

STATE OF TEXAS §
 §
COUNTY OF FORT BEND §

FIRST AMENDMENT TO
TAX ABATEMENT AGREEMENT BETWEEN
FORT BEND COUNTY DRAINAGE DISTRICT AND
LACENTERRA AT CINCO RANCH II, LTD.

This FIRST AMENDMENT of the Tax Abatement Agreement is made and entered into by and between FORT BEND COUNTY DRAINAGE DISTRICT, TEXAS, a body politic, acting herein by and through its Commissioners Court and LACENTERRA AT CINCO RANCH II, LTD., (hereinafter referred to as “Owner”).

RECITALS

WHEREAS, on or about November 5, 2013, the Parties entered into a Tax Abatement Agreement, attached hereto as Exhibit “One” and incorporated by reference;

WHEREAS, the Parties now desire to amend a certain portion of the Agreement; and

WHEREAS, both the Original Agreement and this First Amendment are executed as authorized by and in accordance with the Property Redevelopment and Tax Abatement Act, Chapter 312, TEXAS PROPERTY TAX CODE, and the Guidelines and Criteria for Granting Tax Abatements in Reinvestment Zones located in Fort Bend County, Texas

NOW THEREFORE, for and in consideration of the mutual benefits to be derived by the parties hereto, District, and Owner agree as follows:

I. Amendments

a. Section 5, Responsibility of Owner for Phase IV Improvements (“Phase IV Provisions”) is amended as follows:

5. Responsibility of Owner for Phase IV Improvements (“Phase IV Provisions”)

In consideration of receiving the Phase IV Tax Abatement granted herein, Owner represents and agrees:

a. Construction of Phase IV Improvements shall be completed on or before July 30, 2017. Owner shall provide Tax Assessor/Collector a certified statement evidencing a minimum of \$22,000,000.00 in project costs with respect to the design and construction of the Improvements within sixty (60) days after their completion.

b. Section 7, Value and Term of Abatement – Phase IV Improvements (“Phase IV Provisions) is amended as follows:

- a. This Agreement shall be effective on the date executed by District or Owner, whichever is later. The actual tax abatement period for Phase IV Improvements is deferred, with the first year of the abatement period to be 2017. Phase IV of this Agreement shall terminate (unless earlier terminated in accordance with the terms hereof) on December 31, 2023. In no event shall this agreement extend beyond December 31, 2023 for Phase IV Provisions. This Agreement shall terminate on the completion of the abatements, unless earlier terminated as provided elsewhere herein. Owner’s obligation upon default to pay to District any taxes abated under this Agreement shall not terminate until the abated taxes are paid.
- b. In each year of the tax abatement period, for Phase IV Provisions, the amount of abatement shall be an amount equal to the percentage indicated below of the taxes assessed upon the Phase IV Improvements only.
- c. Subject to the limitations imposed by law and conditioned upon the representations outlined in Section 5 herein above, there shall be granted and allowed hereunder a property tax abatement for the following years and in the following amounts on the value of the Phase IV Improvements:

Tax Year	Percentage Abatement
2017	50%
2018	50%
2019	50%
2020	50%
2021	50%
2022	50%
2023	50%

c. Section 9, Event of Default -Phase IV Improvements is amended as follows:

- 9. Event of Default:
 - a. District may declare Owner in default of the Phase IV Provisions, respectively, of this Agreement if Owner: (1) fails to comply with any obligations under the or Phase IV Provisions of this Agreement for the respective and Phase IV Improvements (excluding, however, paragraphs 4(b) and 5(b) above); (2) allows ad valorem taxes on the Subject Property, or any property located thereon, to become delinquent even if the delinquent taxes are for a property not subject to an abatement; or (3) vacates any of the improvements subject to the Agreement before the term of the

Abatement then in effect (i.e. either the Phase III or Phase IV Abatement) without prior written approval from District.

II. Except as modified herein, any prior executed document remain in full force and effect and has not been modified or amended. In the event of conflict, the contents of this First Amendment shall prevail.

III. Execution

IN TESTIMONY OF WHICH, THIS AMENDMENT shall be effective upon execution of all parties.

“District”
FORT BEND COUNTY

By: _____
Robert E. Hebert, County Judge

Date: _____

ATTEST:

Laura Richard, County Clerk

“Owner”
LACENTERRA AT CINCO RANCH II, LTD.

By: _____

Name: _____

Title: _____

Date: _____

ATTEST:

Name

Date: _____

Attachments:

Exhibit One: TAX ABATEMENT AGREEMENT BETWEEN FORT BEND COUNTY DRAINAGE DISTRICT AND LACENTERRA AT CINCO RANCH II, LTD. EXECUTED ON OR ABOUT NOVEMBER 5, 2013.

MTR/Tax/Abatements/Amendments/ Lacenterra at cinco ranch ii, ltd. 7.21.15

EXHIBIT ONE:

**TAX ABATEMENT AGREEMENT BETWEEN FORT BEND
COUNTY DRAINAGE DISTRICT AND LACENTERRA AT
CINCO RANCH II, LTD.**

EXECUTED ON OR ABOUT NOVEMBER 5, 2013.

- b. **“Phase III Improvements”** means a building to be used as office and retail space containing approximately 36,000 square feet of office space and 37,000 square feet of retail space and any parking garages or portions thereof constructed as shown on Exhibit A.”
- c. **“Phase IV Improvements”** means a building to be used as office and retail space containing approximately 125,000 square feet, five story tower of office space and 40,000 square feet of retail space and any parking garages or portions thereof constructed as shown on Exhibit A.”
- d. **“Real Property”** means the approximate 6.8 acre tract of real property owned by Owner located within Fort Bend County Reinvestment Zone No. 16, described in Exhibit “A” attached hereto and incorporated by reference herein for all purposes.
- e. **“Abatement”** means the full or partial exemption from ad valorem taxes of certain office and garage property located in Fort Bend County Reinvestment Zone No. 16 designated for economic development purposes; however not applicable to any Improvements designated as retail space/property.
- f. **“Eligible Property”** Abatement may be extended to machinery and equipment, necessary to the operation and administration of the facility. Eligible Property is subject to abatement under the same terms as Improvements only if specifically included in Section 6(c) and 7(c).
- g. **“Ineligible Property”** means the existing base assessed value on the land, existing improvements, tangible personal property that the Fort Bend Central Appraisal District classifies as inventory or supplies, real property used primarily to provide retail sales or services to the public, real property used for residential purposes, tangible personal property classified as furnishings, tangible personal property located in the reinvestment zone prior to the execution date of the tax abatement agreement, real property with a productive life of less than 10 years, retail space/property, or any other property for which abatement is not allowed by state law.
- h. **“Owner”** means **LaCenterra at Cinco Ranch II, Ltd.**
- i. **“District”** means the Fort Bend County Drainage District.
- j. **“CAD”** means Fort Bend County Central Appraisal District.

3. **Subject Property**

Fort Bend County Reinvestment Zone No. 16 is an area located in Fort Bend County, Texas, being legally described in Exhibit “A” attached hereto and incorporated herein for all

purposes. The Fort Bend County Appraisal District has established the base-year values for the subject property as of January 1, 2013.

