

STATE OF TEXAS §
 §
 COUNTY OF FORT BEND §

**FOURTH AMENDMENT TO
 TAX ABATEMENT AGREEMENT BETWEEN
 FORT BEND COUNTY AND TOWN CENTER LAKESIDE, LTD.
 (building H)**

This FOURTH 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 October 24, 2000.

WHEREAS, Fort Bend County, Texas, and Owner entered into a Tax Abatement Agreement, on October 24, 2000, which was amended and restated on or about March 25, 2003; January 11, 2005 and May 27, 2006 (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 October 24, 2000 Agreement and all amendments, attached hereto as Exhibit "4B" 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, ^{LLC} 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.
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 and all agreements and representations made by Owner in the Agreement shall be the agreements and representations of LCFRE Sugar Land Town Square, LLC. TP LLC

3. The representatives of Owner and Owner-Assignee whose signatures execute this First Amendment represent and warrant to Fort Bend County that they have the requisite authority to enter into the Agreement and First 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
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 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. TP LLC
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 2016, 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.

[remainder left blank]

[execution page follows]

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



ATTEST:

Dianne Wilson

Dianne Wilson, County Clerk

"County"
FORT BEND COUNTY

By:

Robert E. Hebert
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
Les A. Newton, Manager

Date:

7/7/14

ATTEST:

Melina Durham
Melina Durham

Date:

7/7/14

"Assignee"

LCFRE Sugar Land Town Square, LLC

By:

Thomas P. Paterson
Name: Thomas P. Paterson
Title: Senior Vice President

Date:

July 10, 2014

ATTEST:

Michelle D. Haun
Michelle D. Haun

Date:

July 10, 2014

Attachments: Exhibit 4A – June 11, 2014 request for Assignment

Exhibit 4B – July 22, 2008 Tax Abatement Agreement, inclusive of
January 13, 2009 amendment

Exhibit 4A

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 Restated as Amended Tax Abatement Agreement Between Fort Bend County and Sugarland Properties Incorporated dated January 11, 2005, and amended by that certain Amended No. 1 to Second Amended and Restated Standard Tax Abatement Agreement Between Fort Bend County and Sugarland Properties Incorporated dated January 11, 2005 (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 11, 2014
Page 2

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

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

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

Exhibit 4B:

October 24, 2000 Tax Abatement Agreement, inclusive of restatements and amendments

**AMENDMENT NO. 1
TO SECOND AMENDED AND RESTATED
STANDARD TAX ABATEMENT AGREEMENT
BETWEEN FORT BEND COUNTY, TEXAS,
AND SUGARLAND PROPERTIES INCORPORATED**

This Amendment No. 1 to the Second Amended and Restated Standard Tax Abatement Agreement is entered into by and between **FORT BEND COUNTY, TEXAS**, hereinafter referred to as "County," acting by and through its Commissioners' Court, and **TOWN CENTER LAKESIDE, LTD.**, through its sole General Partner, **SUGARLAND PROPERTIES INCORPORATED**, hereinafter referred to as "Owner" of the tract of land comprising Reinvestment Zone No. 2000-01 created by the City of Sugar Land.

Recitals

By agreement, effective October 24, 2000, Fort Bend County entered into a tax abatement agreement with Sugarland Properties, Incorporated (Town Square). On March 25, 2003 and January 11, 2005, the parties amended the tax abatement agreement. **TOWN CENTER LAKESIDE, LTD.**, through its sole General Partner, **SUGARLAND PROPERTIES INCORPORATED**, has requested additional amendments to the tax abatement agreement.

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:

Agreement

In consideration of the Owner's payment of \$10 and other good and valuable consideration, County and Owner agree to amend the Agreement as follows:

1. That paragraph 4(a) is amended to read as follows:

That construction of Office Buildings B & E shall be completed on or before June 1, 2006.

2. That paragraph 5(c) is amended to read as follows:

In the event Office Buildings B & E are not completed by June 1, 2006, the tax abatement provided for herein for Building B & E for tax years 2006, 2007, 2008, 2009, 2010, 2011, 2012 and 2013 shall not apply. Failure of Owner to complete construction of Buildings B and E by March 1, 2006 shall not be considered a breach of this Agreement by Owner.

3. This Amendment No. 1 is effective when executed by both parties and shall terminate as stated in the January 11, 2005, Agreement.
4. The addresses set out in Section 16 of the January 11, 2005, agreement for notices to is hereby deleted in its entirety and the following addresses are substituted therefore:

To Owner: Town Center Lakeside, Ltd.
Sugarland Properties, Inc.
Its sole general partner
15958 City Walk, Suite 250
Sugar Land, Texas 77479
Attn: Les A. Newton, President

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

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

Copy to: Fort Bend County Attorney
301 Jackson, Suite 621
Richmond, Texas 77469

5. Except as modified herein, the above referenced Agreement remains in full force and effect and has not been modified or amended.
6. The tax abatement shall apply for the tax years as stated in the January 11, 2005 Agreement. This amendment does not purport to extend the tax abatement on any building subject to this agreement, as stated in the January 11, 2005 agreement.
7. Any and all future amendments of the rights of the parties described in said Agreement shall require written consent of the Fort Bend County Commissioners Court.
8. The "Restated As Amended Tax Abatement Agreement Between Fort Bend County and Sugarland Properties Incorporated (Town Square)" on January 11, 2005, is hereby adopted and incorporated by reference the same as if fully set forth verbatim herein, subject only to the above described amendments.

EXECUTION PAGE FOLLOWS


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

ATTEST:

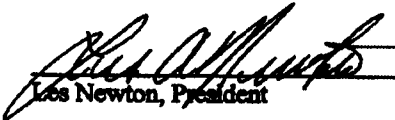

Dianne Wilson, County Clerk

FORT BEND COUNTY

By: 
W. A. Meyers
Commissioner, Precinct 3
Date: 5-23-04

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

By: Sugarland Properties Incorporated, a
Texas corporation, its sole General
Partner

By: 
Les Newton, President
Date: 5/24/04

ATTEST:



Attachments: Exhibit A – January 11, 2005 Restated As Amended Tax Abatement Agreement
Between Fort Bend County and Sugarland Properties Incorporated (Town Square)

mer\Sugar Land Town Square -3195-74 3rd Amendment(052206)

STATE OF TEXAS §
 §
COUNTY OF FORT BEND §

**RESTATED AS AMENDED
TAX ABATEMENT AGREEMENT BETWEEN FORT BEND COUNTY
AND SUGARLAND PROPERTIES INCORPORATED (TOWN SQUARE)**

By agreement, effective October 24, 2000, Fort Bend County entered into a tax abatement agreement with Sugarland Properties, Incorporated (Town Square). Effective March 25, 2003, the parties amended the tax abatement agreement. TOWN CENTER LAKSIDE, LTD., through its sole General Partner, SUGARLAND PROPERTIES INCORPORATED, has requested additional amendments to the tax abatement agreement. For the convenience of the parties and for ease of reference, the parties wish to restate the tax abatement agreement with all amendments to date included in this Restated as Amended Tax Abatement Agreement.

