

STATE OF TEXAS §
 §
COUNTY OF FORT BEND §

**SECOND AMENDMENT TO
TAX ABATEMENT AGREEMENT BETWEEN
FORT BEND COUNTY AND TOWN CENTER LAKESIDE, LTD.
(buildings A1 and A2)**

This SECOND AMENDMENT of the Tax Abatement Agreement is made and entered into by and between **FORT BEND COUNTY, TEXAS**, a body politic, acting herein by and through its Commissioners Court and **TOWN CENTER LAKESIDE, LTD.**, (hereinafter referred to as "Owner"), each being parties to that certain Tax Abatement Agreement entered into by the parties on or about July 22, 2008.

WHEREAS, Fort Bend County, Texas, and Owner entered into a Tax Abatement Agreement, on July 22, 2008, which was amended on January 13, 2009 (collectively hereinafter the "Agreement"); and

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

WHEREAS, the parties agree that the terms and conditions as set out in the July 22, 2008 Agreement, attached hereto as Exhibit "2B" and incorporated by referenced, remain in full force and effect and is a part hereof for all purposes as if same were fully and completely set out in this document.

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

Pursuant to 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, the Agreement is hereby amended as follows:

1. Any references in the Agreement to "Owner" shall mean and refer to LCFRE Sugar Land Town Square, as the owner of the real property and improvements subject to the Agreement located in the City of Sugar Land Reinvestment Zone No. 08-01. TP
LLC
2. The Agreement is amended to the effect that all duties, obligations, and responsibilities imposed upon Owner under the Agreement shall be imposed upon

LCFRE Sugar Land Town Square, ^{TP}LLC and all agreements and representations made by Owner in the Agreement shall be the agreements and representations of LCFRE Sugar Land Town Square, ^{TP}LLC.

3. The representatives of Owner and Owner-Assignee whose signatures execute this Second Amendment represent and warrant to Fort Bend County that they have the requisite authority to enter into the Agreement and Second Amendment thereof.
4. The addresses set out in Section 16 of the Agreement for notices is hereby deleted in its entirety and the following addresses are substituted therefore:

To the Tax Assessor/Collector: The Honorable Patsy Schultz
Fort Bend County Tax Assessor-Collector
1317 Eugene Heimann Circle
Richmond, Texas 77469

To Owner: LCFRE Sugar Land Town Square, LLC
100 Waugh Drive, Suite 600
Houston, TX 77007
Fax: N/A

To County: Fort Bend County Judge
401 Jackson
Richmond, Texas 77469

Copy to: Fort Bend County Attorney
401 Jackson
Richmond, Texas 77469


5. **LCFRE SUGAR LAND TOWN SQUARE, ^{TP}LLC SHALL BE RESPONSIBLE FOR NOTIFYING THE DISTRICT OF THE ABATEMENT, INCLUDING FILING WITH THE DISTRICT ANY APPLICATION OR OTHER FORMS NECESSARY TO QUALIFY FOR OR RECEIVE THE ABATEMENT GRANTED.**
6. Except as modified herein, the above referenced Agreement remains in full force and effect and has not been modified or amended.
7. The tax abatement shall apply for the tax years as stated in the Agreement. This amendment does not purport to extend the tax abatement to tax years beyond tax year 2019, as stated in the original agreement.
8. All future amendments, if any, of the Agreement shall require written consent of the Fort Bend County Commissioners Court.

9. The original Tax Abatement Agreement executed by and between Fort Bend County and TOWN CENTER LAKESIDE, LTD. on July 22, 2008, is hereby adopted and incorporated by reference the same as if fully set forth verbatim herein for all purposes, subject only to the above described amendments.

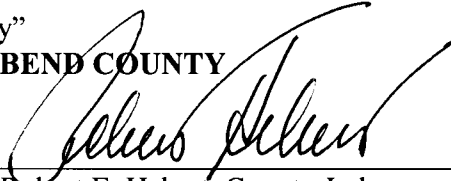
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[execution page follows]

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

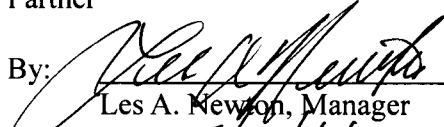
ATTEST:

Dianne Wilson, County Clerk



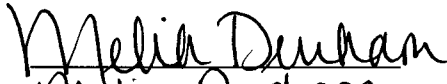
"County"
FORT BEND COUNTY
By: 
Robert E. Hebert, County Judge
Date: 8-5-14

"Owner"
**TOWN CENTER LAKESIDE, LTD., a
Texas limited partnership**

By: SPI/TCL, LLC, a Texas limited liability company, its sole General Partner

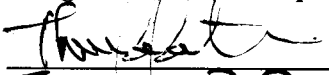
By: 
Les A. Newton, Manager
Date: 7/7/14

ATTEST:

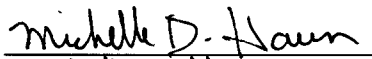

Melia Durham

Date: 7/7/14

"Assignee"
LCFRE Sugar Land Town Square, LLC

By: 
Name: Thomas P. Paterson
Title: Senior Vice President
Date: July 10, 2014

ATTEST:


Michelle D. Haun

Date: July 10, 2014

Attachments: Exhibit 2A – June 11, 2014 request for Assignment

Exhibit 2B – July 22, 2008 Tax Abatement Agreement, inclusive of January 13, 2009 amendment

MTR/Tax/Abatements/2014

Exhibit 2A

June 11, 2014 request for Assignment

TOWN CENTER LAKESIDE, LTD.
15958 City Walk, Suite 250
Sugar Land, Texas 77479
Telephone (281) 242-2000 Facsimile (281) 242-2718

June 11, 2014

Fort Bend County
301 Jackson, Suite 719
Richmond, TX 77469
Attn: Judge Bob Hebert

RE: Assignment of Tax Abatement Agreement

Dear Judge Hebert:

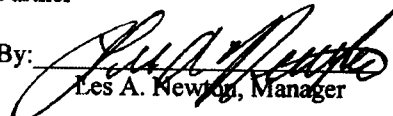
Fort Bend County, Texas (the "County") and Town Center Lakeside, Ltd. are parties to that certain Tax Abatement Agreement by and between Fort Bend County and Town Center Lakeside, Ltd., dated July 22, 2008, and amended by that certain First Amendment to Tax Abatement Agreement between Fort Bend County and Town Center Lakeside, Ltd., dated January 13, 2009 (hereinafter collectively referred to as the "Agreement"), a copy of which is enclosed with this letter. Pursuant to Paragraph 9 (Assignment) of the Agreement, Town Center Lakeside, Ltd., a Texas limited partnership (the "Previous Owner") desires to assign its rights and responsibilities under the Agreement to LCFRE Sugar Land Town Square, LLC (the "Current Owner"). No default exists under the Agreement, and Previous Owner is not delinquent in the payment of taxes owed to the County. The Previous Owner and the Current Owner are not affiliated entities.

Please prepare the appropriate assignment documents for the Agreement for our review. Thank you for your consideration in this matter.

Sincerely,

TOWN CENTER LAKESIDE, LTD., a
Texas limited partnership
("Previous Owner")

By: SPI/TCL, LLC, a Texas limited
liability company, its sole General
Partner

By: 
Les A. Newton, Manager

Judge Bob Hebert
June 10, 2014
Page 2

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

carrie.surratt@fortbendcountytexas.gov
fstaats@lionstoneinvestments.com

I:\SALES, MARKETING, LEASING\SLTS\Sale\Closing Documents\Assignment of Tax Abatement Agreements (TCL-LCPRE -- FBC Bldg A).docx

Exhibit 2B

July 22, 2008 Tax Abatement Agreement, inclusive of January 13, 2009 amendment

STATE OF TEXAS §
 §
COUNTY OF FORT BEND §

TAX ABATEMENT AGREEMENT
by and between
FORT BEND COUNTY
and
TOWN CENTER LAKESIDE, LTD.

This Tax Abatement Agreement, hereinafter referred to as "Agreement," is executed by and between **FORT BEND COUNTY, TEXAS**, hereinafter referred to as "County," acting by and through its Commissioners' Court and **TOWN CENTER LAKESIDE, LTD.** hereinafter referred to as "Owner," of the improvements located within the City of Sugar Land Reinvestment Zone No. 08-01.

1. **Authorization:**

- a. This Agreement is authorized by the Property Redevelopment and Tax Abatement Act, Chapter 312 of the TEXAS TAX CODE as it exists on the effective date of this Agreement, and;
- b. The Amended Guidelines and Criteria for Granting Tax Abatement in Reinvestment Zones created by Fort Bend County, Texas, which was approved by the County's Commissioners Court on December 18, 2007. County has determined that the request for Tax Abatement presented by Owner conforms with the criteria established in the Guidelines for Tax Abatement.
- c. No official of County has an interest in the property subject to this Agreement.

2. **Definition:**

As used in this Agreement, the following terms shall have the meanings set forth below:

- a. The "**Certified Appraised Value or Value**" means the value certified as of January 1 of each year of this Agreement regarding the property within City of Sugar Land Reinvestment Zone No. 08-01 by the Fort Bend County Central Appraisal District.
- b. "**Improvements**" means a building to be used as an office building with retail space, containing approximately 160,000 square feet for office space and 15,000 square feet for retail and any sidewalks, parking lots, roads, outdoor lighting, landscaping and

other improvements to serve the building, all as approximately shown in Exhibit C, attached to and incorporated into this Agreement by reference.