4. **Responsibility of Owner for Phase III Improvements (“Phase III Provisions”)**

In consideration of receiving the tax abatement granted herein for Phase III Improvements, Owner represents and agrees::

- (a) That construction of Phase III Improvements shall be completed on or before October 31, 2014. Owner shall provide Tax Assessor/Collector a certified statement evidencing a minimum of \$7,000,000.00, in project costs with respect to the design and construction of the office and garage elements for the Phase III Improvements within sixty (60) days after completion of the Phase III Improvements to be constructed by Owner.
- (b) That the certified appraised value of office and garage elements for the Phase III Improvements on January 1 of each year that taxes are abated under this Agreement’s Phase III Provisions must have a minimum value of \$5,000,000. Failure to meet the requirements of this section will invalidate the tax abatement for the year that this requirement was not satisfied.
- (c) That Owner has, as of the effective date of this Agreement, the financial resources to implement the above representations.
- (d) **OWNER SHALL BE RESPONSIBLE FOR NOTIFYING THE CAD OF THE ABATEMENT, INCLUDING FILING WITH THE CAD ANY APPLICATION OR OTHER FORMS NECESSARY TO QUALIFY FOR OR RECEIVE THE ABATEMENT GRANTED.**
- (e) **OWNER SHALL BE RESPONSIBLE FOR REQUESTING AN ASSIGNMENT OF THIS AGREEMENT IN THE EVENT THE REAL PROPERTY THE SUBJECT OF THIS AGREEMENT IS SOLD OR ASSIGNED. FAILURE OF OWNER TO NOTIFY THE TAX ASSESSOR-COLLECTOR OF ANY SALE OF THE REAL PROPERTY THE SUBJECT OF THIS AGREEMENT MAY RESULT IN IMMEDIATE DEFAULT OF THIS AGREEMENT.**

5. **Responsibility of Owner for Phase IV Improvements (“Phase IV Provisions”)**

In consideration of receiving the tax abatement granted herein for Phase IV Improvements, Owner represents and agrees:

- (a) That construction of Phase IV Improvements shall be completed on or before July 30, 2015. Owner shall provide Tax Assessor/Collector a certified statement evidencing a minimum of \$22,000,000 in project costs with respect to the design and construction for the office and garage elements for the Phase IV Improvements within sixty (60) days after completion of the Phase IV Improvements to be constructed by Owner.
- (b) That the certified appraised value of the office and garage elements of the Phase IV Improvements on January 1 of each year that taxes are abated under this Agreement’s Phase IV Provisions must have a minimum value of \$17,500,000. Failure to meet the requirements of this section will invalidate the tax abatement for the year that this requirement was not satisfied.
- (c) That Owner has, as of the effective date of this Agreement, the financial resources to implement the above representations.
- (d) **OWNER SHALL BE RESPONSIBLE FOR NOTIFYING THE CAD OF THE ABATEMENT, INCLUDING FILING WITH THE CAD ANY APPLICATION OR OTHER FORMS NECESSARY TO QUALIFY FOR OR RECEIVE THE ABATEMENT GRANTED.**
- (e) **OWNER SHALL BE RESPONSIBLE FOR REQUESTING AN ASSIGNMENT OF THIS AGREEMENT IN THE EVENT THE REAL PROPERTY THE SUBJECT OF THIS AGREEMENT IS SOLD OR ASSIGNED. FAILURE OF OWNER OR LESSEE TO NOTIFY THE TAX ASSESSOR-COLLECTOR OF ANY SALE OF THE REAL PROPERTY THE SUBJECT OF THIS AGREEMENT MAY RESULT IN IMMEDIATE DEFAULT OF THIS AGREEMENT.**

6. **Value and Term of Abatement – Phase III Improvements (“Phase III Provisions”)**

- (a) This Agreement shall be effective on the date executed by District or Owner, whichever is later. Phase III of this Agreement shall terminate (unless earlier terminated in

accordance with the terms hereof) on December 31, 2020. In no event shall this agreement extend beyond December 31, 2020 for Phase III Provisions. This Agreement shall terminate upon the completion of the abatements, unless earlier terminated as provided elsewhere herein. Owner's obligation upon default to pay to District any taxes abated under this Agreement shall not terminate until the abated taxes are paid.

(b) In each year that this Agreement is in effect for Phase III Provisions, the amount of abatement shall be an amount equal to the percentage indicated below of the taxes assessed upon the Improvements only.

(c) Subject to the limitations imposed by law and conditioned upon the representations outlined in Section 4 herein above, there shall be granted and allowed hereunder a property tax abatement for the following years and in the following amounts on the Value of the office and garage Improvements as provided in Section 2(e):

<u>Tax Year</u>	<u>Percentage Abatement</u>
2014	50%
2015	50%
2016	50%
2017	50%
2018	50%
2019	50%
2020	50%

(d) The abatement granted shall not apply to the value of the Real Property, taxable inventory, Eligible Property, Ineligible Property or any retail space.

(e) All Phase III Improvements shall be completed in accordance with applicable laws, ordinances, rules or regulations in effect at the time such Improvements are erected.

(f) The Fort Bend Central Appraisal District's determination of values shall be used to determine the value of the property subject to this Agreement. If Owner protests the CAD's

valuation of the property, the valuation placed on the property after the protest is resolved under State law shall be used.

(g) On or before September 1 of each year of this Agreement, Owner shall certify in writing to District Tax Assessor/Collector with a copy of the letter to the Greater Fort Bend Economic Development Council that each party is in compliance with each term of this Agreement.

7. **Value and Term of Abatement – Phase IV Improvements (“Phase IV Provisions)**

(a) This Agreement shall be effective on the date executed by District or Owner, whichever is later. Phase IV of this Agreement shall terminate (unless earlier terminated in accordance with the terms hereof) on December 31, 2021. In no event shall this agreement extend beyond December 31, 2021 for Phase IV Provisions. This Agreement shall terminate on the completion of the abatements, unless earlier terminated as provided elsewhere herein. Owner’s obligation to pay to District any taxes due and owing under this Agreement shall not terminate until those taxes are paid.

(b) In each year that this Agreement is in effect for Phase IV Provisions, the amount of abatement shall be an amount equal to the percentage indicated below of the taxes assessed upon the office and garage Improvements only.

(c) Subject to the limitations imposed by law and conditioned upon the representations outlined in Section 5 herein above, there shall be granted and allowed hereunder a property tax abatement for the following years and in the following amounts on the value of the Improvements as defined in Section 2(e):

<u>Tax Year</u>	<u>Percentage Abatement</u>
2015	50%
2016	50%
2017	50%
2018	50%

2019	50%
2020	50%
2021	50%

(d) The abatement granted shall not apply to the value of the Real Property, taxable inventory, Eligible Property, Ineligible Property or any retail space.

(e) All Phase IV Improvements shall be completed in accordance with applicable laws, ordinances, rules or regulations in effect at the time such Improvements are erected.

(f) The Fort Bend Central Appraisal District's determination of values shall be used to determine the value of the property subject to this Agreement. If Owner protests the CAD's valuation of the property, the valuation placed on the property after the protest is resolved under State law shall be used.

(g) On or before September 1 of each year of this Agreement, Owner shall certify in writing to the District Tax Assessor/Collector with a copy of the letter to the Greater Fort Bend Economic Development Council that each party is in compliance with each term of this Agreement.

8. **Taxability**

During the period that this tax abatement is effective, taxes shall be payable as follows:

- (a) The Value of Real Property, Improvements designated as retail space and Ineligible Property shall be fully taxable, including inventory, if any.
- (b) The Value of existing Improvements shall be determined in the base year by the Central Appraisal District.
- (c) Inventory that is exempt from ad valorem taxation by state or federal law shall not be taxable, including inventory that is exempt from ad valorem taxation under the federal Foreign Trade Zones Act (19 U.S.C. 81o. (e), as amended) and further specified in Tex. Tax Code Ann. § 11.12).

