise, which are not within the control of the Party claiming such inability, which such Party could not have avoided by the exercise of due diligence and care.

12.2 Approvals or Consents. Approvals or consents required or permitted to be given under this Agreement shall be evidenced by an ordinance, resolution, or minute order adopted by the governing body or board of the appropriate Party or by a certificate executed by a person, firm or entity previously authorized to give such approval or consent on behalf of a Party. Approvals and consents shall be effective without regard to whether given before or after the time required for giving such approvals or consents.

12.3 Parties in interest. This Agreement shall be for the sole and exclusive benefit of the Parties hereto and shall not be construed to confer any rights upon any third parties.

12.4 Supplementation. In the event any further documentation or information is required for this Agreement to be valid, then the Parties to this Agreement shall provide or cause to be provided such documentation or information. The Parties shall execute and deliver such documentation, including but not limited to any amendments, corrections, deletions or additions as necessary to this Agreement provided however that the Parties shall not be required to do anything that has the effect of changing the essential economic terms of this Agreement or imposing greater liability on the Parties. The Parties further agree that they shall do anything necessary to comply with any requirements to enable the full effect of this Agreement; provided, however, that the Parties shall not be required to do anything that has the effect of changing the essential economic terms of this Agreement or imposing greater liability on the Parties.

12.5 Modification; Exhibits. This Agreement shall be subject to change or modification only with the mutual written consent of the CITY, the EDC, and SKYGROUP. All Exhibit(s) attached to this Agreement are hereby incorporated by reference for all purposes as if fully set forth in their entirety herein.

12.6 Attorney's Fees. In the event it becomes necessary for a Party to file a suit to enforce this Agreement or any provisions of this Agreement, the Party prevailing in such suit shall be entitled to recover, in addition to all other remedies or damages, reasonable attorneys' fees and court costs incurred by same.

12.7 Reservation of rights. All rights, powers, privileges, and authority of the Parties hereto not restricted or affected by the express terms and provisions hereof are reserved by the Parties and, from time to time, may be exercised and enforced by the Parties.

12.8 Merger. The terms contained in this Agreement represent the final agreement among and between the Parties with respect to the subject matter hereof and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the Parties. The Parties agree that by entering into this Agreement they have not relied upon any representation other than those contained in this Agreement. The Parties agree that they have read this Agreement, sought the advice of counsel, understand the terms of this Agreement and have executed this Agreement voluntarily.

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APPENDIX "G"

**CHAPTER 380 ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT**

**BETWEEN**

**THE CITY OF MONT BELVIEU, TEXAS,  
a Type-A General Law Municipality,**

**AND**

**LONE STAR NGL MONT BELVIEU, L.P.,  
a Delaware limited partnership**

**STATE OF TEXAS**

§

**COUNTY OF CHAMBERS**

§

§

This Chapter 380 Economic Development Incentive Agreement (“Agreement”) is made by and among the **CITY OF MONT BELVIEU, TEXAS**, a Type-A General law municipality located in Chambers County, Texas (“City”, also referred to as “Grantor”) and **LONE STAR NGL MONT BELVIEU, L.P.**, a Delaware limited partnership (the “Company”), acting by and through their respective authorized officers and representatives.

**RECITALS**

WHEREAS, the Company will be engaged in the business of constructing, owning, and operating (and for purchasing materials and services for construction of) substantial improvements to real property within the City for the development of new NGL injection wells at its existing NGL storage facility (the “Facility”); and

WHEREAS, to generate local use tax revenue for the City that would otherwise not be available to the City, the Company has proposed utilization of a Texas Direct Payment Permit for the purchase of material and services for the Facility and has requested that the City establish a program under Chapter 380 of the Texas Local Government Code to encourage and induce a stream of additional local use tax revenues to the City; and

WHEREAS, in the development, construction and operation of the Facility, the Company desires to situs new property and services to the City that will generate additional use tax revenue for the City; and

WHEREAS, the City finds that the attraction of new business activity to the City will promote economic development, stimulate commercial activity, generate additional use tax and will enhance the tax base and economic vitality of the City; and

WHEREAS, the Grantor is authorized by Article 52-a Texas Constitution, Texas Local Government Code §380.001 to provide economic development grants to promote local economic development and to stimulate business and commercial activity in the City; and

WHEREAS, with the approval of this Agreement, the City hereby establishes a program authorized by Chapter 380 of the Texas Local Government Code and by Ordinance to encourage and induce the generation of new local use tax revenues; and

WHEREAS, the Grantor has determined that making an economic development grant to the Company in accordance with this Agreement will further the objectives of the Grantor, will benefit the City and the City's inhabitants and will promote local economic development and stimulate business and commercial activity in the City;

NOW THEREFORE, in consideration of the mutual benefits and promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and the Company agree as follows:

#### ARTICLE I AUTHORITY

1.01 The City's execution of this Agreement is authorized by Chapter 380 of the Texas Local Government Code and by Ordinance No. 2011-016. The Company's execution and performance of this Agreement has been duly authorized by its general partner.