AGREEMENT

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 LAKSIDE, LTD., through its sole General Partner, SUGARLAND PROPERTIES INCORPORATED, hereinafter referred to as "Owner" of the tract of land comprising Reinvestment Zone No. 2000-01 created by the City of Sugar Land.

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 November 4, 2003. The 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 the 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. 2000-01 by the Fort Bend County Central Appraisal District.
- b. "Office Building B" means a building located on Reserve "B" of the Plat, to be used primarily for office use, containing approximately 125,000 square feet of office space, and any parking garages or portions thereof constructed to serve Office Building B, as shown on Exhibit A."
- c. "Office Building H" means a building located on Reserve "H" of the Plat, to be used primarily for office use, containing approximately 150,000 square feet of office space, and any parking garages or portions thereof constructed to serve Office Building H.
- d. "Office Building E" means the second and any additional floors constructed for office use of an office and retail condominium building located on Reserve "E" of the Plat, and any parking garages or portions thereof constructed to serve Office Building E, located as shown on Exhibit A. The office portion of Office Building E shall contain approximately 25,000 square feet at a minimum, but may contain more square feet depending upon the number of floors constructed.
- e. "Office Building J" means the second and any additional floors

constructed for office use of an office and retail condominium building located on Reserve "J" of the Plat, and any parking garages or portions thereof constructed to serve Office Building J, located as shown on Exhibit A. The office portion of Office Building J shall contain approximately 27,000 square feet at a minimum, but may contain more square feet depending upon the number of floors constructed.

- f. **"Office Building N2"** means the second and any additional floors constructed for office use of an office and retail condominium building located on Reserve "N2" of the Plat, and any parking garages or portions thereof constructed to serve Office Building N2, located as shown on Exhibit A. The office portion of Office Building N2 shall contain approximately 20,000 square feet at a minimum, but may contain more square feet depending upon the number of floors constructed.
- g. **"Abatement"** means the full or partial exemption from ad valorem taxes of certain property in the City of Sugar Land Reinvestment Zone No. 2000-01 designated for economic development purposes.
- h. **"Ineligible Property"** means land, inventories, supplies, tools, furnishings, raw material and other forms of movable personal property which are not integral to the operation of the facility and economic life of more than fifteen (15) year.
- i. **"Real Property"** means the 32.0487 acres of land located within Reinvestment Zone No. 2000-01, described in Exhibit "A" attached hereto and incorporated by reference herein for all purposes.
- g. **"Owner"** means Town Center Lakeside, Ltd., the Owner of the real property 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.
- j. **"Plat"** means SUGAR LAND TOWN SQUARE, AN AMENDING PLAT, a planned development district in Fort Bend County, Texas, according to the map or plats thereof recorded under Slide Numbers 2267/A, 2267/B, 2268/A of the Plat Records of Fort Bend County,

Texas.

3. Subject Property

City of Sugar Land Reinvestment Zone No. 2000-01 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, 2003.

4. Responsibility of Owner

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

- (a) That construction of Office Building B and E shall be completed on or before March 1, 2006.
- (b) That construction of Office Building H shall be completed on or before January 1, 2009.
- (c) That construction of Office Building J and N2 shall be completed on or before January 1, 2004.
- (d) That the minimum construction costs of each Office Building shall not be less than the following:

<u>Office Building</u>	<u>Minimum Construction Cost</u>
B	\$11,875,500.00
E	\$2,375,000.00
H	\$14,250,000.00
J	\$2,898,000.00
N2	\$1,805,000.00

Owner shall provide Tax Assessor/Collector a certified statement evidencing

the above minimum construction costs with respect to each Office Building within thirty (30) days after completion

- (e) That the Owner has, as of the effective date of this Agreement, the financial resources to implement the above representations.
- (f) That the 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.
- (g) **THE 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.**
- (h) **THE OWNER SHALL BE RESPONSIBLE FOR REQUESTING AN ASSIGNMENT OF THIS AGREEMENT IN THE EVENT THE REAL PROPERTY THE SUBJECT OF THIS AGREEMENT IS SOLD. FAILURE TO NOTIFY THE TAX ASSESSOR-COLLECTOR OF ANY SALE OF THE REAL PROPERTY THE SUBJECT OF THIS AGREEMENT SHALL RESULT IN IMMEDIATE DEFAULT OF THIS AGREEMENT.**

5. Value and Term of Abatement

This Agreement shall be effective on January 1, 2004 and shall terminate (unless earlier terminated in accordance with the terms hereof) on December 31, 2016. In no event shall this agreement extend beyond December 31, 2016. This Agreement shall terminate on the completion of the abatement, unless earlier termination as provided elsewhere herein. Owner's obligation upon default to pay to the County any taxes abated under this Agreement shall not terminate until the abated taxes are paid.

In each year that this Agreement is in effect, the amount of abatement shall be an amount equal to the percentage indicated below of the taxes assessed upon the Improvements and the Personal Property.

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 and the Personal Property:

<u>Office Building B and E</u>	<u>Tax Year</u>	<u>Percentage Abatement</u>
	2006	100%
	2007	100%
	2008	100%
	2009	100%
	2010	100%
	2011	100%
	2012	100%
	2013	50%
TOTAL = 750%		

<u>Office Building H</u>	<u>Tax Year</u>	<u>Percentage Abatement</u>
	2009	100%
	2010	100%
	2011	100%
	2012	100%
	2013	100%
	2014	100%
	2015	100%

2016 50%

TOTAL = 750%

<u>Office Building J and N2</u>	<u>Tax Year</u>	<u>Percentage Abatement</u>
	2004	100%
	2005	100%
	2006	100%
	2007	100%
	2008	100%
	2009	100%
	2010	100%
	2011	50%

TOTAL = 750%

- (a) The abatement granted shall not apply to the Value of the Land, increases in the Value of the Land, inventory, supplies or personal property.
- (b) All Improvements shall be completed in accordance with applicable laws, ordinances, rules or regulations in effect at the time such Improvements are erected.
- (c) In the event Office Buildings B and E are not completed by March 1, 2006, the tax abatement provided for herein for Buildings B and E for tax years 2006, 2007, 2008, 2009, 2010, 2011, 2012 and 2013 shall not apply. Failure of Owner to complete construction of Buildings B and E by March 1, 2006 shall not be considered a breach of this Agreement by Owner.
- (d) In the event Office Building H is not completed by January 1, 2009, the tax abatement provided for herein for Building H for tax years 2009, 2010, 2011, 2012, 2013, 2014, 2015 and 2016 shall not apply. Failure of Owner to complete construction of Building H by January 1, 2009 shall not be

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considered a breach of this Agreement by Owner.

- (e) In the event Office Buildings J and N2 are not completed by January 1, 2004, the tax abatement provided for herein for Buildings J and N2 for tax years 2004, 2005, 2006, 2007, 2008, 2009, 2010 and 2011 shall not apply. Failure of Owner to complete construction of Buildings J and N2 by January 1, 2004 shall not be considered a breach of this Agreement by Owner.
- (f) If the value of any building is less than \$1,000,000.00 on January 1 of any year for which the abatement is provided for the respective building of this Agreement, the abatement granted for that building for that year shall not apply.
- (g) 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 the 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.
- (h) On or before September 1 of each year of this Agreement, the Owner shall certify in writing to Fort Bend County Tax Assessor/Collector that each party is in 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 Ineligible Property shall be fully taxable, including inventory;
- b. The Value of existing Improvements and Personal Property shall be determined annually by the Central Appraisal District.