- c. **"Real Property"** means the real property as described in Ordinance No. 1688, which created Reinvestment Zone No. 08-01 located within City of Sugar Land, described in Exhibit "A" attached hereto and incorporated by reference herein for all purposes.
- d. **"Abatement"** means the full or partial exemption from ad valorem taxes of certain property in City of Sugar Land Reinvestment Zone No. 08-01 designated for economic development purposes. The abatement shall not apply to any retail space in the Reinvestment Zone.
- e. **"Eligible Property"** Abatement may be extended to fixed 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 5(c).
- f. **"Ineligible Property"** means real property, 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, or any other property for which abatement is not allowed by state law. Any retail space in the Reinvestment Zone shall be considered Ineligible Property.
- g. **"Owner"** means TOWN CENTER LAKESIDE, LTD., the Owner of the real property and Improvements subject to this Agreement, or other person or entity to which this Agreement is assigned, with prior approval of the Fort Bend County Commissioners' Court.
- h. **"County"** means the County of Fort Bend, Texas.
- i. **"District"** means Fort Bend County Central Appraisal District.

3. **Subject Property**

City of Sugar Land Reinvestment Zone No. 08-01 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, 2008.

4. Responsibility of Owner

In consideration of receiving the tax abatement granted herein, Owner represents and agrees:

- (a) That construction of the Improvements will commence on or before December 31, 2008.
- (b) That construction of the Improvements shall be completed on or before December 31, 2009. Owner shall provide Tax Assessor/Collector a certified statement evidencing a minimum of \$13,000,000 project costs with respect to the Improvements within thirty (30) days after completion of the Improvements to be constructed by Owner.
- (c) That the Certified Appraised Value of the Improvements on January 1, 2010, and on each and every January 1 thereafter during the term of this Agreement will not be less than \$13,000,000. Failure to meet the requirements of this section will invalidate the tax abatement for the year this requirement was not satisfied.
- (d) That Owner has, as of the effective date of this Agreement, the financial resources to implement the above representations.
- (e) That Owner will participate in the continuing economic development process in Fort Bend County by becoming a Trustee member of the Greater Fort Bend Economic Development Council for a minimum period coinciding with the term of this Agreement.
- (f) **OWNER SHALL BE RESPONSIBLE FOR NOTIFYING THE DISTRICT OF THE ABATEMENT, INCLUDING FILING WITH THE DISTRICT ANY APPLICATION OR OTHER FORMS NECESSARY TO QUALIFY FOR OR RECEIVE THE ABATEMENT GRANTED.**
- (g) **OWNER SHALL BE RESPONSIBLE FOR REQUESTING AN ASSIGNMENT OF THIS AGREEMENT IN THE EVENT THE REAL PROPERTY THE SUBJECT OF THIS AGREEMENT IS SOLD. ANY ASSIGNMENT IS NOT EFFECTIVE UNTIL APPROVED IN WRITING BY COUNTY.**

5. Value and Term of Abatement

- (a) This Agreement shall be effective on the date executed by County and Owner,

whichever is later, and shall terminate (unless earlier terminated in accordance with the terms hereof) on December 31, 2019. In no event shall this Agreement extend beyond December 31, 2019.

This Agreement shall terminate on the completion of the abatement, unless earlier terminated as provided elsewhere herein. Owner's obligation upon default to pay to County 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, the amount of abatement on the office space only shall be an amount equal to the percentage indicated below of the taxes assessed upon the Improvements.

(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 Improvements

for the office space only:	<u>Tax Year</u>	<u>Percentage Abatement</u>
	2010	75%
	2011	75%
	2012	75%
	2013	75%
	2014	75%
	2015	75%
	2016	75%
	2017	75%
	2018	75%
	2019	75%
	TOTAL = 750%	

(1) The abatement granted shall not apply to any retail space located in the Reinvestment Zone, Value of the Real Property, increases in the Value of the Real Property, Eligible Property, Ineligible Property, inventory and supplies.

(2) All Improvements shall be completed in accordance with applicable laws,

ordinances, rules or regulations in effect at the time such Improvements are erected.

- (3) 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 District's valuation of the property, the valuation placed on the property after the protest is resolved under state law shall be used.
- (4) On or before September 1 of each year of this Agreement, Owner shall certify in writing to Fort Bend County Tax Assessor/Collector Owner's compliance with each term of this Agreement.

6. Taxability

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

- (a) The Value of Real Property, Eligible Property, Ineligible Property including retail space located in the Reinvestment Zone shall be fully taxable, including inventory and supplies;
- (b) The Value of existing Improvements shall be determined annually by the Central Appraisal District.

7. Event of Default

- (a) County may declare Owner in default of this Agreement if: (1) Owner fails to comply with any term of this Agreement or (2) Owner allows County ad valorem taxes on the Real Property, or any property located thereon, to become delinquent.
- (b) County shall notify Owner of any default in writing specifying the default. Owner shall have thirty (30) days from the date of the notice to cure any default. If Owner fails to cure the default within sixty (60) days from receipt of notice, County may terminate this Agreement by written notice.
- (c) If this Agreement is terminated by County, Owner agrees that they are liable for and will pay to County 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

TEXAS TAX CODE for delinquent taxes; and

- (3) Penalties on the amount abated in the year of default, at the rate provided for in the TEXAS TAX CODE for delinquent taxes.