#### ARTICLE II DEFINITIONS

2.01. For purposes of this Agreement, each of the following terms shall have the meaning set forth herein unless the context clearly indicates otherwise:

"Affiliate" of any specified person or entity means any other person or entity which, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under direct or indirect common control with such specified person or entity. For purposes of this definition, "control" when used with respect to any person or entity means (i) the ownership, directly or indirectly, or fifty percent (50%) or more of the voting securities of such person or entity, or (ii) the right to direct the management or operations of such person or entity, directly or indirectly, whether through the ownership (directly or indirectly) of securities, by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"City" shall mean the City of Mont Belvieu, Texas.

"Company" shall mean Lone Star NGL Mont Belvieu, L.P.

“Commencement Date” shall mean September 1, 2011.

“Effective Date” shall mean the later to occur of September 1, 2011, or the first day of the month following the month in which the Company’s Direct Payment Permit from the Texas Comptroller’s Office first becomes effective.

“Event of Bankruptcy or Insolvency” shall mean the dissolution or termination (other than a dissolution or termination by reason of a party merging with an affiliate) of a party’s existence as a going business, insolvency, appointment of receiver for any part of a party’s property and such appointment is not terminated within ninety (90) business days after such appointment is initially made, any general assignment for the benefit of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against a party and in the event such proceeding is not voluntarily commenced by the party, such proceeding is not dismissed within ninety (90) business days after the filing thereof.

“Force Majeure” shall mean any delays due to strikes, riots, acts of God, shortages of labor or materials, war, governmental approvals, laws, regulations, or restrictions, or any other cause of any kind whatsoever which is beyond the reasonable control of the party.

“Grant” shall mean periodic payments to Company from lawfully available funds.

“Grant Period” shall mean a full calendar month beginning the later to occur of September 1, 2011, or the first day of the month following the month in which the Company’s Direct Payment Permit from the Texas Comptroller’s Office first becomes effective.

“Grantor” shall mean the City of Mont Belvieu, Texas.

“Impositions” shall mean all taxes, assessments, use and occupancy taxes, charges, excises, license and permit fees, and other charges by public or governmental authority, general and special, ordinary and extraordinary, foreseen and unforeseen, which are or may be assessed, charged, levied, or imposed by any public or governmental authority on the Company or any property or any business owned by Company within the City.

“Program” means the economic development program established by the City pursuant to this Agreement, as authorized by Section 380.001 of the Texas Local Government Code and by Ordinance.

“Use Tax Receipts” shall mean the Grantor’s receipts from the State of Texas from the collection of: (i) one half of one percent (.5%) use tax imposed by the City pursuant to Chapter 321 of the Texas Tax Code, attributed to the collection of use tax by Company associated with the issuance of Company’s Texas Direct Payment for Taxable Items used or consumed in the City.

“Use Tax Certificate” shall mean a certificate or other statement in a form reasonably acceptable to the Grantor setting forth the Company’s collection of use tax imposed by Grantor and received by the Grantor from the State of Texas, for the use of Taxable Items by Company in the City of Mont Belvieu, Texas for the applicable Grant Period which are to be used to determine Company’s eligibility for a Grant, together with such supporting documentation required herein, and as Grantor may reasonably request.

“Taxable Items” shall have the same meaning assigned by Sections 151.010 and 151.0101, TEX. TAX CODE, as amended.

### ARTICLE III

#### TERM

3.01. Term. The term of this Agreement shall begin on the Effective Date and continue until the third-year anniversary date of the Commencement Date (the “Anniversary Date”), unless sooner terminated as provided herein. The agreement shall be automatically renewed for two successive two-year periods, unless written notice is provided by either party requesting termination of the agreement within 90 days of each anniversary date.

### ARTICLE IV

#### ECONOMIC DEVELOPMENT GRANT

4.01 Grant. Subject to the Company’s continued satisfaction of all the terms and conditions of this Agreement, the Grantor agrees to provide Company with an economic development grant from lawful available funds payable as provided herein in an amount equal to a maximum of 50% of the Use Tax Receipts (the “Grant”). The Company, in its sole discretion, may waive its right to receive all or any part of any grant payment by notifying the Grantor in writing of its intent to waive its rights to such grant payment. The Grant will never include any monies the Company pays or owes to the State of Texas for any penalties for late payments, failures to report in a timely manner, and the like, related to the Use Tax Receipts.

