

**DEVELOPMENT AGREEMENT FOR
VICKSBURG BOULEVARD
ROAD IMPROVEMENTS**

This Development Agreement (the "Agreement") is made this the 22 day of July, 2014, by and among **Fort Bend County**, a political subdivision of the State of Texas (the "County"); the **City of Missouri City**, a Texas home-rule municipality (the "City"); the **Missouri City Development Authority**, a Texas non-profit local government corporation formed pursuant to the provisions of Chapter 431, Subchapter D, Texas Transportation Code (the "Authority"); and **Reinvestment Zone Number Two, City of Missouri City**, a tax increment reinvestment zone created by the City of Missouri City, Texas, pursuant to Chapter 311, Texas Tax Code, (the "Zone").

RECITALS

Whereas, pursuant to Chapter 311 of the Texas Tax Code, the City Council of the City, by Ordinance No. O-99-43, adopted on August 2, 1999, created the Zone in the City; and

Whereas, the Board of Directors of the Zone (the "Zone Board") adopted a Project and Financing Plan (as defined Section 1.01 below) that provides the Zone will undertake to make certain acquisitions and improvements in the Zone, and such Project and Financing Plan, as amended was approved by the City Council of the City by Ordinance No. O-08-47 on August 18, 2008; and

Whereas, the Texas Tax Code provides that the Zone may enter into agreements as the Zone Board considers necessary or convenient to implement the Project and Financing Plan and achieve its purposes; and

Whereas, the City and the Zone have contracted with the Authority to carry out the purposes of the Zone, including administration, supervision, construction, financing and other duties, and committed the revenues of the Zone to the Authority for such purposes, all as more particularly set forth in the agreement between the City, the Zone and the Authority, as amended (the "Tri-Party Agreement"); and

Whereas, the Parties (as defined in Section 1.01 below), Fort Bend County Municipal Utility District No. 47, and Fort Bend County Municipal Utility District No. 48 entered into an Interlocal Agreement for Regional Road Improvements

providing for certain improvements related to the extension Vicksburg Boulevard (the "Vicksburg Boulevard Agreement"); and

Whereas, pursuant to Section 5 of the Vicksburg Boulevard Agreement, City staff will submit to the Authority and the County for consideration a development agreement, setting out with specificity the responsibilities of the various entities, the mechanism for project financing and funding and other relevant terms and conditions specifically related to the Vicksburg Boulevard extension, and the parties to the Vicksburg Boulevard Agreement understood and agreed that adoption of such agreement is subject to the approval of the Parties; and

Whereas, the Parties have determined that each can best carry out their functions pursuant to the Tri-Party Agreement, the Project and Financing Plan, and the Vicksburg Boulevard Agreement (collectively, the "Background Instruments") by contracting with each other to provide for the efficient and effective implementation of certain aspects of the Background Instruments, and the Parties desire to enter into this Agreement to enable the development and financing and reimbursement for costs paid for the improvements to property located within the territory of the Zone pursuant to the Background Instruments; now, therefore,

AGREEMENT

For and in consideration of the mutual promises, covenants, obligations, and benefits of this Agreement, the County, City, the Authority, and the Zone contract and agree as follows:

ARTICLE 1 GENERAL TERMS

Section 1.01 Definitions. The terms "Agreement," "Authority," "Background Documents," "City," "County," "Zone," "Tri-Party Agreement," "Vicksburg Boulevard Agreement," and "Zone Board" have the meanings set forth in the preamble hereof, and the following capitalized terms shall have the meanings provided below, unless otherwise defined or the context clearly requires otherwise. For purposes of this Agreement the words "shall" and "will" are mandatory and the word "may" is permissive.

Act means the Tax Increment Financing Act codified as Chapter 311 of the Texas Tax Code, as the same may be amended.

County Advances means any funds advanced by County pursuant to Section 5.01, and shall include any interest accrued and payable thereon pursuant to the Vicksburg Boulevard Agreement.

Net Tax Increment means the annual collections of the Tax Increment, less any amounts reasonably required or anticipated to be required for the administration and operation of the Zone, including a reasonable operating reserve.

Parties or Party means the County, the City, the Authority, and the Zone as parties to this Agreement.

Project and Financing Plan means the then-existing project plan and reinvestment zone financing plan for the Zone as approved by City Council.

Tax Increment means funds deposited in the TIRZ Revenue Fund by the City pursuant to the Tri-Party Agreement, composed of funds received pursuant to that certain Interlocal Agreement or similar agreement between the City, Fort Bend County, Texas and the Zone.

