NOTICE OF REGULAR
ROSENBERG DEVELOPMENT CORPORATION MEETING

NOTICE IS HEREBY GIVEN THAT THE ROSENBERG DEVELOPMENT CORPORATION OF THE CITY OF ROSENBERG, FORT BEND COUNTY, TEXAS, WILL MEET IN REGULAR SESSION OPEN TO THE PUBLIC AS FOLLOWS:

DATE: Thursday, February 13, 2014

TIME: 4:00 p.m.

PLACE: Rosenberg Civic Center
3825 Highway 36 South
Rosenberg, Texas 77471

PURPOSE: Regular Rosenberg Development Corporation Meeting

Call to order.

Statement of rules pertaining to audience comments.

Comments from the audience.

CONSENT AGENDA

A. Consideration of and action on the Regular Rosenberg Development Corporation Meeting minutes for January 9, 2014, and Special Workshop Meeting Minutes for January 18, 2014. (Kanak/Supak)

B. Consideration of and action on the monthly Rosenberg Development Corporation Financial Reports for the period ending January 31, 2014. (Vasut)

C. Consideration of and action on a report from the Communications Director regarding the previous month's communications activities and contacts. (Fritz)

D. Consideration of and action on a Funding Agreement with the Coastal Prairie Chapter of the Texas Master Naturalists. (Kanak)

E. Consideration of and action on a Service Contract with the Central Fort Bend Chamber regarding the Rosenberg Development Corporation's Business Appreciation Reception. (Kanak)

F. Consideration of and action on Resolution No. RDC-87, a Resolution of Board of Directors of the Rosenberg Development Corporation amending the Fiscal Year 2013-14 Annual Budget in the amount of $44,539.00 for the Seatex/State Highway 36 Drainage Project. (Kanak)

AGENDA

1. Hear and discuss presentation by Fuller Realty on Declaration of Covenants Conditions and Restrictions and Grant of Easements for Rosenberg Business Park. (Kanak)

2. Hear and discuss presentation by Imperial Performing Arts (IPA) on status of Performance Agreement. (Kanak)

3. Consideration of and action on the proposed parks improvement request to update the basketball and tennis courts in area parks. (McCarthy)

4. Consideration of and action on the proposed parks improvement request to lease equipment necessary to relocate donated trees. (McCarthy)

5. Consideration of and action on amended Declaration of Covenants Conditions and Restrictions for Walsh Road Industrial Park, Ltd. (Kanak)

6. Consider motion to adjourn to Executive Session.

7. Hold Executive Session for deliberations regarding the potential purchase, exchange, lease, or value of real property pursuant to Texas Government Code Section 551.072; and, for deliberations regarding economic development negotiations as authorized by Texas Government Code Section 551.087.

8. Adjourn Executive Session, reconvene Regular Session, and take action as a result of Executive Session.

9. Consideration of and action on a report from the Interim Economic Development Director regarding the previous month's economic development activities and contacts. (Kanak)

10. Consideration of and action on Resolution No. RDC-86, a Resolution of the Board of Directors of the Rosenberg Development Corporation approving the funding arrangement between the City of Rosenberg and the Rosenberg Development Corporation for infrastructure improvements to the Rosenberg Development Park. (Kanak)

11. Consideration of and action on requests for future agenda items.

12. Announcements.

13. Adjournment.

DATED AND POSTED this the _____ day of _____, 2014, at _____ m. by

_____.

Attest:

_____
Linda Cernosek, City Secretary
City of Rosenberg

Approved for posting:

_____
Rachelle Kanak, Interim Economic Development Director

Reasonable accommodation for the disabled attending this meeting will be available; persons with disabilities in need of special assistance at the meeting should contact the City Secretary at (832) 595-3340.

COMMUNICATION FORM

February 13, 2014

ITEM #	ITEM TITLE
A	**Minute Review and Consideration**

ITEM/MOTION

Consideration of and action on the Regular Rosenberg Development Corporation Meeting Minutes for January 9, 2014, and Special Workshop Meeting Minutes for January 18, 2014.

APPROVAL	SUPPORTING DOCUMENTS

SUBMITTED BY :

Rachelle Kanak
Interim Economic Development Director

Kaye Supak
Executive Assistant

1) Draft Regular Meeting Minutes – January 9, 2014
2) Draft Special Workshop Meeting Minutes – January 18, 2014

EXECUTIVE SUMMARY

Attached please find a draft copy of the Regular Meeting Minutes for January 9, 2014, and the Special Workshop Meeting for January 18, 2014, for your review and consideration. Staff recommends approval.

ROSENBERG DEVELOPMENT CORPORATION
MEETING MINUTES

On this the 9th day of January 2014, the Rosenberg Development Corporation (RDC) of the City of Rosenberg, Fort Bend County, Texas, met in a Regular Session, at the Rosenberg Civic Center located at 3825 Highway 36 South, Rosenberg, Texas 77471.

DIRECTORS PRESENT

Bill Knesek	President
Allen Scopel	Vice President
Laurie Cook	Secretary
Ted Garcia	Treasurer
Vincent Morales	Director
Dwayne Grigar	Director
Jimmie Peña	Director

CITY OF ROSENBERG STAFF PRESENT

Matt Fielder	Economic Development Director
Rachelle Kanak	Assistant Economic Development Director
Kaye Supak	Executive Assistant

GUEST
Lisa McCay, Vice President, Buxton Company

CALL TO ORDER.
President Knesek called the meeting to order at 4:00 p.m.

STATEMENT OF RULES PERTAINING TO AUDIENCE COMMENTS.
Kaye Supak, Executive Assistant, read the statement of rules pertaining to audience comments.

COMMENTS FROM THE AUDIENCE.
There were no comments from the audience.

CONSENT AGENDA

A. CONSIDERATION OF AND ACTION ON THE REGULAR ROSENBERG DEVELOPMENT CORPORATION MEETING MINUTES FOR DECEMBER 12, 2013.

B. CONSIDERATION OF AND ACTION ON THE MONTHLY ROSENBERG DEVELOPMENT CORPORATION FINANCIAL REPORTS FOR THE PERIOD ENDING DECEMBER 31, 2013.

C. CONSIDERATION OF AND ACTION ON A REPORT FROM THE COMMUNICATIONS DIRECTOR REGARDING THE PREVIOUS MONTH'S COMMUNICATIONS ACTIVITIES AND CONTACTS.

D. CONSIDERATION OF AND ACTION ON A FUNDING AGREEMENT WITH THE COASTAL PRAIRIE CHAPTER OF THE TEXAS MASTER NATURALISTS.

Key discussion:

- Director Garcia requested that Consent Agenda Item D be placed on the regular Agenda as Item 1A.

Action: Director Scopel moved and Director Garcia seconded to approve Consent Agenda Items A, B, and C. The motion carried by a unanimous vote those present.

AGENDA

1A. CONSIDERATION OF AND ACTION ON A FUNDING AGREEMENT WITH THE COASTAL PRAIRIE CHAPTER OF THE TEXAS MASTER NATURALISTS.

DRAFT

Key discussion points:

- General discussion was held regarding the obligations of the Coastal Prairie Chapter of the Texas Master Naturalists (Chapter) relative to those projects that may not be completed in accordance with the Funding Agreement.
- Staff was directed to coordinate with the Chapter and to amend the Funding Agreement to require written permission from the RDC should the Chapter be unable to undertake or complete a proposed improvement project.
- Staff was directed to return the amended Funding Agreement to the next regular Board Meeting for consideration.

No action was taken.

1. HEAR AND DISCUSS A RETAIL RECRUITMENT SERVICES FROM THE BUXTON GROUP, AND TAKE ACTION AS NECESSARY.

Key discussion points:

- Lisa McCay, Vice President of Buxton Company, was in attendance to present certain marketing and messaging information and strategies proposed to be advantageous to RDC's recruitment efforts for retail and other businesses.

No action was taken.

2. CONSIDERATION OF AND ACTION ON THE PROPOSED DECLARATION OF COVENANTS CONDITIONS AND RESTRICTIONS AND GRANT OF EASEMENTS FOR ROSENBERG BUSINESS PARK.

Key discussion points:

- The Board held lengthy discussion regarding the lack of detail and definition of standards proposed within the Declaration of Covenants, Conditions, and Restrictions for the Rosenberg Business Park (Business Park).
- Staff was directed to request that the developer of the Business Park attend the next regular Board Meeting in order to specific and clarify his intentions regarding the Business Park's standards.

No action was taken.

3. CONSIDER MOTION TO ADJOURN TO EXECUTIVE SESSION.

Action: Director Morales moved, and Director Cook seconded that the Board be adjourned into Executive Session at 4:35 p.m. The motion carried by a unanimous vote of those present.

4. HOLD EXECUTIVE SESSION FOR DELIBERATIONS REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS AS AUTHORIZED BY TEXAS GOVERNMENT CODE SECTION 551.087 AND FOR DELIBERATIONS REGARDING THE POTENTIAL PURCHASE, EXCHANGE, LEASE, OR VALUE OF REAL PROPERTY PURSUANT TO TEXAS GOVERNMENT CODE SECTION 551.072.

Executive Session was held for deliberations regarding economic development negotiations as authorized by Texas Government Code Section 551.087 and for deliberations regarding the potential purchase, exchange, lease, or value of real property pursuant to Texas Government Code Section 551.072.

5. ADJOURN EXECUTIVE SESSION, RECONVENE REGULAR SESSION, AND TAKE ACTION AS A RESULT OF EXECUTIVE SESSION.

Executive Session was adjourned, and the Board reconvened into Regular Session at 4:55 p.m.

No action was necessary or taken as a result of Executive Session.

6. CONSIDERATION OF AND ACTION ON A REPORT FROM THE ECONOMIC DEVELOPMENT DIRECTOR REGARDING THE PREVIOUS MONTH'S ECONOMIC DEVELOPMENT ACTIVITIES AND CONTACTS.

Key discussion points:

- Mr. Fielder provided an overview of the monthly report.
- General discussion was held regarding landscaping and sidewalk dining in downtown Rosenberg.

DRAFT

No action was taken.

7. CONSIDERATION OF AND ACTION ON REQUESTS FOR FUTURE AGENDA ITEMS.

Staff was directed to include the following items on a future RDC Board Meeting Agenda:

- Buxton marketing and messaging strategies (workshop set for January 18, 2014).
- Coastal Prairie Chapter of the Texas Master Naturalists Amended Funding Agreement.
- Rosenberg Business Park Declaration of Covenants, Conditions, and Restrictions.
- Update regarding Imperial Arts activities.

8. ANNOUNCEMENTS.

- Matt Fielder will shortly be leaving the City of Rosenberg for a City Manager's position with the Town of Pantego, Texas.
- President Knesek quoted Governing Magazine regarding the potential of increased sales tax revenue through the well-maintained and attractive image of a city.

9. ADJOURNMENT.

There being no further business for the Board of Directors, the meeting was adjourned at 5:15 p.m.

_____
Kaye Supak, Executive Assistant
City of Rosenberg

_____
Bill Knesek, President
Rosenberg Development Corporation

DRAFT

RDC Minute Attachments:

1. RDC Reference Book Replacement Pages (2013-2014 Budget)
2. Rosenberg Insider – January/February 2014
3. RDC Financial Reports for the Period Ended December 31, 2013

CITY OF ROSENBERG, TEXAS
2013-14 BUDGET

Fund:	Department:	Program/Activity:	Account:
General	City Manager	Economic Development	101-1211

Program Description:

The Economic Development activity is responsible for working with the City Council, Rosenberg Development Corporation (RDC), and City staff; and, for consulting with area business organizations such as the, the Greater Fort Bend Economic Development Council, and other local, regional and national organizations for the promotion of economic development within the City. Major focuses of the department are on the retention and expansion of existing businesses, as well as the attraction of new businesses and overall community development. The Economic Development staff assists the City in procuring grant funding for projects. The RDC has an Administrative Services Agreement with the City, through which a majority of the costs budgeted in the City's General Fund for economic development are reimbursed by the RDC for day-to-day administration of the Corporation, its projects, and work objectives.

Major Goals for the Year:

- *The City of Rosenberg must develop an environment that is conducive to quality-based economic development, supportive of small business entrepreneurship, a hub for retail center activity, attractive to residential development, and is a magnet for tourism.*
  1. Enhance and maintain the City's Economic Development website.
  2. Coordinate with Communications Director to implement a marketing program.
  3. Assist City Manager with implementation of a downtown master plan.
  4. Assist City Manager with recruitment of new business to Rosenberg and with negotiations of incentive/performance agreements.

- *The City of Rosenberg will seek ways to assist new developments and retain existing businesses.*
  5. Implement the RDC Strategic Plan.
  6. Continue the implementation of the business retention program.
  7. Monitor existing tax abatement and incentive agreements for compliance.
  8. Coordinate and host an RDC event for existing businesses.

- *The City of Rosenberg will continuously seek ways to improve services to the citizens.*
  9. Continue maintenance program for the City's gateway areas.
  10. Maintain a listing of available facilities and properties.
  11. Develop and implement program to encourage redevelopment along Avenue H Corridor.
  12. Coordinate projects to improve City Parks.

Budget Notes:

1. Since the Economic Development Director supervises the Parks and Recreation Department, 20% of the Director's salary is charged to the Parks and Recreation Department budget.

CITY OF ROSENBERG, TEXAS
2013-14 BUDGET

FUND:	DEPARTMENT:	PROGRAM/ACTIVITY:	ACCOUNT:
General	City Manager	Economic Development	101-1211

~ DEPARTMENT SUMMARY ~

Classification	2011-12 Actual	2012-13 Adopted Budget	2012-13 Adjusted Budget	2012-13 Estimate	2013-14 Budget	Var %
Personnel and Benefits	$ 175,390	$ 180,626	$ 180,626	$ 180,626	$ 179,426	
Maintenance and Services	147	300	300	300	300	
Total Expenditures	$ 175,537	$ 180,926	$ 180,926	$ 180,926	$ 179,726	-0.7%

~ AUTHORIZED POSITIONS ~

Position Title						
Economic Development Director	0.90	0.90	0.90	0.90	0.80	
Assistant Economic Development Director	1.00	1.00	1.00	1.00	1.00	
Total Personnel	1.90	1.90	1.90	1.90	1.80	-5.3%

~ EXPENDITURE DETAIL ~

	Personnel and Benefits:						
10 10	Salaries and Wages	$ 125,706	$ 128,610	$ 128,610	$ 128,610	$ 128,944	
10 30	Longevity	340	454	454	454	530	
20 10	Retirement	19,280	20,767	20,767	20,767	20,875	
20 20	Social Security	10,212	10,612	10,612	10,612	10,603	
20 40	Insurance	10,078	9,683	9,683	9,683	9,174	
20 50	Workers' Compensation	161	180	180	180	180	
20 60	Auto Allowance	9,120	9,120	9,120	9,120	8,640	
20 65	Cell Phone Allowance	495	1,200	1,200	1,200	480	
	Subtotal	**175,390**	**180,626**	**180,626**	**180,626**	**179,426**	-0.7%
	Maintenance and Services:						
51 20	General Insurance	147	300	300	300	300	
	Subtotal	**147**	**300**	**300**	**300**	**300**	0.0%
	Total Expenditures	$ 175,537	$ 180,926	$ 180,926	$ 180,926	$ 179,726	-0.7%

CITY OF ROSENBERG, TEXAS
2013-14 BUDGET

Fund:	Department:	Program/Activity:	Account:
Rosenberg Development Corporation	NA	NA	219-0000

The Rosenberg Development Corporation (RDC) was created as a result of the passage of a 1/2 cent economic development sales tax by the citizens of Rosenberg in January, 1995 and operates as a 4(b) Corporation under the State of Texas Economic Development Act of 1979. The RDC is governed by a Board of Directors of seven, who are appointed by the City Council. Up to three members of the City Council may serve on this Board. The RDC's bylaws require the Board to approve the RDC's budget, which must then be approved by the City Council.

The RDC identifies the following areas, or categories, where economic development funds may be expended: administration, infrastructure, marketing, strategic planning, and professional services. In accordance with the RDC's bylaws, administration expenditures are limited to ten percent (10%) of the expenditure budget. Additionally, state law limits expenditures to ten percent (10%) of revenues for promotional purposes. The RDC also has the power to issue debt, subject to certain restrictions contained in the RDC's articles of incorporation and bylaws.

The RDC began receiving sales tax revenue in September, 1995. The RDC's budget for FY14 is presented along with the City's operating and capital budgets. Approved expenditures of the RDC are as follows:

Category: Administration ($255,451)
This category includes contractual services rendered by the City of Rosenberg to the RDC. Services provided include the office of the Economic Development Director and the Assistant Economic Development Director, as well as other general and administrative expenditures of other City departments. Expenditures also include meeting and board expenses, insurance and education and training for the board members, the Executive Director, Economic Development Director, and the Assistant Economic Development Director.

Category: Infrastructure ($3,663,394)
Expenditures may be direct expenditures or in the form of debt service payments, depending upon the timing of the projects being funded.

Category: Marketing ($118,142)
Eligible expenditures in this category include miscellaneous business expenses, supplies and contractual services related to marketing.

Category: Strategic Planning ($40,000)
The FY14 budget includes funding for West Fort Bend Management District operating assistance.

Category: Professional Services ($20,000)
The FY14 budget includes funding for professional services as they are needed.

Designated Reserves:
The FY14 budget will carry designated ending fund balance reserves of $999,394 as per the RDC's minimum fund balance policy which requires there to be a minimum fund balance equal to or greater that the debt service payment for the next fiscal year (2014).

Undesignated:
Based on the budget amounts approved, approximately $2,989,730 of undesignated reserves will be available in FY14.

CITY OF ROSENBERG, TEXAS
2013-14 BUDGET

ROSENBERG DEVELOPMENT CORPORATION FUND FUND: 219

Classification	2011-12 Actual	2012-13 Adopted Budget	2012-13 Adjusted Budget	2012-13 Estimate	2013-14 Budget
ROSENBERG DEVELOPMENT CORPORATION FUND SUMMARY					
Resources:					
Total Beginning Balance	$ 3,496,574	$ 3,749,907	$ 4,236,998	$ 4,236,998	$ 4,650,911
Revenues and Transfers In	3,176,574	2,975,000	2,975,000	3,388,914	3,450,200
Total Funds Available	6,673,148	6,724,907	7,211,998	7,625,912	8,101,111
Uses/Deductions:					
Expenditures and Transfers	2,436,151	2,975,000	2,975,000	2,975,000	4,096,987
Ending Fund Balance:					
Total Ending Balance	4,236,998	3,749,907	4,236,997	4,650,911	4,004,124
Reserved for Contingency	985,639	1,017,090	1,009,823	1,009,823	999,394
Unreserved ending balance	3,251,359	2,732,817	3,227,174	3,641,088	3,004,730
Fund Total	$ 6,673,148	$ 6,724,907	$ 7,211,998	$ 7,625,912	$ 8,101,111
Net Revenues (Expenditures)	740,424	(0)	(0)	413,914	(646,787)

CITY OF ROSENBERG, TEXAS
2013-14 BUDGET

ROSENBERG DEVELOPMENT CORPORATION FUND — FUND: 219

	Classification	2011-12 Actual	2012-13 Adopted Budget	2012-13 Adjusted Budget	2012-13 Estimate	2013-14 Budget	Var %
	~ REVENUE & EXPENDITURE SUMMARY ~						
	REVENUES:						
402-0000	Sales Tax	$ 2,258,099	$ 2,087,910	$ 2,087,910	$ 2,399,505	$ 2,440,701	
402-1000	BTC 1 Sales Tax	524,725	528,660	528,660	547,038	558,202	
402-2000	BTC 2 Sales Tax	384,739	353,430	353,430	437,371	446,297	
451-0000	Interest Earnings	5,862	5,000	5,000	5,000	5,000	
469-0000	Miscellaneous Income	3,150	-	-	-	-	
	TOTAL REVENUES	**$ 3,176,574**	**$ 2,975,000**	**$ 2,975,000**	**$ 3,388,914**	**$ 3,450,200**	16.0%
	EXPENDITURES:						
	Administration: (219-1000)						
31 10	Office Supplies	$ 779	$ 1,000	$ 1,000	$ 1,000	$ 1,000	
31 20	Computer Supplies	407	3,000	3,000	3,000	3,000	
31 35	Board Meeting and Director's Expenses	854	1,700	1,700	1,700	1,700	
51 20	General Insurance	160	400	400	400	400	
55 10	Education and Training	4,278	5,000	5,000	5,000	7,500	
57 10	Administration Services-City Reimb.	236,754	240,152	240,152	240,152	241,851	
	Subtotal	**243,231**	**251,252**	**251,252**	**251,252**	**255,451**	1.7%
	Marketing: (219-2000)						
31 35	Business Expenses	814	3,730	3,730	3,730	3,730	
42 35	Dues, Subscriptions, and Memberships	48,682	54,112	54,112	54,112	58,112	
43 91	GFBEDC	25,000	25,000	25,000	25,000	12,500	
52 20	Postage	21	200	200	200	200	
52 30	Freight and Express	53	100	100	100	100	
53 10	Advertising	15,444	29,000	29,000	29,000	29,000	
54 10	Printing and Binding	4,374	4,500	4,500	4,500	4,500	
57 30	Business Retention	8,295	10,000	10,000	10,000	10,000	
	Subtotal	**102,683**	**126,642**	**126,642**	**126,642**	**118,142**	-6.7%
	Strategic Planning: (219-4004)						
43 90	WFBMD Operating Assistance	40,000	40,000	40,000	40,000	40,000	
	Subtotal	**40,000**	**40,000**	**40,000**	**40,000**	**40,000**	0.0%
	Professional Services: (219-6000)						
43 90	Other Professional Services	7,595	20,000	20,000	20,000	20,000	
	Subtotal	**7,595**	**20,000**	**20,000**	**20,000**	**20,000**	0.0%
	Infrastructure: (219-7000)						
57 25	Prospective Business Incentive	250,000	500,000	500,000	500,000	500,000	
81 10	Principal	732,130	747,665	747,665	747,665	779,700	
81 20	Interest	284,960	262,158	262,158	262,158	219,694	
92 25	Transfer to RDC Projects:						
	Park Improvements (CP0704)	100,000	-	-	-	-	
	Park Improvements (CP1301)	-	250,000	250,000	250,000	-	
	Park Improvements (CP1401)	-	-	-	-	50,000	
	Crabb River Road/FM 762 (CP1208)	85,000	-	-	-	-	
	Transportation Gateway Improvements (CP0705)	164,792	75,000	75,000	75,000	112,000	
	Downtown Building Renovation (CP1210)	400,000	-	-	-	-	
	Downtown Parking Lot (CP1316)	-	250,000	250,000	250,000	-	
	Imperial Arts	-	250,000	250,000	250,000	-	
	Business Park Development (CP1302)	-	189,783	189,783	189,783	1,700,000	
	Mons Ave Sidewalks	-	-	-	-	217,000	
	Project Management Fees	25,760	12,500	12,500	12,500	85,000	
	Subtotal	**2,042,642**	**2,537,106**	**2,537,106**	**2,537,106**	**3,663,394**	44.4%
	TOTAL EXPENDITURES	**$ 2,436,151**	**$ 2,975,000**	**$ 2,975,000**	**$ 2,975,000**	**$ 4,096,987**	37.7%

City of Rosenberg
Calculation of Administrative Fees for
Rosenberg Development Corporation
FY 2014 ESTIMATE

			FY14 Rate W/Benefits	Amount
Administration, Finance, and Accounting				
City Manager/Executive Director of RDC				
City Manager	16	hrs/mo	96	$ 18,432.00
Administrative Assistant	32	hrs/mo	30	11,520.00
Executive Assistant	8	hrs/mo	41	3,936.00
Economic Development Director Salary and Benefits		x 80%	47	78,208.00
Assistant Economic Development Dir. Salary & Benefits		x 90%	40	74,880.00
Finance Department				
Finance Director	8	hrs/mo	58	5,568.00
Budget Analyst	8	hrs/mo	32	3,038.40
Finance Clerk	0.5	hrs/mo	25	150.00
A/P Clerk	2	hrs/mo	23	546.72
City Secretary				
Monthly Meetings, Minutes and Agendas	7	hrs/mo	48	4,032.00
Planning				
GIS Technician	4	hrs/mo	30	1,440.00
Communications Director		x 25%	45	23,400.00
Audit Services				
Other Expenses, FY13:				
Audit Fees				4,500.00
Other Services				
Use of City Facilities including meeting space				7,200.00
Copiers, Telephone, IT, Utilities				5,000.00
Total Administrative Fee for FY2014				$ 241,851.12

Rosenberg Development Corporation
Status of Outstanding Debt Service
FY2014

Outstanding Debt Service			
Fiscal Year	Principal Due	Total Interest	Total Principal & Interest
2013-14	779,700	219,694	999,394
2014-15	802,235	197,708	999,943
2015-16	652,770	177,221	829,991
2016-17	657,305	160,476	817,781
2017-18	672,840	147,957	820,797
2018-19	687,875	126,890	814,765
2019-20	703,410	104,444	807,854
2020-21	382,980	85,627	468,607
2021-22	387,515	71,341	458,856
2022-23	284,800	59,162	343,962
2023-24	297,835	48,994	346,829
2024-25	228,190	39,216	267,406
2025-26	236,225	29,874	266,099
2026-27	247,295	19,974	267,269
2027-28	255,330	9,557	264,887
2028-29	71,400	2,621	74,021
2029-30	23,005	489	23,494
Total	**$7,370,710**	**$1,501,245**	**$8,871,955**

CITY OF ROSENBERG, TEXAS
2013-14 BUDGET

Fund:	Department:	Program/Activity:	Account:
RDC Projects Fund	N/A	N/A	225-7000

Program Description:

This fund is used to account for the various projects that have been funded by the Rosenberg Development Corporation. It is under the direction of the Economic Development Director and the City Manager who serves as the Executive Director of the Rosenberg Development Corporation with the cooperation of the Finance Department.

CITY OF ROSENBERG, TEXAS
2013-14 BUDGET

RDC PROJECTS FUND — FUND: 225

Classification	2011-12 Actual	2012-13 Adopted Budget	2012-13 Adjusted Budget	2012-13 Estimate	2013-14 Budget
RDC PROJECTS FUND SUMMARY					
Resources:					
Total Beginning Balance	$ 756,697	$ 697,033	$ 758,006	$ 758,006	$ 818,808
Revenues and Transfers In	776,861	1,027,983	1,088,085	1,088,085	2,164,700
Total Funds Available	1,533,558	1,725,016	1,846,091	1,846,091	2,983,508
Uses/Deductions:					
Expenditures and Transfers	775,552	1,027,283	1,027,283	1,027,283	2,164,000
Ending Fund Balance:					
Total Ending Balance	758,006	697,733	818,808	818,808	819,508
Fund Total	$ 1,533,558	$ 1,725,016	$ 1,846,091	$ 1,846,091	$ 2,983,508
Net Revenues (Expenditures)	1,309	700	60,802	60,802	700

CITY OF ROSENBERG, TEXAS
2013-14 BUDGET

RDC PROJECTS FUND — FUND: 225

Classification	2011-12 Actual	2012-13 Adopted Budget	2012-13 Adjusted Budget	2012-13 Estimate	2013-14 Budget	Var %
~ REVENUE & EXPENDITURE SUMMARY ~						
REVENUES:						
451-0000 Interest Earnings	$ 1,309	$ 700	$ 700	$ 700	$ 700	
471-3000 Contributions	-	-	60,102	60,102	-	
481-3000 Transfer from RDC	775,552	$ 1,027,283	$ 1,027,283	$ 1,027,283	2,164,000	
TOTAL REVENUES	$ 776,861	$ 1,027,983	$ 1,088,085	$ 1,088,085	$ 2,164,700	98.9%
EXPENDITURES:						
Infrastructure	$ 775,552	$ 1,027,283	$ 1,027,283	$ 1,027,283	$ 2,164,000	
Subtotal	775,552	1,027,283	1,027,283	1,027,283	2,164,000	110.7%
TOTAL EXPENDITURES	$ 775,552	$ 1,027,283	$ 1,027,283	$ 1,027,283	$ 2,164,000	110.7%

~ AUTHORIZED POSITIONS ~

Position Title

None

~ EXPENDITURE DETAIL ~

	Infrastructure (225-7000):						
70 30	Parks Improvements (CP0704)	$ 100,000	$ -	$ -	$ -	$ -	
	Parks Improvements (CP1301)	-	250,000	250,000	250,000	-	
	Park Improvements (CP1401)	-	-	-	-	50,000	
	Crabb River Road/FM762 (CP1208)	85,000	-	-	-	-	
	Transportation Gateway Improvements (CP0705)	164,792	75,000	75,000	75,000	112,000	
	Downtown Building Renovation (CP1210)	400,000	-	-	-	-	
	Downtown Parking Lot (CP1316)	-	250,000	250,000	250,000	-	
	Imperial Arts	-	250,000	250,000	250,000	-	
	Business Park Development (CP1302)	-	189,783	189,783	189,783	1,700,000	
	Mons Ave Sidewalks	-	-	-	-	217,000	
43 95	Project Management Fees	25,760	12,500	12,500	12,500	85,000	
	Subtotal	**775,552**	**1,027,283**	**1,027,283**	**1,027,283**	**2,164,000**	110.7%
	Total Expenditures	**$ 775,552**	**$ 1,027,283**	**$ 1,027,283**	**$ 1,027,283**	**$ 2,164,000**	110.7%

The Rosenberg INSIDER is an official publication of the City of Rosenberg.

CityofRosenberg.com

Rosenberg INSIDER

January / February 2014

2013 Employee Awards Banquet
"Willie D. McQueen, Jr. Employees of the Year" Named

The City held its annual Employee Awards Banquet Wednesday, December 11, to recognize City employees for their accomplishments over the last year. The awards presentation and luncheon included service awards, City Manager's Awards for Excellence, and culminated in the naming of seven (7) employees as "Willie D. McQueen, Jr. Employees of the Year."

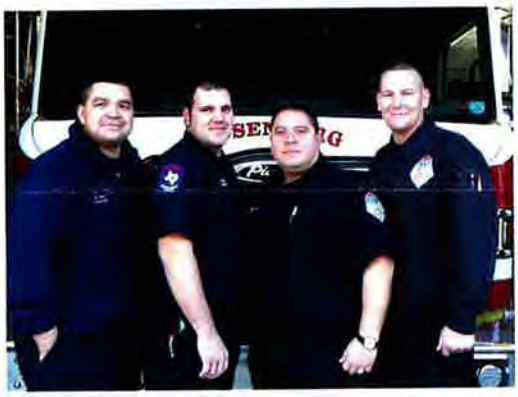
The prestigious award, named in honor of Rosenberg Police Sergeant, Willie Daniel McQueen, Jr., is awarded to recognize employees nominated by their peers for going above and beyond the call of duty in providing services that enrich the City and community. Members of the McQueen family, including his daughter Alexandria McQueen who presented the awards to the employees, were honored guests at the luncheon.

Employees were recognized for efforts including coordinating community events (Lydia Acosta, Parks); serving as the Range Master for the Police Department's shooting range (Sgt. William Henry, Police); rescuing victims from a burning building, and securing the scene for search and rescue (Lt. Thomas Brown, George Velasquez II, Justin Pfitzner, and John Villarreal, Fire); coordinating the Citizen Fire Academy (George Velasquez, Jr., Fire); and providing excellent administrative support for multiple departments (Sherri Nichols, Assistant City Manager, Planning, Capital Projects, Code Enforcement and Health).

2013
Willie D. McQueen, Jr.
Employees of the Year

Pictured with Alexandria McQueen

Sherri Nichols
Thomas Brown
William Henry
Lydia Acosta



2013
Willie D. McQueen, Jr.
Employees of the Year

John Villarreal
Justin Pfitzner
George Velasquez II
Thomas Brown

City Manager Robert Gracia also presented three "City Manager Excellence Awards" to recognize staff members for outstanding efforts in fulfilling their job requirements. Recipients (pictured at left) included: John Maresh, Assistant City Manager; Joyce Vasut, Finance Director; and Angela Fritz, Communications Director.

Congratulations to all City employees for a job well done!

Employees Honored for Service and Dedication to City

Karl Zwahr, Utilities
36 Years of Service
Robert Gracia, City Manager
33 Years of Service
Daryl Schmidt, Fire
32 Years of Service

Not Pictured
Dallis Warren, Police
34 Years of Service
William Fain, Police
32 Years of Service

30 Years of Service
Danny Johnson, Fire
Larry Loesch, Fire
Janice Edmonds, Customer Service
Alfredo Garcia, Public Works
Al Davis, Utilities

20 Years of Service
Paul Mendoza, Parks

Not Pictured
Barry LeBlanc, Fire
Frank Rohan, Fleet

15 Years of Service
George Salinas, Public Works
Maritza Salazar, Finance
Troy Svatek, Fire

Not Pictured
Richard Olson, Fleet

5 Years of Service
Angela Fritz, Communications
Thomas Brown, Fire
Patrick Spillers, Fleet
Jason Kosler, Fire

Not Pictured
Garett Cranek, Michael Garcia, Jason Johns - Fire
Matthew Brawley, Bryan Leach, Kevin Monfort, Justin Pannell, Christina Salinas, Ariel Soltura - Police

10 Years of Service
Lori Dresner, Finance
Luis Bentancourt, Parks
Terri Bradley, Police

Not Pictured
Latasha Robinson, Police
Amy Shedd, Police

Street Sweeping Program Expanded

The City of Rosenberg has begun an expanded street sweeping program. Funding for the program was approved as part of the City's FY2014 budget. A map outlining the complete area to be serviced is available at: ***www.cityofrosenberg.com/streetsweeping.***

Sweeping Services of Texas will sweep 97 curb miles of curb and gutter streets once monthly. Street sweeping is ***generally scheduled to occur the Thursday and Friday of the first full week of each month***, however it can be delayed or prolonged due to unforeseen weather circumstances or other delays. Upcoming sweeping dates include: January 9-10, February 6-7, and March 6-7, 2014.