7. Event of Default

- (a) The County may declare the Owner in default of this Agreement if: (1) the Owner fails to comply with any term of this Agreement; (2) allows County ad valorem taxes on the Land, or any property located thereon, to become

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delinquent; (3) vacates any of the improvements subject to the agreement before the term of the abatement.

- (b) The County shall notify the Owner of any default in writing specifying the default. The Owner shall each have thirty (30) days from the date of the notice to cure any default. If the Owner fails to cure the default, the County may terminate this Agreement by written notice.
- (c) If this Agreement is terminated by the County, the Owner agrees that it is liable for and will pay to the 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 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) The County shall have a lien against the Owner's real property and improvements for the taxes and interest owed because of the recapture of taxes under this paragraph.

8. Administration and Inspection

This Agreement shall be administered on behalf of the Fort Bend County Tax Assessor/Collector or her designee. The Owner shall allow employees or other representatives of the County who have been designated by the Tax Assessor/Collector to have access to the reinvestment zone 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 the Owner may accompany the inspector.

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

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 real property subject to this Agreement and (2) the full taxable value without abatement of the real property and other 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.

The 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 the County Tax Assessor/Collector in preparation of its annual evaluation for compliance with the terms and provisions of this Agreement, including Owner's payroll records.

9. Assignment

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

Any and all assignments shall contain the same terms and conditions as set out in the first Abatement 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 LAKSIDE, LTD., through its sole General Partner, SUGARLAND PROPERTIES INCORPORATED, in performing its obligations hereunder, is acting independently, and the County assumes no responsibilities or liabilities in connection therewith to third parties. TOWN CENTER LAKSIDE, LTD., THROUGH ITS SOLE GENERAL PARTNER, SUGARLAND PROPERTIES INCORPORATED, AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS THE 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 LAKSIDE, LTD., AND SUGARLAND PROPERTIES INCORPORATED'S OBLIGATIONS HEREUNDER EXCEPT THAT THE INDEMNITY SHALL NOT APPLY TO THAT PORTION OF LIABILITIES RESULTING FROM THE NEGLIGENCE OF THE COUNTY OR TAXING UNITS, THEIR RESPECTIVE OFFICERS, AGENTS OR EMPLOYEES. TOWN CENTER LAKSIDE, LTD., AND SUGARLAND PROPERTIES INCORPORATED'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. TOWN CENTER LAKSIDE, LTD. AND SUGARLAND PROPERTIES INCORPORATED SHALL BE RESPONSIBLE FOR ALL FEES INCURRED BY THE 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 LAKSIDE,

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LTD. AND SUGARLAND PROPERTIES INCORPORATED. 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 LAKSIDE, LTD. AND SUGARLAND PROPERTIES INCORPORATED SHALL NOT BE RESPONSIBLE FOR ANY SUCH COSTS AND OR FEES SO INCURRED.

11. Force Majeure

If by reason of force majeure, the Owner is unable to perform any obligation of this Agreement, it shall give notice of the force majeure to the County in writing within ten (10) 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. The 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 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 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.

(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 the 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 the Owner or the County at the following addresses:

To the Tax Assessor/Collector: Ms. Patsy Schultz
Fort Bend County Tax Assessor-Collector
500 Liberty, Suite 101
Richmond, Texas 77469

To Owner: Town Center Lakeside, Ltd.
Sugarland Properties, Inc.
Its sole general partner
4665 Sweetwater Blvd., Suite 100
Sugar Land, Texas 77479
Attn: Les A. Newton, President

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

Copy to: Mr. Ben W. "Bud" Childers
Fort Bend County Attorney
301 Jackson, Suite 621
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 the 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. Attached hereto are Exhibit B – Ordinance No. 1230 Designating Reinvestment Zone No. 2000-01, and 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 the County, Owner as of the dates below stated. Owner warrants and represents that the individuals executing this agreement on behalf of Town Center Lakeside, Ltd. through its sole general partner, Sugarland Properties Incorporated have full authority to execute this Agreement and bind Town Center Lakeside, Ltd. through its sole general partner, Sugarland Properties Incorporated, to the same.

ATTEST:


Dianne Wilson, County Clerk


FORT BEND COUNTY

By:


Robert E. Hebert, County Judge

Date:

1-11-05

TOWN CENTER LAKESIDE, LTD.,
a Texas limited partnership

By: Sugarland Properties Incorporated, a
Texas corporation, its sole General
Partner

By:


Les A. Newton
President

Date:

1/5/05

ATTEST:


Linda J. Rust

Attachments: Exhibit A – Sugar Land Town Square Site Plan
Exhibit B – Ordinance No. 1230 Designating Reinvestment Zone No. 2000-01

Page 15 of 16

**Exhibit C – Economic Impact Statement/Application for Value Added Tax
Abatement**

mer\Sugar Land Town Square -3195-74 (010405)

STATE OF TEXAS §
 §
COUNTY OF FORT BEND §

**RESTATED AS AMENDED
TAX ABATEMENT AGREEMENT BETWEEN FORT BEND COUNTY
AND SUGARLAND PROPERTIES INCORPORATED (TOWN SQUARE)**

By agreement, effective October 24, 2000, Fort Bend County entered into a tax abatement agreement with Sugarland Properties, Incorporated (Town Square). Effective March 25, 2003, the parties amended the tax abatement agreement. TOWN CENTER LAKSIDE, LTD., through its sole General Partner, SUGARLAND PROPERTIES INCORPORATED, has requested additional amendments to the tax abatement agreement. For the convenience of the parties and for ease of reference, the parties wish to restate the tax abatement agreement with all amendments to date included in this Restated as Amended Tax Abatement Agreement.

AGREEMENT

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 LAKSIDE, LTD., through its sole General Partner, SUGARLAND PROPERTIES INCORPORATED, hereinafter referred to as "Owner" of the tract of land comprising Reinvestment Zone No. 2000-01 created by the City of Sugar Land.

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 November 4, 2003. The 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 the 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. 2000-01 by the Fort Bend County Central Appraisal District.**
- b. **"Office Building B" means a building located on Reserve "B" of the Plat, to be used primarily for office use, containing approximately 125,000 square feet of office space, and any parking garages or portions thereof constructed to serve Office Building B, as shown on Exhibit A."**
- c. **"Office Building H" means a building located on Reserve "H" of the Plat, to be used primarily for office use, containing approximately 150,000 square feet of office space, and any parking garages or portions thereof constructed to serve Office Building H.**
- d. **"Office Building E" means the second and any additional floors constructed for office use of an office and retail condominium building located on Reserve "E" of the Plat, and any parking garages or portions thereof constructed to serve Office Building E, located as shown on Exhibit A. The office portion of Office Building E shall contain approximately 25,000 square feet at a minimum, but may contain more square feet depending upon the number of floors constructed.**
- e. **"Office Building J" means the second and any additional floors**

constructed for office use of an office and retail condominium building located on Reserve "J" of the Plat, and any parking garages or portions thereof constructed to serve Office Building J, located as shown on Exhibit A. The office portion of Office Building J shall contain approximately 27,000 square feet at a minimum, but may contain more square feet depending upon the number of floors constructed.