- (d) County shall have a lien against the Real Property and Improvements for the taxes and interest owed because of the recapture of taxes under this paragraph.

8. Administration and Inspection

(a) This Agreement shall be administered on behalf of the Fort Bend County Tax Assessor/Collector or her designee. Owner shall allow employees or other representatives of County who have been designated by the Tax Assessor/Collector to have access to the Real Property and Improvements (during normal business hours) during the term of the Agreement. All regular inspections shall be made only after twenty-four (24) hours prior 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.

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

(c) The Chief Appraiser of the Fort Bend County Appraisal District shall annually determine (1) the taxable value under the terms of this abatement of the Improvements subject to this Agreement and (2) the full taxable value without abatement of the Real Property, Eligible Property and Ineligible Property otherwise located at or about the Owner's premises. 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 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 County Tax Assessor/Collector in preparation of its annual evaluation for compliance with the terms and provisions of this Agreement.

9. Assignment

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

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.

10. Indemnity

It is understood and agreed between the parties that TOWN CENTER LAKESIDE, LTD. in performing their obligations hereunder, is acting independently, and County assumes no responsibilities or liabilities in connection therewith to third parties. TOWN CENTER LAKESIDE, LTD. AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS COUNTY AND THE CENTRAL APPRIASAL DISTRICT FROM ANY AND ALL CLAIMS, SUITS, AND CAUSES OF ACTION OF ANY NATURE WHATSOEVER ARISING OUT OF TOWN CENTER LAKESIDE, LTD.'S OBLIGATIONS HEREUNDER EXCEPT THAT THE INDEMNITY SHALL NOT APPLY TO THAT PORTION OF RESPONSIBILITIES AND LIABILITIES RESULTING FROM THE FAULT OR NEGLIGENCE OF COUNTY OR TAXING UNITS, THEIR RESPECTIVE OFFICERS, AGENTS OR EMPLOYEES. TOWN CENTER LAKESIDE, LTD.'S INDEMNIFICATION OBLIGATIONS INCLUDE THE PAYMENT OF REASONABLE ATTORNEYS FEES AND EXPENSES INCURRED IN THE DEFENSE OF (AND COUNTY AGREES TO COOPERATE IN THE DEFENSE OF) ANY

SUCH CLAIMS, SUITS, AND CAUSES OF ACTION. TOWN CENTER LAKESIDE, LTD. SHALL BE RESPONSIBLE FOR ALL FEES INCURRED BY COUNTY IN THE DEFENSE OF ANY SUCH CLAIMS, SUITS, OR CAUSES OF ACTION SO LONG AS DEFENSE COUNSEL AND COURSES OF ACTION ARE DETERMINED SOLEY BY TOWN CENTER LAKESIDE, LTD. NOTHING IN THIS AGREEMENT SHALL BE INTERPRETED TO PROHIBIT COUNTY FROM INCURRING REPRESENTATION OF ANY SUCH CLAIM, SUIT OR CAUSE OF ACTION AND TOWN CENTER LAKESIDE, LTD. SHALL NOT BE RESPONSIBLE FOR ANY SUCH COSTS AND OR FEES SO INCURRED.

11. 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 County in writing within thirty (30) calendar days of the occurrence relied upon. 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 include, but not be limited to 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 the Owner.

12. 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.

13. Compliance with State and Local Regulations

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

14. 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.

15. Miscellaneous

(a) This Agreement and the rights and obligations of each party shall be construed and enforced under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Fort Bend County, Texas.

(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.

16. 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 with the proper postage prepaid thereon, and duly registered or certified, return receipt requested, in a United States Post Office, addressed to County and Owner at the mailing address as hereinafter set out. If mailed,

any notice of communication shall be deemed to be received three (3) days after the date of deposit in the United States Mail. Unless otherwise provided in this Agreement, all notices shall be delivered to Owner or County at the following addresses:

To the Tax Assessor/Collector: The Honorable Patry Schultz
Fort Bend County Tax Assessor-Collector
500 Liberty, Suite 101
Richmond, Texas 77469

To Owner: Town Center Lakeside, Ltd.
15958 City Walk # 250
Sugar Land, Texas 77478

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

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

Any party may designate a different address by giving the other parties ten (10) days prior written notice thereof. Failure of Owner to provide County Tax Assessor/Collector thirty (30) days notice of a change of address may result in termination of this Agreement.

17. 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. This Agreement shall inure to the benefit of and be binding upon the parties hereto and each of their respective successors and assigns. Attached hereto are (a) Exhibit A – Legal Description of Real Property, (b) Exhibit B – City of Sugar Land Ordinance No. 1688 designating Reinvestment Zone No. 08-01 and (c) Exhibit C – Economic Impact Statement/Application for Value Added Tax Abatement, which are made part of this Agreement.