9. **Event of Default**

- (a) District may declare the Owner in default of this Agreement if: (1) Owner fails to comply with any obligations under this Agreement; (2) allows District ad valorem taxes on the Real Property, or any property located thereon, to become delinquent, disputed values excepted; (3) vacates any of the Improvements subject to the

agreement before the term of the abatement without prior written notice to the District.

- (b) District shall notify Owner of any default in writing specifying the default. The Owner shall have thirty (30) days from the date of the notice to cure any default. If Owner fails to cure the default, District may terminate this Agreement by written notice.
- (c) If this Agreement is terminated by District due to Owner's default, Owner agrees that it is liable for and will pay to District within thirty (30) days of the termination of this Agreement:
 - (1) The amount of all property taxes abated under this Agreement;
 - (2) Interest on the abated amount at the rate provided for in the Tax Code for delinquent taxes; and
 - (3) Penalties on the amount abated in the year of default, at the rate provided for in the TAX CODE for delinquent taxes.
- (d) District shall have a lien against Owner on the Real Property and Improvements for the taxes and interest owed because of the recapture of taxes under this paragraph during the time period beginning on the date such payment obligation accrues and continuing until the date paid.
- (e) This paragraph is required by Chapter 2264, TEXAS GOVERNMENT CODE and governs over any conflicting provisions of this Agreement. Owner is prohibited from knowingly employing undocumented workers as that term is defined in Section 2264.001, TEXAS GOVERNMENT CODE. If Owner is convicted of a violation under 8 U.S.C. Section 1324a(f), the conviction shall be considered default of this Agreement, from which no cure provisions shall apply. In such event, District shall provide written notice to Owner of the default and this Agreement shall automatically terminate on the 30th day after the date of the notice of default from District to Owner. In the event of termination under this paragraph, Owner shall repay to District the amount of all property taxes abated under this Agreement, plus interest on the abated amount at the rate provided for in the TEXAS TAX CODE for delinquent taxes.

10. **Administration and Inspection**

(a) This Agreement shall be administered on behalf of District by the District Tax Assessor/Collector or her designee. Owner shall allow employees or other representatives of District, who have been designated by the Tax Assessor/Collector for the specific purpose of ensuring compliance with this Agreement, to have access to the reinvestment zone during the term of the Agreement provided reasonable notice is given. All inspections shall be made only after seventy-two (72) hours notice and will be conducted in such a manner as not to unreasonably interfere with the construction and/or operation of the facility. A representative of Owner may accompany the inspector at Owner's sole discretion.

(b) Upon completion of the contemplated construction, District shall annually evaluate the facility to ensure compliance with the terms and provisions of this Agreement and shall report possible defaults to Owner.

(c) The Chief Appraiser of the CAD shall annually determine (1) the taxable value under the terms of this abatement of the Phase III and Phase IV Improvements, and other property otherwise located at or about Owner's premises subject to this Agreement and (2) the full taxable value without abatement of the Real Property, Phase III and Phase IV Improvements and other property otherwise located at or about Owner's premises within Fort Bend County Reinvestment Zone No. 16. The Chief Appraiser shall record both abatement taxable value and full taxable value in the appraisal records. The full taxable value figure listed in the appraisal records shall be used to compute the amount of abated taxes that is terminated in a manner that results in recapture.

(d) Owner shall furnish the Chief Appraiser annually such information requested by the Chief Appraiser and as provided for under Chapter 22 of the TEXAS TAX CODE as may be necessary for the administration of the abatement. Such information shall also be provided to

District Tax Assessor/Collector in preparation of its annual evaluation for compliance with the terms and provisions of this Agreement, including Owner's payroll records. However, Owner shall provide Chief Appraiser and District Tax Assessor/Collector with only those payroll records necessary to determine Owner's compliance with this agreement (i.e. number of employees is appropriate: payroll dollars, taxes, benefits, bonuses are not appropriate) and only to the extent allowed by federal, state, and local laws.

11. **Assignment**

(a) This Agreement may not be assigned without prior written consent of District. No assignment shall be effective or approved if either District has declared a default hereunder which has not been cured or the new Owner/assignee is delinquent in the payment of ad valorem taxes owed to District. Approval shall not be unreasonably withheld.

(b) Any and all assignments shall contain the same terms and conditions as set out in this Agreement and shall be granted for the remaining term of the original tax abatement agreement only.

12. **Indemnity**

It is understood and agreed between the parties that Owner, in performing its obligations hereunder, is acting independently, and District assumes no responsibilities or liabilities in connection therewith to third parties. **OWNER AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS DISTRICT AND THE CENTRAL APPRAISAL DISTRICT FROM ANY AND ALL CLAIMS, SUITS, AND CAUSES OF ACTION OF ANY NATURE WHATSOEVER ARISING OUT OF OWNER'S OBLIGATIONS HEREUNDER EXCEPT THAT THE INDEMNITY AND DUTY TO DEFEND SHALL NOT APPLY TO THAT PORTION OF RESPONSIBILITIES AND LIABILITIES RESULTING FROM THE**

FAULT OF NEGLIGENCE OF DISTRICT OR TAXING UNITS, THEIR RESPECTIVE OFFICERS, AGENTS OR EMPLOYEES. OWNER'S INDEMNIFICATION OBLIGATIONS INCLUDE THE PAYMENT OF REASONABLE ATTORNEY'S FEES AND EXPENSES INCURRED IN THE DEFENSE OF ANY SUCH CLAIMS, SUITS, AND CAUSES OF ACTION. OWNER SHALL BE RESPONSIBLE FOR ALL FEES INCURRED BY DISTRICT IN THE DEFENSE OF ANY SUCH CLAIMS, SUITS, OR CAUSES OF ACTION SO LONG AS DEFENSE COUNSEL AND COURSES OF ACTION ARE DETERMINED SOLELY BY OWNER. NOTHING IN THIS AGREEMENT SHALL BE INTERPRETED TO PROHIBIT DISTRICT FROM INCURRING REPRESENTATION OF ANY SUCH CLAIM, SUIT OR CAUSE OF ACTION AND OWNER SHALL NOT BE RESPONSIBLE FOR ANY SUCH COSTS AND OR FEES SO INCURRED.

13. Force Majeure

If by reason of force majeure Owner is unable to perform any obligation of this Agreement, it shall give notice of the force majeure to District in writing within sixty (60) calendar days after Owner first becomes aware of the occurrence relied upon. By doing so, the obligation of Owner to the extent and for the period of time affected by the force majeure, shall be suspended. Owner shall endeavor to remove or overcome the inability with all reasonable effort. For purposes of this provision, "force majeure" shall mean acts of God, landslides, lightning, earthquakes, hurricanes, storms, floods, or other natural occurrences; strikes, lockouts, insurrections, riots, wars or other civil or industrial disturbances; orders of any kind of the federal or state government or of any civil or military authority; explosions, fires, breakage or accidents to machinery, lines, or equipment, or the failure of the system or water supply system; or any other cause not reasonably within the control of Owner.

14. **Commissioners Court Approval**

This Agreement is conditioned entirely upon the approval of the Commissioners Court by the affirmative vote of a majority of the members present at a duly scheduled meeting of the Commissioner's Court.

15. **Compliance with State and Local Regulations**

This Agreement shall not be construed to alter or affect the obligations of Owner or Lessee to comply with any city ordinance or federal or state law or regulation.

16. **Changes in Tax Laws**

The tax abatement provided in this Agreement is conditioned upon and subject to any changes in the state tax laws during the term of this Agreement.