- f. **"Office Building N2"** means the second and any additional floors constructed for office use of an office and retail condominium building located on Reserve "N2" of the Plat, and any parking garages or portions thereof constructed to serve Office Building N2, located as shown on Exhibit A. The office portion of Office Building N2 shall contain approximately 20,000 square feet at a minimum, but may contain more square feet depending upon the number of floors constructed.
- g. **"Abatement"** means the full or partial exemption from ad valorem taxes of certain property in the City of Sugar Land Reinvestment Zone No. 2000-01 designated for economic development purposes.
- h. **"Ineligible Property"** means land, inventories, supplies, tools, furnishings, raw material and other forms of movable personal property which are not integral to the operation of the facility and economic life of more than fifteen (15) year.
- i. **"Real Property"** means the 32.0487 acres of land located within Reinvestment Zone No. 2000-01, described in Exhibit "A" attached hereto and incorporated by reference herein for all purposes.
- g. **"Owner"** means Town Center Lakeside, Ltd., the Owner of the real property 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.
- j. **"Plat"** means SUGAR LAND TOWN SQUARE, AN AMENDING PLAT, a planned development district in Fort Bend County, Texas, according to the map or plats thereof recorded under Slide Numbers 2267/A, 2267/B, 2268/A of the Plat Records of Fort Bend County,

Texas.

3. Subject Property

City of Sugar Land Reinvestment Zone No. 2000-01 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, 2003.

4. Responsibility of Owner

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

- (a) That construction of Office Building B and E shall be completed on or before March 1, 2006.
- (b) That construction of Office Building H shall be completed on or before January 1, 2009.
- (c) That construction of Office Building J and N2 shall be completed on or before January 1, 2004.
- (d) That the minimum construction costs of each Office Building shall not be less than the following:

<u>Office Building</u>	<u>Minimum Construction Cost</u>
B	\$11,875,500.00
E	\$2,375,000.00
H	\$14,250,000.00
J	\$2,898,000.00
N2	\$1,805,000.00

Owner shall provide Tax Assessor/Collector a certified statement evidencing

the above minimum construction costs with respect to each Office Building within thirty (30) days after completion

- (e) That the Owner has, as of the effective date of this Agreement, the financial resources to implement the above representations.
- (f) That the 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.
- (g) **THE 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.**
- (h) **THE OWNER SHALL BE RESPONSIBLE FOR REQUESTING AN ASSIGNMENT OF THIS AGREEMENT IN THE EVENT THE REAL PROPERTY THE SUBJECT OF THIS AGREEMENT IS SOLD. FAILURE TO NOTIFY THE TAX ASSESSOR-COLLECTOR OF ANY SALE OF THE REAL PROPERTY THE SUBJECT OF THIS AGREEMENT SHALL RESULT IN IMMEDIATE DEFAULT OF THIS AGREEMENT.**

5. **Value and Term of Abatement**

This Agreement shall be effective on January 1, 2004 and shall terminate (unless earlier terminated in accordance with the terms hereof) on December 31, 2016. In no event shall this agreement extend beyond December 31, 2016. This Agreement shall terminate on the completion of the abatement, unless earlier termination as provided elsewhere herein. Owner's obligation upon default to pay to the County any taxes abated under this Agreement shall not terminate until the abated taxes are paid.

In each year that this Agreement is in effect, the amount of abatement shall be an amount equal to the percentage indicated below of the taxes assessed upon the Improvements and the Personal Property.

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 and the Personal Property:

<u>Office Building B and E</u>	<u>Tax Year</u>	<u>Percentage Abatement</u>
	2006	100%
	2007	100%
	2008	100%
	2009	100%
	2010	100%
	2011	100%
	2012	100%
	2013	50%
	TOTAL = 750%	

<u>Office Building H</u>	<u>Tax Year</u>	<u>Percentage Abatement</u>
	2009	100%
	2010	100%
	2011	100%
	2012	100%
	2013	100%
	2014	100%
	2015	100%

2016 50%

TOTAL = 750%

<u>Office Building J and N2</u>	<u>Tax Year</u>	<u>Percentage Abatement</u>
	2004	100%
	2005	100%
	2006	100%
	2007	100%
	2008	100%
	2009	100%
	2010	100%
	2011	50%

TOTAL = 750%

- (a) The abatement granted shall not apply to the Value of the Land, increases in the Value of the Land, inventory, supplies or personal property.
- (b) All Improvements shall be completed in accordance with applicable laws, ordinances, rules or regulations in effect at the time such Improvements are erected.
- (c) In the event Office Buildings B and E are not completed by March 1, 2006, the tax abatement provided for herein for Buildings B and E for tax years 2006, 2007, 2008, 2009, 2010, 2011, 2012 and 2013 shall not apply. Failure of Owner to complete construction of Buildings B and E by March 1, 2006 shall not be considered a breach of this Agreement by Owner.
- (d) In the event Office Building H is not completed by January 1, 2009, the tax abatement provided for herein for Building H for tax years 2009, 2010, 2011, 2012, 2013, 2014, 2015 and 2016 shall not apply. Failure of Owner to complete construction of Building H by January 1, 2009 shall not be

considered a breach of this Agreement by Owner.

- (e) In the event Office Buildings J and N2 are not completed by January 1, 2004, the tax abatement provided for herein for Buildings J and N2 for tax years 2004, 2005, 2006, 2007, 2008, 2009, 2010 and 2011 shall not apply. Failure of Owner to complete construction of Buildings J and N2 by January 1, 2004 shall not be considered a breach of this Agreement by Owner.
- (f) If the value of any building is less than \$1,000,000.00 on January 1 of any year for which the abatement is provided for the respective building of this Agreement, the abatement granted for that building for that year shall not apply.
- (g) 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 the 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.
- (h) On or before September 1 of each year of this Agreement, the Owner shall certify in writing to Fort Bend County Tax Assessor/Collector that each party is in 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 Ineligible Property shall be fully taxable, including inventory;
- b. The Value of existing Improvements and Personal Property shall be determined annually by the Central Appraisal District.

7. Event of Default

- (a) The County may declare the Owner in default of this Agreement if: (1) the Owner fails to comply with any term of this Agreement; (2) allows County ad valorem taxes on the Land, or any property located thereon, to become

delinquent; (3) vacates any of the improvements subject to the agreement before the term of the abatement.

- (b) The County shall notify the Owner of any default in writing specifying the default. The Owner shall each have thirty (30) days from the date of the notice to cure any default. If the Owner fails to cure the default, the County may terminate this Agreement by written notice.
- (c) If this Agreement is terminated by the County, the Owner agrees that it is liable for and will pay to the 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 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) The County shall have a lien against the Owner's real property and improvements for the taxes and interest owed because of the recapture of taxes under this paragraph.