4.02 Grant Payment. The Grantor shall within thirty (30) calendar days after receipt of the actual Use Tax Receipts for the Use Tax Receipt Certificate for the Grant Period covered by a Use Tax Certificate submitted by Company pursuant to Section 4.01, pay the Grant for the applicable calendar month to the Company, or as directed by the Company.

4.03 Amended Returns. In the event the Company files an amended use tax return, or report, or if additional use tax is due and owing, as determined by or as approved by the State of Texas affecting the Use Tax Receipts for a previous calendar month, the Grant Payment for the calendar month immediately following such State approved amendment shall be adjusted accordingly, provided the Grantor has received Use Tax Receipts attributed to such adjustment. As a condition precedent to payment of such adjustment, Company shall provide Grantor with a copy of such amended use tax report or return, and the approval thereof by the State of Texas.

4.04 Refunds. In the event the State of Texas determines that the City erroneously received Use Tax Receipts, or that the amount of Use Tax paid to the City exceeds the correct amount of Use Tax for a previous Grant paid to the Company, the Company shall, within thirty (30) days after receipt of notification thereof from the City specifying the amount by which such Grant exceeded the amount to which the Company was entitled pursuant to such State of Texas determination, pay such amount to the Grantor. The Grantor may at its option adjust the Grant payment for the calendar month immediately following such State of Texas determination to deduct there from the amount of the overpayment. As a condition precedent to payment of such refund, the City shall provide Company with a copy of such determination by the State of Texas.

## ARTICLE V CONDITIONS TO THE ECONOMIC DEVELOPMENT GRANT

5.01 Use Tax Certificate. The Conditions contained in this Article V are conditions precedent to the Grantor's obligation to make any Grant payment. During the term of this Agreement, the Company shall within thirty (30) days after the end of each calendar month, provide the Grantor with a Use Tax Certificate. The Grantor shall have no duty to calculate the Use Tax Receipts or determine Company's entitlement to any Grant, or pay any Grant during the term of this Agreement until such time as Company has provided the Grantor a Use Tax Certificate and the Grantor has received the actual Use Tax Receipts from the State of Texas. At the request of the Grantor, Company shall provide such additional documentation as may be reasonably requested by Grantor to evidence, support and establish the use tax paid directly to the State of Texas pursuant to Company's Direct Payment Permit. The Use Tax Certificate shall at a minimum contain, include or be accompanied by the following:

- a. A copy of all Texas Direct Payment Permit and self-assessment use tax returns and reports, use tax audit assessments, including amended use tax returns or reports, filed by the Company for the Grant Period showing use tax paid directly to the State of Texas related to Company's operations for the Grant Period;
- b. Information concerning any refund or credit received by the Company of use tax paid by the Company which has previously been reported by the Company as use tax paid for a previous Grant Period;

Grantor agrees to the extent allowed by law to maintain the confidentiality of the Use Tax Certificate.

5.02 As a condition to the payment of any Grant hereunder, Grantor shall have received a Use Tax Certificate for the Grant Period for which payment of a Grant is requested and received the actual Use Tax Receipts for the Grant Period.



5.03 The Company shall issue its Texas Direct Payment Permit to vendors providing building materials or other tangible personal property.

5.04 The Company shall provide the Grantor with a true and correct copy of its Texas Direct Payment Permit which permit shall be kept in full force and effect throughout the term of the Agreement.

5.05 Company shall not have an uncured breach or default of this Agreement.

## ARTICLE VI TERMINATION

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

- (a) by mutual written agreement of the parties;
- (b) by Grantor or Company, respectively, if the other party defaults or breaches any of the terms or conditions of this Agreement and such default or breach is not cured within thirty (30) days after written notice thereof by the Grantor or Company, as the case maybe;
- (c) by Grantor, if any Impositions owed to the Grantor or the State of Texas by Company shall have become delinquent (provided, however, Company retains the right to timely and properly protest and contest any such taxes or impositions);
- (d) by Grantor, if Company suffers an Event of Bankruptcy or Insolvency;
- (e) by Grantor or Company, respectively, if any subsequent Federal or State legislation or any decision of a court of competent jurisdiction declares or renders this Agreement invalid, illegal or unenforceable;
- (f) expiration of the term;

The rights, responsibilities and liabilities of the Parties under this Agreement shall be extinguished upon the termination of this Agreement except for any obligations that accrue prior to such termination.