17. **Miscellaneous**

(a) This Agreement shall be construed under and in accord with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Fort Bend County, Texas. Owner does not waive any provisions as referenced in federal or state statutes regarding property tax exemption benefits available from Foreign Tax Zones.

(b) In the event of 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 any other provision hereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

(c) The waiver by either party of a breach of any provision of this Agreement shall not operate as or be construed as a waiver of any subsequent breach.

(d) Any amendments of this Agreement shall be of no effect unless in writing and signed by both parties hereto.

17. **Notices**

Any notice required to be given under the provisions of this Agreement shall be in writing and shall be duly served when it shall have been deposited, enclosed in a wrapper and sent in overnight mail service which letter can be traced, addressed to Owner, District, or Tax Assessor at the mailing address as hereinafter set out. If mailed, any notice of communication shall be deemed to be received three (3) business days after the date of deposit in the United States Mail. Unless otherwise provided in this Agreement, all notices shall be delivered to Owner, District, Tax Assessor or Greater Fort Bend Economic Development Council at the following addresses:

To the **Tax Assessor/Collector:** The Honorable Patsy Schultz
Tax Assessor-Collector
1317 Eugene Heimann Circle
Richmond, Texas 77406

To **Owner** LaCenterra at Cinco Ranch II, Ltd.
1117 Eldridge Parkway
Houston, Texas 77077
Attn: Woody Mann, Jr.

G. Douglas Wiley, II
c/o Amstar/Centerra 15, LLC
1050 Seventeenth Street, Suite 1200
Denver, CO 80265

To **District:** Fort Bend County Drainage District
301 Jackson, Suite 719
Richmond, Texas 77469
Attention: County Judge

Copy: Fort Bend County Attorney
301 Jackson, Suite 728
Richmond, Texas 77469

Either party may designate a different address by giving the other party ten (10) days written notice thereof. **Failure of Owner to provide District Tax Assessor/Collector sixty (60) days notice of a change of address may result in default unless cured.**

19. **Entire Agreement; Ordinance and Economic Impact Statement**

This Agreement contains the entire Agreement among the parties and supercedes all other negotiations and agreements, whether written or oral. Attached hereto are:

Exhibit A – Order Creating Fort Bend County Reinvestment Zone No. 16;

Exhibit B – Economic Impact Statement/Application for Value Added Tax Abatement for Phase III & IV;

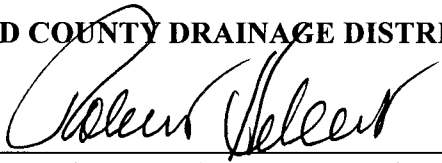
Exhibit C – Phase III and Phase IV Preliminary Design for Improvements, which are made part of this Agreement;

EXECUTION PAGE TO FOLLOW

20. Execution

IN TESTIMONY OF WHICH, THIS AGREEMENT has been executed by District, and Owner as of the dates below stated. Owner warrants and represents that the individuals executing this agreement on behalf of Owner have full authority to execute this Agreement and bind Owner to the same.

FORT BEND COUNTY DRAINAGE DISTRICT

By: 
Robert E. Hebert, County Judge

Date: 11/5/2013

ATTEST: 

Dianne Wilson, County Clerk

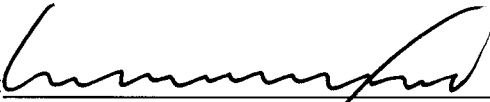
LACENTERRA AT CINCO RANCH II, LTD.

A Delaware limited liability company

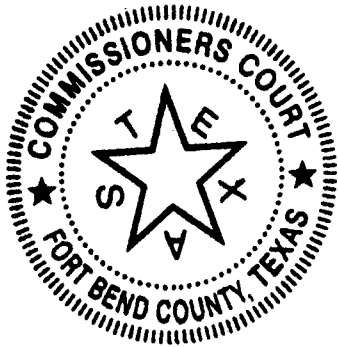
By: Plazas Cinco Ranch, GP, Ltd., a Texas limited partnership, its Manager

By: Vista Cinco Ranch, LLC, a Texas limited liability company, its General Partner

“Owner”

By: 
Woody Mann, Jr., President

Date: 10/30/13



ATTEST: 

Exhibit A

THE STATE OF TEXAS §
 §
COUNTY OF FORT BEND §

The Commissioners Court of Fort Bend County, Texas (the "Commissioners Court"), acting for and on behalf of Fort Bend County, Texas, convened in regular session at a regular term of said Court, open to the public, on the 22nd day of October, 2013, at the Travis Building, 7th Floor, Richmond, Texas.

WHEREUPON, among other business, the following was transacted at said meeting:

ORDER DESIGNATING FORT BEND COUNTY REINVESTMENT ZONE NO. 16

The Order was duly introduced for the consideration of the Commissioners Court and reviewed in full. It was then duly moved and seconded that the Order be adopted; and, after due discussion, the motion, carrying with it the adoption of the Order, prevailed and carried by the following vote:

AYES: 5

NOES: 0

The County Judge thereupon announced that the Motion had duly and lawfully carried and that the Order had been duly and lawfully adopted. The Order thus adopted follows:

ORDER DESIGNATING FORT BEND COUNTY REINVESTMENT ZONE NO. 16

WHEREAS, the County Commissioners Court passed and approved Amended Guidelines and Criteria for Granting Tax Abatement in Reinvestment Zones created in Fort Bend County, Texas, on April 26, 2013;

WHEREAS, pursuant to the Amended Guidelines, the County has received a request for designation of a Reinvestment Zone and Tax Abatement;

WHEREAS, notice was given to all taxing entities where the proposed zone is to be located;

WHEREAS, after proper notice had been given in the October 9, 2013, edition of the Fort Bend Independent, the County has held a public hearing on October 22, 2013, where all

interested persons were given an opportunity to speak, and evidence for and against the designation of Fort Bend County Reinvestment Zone No. 16, ("Reinvestment Zone No. 16") was gathered;

WHEREAS, the County Commissioners Court has determined, based on evidence gathered, that the improvements sought to be located in proposed Reinvestment Zone No. 16 are feasible and practical and would be a benefit to the land to be included in Reinvestment Zone No. 16 and to the County after the expiration of the Tax Abatement Agreement; and

WHEREAS, the designation of Reinvestment Zone No. 16 will reasonably likely contribute to the retention or expansion of primary employment, increase business opportunities in Fort Bend County and contribute to the economic development of both the property in Reinvestment Zone No. 16 and to Fort Bend County;

NOW THEREFORE, BE IT ORDERED BY THE COUNTY COMMISSIONERS COURT OF FORT BEND COUNTY:

SECTION ONE

That the findings and provisions set out in the preamble of this Order are hereby found to be true and correct, and are made a part of this Order for all purposes.

SECTION TWO

That Fort Bend County Reinvestment Zone No. 16 is hereby designated pursuant to the Amended Guidelines for the purpose of encouraging economic development in Fort Bend County through tax abatement.

SECTION THREE

This designation shall be effective for five (5) years from the date of passage of this Order and may be renewed for five (5) year periods thereafter.


SECTION FOUR

The attached Exhibit A described tract(s) are to be combined and designated as Reinvestment Zone No. 12.

PASSED AND APPROVED this the 22 day of October, 2013.