18. Execution

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

FORT BEND COUNTY

By:

Robert E. Hebert
Robert E. Hebert, County Judge

Date:

July 22, 2008

ATTEST:

Dianne Wilson
Dianne Wilson, County Clerk

OWNER:

TOWN CENTER LAKESIDE, LTD.

By:

Name: Les A. Norton

Title: President

Date:

7/22/08

Date:

7/22/08

ATTEST:

Charles P. Jones

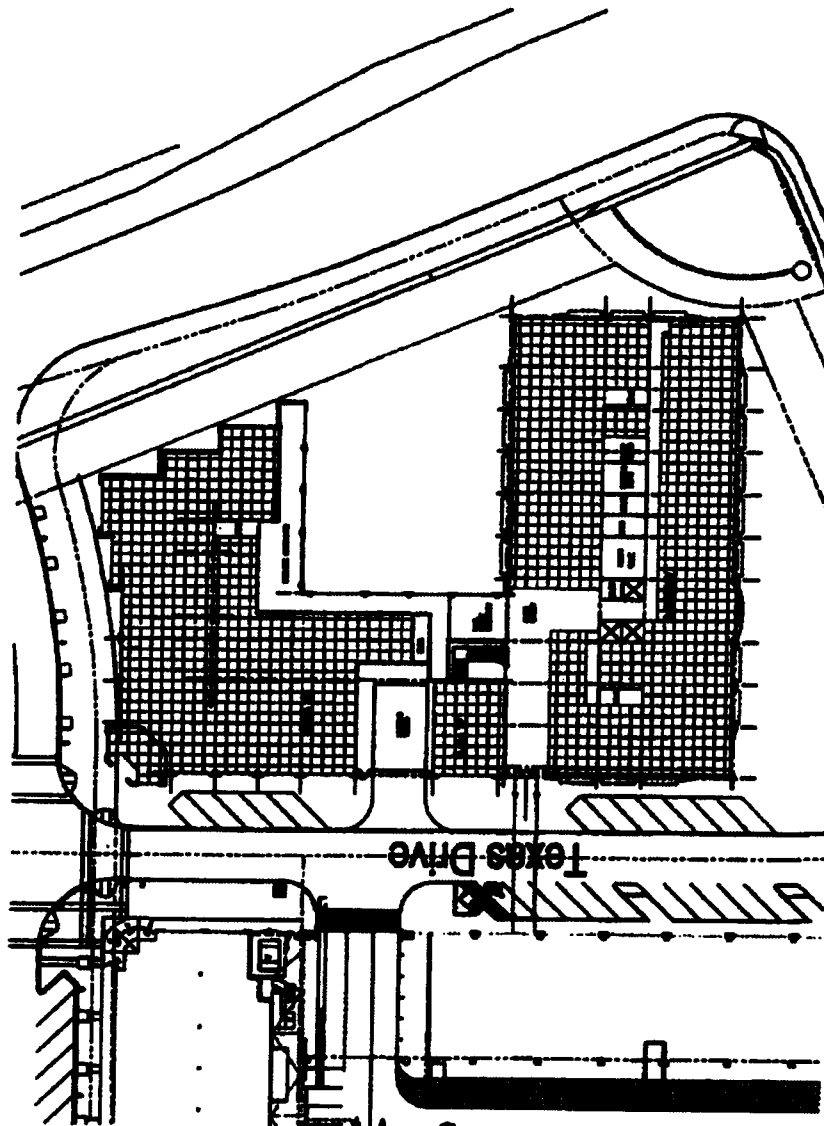
Attachments: Exhibit A – Legal Description of Real Property
Exhibit B – City of Sugar Land Ordinance No. 1688 Designating Reinvestment Zone No. 08-01
Exhibit C – Economic Impact Statement/Application for Value Added Tax Abatement

MER:Town Center Lakeside, Ltd. Sugar Land.3195-124(0707000)

PROPERTY LEGAL DESCRIPTION

Reserves "A1" and "A2" of the Sugar Land Town Square Second Amending Plat – a planned development district, slide numbers 2464B, 2465A and 2465B of the plat records of Fort Bend County, Texas