8. Administration and Inspection

This Agreement shall be administered on behalf of the Fort Bend County Tax Assessor/Collector or her designee. The Owner shall allow employees or other representatives of the County who have been designated by the Tax Assessor/Collector to have access to the reinvestment zone 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 the Owner may accompany the inspector.

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

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 real property subject to this Agreement and (2) the full taxable value without abatement of the real property and other 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.

The 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 the County Tax Assessor/Collector in preparation of its annual evaluation for compliance with the terms and provisions of this Agreement, including Owner's payroll records.

9. Assignment

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

Any and all assignments shall contain the same terms and conditions as set out in the first Abatement 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 LAKSIDE, LTD., through its sole General Partner, SUGARLAND PROPERTIES INCORPORATED, in performing its obligations hereunder, is acting independently, and the County assumes no responsibilities or liabilities in connection therewith to third parties. TOWN CENTER LAKSIDE, LTD., THROUGH ITS SOLE GENERAL PARTNER, SUGARLAND PROPERTIES INCORPORATED, AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS THE 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 LAKSIDE, LTD., AND SUGARLAND PROPERTIES INCORPORATED'S OBLIGATIONS HEREUNDER EXCEPT THAT THE INDEMNITY SHALL NOT APPLY TO THAT PORTION OF LIABILITIES RESULTING FROM THE NEGLIGENCE OF THE COUNTY OR TAXING UNITS, THEIR RESPECTIVE OFFICERS, AGENTS OR EMPLOYEES. TOWN CENTER LAKSIDE, LTD., AND SUGARLAND PROPERTIES INCORPORATED'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. TOWN CENTER LAKSIDE, LTD. AND SUGARLAND PROPERTIES INCORPORATED SHALL BE RESPONSIBLE FOR ALL FEES INCURRED BY THE 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 LAKSIDE,

Page 11 of 16

LTD. AND SUGARLAND PROPERTIES INCORPORATED. 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 LAKSIDE, LTD. AND SUGARLAND PROPERTIES INCORPORATED SHALL NOT BE RESPONSIBLE FOR ANY SUCH COSTS AND OR FEES SO INCURRED.

11. Force Majeure

If by reason of force majeure, the Owner is unable to perform any obligation of this Agreement, it shall give notice of the force majeure to the County in writing within ten (10) 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. The 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 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 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.

(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 the 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 the Owner or the County at the following addresses:

To the Tax Assessor/Collector: Ms. Patsy Schultz
Fort Bend County Tax Assessor-Collector
500 Liberty, Suite 101
Richmond, Texas 77469

To Owner: Town Center Lakeside, Ltd.
Sugarland Properties, Inc.
Its sole general partner
4665 Sweetwater Blvd., Suite 100
Sugar Land, Texas 77479
Attn: Les A. Newton, President

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

Copy to: Mr. Ben W. "Bud" Childers
Fort Bend County Attorney
301 Jackson, Suite 621
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 the 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. Attached hereto are Exhibit B – Ordinance No. 1230 Designating Reinvestment Zone No. 2000-01, and 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 the County, Owner as of the dates below stated. Owner warrants and represents that the individuals executing this agreement on behalf of Town Center Lakeside, Ltd. through its sole general partner, Sugarland Properties Incorporated have full authority to execute this Agreement and bind Town Center Lakeside, Ltd. through its sole general partner, Sugarland Properties Incorporated, to the same.

ATTEST:


Dianne Wilson, County Clerk

By:


FORT BEND COUNTY

Robert E. Hebert, County Judge

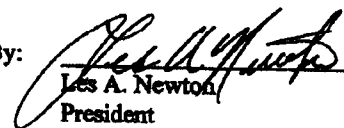
Date:

1-11-05

TOWN CENTER LAKESIDE, LTD.,
a Texas limited partnership

By: Sugarland Properties Incorporated, a
Texas corporation, its sole General
Partner

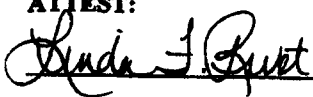
By:


Les A. Newton
President

Date:

1/5/05

ATTEST:


Linda J. Byrt

Attachments: Exhibit A – Sugar Land Town Square Site Plan
Exhibit B – Ordinance No. 1230 Designating Reinvestment Zone No. 2000-01

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STATE OF TEXAS §
 §
COUNTY OF FORT BEND §

**TAX ABATEMENT AGREEMENT BETWEEN FORT BEND COUNTY
AND SUGARLAND PROPERTIES, INC. (TOWN SQUARE)**

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 **SUGARLAND PROPERTIES, INC.**, hereinafter referred to as "Owner," of the land comprising Reinvestment Zone No. 2000-01, Owner of the buildings to be constructed thereon, and Owner of the equipment within such building.

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 October 5, 1999. The 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 the 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" means the value certified as of January 1 of each year of this Agreement regarding the property within Reinvestment Zone No. 2000-01 by the Fort Bend County Central Appraisal District.

- b. **"Building I"** means a building to be used primarily for office use, containing approximately 150,000 square feet of office space, and any related real property improvements constructed to serve Building I, including sidewalks, parking garages and lots, outdoor lighting, and landscaping.
- c. **"Building II"** means a building to be used primarily for office use, containing approximately 150,000 square feet of office space, and any related real property improvements constructed to serve Building II, including sidewalks, parking garages and lots, outdoor lighting, and landscaping.
- d. **"Abatement"** means the full or partial exemption from ad valorem taxes of certain property in Reinvestment Zone No. 2000-01 designated for economic development purposes.
- e. **"Eligible Property"** means the buildings, structures, fixed machinery, equipment, process units and site improvements necessary to the operation and administration of the facility.
- f. **"New Eligible Property"** means Eligible Property, the construction of which commences subsequent to the date of execution of this Agreement.
- g. **"Ineligible Property"** means land, inventories, supplies, tools, furnishings, raw material and other forms of movable personal property which are not integral to the operation of the facility and movable property that has an economic life of more than fifteen (15) years.
- h. **"Owner"** means Sugarland Properties, Inc., the Owner of the real property subject to this Agreement, or other person or entity to which this Agreement is assigned, with prior written approval of the Fort Bend County Commissioners' Court.
- i. **"County"** means the County of Fort Bend, Texas.
- j. **"District"** means Fort Bend County Central Appraisal District.
- k. **"Real Property"** means the 32.0487 acres of land described in Exhibit "B" attached hereto and incorporated by reference herein for all purposes.

3. Subject Property

Reinvestment Zone No. 2000-01 is an area within Fort Bend County, Texas, being legally described in Exhibit "A" and "B" 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, 2001.