Sweepers cannot sweep around vehicles parked along the roadway. Residents are encouraged to remove vehicles parked along the street, so that the sweeper may complete as efficient and effective a route as possible. Sweepers will generally be in neighborhood areas between the hours of 9 a.m. and 4 p.m. and sweeping will occur along major thoroughfares in the early morning before traffic increases.

Street sweeping is intended to prolong the life of the City's street and drainage infrastructure by removing dirt, sand, and other contaminants from the roadway, and by extension, the City's storm drainage system. Although improved aesthetics and cleanliness can be added outcomes of sweeping, it is not intended to remove all fallen leaves in the streets. Residents and businesses are reminded that it is a violation of City ordinance to sweep or blow leaves into the roadways, and that yard waste is collected weekly on Mondays, through the City's solid waste contract.

Questions regarding the City of Rosenberg's street sweeping program may be directed to Citizen Relations at (832) 595-3301.

New Building & Fire Codes Take Effect January 1

The City of Rosenberg recently adopted updated Building and Fire Codes. All plans submitted after January 1, 2014, must be compliant with the following:

2012 International Building Code
2012 International Residential Code
2012 International Mechanical Code
2012 International Plumbing Code
2012 International Fire Code
2012 International Fuel Gas Code
2012 International Existing Building Code
2012 International Swimming Pool and Spa Code
2009 International Energy Code
2008 National Electrical Code

Contact (832) 595-3500 with questions.

Christmas Tree Pick-Up Guidelines

With the City's weekly green waste collection, Christmas tree disposal has never been easier!

Simply place your tree out at the curb with lighting, decorations, etc. removed, and trees will be disposed of by Republic with green waste service on Mondays.

Contact (832) 595-3301 with questions.

Fire Department Employees Honored

The Rosenberg Fire Department, pictured below with Mayor Morales, held their annual awards banquet on December 5, 2013.

Awards were presented by Chief Wade Goates and Assistant Chief Darrell Himly. Department honorees included:

George Velasquez II
Firefighter of the Year
15 Years of Service

Floyd Engel
Retired Volunteer
70 Years of Dedicated Service

Lieutenant Thomas Brown
5 Years of Service
Firefighter Jason Johns
5 Years of Service

Not Pictured
Firefighter Garett Cranek
5 Years of Service

Lieutenant Troy Svatek
15 Years of Service
Firefighter Barry LeBlanc
20 Years of Service
Chief Rick Todish (Ret.)
40 Years of Service

Not Pictured
Firefighter Mario Chapa
15 Years of Service

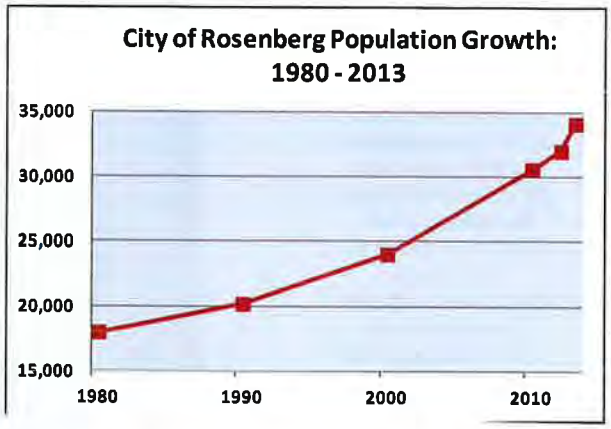
ROSENBERG DEVELOPMENT CORPORATION

832.595.3330 • www.RosenbergEcoDev.com

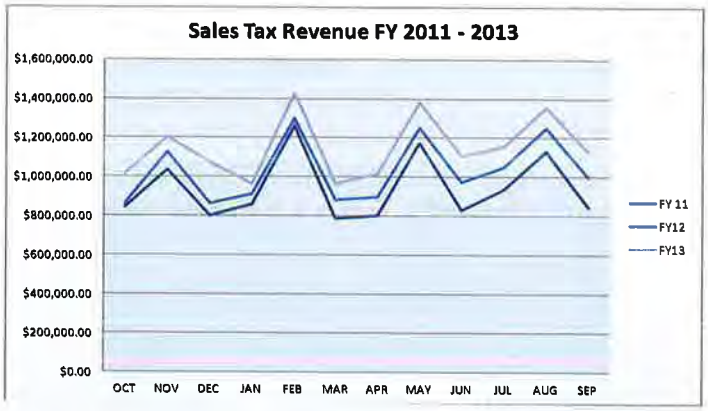
2013 Economic Indicators

2013 has been a strong year for the economy in Rosenberg. Several indicators, including home construction, sales tax, employment, and unemployment have indicated a rebound from the economic downturn of the past several years.

During 2013, the City saw the start of construction on five hundred and ninety-three (593) new homes in the city limits and extra-territorial jurisdiction (ETJ). At the same time, eight hundred and ninety-three (893) new residential lots were platted in the city limits and ETJ. Platting is the administrative process for subdividing property to be developed and sold. The numbers are a significant increase over previous years in which new home construction was much slower, and are a positive indicator of an uptick in the area housing market and local economy due to property and sales tax growth from new development.



Construction in the single and multi-family residential market over the past three years has caused a significant period of growth in the City's population. According to the City's Planning Department, the estimated current population is 34,127, up eleven percent (11%) from the 2010 census population of 30,618.

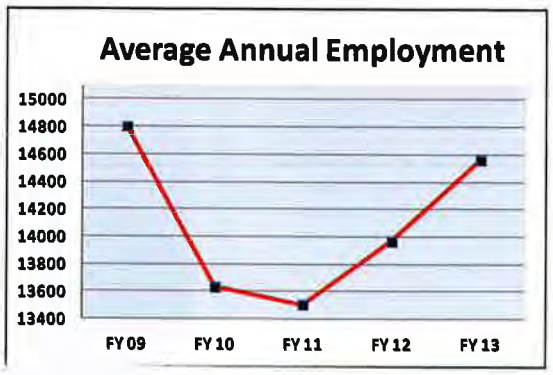


Sales tax also increased significantly for the City of Rosenberg in 2013, and FY 2013 (ending September 30, 2013) finished more than ten percent (10%) ahead of FY 2012. During FY 2013, the City received $13,736,664 in sales tax. Sales tax revenues are split in the City's budget, with half going to the general fund for City operations, one quarter going to property tax reduction, and one quarter going to economic development projects.

In terms of raw employment, the City saw an increase in the monthly average, with nearly six hundred more new jobs in 2013 than in 2012. During 2013, the City averaged 14,561 people employed in Rosenberg during any given month. Overall employment has almost completely rebounded to pre-recession levels.

Unemployment continued to drop in 2013, averaging six and two-tenths percent (6.2%) for the year. This is the lowest yearly average since 2008, and far below the highest level of eight and eight tenths percent (8.8%) experienced in January 2011.

Overall, the economic outlook for Rosenberg continues to show signs of a sustained recovery from the recession that began in 2009. Early indicators for 2014 of residential and retail growth predict a continued period of expansion and strengthening of our local economy.



CITY OF ROSENBERG, TEXAS
2013-14 BUDGET
ROSENBERG DEVELOPMENT CORPORATION
For the Period Ended December 31, 2013

Classification	2013-14 Amended Budget	2013-14 Act. Rev/Exp YTD	2013-14 Encumbered	2013-14 YTD Budget Remaining	% of Budget Used
					Target 25%
REVENUES:					
Sales Taxes	$ 2,440,701	$ 646,358	$ -	$ 1,794,343	26.48%
Sales Taxes BTC 1	558,202	130,293	-	427,909	23.34%
Sales Taxes BTC 2	446,297	111,527			24.99%
Downtown Sales Taxes	-	29,498	-	(29,498)	
Sales Tax Total	3,445,200	917,675	-	2,192,754	
Interest Earnings	5,000	-	-	5,000	0.00%
TOTAL REVENUES	**3,450,200**	**917,675**	**-**	**2,197,754**	26.60%
EXPENDITURES:					
Administration (max 10%):					
Office Supplies					
a) Office Supplies	1,000	63	-	937	
Total for Office Supplies Account	1,000	63	-	937	6.29%
Computer Supplies					
a) Computer Supplies	3,000	-	-	3,000	
Total for Computer Supplies Account	3,000	-	-	3,000	0.00%
Business Expense					
a) Board of Director Expenses, RDC Lunches, Chamber Lunches	1,700	-	-	1,700	
Total for Business Expenses Account	1,700	-	-	1,700	0.00%
General Insurance					
a) Insurance	400	229	-	171	
Total for General Insurance Account	400	229	-	171	57.30%
Education and Training					
Total for Education and Training Account	7,500	751	-	6,749	10.01%
Other Contractual Services					
Total for Other Contractual Services	241,851	60,108	-	181,743	24.85%
Subtotal for Administration Expenses	**255,451**	**61,151**	**-**	**194,300**	23.94%
Marketing:					
Business Expenses					
Total for Business Expense Account	3,730	-	-	3,730	0.00%
Dues, Subscriptions, and Memberships					
Total for Dues, Subs. & Memb. Account	58,112	37,165	-	20,947	63.95%

Classification	2013-14 Amended Budget	2013-14 Act. Rev/Exp YTD	2013-14 Encumbered	2013-14 YTD Budget Remaining	% of Budget Used
Outside Professional Services					
a) GFBEDC	12,500	12,500	-	-	
Total for GFBEDC	12,500	12,500	-	-	100.00%
Postage					
a) Postage	200	13	-	187	
Total for Postage Account	200	13	-	187	6.57%
Freight and Express					
a) Freight and Express	100	-	-	100	
Total for Freight and Express Account	100	-	-	100	0.00%
Advertising					
Total for Advertising Account	29,000	5,422	-	23,578	18.70%
Printing and Binding					
a) Marketing, Business Cards, Name Plates	4,500	817	-	3,683	
Total for Printing and Binding Account	4,500	817	-	3,683	18.15%
Other Contractual Services					
a) Business Retention	10,000	-	-	10,000	
Total for Business Retention	10,000	-	-	10,000	0.00%
Subtotal for Marketing Accounts	**118,142**	**55,917**	**-**	**62,225**	47.33%
Strategic Planning Consulting					
a) WFBMD Operating Assistance	40,000	40,000	-	-	
b) Transit Study	-	-	-	-	
Total for Strategic Planning Consulting	40,000	40,000	-	-	100.00%
Subtotal for Strategic Planning Accounts	**40,000**	**40,000**	**-**	**-**	100.00%
Professional Services					
Total for Professional Services	20,000	-	-	20,000	0.00%
Subtotal for Professional Services	**20,000**	**-**	**-**	**20,000**	0.00%
Business Incentive Projects					
a) Prospective Business Incentives	500,000	-	-	500,000	
Total for Business Incentive Projects	500,000	-	-	500,000	0.00%
Improvements other than Building					
Total Funds Transferred to RDC Projects	2,914,000	-	-	2,914,000	0.00%
Total Debt Service Principal	779,700	-	-	779,700	0.00%
Total Debt Service Interest	219,694	-	-	219,694	0.00%
Subtotal for Infrastructure Accounts	**4,413,394**	**-**	**-**	**4,413,394**	0.00%
TOTAL EXPENDITURES	**$ 4,846,987**	**$ 157,068**	**$ -**	**$ 4,689,919**	3.24%

ROSENBERG DEVELOPMENT CORPORATION
2013-14 ACTUAL
PERIOD ENDED December 31, 2013

Classification	RDC Actual	RDC Projects	Total
Resources:			
Total Beginning Fund Balance @ 10/01/13	$ 5,062,015	$ 1,913,194	$ 6,975,209
Revenues and Transfers In	917,675	-	917,675
Total Funds Available	$ 5,979,690	$ 1,913,194	$ 7,892,884
Uses/Deductions:			
Expenditures and Transfers Out	157,068	123,323	280,391
Ending Fund Balance:			
Total Ending Fund Balance	$ 5,822,623	$ 1,789,871	$ 7,612,494
Reserved for Debt Service	999,394	-	999,394
Reserved for RDC Projects	-	1,789,871	1,789,871
Unreserved Fund Balance Total	$ 4,823,229	$ -	$ 4,823,229

Synopsis of Current Revenues and Expenditures
Rosenberg Development Corporation
For the Month of DECEMBER 2013

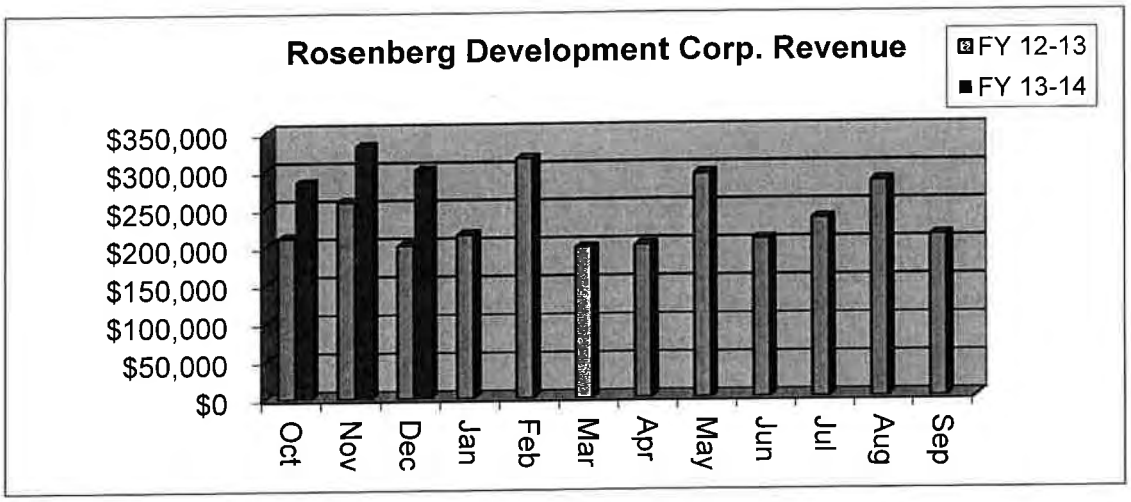
Account Number	Description	Amount
Revenues		
219-0000-402-0000	Sales Taxes	$ 300,764.79
	Subtotal Current Period Revenues	*300,764.79*
	Total Current Period Revenues	**$ 300,764.79**
Expenditures		
219-1000-540-5510	Travel (Education and Training) - Texas Downtown Association Conference Lodging - R. Kanak	290.07
	Subtotal	290.07
	Total Administration	**$ 290.07**
219-2000-540-4235	Dues/Subscriptions/Memberships (Marketing) - Texas Dept of Agriculture - Advertising Registration Dues	100.00
219-2000-540-4235	Dues/Subscriptions/Memberships (Marketing) - Central Ft Bend Chamber Alliance - 2014 Membership	10,000.00
219-2000-540-4235	Dues/Subscriptions/Memberships (Marketing) - Greater Fort Bend Economic Development Council - 2014 Membership	20,000.00
219-2000-540-4235	Dues/Subscriptions/Memberships (Marketing) - Alliance For Interstate 69 Texas Inc - 2014 Membership	3,450.00
	Subtotal	33,550.00
219-2000-540-4391	Outside Professional Contract Svcs (Marketing) - Greater Fort Bend Economic Dev - 2014 Standard Marketing Contract	12,500.00
	Subtotal	12,500.00
219-2000-540-5310	Advertising (Marketing) - YP - Advertising November 2013	21.28
	Subtotal	21.28
219-2000-540-5410	Printing and Binding (Marketing) - Dolphin Graphics - Insider Newsletter Dec 2013	268.75
	Subtotal	268.75
	Total Marketing	**$ 46,340.03**
219-4004-540-4390	Other Professional Services (Strategic Planning/Consulting) - West Fort Bend Management District - Funding for FY14	40,000.00
	Subtotal	40,000.00
	Total Strategic Planning	**$ 40,000.00**
	Subtotal Current Period Expenditures	*86,630.10*
	Total Current Period Expenditures	**$ 86,630.10**
	Net Excess (Deficit)	**$ 214,134.69**

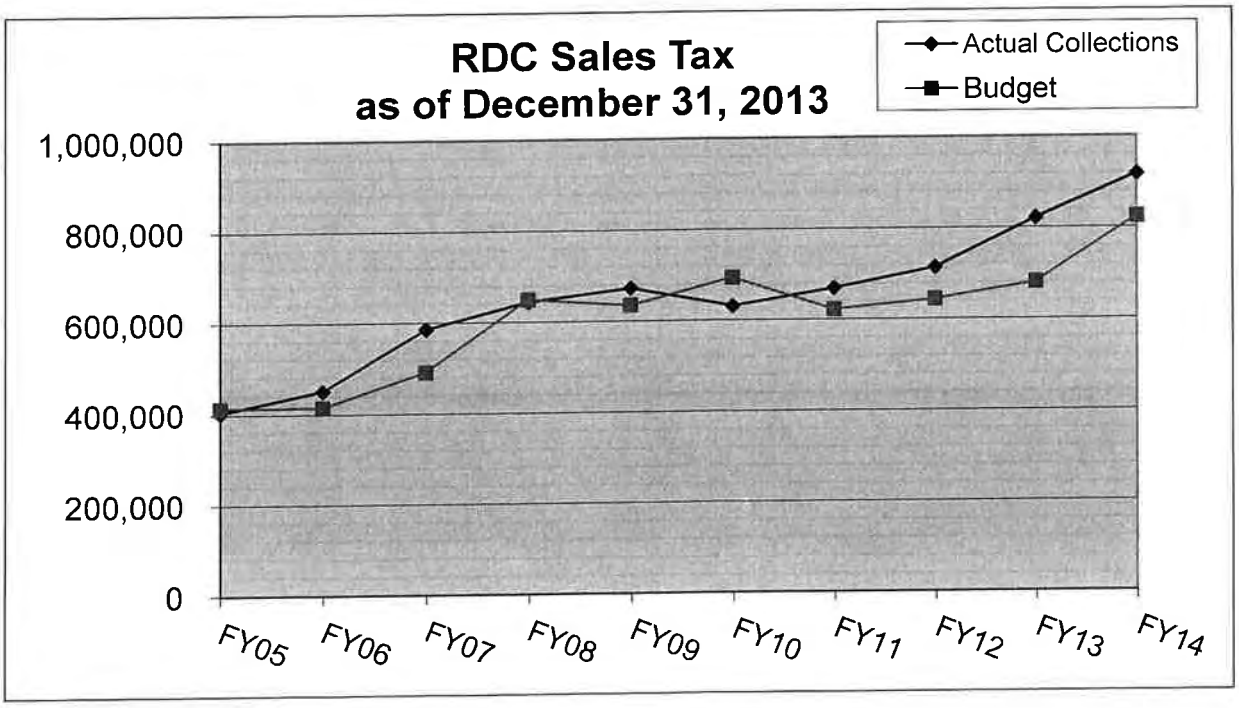
CITY OF ROSENBERG, TEXAS
RDC SALES TAX REVENUES

	Monthly Total Actual Receipts	Cumulative YTD Receipts	Budgeted Receipts Monthly	Budgeted Receipts YTD	Total YTD Percent of Budget	Prior Year Pct. Increase (Decrease) Month	Prior Year Pct. Increase (Decrease) YTD	Monthly BTC - I Receipts	Monthly BTC - II Receipts	Monthly Downtown Receipts
	(1)	(2)	(3)	(4)	(5)	(6)	(7)			
		Cumulative (1)		Cumulative (3)	(2)/(4)					
Fiscal Year 2010-11										
Oct	$ 210,694	$ 210,694	$ 208,230	$ 208,230	101.18%	-0.3%	-0.3%	$ 37,718	$ 15,947	
Nov	258,365	469,059	234,829	443,059	105.87%	8.4%	4.3%	40,339	48,191	
Dec	200,332	669,392	179,419	622,479	107.54%	10.0%	6.0%	34,363	13,218	
Jan	214,136	883,528	191,666	814,144	108.52%	10.1%	7.0%	48,442	18,873	
Feb	314,460	1,197,988	290,270	1,104,414	108.47%	6.8%	6.9%	75,948	63,962	
Mar	196,758	1,394,746	181,514	1,285,928	108.46%	6.8%	6.9%	35,093	14,571	
Apr	199,958	1,594,704	192,562	1,478,490	107.86%	2.3%	6.3%	39,007	15,228	
May	293,306	1,888,010	301,153	1,779,643	106.09%	-4.0%	4.6%	43,411	47,017	
Jun	207,166	2,095,176	223,299	2,002,942	104.60%	-8.6%	3.1%	37,700	15,705	
Jul	234,068	2,329,244	212,703	2,215,645	105.13%	8.5%	3.6%	44,026	16,726	
Aug	282,873	2,612,116	272,669	2,488,314	104.98%	2.2%	3.5%	47,217	49,310	
Sep	$ 210,994	$ 2,823,110	$ 228,353	$ 2,716,667	103.92%	-8.9%	2.4%	39,551	16,965	
Total								$522,815	$ 335,712	
Fiscal Year 2011-12										
Oct	$216,137	$ 216,137	$ 202,750	$ 202,750	106.60%	2.6%	2.6%	$ 38,859	$ 16,105	
Nov	281,454	497,591	248,623	451,374	110.24%	8.9%	6.1%	41,169	50,598	
Dec	216,136	713,727	192,779	644,153	110.80%	7.9%	6.6%	36,581	13,062	
Jan	227,569	941,296	206,063	850,215	110.71%	6.3%	6.5%	46,484	17,517	
Feb	342,238	1,283,534	302,603	1,152,818	111.34%	8.8%	7.1%	72,906	63,218	
Mar	221,213	1,504,747	189,339	1,342,158	112.11%	12.4%	7.9%	31,563	19,134	
Apr	224,740	1,729,487	192,419	1,534,577	112.70%	12.4%	8.5%	40,253	14,354	
May	312,898	2,042,385	282,248	1,816,824	112.42%	6.7%	8.2%	44,078	46,636	
Jun	243,248	2,285,633	199,355	2,016,179	113.36%	17.4%	9.1%	38,627	19,059	
Jul	262,375	2,548,008	225,242	2,241,422	113.68%	12.1%	9.4%	40,653	20,543	
Aug	313,049	2,861,057	272,207	2,513,629	113.82%	10.7%	9.5%	46,012	56,365	
Sep	$250,131	3,111,188	203,038	2,716,667	114.52%	18.5%	10.2%	47,539	48,149	
Total								$524,725	$ 384,739	
Fiscal Year 2012-13										
Oct	$253,488	$ 253,488	$ 206,329	$ 206,329	122.86%	17.3%	17.3%	$ 39,879	$ 22,088	
Nov	300,245	553,733	268,681	475,010	116.57%	6.7%	11.3%	41,673	56,236	
Dec	267,903	821,636	206,328	681,337	120.59%	24.0%	15.1%	48,344	18,259	
Jan	240,399	1,062,035	217,242	898,579	118.19%	5.6%	12.8%	40,056	20,626	
Feb	357,120	1,419,155	326,707	1,225,286	115.82%	4.3%	10.6%	76,617	71,043	
Mar	240,499	1,659,655	211,174	1,436,460	115.54%	8.7%	10.3%	39,397	17,709	
Apr	254,107	1,913,762	214,541	1,651,001	115.92%	13.1%	10.7%	40,281	19,444	
May	334,041	2,247,802	298,699	1,949,700	115.29%	6.8%	10.1%	49,039	57,367	
Jun	277,134	2,524,936	232,209	2,181,909	115.72%	13.9%	10.5%	38,850	21,572	
Jul	288,843	2,813,779	250,468	2,432,378	115.68%	10.1%	10.4%	43,577	23,776	
Aug	339,032	3,152,811	298,843	2,731,220	115.44%	8.3%	10.2%	49,537	59,166	
Sep	281,355	3,434,166	238,780	2,970,000	115.63%	12.5%	10.4%	41,584	23,507	
Total								$548,834	$ 410,794	
Fiscal Year 2013-14										
Oct	$284,645	$ 284,645	$ 254,303	$ 254,303	111.93%	12.3%	12.3%	$ 45,426	$ 26,206	$ 2,678
Nov	332,266	616,912	301,210	555,512	111.05%	10.7%	11.4%	43,511	62,113	2,709
Dec	300,765	917,676	268,764	824,276	111.33%	12.3%	11.7%	41,356	23,209	2,873
Jan	-		241,171	1,065,447						
Feb	-		358,268	1,423,715						
Mar	-		241,272	1,664,988						
Apr	-		254,923	1,919,911						
May	-		335,114	2,255,025						
Jun	-		278,024	2,533,049						
Jul	-		289,771	2,822,820						
Aug	-		340,121	3,162,941						
Sep	-		282,259	3,445,200						
Total								$130,293	$ 111,528	$ 8,260

CITY OF ROSENBERG, TEXAS
SALES TAX REVENUES

Supporting Graphs





Rosenberg Development Corporation
Status of Outstanding Debt Service
For the Period Ended December 31, 2013

Outstanding Debt Service			
Fiscal Year	Principal Due	Total Interest	Total Principal & Interest
2013-14	779,700	219,694	999,394
2014-15	802,235	197,708	999,943
2015-16	652,770	177,221	829,991
2016-17	657,305	160,476	817,781
2017-18	672,840	147,957	820,797
2018-19	687,875	126,890	814,765
2019-20	703,410	104,444	807,854
2020-21	382,980	85,627	468,607
2021-22	387,515	71,341	458,856
2022-23	284,800	59,162	343,962
2023-24	297,835	48,994	346,829
2024-25	228,190	39,216	267,406
2025-26	236,225	29,874	266,099
2026-27	247,295	19,974	267,269
2027-28	255,330	9,557	264,887
2028-29	71,400	2,621	74,021
2029-30	23,005	489	23,494
Total	**$7,370,710**	**$1,501,245**	**$8,871,955**

Rosenberg Development Corporation
RDC Projects Fund
For the Period Ended December 31, 2013

CP0704 Project Description	G/L Account	Total Project Cost	Amount Paid Project To Date	Encumbrance Amount	Remaining Funds
Park Improvements	225-7000-540-7030	$ 400,000	$ 377,073	$ 18,528	$ 4,399
Project Management Fee		15,000	15,000	-	-
Totals		$ 415,000	$ 392,073	$ 18,528	$ 4,399

CP0705 Project Description	G/L Account	Total Project Cost	Amount Paid Project To Date	Encumbrance Amount	Remaining Funds
Transportation Gateway Improvements	225-7000-540-7030	$ 676,392	$ 524,187	$ 70,116	$ 82,090
Project Management Fee		4,016	4,016	-	-
Totals		$ 680,408	$ 528,203	$ 70,116	$ 82,090

CP1002 Project Description	G/L Account	Total Project Cost	Amount Paid Project To Date	Encumbrance Amount	Remaining Funds
US 90A Redevelopment	225-7000-540-7030	$ 35,000	$ 8,391	$ -	$ 26,609
Totals		$ 35,000	$ 8,391	$ -	$ 26,609

CP1207 Project Description	G/L Account	Total Project Cost	Amount Paid Project To Date	Encumbrance Amount	Remaining Funds
Seatex Expansion Project	225-7000-540-7030	$ 385,102	$ 385,307	$ -	$ (205)
Totals		$ 385,102	$ 385,307	$ -	$ (205)

CP1208 Project Description	G/L Account	Total Project Cost	Amount Paid Project To Date	Encumbrance Amount	Remaining Funds
FM 762/Crabb River Rd Widening	225-7000-540-7030	$ 170,000	$ -	$ -	$ 170,000
Totals		$ 170,000	$ -	$ -	$ 170,000

CP1210 Project Description	G/L Account	Total Project Cost	Amount Paid Project To Date	Encumbrance Amount	Remaining Funds
RDC Downtown Building Renovation	225-7000-540-7020	$ 400,000	$ 7,055	$ -	$ 392,945
Totals		$ 400,000	$ 7,055	$ -	$ 392,945

CP1301 Project Description	G/L Account	Total Project Cost	Amount Paid Project To Date	Encumbrance Amount	Remaining Funds
FY2013 Park Improvements	225-7000-540-7030	$ 250,000	$ 165,212	$ 1,500	$ 83,288
Totals		$ 250,000	$ 165,212	$ 1,500	$ 83,288

CP1302 Project Description	G/L Account	Total Project Cost	Amount Paid Project To Date	Encumbrance Amount	Remaining Funds
Business Park Development	225-7000-540-7030	$ 1,889,783	$ 12,625	$ -	$ 1,877,158
		85,000	-	-	85,000
Totals		$ 1,974,783	$ 12,625	$ -	$ 1,962,158

CP1316 Project Description	G/L Account	Total Project Cost	Amount Paid Project To Date	Encumbrance Amount	Remaining Funds
Downtown Parking Lot	225-7000-540-7030	$ 250,000	$ 6,499	$ -	$ 243,501
Project Management Fee		12,500	-	-	12,500
Totals		$ 262,500	$ 6,499	$ -	$ 256,001

CP1317 Project Description	G/L Account	Total Project Cost	Amount Paid Project To Date	Encumbrance Amount	Remaining Funds
Bamore Road Phase IV	225-7000-540-7030	$ 750,000	$ -	$ -	$ 750,000
Totals		$ 750,000	$ -	$ -	$ 750,000

CP1401 Project Description	G/L Account	Total Project Cost	Amount Paid Project To Date	Encumbrance Amount	Remaining Funds
Park Improvements	225-7000-540-7030	$ 50,000	$ -	$ -	$ 50,000
Totals		$ 50,000	$ -	$ -	$ 50,000

Rosenberg Development Corporation
RDC Projects Fund
For the Period Ended December 31, 2013

CP1402 Project Description	G/L Account	Total Project Cost	Amount Paid Project To Date	Encumbrance Amount	Remaining Funds
Aldi Project	225-7000-540-7030	$ 500,000	$ -	$ -	$ 500,000
Totals		$ 500,000	$ -	$ -	$ 500,000

CP1404 Project Description	G/L Account	Total Project Cost	Amount Paid Project To Date	Encumbrance Amount	Remaining Funds
Mons Avenue Sidewalks	225-7000-540-7030	$ 217,000	$ -	$ -	$ 217,000
Totals		$ 217,000	$ -	$ -	$ 217,000

Total	$ 5,223,277	$ 1,486,348	$ 90,144	$ 4,396,785
Total Project Management Fees	$ 116,516	$ 19,016	$ -	$ 97,500

ROSENBERG DEVELOPMENT CORPORATION
SPECIAL MEETING MINUTES

On this the 18th day of January 2014, the Rosenberg Development Corporation (RDC) of the City of Rosenberg, Fort Bend County, Texas, met in a Special Session, at the Rosenberg Civic Center located at 3825 Highway 36 South, Rosenberg, Texas 77471.

DIRECTORS PRESENT

Bill Knesek	President
Allen Scopel	Vice President
Ted Garcia	Treasurer
Dwayne Grigar	Director
Jimmie Peña	Director

DIRECTORS ABSENT

Laurie Cook	Secretary
Vincent M. Morales, Jr.	Director

CITY OF ROSENBERG STAFF PRESENT

Matt Fielder	Economic Development Director
Rachelle Kanak	Assistant Economic Development Director

GUEST

Dr. Lauren Edwards, Sam Houston State University

CALL TO ORDER.

Director Knesek called the meeting to order at 9:00 a.m.

AGENDA

1. HOLD STRATEGIC PLANNING WORKSHOP.

Key discussion points:

- Overview of Strategic Planning Process by Dr. Lauren Edwards.
- Discussion about a vision statement. It was agreed a vision statement was unnecessary.
- Discussion regarding benefits of strategic planning process, elements of a strategic plan, the benefits of the planning process, and the barriers to completing and implementing the plan.
- Discussion as to what the vision is for Rosenberg for the next five years.
- Discussion as to what role RDC will play in the development of Rosenberg the next five years.
- Discussion of the strengths, weaknesses, opportunities, and strengths of the organization.
- Review of SWOT analysis and goal development. Discussion centered on five areas of emphasis: Quality of Life, Communication, Image, Business Related Infrastructure Needs, and Business Development and Retention.
- Strategies were identified to work toward the goals outlined.
- Discussion regarding prioritizing goals. It was agreed this would be a topic for an upcoming RDC meeting once the plan is complete.
- Discussion regarding a monthly update via the Director's Report on one area of emphasis.

No action was taken.

2. ADJOURNMENT.

There being no further business for the Board of Directors, the meeting was adjourned at 3:30 p.m.