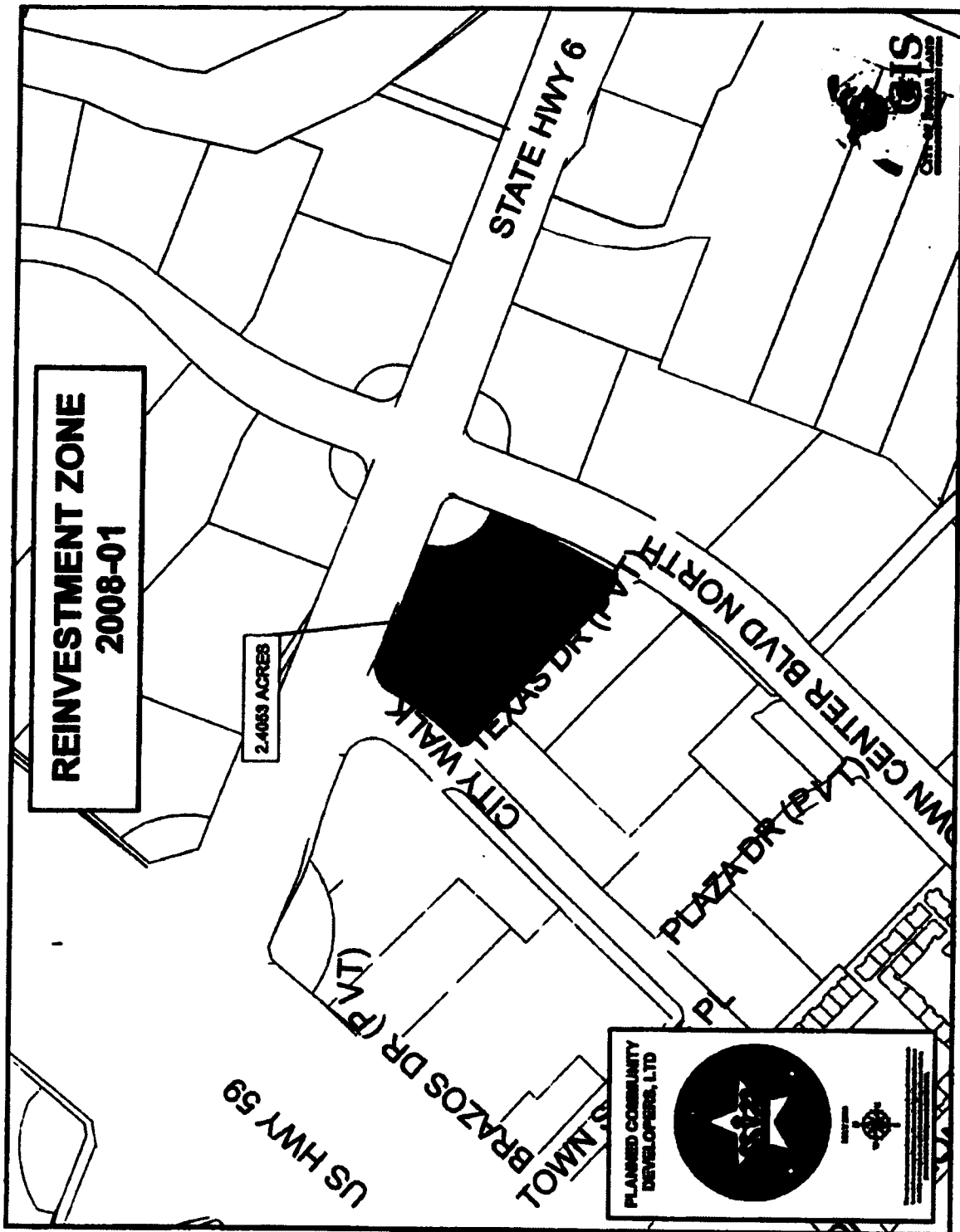


TOWN SQUARE

Developed by
Planned Community Developers
 Sugar Land, Texas

SLA Studio Land, Inc.
 Urban Planning/Architecture Architects
 Architects, Interior and Exterior, Architects
 Architects
 Scale 1" = 20'

March 25, 2008



ORDINANCE NO. 1688

AN ORDINANCE OF THE CITY OF SUGAR LAND, TEXAS CREATING REINVESTMENT ZONE NO. 08-01 FOR A 2.4053 ACRE TRACT OF LAND LOCATED SOUTH OF STATE HIGHWAY 6 AND NORTH OF TEXAS DRIVE IN SUGAR LAND TOWN SQUARE.

WHEREAS, the Property Redevelopment and Tax Abatement Act (Tax Code § 312 et seq.) authorizes cities to create reinvestment zones and enter into tax abatement agreements with the owners of qualifying properties in reinvestment zones; and

WHEREAS, the City has received an application requesting tax abatement for real property improvements to be located in the zone; and

WHEREAS, the zone is eligible for tax abatement; and

WHEREAS, a public hearing, for which notice was given as required by law, was held at which interested persons were given an opportunity to present evidence for and against the creation of the zone; and

WHEREAS, the City Council has found that the improvements sought to be located in the proposed reinvestment zone are feasible and practical and would be a benefit to the land to be included in the zone and to the City after the expiration of a tax abatement agreement; and

WHEREAS, the creation of the reinvestment zone will be reasonably likely to contribute to the retention or expansion of primary employment or to attract major investment into the zone that would be a benefit to the property located therein and that will contribute to the economic development of the City of Sugar Land; NOW, THEREFORE,

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

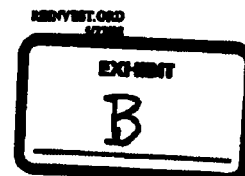
Section 1. That Reinvestment Zone No. 08-01 is created for the real property described in Exhibit A, attached to and incorporated into this ordinance by reference.