FORT BEND COUNTY, TEXAS

By:

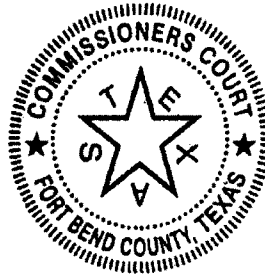


Robert E. Hebert, County Judge

ATTEST:

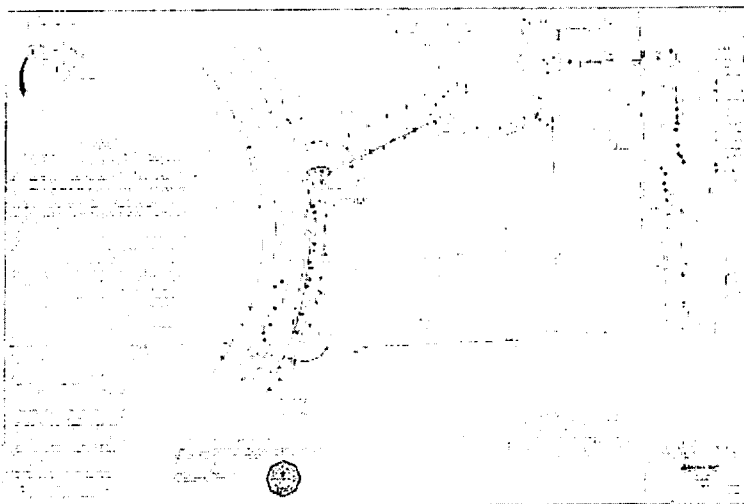


Dianne Wilson, County Clerk



Attachment: Exhibit A – Two (2) Metes & Bounds Descriptions of Reinvestment Zone
MER/FBC RZ 15.3195-150(La Centerra)

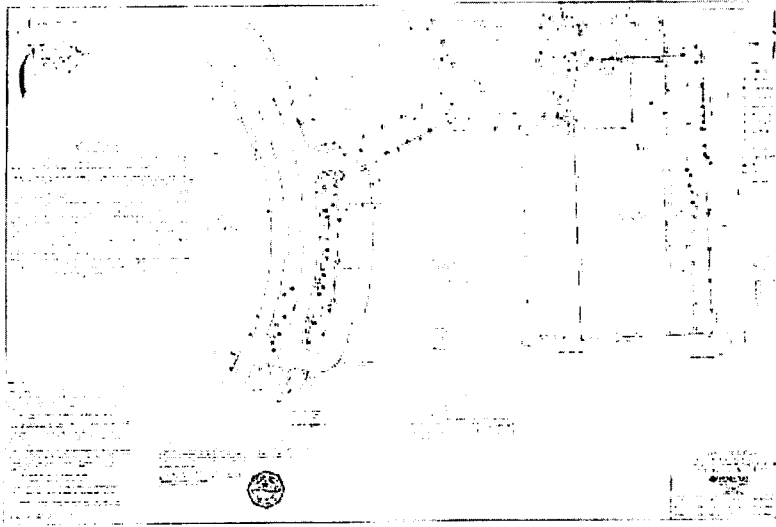
EXHIBIT A



Notes on Plans & Specifications
 1. All work shall be in accordance with the latest editions of the specifications for the work herein, unless otherwise indicated.
 2. The contractor shall be responsible for obtaining all necessary permits and licenses for the work herein.
 3. The contractor shall be responsible for obtaining all necessary approvals from the appropriate authorities.
 4. The contractor shall be responsible for obtaining all necessary easements and rights-of-way for the work herein.
 5. The contractor shall be responsible for obtaining all necessary utility information and for protecting all existing utilities.
 6. The contractor shall be responsible for obtaining all necessary survey information and for establishing all necessary control points.
 7. The contractor shall be responsible for obtaining all necessary environmental information and for complying with all applicable environmental regulations.
 8. The contractor shall be responsible for obtaining all necessary traffic control information and for implementing all necessary traffic control measures.
 9. The contractor shall be responsible for obtaining all necessary safety information and for implementing all necessary safety measures.
 10. The contractor shall be responsible for obtaining all necessary quality control information and for implementing all necessary quality control measures.

1. The contractor shall be responsible for obtaining all necessary information regarding the existing conditions of the site and for providing a detailed site investigation report to the Engineer.
 2. The contractor shall be responsible for obtaining all necessary information regarding the existing conditions of the adjacent properties and for providing a detailed site investigation report to the Engineer.
 3. The contractor shall be responsible for obtaining all necessary information regarding the existing conditions of the existing structures and for providing a detailed site investigation report to the Engineer.
 4. The contractor shall be responsible for obtaining all necessary information regarding the existing conditions of the existing utilities and for providing a detailed site investigation report to the Engineer.
 5. The contractor shall be responsible for obtaining all necessary information regarding the existing conditions of the existing easements and for providing a detailed site investigation report to the Engineer.
 6. The contractor shall be responsible for obtaining all necessary information regarding the existing conditions of the existing rights-of-way and for providing a detailed site investigation report to the Engineer.
 7. The contractor shall be responsible for obtaining all necessary information regarding the existing conditions of the existing environmental conditions and for providing a detailed site investigation report to the Engineer.
 8. The contractor shall be responsible for obtaining all necessary information regarding the existing conditions of the existing traffic conditions and for providing a detailed site investigation report to the Engineer.
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Exhibit B

EXECUTIVE SUMMARY

La Centerra Phase III & Phase IV Property Tax Abatement Application to Fort Bend County

The following attached EIS forms are designed for office and industrial buildings that will have an owner-occupant or are 'build to lease' properties with a proposed tenant already committed to taking the space. Phase III and Phase IV of La Centerra are speculative buildings that reflect the unmet demand for Class A office space in the area. For that reason, I am providing this preface to clarify the information contained within.

SUBJECT PROPERTY: This tax abatement application consists of the last two phases of La Centerra, a multi-use development consisting of several mixed-use buildings that collectively function as a 'town center' for the Cinco Ranch area in Katy/Ft. Bend.

These last two phases are also the 'payoff' phases which adds the capability of a significant amount of Class A office space and appropriate garage parking for the office component and completes the build-out of the development. This is Fort Bend's best option currently to attract professional and corporate type office users away from the Energy Corridor, or contractors of Energy Corridor businesses that desire to be located close to the Energy Corridor and their clients, but are not 300,000 sf users, nor are they wanting the congestion and higher rents, and to pull them down into Fort Bend County along the Grand Parkway which offers excellent proximity and access to those client firms.

In addition, such Class A Office space will attract highly compensated and highly educated talent to La Centerra, adding a highly desirable buying power and an increase in an already healthy density to the development. As the two phases will start construction and be operational at different times, each phase will have its own separate abatement agreement. However, the impact is presented together to show the scope and magnitude of the contribution to the Fort Bend County economy.

Phase III: In the two-story, Phase III building, the ground floor will be all major, not office support, retail and is not being considered for an abatement; only the 37,600 sf second floor of office space is. The garage will be connected to the building. The garage is expected to serve primarily office tenants and their visitors as easily accessible and plentiful retail parking is provided in the building's surface lot as well as other surface and garage locations within La Centerra.

Phase IV will be a 125,000 sf, 9 story office building with an integrated garage on the lower floors, and a ground floor for retail.

NEED FOR INCENTIVE: In order to effectively compete with the Energy Corridor and even Westchase, and to bring this resource to Fort Bend, an incentive in the form of tax abatement to the owner is recommended to allow the owner to pass through that reduction in property taxes as a rental rate incentive and impetus to attract companies that would fit well in the La Centerra development. This request is the same as the tax abatements provided to office and office/retail buildings with garages in the Sugar Land Town Square development and would most likely use the same language as the SL TSq abatements. However, there is not a TIRZ in place in La Centerra as was the case with SL TSq.