_____

Rachelle Kanak, Interim Economic Development Director
City of Rosenberg

_____

Bill Knesek, President
Rosenberg Development Corporation

DRAFT

COMMUNICATION FORM

February 13, 2014

ITEM #	ITEM TITLE
B	**Rosenberg Development Corporation Financial Reports**
ITEM/MOTION	
Consideration of and action on the monthly Rosenberg Development Corporation Financial Reports for the period ending January 31, 2014.	
APPROVAL	**SUPPORTING DOCUMENTS**

SUBMITTED BY :

Rachelle Kanak
Interim Economic Development Director

1) Financial Reports

EXECUTIVE SUMMARY
Attached please find a copy of the January 2014 RDC Financial Reports for your review and consideration. Staff recommends approval.

CITY OF ROSENBERG, TEXAS
2013-14 BUDGET
ROSENBERG DEVELOPMENT CORPORATION
For the Period Ended January 31, 2014

Classification	2013-14 Amended Budget	2013-14 Act. Rev/Exp YTD	2013-14 Encumbered	2013-14 YTD Budget Remaining	% of Budget Used
					Target
REVENUES:					33%
Sales Taxes	$ 2,440,701	$ 892,300	$ -	$ 1,548,401	36.56%
Sales Taxes BTC 1	558,202	185,999	-	372,203	33.32%
Sales Taxes BTC 2	446,297	138,833			31.11%
Downtown Sales Taxes	-	11,818	-	(11,818)	
Sales Tax Total	3,445,200	1,228,950	-	1,908,786	
Interest Earnings	5,000	-	-	5,000	0.00%
TOTAL REVENUES	**3,450,200**	**1,228,950**	**-**	**1,913,786**	35.62%
EXPENDITURES:					
Administration (max 10%):					
Office Supplies					
a) Office Supplies	1,000	63	-	937	
Total for Office Supplies Account	1,000	63	-	937	6.29%
Computer Supplies					
a) Computer Supplies	3,000	-	-	3,000	
Total for Computer Supplies Account	3,000	-	-	3,000	0.00%
Business Expense					
a) Board of Director Expenses, RDC Lunches, Chamber Lunches	1,700	40	-	1,660	
Total for Business Expenses Account	1,700	40	-	1,660	2.35%
General Insurance					
a) Insurance	400	229	-	171	
Total for General Insurance Account	400	229	-	171	57.30%
Education and Training					
Total for Education and Training Account	7,500	1,451	-	6,049	19.35%
Other Contractual Services					
Total for Other Contractual Services	241,851	60,257	-	181,594	24.91%
Subtotal for Administration Expenses	**255,451**	**62,040**	**-**	**193,411**	24.29%
Marketing:					
Business Expenses					
Total for Business Expense Account	3,730	60	-	3,670	1.61%
Dues, Subscriptions, and Memberships					
Total for Dues, Subs. & Memb. Account	58,112	40,708	-	17,404	70.05%

Classification	2013-14 Amended Budget	2013-14 Act. Rev/Exp YTD	2013-14 Encumbered	2013-14 YTD Budget Remaining	% of Budget Used
Outside Professional Services					
a) GFBEDC	12,500	12,500	-	-	
Total for GFBEDC	12,500	12,500	-	-	100.00%
Postage					
a) Postage	200	44	-	156	
Total for Postage Account	200	44	-	156	22.13%
Freight and Express					
a) Freight and Express	100	-	-	100	
Total for Freight and Express Account	100	-	-	100	0.00%
Advertising					
Total for Advertising Account	29,000	7,292	-	21,708	25.14%
Printing and Binding					
a) Marketing, Business Cards, Name Plates	4,500	1,116	-	3,384	
Total for Printing and Binding Account	4,500	1,116	-	3,384	24.80%
Other Contractual Services					
a) Business Retention	10,000	-	-	10,000	
Total for Business Retention	10,000	-	-	10,000	0.00%
Subtotal for Marketing Accounts	**118,142**	**61,720**	**-**	**56,422**	52.24%
Strategic Planning Consulting					
a) WFBMD Operating Assistance	40,000	40,000	-	-	
b) Transit Study	-	-	-	-	
Total for Strategic Planning Consulting	40,000	40,000	-	-	100.00%
Subtotal for Strategic Planning Accounts	**40,000**	**40,000**	**-**	**-**	100.00%
Professional Services					
Total for Professional Services	20,000	-	-	20,000	0.00%
Subtotal for Professional Services	**20,000**	**-**	**-**	**20,000**	0.00%
Business Incentive Projects					
a) Prospective Business Incentives	500,000	-	-	500,000	
Total for Business Incentive Projects	500,000	-	-	500,000	0.00%
Improvements other than Building					
Total Funds Transferred to RDC Projects	2,914,000	-	-	2,914,000	0.00%
Total Debt Service Principal	779,700	194,925	-	584,775	25.00%
Total Debt Service Interest	219,694	54,923	-	164,771	25.00%
Subtotal for Infrastructure Accounts	**4,413,394**	**249,848**	**-**	**4,163,546**	5.66%
TOTAL EXPENDITURES	**$ 4,846,987**	**$ 413,609**	**$ -**	**$ 4,433,378**	8.53%

ROSENBERG DEVELOPMENT CORPORATION
2013-14 ACTUAL
PERIOD ENDED JANUARY 31, 2014

Classification	RDC Actual	RDC Projects	Total
Resources:			
Total Beginning Fund Balance @ 10/01/13	$ 5,062,015	$ 1,786,277	$ 6,848,292
Revenues and Transfers In	1,228,950	141	1,229,092
Total Funds Available	$ 6,290,965	$ 1,786,419	$ 8,077,384
Uses/Deductions:			
Expenditures and Transfers Out	413,609	135,303	548,912
Ending Fund Balance:			
Total Ending Fund Balance	$ 5,877,356	$ 1,651,115	$ 7,528,471
Reserved for Debt Service	999,394	-	999,394
Reserved for RDC Projects	-	1,651,115	1,651,115
Unreserved Fund Balance Total	$ 4,877,962	$ -	$ 4,877,962

Synopsis of Current Revenues and Expenditures
Rosenberg Development Corporation
For the Month of January 2014

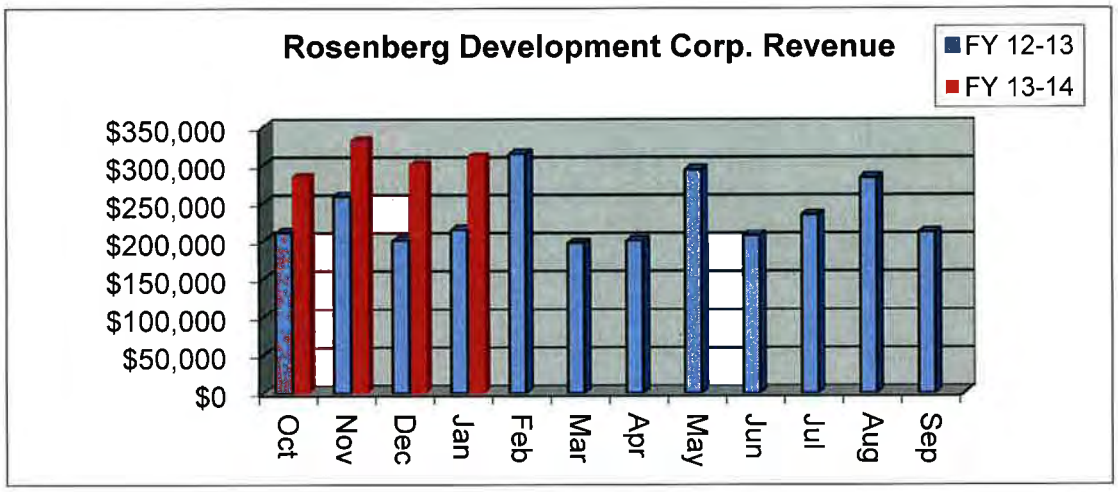
Account Number	Description		Amount
Revenues			
219-0000-402-0000	Sales Taxes	$	311,274.77
	Subtotal Current Period Revenues		**311,274.77**
		Total Current Period Revenues $	**311,274.77**
Expenditures			
219-1000-540-3135	Business Expenses (Administration) - Highway 36 Coalition Luncheon		40.00
	Subtotal		40.00
219-1000-540-5510	Travel (Education and Training) - 2014 Spring BEDC Conference - Kanak		700.00
	Subtotal		700.00
		Total Administration $	**740.00**
219-2000-540-3135	Business Expenses (Marketing) - January Business Luncheon - Fielder/Kanak		60.00
	Subtotal		60.00
219-2000-540-4235	Dues/Subscriptions/Memberships (Marketing) - Fort Bend Chamber of Commerce Membership Renewal		3,000.00
219-2000-540-4235	Dues/Subscriptions/Memberships (Marketing) - Houston Business Journal One Year Subscription		93.00
219-2000-540-4235	Dues/Subscriptions/Memberships (Marketing) - Texas Economic Development Council 2014 Annual Membersip Dues		450.00
	Subtotal		3,543.00
219-2000-540-5310	Advertising (Marketing) - HRIS, Inc. - 2014 1st Quarter Commercial Gateway Fees		192.31
219-2000-540-5310	Advertising (Marketing) - YP - Advertising December 2013		21.28
219-2000-540-5310	Advertising (Marketing) - Smith & Jones Advertising Cultural Arts District Logo Design Services		1,535.00
219-2000-540-5310	Advertising (Marketing) - GoDaddy.com Domain Name Renewals		121.56
	Subtotal		1,870.15
219-2000-540-5410	Printing and Binding (Marketing) - DP2 Billing Solutions LLC - Fee to insert Newsletter November/December 2013		30.65
219-2000-540-5410	Printing and Binding (Marketing) - Dolphin Graphics - Insider Newsletter January 2014		268.75
	Subtotal		299.40
		Total Marketing $	**5,772.55**
	Subtotal Current Period Expenditures		*6,512.55*
		Total Current Period Expenditures $	**6,512.55**
	Net Excess (Deficit)	$	**304,762.22**

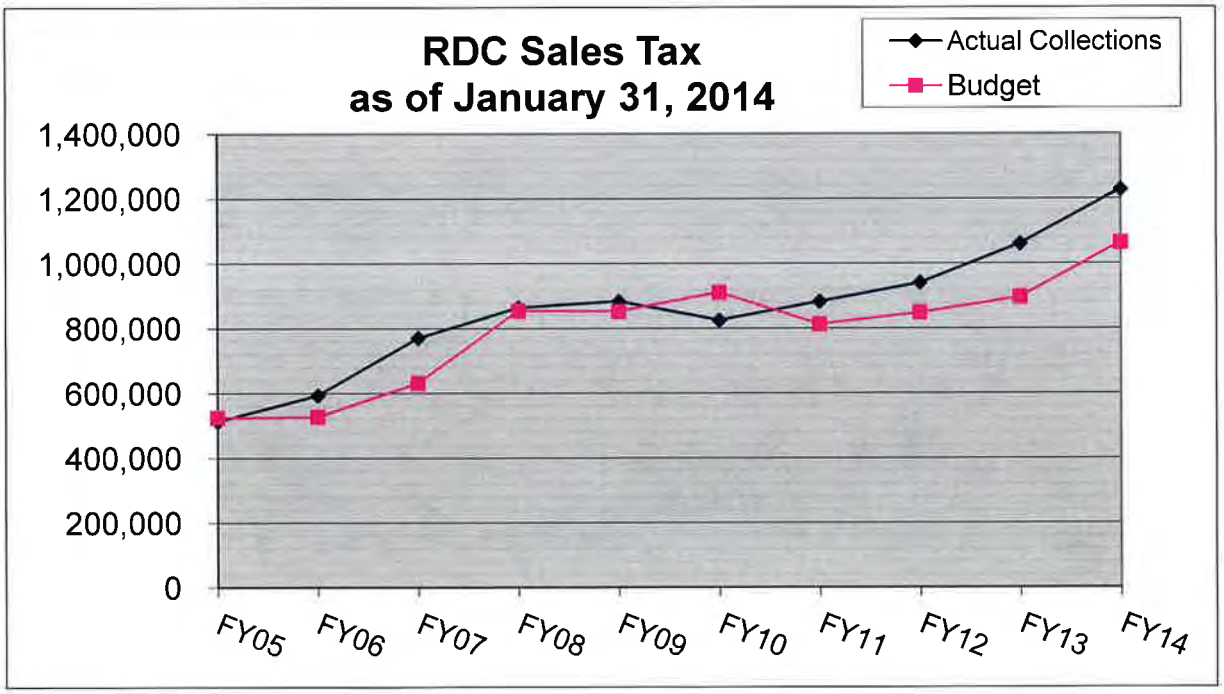
CITY OF ROSENBERG, TEXAS
RDC SALES TAX REVENUES

	Monthly Total Actual Receipts	Cumulative YTD Receipts	Budgeted Receipts Monthly	Budgeted Receipts YTD	Total YTD Percent of Budget	Prior Year Pct. Increase (Decrease) Month	Prior Year Pct. Increase (Decrease) YTD	Monthly BTC - I Receipts	Monthly BTC - II Receipts	Monthly Downtown Receipts
	(1)	(2)	(3)	(4)	(5)	(6)	(7)			
		Cumulative (1)		Cumulative (3)	(2)/(4)					
Fiscal Year 2010-11										
Oct	$ 210,694	$ 210,694	$ 208,230	$ 208,230	101.18%	-0.3%	-0.3%	$ 37,718	$ 15,947	
Nov	258,365	469,059	234,829	443,059	105.87%	8.4%	4.3%	40,339	48,191	
Dec	200,332	669,392	179,419	622,479	107.54%	10.0%	6.0%	34,363	13,218	
Jan	214,136	883,528	191,666	814,144	108.52%	10.1%	7.0%	48,442	18,873	
Feb	314,460	1,197,988	290,270	1,104,414	108.47%	6.8%	6.9%	75,948	63,962	
Mar	196,758	1,394,746	181,514	1,285,928	108.46%	6.8%	6.9%	35,093	14,571	
Apr	199,958	1,594,704	192,562	1,478,490	107.86%	2.3%	6.3%	39,007	15,228	
May	293,306	1,888,010	301,153	1,779,643	106.09%	-4.0%	4.6%	43,411	47,017	
Jun	207,166	2,095,176	223,299	2,002,942	104.60%	-8.6%	3.1%	37,700	15,705	
Jul	234,068	2,329,244	212,703	2,215,645	105.13%	8.5%	3.6%	44,026	16,726	
Aug	282,873	2,612,116	272,669	2,488,314	104.98%	2.2%	3.5%	47,217	49,310	
Sep	$ 210,994	$ 2,823,110	$ 228,353	$ 2,716,667	103.92%	-8.9%	2.4%	39,551	16,965	
Total								$522,815	$ 335,712	
Fiscal Year 2011-12										
Oct	$216,137	$ 216,137	$ 202,750	$ 202,750	106.60%	2.6%	2.6%	$ 38,859	$ 16,105	
Nov	281,454	497,591	248,623	451,374	110.24%	8.9%	6.1%	41,169	50,598	
Dec	216,136	713,727	192,779	644,153	110.80%	7.9%	6.6%	36,581	13,062	
Jan	227,569	941,296	206,063	850,215	110.71%	6.3%	6.5%	46,484	17,517	
Feb	342,238	1,283,534	302,603	1,152,818	111.34%	8.8%	7.1%	72,906	63,218	
Mar	221,213	1,504,747	189,339	1,342,158	112.11%	12.4%	7.9%	31,563	19,134	
Apr	224,740	1,729,487	192,419	1,534,577	112.70%	12.4%	8.5%	40,253	14,354	
May	312,898	2,042,385	282,248	1,816,824	112.42%	6.7%	8.2%	44,078	46,636	
Jun	243,248	2,285,633	199,355	2,016,179	113.36%	17.4%	9.1%	38,627	19,059	
Jul	262,375	2,548,008	225,242	2,241,422	113.68%	12.1%	9.4%	40,653	20,543	
Aug	313,049	2,861,057	272,207	2,513,629	113.82%	10.7%	9.5%	46,012	56,365	
Sep	$250,131	3,111,188	203,038	2,716,667	114.52%	18.5%	10.2%	47,539	48,149	
Total								$524,725	$ 384,739	
Fiscal Year 2012-13										
Oct	$253,488	$ 253,488	$ 206,329	$ 206,329	122.86%	17.3%	17.3%	$ 39,879	$ 22,088	
Nov	300,245	553,733	268,681	475,010	116.57%	6.7%	11.3%	41,673	56,236	
Dec	267,903	821,636	206,328	681,337	120.59%	24.0%	15.1%	48,344	18,259	
Jan	240,399	1,062,035	217,242	898,579	118.19%	5.6%	12.8%	40,056	20,626	
Feb	357,120	1,419,155	326,707	1,225,286	115.82%	4.3%	10.6%	76,617	71,043	
Mar	240,499	1,659,655	211,174	1,436,460	115.54%	8.7%	10.3%	39,397	17,709	
Apr	254,107	1,913,762	214,541	1,651,001	115.92%	13.1%	10.7%	40,281	19,444	
May	334,041	2,247,802	298,699	1,949,700	115.29%	6.8%	10.1%	49,039	57,367	
Jun	277,134	2,524,936	232,209	2,181,909	115.72%	13.9%	10.5%	38,850	21,572	
Jul	288,843	2,813,779	250,468	2,432,378	115.68%	10.1%	10.4%	43,577	23,776	
Aug	339,032	3,152,811	298,843	2,731,220	115.44%	8.3%	10.2%	49,537	59,166	
Sep	281,355	3,434,166	238,780	2,970,000	115.63%	12.5%	10.4%	41,584	23,507	
Total								$548,834	$ 410,794	
Fiscal Year 2013-14										
Oct	$284,645	$ 284,645	$ 254,303	$ 254,303	111.93%	12.3%	12.3%	$ 45,426	$ 26,206	$ 2,678
Nov	332,266	616,912	301,210	555,512	111.05%	10.7%	11.4%	43,511	62,113	2,709
Dec	300,765	917,676	268,764	824,276	111.33%	12.3%	11.7%	41,356	23,209	2,873
Jan	311,275	1,228,951	241,171	1,065,447	115.35%	29.5%	15.7%	55,706	27,306	3,558
Feb	-		358,268	1,423,715						
Mar	-		241,272	1,664,988						
Apr	-		254,923	1,919,911						
May	-		335,114	2,255,025						
Jun	-		278,024	2,533,049						
Jul	-		289,771	2,822,820						
Aug	-		340,121	3,162,941						
Sep	-		282,259	3,445,200						
Total								$185,999	$ 138,834	$ 11,818

CITY OF ROSENBERG, TEXAS
SALES TAX REVENUES

Supporting Graphs





Rosenberg Development Corporation
Status of Outstanding Debt Service
For the Period Ended January 31, 2014

Outstanding Debt Service

Fiscal Year	Principal Due	Total Interest	Total Principal & Interest
2013-14	779,700	219,694	999,394
2014-15	802,235	197,708	999,943
2015-16	652,770	177,221	829,991
2016-17	657,305	160,476	817,781
2017-18	672,840	147,957	820,797
2018-19	687,875	126,890	814,765
2019-20	703,410	104,444	807,854
2020-21	382,980	85,627	468,607
2021-22	387,515	71,341	458,856
2022-23	284,800	59,162	343,962
2023-24	297,835	48,994	346,829
2024-25	228,190	39,216	267,406
2025-26	236,225	29,874	266,099
2026-27	247,295	19,974	267,269
2027-28	255,330	9,557	264,887
2028-29	71,400	2,621	74,021
2029-30	23,005	489	23,494
Total	**$7,370,710**	**$1,501,245**	**$8,871,955**

Rosenberg Development Corporation
RDC Projects Fund
For the Period Ended January 31, 2014

CP0704 Project Description	G/L Account	Total Project Cost	Amount Paid Project To Date	Encumbrance Amount	Remaining Funds
Park Improvements	225-7000-540-7030	$ 400,000	$ 377,073	$ 22,158	$ 769
Project Management Fee		15,000	15,000	-	-
Totals		$ 415,000	$ 392,073	$ 22,158	$ 769

CP0705 Project Description	G/L Account	Total Project Cost	Amount Paid Project To Date	Encumbrance Amount	Remaining Funds
Transportation Gateway Improvements	225-7000-540-7030	$ 676,392	$ 532,351	$ 62,987	$ 81,054
Project Management Fee		4,016	4,016	-	-
Totals		$ 680,408	$ 536,367	$ 62,987	$ 81,054

CP1002 Project Description	G/L Account	Total Project Cost	Amount Paid Project To Date	Encumbrance Amount	Remaining Funds
US 90A Redevelopment	225-7000-540-7030	$ 35,000	$ 8,506	$ -	$ 26,494
Totals		$ 35,000	$ 8,506	$ -	$ 26,494

CP1207 Project Description	G/L Account	Total Project Cost	Amount Paid Project To Date	Encumbrance Amount	Remaining Funds
Seatex Expansion Project	225-7000-540-7030	$ 385,307	$ 385,307	$ -	$ -
Totals		$ 385,307	$ 385,307	$ -	$ -

CP1210 Project Description	G/L Account	Total Project Cost	Amount Paid Project To Date	Encumbrance Amount	Remaining Funds
RDC Downtown Building Renovation	225-7000-540-7020	$ 400,000	$ 7,055	$ -	$ 392,945
Totals		$ 400,000	$ 7,055	$ -	$ 392,945

CP1301 Project Description	G/L Account	Total Project Cost	Amount Paid Project To Date	Encumbrance Amount	Remaining Funds
FY2013 Park Improvements	225-7000-540-7030	$ 250,000	$ 168,912	$ 7,398	$ 73,690
Totals		$ 250,000	$ 168,912	$ 7,398	$ 73,690

CP1302 Project Description	G/L Account	Total Project Cost	Amount Paid Project To Date	Encumbrance Amount	Remaining Funds
Business Park Development	225-7000-540-7030	$ 1,889,783	$ 12,625	$ 285,000	$ 1,592,158
		85,000	-	-	85,000
Totals		$ 1,974,783	$ 12,625	$ 285,000	$ 1,677,158

CP1316 Project Description	G/L Account	Total Project Cost	Amount Paid Project To Date	Encumbrance Amount	Remaining Funds
Downtown Parking Lot	225-7000-540-7030	$ 250,000	$ 6,499	$ -	$ 243,501
Project Management Fee		12,500	-	-	12,500
Totals		$ 262,500	$ 6,499	$ -	$ 256,001

CP1317 Project Description	G/L Account	Total Project Cost	Amount Paid Project To Date	Encumbrance Amount	Remaining Funds
Bamore Road Phase IV	225-7000-540-7030	$ 750,000	$ -	$ -	$ 750,000
Totals		$ 750,000	$ -	$ -	$ 750,000

CP1401 Project Description	G/L Account	Total Project Cost	Amount Paid Project To Date	Encumbrance Amount	Remaining Funds
FY2014 Park Improvements - Master Naturalist	225-7000-540-7030	$ 50,000	$ -	$ -	$ 50,000
Totals		$ 50,000	$ -	$ -	$ 50,000

Rosenberg Development Corporation
RDC Projects Fund
For the Period Ended January 31, 2014

CP1402 Project Description	G/L Account	Total Project Cost	Amount Paid Project To Date	Encumbrance Amount	Remaining Funds
Aldi Project	225-7000-540-7030	$ 500,000	$ -	$ -	$ 500,000
Totals		$ 500,000	$ -	$ -	$ 500,000

CP1404 Project Description	G/L Account	Total Project Cost	Amount Paid Project To Date	Encumbrance Amount	Remaining Funds
Mons Avenue Sidewalks	225-7000-540-7030	$ 217,000	$ -	$ -	$ 217,000
Totals		$ 217,000	$ -	$ -	$ 217,000

Total	$ 5,053,482	$ 1,498,328	$ 377,543	$ 3,927,611
Total Project Management Fees	$ 116,516	$ 19,016	$ -	$ 97,500

ROSENBERG DEVELOPMENT CORPORATION
QUARTERLY INVESTMENT REPORT
FOR THE QUARTER ENDED DECEMBER 31, 2013

The investment portfolio detailed in the attached report includes all investment transactions made during the above referenced period. The investment portfolio and all related transactions comply with the investment policy of the Rosenberg Development Corporation and the Public Funds Investment Act of the State of Texas.

Investment Officer: Joyce Vasut
Joyce Vasut, Finance Director

Date: 2.4.2014

ROSENBERG DEVELOPMENT CORPORATION
QUARTERLY INVESTMENT REPORT
AS OF DECEMBER 31, 2013

Balance Comparison by Quarter

INVESTMENT BALANCES BY TYPE	Book Value 3/31/2013	Book Value 6/30/2013	Book Value 9/30/2013	Book Value 12/31/2013
TEXPOOL	$ 3,799,944	$ 4,355,998	$ 4,890,760	$ 4,893,983
BRAZOS VALLEY SCHOOLS CREDIT UNION	260,939	261,326	261,718	262,111
AMEGY BANK - OPERATING ACCOUNT	352,686	23,940	38,561	71,303
TOTAL CASH AND INVESTMENTS	$ 4,413,569	$ 4,641,264	$ 5,191,039	$ 5,227,397

ROSENBERG DEVELOPMENT CORPORATION
INVESTMENTS OUTSTANDING AS OF DECEMBER 31, 2013

Purchase Date	Description	Maturity Date	# Days to Maturity	Cost	Par Value	Coupon Yield	9/30/2013 Book Value	9/30/2013 Market Value	Quarterly Activity Purchases	Quarterly Activity Maturities	Quarterly Activity Interest	12/31/2013 Book Value	12/31/2013 Market Value	Unrealized Gain/Loss
TEXPOOL														
N/A	Texpool - General Fund	N/A	N/A		4,893,983	0.04%	4,890,760	4,890,760	917,676	(915,000)	547	4,893,983	4,893,983	-
													94%	OF TOTAL
BRAZOS VALLEY SCHOOLS CREDIT UNION														
3/25/2013	Certificate of Deposit	3/25/2014	365	250,000	250,000	0.60%	261,718	261,718			393	262,111	262,111	-
													5.0%	OF TOTAL
DEPOSITORY - AMEGY BANK														
N/A	Operating Account	N/A	N/A		71,303	0.00%	38,561	38,561	915,000	(882,258)		71,303	71,303	-
													1%	OF TOTAL
	TOTAL PORTFOLIO			$ 250,000	$ 5,215,286	0.07%	5,191,039	5,191,039	1,832,676	(1,797,258)	939	5,227,397	5,227,397	-

COMMUNICATION FORM

February 13, 2014

ITEM #	ITEM TITLE
C	**Communications Director's Report**

ITEM/MOTION	
Consideration of and action on a report from the Communications Director regarding the previous month's communications activities and contacts.	
APPROVAL	**SUPPORTING DOCUMENTS**

SUBMITTED BY :

Angela Fritz
Communications Director

1) Activities Report – January 2014

EXECUTIVE SUMMARY
This item has been included to provide the Board with an update on the Communications Director's activities in the previous month, as they relate to economic development.

City of Rosenberg
Communications Director
ECONOMIC DEVELOPMENT Activities Report
January 1 – January 31, 2014

Communications Director economic development-related activities

- Preparation of upcoming monthly City newsletter and RDC section
    - February/March topic – Partnership with Texas Master Naturalists at Seabourne Creek Nature Park
    - Possible Upcoming Topics**:**
        - H-GAC Livable Centers project
        - Development update
        - H-GAC Subregional Plan findings
        - Insurance Service Office (ISO) survey and direct affect on local business insurance premiums
- Prepare and distribute press releases: Image/Keep Rosenberg Beautiful holiday contest winners; FISH-tastic Children's Fishing Tournament; February Beautification awards; construction closures; etc.
- Provide support for Economic Development during staff transition
- Assume responsibility for oversight of City technology department
- Participate in City management staff strategic planning process and needs assessment
- Review and update City website – ongoing
- Coordinate Municipal Channel information updates – ongoing
- Coordinate and manage implementation of video recording and streaming for City Council meetings – ongoing
- Coordinate and assist with ad and copy submissions for upcoming publications – April Texas Highways ad (cultural district); Central Fort Bend Chamber Directory (cultural district); Greater Houston Convention and Visitors Bureau guide (cultural district)
- Overall media relations and messaging for City – ongoing

COMMUNICATION FORM

February 13, 2014

ITEM #	ITEM TITLE
D	**Funding Agreement Coastal Prairie Chapter of Texas Master Naturalists**

ITEM/MOTION

Consideration of and action on a Funding Agreement with the Coastal Prairie Chapter of the Texas Master Naturalists.

APPROVAL	SUPPORTING DOCUMENTS

SUBMITTED BY :

Rachelle Kanak
Interim Economic Development Director

1) Texas Master Naturalists Coastal Prairie Chapter Agreement 2014 – Redline
2) Texas Master Naturalists Coastal Prairie Chapter Agreement 2014 – Clean (with Exhibits)

EXECUTIVE SUMMARY

Representatives of the Coastal Prairie Chapter of the Texas Master Naturalists (Naturalists) presented a proposal for funding for their 2014 activities at the December 12, 2013 meeting. The Board directed staff to submit a Funding Agreement (Agreement) at the December meeting to include the plan. Upon review of the Agreement, the RDC Board requested that a statement be added to indicate that the Naturalists shall seek written permission from RDC should the group be unable to undertake or complete certain proposed improvements as specified within the Agreement. You will find a redlined copy of the Agreement indicating said revision.

The attached Funding Agreement would authorize the expenditure of the $50,000 for the specific items listed in Exhibit "A" to the proposed Funding Agreement. Staff recommends approval of the Funding Agreement as revised.

FUNDING AGREEMENT

This AGREEMENT is entered into by and between the Rosenberg Development Corporation (hereinafter referred to as the "RDC"), an economic development corporation organized pursuant to Chapters 501 and 505 of the Texas Local Government Code, and Texas Master Naturalists, Coastal Prairie Chapter, Inc., hereinafter referred to as the "Chapter", a not-for-profit corporation incorporated under Texas law in 2005.

WHEREAS, the RDC agrees to contribute up to the sum of $50,000 to the Chapter to be used for proposed improvements to Seabourne Creek Park, a municipal park located at 3287 Highway 36 South, Rosenberg, Texas, which improvements are part of a larger plan described below under "Obligations of the Chapter", Section 2.a., of the Agreement, and

WHEREAS, the RDC has established policies to adopt such reasonable projects, as are permitted by law and are required or suitable for amateur sports, athletic, entertainment, tourist, convention, and public park purposes and events; and

WHEREAS, the Chapter has agreed, in exchange and as consideration for the agreement and funding provided herein, to satisfy and comply with certain terms and conditions;

NOW, THEREFORE, in consideration of the premises and the mutual benefits and obligations set forth herein, including the recitals set forth above, the RDC and the Chapter agree as follows:

1. **Obligations of the RDC**

   - The RDC shall make a payment of $50,000 to the Chapter upon approval of this agreement and satisfaction of the conditions stated below. In addition, the RDC hereby extends its approval that any funds not expended in the previous year may be utilized for the projects described

in Exhibit "A" for the term of this agreement. Such funds may not be used for administrative purposes.

2. Obligations of the Chapter

a. The Chapter shall utilize all funds provided by the RDC solely for the purpose of making improvements to Seabourne Creek Park as described under "Proposed Improvements and Approximate Costs" in the Memorandum to RDC in Exhibit "A", and for the purpose of making improvements described in "Objectives-CPTMN" in the Agreement between Rosenberg Parks and Recreation Department, and Texas Master Naturalists, Coastal Prairie Chapter, Inc. dated October 28, 2009, hereinafter referred to as the "RPRD Agreement," a copy of which is attached hereto as "Exhibit B".

b. The Chapter shall ensure that permission for any improvements made to Seabourne Creek Park have been approved in advance by the City of Rosenberg City Council and have been coordinated with the City of Rosenberg Parks and Recreation Department. In addition, the Chapter shall ensure that any necessary permits have been obtained prior to construction.

c. Chapter members shall prioritize the Proposed Improvements specified in Exhibit "A" and shall use their best good-faith efforts to complete them procuring goods and services for the Park which represent the best values available. However it is hereby acknowledged that the Approximate Costs listed in the Memorandum are estimates and it is agreed that the Chapter shall ~~not be obligated~~obtain written permission from the RDC if it is unable to undertake or complete ~~each and every~~the Proposed Improvement specified therein. Such permission shall not be unreasonably withheld. As provided for under the RPRD Agreement, the Chapter shall bear no financial obligation or liability pursuant to the implementation or completion of projects and activities.

Formatted: Don't adjust space between Latin and Asian text, Don't adjust space between Asian text and numbers

Formatted: Font: 11 pt, Not Bold

d. The Chapter may utilize up to ten percent (10%) of the funds for administrative purposes. Such purposes may include acquiring any necessary insurance coverage for work performed in accordance with this agreement.

e. It is agreed that this Agreement shall terminate on March 31, 2015, upon which date any funds which might remain unspent from the Funding shall be returned by the Chapter to the RDC; provided, however, that the RDC may forego this requirement by providing written notice to the Chapter of its intention to waive this requirement with any conditions attached therewith.

f. Within thirty one days of the earlier date of (i) March 31, 2015, or (ii) the date at which all funds provided by the RDC are expended, the Chapter shall provide an accounting to the RDC providing full and complete details of the use of the funding utilizing the reporting form attached hereto as "Exhibit C"**.**

g. The Chapter shall provide an accounting of the unspent funds from Fiscal Year 2013-14 as of March 31, 2014 prior to receiving the $50,000 allocated in this agreement utilizing the reporting form in Exhibit "C".