Section 2. That the Reinvestment Zone created herein is eligible for commercial-industrial tax abatement as provided by law.

Section 3. That Reinvestment Zone No. 08-01 expires five years from the date of this ordinance.

APPROVED on first consideration on _____, 2008.

REINVESTMENT ZONE NO. 08-01 ORDINANCE/Page 1



ADOPTED upon second consideration on _____, 2008.

Mayor

ATTEST:

Glenda Gundermann, City Secretary

Reviewed for Legal Compliance:

Attachment: Exhibit A - Property Description



CITY OF SUGAR LAND

APR 3 2008

Business & Intergovernmental
Relations

APPLICATION FOR AD VALOREM TAX ABATEMENT

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 City.

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 Sugar Land.

Town Center Lakeside, Ltd. (wholly-owned by Sugarland Properties and managed by PCD) is proposing a six-story office and a two-story office over retail building for Site A in Sugar Land Town Square. PCD will develop, lease and manage these new buildings along with the rest of the office and retail space in Town Square.

2. Information About Your Company

Company Name: Planned Community Developers, Ltd.	
Contact Person: Lee A. Newton	Title: President
Current Address: 15958 City Walk #250, Sugar Land, Tx 77479	
Office #: 281-242-2000	Mobile #: 281-731-2394
Fax #: 281-242-2718	Website: pcdltd.com
Email Address: leen@pcdltd.com	
The Company's Primary SIC Code:	

3. Name of entity that will own the building:
Town Center Lakeside, Ltd.
4. Type of project (check all that apply):
 - ☒ Existing business in Fort Bend County
 - ☒ Existing business in Sugar Land
 - ☐ New business to Sugar Land/Fort Bend County
 - ☐ Expansion of existing facility
 - ☒ Construction of new facility
 - ☐ Company will lease facility
 - ☒ Company will own facility
 - ☐ Corporate/Regional Headquarters

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5. Location of proposed site(s) in Sugar Land (street address or nearest street intersection):

Site A of Sugar Land Town Square at the corner of SH6 and City Walk.

6. Scope of project:

Size of new facility/extension:	160,000 sf office/15,000 sf retail
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:	2.4653 acres
Type of Construction (fill, wall, metal, concrete, etc.):	

7. Please give detailed breakdown of operations within the proposed facility (i.e., 20% office; 25% distribution; 15% metal fabrication; 40% warehouse, etc.):

	<u>OFFICE</u>	<u>RETAIL</u>
2 Story	23,000 sf	15,000 sf
6 Story	137,000 sf	-0-
	160,000 sf	15,000 sf

8. Truck traffic to be generated (# daily or weekly):
1-2 truck pick-ups per week

9. Targeted start of construction:

August to October 2008

10. Targeted start of operations:

October to December 2009

11. Market value (taxable assets) of the firm's property that would be located at the facility in Sugar Land (new property to Sugar Land):

Land	Office Building Improvements	Furniture, Fixtures & Equipment	Inventory	Total
\$1,000,000	\$16,000,00	\$6,600,000*	-0-	\$23,600,000

* Based upon current value of \$41.50/sf for personal property in Office B.

12. Estimated percent of inventory that would be Freeport qualified: N/A%
Freeport goods are inventories (raw materials, goods-in-process, and finished products) acquired or brought into the state by businesses and held for no more than 175 days before being shipped out of state.

13. Employment information:

New Jobs Created	Existing Jobs Retained	Total Number of Jobs
500 - 600*		500 to 600

*Assuming office population density of 3.2 to 3.75 persons per 1,000 sf of office space.

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14. Average salary (before benefits): Unknown on speculative building.
15. Amount of initial, annual local payroll to be created:
Unknown on speculative building.
16. The firm's estimated annual amount of taxable sales (that generate sales taxes) in the City of Sugar Land: Unknown on speculative building.
17. Will there be any special infrastructure (water/wastewater, power, gas, transportation, etc.) needs required by the company: No.
18. Does the company own a corporate airplane that would be housed at the Sugar Land Regional Airport? If so, what is the plane's value:
Unknown on speculative building.
19. Will the company's local business practices necessitate business travel that will bring clients or employees to Sugar Land, resulting in hotel/motel bookings? If so, what is the estimated number of hotel/motel stays per year that will be booked locally?
Unknown, but experience to date indicates significant usage of the Marriott by Town Square office tenants.
20. A draft site plan and a notes and bounds description of the project must be provided for use as an exhibit to the tax abatement agreement and reinvestment zone ordinance before these documents can be drafted.
21. 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 (f). Repayment will be due no later than the 120th day after the date the City 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:

- (1) lawfully admitted for permanent residence to the United States; or
- (2) authorized under law to be employed in that manner in the United States.