ABATEMENT RECOMMENDATION: 50% per year for a 7 year term. The abatement is being recommended for Phase III to include only the second floor, 37,600 sf, of office space, and the garage. For Phase IV, the abatement is recommended for the 125,000 sf of office space, and the garage.

APPLICATION INFORMATION: With the EIS forms being designed for owner-occupants or committed tenants, the information in these EIS's refer to the potential number of jobs, payroll, etc. possible based upon standard formulas designating an estimated amount of square footage per employee with consideration given for common and shared areas of rentable space.

Potential New Jobs to FBC: Phase III – 115 + Phase IV – 450 = **Total 560**

Potential New Total Payroll to FBC: Total **\$27,675,000 +/-**

Phase III: \$5,175,000 +/- Based upon average annual salary of \$45,000 to \$50,000/yr.

Phase IV: \$22,500,000 +/- Based upon average annual salary of \$45,000 to \$55,000/yr.

Estd. FBC and FBDD Tax Revenue with abatement in place:

Phase III – \$16,092 + Phase IV - \$52,975 = **Total \$69,067**

Estd. FBC and FBDD Tax Revenue at expiration of abatement:

Phase III - \$32,185 + Phase IV - \$105,949 = **Total \$138,134**

Estimated Increase in Land Value

Currently valued on the tax rolls for 2012 as one site which also includes Phase II of La Centerra. Subdividing and improving as proposed, it is estimated to increase the combined value of sites for Phase III and Phase IV from **under \$2 million to approximately \$8.5 million.**

Total Estd. Capital Investment:

Phase III - \$12.05 million + Phase IV - \$31 million = **Total \$33.05 million**



GREATER FORT BEND
ECONOMIC DEVELOPMENT
COUNCIL



KATY AREA
ECONOMIC DEVELOPMENT COUNCIL
ENERGY GROWS HERE

**LaCENTERRA AT CINCO RANCH - PHASE III
ECONOMIC IMPACT STATEMENT QUESTIONNAIRE**

**Company Name
City, Fort Bend County**

Based on the information you provide below, the Greater Fort Bend Economic Development Council (GFBEDC) will begin prequalification of your project. The information you provide will allow the GFBEDC to begin to develop your application and economic impact statement for presentation to the taxing entities for consideration of economic incentives. The following factors will be considered as a whole to determine the entire economic impact of the company: location of project, type of business, is the company in one of the city's target industries, number of jobs, skill level of each job, average salary, investment in building improvements or new building, value of taxable inventory, value of taxable personal property and equipment, sales tax revenue generated for the city, impact on local infrastructure, and impact (good or bad) on existing businesses in the County.

- 1. Please provide a detailed summary statement about your company (its history, type of business and industry, etc.) and clearly describe its operations at the proposed facility in Fort Bend.**

SEE ATTACHED

- 2. Information About Your Company**

Company Name: LaCenterra at Cinco Ranch II, Ltd.	
Contact Person: Woody Mann, Jr.	Title: President of Gen. Partner
Current Address: 1117 Eldridge Parkway, Houston, Texas 77077	
Office #: 281-560-7308	Mobile #:
Fax #: 281-531-8528	Website: www.vistahouston.com
Email Address: woody@vistahouston.com	
The Company's Primary SIC Code:	

- 3. Type of project (check all that apply):**
 - Existing business in Fort Bend County
 - New business to Fort Bend County
 - Expansion of existing facility
 - Construction of new facility
 - Company will lease facility

X Company will own facility
 Corporate/Regional Headquarters

4. If the company will lease the facility, who will be the owner: N/A
5. Location of proposed site(s) in Fort Bend (street address, name of Business Park or other development, city, or name of area if unincorporated): 23501 Cinco Ranch Boulevard, Katy, Texas 77494
6. Scope of project: *second floor office area - ground floor area is retail.

Size of new facility/expansion:	*37,600 Sq. Ft. plus attached 3-story parking structure
Size of existing facility (if applicable):	N/A
Size of lease space in existing facility (if applicable):	N/A
Number of acres at facility site:	4±
Type of Construction (tilt wall, metal, concrete, etc.):	Steel Frame

7. Please give detailed breakdown of operations within the proposed facility (i.e., 20% office; 25% distribution; 15% metal fabrication; 40% warehouse, etc.): 100% office
8. Truck traffic to be generated (# daily or weekly): N/A
9. Targeted start of construction: November, 2013
10. Targeted start of operations: October, 2014
11. Market value (taxable assets) of the firm's property that would be located at the facility in Fort Bend (new property to Fort Bend):

Land	Construction Costs of Building Improvements	Furniture & Fixtures	Equipment	Inventory	Total
\$ 4 MM	\$8.05 MM	\$ N/A	\$ N/A	\$ N/A	\$12,050,000

12. Estimated percent of inventory that would be Freeport qualified, if any: -0- %
Freeport goods are inventories (raw materials, goods-in-process, and finished products) acquired by a business and held for no more than 175 days before being shipped out of state.
13. Does the company require a Foreign Trade Zone (FTZ)? If so, what percent of the inventory would be FTZ qualified: -0- %
14. Employment information:

One Fluor Daniel Drive • Sugar Land, Texas 77478 • www.fortbendcounty.org
 Main (281) 242-0000 • Fax (281) 242-6739 • Toll Free (888) 500-5668

Number of new jobs to Fort Bend County	Number of existing jobs to be retained (if company currently located in Fort Bend)	Total Number of Jobs
115	N/A	115

15. Average salary (before benefits): \$45,000 - \$50,000
16. Amount of initial, annual local payroll to be created: \$5,175,000_± - Estimate
17. What are the estimated annual total sales at the new facility? What portion of the total sales will be subject to local (city) sales taxes? N/A
18. Does the company own a corporate airplane that would be housed at a local corporate airport in Fort Bend (i.e., Sugar Land Regional Airport or Houston Southwest Airport)? If so, what is the plane's value: No
19. Will the company's local business practices necessitate business travel that will bring clients or employees to the Fort Bend facility, resulting in hotel/motel bookings? If so, what is the estimated number of hotel/motel stays per year that will be booked locally: Potentially
20. If your company currently has operations elsewhere in the State of Texas, please list the name of the communities: Conroe, San Antonio, Houston, The Woodlands
21. Employee benefit burden (percent of employee's salary that is invested by the company into the employee's benefits): N/A
22. Current owner of real property (land/building) at the time of application: LaCenterra at Cinco Ranch II, Ltd.
23. Have you received or are you currently receiving tax abatement in Fort Bend:
 Yes No
24. Is this land currently under Agriculture Exemption: Yes No
 - a. If so, what will be the increase in taxes paid annually to taxing authorities: *To be answered by GFBEDC*
 - b. What is the value of roll back taxes to be collected as a result of being taken out of Ag Exemption: *To be answered by GFBEDC*
25. What is the expected increase in value of the land once it is sold? (to be answered by GFBEDC)
26. Productive life of proposed improvements and/or initial term of lease: 50+ years