3. Any notice provided or permitted to be given under this Agreement must be in writing and may be served by (i) depositing the same in the United States mail, or (ii) facsimile, provided a copy of such notice is sent within one day thereafter by writing deposited in the United States mail. The initial addresses for the purpose of notice under this Agreement shall be as follows:

If to RDC: Rosenberg Development Corporation
Post Office Box 32
2110 Fourth Street
Rosenberg, Texas 77471
Attn: Executive Director

If to Chapter: Texas Master Naturalists, Coastal Prairie Chapter
1402 Band Road, Suite 100
Rosenberg, Texas 77471
Attn: President

4. Except as otherwise provided in this Agreement, this Agreement shall be subject to change, amendment, or modification only in writing with the signatures and mutual consent of the parties hereto.

IN TESTIMONY OF WHICH, THIS AGREEMENT has been executed by the parties on this_____day of_____2014.

ROSENBERG DEVELOPMENT CORPORATION

By:_____
President

Attest:

By:_____
City Secretary

TEXAS MASTER NATURALISTS, COASTAL PRAIRIE CHAPTER, INC

By: _____
President

FUNDING AGREEMENT

This AGREEMENT is entered into by and between the Rosenberg Development Corporation (hereinafter referred to as the "RDC"), an economic development corporation organized pursuant to Chapters 501 and 505 of the Texas Local Government Code, and Texas Master Naturalists, Coastal Prairie Chapter, Inc., hereinafter referred to as the "Chapter", a not-for-profit corporation incorporated under Texas law in 2005.

WHEREAS, the RDC agrees to contribute up to the sum of $50,000 to the Chapter to be used for proposed improvements to Seabourne Creek Park, a municipal park located at 3287 Highway 36 South, Rosenberg, Texas, which improvements are part of a larger plan described below under "Obligations of the Chapter", Section 2.a., of the Agreement, and

WHEREAS, the RDC has established policies to adopt such reasonable projects, as are permitted by law and are required or suitable for amateur sports, athletic, entertainment, tourist, convention, and public park purposes and events; and

WHEREAS, the Chapter has agreed, in exchange and as consideration for the agreement and funding provided herein, to satisfy and comply with certain terms and conditions;

NOW, THEREFORE, in consideration of the premises and the mutual benefits and obligations set forth herein, including the recitals set forth above, the RDC and the Chapter agree as follows:

1. **Obligations of the RDC**

   - The RDC shall make a payment of $50,000 to the Chapter upon approval of this agreement and satisfaction of the conditions stated below. In addition, the RDC hereby extends its approval that any funds not expended in the previous year may be utilized for the projects described

in Exhibit "A" for the term of this agreement. Such funds may not be used for administrative purposes.

2. Obligations of the Chapter

a. The Chapter shall utilize all funds provided by the RDC solely for the purpose of making improvements to Seabourne Creek Park as described under "Proposed Improvements and Approximate Costs" in the Memorandum to RDC in Exhibit "A", and for the purpose of making improvements described in "Objectives-CPTMN" in the Agreement between Rosenberg Parks and Recreation Department, and Texas Master Naturalists, Coastal Prairie Chapter, Inc. dated October 28, 2009, hereinafter referred to as the "RPRD Agreement," a copy of which is attached hereto as "Exhibit B".

b. The Chapter shall ensure that permission for any improvements made to Seabourne Creek Park have been approved in advance by the City of Rosenberg City Council and have been coordinated with the City of Rosenberg Parks and Recreation Department. In addition, the Chapter shall ensure that any necessary permits have been obtained prior to construction.

c. Chapter members shall prioritize the Proposed Improvements specified in Exhibit "A" and shall use their best good-faith efforts to complete them procuring goods and services for the Park which represent the best values available. However it is hereby acknowledged that the Approximate Costs listed in the Memorandum are estimates and it is agreed that the Chapter shall obtain written permission from the RDC if it is unable to undertake or complete the Proposed Improvement specified therein. Such permission shall not be unreasonably withheld. As provided for under the RPRD Agreement, the Chapter shall bear no financial obligation or liability

pursuant to the implementation or completion of projects and activities.

d. The Chapter may utilize up to ten percent (10%) of the funds for administrative purposes. Such purposes may include acquiring any necessary insurance coverage for work performed in accordance with this agreement.

e. It is agreed that this Agreement shall terminate on March 31, 2015, upon which date any funds which might remain unspent from the Funding shall be returned by the Chapter to the RDC; provided, however, that the RDC may forego this requirement by providing written notice to the Chapter of its intention to waive this requirement with any conditions attached therewith.

f. Within thirty one days of the earlier date of (i) March 31, 2015, or (ii) the date at which all funds provided by the RDC are expended, the Chapter shall provide an accounting to the RDC providing full and complete details of the use of the funding utilizing the reporting form attached hereto as "Exhibit C".

g. The Chapter shall provide an accounting of the unspent funds from Fiscal Year 2013-14 as of March 31, 2014 prior to receiving the $50,000 allocated in this agreement utilizing the reporting form in Exhibit "C".

3. Any notice provided or permitted to be given under this Agreement must be in writing and may be served by (i) depositing the same in the United States mail, or (ii) facsimile, provided a copy of such notice is sent within one day thereafter by writing deposited in the United States mail. The initial addresses for the purpose of notice under this Agreement shall be as follows:

If to RDC: Rosenberg Development Corporation
Post Office Box 32
2110 Fourth Street
Rosenberg, Texas 77471
Attn: Executive Director

If to Chapter: Texas Master Naturalists, Coastal Prairie Chapter
1402 Band Road, Suite 100
Rosenberg, Texas 77471
Attn: President

4. Except as otherwise provided in this Agreement, this Agreement shall be subject to change, amendment, or modification only in writing with the signatures and mutual consent of the parties hereto.

IN TESTIMONY OF WHICH, THIS AGREEMENT has been executed by the parties on this_____day of_____2014.

ROSENBERG DEVELOPMENT CORPORATION

By:_____
President

Attest:

By:_____
City Secretary

TEXAS MASTER NATURALISTS, COASTAL PRAIRIE CHAPTER, INC

By: _____
President

President

EXHIBIT "A"

To: Rosenberg Development Corporation
From: Coastal Prairie Chapter, Texas Master Naturalists
Re: 2014 Improvements to Seabourne Creek Nature Park
Date: December 3, 2013

In 2013, the largest share of the Grant Proceeds were spent on restoring the Wetlands impoundment, with the balance spent on a variety of other projects at the Park.

2014 proposed improvements and estimated costs:

Seabourne Lake– Additional fish structure, aquatic vegetation for erosion control and improved water quality, fish stocking, replace concrete rip-rap with natural rock	$4,000
Covered Picnic Tables—Family Picnic Area	$10,000
New Wetlands Demo Garden and aquatic vegetation	$3,000
Signage - additional interpretive signs	$6,500
Paths and trails	$5,000
Floating Dock—Wetlands Pond	$8,000
Prairie restoration and bird sanctuary	$3,000
Outreach projects	$3,000
Prairie Heritage Festival	$5,000
Administrative and Miscellaneous	$2,500
TOTAL	$50,000

EXHIBIT "B"

"AGREEMENT"

A memorandum of understanding between

ROSENBERG PARKS AND RECREATION DEPARTMENT, and

COASTAL PRAIRIE CHAPTER, TEXAS MASTER NATURALISTS

Background

The Texas Master Naturalist™ Program ("TMN") is a statewide volunteer organization sponsored by Texas Parks and Wildlife Department and Texas AgriLIFE Extension Service. Its mission is to enhance public education and conservation of the Texas natural world.

TMN is represented by regional chapters throughout Texas. The chapters operate by creating cooperative relationships with government and other public and private entities that serve the objectives of the TMN program.

The Coastal Prairie Chapter, Texas Master Naturalists ("CPTMN") serves Fort Bend and Waller counties.

Intent

The purpose of this Agreement is to create a cooperative relationship between CPTMN and Rosenberg Parks and Recreation Department ("RPRD") with respect to the management of Seabourne Creek Park.

CPTMN proposes to act as an advisor to RPRD in the planning, development and management of the 164-acre area designated as a Nature Park located in Seabourne Creek Park.

Vision

CPTMN's perception is that the Nature Park is not well known to the community, and it has significant unrecognized potential impact. It lacks a long range plan. If developed properly, it could be a remarkable asset for Rosenberg.

Clusters of native trees need to be scattered around the walkways and lake and adjoining area.... to create a natural park-like setting, to provide shaded areas for visitors, to expand habitat for birding. The lake should be stocked with self-sustaining native fish populations that provide year round fishing. Invasive species in the wetlands and nature trail areas should be replaced with native flora. Native plantings and gardens could be established along walkways, e.g. butterfly gardens, to enhance wildlife and create educational opportunities.

The park is a great opportunity to expose youth to the natural world. People are turning to the natural environment, and it should be a resource for providing enjoyment and education for the entire community, youth and adult.

In addition to the intrinsic value, there is also ample economic justification. Birding, fishing, and natural awareness movements are big business. The tiny town of High Island attracts over 6000 birdwatchers who spend over $2.5 million annually.

Natural development of the Park will take time, but over the years its value to the Rosenberg community and its recognition throughout the area might rival the expectations for the adjoining Seabourne Creek Regional Sports Park. The Nature Park could be unique to this side of Houston.

Objective

RPRD and CPTMN will work together, with responsibilities including the following:

-**CPTMN** shall assist and make recommendations to the Park Director in the following areas:

- Provide a twenty year vision for the Nature Park

- Plan and develop the 20-acre Prairie Restoration area

-Native tree and plant recommendations, including species and locations

-Fish stocking plan and implementation

-Seminars and outreach programs at Rosenberg Civic Center and the Park

-Irrigation needs

-Walkways, location and materials

-Educational Signage

-Act as coordinator and liaison with other volunteer organizations, e.g., Eagle Scout projects, youth groups, Texas Master Gardener projects, etc

-**RPRD** shall provide guidance in the following areas:

-Budget- assists CPTMN in estimating financial needs

-Financing—(a) Earmark Grant proceeds for Nature Park projects , (b) Attempt to arrange City financing for Nature Park needs, (c) Assist CPTMN in its own efforts to raise grant money for park projects

- Site Facilities- Assist CPTMN in procuring use of on-site facilities and Civic Center sites for educational forums

-Help provide manpower and equipment if available, subject to City guidelines

Terms and Conditions

- CPTMN agrees and acknowledges that final decision making authority for all Nature Park activity is vested with the Director of RPRD or properly authorized City official.
- CPTMN shall bear no financial obligation or liability for the implementation or completion of projects and activities.
- This agreement may be terminated at any time by either party by providing written 30-day notice to the other Partner. This agreement will be reviewed on an annual basis. The agreement begins on the date it is signed by the Rosenberg Parks and Recreation Department and the President of the Coastal Prairie TMN Chapter President.

It is the objective of Rosenberg Parks & Recreation Department and Coastal Prairie Chapter, Texas Master Naturalists, that they shall work together with the mutual goal of attaining Seabourne Creek Nature Park's potential.

Agreed to by:

Jack Hamlett	Karl B
Jack Hamlett, City Manager	**Karl Baumgartner, President, CPTM**
City of Rosenberg	**Texas Master Naturalist, Coastal Prairie Chapter, Inc.**
2110 4th Street	**1402 Band Road, Suite 100**
Rosenberg, TX 77471	**Rosenberg, TX 77471**
10/28/09	10/30/09
Date	**Date**

EXHIBIT "C"

City of Rosenberg - RDC Grant
Seabourne Creek Park Project
Coastal Prairie Chapter - Texas Master Naturalists
Funding Proceeds - Check Register

Date	Check #	Payee	Amount	Balance	Description	Butterfly Garden	Entry Portal	Prairie Restoration	Outreach Program	Signage	Seabourne Lake	Trees	Admin
	Beg Bal	CPTMN - Grant	50,000.00	$50,000.00									
	YTD	Total Spending - Grant III	-	$0.00		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
					$0.00								
		Balance Available For Seaborne Project			$50,000.00								
		Total Spending Grant III	-	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
					0.00								
		Balance Available For Seaborne Project			$50,000.00								

COMMUNICATION FORM

February 13, 2014

ITEM #	ITEM TITLE
E	**Business Appreciation Reception Agreement - Central Fort Bend Chamber**

ITEM/MOTION
Consideration of and action on a Service Contract with the Central Fort Bend Chamber regarding the Rosenberg Development Corporation's Business Appreciation Reception.

APPROVAL	SUPPORTING DOCUMENTS
SUBMITTED BY : Rachelle Kanak Interim Economic Development Director	1) Rosenberg Development Corporation and Central Fort Bend Chamber Service Contract for Business Appreciation Reception

EXECUTIVE SUMMARY
The Central Fort Bend Chamber (CFBC) contracts with the Rosenberg Development Corporation to plan and execute the RDC's Business Appreciation Reception. The Service Contract (Contract) between the CFBC and RDC is included for review. Staff recommends approval of the Contract.

4120 Avenue H, Rosenberg, TX 77471
Phone: 281-342-5464 Fax: 281-342-2990
www.CFBCA.org

SERVICE CONTRACT

The basic mission of chambers of commerce of the 21st century is *to support the community and to create and promote a climate where business can operate in a productive and profitable manner.*

The Central Fort Bend Chamber (The Chamber) is a pro-business association organized in or about 1910 to focus attention and initiate private sector action on the major issues affecting the economic well-being and quality of life in this area. As it is a private, not-for-profit 501(c)(6) association supported largely by its members, membership investments and contributions through fundraising activities and events provide the resources for Chamber programs. The Chamber is not a branch of the city, is not a governmental entity, and receives no direct government funding.

Service Description

The Rosenberg Development Corporation (RDC), on behalf of the City of Rosenberg, requires the planning, organization, and completion of a Business Appreciation Reception (event) for the purpose of educating businesses located in Rosenberg, Texas about the resources available in and around the city. The event will occur on a date agreed to by both parties.

The Chamber will perform the following services as requested by the RDC:

- The event will be held on July 29, 2014, unless otherwise agreed by both parties.
- The midday (11:00am to 2:00pm) event will be conceptualized, including timing, format and arrangement, and produced
- Invitations will be designed, produced and mailed (maximum 1500)
- Promotional and marketing materials will be designed, produced and distributed via The Chamber's existing e-blast systems, distributed at Chamber events and 500 copies to RDC
- Advertisement(s) will be designed and published in the FOCUS on Friday weekly e-blast, on The Chamber's website www.CFBCA.org, Absolutely Brazos Magazine, and in The Fort Bend Herald (local daily newspaper)
- Restaurants and caterers will be procured for 7-10 "Tasting Stations"
- Beverage Station will be made available
- 15-20 vendors (such as educational institutions, business services organizations, City and County departments, Governmental entities, etc.) will be secured with four booths reserved for the Rosenberg Development Corporation (RDC)
- Table linens will be provided for vendor tables, food stations and guest tables
- Door prizes will be obtained, to include one "Grand Prize" ("Must be present to win")
- Nametags will be distributed
- Post-event report including survey results and attendance figures will be presented to the Board of the RDC

The RDC will provide the following to The Chamber:

- Timely review and approval as needed of promotional and marketing materials designed by The Chamber
- Mailing list of businesses, dignitaries, organizations that will be targeted for attendance (approx. 1500)
- Promotion of the event on City of Rosenberg website(s) with Chamber logo
- Use and set-up of the Rosenberg Civic Center beginning at 7:30am and ending at 4:00pm the day of the event.
- Use of audio-visual equipment and staff services at the Rosenberg Civic & Convention Center during days/times outlined in above bulleted item
- Payment of $6,500.00
- Expense allowance up to $2,800.00 (invoices to be submitted to RDC for direct payment)

ROSENBERG DEVELOPMENT CORPORATION

By _____
Rachelle Kanak, Assistant Economic Development Director

Date _____

CENTRAL FORT BEND CHAMBER

By _____
Shanta Kuhl, President/CEO

Date _____

COMMUNICATION FORM

February 13, 2014

ITEM #	ITEM TITLE
F	**Resolution No. RDC-87 - Seatex Drainage Project**

ITEM/MOTION

Consideration of and action on Resolution No. RDC-87, a Resolution of the Board of Directors of the Rosenberg Development Corporation amending the Fiscal Year 2013-14 Annual Budget in the amount of $44,539.00 for the Seatex/State Highway 36 Drainage Project.

APPROVAL	SUPPORTING DOCUMENTS
SUBMITTED BY : Rachelle Kanak Interim Economic Development Director	1) Resolution No. RDC-87

EXECUTIVE SUMMARY

While constructing the State Highway 36 Drainage Project (also known as the Seatex Drainage Project), the contractor encountered a previously unknown telecommunications cable located in the right-of-way of the highway between the pavement and the railroad. The Contractor has completed the portion of the pipe constructed under the railroad and the highway, and only has the connection between the two lines remaining. In order to accommodate the telecommunications line, it will be necessary to hand dig the remaining section. The change order included with this item would accomplish this. The change order is in the amount of $44,538.81.

At the November 14, 2013 RDC Board meeting, the Board voted to approve the change order in the amount indicated. The proposed Resolution authorizes a budget amendment to accommodate for the change order.

Staff recommends approval.

RESOLUTION NO. RDC-87

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ROSENBERG DEVELOPMENT CORPORATION AMENDING THE FISCAL YEAR 2013-14 ANNUAL BUDGET IN THE AMOUNT OF $44,539.00 FOR THE SEATEX/STATE HIGHWAY 36 DRAINAGE PROJECT.

* * * * *

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ROSENBERG DEVELOPMENT CORPORATION:

Section 1. The Rosenberg Development Corporation (RDC) does hereby approve the amendment of its Fiscal Year 2013-14 Annual Budget by allocating $44,539.00 from Unrestricted Fund Balance to the RDC Projects Fund for the Seatex/Highway 36 Drainage Project, and further authorizing the expenditure of said funds for the aforementioned project.

PASSED, APPROVED, AND RESOLVED on this _____day of _____ 2014.

ATTEST: **Rosenberg Development Corporation**

_____ _____

Linda Cernosek**, City Secretary** Bill Knesek, **President**

COMMUNICATION FORM

February 13, 2014

ITEM #	ITEM TITLE
1	**Fuller Realty-Rosenberg Business Park Presentation**

ITEM/MOTION

Hear and discuss presentation by Fuller Realty on Declaration of Covenants Conditions and Restrictions and Grant of Easements for Rosenberg Business Park.

APPROVAL	SUPPORTING DOCUMENTS

SUBMITTED BY :

Rachelle Kanak
Interim Economic Development Director

1) Declaration of Covenants Conditions and Restrictions and Grant of Easements for Rosenberg Business Park
2) Rosenberg Business Park Development Agreement – 03-01-13

EXECUTIVE SUMMARY

Section 2 of the Rosenberg Business Park Development Agreement calls for the City Council to approve the deed restrictions for the Rosenberg Business Park. The developer has drafted the attached deed restrictions. Bill Smith with Fuller Realty will make a presentation to the RDC Board regarding the proposed Declaration of Covenants Conditions and Restrictions.

DECLARATION OF COVENANTS CONDITIONS AND RESTRICTIONS
AND GRANT OF EASEMENTS
FOR ROSENBERG BUSINESS PARK

THE STATE OF TEXAS	**§**	
	§	**KNOW ALL MEN BY THESE PRESENTS:**
COUNTY OF FORT BEND	**§**	

WHEREAS, Rosenberg Business Park, Ltd., a Texas limited partnership ("Declarant"), with its principal office at 1800 Augusta Drive, 4th Floor, Houston, Texas 77057, is the owner of that certain 184 acre tract of land, more or less, in Fort Bend County, Texas, and defined herein below as the "Property"; and

WHEREAS, Declarantdesires to create and carry out a general and uniform plan for the improvement, development, maintenance, use and continuation of a business park to be known as ROSENBERG BUSINESS PARK, on the Property, for the mutual benefit of the successors in title to Declarant;

NOW THEREFORE, in order to create and carry out a uniform plan for the improvement, development, maintenance, sale, and use of the Property, the reservations, restrictions, covenants, conditions, easements, liens and charges set out herein are hereby created and established, which shall, run with the land and be binding on all parties having any right, title or interest in and to all or any portion of the Property, and their respective heirs, legal representatives, successors and assigns.

ARTICLE I

Definitions.

1.1 "Annual Maintenance Charge" shall mean the assessment made and levied against each Owner and such Owner's Parcel or Parcels by the Association in accordance with the provisions of this Declaration.

1.2 "Articles of Incorporation" shall mean the Articles of Incorporation of the Association.

1.3 "Association" shall mean the ROSENBERG BUSINESS PARK PROPERTY OWNER'S ASSOCIATION, a Texas non-profit corporation presently or hereafter incorporated by or on behalf of Declarant, and the successors and assigns of such corporation.

1.4 "Board" or "Board of Directors" shall mean the Board of Directors of the Association, whether such Board be appointed by Declarant or elected in accordance with the provisions of this Declaration.

1.5 "By-laws" shall mean the By-laws of the Association.

1.6 "City" shall mean the City of Rosenberg, Texas.

1.7 "Control Period" shall mean the period commencing on the date this Declaration is recorded in the Official Public Records of Real Property of Fort Bend County, Texas and ending on the earlier to occur of (i) the date Declarant no longer owns any Parcel or (ii) the date Declarant records a document in the Official Public Records of Real Property of Fort Bend County, Texas which references this Declaration and states that the Declarant declares this Control Period under this Declaration to be terminated (Declarant having the right to make such declaration and record such document at any time).

1.8 "Declarant" shall mean and refer to Rosenberg Business Park, Ltd., a Texas limited partnership, and its successors and assigns, if such successors or assigns are designated in writing by Rosenberg Business Park, Ltd., as a successor or assign of the rights of Rosenberg Business Park, Ltd., as set forth herein. Following the end of the Control Period, the term Declarant shall mean and refer to the Board.

1.9 "Declaration" shall mean this instrument and any amendment hereto.

1.10 "Detention Area" and shall mean the off-site Detention Area and all improvements thereon.

DRAFT

1.11 "Hazardous Substance" shall mean any hazardous or toxic substance or contaminated material including but not limited to asbestos, oil and petroleum products and those substances within the scope of all federal, state and local environmental laws and ordinances, including without limitation the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act and the Superfund Amendment and Reauthorization Act of 1986.

1.12 "Indemnified Parties" shall mean Declarant and the Association and their predecessors, successors, assigns, legal representatives, beneficiaries, affiliates, agents, attorneys and employees.

1.13 "Maintenance Fund" shall mean any accumulation of (i) The Annual Maintenance Charge collected by the Association from each Owner and such Owner's Parcel or Parcels in accordance with the provisions of this Declaration, and (ii) interest, penalties, special assessments and other sums and revenues collected by the Association pursuant to this Declaration.

1.14 "Majority of the Members" shall mean the majority of those votes entitled to be cast by the Members who are eligible to vote and are present or voting by legitimate proxy at a duly called meeting at which a quorum (as defined in the By-laws) of Members who are eligible to vote are represented.

1.15 "Member" or "Members" shall mean a member or members of the Association.

1.16 "Mortgage" shall mean a security interest, mortgage, deed of trust, or lien instrument granted by an Owner to secure the repayment of a loan made to Owner for the purpose of acquiring a Parcel and constructing improvements thereon, duly recorded in the Office of the County Clerk of Fort Bend County, Texas and creating a lien or security interest encumbering a Parcel and all improvements thereon.

1.17 "Mortgagee" shall mean the beneficial owner(s) of a Mortgage.

1.18 "Owner' or "Owners" shall mean any person or persons, firm, corporation or other entity that holds, of record, fee title to a Parcel, but excluding those having such interests merely as security for the performance of an obligation or the buyer of a Parcel under an executory contract of sale.

1.19 "Parcel" or "Parcels" shall mean each separate lot, tract or parcel of land within the Property.

1.20 "Plans" shall mean the final construction plans and specifications (including a site plan showing the location of all structures and improvements and the size and location of driveways, walks, parking and storage facilities, fences and screening) for any building or improvement of any kind to be erected, placed, constructed, maintained or altered on any portion of any Parcel, together with detailed, final plans, specifications and descriptions of the landscaping to be installed thereon, all in form and substance reasonably satisfactory to the Board, and prepared in conformity with the applicable provisions of this Declaration.

1.21 "Private Drives" shall mean any private streets or roads constructed or to be constructed on the Property by Declarant.

1.22 "Private Utility Lines" shall mean any private water, fire water, sanitary sewer and storm sewer lines constructed or to be constructed on the Property by Declarant.

1.23 "Property" shall mean that certain tract or parcel of land containing approximately 184 acres of land and situated in Fort Bend County, Texas, such tract or parcel of land being more particularly described in Exhibit A attached hereto.

1.24 "Public Streets" shall mean that certain 100' ROW public street identified as Phase 1 on the Site Plan, together with any future public streets or drives constructed to provide access to or from the Property.

1.25 "Public Utility Lines" shall mean all public power, telephone domestic water, fire water, sanitary sewer and storm sewer lines constructed or to be constructed on the Property by the City of Rosenberg or other entities.

DRAFT

1.26 "Restrictions" shall mean the covenants, conditions, easements, reservations and stipulations that shall be applicable and govern the improvement, use, occupancy, and conveyance of all the Parcels as set forth in this instrument or any amendment thereto.

1.27 "Rules and Regulations" shall mean rules adopted and/or amended from time to time by the Boardconcerning the management and administration of the Property for the use, benefit and enjoyment of the Owners.

1.28 "Shared Utility Facilities" shall mean all Private Utility Lines, Public Utility Lines,the Detention Area and any and all drainage and stormwater systems, easements and related facilities constructed, existing, or to be constructed on the Property from time to time.

1.29 "Site Plan" shall mean that certain plan of ROSENBERG BUSINESS PARK, showing a proposed subdivision of the Property and the Public Streets, as the same may be amended or revised from time to time pursuant to the terms of this Declaration. A copy of the preliminary Site Plan is attached hereto as Exhibit B.

ARTICLE II

Use Restrictions.

2.1 No Parcel shall be used for any purposes except for the following commercial uses: office, retail (subject to the further limitations herein contained), commercial processing, agricultural, research, servicing, light industrial, manufacturing, retail sales of products by manufacturers thereof or by manufacturer's representatives, warehousing, distribution purposes, and services ancillary to such uses, or any combination of such uses. No land in the Property shall be used for any purpose which is offensive by reason of odor, fumes, dust, smoke, noise or pollution, or which is hazardous by reason of excessive danger of fire or explosion, or for any purpose which may become an annoyance or nuisance to any other property in the Property or which will be in violation of the laws, rules, regulations, or orders of the United States or the State of Texas or any other governmental entity. No restaurant, gasoline service station, or motel use will be permitted in the Property, except on such portions of the Property, if any, as the Board shall first approve in writing. No portion of the Property shall be used for residential purposes. The Declarant or the Board at any time may not amend these restrictions that would change the permitted uses without the consent from the City of Rosenberg. If the City doesn't respond to the Declarant or Boards request within 30 days the request to modify the Use Restrictions would be considered approved.

2.2 No building of a temporary character, office trailer or trailer home, basement, tent, shack, barn or other out-building shall be permitted on the Property at any time without the prior written consent of the Board; provided, however, that any construction trailer or a temporary structure permitted under applicable laws may be used in connection with the construction of improvements on the Property.

2.3 No signs of any kind may be erected on the Property, except for signs identifying the tenant(s) or Owner(s) or products of such tenant or Owner(s), of the Property or buildings thereon, and "For Sale" and "For Lease" signs, and same must be of a reasonable size not to exceed a maximum of thirty-two (32) square feet. Signs are limited to one on a building, unless multiple businesses are conducted within the building, in which event there may be one sign for each business occupying the interior portion of the building contiguous to such sign, and one on which the sole business or all such businesses, if more than one, are collectively identified in the open area of each Parcel, and shall not bear any flashing, blinking or moving lights. Without the prior written consent of the Board, no sign shall be painted on a building wall and no sign shall be erected on top of or extend above a building. All signs must be approved by the Board before they are erected. An Owner of a Parcel may install, construct, operate and maintain such additional signage as such Owner (or its lessee) may desire on such Owner's Parcel with the written consent of the Board, such consent not to be unreasonably withheld, conditioned, or delayed. The Board shall notify such Owner in writing of its approval or rejection of such additional signage within thirty (30) days after the Board's receipt of an Owner's written request therefor. If the Board fails to give to the person requesting such

DRAFT

additional signage notification of approval or rejection within such thirty (30) day period, the Board shall be conclusively deemed to have given its approval with regard to the request made.

2.4 No Parcel in the Property shall be used or maintained as a landfill site, dumping site, salvage yard, asphalt plant, junk yard or other similar use. Trash, garbage or other waste materials shall not be kept except in sanitary containers constructed of metal, plastic or masonry material, with sanitary lids or covers. All such trash containers and other equipment for the storage or disposal of such waste material shall be kept in a clean and sanitary condition and shall be attractively screened from view from any street or thoroughfare. All rubbish, trash or garbage shall be regularly removed from the Property and shall not be allowed to accumulate thereon. Any accumulation of trash shall be disposed of immediately by the Owner or occupant causing same.

2.5 No Owner or occupant shall use or permit his Parcel to be used in such a manner so as to endanger the health or disturb the reasonable enjoyment of any other Owner or occupant. No Owner or occupant shall engage in any activity within the Property which has the effect of increasing premiums for any insurance carried by the Association or any other Owner.

2.6 No Owner shall use or permit his Parcel or improvements to be used for any purpose that would unreasonably interfere with the use and occupancy of the Property by other Owners, or violate any ordinance of the City or any rule, regulation, law or ordinance of any other county, state, municipal or governmental authority having jurisdiction over the Property.

2.7 No noxious, offensive, dangerous or unduly noisy activity shall be conducted on any Parcel, nor shall anything be done thereon which may be or become a nuisance to the Property or to any occupant of a Parcel. No grass or weeds shall be allowed to grow to a height, which is unsightly in the opinion of the Board. The Association shall have the right, but not the obligation, after 10 days written notice to the Owner of a Parcel, to remove from such Parcel accumulated trash, garbage or debris and to cut and remove unsightly grass and weeds and to charge the Owner for all such costs thereby incurred. Such charge shall bear interest from the date That demand is made by the Association until paid at the rate of eighteen percent (18%) per annum and shall be secured in the same manner as the Annual Maintenance Charge, as provided in Article 9.5 hereof, but in no event shall the interest rate exceed the maximum rate allowed by applicable law.

2.8 No drilling, digging, quarrying or miring operation of any sort shall be permitted on the Property, except for simulated exercises for training.

2.9 The Declarant and any Owner of a Parcel, or any portion thereof, and any Owner of any buildings or improvements situated thereon, and their respective heirs, executors, administrators, successors and assigns, shall at all times keep their respective premises, buildings, improvements and appurtenances in a well-maintained, safe, clean, attractive and sanitary condition and shall comply with all applicable regulations of governmental agencies having jurisdiction over health, safety and pollution control. Refuse and waste materials shall not be permitted to accumulate on any part of the Property and shall be regularly collected and disposed of; provided, however, that the foregoing provision shall not be interpreted to prohibit the construction or operation of a designated outside waste accumulation area that is specifically approved by the Board and determined to be harmonious with the remainder of the Property.. Unless otherwise approved by the Board, all outside storage areas or facilities shall be separated from adjoining public streets or from other property by fencing of at least six (6) feet in height composed of galvanized chain link or equal material, and shall be screened from the street or other property by slats, or trees and shrubs. If, in the opinion of the Declarant, any such Owner or lessee is failing in this duty and responsibility, then Declarant may give such Owner or lessee, or both, notice of such fact, and such owner or lessee must, within ten (10) days of such notice, undertake the care and maintenance required to restore such Owner's or lessee's property to a safe, clean and attractive condition. Should any such Owner or lessee fail to fulfill this duty and responsibility after such notice, then the Declarant shall have the right and power to perform, or have performed, such care and maintenance, including, without limitation, the mowing of any vacant Parcel, and the Owner and lessee (and or both of them) of the property on which such work is performed by the Declarant shall be liable for the cost of any such work and shall promptly reimburse the Declarant for the cost thereof. If such Owner or lessee shall fail to so reimburse the Declarant within thirty (30) days after being billed therefore, then said cost shall be a debt of such Owner or lessee

DRAFT

(and both of them), payable to the Declarant, and shall be a lien against any such Owner's and/or lessee's real property in the Property, which lien shall be subordinate to any now existing or hereafter created valid liens securing purchase money, the cost of construction or permanent financing therefore, or any renewal or extension of such liens. Notwithstanding the foregoing, variances to the provisions of this Section 2.9 concerning the screening of outside storage areas or facilities may be granted by the Board upon written request of an Owner to accommodate such Owner's particular needs with respect to its ownership and operation of its respective Parcel. The Board shall notify such Owner in writing of its approval or rejection of such variance withinthirty (30) days after the Board's receipt of an Owner's written request therefor; provided, however, that the approval of any such requested variance shall not be unreasonably withheld, conditioned, or denied. If the Board fails to give to the person requesting such variance notification of approval or rejection within such thirty (30) day period, the Board shall be conclusively deemed to have given its approval with regard to the request made.