4. Responsibility of Owner

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

- (a) That construction of Building I shall be completed on or before January 1, 2003.
- (b) That construction of Building II shall be completed on or before January 1, 2005.
- (c) That the construction costs of the Improvements shall be not less than \$13,500,000.00 for each building. Owner shall provide Tax Assessor/Collector a certified statement of the construction costs within thirty (30) days of completion of each building.
- (d) That the Owner has, as of the effective date of this Agreement, the financial resources to implement the above representations.
- (e) That the 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) **THE 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.**

5. Value and Term of Abatement

This Agreement shall be effective on the date executed by the County, or the Owner, whichever is later, for a period not to exceed ten (10) years. However, in no event shall this agreement extend beyond December 31, 2012. This Agreement shall terminate on the completion of the abatement, unless earlier termination as provided elsewhere herein. Owner's obligation upon default to pay to the County any taxes abated under this Agreement shall not terminate until the abated taxes are paid.

This Agreement shall be effective with the January 1st valuation date immediately following the date of execution of this Agreement. In each year that this Agreement is in effect, the amount of abatement shall be an amount equal to the percentage indicated below of the taxes assessed upon the increase in market value of the premises resulting from construction of the improvements over the market value in the year in which this Agreement is executed.

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:

<u>Building I</u>	<u>Tax Year</u>	<u>Percentage Abatement</u>
	2003	100%
	2004	100%
	2005	100%
	2006	100%
	2007	100%
	2008	100%
	2009	100%

2010 50%

TOTAL = 750%

<u>Building II</u>	<u>Tax Year</u>	<u>Percentage Abatement</u>
	2005	100%
	2006	100%
	2007	100%
	2008	100%
	2009	100%
	2010	100%
	2011	100%
	2012	50%
	TOTAL = 750%	

- (a) The abatement granted ~~shall not~~ apply to the value of the Land, increases in the value of the Land, inventory, supplies or personal property.
- (b) All improvements shall be completed in accordance with applicable laws, ordinances, rules or regulations in effect at the time such Improvements are erected.
- (c) In the event Building I is not completed by January 1, 2003, the tax abatement provided herein for Building I for tax years 2003, 2004, 2005, 2006, 2007, 2008, 2009 and 2010 ~~shall not apply~~. Failure of Owner to complete construction of Building I by January 1, 2003, is not a breach of this Agreement by Owner.
- (d) In the event Building II is not completed by January 1, 2005, the tax abatement provided herein for Building II for tax years 2005, 2006, 2007, 2008, 2009, 2010, 2011 and 2012 ~~shall not apply~~. Failure of Owner to complete construction of Building II by January 1, 2005, is not a breach of this Agreement by Owner.

- (e) If the value of each building is less than \$1,000,000.00 on January 1 of any year for which the abatement is provided for the respective building of this Agreement, the abatement granted for that building for that year shall not apply.
- (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 the 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.
- (g) On or before September 1 of each year of this Agreement, the Owner shall certify in writing to Fort Bend County Tax Assessor/Collector that the Owner is in compliance with each term of this Agreement.

6. Taxability

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

- 1. The value of Ineligible Property shall be fully taxable;
- 2. The Certified Appraised Value of the existing Eligible Property as determined each year shall be fully taxable; and
- 3. The full value of New Eligible Property shall be abated as set forth above under the section entitled "VALUE AND TERM OF AGREEMENT."

7. Event of Default

- (a) The County may declare the Owner in default of this Agreement if: (1) the Owner fails to comply with any term of this Agreement; (2) allows County ad valorem taxes on the Land, or any property located thereon, to become delinquent; (3) files a voluntary petition in bankruptcy, a proceeding in bankruptcy is instituted against the Owner and the Owner is thereafter adjudicated bankrupt, or a receiver for the Owner's assets is appointed.
- (b) The County shall notify the 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 the Owner fails to cure the default, the County may terminate this Agreement by written notice to the Owner.

- (c) If this Agreement is terminated by the County, the Owner agrees that the Owner is liable for and will pay to the 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 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) The County shall have a lien against the Owner's Land and Improvements for the taxes and interest owed because of the recapture of taxes under this paragraph.

- (e) Failure of the Owner to obtain a Certificate of Occupancy for Building I by the 1st day of January, 2003, shall invalidate this Agreement and no abatement shall apply to Building I. Failure of the Owner to supply the County Tax Assessor/Collector with a copy of the Certificate of Occupancy by the 10th day of January, 2003, shall invalidate this Agreement and no abatement shall apply to Building I.

- (f) Failure of the Owner to obtain a Certificate of Occupancy for Building II by the 1st day of January, 2005, shall invalidate this Agreement and no abatement shall apply to Building II. Failure of the Owner to supply the County Tax Assessor/Collector with a copy of the Certificate of Occupancy by the 10th day of January, 2005, shall invalidate this Agreement and no abatement shall apply to Building II.

8. Administration and Inspection

This Agreement shall be administered on behalf of the Fort Bend County Tax

Assessor/Collector or her designee. The Owner shall allow employees or other representatives of the County who have been designated by the Tax Assessor/Collector to have access to the reinvestment zone 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 the Owner may accompany the inspector.

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

The Chief Appraiser of the Fort Bend County Appraisal District shall annually determine (1) the taxable value under the terms of this abatement to the real property subject to this Agreement and (2) the full taxable value without abatement of the real and 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.

The 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 the County Tax Assessor/Collector in preparation of its annual evaluation for compliance with the terms and provisions of this Agreement, including Owner's payroll records.

9. Assignment

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

Any and all assignments shall be in the form of a termination of the original abatement agreement, followed by a Tax Abatement agreement between the County and the Assignee/New Owner. The new Abatement Agreement shall contain the same terms and conditions as set out in the first Abatement 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 SUGARLAND PROPERTIES, INC., in performing its obligations hereunder, is acting independently, and the County assumes no responsibilities or liabilities in connection therewith to third parties. SUGARLAND PROPERTIES, INC. AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS THE COUNTY AND TAXING UNITS FROM ANY AND ALL CLAIMS, SUITS, AND CAUSES OF ACTION OF ANY NATURE WHATSOEVER ARISING OUT OF SUGARLAND PROPERTIES, INC.'s OBLIGATIONS HEREUNDER EXCEPT THAT THE INDEMNITY SHALL NOT APPLY TO THAT PORTION OF LIABILITIES RESULTING FROM THE NEGLIGENCE OF THE COUNTY OR TAXING UNITS, THEIR RESPECTIVE OFFICERS, AGENTS OR EMPLOYEES. SUGARLAND PROPERTIES, INC.'s INDEMNIFICATION OBLIGATIONS INCLUDE THE PAYMENT OF REASONABLE

**ATTORNEY'S FEES AND EXPENSES INCURRED BY THE COUNTY AND TAXING
UNITS IN CONNECTION WITH THESE CLAIMS, SUITS, AND CAUSES OF ACTION.**

11. Force Majeure

If by reason of force majeure, the Owner is unable to perform any obligation of this Agreement, it shall give notice of the force majeure to the County in writing within ten (10) days of the occurrence relied upon. The obligation of the Owner, to the extent and for the period of time affected by the force majeure, shall be suspended. The 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 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 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.