## ARTICLE VII MISCELLANEOUS

7.01 Binding Agreement. The terms and conditions of this Agreement are binding upon the successors and permitted assigns of the parties hereto. This Agreement may not be assigned without the express written consent of Grantor, which approval shall not be unreasonably withheld or delayed.

7.02 Limitation on Liability. It is understood and agreed between the parties that the Company and Grantor, in satisfying the conditions of this Agreement, have acted independently, and Grantor assumes no responsibilities or liabilities to third parties in connection with these actions. The Company agrees to indemnify and hold harmless the Grantor from all such claims,

suits, and causes of actions, liabilities and expenses, including reasonable attorney's fees, of any nature whatsoever by a third party arising out of the Company's performance of the conditions under this Agreement.

7.03 No Joint Venture. It is acknowledged and agreed by the parties that the terms hereof are not intended to and shall not be deemed to create a partnership or joint venture among the parties.

7.04 Authorization. Each party represents that it has full capacity and authority to grant all rights and assume all obligations that are granted and assumed under this Agreement.

7.05 Notice. Any notice required or permitted to be delivered hereunder shall be deemed received three (3) days thereafter sent by United States Mail, postage prepaid, certified mail, return receipt requested, addressed to the party at the address set forth below (or such other address as such party may subsequently designate in writing) or on the day actually received if sent by courier or otherwise hand delivered sent via fax.

If intended for City, to:

Attn: Bryan Easum  
City Administrator  
City of Mont Belvieu  
11607 Eagle Drive  
P.O. Box 1048  
Mont Belvieu, TX 77580

With a copy to:

Attn: Bill Cobabe  
City Planner  
City of Mont Belvieu  
11607 Eagle Drive  
P.O. Box 1048  
Mont Belvieu, TX 77580

And a copy to:

J. Grady Randle  
Randle Law Office Ltd, LLP  
820 Gessner Road, Suite 1570  
Houston, Texas 77024

If intended for the Company:

Attn: Jim Wright  
Managing Senior Counsel  
Lone Star NGL Mont Belvieu, L.P.  
c/o Energy Transfer Company  
711 Louisiana Street  
Houston, Texas 77002

With a copy to:

Attn: George R. Tiblier  
Vice President-Tax  
Energy Transfer Partners, L.P.  
3738 Oak Lawn Ave.  
Dallas, Texas 75219

And a copy to:

Timothy E. Young  
Ikard Wynne LLP  
2801 Via Fortuna, Suite 501  
Austin, Texas 78746

7.06 Entire Agreement. This Agreement is the entire Agreement between the parties with respect to the subject matter covered in this Agreement. There is no other collateral oral or written Agreement between the parties that in any manner relates to the subject matter of this Agreement.

7.07 Governing Law. The laws of the State of Texas shall govern the Agreement; and this Agreement is fully performable in the City of Mont Belvieu, Texas with exclusive venue for any action concerning this Agreement being in a court of competent jurisdiction in the Chambers County, Texas.

7.08 Amendment. This Agreement may only be amended by the mutual written agreement of the parties.

7.09 Legal Construction. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions, and it is the intention of the parties to this Agreement that in lieu of each provision that is found to be illegal, invalid, or unenforceable, a provision shall be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

7.10 Recitals. The recitals to this Agreement are incorporated herein.

7.11 Counterparts. This Agreement may be executed in counterparts. Each of the counterparts shall be deemed an original instrument, but all of the counterparts shall constitute one and the same instrument.

7.12 Survival of Covenants. Any of the representations, warranties, covenants, and obligations of the parties, as well as any rights and benefits of the parties, pertaining to a period of time following the termination of this Agreement shall survive termination.

7.13 Dispute Resolution. Any controversy or claim arising from or relating to this Agreement, or a breach thereof shall be subject to non-binding mediation, as a condition precedent to the institution of legal or equitable proceedings by any party unless the institution of such legal or equitable proceeding is necessary to avoid the running of an applicable statute of limitation. The parties shall endeavor to resolve their claims by mediation. Grantor and Company shall share the costs of mediation equally. The mediation shall be held in Harris County, Texas, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any Court having jurisdiction thereof.

7.14 Assignment. Company may assign this Agreement to an Affiliate provided that: (i) such Affiliate must have a Direct Payment Permit; and (ii) Company shall provide written notice of such assignment to the City. Except as otherwise provided in the immediately preceding sentence, no rights, duties, obligations, interest or options of a Party under this Agreement may be assigned or otherwise made available to a third party without the prior written consent of the other Party, which consent shall not be unreasonably withheld, delayed or conditioned.

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