2.10 The Owner of each Parcel, or those holding under any such Owner, shall provide adequate on-site parking areas for employees, customers, Owners and tenants paved with concrete or other materials approved by Declarant; and none of their respective employees, customers, Owners or tenants shall have any right to park on any streets or highways adjacent to said Parcel. Paved parking areas may be constructed in any designated set back area between a dedicated street and a building.

2.11 No Owner shall park or permit such Owner's guests, invitees or contractors to park vehicles along or within any Public Street or any Private Drive within the park. Parking within any ingress/egress easement is prohibited.

2.12 The discharge of firearms of any kind or nature in the Property is strictly prohibited, unless approved by the City of Rosenberg and no hunting of wild game or birds of any species by any method is allowed therein. Explosive devices shall not be utilized on any Parcel except with prior written permission from the Declarant.

2.13 For purposes of the second sentence of Section 2.1 of this Declaration (beginning with: "No land in the Property shall be used for any purpose which is offensive …"), the commercially reasonable opinion of the Board with respect to the use and occupancy of any Parcel, and the compliance of such use with the restrictions contained herein, shall be binding upon the Owners of all Parcels; provided, however, that no Parcel may in any event be used for any purpose which is in violation of the laws, rules, regulations, or orders of the United States or the State of Texas or any other government entity.

ARTICLE III

Approval ofPlans.

3.1 No building, structure or improvement of any kind (including, without limitation,landscaping and fences) shall be erected, placed, constructed, or substantially altered on any Parcel until the Plans for such building or improvement have been submitted to and approved in writing by the Board (such approval not to be unreasonably withheld, conditioned, or delayed) and thereafter approved by any appropriate governmental agency or entity (if required).

3.2 In determining whether such Plans shall be approved, the Board may take into consideration factors deemed appropriate by the Board. Such factors may include, without limitation, the following:

(a) Compliance with this Declaration;

(b) Kind and quality of the building materials or improvements and their suitability;

(c) Kind and quality of the proposed landscaping;

(d) Harmony, compatibility and the conformity of the design of such building or improvement withexisting and proposed buildings and improvements on the Property and with the design or overall character and aesthetics of the Property;

DRAFT

(e) Location of such building, improvements and landscaping within the Parcel on which it will be constructed or placed;

(f) Square footage;

(g) Compliance with the Design Standards (hereinafter defined),

(h) Compliance with the Rules and Regulations; and

(i) Compliance with the applicable laws, ordinances, rules or regulations of any county, state, municipal or other governmental authority having jurisdiction over the Property.

3.3 The Board shall approve or disapprove the Plans in accordance with the following procedures:

(a) two (2) complete sets of Plans, together with samples of materials and colors and such other documentation or information as may be deemed pertinent and required by the Board, shall be delivered by the Owner to the Board at the address of the Association; provided, however, until the expiration of the Control Period, such Plans shall be delivered to Declarant at the address set out above or such other addresses as Declarant may from time to time designate by written notice to the Association. The Board may require submission of additional plans, specifications or other information prior to approving or disapproving the proposed improvement. Until receipt by the Board of all required materials in connection with the proposed improvement, the Board may postpone review of any materials submitted for approval.

(b) If the Plans are approved by the Board, a letter of approval, including a description of qualifications or required modifications, if any, shall be prepared for the countersignature of the Owner. Such approval shall be dated and shall not be effective for construction commenced more than nine (9) months after such approval. If construction is not commenced within nine (9) months after such approval, the Owner shall not begin construction of any building or improvement of any kind until the corresponding Plans have been resubmitted and reapproved by the Board in accordance with the provisions of this Article 3.3.

(c) If the Plans are disapproved by the Board, one set of such Plans shall be returned marked "Disapproved', and shall be accompanied by a statement by the Board setting forth the reasons for disapproval.

(d) If the Board fails to indicate its approval or disapproval within thirty (30) days after receipt by the Board of all of the Plans, materials, documentation and information described in Subsection 3.3 (a) above, it will be deemed that the Board has approved such Plans.

(e) The Board may from time to time (but shall not be obligated to) promulgate architectural and landscaping standards for the design and construction of improvements within the Property and for the design and installation of landscaping on the Parcels (the "Design Standards"). A copy of the Design Standards in effect at the time will be furnished to any Owner upon written request therefor. Such Design Standards shall supplement thisDeclaration and may make other and further provisions as to the approval and disapproval of Plans, prohibited materials and other matters relating to the appearance, design and quality of improvements or landscaping. Such Design Standards, as they may be promulgated from time to time by the Board, shall be incorporated in this Declaration by this reference as if set forth at length herein. Any such Design Standards shall be made available to prospective purchasersfollowing a request for the same before closing of their Parcel.

3.4 All decisions of the Board shall be final, conclusive and binding and there shall be no review of any action of the Board. The Board shall have the right (but not the obligation) to delegate its rights and obligations under this Article III to an architectural review committee composed of individuals to be selected by the Board, in accordance with the By-laws of the Association.

DRAFT

3.5 No approval of Plans and no publication of Design Standards shall ever be construed as representing or implying that such Plans, specifications or standards will, if followed, result in a properly constructed structure complying with all applicable legal requirements. Such approvals and standards shall in no event be construed as a representation, warranty or guaranty by the Board or any architectural review committee that any structure will be built in a good or workmanlike manner.Neither Declarant, the Association, the members of the Board nor the members of the architectural review committee or any of their representatives, shall be liable in damages to anyone submitting Plans to the Board for approval, or to any Owner or lessee of any part of the Property affected by this Declaration, by reason of or in connection with the approval or disapproval or failure to approve any Plans submitted. Every person who submits Plans to the Board for approval agrees, by submission of such Plans, and every Owner or lessee of any portion of the Property involved herein agrees, by acquiring title thereto or any interest therein, that such person, Owner or lessee will not bring any action or suit against the Declarant, the Association, any of the members of the Board, any of the members of the architectural review committee or any of their representatives, to recover any such damages and each, by acceptance of such conveyance, hereby waives all such claims and causes of action.

3.6 The Board or its duly authorized representative shall have the right, but not the obligation, to inspect any improvements to a Parcel prior to or immediately after completion.

3.7 No action or failure to act by the Board shall constitute a waiver or estoppel with respect to future action by the Board.

3.8 The Board may authorize variances from compliance with the design, construction, signage, outside storage, or any other provisions of this Declaration due to circumstances warranting such variance in the opinion of the Board such as topography, natural obstructions, hardship, aesthetic or environmental considerations and the shape and configuration of the particular Parcel for which the variance is sought. Such variances must be evidenced in writing and shall become effective when signed by at least a majority of the members of the Board. The granting of a variance shall not operate to waive any of the provisions of thisDeclaration for any purpose except as to the particular Parcel and particular provision described therein, nor shall the granting of a variance affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting the Property.

3.9 All water towers, storage tanks, exterior processing equipment, fans, skylights, cooling towers, communication towers and any other similar structures or equipment in the Property shall be architecturally compatible with the other buildings in the Property or be effectively shielded from view from any public street by an architecturally sound method, including, where appropriate, slatted fence, trees and shrubs

3.10 Any notice to the Declarant or request for approval by the Declarant shall be made to the Declarant in writing, and shall be sent to the Declarant by certified or registered mail, postage prepaid, addressed as follows: 1800 Augusta Drive, Floor 4, Houston, Texas 77057. If any request for approval of a variance or exception to the restrictions provided herein, or approval of any proposed action by a Parcel Owner where a construction of thisDeclaration is required is made to the Declarant, the Declarant shall, within thirty (30) days after the request is made, give the person making the request, at such person's address as shown in the request, written notification either of the approval by the Declarant, which approval shall not be unreasonably withheld, or of its rejection of the request, with specification of the reasons for such rejection. If the Declarant fails to give to the person requesting such approval notification of rejection within such thirty (30) day period, as provided for above, the Declarant shall be conclusively deemed to have given its disapproval with regard to the request made. Any approval or rejection given by the Declarant, and any written approval, rejection or other communication by the Declarant may be relied upon, as the act of the Declarant, by the person receiving such approval, rejection or other communication.

ARTICLE IV

Maintenance. Alteration and Repairs.

4.1 Subject to the provisions of Article III and the approvals required therein, and subject to the Rules and Regulations and subject to the Design Standards each Owner shall have the right to make minor alterations,

DRAFT

modifications, and repairs to such Owner's Parcel and improvements, provided that all such action is performed in a good and workmanlike manner, causes minimum inconvenience to other Owners and does not constitute a nuisance. Alterations or repairs which would change the exterior color, materials or shape of the improvements must be approved by the Board. Notwithstanding the foregoing, if any of the above described actions is performed without the prior approval of the Board of Plans therefor in accordance with Article III hereof, the Board may require (but shall be under no obligation to require) the Owner to remove or eliminate any paint color, decoration, or other object situated on such Owner's improvements or Parcel that is visible from any street or thoroughfare or from any other Parcel, if, in the Boards sole judgment, such object detracts from the visual attractiveness of the Property or is inconsistent with the design or overall character and aesthetics of the Property.

4.2 Subject to the provisions of Article 4.3 hereof, each Owner shall maintain such Owner's Parcel, improvements, fences, landscaping, light standards and fixtures, sanitary, storm water, water and drainage lines and facilities which service only such Owner's Parcel and improvements, including the point of the connection of such lines and facilities to the Shared Utility Facilities, and all other improvements in good working order and repair and in an attractive condition at all times. If any Owner fails to comply with the requirements of this Article 4.2. the Association may, but shall not be obligated to, without liability to such Owner or any occupant in trespass or otherwise, enter upon such Parcel, maintain or repair any of same, in which case such Owner shall upon demand pay the Association's cost of same. Such indebtedness shall bear interest from the date that demand is made by the Association until paid at the rate of eighteen percent (18%) per annum and shall be secured in the same manner as the Annual Maintenance Charge, as provided in Article 9.5hereof, but in no event shall the interest rate exceed the maximum rate allowed by applicable law.

4.3 It is anticipated that all Public Streets, Public Utility Lines and the Detention Area shall be maintained at all times by City of Rosenberg. The Association shall maintain, repair, and replace any Private Drives and Private Utility Lines in good working order, condition and repair at all times. There is hereby created a blanket easement in favor of the Association upon, across, over and all of the Property for the purpose of maintaining, repairing and replacing any Private Drives and Private Utility Lines.

4.4 Notwithstanding the foregoing, in addition to the Association's rights pursuant to Section 4.2 above, Declarant or the Association may at any time, following written notice to the Owners, take over maintenance of all or any portion of the landscaping within the Property, including any landscaping located within an Owner's Parcel. In such event, any expenses incurred by the Association shall be included in the Annual Maintenance Charge pursuant to Article IX below. There is hereby created a blanket easement in favor of the Association upon, across, over and all of the Property for the purpose of maintaining such landscaping.

ARTICLE V

Construction.

5.1 Construction of improvements must be commenced upon a Parcel by the Owner thereof within one (1) year after the date such Parcel is first conveyed by Declarant to an Owner (other than Declarant). If construction is not started within one (i) year, owner grants Declarant the option to purchase the parcel at the exact price the Owner paid to Declarant.

5.2 Without the prior written consent of the Board (not to be unreasonably withheld, conditioned, or delayed), no building material of any kind or character shall be placed or stored upon any Parcel more than thirty (30) days before the construction of a structure or improvement is commenced. All materials permitted to be placed on a Parcel shall be placed within the property lines of the Parcel. At the completion of such building or improvements, any unused materials shall be removed immediately from the Parcel. After commencement of construction of any structure or improvement on the Parcel, the work thereon shall be prosecuted diligently, to the end that the structure or improvements shall not remain in a partly finished condition any longer than reasonably necessary for completion thereof. Unless otherwise authorized in writing by the Board prior to commencement of construction, the construction of any structure or improvement on a Parcel shall be completed within one (1) year from the date of commencement of

DRAFT

construction, excepting delays due to strikes, war, acts of God, or other causes beyond the control of the Owner and approved by the Board.

5.3 Only new construction materials (except for used brick) may be used in constructing a structure or improvements situated on a Parcel unless otherwise approved in writing by the Board.

5.4 Any exterior lighting of any improvements or Parcel shall be subject to the prior written approval of the Board, not to be unreasonably withheld, conditioned, or delayed.

5.5 Each building to be located on a Parcel shall be constructed with exterior materials of brick veneer, cement plaster, concrete block, concrete tiltwall, steel, aluminum or glass, or their equivalent. Any concrete block exterior surfaces shall be architecturally treated in a manner acceptable to the Declarant. Any steel or aluminum exterior surfaces shall be coated or painted with an enamel finish. All exterior tilt up concrete walls must be painted unless constructed with decorative aggregate exterior designs.

5.6 Bulk storage of flammable fluids must be maintained underground, or in flashproof metal tanks, or protected by earthen fire walls.

5.7 No effluent containing harmful bacteria, poisonous acids, oils or other harmful substances shall be permitted to drain or drift beyond the property lines of the Property.

5.8 The minimum building lines/minimum set back lines are hereby established for the Property:

1. Street Set-Back: twenty (25) feet from face of curb; first ten (10) feet of set-back shall be used for landscape buffer only
2. Rear Set-Back: fifteen (15) feet,
3. Side Set-Back: fifteen (15) feet.

Further, no buildings, nor any other improvements situated above the surface of the ground (other than parking, paving and landscaping), shall be within an easement on such Parcel established hereby or by the Site Plan without approval by the Board.

5.9 The construction of any and all improvements on a Parcel shall at all times be in strict compliance with the Plans approved by the Board, this Declaration, the Plat and the laws and ordinances of Fort Bend County and the City,including without limitation, compliance with any and all requirements or ordinances with respect to building set-back lines.

ARTICLE VI

Detention Area and Storm Water Quality Facility.

6.1 The Detention Area should accommodate the detention of surface water runoff as required by Fort Bend County and Fort Bend County Flood Control, without requiring any on-site detention on any Parcel.

6.2 It is anticipated that the Detention Area shall be maintained by the City of Rosenberg.

6.3 There is hereby created a blanket easement in favor of the Association upon, across, over and under all of the Property for the purpose of improving and maintaining any Private Utility Lines, including the drainage and stormwater systems appurtenant to the Detention Area.

ARTICLE VII

Easements.

7.1 The Declarant shall have the right, but no obligation, to amend this Declaration from time to time to create ingress/egress and utility easements (including Private Drives) upon, across, over and under portions of the Property (regardless of whether or not such portions of the Property are then owned by Declarant) for

DRAFT

ingress and egress, installation, replacing, repairing, operating and maintaining utilities (including without limitation, water, sewer, storm water, ingress/egress, telephone, electricity, gas and cable television) so the appropriate entity can provide such utilities as may be reasonably necessary for the construction, use, development and enjoyment of the Property or any portion thereof and an unlocated easement over the Property for such purposes is hereby reserved by Declarant; provided, however, such additional ingress/egress and utility easements shall not be located so as to unreasonably interfere with or impede the use of the surface of any Parcel or any improvements or facilities existing on any Parcel as of the date such additional ingress/egress and utility easements are created. Any ingress/egress and utility easements created pursuant to his Section 7.1shall sometimes be hereinafter referred to collectively as the "Utility Easement". By virtue of the Utility Easement, it shall be expressly permissible for the Declarant, the Association and/or the utility entities to affix, construct, maintain, repair, replace and operate pipes, wires, conduits or other service lines on, across, over and under the Utility Easement, to the extent not limited hereby.

7.2 It is anticipated that all Public Utility Lines shall be constructed and maintained by the City of Rosenberg. Any Private Utility Lines shall be constructed by Declarant or the Association and thereafter the Association shall maintain the Private Utility Lines in good condition and repair.

7.3 Easements for the installation and maintenance of utilities and ingress/egress are hereby reserved as herein provided, and by amendments to this Declaration made after the date hereof. Right of use for ingress and egress shall be had at all times over any Utility Easement and for the installation, operation, maintenance, repair, replacement or removal of any utility together with the right to remove any obstruction that may be placed in any Utility Easement that would constitute interference with the use, maintenance, repair, replacement, removal, operation or installation of such utility. No structure, planting or other materialsshall be placed or permitted to remain within any Utility Easement which may damage or interfere with the use, installation, repair, operation, replacement, removal or maintenance of such utilities. The easement areas of each Parcel shall be maintained by the Owner of the Parcel, except for those improvements for which Declarant, the Association, a public authority or utility entity is responsible.

7.4 There is hereby created a blanket easement in favor of the Association upon, across, over and under all of the Property for ingress and egress for the purpose of maintaining the fences, walls, structures, light standards and fixtures, landscaping, sanitary, storm water and drainage lines and utilities facilities, and other improvements when an Owner or occupant has failed to do so(the Association having no obligation to so maintain).

7.5 Declarant shall have the right, but no obligation, at its sole option and at its sole cost and expense, to construct a "ROSENBERG BUSINESS PARK" sign (the "Business Park Sign") in which event the Association shall maintain the Business Park Sign in good condition and repair. Declarant may cause the Business Park Sign to contain such information regarding Declarant, or its affiliates, as Declarant shall desire. In the event the Declarant does not construct a Business Park Sign on or before the expiration of the Control Period, the Association shall have the right (but no obligation), at its sole option and at its sole cost and expense, to construct a Business Park Sign, in which event the Association shall maintain the Business Park Sign in good condition and repair. Accordingly, there is hereby created in favor of the Declarant, and upon expiration of the Control Period, in favor of the Association, for the benefit of the Property, an easement upon, across, over and under that portion of the Property reasonably necessary for theinstallation, replacing, repairing and maintaining the Business Park Sign. Declarant may at any time and from time to time assign all or any portion of its rights under this Article 7.5 to the Association.

7.6 Notwithstanding anything contained herein to the contrary, the Owner of any Parcel shall be entitled to the free and unimpeded use and enjoyment of the surface of its respective Parcel to the maximum extent permitted by law and this Declaration and the grant, reservation or creation of any blanket easements herein (whether in this Article 7 or otherwise) over, above, under, or across any such Parcel, or any portion thereof, shall not preclude any Owner from constructing, installing, operating, or maintaining any structure or improvement on such Parcel so long as the same shall not materially interfere with or frustrate the purpose of any such blanket easement.

ARTICLE VIII

Management and Operation ofthe Property.

DRAFT

8.1 The common affairs of the Property shall be managed by the Association. The Association shall have the right, power and obligation to provide for the management, maintenance, repair, replacement, administration, insuring and operation of the Property. The business affairs of the Association shall be managed by its Board of Directors. Until the expiration of the Control Period, the Declarant shall have absolute, complete and exclusive control of the Association and the Board of Directors, regardless of how many other Owners may acquire Parcels during such period of time. The Declarant, in its sole discretion, may appoint a Board of Directors during the Control Period, said appointed Board to administer the Association'saffairs until the first annual meeting of the Members of the Association is held in accordance with the provisions of Article8.4 hereof and a Board of Directors is elected by the Members. The Board of Directors elected at the first annual meeting of Members of the Association is herein called the "First Elected Board". The Board of Directors appointed by Declarant pursuant to the provisions of this Article 8.1 is herein referred to as the "Appointed Board". The Declarant shall have the power, exercisable at any time and from time to time, to remove any Director of the Appointed Board and appoint a successor, as well as to appoint a successor for any position on the Appointed Board which becomes vacant. The Declarant hereby appoints William G. Smith and Stephen G. Darnall as members of the "Appointed Board". The Appointed Board may engage the Declarant or any other party whether or not affiliated with Declarant, to perform the day to day functions of the Association and to provide for the management, maintenance, repair, replacement, administration insuring and operation of the Property as required herein.

8.2 Each Owner, including Declarant during the period of time in which Declarant owns any Parcel, shall be a Member in the Association and such membership shall terminate automatically when such ownership ceases. Upon the transfer of ownership of a Parcel, howsoever achieved, the new Owner thereof shall, concurrently with such transfer, become a Member in the Association.

8.3 Until the expiration of the Control Period, Declarant shall have all voting power, and no other Member shall have any voting power whatsoever during such period of time; thereafter, the total voting power shall be the sum of votes that correspond to each 10,000 square feet of land within the Parcels, with all votes in the Association to be on the basis of one vote being allocated to each 10,000 square feet of land (rounded to the nearest 10,000 square foot if more or less) owned by such Owner in all of the Parcels. In the event that ownership interests in a Parcel are owned by more than one Member of the Association, such Members shall exercise their right to vote in such manner as they may among themselves determine, but in no event shall more than one vote be cast for each 10,000 square feet of land. Such Owners shall appoint one of them as the Member who shall be entitled to exercise the vote of that 10,000 square feet of land at any meeting of the Association. Such designation shall be made in written notice to the Board. The Board shall be entitled to rely on any such designation until written notice revoking such designation is received by the Board. In the event that a Parcel is owned by more than one Member of the Association and no single Member is designated to vote on behalf of the Members having an ownership interest in such Parcel, then none of such Members shall be allowed to vote. All Members of the Association may attend meetings of the Association and all voting Members may exercise their vote at such meetings either in person or by proxy.

8.4 The first annual meeting of the Members of the Association shall be held within 60 days after the expiration of the Control Period, when called by either the Appointed Board or Declarant, upon no less than ten (10) and no more than fifty (50) days prior written notice to the Members. The First Elected Board shall be elected at the first annual meeting of the Members of the Association. Thereafter, annual and special meetings of the Members of the Association shall be held at such place and time and on such dates as shall be specified in the By-laws. The Declarant may convene a special meeting of the Members of the Association at any time and from time to time prior to the first annual meeting of the Members of the Association for such purposes as the Declarant may deem appropriate.

8.5 The initial Board of Directors shall be elected and shall meet in the manner set forth in the By-laws.

8.6 In addition to its other powers conferred by law or hereunder, the Board shall be empowered to create procedures for resolving disputes between or among Owners, the Board and/or the Association, including appointment of committees to consider and recommend resolution of any such disputes.

DRAFT

8.7 Declarant or the Board may retain, hire, employ or contract for the construction, maintenance, repair, landscaping, insuring, administration and operation of the Property as provided for herein and as provided for in the By-laws.

8.8 Any action, inaction or omission by the Board made or taken in good faith shall not subject the Board or any individual member of the Board to any liability to the Association, its Members or any other party.

8.9 In accordance with the By-laws, the Board shall elect, at least annually, a President, one or more Vice Presidents, a secretary, a Treasurer and such other officers and assistant officers as it may designate who shall each serve the Association without compensation. The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the Association. The President shall have all the general powers and duties which are usually vested in the office of president of an association. The Secretary shall keep all the minutes of all meetings of the Board and the minutes of all meetings of the Association, and shall be in charge of such books and papers as the Board may direct. The Secretary shall keep and update a complete list of Members, showing opposite each Member's name the number of the Parcel owned by such Member. The Treasurer shall have responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. The Treasurer shall also be responsible for the deposit of all monies and other valuable effects in the name, and to the credit of, the Association in such depositories as may from time to time be designated by the Board. The Appointed Board or Declarant shall appoint a President, one or more Vice Presidents, a Secretary and a Treasurer to serve in such capacities until the first annual meeting of the Members of the Association shall be held in accordance with the provisions of Article 8.4 hereof. At the first annual meeting of the Members of the Association, the First Elected Board shall elect a President, one or more Vice Presidents, a Secretary, a Treasurer and such other officers as it may designate; thereafter, the Board shall elect officers at least annually, in accordance with the By-laws of the Association.

ARTICLE IX

Maintenance Expense Charge and Maintenance Charge.

9.1 Each Parcel shall be subject to an Annual Maintenance Charge in an amount to be set by the Declarant or Appointed Board from time to time, and thereafter shall be set by the Board. If the Board elects to establish a security program for the Property, each Owner shall cooperate and participate in such security program and the Annual Maintenance Charge shall include the security charge relating to such security program. The amount of the Annual Maintenance Charge for each Parcel may be increased or decreased by the Board from time to time, as needed to pay for the expenses of the Association. After the third full year of operation, if any such change increases the Annual Maintenance Charge by more than twenty percent (20%) of the amount of Annual Maintenance Charge prior to such change (for any reason other than the initial development of the improvements on the Detention Area or other Shared Utility Facilities, increases in taxes or insurance, the introduction of new or additional services, or a requirement of a governmental authority), the change must be approved by a Majority of the Members present at a duly called meeting. The Annual Maintenance Charge and any special assessments provided for in Article 9.4 hereof chargeable to a Parcel shall be based upon a fraction the numerator of which is the number of square feet of land comprising such Parcel and the denominator of which is the total number of square feet comprising the Property.

9.2 Notwithstanding anything to the contrary contained in this Declaration, until the election of the First Elected Board, Declarant shall not be responsible for the payment of the Annual Maintenance Charge chargeable with respect to all Parcels owned by Declarant. Declarant shall, however, with respect to such period of time until such election, be responsible for payment to the Association of the sum, from time to time, equal to the expense incurred by the Association on a cash basis, less the Annual Maintenance Charges paid from time to time by the Owners other than Declarant. From and after the election of the First Elected Board, Declarant shall not be responsible for any deficit between expenses incurred by the Association and the Annual Maintenance Charges paid by the Owners, but Declarant shall be responsible for paying the Annual Maintenance Charge with respect to the Parcels owned by Declarant thereafter from time to time.

DRAFT

9.3 The Annual Maintenance Charges collected by the Association shall be paid into the Maintenance Fund and shall be held, managed, invested and expended by the Board, at its discretion, for the benefit of the Property. The Board shall expend the Maintenance Fund: for the maintenance, repair, replacement, insuring, administration, management and operation of the Property, including without limitation, the ownership, maintenance, repair, replacement and operation of any common landscaping or fencing, any Private Drives or Private Utility Lines, as well as any costs incurred in connection with the Detention Area and Shared Utility Facilities, and the Business Park Sign; for the payment of taxes applicable to any common areas of the Property; for the maintenance of the public street lighting, public street sweeping, and public street maintenance within the Propertyto the extent not paid for by the City of Rosenberg, maintenance of entry markers, greenbelts, esplanades and landscape reserves owned as easement rights by the Association; for the performance of the duties of the Board and the Association as set forth herein; for the enforcement of this Declaration by action at law or in equity, or otherwise, and the payment of court costs as well as reasonable and necessary legal fees; and for all other purposes that are, in the commercially reasonable determination of the Board, desirable in order to maintain the character, integrity and value of the Property and the Parcels therein. The Board and its individual members shall not be liable to any person as a result of action taken by the Board with respect to the Maintenance Fund, except for willful misconduct or fraud.

9.4 If the Board at any time (and from time to time) after expiration of the Control Period determines that the Annual Maintenance Charges assessed for any period are insufficient to provide for its stated purpose, then the Board shall have the authority to levy such special assessments as it shall deem necessary to provide for the same. No special assessment shall be effective until the same is approved in writing by a Majority of Members present at a duly called meeting. Any such special assessment shall be payable, and the payment thereof may be enforced, in the manner herein specified for the payment of the Annual Maintenance Charges.

9.5 The Annual Maintenance Charge assessed against each Owner shall be due and payable, in advance, annually on the date determined from time to time by the Board, subject to the appropriate yearend adjustment based upon actual expenses incurred. Any such amount not paid and received by the fifteenth (15th) day after the due date thereof shall be deemed delinquent, and, without notice, shall bear interest at a rate of eighteen percent (18%) per annum until paid, but in no event shall the interest rate exceed the maximum rate allowed by applicable law. The Board, at its option, may impose and collect late charges on delinquent payments.

To secure the payment of the Annual Maintenance Charge, special assessments levied hereunder and any other sums due hereunder (including, without limitation, interest, late fees or delinquency charges) a contractual lien is hereby created, in favor of the Association, in and to each Parcel and improvements and assigned to the Association which lien shall be enforceable as hereinafter set forth by the Association or the Board on behalf of the Association. The lien described in this Article 9.5 shall be deemed subordinate to any Mortgage and any renewal, extension, rearrangements or refinancing thereof; provided, however, no foreclosure of any Mortgage shall free any Parcel, improvements or Owner from the lien described in this Article 9.5 securing such Annual Maintenance Charges, special assessments or any other sums due hereunder thereafter becoming due and payable. The collection of such Annual Maintenance Charges, special assessments and other sums due hereunder may, in addition to any other applicable method at law or inequity, be enforced by suit for a money judgment and in the event of such suit, the expense incurred in collecting such delinquent amounts, including interest, costs and reasonable attorney's fees shall be chargeable to and be a personal obligation of the defaulting Owner. In no event shall the foreclosure of any Mortgage extinguish or discharge the personal obligation of the foreclosed Owner to pay Annual Maintenance Charges, special assessments levied hereunder or any other sums due hereunder. The voting right of any Owner in default in the payment of the Annual Maintenance Charge, or other charge owing hereunder for which an Owner is liable, shall be automatically revoked for the period during which such default exists.

Notice of the lien referred to in this Article 9.5 may be given by the recordation in the Office of the County Clerk of Fort Bend County, Texas of an affidavit, duly executed, sworn to and acknowledged by an officer of the Association, setting forth the amount owed, the name of the Owner or Owners of the affected Parcel according to the books and records of the Association, and the legal description of such Parcel. The

DRAFT

Association shall also provide written notice to the holder of any recorded mortgage affecting the Parcel upon which such lien is being noticed.

Each Owner, by acceptance of a deed to such Owner's Parcel, hereby expressly recognizes the existence of such lien as being prior to such Owner's ownership of such Parcel and hereby vests in the Board the right and power to bring all actions against such Owner or Owners personally for the collection of such unpaid Annual Maintenance Charge, special assessments and other sums due hereunder as a debt, and to enforce the aforesaid lien by judicial all methods available for the enforcement of such liens, both by judicial and non-judicial foreclosure. Additionally, by acceptance of the deed to such Owner's Parcel, each Owner expressly GRANTS, BARGAINS, SELLS AND CONVEYS to the President of the Association from time to time serving, as trustee (and to any substitute or successor trustee as hereinafter provided for) such Owner's Parcel and all improvements thereon, and all rights appurtenant thereto, in trust, for the purpose of securing the aforesaid Annual Maintenance Charge, special assessments and other sums due hereunder remaining unpaid by such Owner from time to time. The trustee herein designated may be changed at any time by execution of an instrument in writing signed by the President of the Association and attested to by the Secretary of the Association and filed in the Office of the County Clerk of Fort Bend County, Texas. In the event of the election by the Board to foreclose the lien herein provided, for nonpayment of sums secured to be paid by such lien, then it shall be the duty of the trustee, or his successor, as hereinabove provided, at the request of the Board (which request shall be presumed) to enforce this trust and to sell such Parcel and all improvements thereon, and all rights appurtenant thereto, at the door of the County Courthouse of Fort Bend County, Texas, on the first Tuesday in any month between the hours of 10:00 a.m. and 4:00 p.m. to the highest bidder for cash after the trustee and The Board, respectively, shall have given notices of the proposed sale in the manner hereinafter set forth, or otherwise in the manner then provided by the Texas Foreclosure Statute hereinafter defined. Following sale, the trustee shall make due conveyance of the Parcel and all improvements thereon to the purchaser or purchasers, with general warranty of title to such purchaser or purchasers binding upon the Owner or Owners of such Parcel and all improvements thereon and their heirs, executors, administrators and successors. The trustee shall give notice of such proposed sale by posting a written notice of time, place and terms of the sale for at least twenty-one (21) consecutive days preceding the date of sale at the Courthouse door of Fort Bend County, Texas, by filing such notice with the County Clerk of Fort Bend County, Texas, at least twenty-one (21) consecutive days preceding the date of sale, and, in addition, the Board shall serve written notice at least twenty-one (21) days preceding the date of sale by certified mail on each of such Owner or Owners according to the records of the Association of such sale or shall otherwise cause the notice thereof to comply with the provisions of Section *5* 1.002 of the Texas Property Code as it may be amended or recodified from time to time ("Texas Foreclosure Statute"). Service of such notice shall be completed upon deposit of the notice in the United States mail, properly addressed to such Owner or Owners at the most recent address as shown by the records of the Association. The affidavit of any person having knowledge of the facts to the effect that such service was completed shall be prima facie evidence of the fact of such service.

At any foreclosure, judicial or non-judicial, the Association shall be entitled to bid up to the amount of the sum secured by its lien, together with costs and attorney's fees, and to apply as a cash credit against its bid all sums due to the Association covered by the lien foreclosed. From and after any such foreclosure the occupants of such Parcel shall be required to pay a reasonable rent for the use of such Parcel and such occupancy shall constitute a tenancy-at-sufferance, and the purchaser at such foreclosure sale shall be entitled to the appointment of a receiver to collect such rents and further, shall be entitled to sue for recovery of possession of such Parcel by forcible detainer without further notice.

9.6 In the event any of the utilities provided to the Parcels through the Shared Utility Facilities are provided to the Property as a whole and are not separately metered at each Parcel by the municipality or other provider of such utilities, the costs of such utilities shall be added to the Annual Maintenance Charge as provided above. The amount paid by each Owner shall be subject to year-end adjustment as set forth above, based upon separate meters for each Parcel, if installed by the Association, or by other commercially reasonable and equitable methods of determination by the Association.

ARTICLE X

DRAFT

Environmental Covenants

Each Owner shall cause such Owner's Parcel to be in compliance with all federal, state and local environmental laws and ordinances. To the full extent permitted by applicable law, each Owner shall defend, indemnify and hold harmless the Indemnified Parties from and against any and all loss, cost, expense or liability (including attorneys' fees and court costs) incurred by any Indemnified Party in connection with or otherwise arising out of any and all claims or proceedings (whether brought by a private party, governmental agency or otherwise) for bodily injury, property damage, abatement, remediation, environmental damage or impairment or any other injury or damage, resulting from or relating to such Owner (or such Owner's agents, representatives or employees) causing or permitting any Hazardous Substance to be located upon, migrate into, from or through such Owner's Parcel.