TIRZ Revenue Fund means the special fund established by the Authority and funded with Tax Increment payments made by the City pursuant to the Tri-Party Agreement (which payments are attributable to incremental ad valorem real property taxes paid on the Project and other properties in the Zone).

TIRZ Improvements means the improvements contemplated in the Vicksburg Boulevard Agreement, described in Article 3 hereof, and as more fully and particularly described in Exhibit A attached hereto and located on the real property described in Exhibit A attached hereto.

Section 1.02 Singular and plural; gender. Words used herein in the singular shall also include the plural of such words, where the context so permits, and vice versa. The definitions of words in the singular shall also apply to the plural of such words where the context so permits and vice versa. Any gender reference shall include the opposite gender and the neuter.

Section 1.03 Conflicts. If there is any actual or perceived conflict between this Agreement and the Vicksburg Boulevard Agreement, the Vicksburg Boulevard Agreement shall control, and this Agreement shall be construed so as to conform to the provisions of the Vicksburg Boulevard Agreement.

ARTICLE 2 REPRESENTATIONS

Section 2.01 Representations of the County. The County hereby represents as follows:

Subsection 2.01(A) It is duly authorized, created and existing in good standing under the laws of the State of Texas and is duly qualified and authorized to carry on the governmental functions and operations as contemplated by this Agreement.

Subsection 2.01(B) It has the power, authority and legal right to enter into and perform this Agreement and the execution, delivery and performance hereof (i) have been duly authorized, (ii) will not, to the best of its knowledge, violate any applicable judgment, order, law or regulation and (iii) do not constitute a default under, or result in, the creation of any lien, charge, encumbrance or security interest upon any assets of the County under any agreement or instrument to which the County is a party or by which the County or its assets may be bound or affected.

Subsection 2.01(C) This Agreement has been duly authorized, executed and delivered by the County and constitutes a legal, valid and binding obligation of the County, enforceable in accordance with its terms.

Subsection 2.01(D) The execution, delivery and performance of this Agreement by the County do not require the consent or approval of any person which has not been obtained.

Subsection 2.01(E) The County has sufficient capital to perform its obligations under this Agreement.

Section 2.02 Representations of the City. The City hereby represents as follows:

Subsection 2.02(A) It is duly authorized, created and existing in good standing under the laws of the State of Texas and is duly qualified and authorized to carry on the governmental functions and operations as contemplated by this Agreement.

Subsection 2.02(B) It has the power, authority and legal right to enter into and perform this Agreement and the execution, delivery and performance hereof (i) have been duly authorized, (ii) will not, to the best of its knowledge,

violate any applicable judgment, order, law or regulation and (iii) do not constitute a default under, or result in, the creation of any lien, charge, encumbrance or security interest upon any assets of the City under any agreement or instrument to which the City is a party or by which the City or its assets may be bound or affected.

Subsection 2.02(C) This Agreement has been duly authorized, executed and delivered by the City and constitutes a legal, valid and binding obligation of the City, enforceable in accordance with its terms.

Subsection 2.02(D) The execution, delivery and performance of this Agreement by the City do not require the consent or approval of any person which has not been obtained.

Subsection 2.02(E) The City has sufficient capital to perform its obligations under this Agreement.

Section 2.03 Representations of Authority. The Authority hereby represents as follows:

Subsection 2.03(A) It is duly authorized, created and existing in good standing under the laws of the State of Texas and is duly qualified and authorized to carry on the governmental functions and operations as contemplated by this Agreement.

Subsection 2.03(B) It has the power, authority and legal right to enter into and perform this Agreement and the execution, delivery and performance hereof (i) have been duly authorized, (ii) will not, to the best of its knowledge, violate any applicable judgment, order, law or regulation and (iii) do not constitute a default under, or result in, the creation of any lien, charge, encumbrance or security interest upon any assets of the Authority under any agreement or instrument to which the Authority is a party or by which the Authority or its assets may be bound or affected.

Subsection 2.03(C) This Agreement has been duly authorized, executed and delivered by the Authority and constitutes a legal, valid and binding obligation of the Authority, enforceable in accordance with its terms.

Subsection 2.03(D) The execution, delivery and performance of this Agreement by the Authority do not require the consent or approval of any person which has not been obtained.

Section 2.04 Representations of the Zone. The Zone hereby represents as follows:

Subsection 2.04(A) The Zone is duly authorized, created and existing under the laws of the State of Texas and is duly qualified and authorized to carry out the governmental functions and operations as contemplated by this Agreement.