Signature

President
Title

4/2/08
Date

There is no application fee or membership required by the City of Sugar Land. However, Fort Bend County requires that companies receiving tax abatement maintain a trustee membership in the Greater Fort Bend Economic Development Council for the term of the agreement.

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ORIGINAL

STATE OF TEXAS

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§
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COUNTY OF FORT BEND

**FIRST AMENDMENT TO TAX ABATEMENT AGREEMENT
BETWEEN FORT BEND COUNTY AND
TOWN CENTER LAKESIDE, LTD.**

This FIRST AMENDMENT of the Tax Abatement Agreement is made and entered into by and between FORT BEND COUNTY, TEXAS, a body politic, acting herein by and through its Commissioners Court and TOWN CENTER LAKESIDE, LTD., (hereinafter referred to as "Owner"), each being parties to that certain Tax Abatement Agreement entered into by the parties on or about July 22, 2008.

WHEREAS, Fort Bend County, Texas, and Owner entered into a Tax Abatement Agreement, on July 22, 2008, (hereinafter the "Agreement"); and

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

WHEREAS, the parties desire to extend the completion date of construction of the Improvements; and

WHEREAS, the parties agree that the terms and conditions as set out in the July 22, 2008 Agreement, attached hereto as Exhibit "B" and incorporated by referenced, remain in full force and effect and is a part hereof for all purposes as if same were fully and completely set out in this document.

NOW THEREFORE, pursuant to and in accordance with the Property Redevelopment and Tax Abatement Act, Chapter 312, TEXAS TAX CODE, and the 'Guidelines and Criteria for Granting Tax Abatements in Reinvestment Zones Created in Fort Bend County, Texas,' the Agreement is hereby amended as follows:

1. Page 3, Item 4, section (b) is hereby replaced with the following:
That construction of the Improvements shall be completed on or before June 1, 2010.
Owner shall provide Tax Assessor/Collector a certified statement evidencing a minimum of \$13,000,000.00 project costs with respect to the Improvements within thirty (30) days after completion of the Improvements to be constructed by Owner.
2. Except as modified herein, the above referenced Agreement remains in full force and effect and has not been modified or amended.
3. The tax abatement shall apply for the tax years as stated in the original Agreement.

This amendment does not purport to extend the tax abatement to tax years beyond tax year 2019, as stated in the original Agreement.

5. All future amendments of the rights of the parties described in said Agreement shall require written consent of the Fort Bend County Commissioners Court.
6. The original Tax Abatement Agreement executed by and between Fort Bend County and Town Center Lakeside, Ltd. on July 22, 2008, is hereby adopted and incorporated by reference the same as if fully set forth herein verbatim, subject only to the above described amendments.
7. If there is a conflict between this First Amendment and the Agreement, the provisions of this Amendment shall prevail.

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

FORT BEND COUNTY

By:


Robert E. Hebert, County Judge

Date:

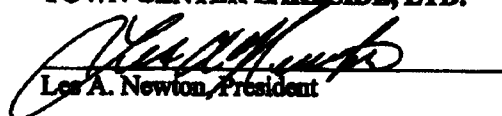
1-13-09

ATTEST:


Dianne Wilson, County Clerk

TOWN CENTER LAKESIDE, LTD.


By:


Lee A. Newton, President

Date:

12-19-08

Attest:



Attachments: Exhibit A - Letter request

Exhibit B - Tax Abatement Agreement between Fort Bend County and Town Center Lakeside, Ltd.

MER: Town Center Lakeside Amendment.3195-125(12182008)

Exhibit A

December 18, 2008

**Ms. Mary E. Reveles
First Assistant County Attorney
Fort Bend County
301 Jackson, Suite 728
Richmond, Tx 77469**

Re: Amendment to Sugar Land Town Square Site A Tax Abatement Agreement

Dear Mary:

By this letter, we respectfully request that the County consider amending the above referenced Tax Abatement Agreement to change the required completion date from January 1, 2010 to June 1, 2010.

We experienced a 30-day delay in the start of construction, and our contractor recently informed us that the duration of the construction will be three months longer than originally planned. The additional time for construction is largely due to the small size and tight physical constraints on this site which provides for minimal storage and staging areas. We expect to complete the building in March 2010, but would ask for a deadline of June 1, 2010.

To keep this request as simple as possible, we are not asking to amend any other portion of the agreement. The value hurdles and tax abatement years would remain unchanged. Therefore, we will still be required to have at least \$13 million in value by 1/1/10, and the tax abatement will commence 1/1/10. As a result, there is no financial impact to any of the entities as a result of this extended deadline.

In the current financial environment, we feel fortunate that we have been able to move forward with this speculative office building. Though we have commenced site work and pad preparation, it is imperative that we know we have an achievable deadline in our abatement agreement before we begin construction of the building itself in January. Therefore, we ask for your help in seeking the fastest possible response to this request.

Sincerely,



**Les A. Newton
President**