ARTICLE XI

Insurance.

11.1 Each Owner shall throughout the term of this Declaration keep, at its own expense, all improvements on its Parcel insured against loss or damage by fire, windstorm, hail, explosion, damage from aircraft and vehicles and smoke damage, and such other risks as are from time to time included in the broad form "extended coverage" endorsements generally written in the Fort Bend County, Texas metropolitan area.

11.2 Each Owner shall throughout the term of thisDeclaration, at its own expense, maintain general public liability insurance against claims for personal injury or death and property damage occasioned by accident occurring upon, in or about that Owner's Parcel, such insurance to provide protection in each case of not less than: (i) $1,000,000 in respect of injury or death to any one person; (ii) $2,000,000 in respect of injury or death to any number of persons arising out of any one occurrence, and (iii) $500,000 per occurrence in respect of any instances of property damage.

ARTICLE XII

General Provisions.

12.1 Declarant, the Association or any Owner shall have the right to enforce by any proceedings at law or in equity all restrictions, conditions, covenants, easements, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by Declarant, the Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. Similarly, failure by Declarant, the Association or any Owner to enforce any one or more covenants or restrictions herein contained shall in no event be deemed a waiver of the right to enforce any other covenant or restriction.

12.2 Invalidation of any one or more of these covenants or restrictions by judgment or court order shall in no way affect any other provision, and all such other provisions shall remain in full force and effect.

12.3 The covenants and restrictions of thisDeclaration shall run with and bind the Property, and shall inure to the benefit of and be enforceable by the Association, Declarant, the Owner of any Parcel subject to this Declaration, their respective heirs, legal representatives, successors and assigns for a term of forty (40) years from the date thisDeclaration is recorded in Fort Bend County, Texas, after which time said covenants shall be automatically extended for successive periods of ten (10) years; provided, however, that in the event an instrument signed by the Owners owning 75% or more of the total square footage of land in all of the Parcels, and recorded in Real Property Records of Fort Bend County, Texas at least sixty (60) days before the expiration of the initial forty (40) year period or any subsequent ten (10) year period, then this Declaration shall terminate at the end of such forty (40) year period or such ten (10) year period, as the case may be.Subject to the provisions of Article 12.5 below, the covenants and restrictions or any other portion of thisDeclaration may be amended at any time until the expiration of the Control Period, by an instrument signed (i) by Declarant and (ii) the Owners of a majority of the total square footage of land within all of the Parcels. After the expiration of the Control Period, the covenants and restrictions or any other portion of this Declaration may be amended at any time by an instrument signed by the Owners

DRAFT

owning 75% or more of the total square footage of land in all of the Parcels. Any amendment must be properly recorded in Fort Bend County, Texas. In addition, the Owner of any Parcel covered by a Mortgage shall give the Mortgagee a written notification thirty (30) days prior to any abandonment or termination of this Declaration and/or any material amendment to thisDeclaration; provided, however, the failure of any Owner to so notify any such Mortgagee shall not affect the validity of any abandonment or termination of this Declaration and/or any amendment to this Declaration.

12.4 Each Owner and Declarant shall comply strictly with the provisions of this Declaration. Failure to comply with any of the same shall be grounds for an action to recover sums due for damages, injunctive relief or both, maintainable by an aggrieved Owner, Declarant or the Association, as applicable, including reasonable attorney's fees and costs of court.

12.5 Notwithstanding anything contained herein to the contrary, until the expiration of the Control Period, the Declarant shall have and hereby reserves the right at any time, without the joinder or consent of any Mortgagee or any other Owner, party or entity, to amend this Declaration or the Site Plan or both by an instrument in writing, duly signed, acknowledged and filed of record in the Office of the County Clerk of Fort Bend County, Texas, so long as such amendment will not be inconsistent with the general overall plan for the development of the Property as provided herein and so long as any amendment or revision of this Declaration or the Site Planshall not create any material encroachment, material encumbrance or direct material burdens on any Parcel (other than the Utility Easement described in Article 7.1) or Owner without the written consent of the such Owner. For purposes of carrying out and implementing the provisions of this paragraph, each Owner (other than Declarant) appoints the Declarant such Owner's irrevocable agent and attorney-in-fact coupled with an interest with authority to execute and deliver any such amendment.

12.6 The Declarant may make additional restrictions by appropriate provisions in any deed or deeds hereafter conveying any land in the Property, without otherwise modifying the general plan outlined above, and such other restrictions shall inure to the benefit of the owners of any other land in the Property in the same manner as though they had been expressed herein. Declarant shall have the right to extend the restrictions and covenants hereof to any land owned or acquired by Declarant, any boundary of which lies adjacent to the Property ("Additional Land") by filing an election to add the Additional Land to the Property as being subject to this Declaration, in the Public Records of Real Property of Fort Bend County, Texas. Nothing herein contained, however, shall be deemed to impose any restrictions on any portion of the Additional Land unless Declarant, as the owner of the Additional Land, hereafter elects to subject the Additional Land to the general plan outlined above by expressly providing for same in any Deed or other instrument executed by the Declarant, as the owner of the Additional Land to be made subject to these Restrictions.

12.7 No delay in enforcing the provisions of this Declaration as to any breach or violation Thereof shall impair, damage or waive the right of any party entitled to enforce the same or obtain relief thereof against or recover for the continuation or repetition of such breach or violation or any similar breach or violation thereof at any later time or times.

12.8 Declarant, as well as its agents, employees, officers, directors, partners, contractors and attorneys, shall not be liable to any Owner or lessee of a Parcel or any portion thereof or to any other party for any loss, claim or demand in connection with the breach of any provisions of thisDeclaration by any party other than Declarant or any of Declarant's agents, employees or representatives.

12.9 In the event any one or more persons, firms, corporations or other entities shall violate or attempt to violate any of the provisions of this Declaration, Declarant, the Association or each Owner of a Parcel or any portion thereof, may institute and prosecute any proceeding at law or in equity to abate, prevent or enjoin such violation or attempted violation or to recover monetary damages caused by such violation or attempted violation.

12.10 The covenants and restrictions adopted and established for the Property by this Declaration are imposed upon and made applicable to the Property and shall run with the land and shall be binding upon and inure to the benefit of and be enforceable by Declarant, the Association, and each Owner of a Parcel or any part thereof, and their respective heirs, legal representatives, successors and assigns.

DRAFT

12.11 Notwithstanding any provision to the contrary contained in this Declaration, all actions of the Members, Board or any committee of the Board provided for herein may be taken by unanimous written consent without a meeting, or any meeting thereof may be held by means of a telephone conference or the like, to the full extent permitted by law.

ARTICLE XIII

[OPTIONAL]

Consent of Mortgagees

_____(“Mortgagee”) is the owner and holder of that certain promissory note dated _____, in the principal amount of $_____(the “Note”) made by _____ and payable to the order of Mortgagee, which Note is secured by that certain Deed of Trust (the “Deed of Trust”) of even date with the Note, granted by _____ to _____, Trustee, for the benefit of Mortgagee and covering the Property. By joinder herein and the execution of this Declaration below, Mortgagee hereby: (a) consents for itself, its successors, legal representatives and assigns to the execution and recording of this Declaration and all of the terms and provisions contained herein and (b) agrees that, notwithstanding any foreclosure of any of its liens or other encumbrances affecting all or any part of the Property, whether such liens or other encumbrances now exist or are hereafter created, or any conveyance in lieu of such foreclosure, this Declaration and all rights herein described shall continue unabated and in full force and effect. It is understood and agreed that nothing herein contained shall modify or diminish any obligations, covenants and agreements of _____ under the Note and any instruments securing the payment of theNote.

DRAFT

IN WTINESS WHEREOF, the undersigned has duly executed this Declaration of Covenants, Conditions and Restrictions and Grant of Easements for ROSENBERG BUSINESS PARKeffective as of _____, 2013_.

DECLARANT:

ROSENBERG BUSINESS PARK, LTD.,a Texas limited partnership

By: Rosenberg Business Park GP, LLC, its general partner

By:_____
_____, President

DRAFT

STATE OF TEXAS §
§
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me on this ____ day of _____, 200_, by _____, President of _____, Inc., a Texas _____, as_____of _____, a Texas limited partnership

_____
Notary Public, State of Texas

[Mortgagee]

STATE OF TEXAS §
§
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me on this ____ day of _____, 200_, by _____, _____ of _____.

_____
Notary Public, State of Texas

DRAFT

EXHIBIT A

Description of the Property

See attached.

DRAFT

EXHIBIT B

Site Plan

DRAFT

ROSENBERG BUSINESS PARK
Landscape Guidelines

- Minimum of 15% of lot to be landscaped using trees, shrubs or grass.
- All grassed areas to be Common Bermuda.
- (1) street tree for each 30 feet of lot width along business parks main road "See Schedule A; Street Trees for approved specimens".
- Trees may be clustered or spaced linearly; they need not be placed evenly.
- All trees to be no less than 30 gal in size at time of planting or no less than 1.5" Cal, minimum 8-10 feet in height.
- Any exposed storage yard fencing with a direct line of site to business park main road to be screened with Waxleaf Ligustrums; installed plant to be no less than 15 gal, 4 – 5 feet minimum height planted; minimum 48" o.c. spacing.
- Beautification of building entrance and marquee sign highly encouraged.
- All Landscape Area to be irrigated 100% using permanent underground irrigation system.

DRAFT

SCHDULE "A"
Approved Plant Species

1. Street Trees

Scientific Name	Common Name	Height	Spread	Growth Rate	Comments
Quercus virginiana	Live Oak	Large	50	Slow	Semi-Decidious
Quercus shumardii	Shumard Oak	Large	40	Slow	Fall Color
Acer rubrum	Red Maple	Large	30	Medium	Fall Color
Platanus mexicana	Mexican Sycamore	Large	50	Fast	Unique Leaf
Taxodium distichum	Bald Cypress	Large	30	Fast	Semi-Decidious
Pinus taeda	Loblolly Pine	Large	30	Fast	Evergreen
Quercus falcata	Southeren Red Oak	Large	40	Slow	Fall Color

DRAFT

ROSENBERG BUSINESS PARK
DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT by and among THE CITY OF ROSENBERG, TEXAS, a Texas home-rule municipal corporation ("City"), the ROSENBERG DEVELOPMENT CORPORATION, a Type B economic development corporation (the "RDC"); and ROSENBERG BUSINESS PARK, LTD., a Texas limited partnership (referred to as the "Developer"), entered into on this __1__ day of March, 2013 for the purpose of developing the Rosenberg Business Park, an industrial and distribution business park.

WHEREAS, Developer is the owner of approximately 184 acres of land in the corporate limits of the City of Rosenberg, Texas, more fully described by legal instrument marked as **Exhibit "A,"** attached hereto and incorporated herein for all purposes ("Property");

WHEREAS, in accordance with Article III, Section 52-a, Texas Constitution, and Chapter 380, Texas Local Gov't Code, the City may establish and provide for the administration of a program for making loans and grants of public money to promote state or local economic development and to stimulate business and commercial activity in the municipality;

WHEREAS, the City has agreed to construct certain drainage, utilities, and roads and cause the installation of natural gas and electrical service for the Property to encourage and promote the development of an industrial and distribution business park on the Property, thereby enhancing and stimulating business and commercial activity in the City;

WHEREAS, pursuant to the Development Corporation Act, Chapters 501 and 505, Texas Local Gov't Code, the City has created the RDC in order to assist with the development or operation of an economic development program;

WHEREAS, the RDC has agreed to provide financial assistance for certain infrastructure improvements including streets and roads, water and sewer utilities, drainage, and related public improvements on the Property, necessary to promote or develop new or expanded business enterprises, all in accordance with Section 501.103, Texas Local Gov't Code;

WHEREAS, the Developer has agreed, in exchange and as consideration for funding of the construction of certain infrastructure improvements to satisfy and comply with certain terms and conditions; and

WHEREAS, the City, the RDC, and the Developer agree that the provisions of this Agreement substantially advance a legitimate interest of the City and the RDC by expanding the tax base of the City, increasing employment and promoting economic development.

NOW, THEREFORE, for and in consideration of the promises and the mutual agreements set forth herein, the City, the RDC, and Developer hereby agree as follows:

1. **Dissolution of District.** The Property is currently located wholly within the boundaries of Fort Bend County Municipal Utility District No. 150 (the "District"). The parties agree that the District is no longer beneficial to the Property or necessary in order to provide utilities to the Property. The Developer will submit to the City for approval by July 1, 2013, a plan to settle all reimbursements and other financial obligations owed by the District so that the District will no longer have outstanding debts or liabilities at the time of dissolution of the District by the City. The dissolution plan may include exclusion of land from the District, annexation of land into another district, and/or releases of claims for payment from the District. As part of the dissolution plan, the Developer will (i) pay any administrative costs associated with such dissolution, including the District's outstanding legal fees, (ii) convey to the City for its ownership, operation and maintenance a drainage ditch on the northern boundary of the District as shown on the survey attached as **Exhibit "D"** (the "Ditch") free and clear of all liens and encumbrances. The dissolution plan shall not require the City to incur any costs. The City agrees to assist and cooperate with the Developer in the dissolution of the District upon approval of the dissolution plan, including all actions necessary to annex any District land, not including the Property, into another special district in the City. However, the City will not dissolve the District if dissolution would result in the assumption of any outstanding debts or liabilities of the District by the City. If the Developer and City are unable to agree upon a dissolution plan of the District, the Developer may terminate this Development Agreement without penalty and with no further obligations hereunder.

2. **The Project; Deed Restrictions.** The Developer intends to construct (or cause to be constructed) an industrial and distribution business park to be known as the Rosenberg Business Park (the "Project"). Developer will submit to the City for approval draft deed restrictions for the Property. Among other issues, the deed restrictions will restrict the 184 acres to an industrial and distribution business park, along with retail sales associated with industrial and distribution uses and will provide

other standards that address the quality of development in the business park. No residential or other retail uses will be allowed in the business park. The McCombs property (approximately 15.07 acres located on FM 2218) will not be included in the Project. The Developer agrees to create a mandatory property owners association ("POA") to maintain the common areas and enforce the restrictions. The City's approval and the subsequent recordation of the deed restrictions is a condition precedent to the City's construction of any Public Improvements, as described herein. The City must approve in writing any changes to the deed restrictions that affect the land uses allowed on the Property prior to recordation for such changes to be effective. The Developer is not liable to the City for any subsequent changes in deed restrictions that are made after the Developer no longer owns a majority interest in the Property.

3. **Public Improvements.** The City agrees to fund, design and construct the Public Improvements in accordance with this Agreement, which include the water distribution, sanitary sewer, storm water drainage, and paving improvements set forth in **Exhibit "A"** attached hereto as well as the installation natural gas lines and electrical service in the sizes and volts as set out on **Exhibit "E"** attached hereto. The Public Improvements do not include any private internal facilities to serve specific tracts within the Property. Costs of the Public Improvements to be funded by the City include the costs of design and construction of the Public Improvements as well as all costs incurred in connection with obtaining governmental approvals, certificates, and permits required in connection with the construction of the Public Improvements. The installation of natural gas and electrical service to the end users will occur contemporaneously with the construction of each phase of the Public Improvements as described herein. The Public Improvements depicted in purple on **Exhibit "B"** estimated in the amount of approximately $3,478,300 are referred to herein as the "Phase I Improvements." The Public Improvements depicted in blue estimated in the approximate amount of $1.7 million are referred to herein as the "Future Improvements."

   a. Phase I Improvements. The City will commence design of the Phase I Improvements when all the following have been accomplished:
      i. The Developer has recorded approved deed restrictions (described in Section 2 above) as a covenant running with the land that binds all future owners of the Property;
      ii. The Developer provides the City with a recorded plat for the portion of the Property to be served by the Phase I Improvements that includes all right-of-way needed for the Phase I Improvements;
      iii. The Ditch has been conveyed to the City; and

iv. The District has been dissolved.

The City agrees use its best efforts to complete the construction of the Phase I Improvements within eighteen (18) months of commencement of the design of the Phase I Improvements. The parties acknowledge that completion may be affected by construction delays beyond the control of the City or by events of force majeure.

b. City Construction of Future Improvements. The City will be obligated to design and construct the Future Improvements in accordance with this Section. The City will be obligated to begin design of the Future Improvements when either (i) the Developer has sold or entered into a long-term lease with an end user or builder/developer (not investor) of at least fifty percent (50%) of the Property served by the Phase I Improvements or (ii) the Developer has sold or entered into a long-term lease with an end user or builder/developer (not investor) for at least fifty percent (50%) of the Property which requires the Future Improvements ("Property Sale Threshold"). The purpose of the Property Sale Threshold is to assure that the City is not obligated to undertake Future Improvements until they are needed to serve an end user or builder/developer so that they will not be constructed but then remain unused for a significant period of time. Future Improvements will be constructed as needed and may be constructed in phases. The Developer must notify the City in writing of the Property Sale Threshold to trigger the City's obligation to construct any Future Improvements. If the Developer does not meet the Property Sale Threshold and the City is not required to construct the Future Improvements pursuant to this Section within ten years of the completion of the construction of the Phase I Improvements, the City will have the right to terminate this Development Agreement and have no further obligation to construct the Future Improvements.

c. Funding of Public Improvements. The City will construct the Public Improvements in accordance with all regulatory requirements. The City and the RDC will each fund fifty percent (50%) of the design, testing, and construction of the Project Improvements (the "Project Costs") from legally available funds. The RDC agrees to advance its share of the costs of the Public Improvements as the phases are designed and constructed. The City may make one or more requests for funds per phase, and the RDC agrees to advance such funds to the City within sixty (60) days of receipt of request.

d. Developer Construction of Future Phases. Prior to meeting the Property Sale Threshold described in subsection (b)(i) and (ii) above, the Developer has the right to fund and construct the Future

Improvements as more particularly described in **Exhibit "B"**. Once the Developer meets the Property Sale Threshold and provides the City with an accounting of the actual costs of the Future Improvements, the City and the RDC will reimburse the Developer the Project Costs for the Future Improvements within 60 days of submittal from the Developer. The RDC agrees to pay its share of such costs to the City within sixty (60) days of request by the City to allow the City to reimburse the Developer.

4. **Water, Wastewater and Drainage Service for the Project**.

   a. General. Upon completion of the infrastructure for water and wastewater service to the Project by the City, the City shall provide water and wastewater service to the Project and major outfall drainage service for the Project. Equivalent single family connection or ESFC means the daily measure of water and wastewater that is attributed to one single-family home as determined by the City. The City will provide up to 693 ESFC of water and wastewater service to the Property. Such water, wastewater and drainage service shall be provided by the City in accordance with the same policies and ordinances for similarly classified City water and wastewater customers, as may be amended from time to time.

   b. Impact Fees. The City will charge impact fees to the new development for the Project pursuant to its impact fee ordinances as amended from time to time, provided that no impact fees will be charged to the Property for the costs of the Public Improvements.

5. **Conveyance of Easements for Utilities and Public Roads**. The Developer shall timely convey and donate to the City all easements for the construction of the Public Improvements. Such easements shall be in form and content reasonably acceptable to the City and shall either (i) be reflected on a plat filed with the City, or (ii) evidenced by separate instrument from the Developer to the City. Additionally, the Developer agrees to convey and donate to the City the land described on the attached **Exhibit "C"** for the realignment of Bryan Road and the widening of FM 2218 within 180 days of receipt of written notice from the City.

6. **Additional Developer Obligations.**

   a. Promotion of Business Park. In order to promote the Project, the Developer agrees to erect a sign promoting the business park on FM 2218. In order to maintain an attractive appearance to the Project, the Developer agrees to landscape the entrance to the Project and cause

the POA to maintain the entrance to the Project, the highway right of way on FM 2218 adjacent to the Project, and common areas in the Project.

b. Performance Requirements. The parties agree that this Section 6(b) constitutes the requirements of a performance agreement under Section 501.158, Texas Local Government Code. In consideration of an expenditure made on behalf of the RDC, the Developer will:

   i. commence construction of a building of a minimum of 25,000 square feet in the Project within twenty-four (24) months of completion of the Phase I Improvements;

   ii. Assure the creation of at least five (5) new jobs in the Project and provide to the City access to any documentation to allow the City to determine compliance with this Section 6.B.;

   iii. convey the Ditch to the City and forego any rights to reimbursement; and

   iv. convey right of way necessary for emergency access to the Property as described in Section 6 (c) below; and

   If performance requirements of this Development Agreement are not met in accordance with Section 501.158(b)(2), Texas Local Government Code, the Developer shall reimburse all amounts advanced by the City and the RDC for the Public Improvements (the "Reimbursement Amount"). The City agrees to credit against the Reimbursement Amount the costs of the Ditch and the value of the right of way donated to the City; and the City agrees that the value of the Ditch and right of way is greater than or equal to the City's portion of the Reimbursement Amount and no further funds shall be due the City. Payment of the RDC's portion of the Reimbursement Amount shall be effected as follows. The Developer shall immediately remove any special appraisals of the Property applied for under Chapter 23 of the Texas Tax Code and going forward make payments of taxes on the land at market value. The City shall pay to the RDC all tax revenues attributable to the removal of the special appraisal until the full amount of the RDC's participation is repaid. The City and the RDC shall also have the right to terminate the Development Agreement and shall have no obligation to build the Future Improvements.

c. Alternate Emergency Access. The Developer agrees to donate and convey to the City its Property for right-of-way for alternate emergency access to the Property. Once the City has determined a

viable route for such alternate emergency access into the Project, the Developer agrees to dedicate necessary right of way on Property owned by the Developer within sixty days of written notification from the City. The Developer shall have no obligation to provide right-of-way on land outside the Property for such access. If the Developer fails to provide the right of way for the alternate emergency access from Property owned by the Developer within one hundred eighty (180) days of receipt of written request by the City, the City's sole remedy is to not construct the Public Improvements and to terminate the Agreement.

d. Removal of Special Appraisal. The Developer agrees to remove from the Property all special appraisals for agricultural use, open space, or any other special appraisals applied for under Chapter 23 the Texas Tax Code within five years of the completion of the construction of the Phase I Improvements. If after such time, the Developer is still claiming any agricultural, open space, or other special appraisal under Chapter 23 of the Texas Tax Code on any of the 184 acres of the Property, the Developer agrees to pay the City annually a payment in lieu of taxes in the amount of taxes that would have been paid to the City as if the land subject to the special appraisal had been taxed at market value. Such payment shall be due and payable to the City at the same time as City property taxes are due, and delinquencies shall accrue penalty and interest at the same rate and in the same manner as delinquent City property taxes. Payment shall be made by the Developer without the need for an invoice from the City and shall provide appropriate verifiable documentation from the Fort Bend Appraisal District as to the market value.

7. **Default of this Agreement.** An "Event of Default" under this Agreement shall occur upon the failure of either party hereto to timely and fully perform or comply with any of the terms and conditions of this Agreement. However, with respect to any breach of this Agreement, which may be cured by the payment of money, an Event of Default shall not occur (a) until the defaulting party has received written notice of such default and has not completely and fully cured such default within ten (10) working days after receipt of such written notice from any source, and (b) with respect to any other breach of this Agreement, an Event of Default shall not occur until the defaulting party has received written notice of such default and has not cured such default within thirty (30) calendar days (or, if such default is not susceptible of being cured within such thirty (30) day period, such additional period of time as may be reasonable to cure such default, provided that the defaulting party initiates the cure of such default in such thirty (30) calendar day

period and thereafter continuously and diligently, by using its commercially reasonable efforts, prosecutes the cure of such default to completion). If an Event of Default occurs, the non-defaulting party shall be entitled to pursue any and all remedies available at law or in equity, which remedies shall be cumulative and not exclusive. Failure to meet Property Thresholds under Section 3(b) or the failure to meet additional Developer obligations under Sections 6(b) (c) and (d) do not constitute an Event of Default, and the City's sole remedies under Section 3(b), and Sections 6(b), (c) and (d) being the remedies specified in each respective section.

8. **Separate Status**. None of the terms or provisions of this Agreement shall be deemed to create a partnership between or among the parties in their respective businesses or otherwise, nor shall it cause them to be considered joint ventures or members of any joint enterprise.

9. **Construction and Interpretation**.

   a. Whenever required by the context of this Agreement, (i) the singular shall include the plural, and vice versa, and the masculine shall include the feminine and neuter genders, and vice versa, and (ii) use of the words "including", "such as", or words of similar import, when following any general term, statement or matter, shall not be construed to limit such statement, term or matter to specific terms, whether or not language of non-limitation, such as "without limitation", or "but not limited to", are used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest scope of such statement, term or matter.

   b. The captions preceding the text of each article and section of this Agreement are included only for convenience of reference. Captions shall be disregarded in the construction and interpretation of this Agreement. Capitalized terms are also selected only for convenience of reference and do not necessarily have any connection to the meaning that might otherwise be attached to such term in a context outside of this Agreement.

   c. This Agreement may be executed in several counterparts; each of which shall be deemed an original. The signatures to this Agreement may be executed and notarized on separate pages, and when attached to this Agreement shall constitute one (I) complete document.

10. **INDEMNIFICATION AND HOLD HARMLESS. TO THE MAXIMUM EXTENT PERMITTED BY LAW, DEVELOPER OBLIGATES ITSELF**

TO THE CITY AND THE RDC TO FULLY AND UNCONDITIONALLY PROTECT, INDEMNIFY AND DEFEND THE CITY OF ROSENBERG AND THE ROSENBERG DEVELOPMENT CORPORATION, THEIR OFFICERS, AGENTS AND EMPLOYEES, AND HOLD THEM HARMLESS FROM AND AGAINST ANY AND ALL COSTS, EXPENSES, REASONABLE ATTORNEY FEES, CLAIMS, SUITS, LOSSES OR LIABILITY FOR INJURIES TO PROPERTY, INJURIES TO PERSONS (INCLUDING DEVELOPER'S EMPLOYEES), INCLUDING DEATH, AND FROM ANY OTHER COSTS, EXPENSES, REASONABLE ATTORNEY FEES, CLAIMS, SUITS, LOSSES OR LIABILITIES OF ANY AND EVERY NATURE WHATSOEVER ARISING IN ANY MANNER, DIRECTLY OR INDIRECTLY, OUT OF OR IN CONNECTION WITH THIS AGREEMENT, REGARDLESS OF CAUSE OR OF THE SOLE, JOINT, COMPARATIVE OR CONCURRENT NEGLIGENCE OR GROSS NEGLIGENCE OF THE CITY, THE RDC OR THEIR OFFICERS, AGENTS OR EMPLOYEES. THIS INDEMNIFICATION AND SAVE HARMLESS SHALL APPLY TO ANY IMPUTED OR ACTUAL JOINT ENTERPRISE LIABILITY.

11. **Insurance**. The City agrees to require any contractor who constructs any phase of the Project Improvements to maintain insurance policies, with the minimum limits of insurance coverage, consistent with the City's general requirements for construction activities of comparable value to the particular phase of the Project Improvements that may be under construction. All insurance policies carried by such contractors shall name the Developer as additional insured (with respect to liability arising out of work performed by the contractors or subcontractors, as applicable) and shall contain a waiver of subrogation in favor of the Developer.

12. **Miscellaneous Provisions**.

    a. Actions Performable. The City, the RDC, and the Developer agree that all actions to be performed under this Agreement are performable solely in Fort Bend County, Texas.

    b. Assignability. Performance by Developer under the terms and conditions of this agreement are deemed personal and, as such, any attempt to convey, assign or transfer those duties and obligations without the prior written approval and consent by City are void; provided, however, Developer shall be authorized to assign or transfer its rights, duties and obligations under this Agreement to an affiliate of Developer under common ownership and control. Developer may assign its right to receive any payments under this Agreement, but not its duties or obligations, to Developer's financial

lenders of this Project without the consent of the City and the City agrees to execute estoppel certificates (in a form reasonably acceptable to the City) reasonably required by such financial lenders regarding the status of this Agreement.

c. Severability. If any provision hereof shall be finally declared void or illegal by any court or administrative agency having jurisdiction, the entire Agreement shall not be void; but the remaining provisions shall continue in effect as nearly as possible in accordance with the original intent of the parties.

d. Complete Agreement. This Agreement represents the complete agreement of the parties with respect to the subject matter hereof and supersedes all prior written and oral matters related to this Agreement. Any amendment to this Agreement must be in writing and signed by all parties hereto or permitted or approved assignees.

e. Exhibits. All exhibits attached to this Agreement are incorporated herein reference and expressly made part of this Agreement as if copied verbatim.

f. Notice. Any notice or demand which either the City, the RDC, or the Developer is required to or may desire to serve upon the other, must be in writing, and shall be sufficiently served if (i) personally delivered, (ii) sent by facsimile, (iii) sent by registered or certified mail, postage prepaid, or (iv) sent by commercial overnight carrier, and addressed to:

If to the City:

City of Rosenberg, Texas
P.O. Box 32
2110 Fourth Street
Rosenberg, Texas 77471
Attention: City Manager
Telephone: (832) 595-3400
Fax: (832) 595-3333

or any other address or addresses which the Developer may be notified of in writing by the City;

If to the RDC:

Rosenberg Development Corporation
2110 Fourth Street

Rosenberg, Texas 77471
Attention: Matt Fielder
Telephone: (832) 595-3400
Fax: (832) 595-3333

or any other address or addresses which the City or the Developer may be notified of in writing by the RDC;

If to the Developer:

Rosenberg Business Park, Ltd.
1800 Augusta, 4th Floor
Houston, Texas 77056
Telephone: (713) 850-8400
Fax: (713) 850-8405

Attn: William G. Smith, Jr.

or such other address or addresses which the City or RDC may be notified in writing by the Developer.

Such notice shall be deemed to have been served (a) four (4) business days after the date such notice is deposited and stamped by the U. S. Postal Service, except when lost, destroyed, improperly addressed or delayed by the U.S. Postal Service, or (b) upon receipt in the event of personal service or (c) the first business day after the date of deposit with an overnight courier, except when lost, destroyed, improperly addressed or delayed by the courier, or (d) the date of receipt by facsimile (as reflected by electronic confirmation); provided, however, that should such notice pertain to the change of address to either of the parties hereto, such notice shall be deemed to have been served upon receipt thereof by the party to whom such notice is given.

g. Force Majeure. Any delay or failure in the performance by a party under this Agreement shall be excused if and to the extent caused by the occurrence of a Force Majeure. For purposes of this Agreement, Force Majeure means acts of nature (including fire, flood, earthquake, storm, hurricane or other natural disaster), war, invasion, act of foreign enemies, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation, terrorist activities, nationalization, government sanction,

blockage, embargo, labor dispute, strike, lockout or interruption or failure of electricity. Any party asserting Force Majeure as an excuse shall have the burden of proving that reasonable steps were taken (under the circumstances) to minimize delay or damages caused by foreseeable events, that all non-excused obligations were substantially fulfilled, and that the other parties were timely notified of the likelihood or actual occurrence which would justify such an assertion, so that other prudent precautions could be contemplated.

h. Forum Selection. This Agreement and the relationship between the City, the RDC, and Developer shall be governed and interpreted under the laws of Texas without regard to any conflict of laws provision. Venue for any suit arising out of any relationship between the City, the RDC, and Developer shall exclusively be the appropriate court in Fort Bend County, Texas. Developer specifically consents to and waives any objections to, in personam jurisdiction in Fort Bend County, Texas.

i. Appointment of Representatives. To further the commitment of the parties to cooperate in the implementation of this Agreement, the City and Developer each shall designate and appoint a representative to act as a liaison between the City and its various departments and the Developer. The initial representative for the City (the "City Representative") shall be Matt Fielder or his designee; the initial representative for the RDC shall be Matt Fielder; and the initial representative for Developer shall be William G. Smith, Jr. (the "Developer Representative"). The representatives shall be available at **all** reasonable times and places to discuss and review the performance of the parties to this Agreement and the development of the Property.

13. **Preamble.** The findings of fact, recitations and provisions set forth in the preamble to this Development Agreement are true and are adopted and made a part of the body of this agreement, biding the parties hereto, as if the same were fully set forth herein.

14. **Representation of Authority**. The City represents and warrants to the Developer that the City is duly authorized and empowered to enter into this Agreement and has the legal authority to reimburse the Developer as provided in this Agreement. The RDC represents and warrants to the Developer and the City that the RDC is duly authorized and empowered to enter into this Agreement and has the legal authority to reimburse the Developer as provided in this Agreement. The Developer represents and warrants to the City and the RDC that it has the requisite authority to enter into this Agreement and is a proper party to this Agreement.

15. **Signature Warranty Clause**. The signatories to this Agreement represent and warrant that they have the authority to execute this Agreement on behalf of the City, the RDC and Developer, respectively.

16. **Performance Agreement**. This Agreement constitutes a performance agreement under Section 501.158, Texas Local Gov't Code. The RDC finds that the creation and/or retainage of jobs and the capital investment made by the Developer, the conveyance of the drainage ditch and right of way for access to the Project are sufficient consideration for the expenditures made by the Corporation under this Agreement.