Subsection 2.04(B) The Zone has the power, authority and legal right to enter into and perform this Agreement and the execution, delivery and performance hereof (i) have been duly authorized, (ii) will not, to the best of its knowledge, violate any applicable judgment, order, law or regulation and (iii) do not constitute a default under, or result in, the creation of any lien, charge, encumbrance or security interest upon any assets of the Zone under any agreement or instrument to which the Zone is a party or by which the Zone or its assets may be bound or affected.

Subsection 2.04(C) This Agreement has been duly authorized, executed and delivered by the Zone and constitutes a legal, valid and binding obligation of the Zone, enforceable in accordance with its terms.

Subsection 2.04(D) The execution, delivery and performance of this Agreement by the Zone do not require the consent or approval of any person which has not been obtained.

ARTICLE 3

THE TIRZ IMPROVEMENTS

Section 3.01 The TIRZ Improvements. The TIRZ Improvements are intended to enhance development within the boundaries of the Zone.

Section 3.02 TIRZ Improvements description. The TIRZ Improvements, as generally described in the Project and Financing Plan and as more fully and particularly described in Exhibit A, consist of acquisition, construction and development of the public improvements serving real property located within the boundaries of the Zone. The TIRZ Improvements will be developed pursuant to the schedule set forth in Exhibit A, and subject to any reasonable change to the schedule that the City may make. The TIRZ Improvements shall include all engineering, legal and other consultant fees and expenses related to such TIRZ Improvements and as provided in the Vicksburg Boulevard Agreement.

Section 3.03 Additional Projects. This Agreement does not apply to any projects not specifically defined herein unless this Agreement is amended to provide for the design and construction of such additional projects.

ARTICLE 4

DUTIES AND RESPONSIBILITIES OF THE CITY

Section 4.01 Construction manager. The City agrees to construct the TIRZ Improvements and to provide and furnish, or cause to be provided and furnished, all materials and services as and when required in connection with the construction of the TIRZ Improvements. The City will obtain all necessary permits and approvals from the City and all other governmental officials and agencies having jurisdiction, provide supervision of all phases of construction of the TIRZ Improvements, provide regular monthly reports of such construction to the County, the Authority, and the Zone, provide additional reports upon request, and cause the construction to be performed in accordance with the Project and Financing Plan.

Section 4.02 Design of the TIRZ Improvements. The appropriate plans will be submitted to the City as provided in the Vicksburg Boulevard Agreement. The TIRZ Improvements shall be designed in accordance with City standards applicable to such public improvements within the City.

Section 4.03 Construction contracts. The City shall promulgate contract and bid documents in accordance with and subject to the Vicksburg Boulevard Agreement.

Section 4.04 Construction and implementation of the TIRZ Improvements. The City shall be responsible for the inspection and supervision of the construction and implementation of the TIRZ Improvements as provided in the Vicksburg Boulevard Agreement.

Subsection 4.04(A) The City shall commence construction and diligently pursue completion of the TIRZ Improvements in a timely fashion to coincide with the development of the Project as set forth in Exhibit A.

Subsection 4.04(B) The City shall provide the other Parties with a final summary of all costs associated with such contract in accordance with the Vicksburg Boulevard Agreement.

Subsection 4.04(C) The TIRZ Improvements shall be owned and maintained as provided for by the Vicksburg Boulevard Agreement

Section 4.05 Conveyance of easements. The acquisition of and grant to the City of all required construction and access easements necessary to maintain, repair, replace, modify and remove the TIRZ Improvements shall be done in accordance with the Vicksburg Boulevard Agreement.

ARTICLE 5 PROJECT FINANCING AND FUNDING

Section 5.01 The County Advances.

Subsection 5.01(A) In connection with the construction of the TIRZ Improvements, the County agrees to provide funds pursuant to the Vicksburg Boulevard Agreement. In no event shall reimbursement of the County Advances, pursuant to Section 5.02 below, exceed the limits provided in the Vicksburg Boulevard Agreement.

Subsection 5.01(B) Interest on any County Advance shall accrue as provided in the Vicksburg Boulevard Agreement.

Section 5.02 Reimbursement of County Advances.

Subsection 5.02(A) The Authority shall repay the County Advances in accordance with the Vicksburg Boulevard Agreement.

Subsection 5.02(B) The reimbursements shall be made in accordance with the schedule for reimbursement provided in the Vicksburg Boulevard Agreement.