(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 the 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 the Owner or the County at the following addresses:

To the Tax Assessor/Collector:	Marsha Gaines Fort Bend County Tax Assessor-Collector 500 Liberty, Suite 101 Richmond, Texas 77469
To Owner:	Les Newton, President Sugarland Properties, Inc. 4665 Sweetwater Blvd., Suite 100 Sugar Land, Texas 77479
To County:	Fort Bend County 301 Jackson, Suite 719 Richmond, Texas 77469 Attention: County Judge
Copy to:	Ben W. "Bud" Childers Fort Bend County Attorney 301 Jackson, Suite 621 Richmond, Texas 77469

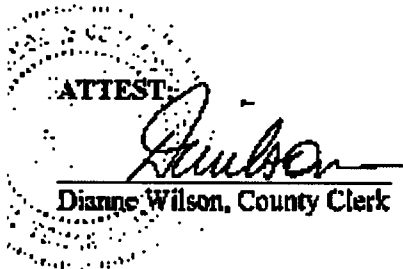
Either party may designate a different address by giving the other party ten (10) days written notice thereof. Failure of Owner to notify the County Tax Assessor/Collector of a change of address may result in immediate termination of this Agreement.

17. Entire Agreement

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

18. **Execution**

IN TESTIMONY OF WHICH, THIS AGREEMENT has been executed by the Owner as of the date provided in Section 5. The provisions of this Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties.



FORT BEND COUNTY
By: [Signature]
James C. Adolphus, County Judge
Date: October 24, 2000

SUGARLAND PROPERTIES, INC.
By: [Signature]
Les Newton
Title: President

ATTEST:
[Signature]

Date: October 17, 2000

Attachments: Exhibit A – Ordinance No. 1230 Designating Reinvestment Zone No. 2000-01
Exhibit B – Metes and Bounds description of Land
Exhibit C – Economic Impact Statement/Application for Value Added Tax
Exhibit D – Drawing of Improvements

ma/SUGAR LAND TOWN SQUARE-3195-74 (108300)

ORDINANCE NO. 1230

AN ORDINANCE OF THE CITY OF SUGAR LAND, TEXAS, CREATING REINVESTMENT ZONE NO. 2000-01 FOR A 32 ACRE TRACT OF LAND LOCATED AT THE INTERSECTION OF STATE HIGHWAY 6 AND U.S. HIGHWAY 59.

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. 2000-01 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. 2000-01 shall expire five years from the date of this ordinance.



APPROVED on first consideration on January 18, 2000.

ADOPTED upon second consideration on January 25, 2000.


Dean A. Hrbacek, Mayor

ATTEST:

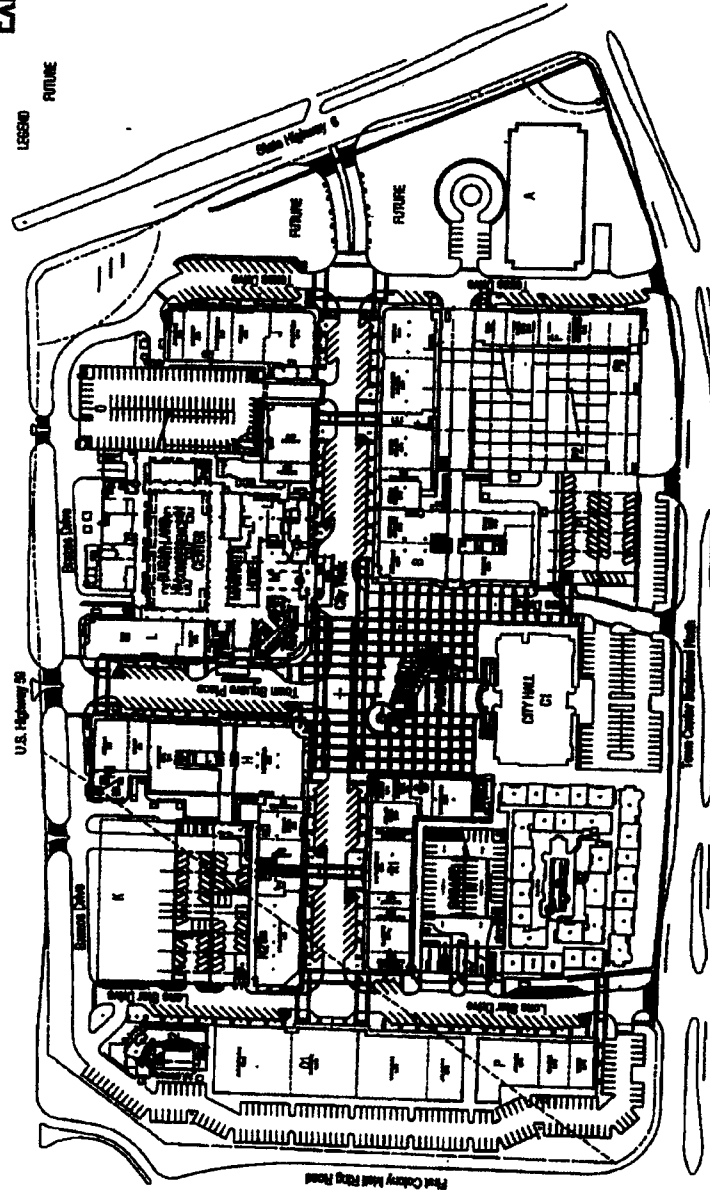

Glenda Gundermann, City Secretary

APPROVED:


Joe Morris, City Attorney

Attachment: Exhibit A - Property Description

EXHIBIT A



Retail Leasing Plan

Developed by

Sugarland Properties Incorporated
Sugar Land, Texas

SUGARLAND

TOWN SQUARE

SLA Studio Land, Inc.
Urban Planner/Landscape Architects

Ambrose, McEwen and Brown, Architects
Architects

**SUGARLAND PROPERTIES, INC.
SUGAR LAND TOWN SQUARE
ECONOMIC IMPACT STATEMENT
APPLICATION FOR VALUE ADDED TAX ABATEMENTS**

The City of Sugar Land, Fort Bend County
And First Colony LID #2

Sugarland Properties, Inc. (SPI) has proposed a planned development on the southwest corner of US 59 and State Highway 6, which is referred to as Sugar Land Town Square. The development is planned as a neo-traditional town square with generous open space, extensive streetscapes and wide sidewalks providing access to retail store, offices and restaurants. Town Square will create the opportunity for major facilities, including a full-service hotel with connecting conference center, residential rental units, office buildings and high-end retail, all built around a traditional public plaza with a fountain and extensive landscape and streetscape.

A Sugar Land Town Square Tax Increment Reinvestment Zone ("TIRZ") has been established and will serve as a financing mechanism for the public infrastructure, including the plaza, streets, sidewalks, streetscape, lighting, landscaping and amenities, traffic and signalization improvements and certain underground utilities for development. Funds will be generated on new private sector development within the TIRZ to pay for these public improvements. The City of Sugar Land, Fort Bend County, and the Fort Bend County Levy Improvement District No. 2, are all participating in the TIRZ for 25 years, through 12/31/25.

The funds from the TIRZ will go strictly toward public improvements, not the actual construction and development of buildings. Therefore, SPI is requesting a 750% tax abatement on the two office buildings being proposed in Sugar Land Town Square. Building B & H (as referred to in the TIRZ master plan) are planned to each be a 150,000 sf class A office buildings, valued at \$13,500,000 each. The buildings each will include approximately 10,000 sf of retail ancillary to office usages. Parking garages will serve the parking needs for tenants of these buildings. Construction of these office buildings will be commenced upon pre-leasing.