17. **Economic Incentives Constitute a Program**. This Agreement constitutes an economic development program to promote state or local economic development and to stimulate business and commercial activity in the City pursuant to Article III, Sec. 52-a, Texas Constitution, and Chapter 380, Texas Local Gov't Code.

18. **Employment of Undocumented Workers**. During the term of this Agreement the Developer agrees not to knowingly employ any undocumented workers and if convicted of a violation under 8 U.S.C. Section 1324a(1), the Developer shall repay any other funds received by the Developer from the City or the RDC under this Agreement, plus interest at the annual interest rate of 6% from the date of violation until paid. The Developer shall have the right to appeal any such violation through all available legal recourses and will repay any funds only when all appeals have been exhausted. The Developer is not liable for a violation of this section by a subsidiary, affiliate, or franchise of the Developer or by a person with whom the Developer contracts.

19. **Good Faith Representations**. The parties agree that they have entered into this Agreement in good faith, intend to deal with each other in good faith, and intend for this Development Agreement to be enforceable as to its terms under Texas law.

20. **Term.** This Agreement will remain in force and effect for a term of twenty-five (25) years or until earlier terminated by the City pursuant to Sections 3(b), 6(b) and/or 6(c) of this Agreement, or terminated by the Developer pursuant to Section 1 of this Agreement.

List of Exhibits
Exhibit "A": Description of Property
Exhibit "B": Description of the Public Improvements
Exhibit "C": Description of Land Dedication for Widening of Bryan Rd. and FM 2218
Exhibit "D": Survey of Property depicting Drainage Ditch
Exhibit "E": Natural Gas and Electric Service

CITY:

CITY OF ROSENBERG, a Texas home-rule municipal corporation

By: Jack S. Hamlett
Name: JACK S. HAMLETT
Title: CITY MANAGER

Attested:
Linda Cernosek
City Secretary

Date: February 5, 2013

DEVELOPER:

ROSENBERG BUSINESS PARK, LTD.

By its general partner, Rosenberg Business Park GP, LLC.

By: _____
Name: William G. Smith
Title: President

ROSENBERG DEVELOPMENT
CORPORATION

By: Jack S. Hamlett
Name: JACK S. HAMLETT
Title: EXECUTIVE DIRECTOR

Exhibit "A"

METES AND BOUNDS DESCRIPTION
OF 183.7 ACRES OF LAND
IN THE S.B. PENTECOST SURVEY, A-378
AND THE S.B. PENTECOST SURVEY, A-362
FORT BEND COUNTY, TEXAS

All that certain 184.4 acres of land, being a portion of the 158.5 acre tract described in the deed from 2218 Rosenberg, L.P. to Windmeadows Investors, Ltd., recorded under File No. 2005-095386, in the Official Public Records of Fort Bend County, Texas, the 7.2649 acre tract and the 7.2717 acre tract described as Tract II, the 28.06 acre tract described as Tract III, and 35.95 acre tract described as Tract I, in the deed from Rio Mortgage Company to Windmeadows Investors, Ltd., recorded under File No. 2009-00812, in the Official Public Records of Real Property of Fort Bend County, Texas, and the 11.37 acre tract described in the deed from WM Commercial, L.P. to Windmeadows Investors, Ltd., recorded under File No. 2008-108814, in the Official Public Records of Real Property of Fort Bend County, Texas, in the S.B. Pentecost Survey, A-378 and the S.B. Pentecost Survey, A-362, Fort Bend County, Texas, and more particularly described by metes and bounds as follows: (All bearings based on the record bearings of the east line of said 158.5 acre tract, as monumented.)

BEGINNING at a 5/8 inch iron rod found for the east corner of said 158.5 acre tract, common to the south corner of the 17.0 acre tract described in the deed from William Arnold Bryan to Betty Bryan Cruikchank, recorded under File No. 2000-079844, in the Official Public Records of Fort Bend County, Texas, common to the most southerly east corner of the herein described tract, in the northwest line of the 335.34 acre tract described in the deed from Amtex Properties to Amtex Properties, Ltd., recorded under File No. 2002-100334, in the Official Public Records of Real Property of Fort Bend County, Texas;

THENCE South 45° 00' 00" West - 1533.19 feet, along the southeast line of said 158.5 acre tract, common to the northwest line of said 335.34 acre tract, to a 1/2 inch iron rod found for the east corner of the 7.802 acre tract described in the deed from Colletta Ray McMillian, et al. to Lane Aviation, Inc., recorded under File No. 97-09631, in the Official Public Records of Real Property of Fort Bend County, Texas, common to the south corner of said 158.5 acre tract;

THENCE North 45° 03' 23" West – 4823.44 feet, along the northeast line of said 7.802 acre tract, common to the southwest line of said 158.5 acre tract, the southwest line of aforesaid 35.95 acre tract, the southwest line of aforesaid 28.06 acre tract, and the southwest line of aforesaid 11.37 acre tract, to a 5/8 inch iron rod found for the west corner of said 11.37 acre tract, common to the north corner of said 7.802 acre tract, and the west corner of the herein described tract, in the southeast right-of-way line of F.M. 2218 (100' R.O.W.);

THENCE North 44° 43' 46" East – 1532.10 feet, along the northwest line of said 11.37 acre tract, common to said southeast right-of-way line, to a 5/8 inch iron rod found for the north corner of

said 11.37 acre tract, common to an angle corner of the herein described tract;

THENCE South 45° 04' 10" East – 339.74 feet, along the northeast line of said 11.37 acre tract, to an angle corner of the herein described tract, in the northeast line of aforesaid 28.06 acre tract, common to the west corner of aforesaid 7.2649 acre tract, from which a found 1 inch iron pipe, bears North 38° 47' 40" East – 0.40 feet;

THENCE North 44° 33' 55" East - 1083.82 feet, along the southeast line of the 3.879 acre tract described in the deed from Peggy Geiselman Rice, et al. to PEGMO, L.L.C., recorded under File No. 2003-107704, in the Official Public Records of Real Property of Fort Bend County, Texas, the southeast line of RSC SUBDIVISION, according to the plat thereof recorded under Film Code No. 2007-0058, in the Plat Records of Fort Bend County, Texas, and the southeast line of the 1.9442 acre tract described in the deed from Elnora Barcak to SAAF Real Estate, LLC., recorded under File No. 2006-081965, in the Official Public Records of Real Property of Fort Bend County, Texas (at 1053.82 feet passing a 1 inch iron rod found for the east corner of said 1.9442 acre tract, in the southwest right-of-way line of Bryan Road (60' R.O.W.)) to the north corner of the herein described tract;

THENCE South 65° 26' 05" East - 357.20 feet, with said Bryan Road, to the east corner of aforesaid 7.2717 acre tract, common to the most northerly east corner of the herein described tract;

THENCE South 25° 47' 19" West - 1278.81 feet, along the southeast line of said 7.2717 acre tract, (at 28.20' passing a found 5/8 inch iron rod in the southwest right-of-way line of said Bryan Road) to the south corner of aforesaid 7.2717 acre tract, common to an angle corner of the herein described tract, in the northeast line of aforesaid 28.06 acre tract, from which a found 1 inch iron pipe, bears North 33° 04' 20" East – 0.30 feet;

THENCE South 45° 04' 10" East - 3743.63 feet along the northeast line of said 28.06 acre tract, the northeast line of aforesaid 35.95 acre tract, and the northeast line of aforesaid 158.5 acre tract, to the **POINT OF BEGINNING** of the herein described tract and containing 184.4 acres of land.

<u>SAVE AND EXCEPT</u> - "DIRECTOR'S LOTS 1-5" - 0.7310 ACRE

All that certain 0.7310 acre of land, known as Fort Bend County Municipal Utility District No. 150 Director's Lots, 1 thru 5, recorded respectively under File Nos. 2006-124336, 2009-110293, 2009-110294, 2010-055401, and 2010-055402, in the Official Public Records of Fort Bend County, Texas, the S.B. Pentecost Survey, A-378, Fort Bend County, Texas, and more particularly described by metes and bounds as follows: (All bearings based on the record bearings of the east line of said 158.5 acre tract, as monumented.)

COMMENCING at a 1/2 inch iron rod found for the south corner of said 158.5 acre tract, common to the east corner of said 7.802 acre tract;

THENCE North 45° 03' 23" West – 215.17 feet, along the northeast line of said 7.802 acre tract, common to the southwest line of said 158.5 acre tract, to the south corner of said Director's Lot 5, common to the **POINT OF BEGINNING** of the herein described tract;

THENCE North 45° 03' 23" West – 265.35 feet, to the west corner of said Director's Lot 1;

THENCE North 44° 56' 37" East – 120.00 feet, along the northwest line of said Director's Lot 1, to the north corner of aforesaid Director's Lot 1;

THENCE South 45° 03' 23" East – 265.35 feet, to the east corner of said Director's Lot 5;

THENCE South 44° 56' 37" West – 120.00 feet, along the southeast line of said Director's Lot 5, to the **POINT OF BEGINNING** of the herein described tract and containing 0.7310 acre of land.

184.4 Acres (GROSS), SAVE AND EXCEPT 0.7310 ACRE
FOR A NET AREA OF 183.7 ACRES

Prepared by:
IDS Engineering Group
Job No. 1880-001-00-530

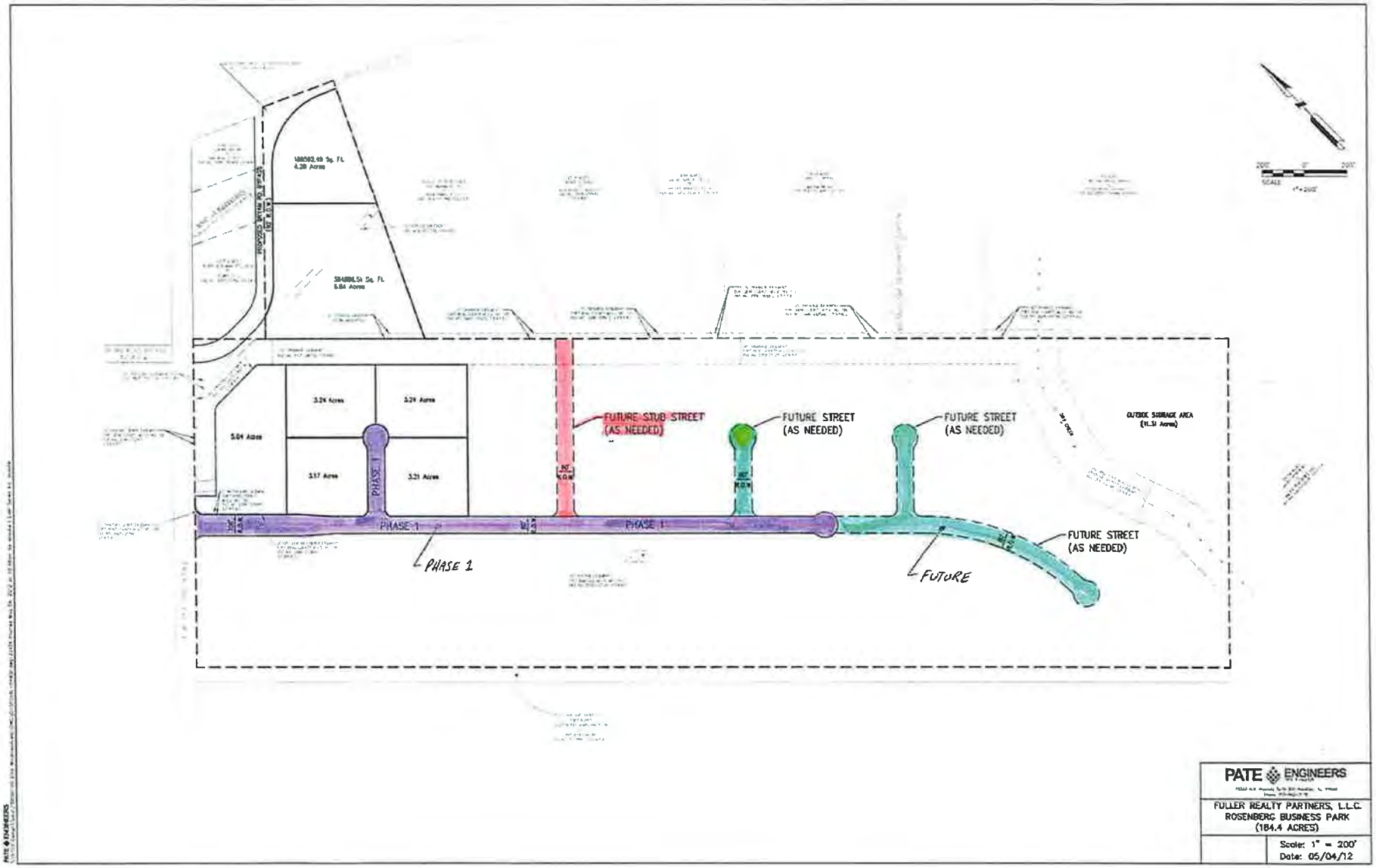
Certified: August 22, 2012
Issued: October 16, 2012

STATE OF TEXAS
REGISTERED
DOUGLAS W. TURNER
3988
PROFESSIONAL
LAND SURVEYOR

Douglas W. Turner
Registered Professional Land Surveyor
Texas Registration Number 3988

THIS LEGAL DESCRIPTION IS ISSUED AS "PART TWO", IN CONJUNCTION WITH THE LAND TITLE SURVEY BY IDS ENGINEERING GROUP LAST CERTIFIED AUGUST 22, 2012. REFERENCE IS HEREBY MADE TO THE SURVEY AS "PART ONE".

Exhibit "B"


FUTURE STUB STREET
(AS NEEDED)
FUTURE STREET
(AS NEEDED)
FUTURE STREET
(AS NEEDED)
FUTURE STREET
(AS NEEDED)
OUTDOOR STORAGE AREA
PHASE 1
PHASE 1
PHASE 1
PHASE 1
FUTURE
PATE ENGINEERS
FULLER REALTY PARTNERS, L.L.C.
ROSENBERG BUSINESS PARK
(184.4 ACRES)
Scale: 1" = 200'
Date: 05/04/12

PATE ENGINEERS

TBPE F-002726

ROSENBERG BUSINESS PARK (184.4 ACRES)
PHASE 1 INFRASTRUCTURE

SUMMARY OF CONCEPTUAL CONSTRUCTION COST ESTIMATE FOR WATER DISTRIBUTION, SANITARY SEWER, DRAINAGE AND PAVING FACILITIES

April 23, 2012

		Phase 1 Total Cost
Water Distribution System		$181,400
Sanitary Sewer Collection System		$170,700
Sanitary Sewer Lift Station & Force Main		$550,900
Storm Sewer System		$1,036,100
Stormwater Drainage & Detention (See Note 5)		$0
Paving		$775,500
SWPPP, Erosion Control, and Pollution Prevention		$35,000
SUBTOTAL CONSTRUCTION ITEMS		**$2,749,600**
CONTINGENCIES	**10%**	**$275,000**
ENGINEERING, SURVEYING, TESTING, ETC.	**15%**	**$453,700**
TOTAL ESTIMATED CONSTRUCTION COSTS		**$3,478,300**

Notes:

(1) Cost estimates were prepared on the basis of experience and judgment, utilizing historical bid costs for similar work if available. Actual bids and ultimate construction costs may vary based on market conditions, inflation, and unforeseen field conditions. The final determination of construction cost is made through the bidding process with contractor(s).

(2) This estimate is based on conceptual land plan dated April 11, 2012, prepared by Pate Engineers, Inc.

(3) This estimate assumes all excess dirt will be placed onsite with no hauling of excess dirt to offsite location.

(4) This estimate includes only site grading costs associated with grading of the Right-of-Way

(5) This estimate does not include any costs for stormwater detention facilities. Detention capacity is assumed to be provided in the existing basin at the site or in a regional detention basin located offsite.

(6) This estimate assumes a single drainage outfall for the site, based on the current land plan and phasing.

(7) This estimate does not include any costs related to the Bryan Road Bypass project

PATE ENGINEERS

TBPE F-002726

ROSENBERG BUSINESS PARK (184.4 ACRES)
PHASE 1 INFRASTRUCTURE

CONCEPTUAL CONSTRUCTION COST ESTIMATE FOR
WATER DISTRIBUTION, SANITARY SEWER, DRAINAGE AND PAVING FACILITIES

April 23, 2012

Item:	Quantity	Unit	Unit Cost	Total
Water Distribution System				
12-inch PVC Water Line	3,000	LF	$32	$96,000
12-inch PVC Water Line, Steel Cased under FM 2218	100	LF	$125	$12,500
Fire Hydrant	13	EA	$3,000	$39,000
8-inch Gate Valve	1	EA	$1,100	$1,100
12-inch Gate Valve	3	EA	$1,900	$5,700
12-inch x 12-inch Tapping Sleeve and Valve	1	EA	$5,000	$5,000
Appurtenances, Staking, Bonds, etc.	15%			$22,125
Water Distribution Total				***$181,400***
Sanitary Sewer Collection System				
8-Inch PVC Sanitary Sewer, All Depths	1,400	LF	$27	$37,800
10-Inch PVC Sanitary Sewer, All Depths	2,100	LF	$33	$69,300
Sanitary Sewer Manholes	8	EA	$2,600	$20,800
Service Leads	300	LF	$35	$10,500
Allowance for Wet Sand	1	LS	$10,000	$10,000
Appurtenances, Staking, Bonds, etc.	15%			$22,260
Sanitary Sewer Collection System Total				***$170,700***
Sanitary Sewer Lift Station & Force Main				
Lift Station	1	LS	$375,000	$375,000
8-Inch PVC Force Main	2,800	LF	$30	$84,000
8-Inch PVC Force Main, Steel Cased under FM 2218	100	LF	$100	$10,000
Air Release Manhole	2	EA	$5,000	$10,000
Appurtenances, Staking, Bonds, etc.	15%			$71,850
Sanitary Sewer Lift Station & Force Main Total				***$550,900***

PATE ENGINEERS

TBPE F-002726

ROSENBERG BUSINESS PARK (184.4 ACRES)
PHASE 1 INFRASTRUCTURE

CONCEPTUAL CONSTRUCTION COST ESTIMATE FOR
WATER DISTRIBUTION, SANITARY SEWER, DRAINAGE AND PAVING FACILITIES

April 23, 2012

Item:	Quantity	Unit	Unit Cost	Total
Storm Sewer System				
24-Inch RCP Leads	400	LF	$50	$20,000
36-Inch RCP Storm Sewer	600	LF	$85	$51,000
60-inch RCP Storm Sewer	400	LF	$205	$82,000
66-inch RCP Storm Sewer	400	LF	$235	$94,000
72-inch RCP Storm Sewer	400	LF	$250	$100,000
6-foot x 6-foot RCB Storm Sewer	400	LF	$260	$104,000
7-foot x 7-foot RCB Storm Sewer	400	LF	$270	$108,000
8-foot x 8-foot RCB Storm Sewer	800	LF	$280	$224,000
120-inch Polymer-Coated CMP Storm Sewer	100	LF	$350	$35,000
Inlets	18	EA	$1,500	$27,000
Storm Sewer Manholes, 24"-42"	2	EA	$1,500	$3,000
Storm Sewer Manholes, 48"-72"	3	EA	$2,100	$6,300
Storm Sewer Manholes, on RCB	5	EA	$1,800	$9,000
Storm Sewer Junction Box	1	EA	$6,000	$6,000
Sheet Flow Swale Paving	500	SY	$45	$22,500
Slope Paving	140	SY	$65	$9,100
Appurtenances, Staking, Bonds, etc.	15%			$135,135
Storm Sewer System Total				***$1,036,100***
Paving				
7-Inch Conc. Pavement, Subgrade, Curbs, etc. (40' B-B)	16,300	SY	$45	$733,500
Site Grading	1	LS	$5,000	$5,000
Appurtenances, Staking, Bonds, etc.	5%			$36,925
Paving Total				***$775,500***
SWPPP, Erosion Control, and Pollution Prevention				
SWPPP, Erosion Control, and Pollution Prevention	1	LS	$35,000	$35,000
SWPPP, Erosion Control, and Pollution Prevention Total				***$35,000***

PATE ENGINEERS

TBPE F-002726

ROSENBERG BUSINESS PARK (184.4 ACRES)
FUTURE INFRASTRUCTURE (AS NEEDED)

SUMMARY OF CONCEPTUAL CONSTRUCTION COST ESTIMATE FOR WATER DISTRIBUTION, SANITARY SEWER, DRAINAGE AND PAVING FACILITIES

April 23, 2012

		Future Total Cost
Water Distribution System		$144,000
Sanitary Sewer Collection System		$140,300
Storm Sewer System		$371,100
Stormwater Drainage & Detention (See Note 5)		$0
Paving		$657,300
SWPPP, Erosion Control, and Pollution Prevention		$35,000
SUBTOTAL CONSTRUCTION ITEMS		**$1,347,700**
CONTINGENCIES	**10%**	**$134,800**
ENGINEERING, SURVEYING, TESTING, ETC.	**15%**	**$222,400**
TOTAL ESTIMATED CONSTRUCTION COSTS		**$1,704,900**

Notes:

(1) Cost estimates were prepared on the basis of experience and judgment, utilizing historical bid costs for similar work if available. Actual bids and ultimate construction costs may vary based on market conditions, inflation, and unforeseen field conditions. The final determination of construction cost is made through the bidding process with contractor(s).

(2) This estimate is based on conceptual land plan dated April 11, 2012, prepared by Pate Engineers, Inc.

(3) This estimate assumes all excess dirt will be placed onsite with no hauling of excess dirt to offsite location.

(4) This estimate includes only site grading costs associated with grading of the Right-of-Way

(5) This estimate does not include any costs for stormwater detention facilities. Detention capacity is assumed to be provided in the existing basin at the site or in a regional detention basin located offsite.

(6) This estimate assumes a single drainage outfall for the site, based on the current land plan and phasing.

(7) This estimate does not include any costs related to the Bryan Road Bypass project

PATE ENGINEERS

TBPE F-002726

ROSENBERG BUSINESS PARK (184.4 ACRES)
FUTURE INFRASTRUCTURE (AS NEEDED)

CONCEPTUAL CONSTRUCTION COST ESTIMATE FOR
WATER DISTRIBUTION, SANITARY SEWER, DRAINAGE AND PAVING FACILITIES

April 23, 2012

Item:	Quantity	Unit	Unit Cost	Total
Water Distribution System				
8-inch PVC Water Line	2,800	LF	$22	$61,600
12-inch PVC Water Line	500	LF	$32	$16,000
Fire Hydrant	10	EA	$3,000	$30,000
8-inch Gate Valve	3	EA	$1,100	$3,300
12-inch Gate Valve	2	EA	$1,900	$3,800
12-inch x 8-inch Tapping Sleeve and Valve	3	EA	$3,500	$10,500
Appurtenances, Staking, Bonds, etc.	15%			$18,780
Water Distribution Total				***$144,000***
Sanitary Sewer Collection System				
8-Inch PVC Sanitary Sewer, All Depths	2,500	LF	$27	$67,500
10-Inch PVC Sanitary Sewer, All Depths	400	LF	$33	$13,200
Sanitary Sewer Manholes	8	EA	$2,600	$20,800
Service Leads	300	LF	$35	$10,500
Allowance for Wet Sand	1	LS	$10,000	$10,000
Appurtenances, Staking, Bonds, etc.	15%			$18,300
Sanitary Sewer Collection System Total				***$140,300***
Storm Sewer System				
24-Inch RCP Leads	500	LF	$50	$25,000
30-Inch RCP Storm Sewer	1,300	LF	$60	$78,000
36-Inch RCP Storm Sewer	400	LF	$85	$34,000
42-inch RCP Storm Sewer	500	LF	$105	$52,500
54-inch RCP Storm Sewer	500	LF	$180	$90,000
Inlets	12	EA	$1,500	$18,000
Storm Sewer Manholes, 24"-42"	5	EA	$1,500	$7,500
Storm Sewer Manholes, 48"-72"	2	EA	$2,100	$4,200
Appurtenances, Staking, Bonds, etc.	20%			$61,840
Storm Sewer System Total				***$371,100***
Paving				
7-Inch Conc. Pavement, Subgrade, Curbs, etc. (40' B-B)	13,800	SY	$45	$621,000
Site Grading	1	LS	$5,000	$5,000
Appurtenances, Staking, Bonds, etc.	5%			$31,300
Paving Total				***$657,300***
SWPPP, Erosion Control, and Pollution Prevention				
SWPPP, Erosion Control, and Pollution Prevention	1	LS	$35,000	$35,000
SWPPP, Erosion Control, and Pollution Prevention Total				***$35,000***

Exhibit "C"

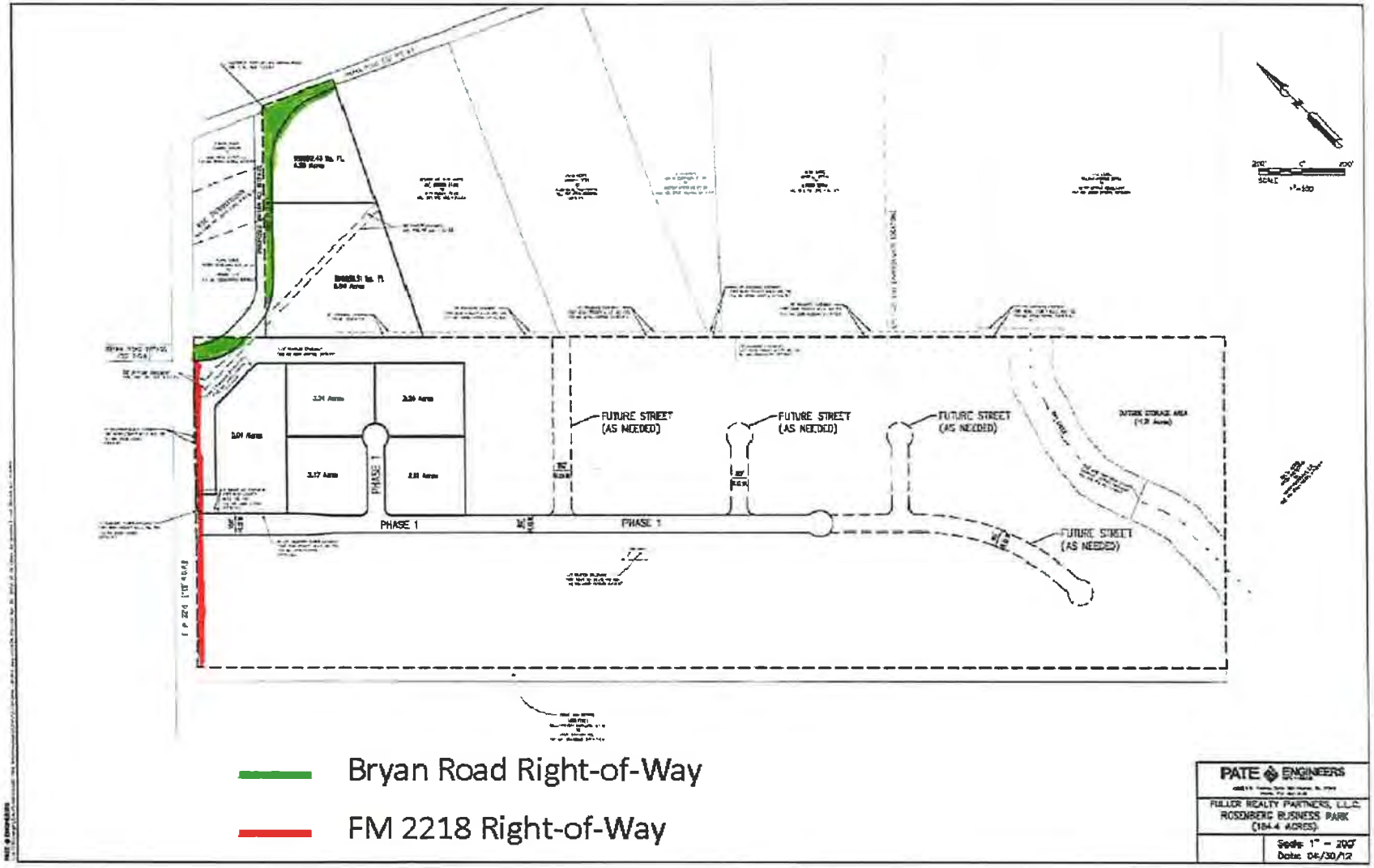

FUTURE STREET
(AS NEEDED)
FUTURE STREET
(AS NEEDED)
FUTURE STREET
(AS NEEDED)
FUTURE STREET
(AS NEEDED)
PHASE 1
PHASE 1
PHASE 1
Bryan Road Right-of-Way
FM 2218 Right-of-Way
PATE ENGINEERS
FULLER REALTY PARTNERS, L.L.C.
ROSENBERG BUSINESS PARK
(184.4 ACRES)
Scale: 1" = 200'
Date: 04/30/12

Exhibit "D"

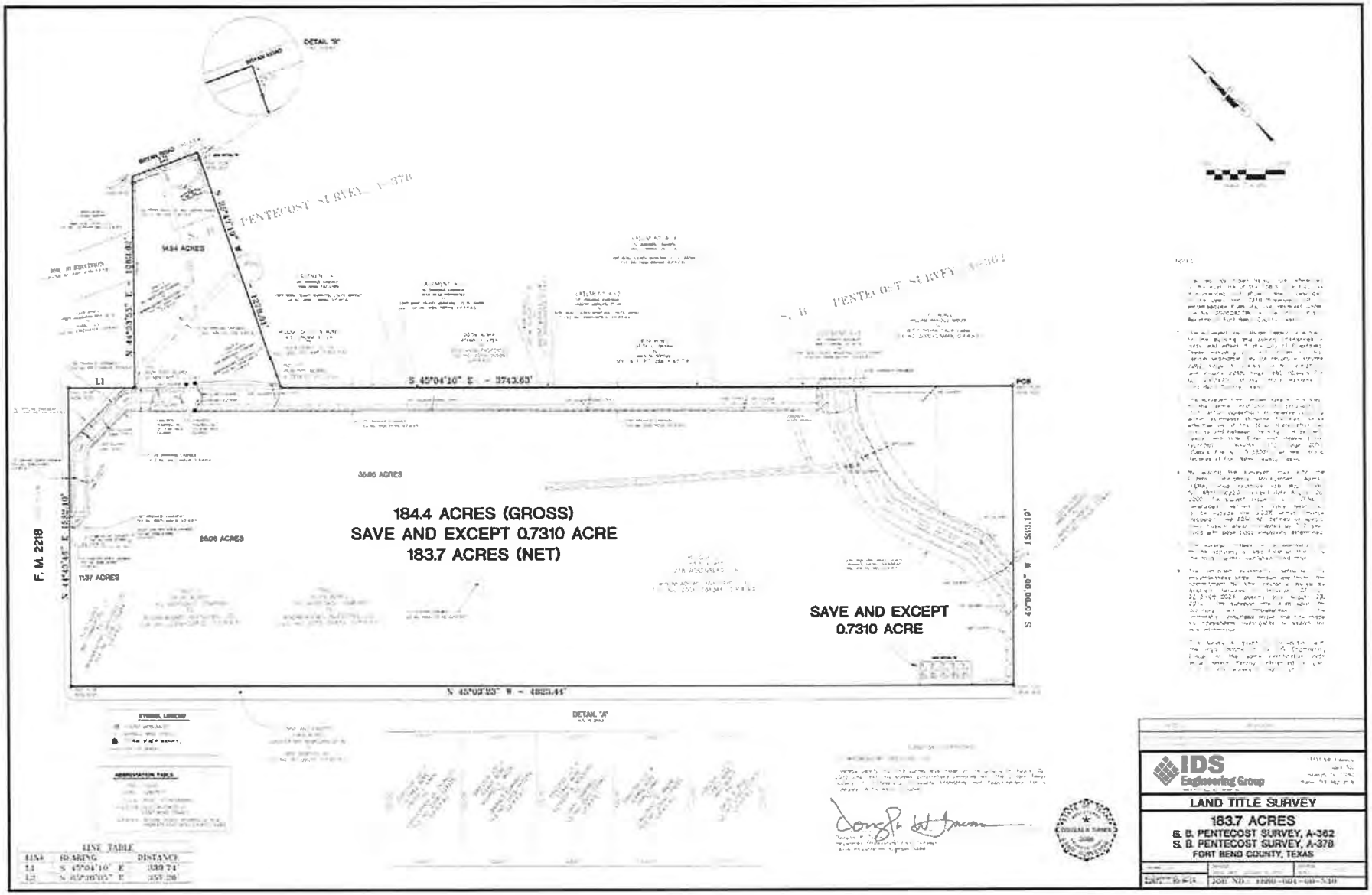
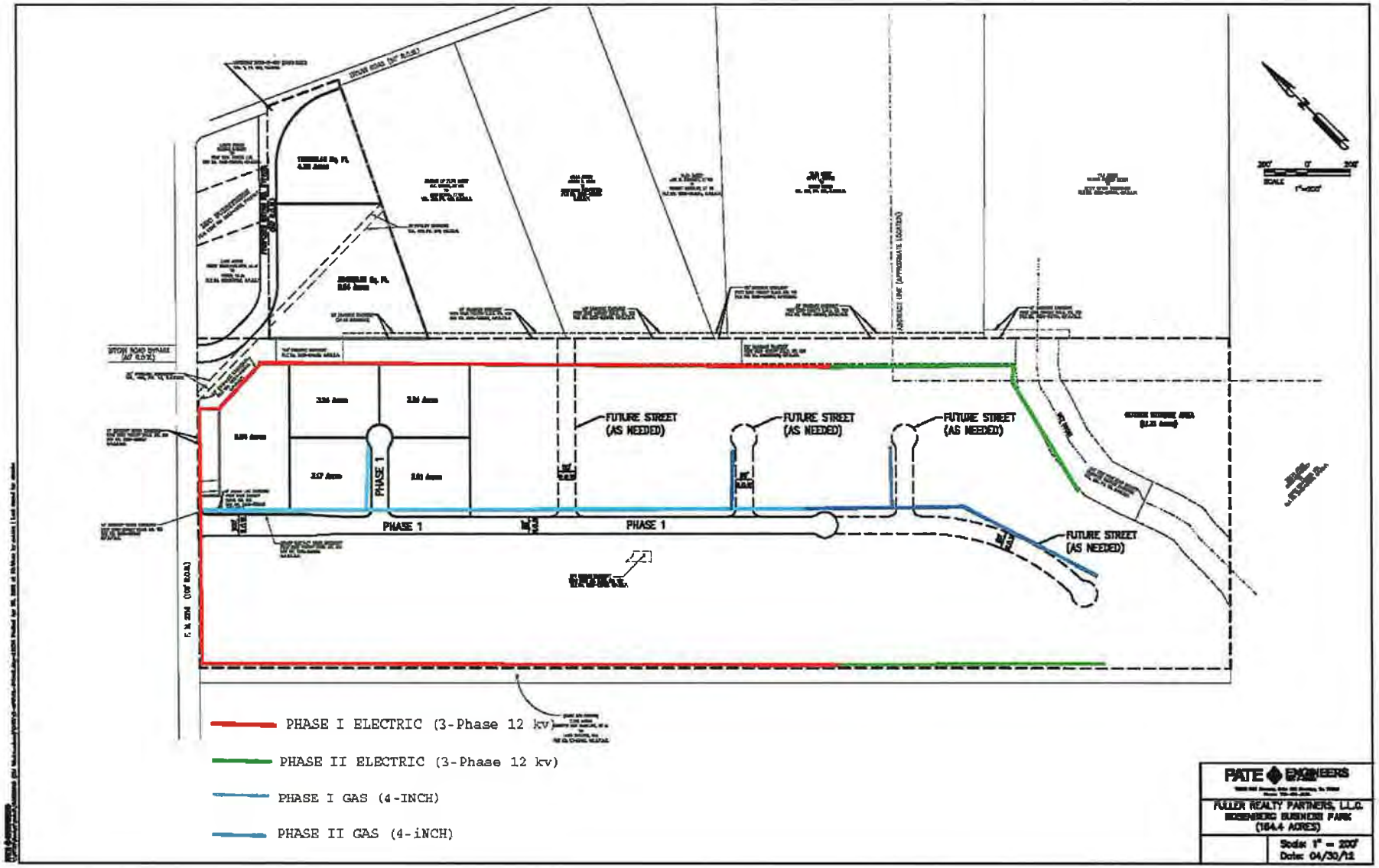

DETAIL "B"
PENTECOST SURVEY
14.54 ACRES
S 45°04'10" E - 3743.63'
POB
3686 ACRES
184.4 ACRES (GROSS)
SAVE AND EXCEPT 0.7310 ACRE
183.7 ACRES (NET)
SAVE AND EXCEPT
0.7310 ACRE
F. M. 2218
DETAIL "A"
LINE TABLE
LINE BEARING DISTANCE
L1 S 45°04'10" E 330.74'
L2 S 45°26'05" E 357.26'
IDS Engineering Group
LAND TITLE SURVEY
183.7 ACRES
S. B. PENTECOST SURVEY, A-362
S. B. PENTECOST SURVEY, A-378
FORT BEND COUNTY, TEXAS

Exhibit "E"


FUTURE STREET (AS NEEDED)
FUTURE STREET (AS NEEDED)
FUTURE STREET (AS NEEDED)
FUTURE STREET (AS NEEDED)
PHASE 1
PHASE 1
PHASE 1
PHASE I ELECTRIC (3-Phase 12 kv)
PHASE II ELECTRIC (3-Phase 12 kv)
PHASE I GAS (4-INCH)
PHASE II GAS (4-iNCH)
FULLER REALTY PARTNERS, LLC.
ROSENBERG BUSINESS PARK
(164.4 ACRES)
Scale: 1" = 200'
Date: 04/30/12

COMMUNICATION FORM

February 13, 2014

ITEM #	ITEM TITLE
2	**Imperial Performing Arts, Inc., Presentation**

ITEM/MOTION
Hear and discuss presentation by Imperial Performing Arts (IPA) on status of Performance Agreement.