Subsection 5.02(C) The Authority shall provide to the County, upon the written request of the County, and on the earliest practicable date such information is available after the date of such request, certified copies of all statements of revenue and the sources of such revenue of the Zone and Authority, the intended use of which is to verify the availability of funds for repayment of the County Advances, if applicable, under this Section 5.02.

Section 5.03 Priorities. As provided in the Vicksburg Boulevard Agreement, the Parties understand and agree that the reimbursements provided herein are subject to actual tax increment revenues being collected in the Zone not otherwise allocated to other projects, as provided in the Vicksburg Boulevard Agreement.

ARTICLE 6 DEFAULT

Section 6.01 If the Zone or the Authority does not perform its obligations hereunder in compliance with this Agreement and subject to the Vicksburg Boulevard Agreement, in addition to the other rights given the County in this Agreement, the County may seek specific performance of this Agreement only.

Section 6.02 If the County fails to fund County Advances, the City, the Authority, and the Zone may terminate this Agreement and shall be relieved of any obligation to reimburse the County.

Section 6.03 The Party alleging default shall provide written notice to the other Party of such default, and the defaulting Party shall have thirty (30) days to remedy the default prior to the declaration of any default hereunder.

ARTICLE 7 GENERAL

Section 7.01 Inspections, audits. The Parties shall keep such operating records with respect to activities contemplated by this Agreement and all costs associated therewith as may be required by the Parties, or by State or federal law or regulation. Each Party shall allow all other Parties access to such records, and the Parties shall have a right at all reasonable times to audit all documents and records in the other Parties' possession, custody or control relating to the activities contemplated by this Agreement to assist the other Parties in determining compliance with this Agreement.

Section 7.02 Operations and employees. All personnel supplied or used in performance of this Agreement shall be deemed employees, contractors, or subcontractors of the City and will not be considered employees, agents, contractors or subcontractors of the other Parties for any purpose whatsoever. The City shall be solely responsible for the compensation of all such contractors and subcontractors.

Section 7.03 Personal liability of public officials, legal relations. Except as required by State law, no director, officer, employee or agent of the Parties shall be personally responsible for any liability arising under or growing out of this Agreement.

Section 7.04 Notices. Any notice sent under this Agreement (except as otherwise expressly required) shall be written and mailed, sent by electronic or facsimile transmission confirmed by mailing written confirmation at substantially the same

time as such electronic or facsimile transmission or personally delivered to an officer of the receiving party at the following addresses:

Fort Bend County, Precinct 2
303 Texas Parkway, Suite 213
Missouri City, Texas 77489
Attn: The Honorable Grady Prestage

With a copy to:
Fort Bend County Judge
401 Jackson Street, First Floor
Richmond, Texas 77469
Attn: The Honorable Robert Hebert

City of Missouri City
1522 Texas Parkway
Missouri City, Texas 77489
Attn: Edward Broussard

Missouri City Development Authority
1522 Texas Parkway
Missouri City, Texas 77489
Attn: Edward Broussard

Reinvestment Zone Number Two, City of Missouri City
1522 Texas Parkway
Missouri City, Texas 77489
Attn: Edward Broussard

Each Party may change its address by written notice in accordance with this Section. Any communication addressed and mailed in accordance with this Section shall be deemed to be given when so mailed, any notice so sent by electronic or facsimile transmission shall be deemed to be given when receipt of such transmission is acknowledged, and any communication so delivered in person shall be deemed to be given when receipted for by or actually received by the Party who is the recipient of such communication.

Section 7.05 Amendments and waivers. Any provision of this Agreement may be amended or waived if such amendment or waiver is in writing and is signed by all Parties. No course of dealing on the part of the Parties, nor any failure or delay by one or more of the Parties, with respect to exercising any right, power or privilege

under this Agreement shall operate as a waiver thereof, except as otherwise provided in this Section.

Section 7.06 Invalidity. In the event that any of the provisions contained in this Agreement shall be held unenforceable in any respect, such unenforceability shall not affect any other provision of this Agreement.

Section 7.07 Successors and assigns. All covenants and agreements contained in this Agreement by or on behalf of a Party shall bind its successors and assigns and shall inure to the benefit of the other Parties, their successors and assigns. The Parties may assign their rights and obligations under this Agreement, in whole or in part, or any interest herein only with the prior written consent of the other Parties, which consent shall not be unreasonably withheld, conditioned or delayed. Any assignment without such prior written consent, including an assignment by operation of law, is void and of no effect.