27. **Time of day activities will be taking place (i.e, # of shifts):** 8:00 a.m. - 6:00 p.m.
28. **The costs to be incurred by local government to provide facilities or services directly resulting from the new improvements:** 0
Explain any costs for development or depletion of infrastructure the city and/or water district are being asked to absorb, if any. None
29. **If located in the city limits, do you (or your construction company) agree to declare "situs" for construction sales taxes at the construction site:**
When purchasing construction materials for the new facility from a company that is situated outside the city where the new facility will be located, the builder agrees to declare the situs (point of sale) of the materials as the construction site address so the local city receives the sales tax revenue. N/A
30. **Please provide wastewater information, including activities, facilities, plant processes, products, services, chemicals, materials, and hazardous substances that may be used or that may result from the activities to be conducted within the proposed improvements:** Property located in Cinco MUD #12
31. **Explain any proposed pretreatment of wastewater prior to discharge into the sanitary sewer system:** None
32. **Will there be any proposed monitoring of wastewater discharge into the sanitary sewer system:** No
33. **Public improvements to be made by the Company in which the public may benefit (please list if any):** N/A
34. **Will this business compete with existing businesses in the county? If so, please list local companies providing the same services:** No
35. **Are there possibilities for local businesses to become suppliers? Any new retail opportunities? Please explain.** Yes, potentially.
36. **Do you anticipate your relocation to attract other new businesses to the area? Please explain:** Will attract new business to Fort Bend County.
37. **Does the business produce any type of emissions or are there any other environmental matters for the city/county to consider:** No
38. **The company agrees to participate in the continuing economic development process in Fort Bend County by becoming a Trustee member (\$6,000/yr) of the GFBEDC for a minimum period coinciding with the term of any County abatement agreement:** Yes No
The County Commissioners' Court encourages the company's participation in the Council to support the continued economic growth in the County. The Court considers

your decision in their evaluation of the project.

39. By signing and submitting this application you certify that the company, its branches, divisions and departments (company) do not and will not knowingly employ an undocumented worker. An agreement with the company will require the company to repay the total amount of the public benefit received with interest at the rate and according to the terms of the agreement if the company is convicted of a violation under 8 U.S.C. Section 1324a. Repayment will be due no later than the 120th day after the date the City/County notifies the company of the violation as provided in the agreement.

An undocumented worker is an individual who, at the time of employment, is not:
a. (1) lawfully admitted for permanent residence to the United States; or
b. (2) authorized under law to be employed in that manner in the United States.

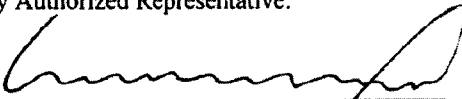
In order to prepare the documents creating the Reinvestment Zone, in which all eligible property placed therein would receive any property tax abatement, and the Abatement Agreement itself, a Site Plan and Legal Description, including a metes and bounds description is necessary. Please provide these as soon as possible if they are not available at the time this EIS is submitted.

CERTIFICATION:

I. APPLICANT:

_(Name of Company) LaCenterra at Cinco Ranch II, Ltd. does hereby certify that all statements and representations made herein are accurate to the best of their knowledge and agree to comply with these terms.

By Authorized Representative:



Signature

9/10/13
Date

Printed Name: Woody Mann, Jr.

Title: President, Vista Cinco Ranch, LLC, Managing General Partner of
LaCenterra at Cinco Ranch II, Ltd.

II., GFBEDC

The Greater Fort Bend Economic Development Council certifies that La Centura
at Linceo Ranch, TX, LLC has met the standard
requirements and is qualified for value added tax abatement in Fort Bend County.

W. Jackson Belt

9/18/13

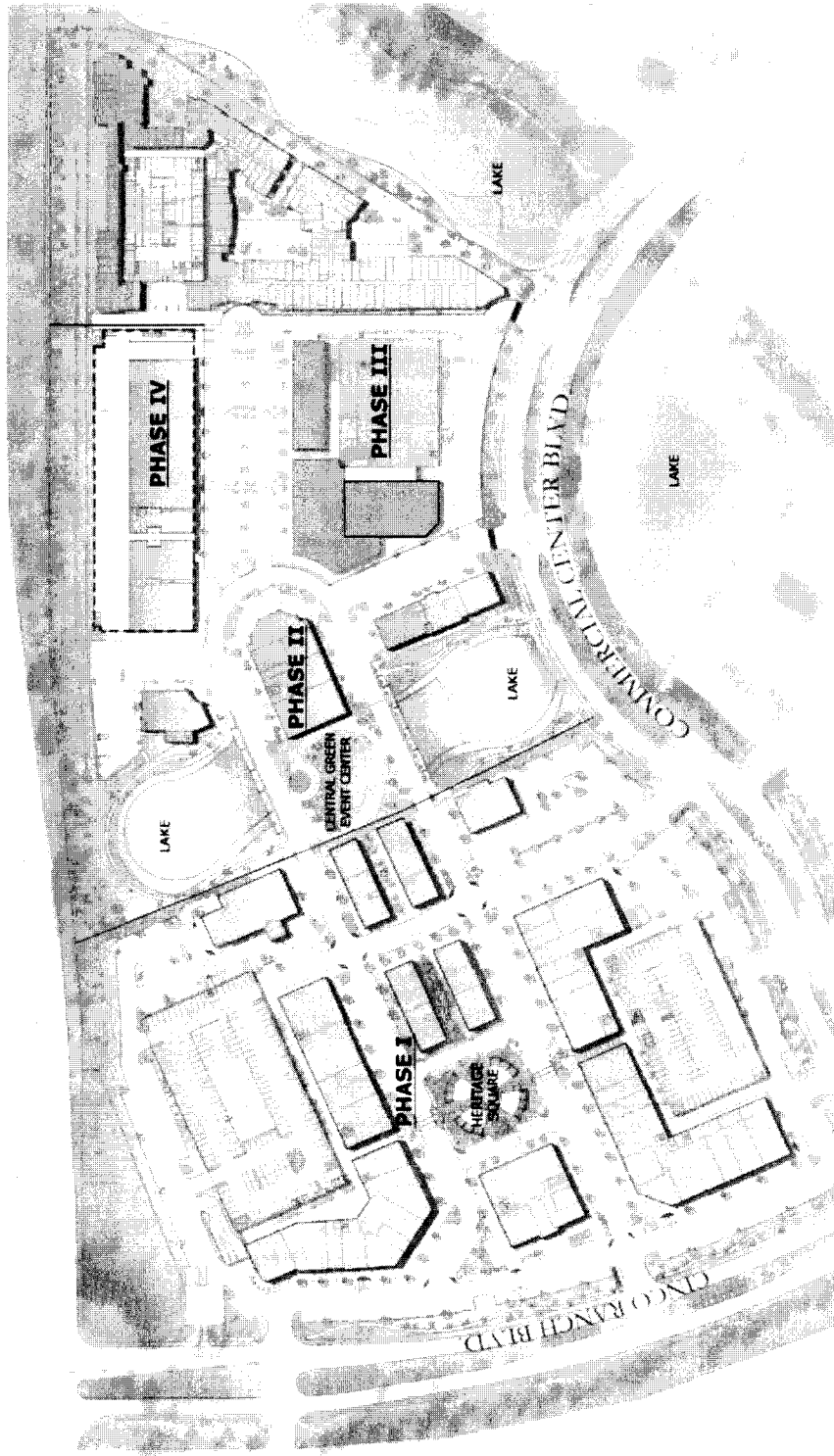
W. Jackson Belt
Executive Vice President
Greater Fort Bend Economic
Development Council

Date

Exhibit C



GRAND PARKWAY (S.H. 99)