Criteria For Consideration Of Value Added Tax Abatement

1. **Central Appraisal District value of land and existing improvements:**
The TIRZ includes 32.0487 acres valued @ \$6,365,990 (per 1-1-00 value Fort Bend Central Appraisal District Valuation). Approximately 6.4 acres will be allocated to the office buildings with a value of \$1271263.

EXHIBIT

C

2. **Type and value of proposed improvements:**
Bldg. 1: Class A Office Building – 6 story 150,000 sq. ft.
Total Cost \$ 13,500,000
To be completed in 2002

Bldg. 2: Class A Office Building – 6 story 150,000 sq. ft.
Total Cost \$ 13,500,000
To be completed in 2004
3. **Productive life of proposed improvements:** 30 years
4. **Existing jobs to be retained:** Sugar Land and Fort Bend County companies will have an opportunity to expand their offices into these facilities and retain existing employees in Sugar Land.
5. **New jobs to be created:** Based on an estimated ratio of 4 employees per 1000 sq. ft., an estimated 1,200 new jobs will be created or relocated in these two office buildings combined.
6. **Local payroll to be created:** Based on the above assumption and an estimated annual salary of \$45,000/per employee, an projected total annual payroll of \$54,000,000 will be generated.
7. **Will Fort Bend residents have the opportunity to fill the newly created positions:**
Yes, Fort Bend residents will have employment opportunities from this project.
8. **Local Sales tax to be generated:** The retail portion of these projects will generate approximately \$250-300/sf in revenues yielding an estimated \$100,000 to \$120,000 per year in sales tax revenues for the City of Sugar Land. However, it is difficult to determine sales tax generated from any of the prospective office users, although, employees will shop and eat at the surrounding amenities and generate a generous amount of sales tax.

The developer also commits to claim "in situs" for the building materials for these projects, which will generate sales tax for the city.
9. **Property tax base valuation increase:** Approximately \$27,000,000 after period of abatement, which will also increase due to personal property being relocated with companies choosing to move to the area.

10. **Fort Bend County's costs incurred to provide facilities or services:** The TIRZ will fund public infrastructure improvements, such as the plaza, streets, sidewalks, streetscape, lighting, landscaping and amenities, traffic and signalization improvements and certain underground utilities for development.
11. **Amount of taxes to be paid to the taxing entities during the period of abatement:** See attached schedule.
12. **Population growth as a direct result of improvements:** The Town Square project will include residential units, which will attract new residents to Sugar Land. The offices themselves will not likely generate a large influx of people moving into the area.
13. **Public improvements to be made by the Company:** The developer will develop streets, sidewalks, landscaping, surface parking, parking garages and all other infrastructure for the site to be developed.
14. **Competition with existing businesses:** This project is unique in nature as a part of a multi-use master plan; therefore, while it will compete somewhat with existing offices, it is expected to fill a market niche for highly amenitized office not currently provided in the area.
15. **Impact on business opportunities:** The Town Square project will certainly stimulate the economy by attracting many new businesses into the area and providing a number of new services.
16. **Attraction of other new businesses:** The construction of this project will undoubtedly bring new business to Sugar Land and Fort Bend County.
17. **Compatibility with zoning ordinances and comprehensive plans:** Ordinance 1124, which currently limits office Building B to four stories, will need to be amended to include Building B as a six story office building. Building H is compatible with the existing Planned Development zoning and is compatible with surrounding development, such as the retail and restaurants whose services add amenities to the offices.
18. **Environmental compatibility:** The project is in compliance with existing government regulations. And the owner will not lease to any companies that are not environmentally compatible with other tenants or neighbors in the area in order to protect their investment.
19. **Has the company agreed to participate in the continuing economic development process in Fort Bend County by becoming a member of the GFBEDC for a minimum period coinciding with the term of any abatement granted by the County of Fort Bend:** Sugarland Properties is currently a Trustee member of the Greater Fort Bend Economic Council.

**Summary of Request by Planned Community Developers to modify own Square Tax
Abatement Agreement – January 2005**

Request:

On December 8th, Planned Community Developers sent a letter to the County, City and LID No. 2 requesting changes to their abatement agreement for Sugar Land Town Square. PCD is requesting the current amended and restated agreements be modified to align the anticipated completion dates for Buildings B, E and H with the current development schedule. The changes requested by Planned Community Developers move the completion date of Office buildings B and E from January 1, 2005 to March 1, 2006 and office building H from January 1, 2007 to January 1, 2009. All other matters covered by the agreement remain unchanged.

Financial Impact:

These properties are located within a Tax Increment Reinvestment Zone (TIRZ). All new value added tax revenues generated during the term of the TIRZ are returned to the TIRZ until its expiration.¹ Any expected deficiency in payment to retire TIRZ debt will be recovered from the City. There is no financial impact to the County or LID from these changes.

Status of Other Parties Approval in the TIRZ:

The City of Sugar Land approved the amendment to the agreement on January 4th, 2005. LID No. 2 approved the amendment to the agreement on January 5th, 2005.

Summary of Current Tax Abatement and Schedule Commitments:

Building	Completion Date	Office Sq. Ft	Construction Costs
Building J	01/01/04	27,000	\$2,898,000
Building N2	01/01/04	20,000	\$1,805,000
Building B	01/01/05	125,000	\$11,875,000
Building E	01/01/05	25,000	\$2,375,000
Building H	01/01/07	150,000	\$14,250,000
Total		347,000	\$33,203,000

Proposed Tax Abatement and Schedule Commitments:

Building	Completion Date	Office Sq. Ft	Construction Costs
Building J	01/01/04	27,000	\$2,898,000
Building N2	01/01/04	20,000	\$1,805,000
Building B	03/01/06	125,000	\$11,875,000
Building E	03/01/06	25,000	\$2,375,000
Building H	01/01/09	150,000	\$14,250,000
Total		347,000	\$33,203,000

¹ The TIRZ was created in 1998 with a term of 25 years. The term of the TIRZ may be less if the initial debt is recovered more quickly than anticipated by the initial agreement and the parties agree to terminate the TIRZ.

**Summary of Request by Planned Community Developers to modify own Square Tax
Abatement Agreement – January 2005**

Each building has an abatement schedule of 750% over 8 years comprised of 100% abated during the first 7 years and 50% abated in the 8th year. The current schedule for abatement is as follows:

Building	Begin Date	End Date	Abated Value
Building J	2004	2011	750%
Building N2	2004	2011	750%
Building B	2005	2012	750%
Building E	2005	2012	750%
Building H	2007	2014	750%

The proposed schedule for abatement is:

Building	Begin Date	End Date	Abated Value
Building J	2004	2011	750%
Building N2	2004	2011	750%
Building B	2006	2013	750%
Building E	2006	2013	750%
Building H	2009	2016	750%

The GFBDC recommends approval of the requested amendments on an expedited basis to encourage development of the next series of planned growth in Sugar Land Town Square.