Section 7.08 Exhibits; titles of article, sections and subsections. The exhibits attached to this Agreement are incorporated herein and shall be considered a part of this Agreement for the purposes stated herein, except that in the event of any conflict between any of the provisions of such exhibits and the provisions of this Agreement, the provisions of this Agreement shall prevail. All titles or headings are only for the convenience of the parties and shall not be construed to have any effect or meaning as to the Agreement between the Parties hereto. Any reference herein to a section or subsection shall be considered a reference to such section or subsection of this Agreement unless otherwise stated. Any reference herein to an exhibit shall be considered a reference to the applicable exhibit attached hereto unless otherwise stated.

Section 7.09 Construction. This Agreement is a contract made under and shall be construed in accordance with and governed by the laws of the United States of America and the State of Texas, except conflict of laws provisions, as such laws are now in effect. Venue for any action or suit related to this Agreement shall be in Fort Bend County, Texas.

Section 7.10 Entire Agreement. This written Agreement represents the final agreement among the Parties and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the Parties. There are no unwritten oral agreements between the Parties.

Section 7.11 Term. This Agreement shall be in force and effect from the date of execution hereof for a term expiring on the date that the County Advances have been repaid in full, January 1 of the year following the expiration of the Zone or as otherwise terminated as provided for in this Agreement or in the Vicksburg Boulevard Agreement.

Section 7.12 Time of the essence. Time is of the essence with respect to the obligations of the Parties to this Agreement.

Section 7.13 Approval by the Parties. Whenever this Agreement requires or permits approval or consent to be hereafter given by any of the Parties, the Parties agree that such approval or consent shall not be unreasonably conditioned, withheld or delayed.

Section 7.14 Counterparts. This Agreement may be executed in multiple counterparts, each of which when so executed and delivered shall be deemed an original but such counterparts together shall constitute but one and the same instrument.

Section 7.15 Further assurances. Each Party hereby agrees that it will take all actions and execute all documents necessary to fully carry out the purposes and intent of this Agreement.

Section 7.16 Waivers. The Parties may waive any provision of this Agreement by providing written evidence thereof in writing. Waiver of a particular provision shall not be deemed a waiver of future compliance with such provision.

Section 7.17 Effect of the Background Documents. The obligations of the Parties hereunder are specifically conditioned upon the approval, execution and effectiveness of the Background Documents. If any of the Background Documents expire, are terminated, or are no longer effective such that the improvements contemplated by this Agreement and by the Vicksburg Boulevard Agreement are not constructed, then this Agreement is terminated, except for the obligation to reimburse the County for any County Advances paid to the City, without any penalty to any Party due to the termination.

[EXECUTION PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed effective the date first set forth above.

FORT BEND COUNTY



Robert E. Hebert, County Judge

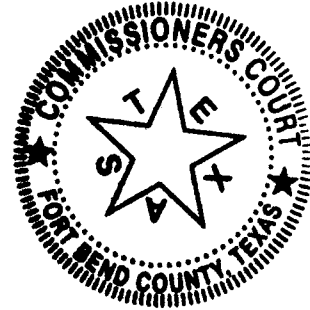
Date: 8-12-14

Approved by commissioners Court 7-22-14

Attest:



Dianne Wilson, County Clerk



CITY OF MISSOURI CITY, TEXAS



Allen Owen, Mayor

Date: 7-21-2014

Attest:



Maria Gonzalez, City Secretary



REINVESTMENT ZONE NUMBER TWO, CITY OF MISSOURI CITY



Chairperson, Board of Directors

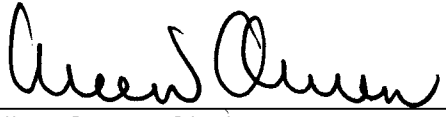
Date: 7/15/2014

Attest:



Secretary, Board of Directors

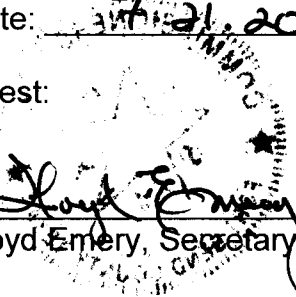
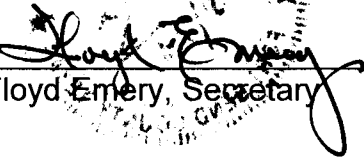
MISSOURI CITY DEVELOPMENT AUTHORITY



Allen Owen, Chairperson

Date: July 21, 2014

Attest:



Floyd Emery, Secretary

EXHIBIT A

Interlocal Agreement for Regional Road Improvements