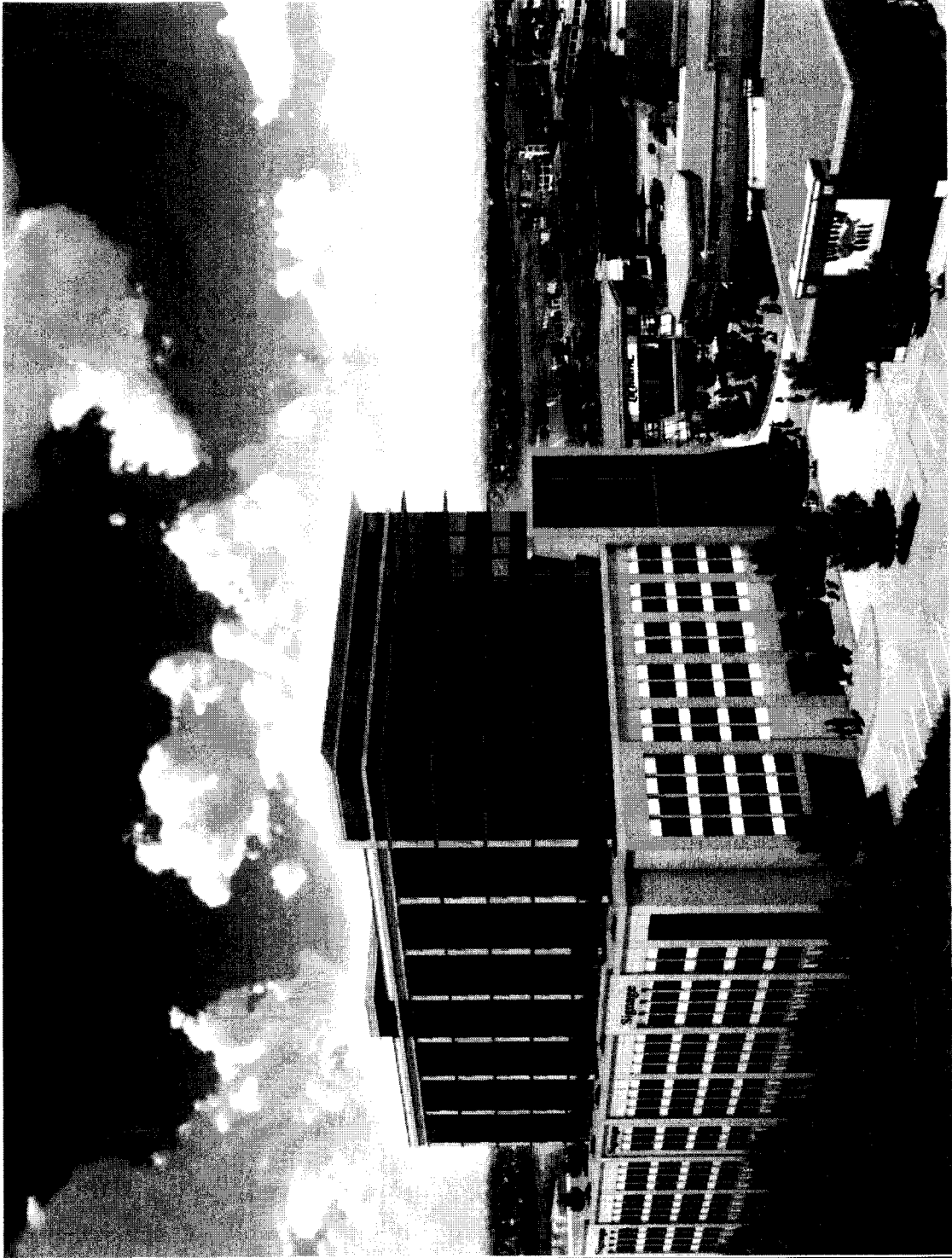


LaCenterra at Cinco Ranch
KATY, TEXAS

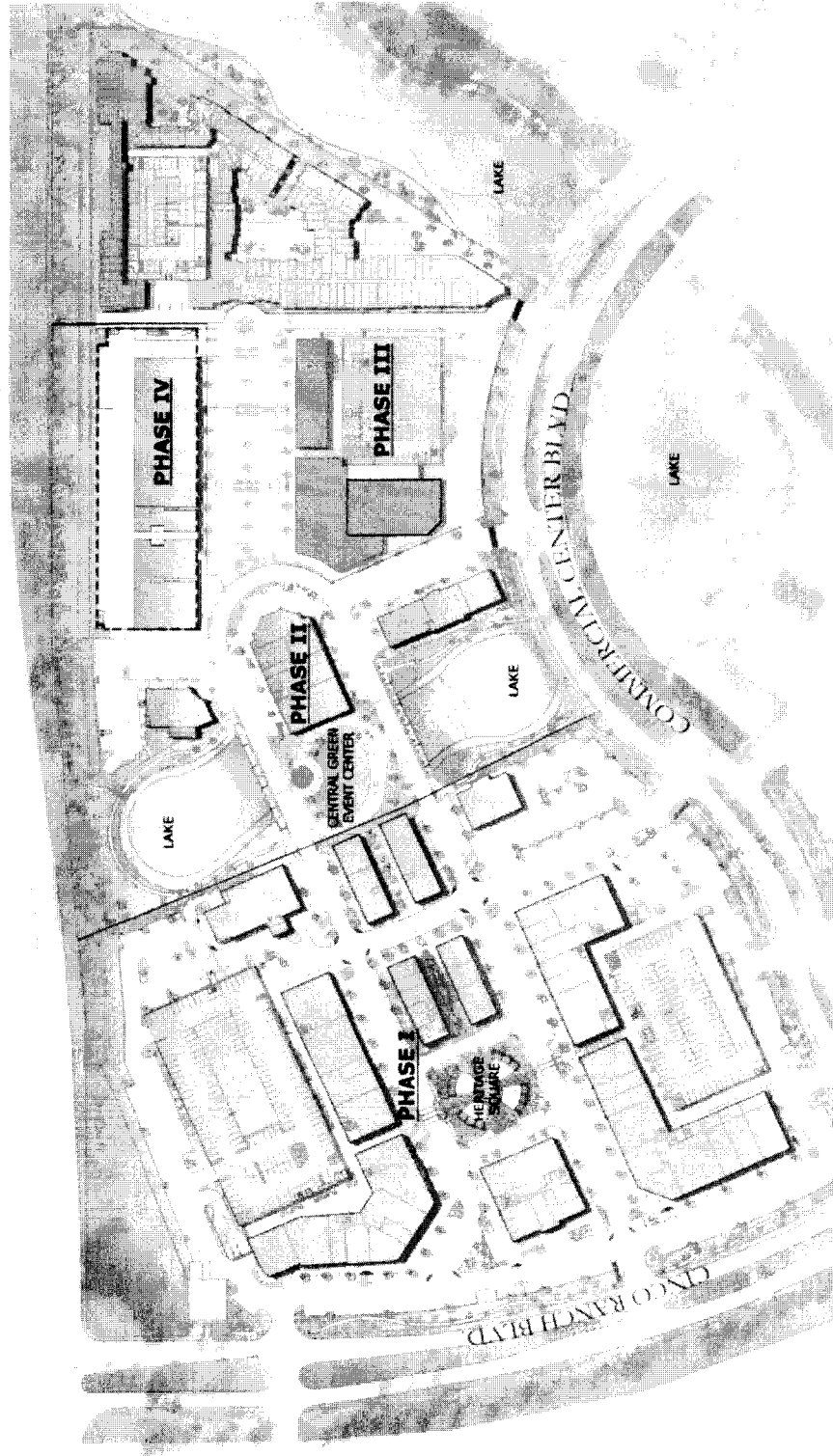
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LaCenterra at Cinco Ranch
KATY, TEXAS

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