APPROVAL	SUPPORTING DOCUMENTS
SUBMITTED BY : Rachelle Kanak Interim Economic Development Director	1) Rosenberg Development Corporation and Imperial Performing Arts Performance Agreement

EXECUTIVE SUMMARY
Imperial Performing Arts, Inc., (IPA) entered into a Performance Agreement with the Rosenberg Development Corporation (RDC) on March 6, 2012. The Agreement authorized RDC to make two payments to IPA in the amount of $250,000, for a total of $500,000 in consideration for IPA establishing a performing and cultural arts program in Historic Downtown Rosenberg. The performing and cultural arts program was to be initiated with the lease and renovation of a property located at 823 Third Street in Rosenberg (to be completed by September 30, 2012). IPA was also to obtain a purchase option for its assignee to purchase the building known as the Cole Theater (Theater) as a performing arts and concert facility. IPA was to lease, renovate and operate the Theater by December 31, 2014. Additional requirements such as number of ticketed and public events were included in the Agreement. Representatives from IPA will discuss the progress of the performing and cultural arts program. Ed Crowell, Jr., Executive Director, and Lupe Uresti, IPA Board President, will be present as will members of the IPA board. A copy of the executed Agreement is attached for your reference.

ROSENBERG DEVELOPMENT CORPORATION
AND
IMPERIAL PERFORMING ARTS
PERFORMANCE AGREEMENT

THE STATE OF TEXAS	§	
	§	KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF FORT BEND	§	

THIS PERFORMANCE AGREEMENT ("Agreement") is made and entered into by and between the ROSENBERG DEVELOPMENT CORPORATION (the "RDC"), an economic development corporation organized pursuant to Section 4B of the Development Corporation Act of 1979, as amended, and Imperial Performing Arts, Inc. ("IPA"), a Texas Not for Profit Corporation Chartered under Section 501 (c)3 of the Internal Revenue Code.

WHEREAS, the RDC has established policies to adopt such reasonable projects, as are permitted by law, to promote tourism and cultural arts in the City of Rosenberg in accordance with Section 505 of the Texas Local Government Code; and

WHEREAS, the RDC finds that the activities described in this Agreement are consistent with the authorized projects described in Section 505.152 of the Texas Local Government Code; and

WHEREAS, the IPA proposes to establish a performing and cultural arts program in Historic Downtown Rosenberg; which will be initiated with the lease (the "Arts Center Lease") and renovation of the building located at 823 3rd Street, Rosenberg, Texas, 77471, as an arts center (the "Arts Center") and

WHEREAS, as part of the Arts Center Lease, IPA will have a purchase option for its assignee to purchase the building known as the "Cole Theatre" located at 930 3rd Street,

Rosenberg, Texas 77471, as a performing arts and concert facility (the "Theatre"), and then IPA will lease, renovate, and operate the Theatre; and

WHEREAS, the IPA agrees to open the Arts Center no later than September 30, 2012, and open the Cole Theatre no later than December 31, 2014; and

WHEREAS, the IPA agrees to operate a performing arts program that will consist of no less than sixty (60) public ticketed events per year in the City of Rosenberg and no less than (6) community events per year for a period of ten (10) years from the date of opening of the Arts Center and an additional six (6) community events per year from the date of the opening of the Theatre; and

WHEREAS, provided IPA receives the endorsement and cooperation of the City of Rosenberg, IPA agrees to coordinate the preparation of an application to the State of Texas for the designation of Historic Downtown Rosenberg as a Cultural Arts District; and

WHEREAS, the RDC seeks to promote Historic Downtown Rosenberg as a cultural and performing arts destination for the purposes of promoting tourism, and to attract new businesses and expand existing businesses in the Historic Downtown Rosenberg area; and

NOW, THEREFORE, in consideration of the premises and the mutual benefits and obligations set forth herein, including the recitals set forth above, the RDC and the IPA agree as follows:

1.

IPA covenants and agrees that it will lease, renovate and reopen the Arts Center, as shown in Exhibit "A", for the purposes of holding cultural and performing arts events. IPA represents and agrees that renovation of the building will be completed by September 30, 2012, and be completed in accordance with all applicable City of Rosenberg ordinances and codes. In

addition to delays from force majeure (see Section 15), extension of the foregoing deadline, due to extenuating circumstances, may be granted at the sole discretion of the Board of Directors of the RDC ("RDC Board"), and will not be unreasonably withheld. Request for such extension should be submitted in writing to the RDC at the address listed below. An illustration of the proposed renovations is shown in Exhibit "C". Such illustration is not intended to represent a specific plan of renovation, and shall not be construed as representing the actual appearance or layout, nor any approval of plans on behalf of the City of Rosenberg.

2.

IPA covenants and agrees that it will arrange to renovate and reopen the Cole Theatre to operate as a cultural and performing arts center as shown in Exhibit "A". IPA represents and agrees that renovation of the building will be completed by December 31, 2014, and be completed in accordance with all applicable City of Rosenberg ordinances and codes. In addition to delays from force majeure (see Section 15), extension of the foregoing deadline, due to extenuating circumstances, may be granted at the discretion of the RDC Board, and will not be unreasonably withheld. Request for such extension should be submitted in writing to the RDC at the address listed below.

3.

IPA covenants and agrees that it will conduct a minimum of sixty (60) public ticketed performing and cultural arts events, as well as (6) community events, per year for a ten (10) year period commencing with the date of opening of the Arts Center and will conduct an additional six (6) community events per year commencing with the date of opening of the Theatre. Ticketed events shall consist of the following:

(1) Professional, public-ticketed events;
(2) Art education classes and performances;

(3) Special and seasonal events; and
(4) Partner events and private events.

Each of the above described events, except education classes and private events, shall be considered a "publicly ticketed event" for purposes of this Agreement, provided that tickets must be purchased for admission to the event. Community events shall be defined as events provided for the purposes of education, celebrating holidays, or recognizing culturally significant events and organizations. Such events may include IPA participation in other events organized by the City of Rosenberg, or some other community organization. Provided IPA obtains the endorsement and cooperation of the City of Rosenberg, IPA further covenants and agrees that it will coordinate the development of an application to the State of Texas for the designation of Historic Downtown Rosenberg as a Cultural Arts District.

4.

In consideration of IPA's representations, promises, and covenants, the RDC agrees, subject to the terms and conditions of this Agreement, to provide One Hundred Thousand Dollars and 00/100 ($100,000.00) in funding for the renovation of the Art Center and One Hundred and Fifty Thousand Dollars and 00/100 ($150,000.00) for the promotion of the RDC as an underwriter of six (6) events. Such payments will be made on the later of April 1, 2012, or upon proof of an executed Arts Center Lease being submitted to the RDC. Payment will be contingent upon the completion of all statutory requirements contained in Section 505.159 and Section 505.160 of the Texas Local Government Code. Subsequent payments of One Hundred Thousand Dollars and 00/100 ($100,000.00) for the renovation of the Cole Theatre and One Hundred and Fifty Thousand Dollars and 00/100 ($150,000.00) for the promotion of the RDC as the underwriter of six (6) events shall be made by the RDC on the first anniversary of the date of the initial payment, contingent upon the approval of such funds in the RDC annual budget in

Fiscal Year 2012-2013, and upon the completion of all statutory requirements contained in Section 505.159 and Section 505.160 of the Texas Local Government Code. Should IPA fail to meet the requisite number of events for a given year, credit for additional events, above the mandatory number of events in a previous or subsequent year, may be credited towards the requirement.

5.

IPA agrees that it will provide an annual report to the RDC Board, to occur no later than ninety (90) days from the completion of IPA's fiscal year to include a proposed budget for the next fiscal year, in the same format as Exhibit "B". The report shall be made each subsequent year for the duration of this Agreement, and will include the number of ticketed events held annually, the number of community events held annually, the status of the creation of the Cultural Arts District designation, and any other information pertaining to the operation of IPA and performing arts in the City of Rosenberg as the RDC Board deems pertinent and reasonable.

6.

IPA covenants and agrees that it does not and will not knowingly employ an undocumented worker. An "undocumented worker" shall mean an individual who, at the time of employment, is not (a) lawfully admitted for permanent residence to the United States; or (b) authorized by law to be employed in that manner in the United States.

7.

The RDC may declare IPA in default of this Agreement if IPA fails to comply with any term of this Agreement or vacates any of the properties subject to the Agreement before the term of the Agreement ends. The RDC shall notify IPA of any default in writing specifying the default. IPA shall have ninety (90) days from the date of notice to cure any default. If IPA fails to cure the default, the RDC may terminate this Agreement by written notice.

It is understood and agreed that, in the event of a default by IPA of any obligation under this Agreement resulting in termination by the RDC, IPA will reimburse the RDC the amount of funds provided minus ten percent (10%) for each full year of the Agreement that has been completed, with interest at the rate equal to the ninety (90) day Treasury Bill plus one half percent (½%) per annum from the date of execution of this Agreement. Reimbursement to the RDC shall be made within one hundred and twenty (120) days after the RDC notifies the IPA of the termination.

IPA further understands and agree that if IPA is convicted of a violation under 8 U.S.C. Section 1324a(f), IPA will reimburse the RDC the total amount of any payment, reimbursement or incentive made to IPA, with interest at the rate equal to the ninety (90) day Treasury Bill plus one-half percent (½%) per annum, within one hundred and twenty (120) days after the RDC notifies IPA of the violation.

IPA agrees to allow the RDC, upon request, reasonable access to information necessary to ensure compliance with this Agreement.

In the event either IPA or RDC brings legal proceedings against the other in order to enforce, interpret, or for a breach of any provision of this Agreement, the party in whose favor final judgment is entered by a court of competent jurisdiction shall be entitled to recover expenses, including court costs and attorneys' fees and disbursement (including those incurred on appeal) incurred by the prevailing party.

8.

This Agreement shall inure to the benefit of and be binding upon the RDC, IPA or IPA's successors and assigns, affiliates, and subsidiaries, and shall remain in force whether IPA sells, assigns, or in any other manner disposes of, either voluntarily or by operation of law, all or any

part of the Property (the "Cole Theatre and the Arts Center"), and the agreements herein contained shall be held to be covenants running with the Property for so long as this Agreement, or any extension hereof, remains in effect.

9.

Any notice provided or permitted to be given under this Agreement must be in writing and may be served by (i) depositing the same in the United States mail, addressed to the party to be notified, postage prepaid, registered or certified mail, return receipt requested; or (ii) delivering the same in person to such party; or (iii) overnight or messenger delivery service that retains regular records of delivery and receipt; or (iv) facsimile; provided a copy of such notice is sent within one (1) day thereafter by another method provided above. The initial addresses of the parties for the purpose of notice under this Agreement shall be as follows:

If to RDC:	Rosenberg Development Corporation Post Office Box 32 2110 4th Street Rosenberg, Texas 77471 Attn: Executive Director
If to IPA:	Imperial Performing Arts 8410 Highway 90A, Ste. 130 Sugar Land, Texas 77478 Attn: Chairman of the Board of Directors

10.

This Agreement shall be performable and enforceable in Fort Bend County, Texas, and shall be construed in accordance with the laws of the State of Texas.

11.

Except as otherwise provided in this Agreement, this Agreement shall be subject to change, amendment, or modification only in writing with the signatures and mutual consent of the parties hereto.

12.

The failure of any party to insist in any one or more instances on the performance of any of the terms, covenants or conditions of this Agreement, or to exercise any of its rights, shall not be construed as a waiver or relinquishment of such term, covenant, or condition, or right with respect to further performance.

13.

This Agreement shall bind and benefit the respective parties and their legal successors and shall not be assignable, in whole or in part, by any party without first obtaining written consent of the other party.

14.

In the event any one or more words, phrases, clauses, sentences, paragraphs, sections, or other parts of this Agreement, or the application thereof to any person, firm, corporation, or circumstance, shall be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, then the application, invalidity or unconstitutionality of such words, phrases, clauses, sentences, paragraphs, sections, or other parts of this Agreement shall be deemed to be independent of and severable from the remainder of this Agreement, and the validity of the remaining parts of this Agreement shall not be affected thereby.

15.

If by reason of force majeure, IPA is unable to perform any obligation of this Agreement, it shall give notice of the force majeure to the RDC in writing within thirty (30) calendar days of the expiration of the occurrence relied upon. The obligation of IPA, to the extent and for the period of time affected by the force majeure, shall be suspended. IPA shall endeavor to remove or overcome the inability with all reasonable effort. For purposes of this Agreement, "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 electrical system or water supply system; or any other cause not reasonably within the control of IPA.

IN TESTIMONY OF WHICH, THIS AGREEMENT has been executed by the parties on this 6th day of March 2012 (the "Effective Date").

IMPERIAL PERFORMING ARTS, INC.

By: _____

Ed Crowell, Jr.

Title: Director

ATTEST:

By: _____

Name: EDWARD G. CROWELL III

Title: EXECUTIVE DIRECTOR, IMPERIAL PERFORMING ARTS

ROSENBERG DEVELOPMENT CORPORATION

By: _____
Bill Knesek
President, Rosenberg Development Corporation

ATTEST:

By: Linda Cernosek
Linda Cernosek
Corporate Secretary

ACKNOWLEDGMENT

THE STATE OF TEXAS §
§
COUNTY OF FORT BEND §

This instrument was acknowledged before me on the 6th day of March 2012, by Edward G. Crowell III the Executive Director of Imperial Performing Arts, Inc., a Texas Corporation, for and on behalf of said corporation.

LINDA CERNOSEK
MY COMMISSION EXPIRES
April 17, 2016

Linda Cernosek
Notary Public in and for the State of Texas

My Commission Expires: 4-17-2016

(SEAL)

ACKNOWLEDGMENT

THE STATE OF TEXAS §
§
COUNTY OF FORT BEND §

This instrument was acknowledged before me on the _____ day of March 2012, by Bill Knesek, President of the Rosenberg Development Corporation ("RDC"), for and on behalf of said Corporation.

LINDA CERNOSEK
MY COMMISSION EXPIRES
April 17, 2016

(SEAL)

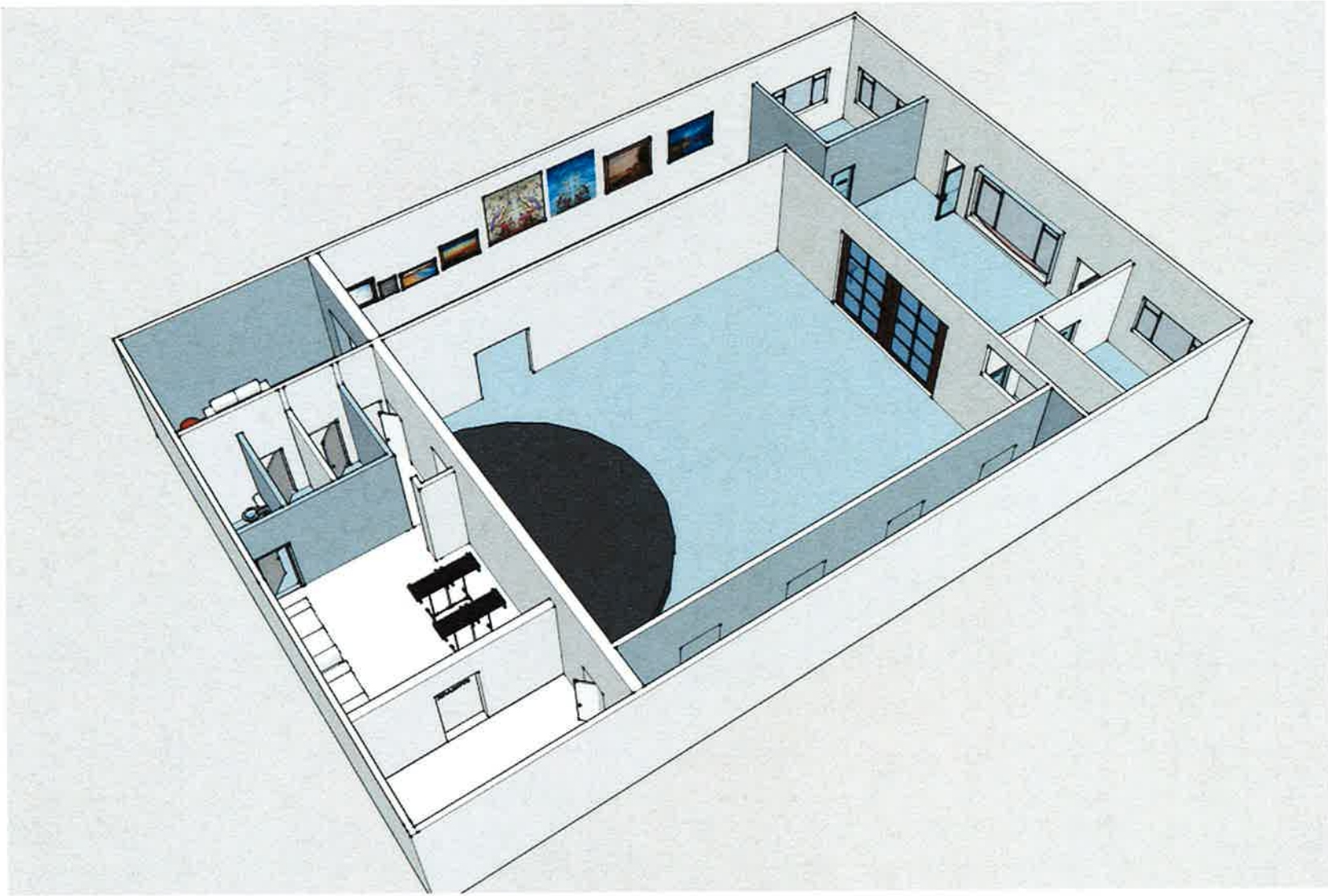
Linda Cernosek
Notary Public in and for the State of Texas

My Commission Expires: 4-17-2016

Note: Locations of buildings as described on this map are conceptual only, and are not meant to convey any rights or approvals by the City of Rosenberg.

EXHIBIT "C"

Conceptual Layout of the Renovated Arts Center



Note: This illustration is conceptual only, and is not intended to provide any assurances or commitments as to final layout and appearance of the Arts Center after renovation.

EXHIBIT "B"

BUDGET PROPOSAL – HISTORIC DOWNTOWN ROSENBERG TO BECOME CULTURAL DISTRICT

Proposed by Imperial Arts, Submitted January 12, 2012

Item	Year 1 Proposed	Year 2 Proposed
PERSONNEL		
Executive Director		
CEO/COO and Spokesperson		
Artistic Director		
Manager/Director of all Artistic Programming		
Musical Director		
Manager/Director of all Musical Programming		
Visual Arts Director		
Manager/Director of all Visual Arts Programming		
Education Director		
Manager/Director of all Education Activity		
Rosenberg Arts Center Manager		
Facility/Calendar Manager		
Rosenberg Arts Center Technical Director		
Lighting/Sound/Equipment Manager		
Development Director		
Manager/Director of all Fundraising Efforts		
Marketing Director		
Manager/Director of all Advertising and Public Relations Efforts		
General Administrative Support		
Clerical/General Admin/Manpower		
PERSONNEL Sub-Total	$ 165,000	$ 175,000
Employee Related Taxes (8%)	$ 13,200	$ 14,000
Employee Benefits (15%)	$ 9,000	$ 9,000
PERSONNEL EXPENSES – Total	**$ 187,200**	**$ 198,000**
RAC OPERATING EXPENSES		
Rent (TBD)	–	–
Electrical	$ 12,000	$ 12,000
Water	$ 600	$ 600
Gas	$ 900	$ 900
Trash	$ 500	$ 500
Telephone	$ 900	$ 900
Internet / Website	$ 2,400	$ 2,400
Janitorial	$ 600	$ 600
Security Officer	$ 2,000	$ 2,000
Security Alarm / Monitoring	$ 0	$ 0
Based on 2010-11 operating expenses of The Imperial Theatre		
RAC OPERATING EXPENSES – Total	**$ 19,900**	**$ 19,900**
EQUIPMENT		
Equipment Purchases	$ 2,500	$ 1,500
Equipment Rental	$ 1,500	$ 1,500
Equipment Maintenance	$ 1,500	$ 1,500
Equipment Expendables	$ 1,500	$ 1,500
Furniture and Fixtures	$ 1,500	$ 500
Musical Instrument Maintenance	$ 3,000	$ 3,000
Facility Maintenance	$ 1,500	$ 1,500
Upgrades to existing equipment, regular maintenance/repairs		
EQUIPMENT RELATED EXPENSES – Total	**$ 13,000**	**$ 11,000**
ADMINISTRATIVE EXPENSES		
General Supplies	$ 2,000	$ 2,500
Administrative, Facility, and non-program-specific		
Printing	$ 2,500	$ 2,500
In-house and out-sourced printing of promotional materials		
Marketing/Advertising	$ 12,000	$ 12,000
Fundraising	$ 5,000	$ 5,000
Advertising, fundraising events, and public relations events		
Licenses and Permits	$ 550	$ 550
Insurance	$ 4,000	$ 4,000
Accounting Fees	$ 1,800	$ 1,800
Legal Fees	$ 3,000	$ 3,000
Fees to professional services		
Subscriptions/Memberships/Dues	$ 1,200	$ 1,200
Staff Development	$ 1,000	$ 1,000
Travel/Meals/Entertainment	$ 3,600	$ 3,600
Professional memberships/continuing education		
Cultural District Consultant	$ 2,000	$ 1,000
Consultation fee and travel expense		
Capital Campaign	$ 5,000	$ 5,000
Campaign-specific expenses		
ADMINISTRATIVE EXPENSES – Total	**$ 43,650**	**$ 43,150**
PROGRAMMING		
Productions, Concerts, Films, and Events	$ 40,000	$ 50,000
Professional design, construction, and execution of public-ticketed events		
Arts Education Programs	$ 10,000	$ 10,000
Educational activities for all ages in every area of performing and visual arts		
PROGRAMMING – Total	**$ 50,000**	**$ 60,000**
ROSENBERG ARTS CENTER		
BUILDING COSTS (Cursory Estimates)		
General Requirements	$ 0	$ 0
Job-site supervision and job-site costs not covered below		
Existing Conditions	$ 5,000	$ 0
Demolition of internal structures – asbestos abatement not included		
Concrete	$ 0	$ 0
Masonry	$ 0	$ 0
Metals	$ 0	$ 0
Wood, Plastics, Composites	$ 2,500	$ 0
Stage flooring and storage shelving		
Thermal and Moisture Protection	$ 0	$ 0
Openings	$ 10,000	$ 0
Interior and exterior doors, frames, and hardware		
Finishes	$ 10,000	$ 0
Drywall partitions, paint ceilings, and floor treatments		
Specialties	$ 0	$ 0
Equipment	$ 0	$ 0
Furnishings	$ 0	$ 0
Special Construction	$ 1,000	$ 0
Install theatrical sound and lighting systems		
Conveying Systems	$ 0	$ 0
Fire Suppression	$ 0	$ 0
Requirements not confirmed – no allocations provided		
Plumbing	$ 15,000	$ 0
Restroom fixtures – non-ADA requirements		
HVAC	$ 20,000	$ 0
Additional capacity and modify existing ductwork		
Integrated Automation	$ 0	$ 0
Electrical	$ 20,000	$ 0
Upgrade service, upgrade existing grid, modify lighting		
Communications / Fire Alarm	$ 0	$ 0
Install fire alarm system		
Electronic Safety and Security	$ 0	$ 0
Install security system		
Exterior Improvements	$ 3,500	$ 2,500
Repair and paint fascia, add external signage		
Contractor Fee	$ 10,000	$ 2,500
BUILDING COSTS– Total	**$ 97,000**	**$ 5,000**
Procurement and Contracting	$ 23,000	$ 0
Program Management Consulting Fees		
Utilities	$ 0	$ 0
Moving Expenses	$ 3,000	$ 0
RAC – Total	**$ 123,000**	**$ 5,000**
COLE THEATER ACQUISITION/RESTORATION	**$ 0**	**$ 1,000,000**
TOTAL EXPENSES	**$ 436,750**	**$ 1,337,050**
PROJECTED INCOME		
Ticket Revenue	$ 50,000	$ 60,000

COMMUNICATION FORM

February 13, 2014

ITEM #	ITEM TITLE
3	**Proposed Parks Improvement – Basketball and Tennis Courts**

ITEM/MOTION	
Consideration of and action on the proposed parks improvement request to update the basketball and tennis courts in area parks.	
APPROVAL	**SUPPORTING DOCUMENTS**

SUBMITTED BY :

Rachelle Kanak
Interim Economic Development Director

1) McCarthy Memorandum – 01-30-14
2) Ready Correspondence – 03-27-13

EXECUTIVE SUMMARY
Rosenberg Parks and Recreation Director Darren McCarthy will make a presentation on the proposed parks improvements and request action on the request. The improvement project includes multiple City parks. Please see attached supporting documentation for full details.

From the desk of
Darren McCarthy, CPRP,
Parks and Recreation Director

Memo

To: Rachelle Kanak, Interim Economic Development Director

Date: January 30, 2013

Re: Project Update and Possible Parks Improvement Project

At this time we are anticipating to come in under our budget for the scoreboards at Macario Garcia Park and Travis Park. The frames are scheduled for installation on Friday, February 7th, the scoreboard and electricity is scheduled for the following week. We received some excellent quotes. Based on our purchase orders, we're expecting the project to cost $22,157. We had estimated $35,000 for the project.

It also appears that we will have a budget savings, although smaller, for the disc golf course for Brazos Park. We are anticipating this project to cost $9,498. We had estimated $10,000 for the project.

We are proposing to use these projected savings as well as a portion of our FY 2014 budget of $50,000 to re-paint our basketball courts and re-surface our tennis courts in all of our parks. The last estimate that we had received addressed the tennis courts in Sunset Park; the basketball court in Travis Park; the basketball court in Brazos Park; the tennis court in Brazos Park; the basketball courts in Community Park; and the basketball courts in Macario Garcia Park, was $33,250. Completion of this item would address one of the needs remaining in the current Parks and Recreation Master Plan.

In addition to these items, we would like to propose re-painting all of the park signs. The total estimated cost to repaint all of the wooden signs in all of the parks is $4,950.

We propose using the $13,345 anticipated project savings and $24,855 from the FY 2014 funds for these projects.

Thank you for your consideration.

PHONE: 512-461-0519
FAX: 512-331-0316

March 27th, 2013

Paul T. Rodgers
Parks Supervisor
City of Rosenburg Parks and Recreation Department

Attention: Paul

Proposal for: Court Resurfacing

Dear Mr. Rodgers:

Pursuant to our conversations and site visit to measure and examine the condition of your court, I have reviewed and measured the court, examined the site, and make the following proposal based on these observations and specifications identified in our visit.

CourTex Construction, Inc. is a registered and certified installer of the California Products, Plexipave Tennis Court Surfacing Systems, SportsMasters Sports Surfacing Systems, and offers this proposal for the court repair and resurfacing:

Description of work included in proposal: *Sunset Park Basketball*

- Prepare courts surface for new court surfacing by high pressure power washing the court surface, removing mold, loose aggregate, and identifying low areas;
- Acid Etch existing slab and clean surface;
- Apply Acrylic Resurfacer to entire court surface,
- Apply 2 coats of Green court surfacing
- Stripe court in standard striping;
- Cleanup and removal of all waste.

BASE BID: Court resurfacing as specified above:

$4,500.00

Description of work included in proposal: ***Sunset Park (2 courts) Tennis Resurfacing***

- Prepare courts surface for new court surfacing by high pressure power washing the court surface, removing mold, loose aggregate, and identifying low areas;
- Expansion joints will be cleared of existing wood, grass, and dirt. Will be replaced and sealed with back-a-rod and an industrial self leveling caulking compound to seal the joints from moisture;
- CCInc. Will sand and paint exiting net post, replace crank mechanisms, and furnish and install 2 new nets.
- Repair surface cracks by grinding, cleaning crack, and patching crack with specially formulated court crack repair compound;
- Address low areas, if any, with Court Patch Binder;
- Apply Acrylic Resurfacer to all patches;
- Apply Acrylic Resurfacer to entire court surface, block sanding between each coat, to address any imperfections in surface and insure a secure seal and smooth surface;
- Apply 2 coats of Green and Red court surfacing
- Stripe tennis court in standard striping;
- Cleanup and removal of all waste.

BASE BID: Court resurfacing as specified above:

$11,500.00

Description of work included in proposal: ***Travis Park Basketball Striping***

- Grind existing stripes to prepare surface for new striping;
- Stripe 2 courts in standard striping;
- Cleanup and removal of all waste.

BASE BID: Court resurfacing as specified above:

$1,500.00

Description of work included in proposal: ***Brazos Single BBall Striping***

- Grind existing stripes to prepare surface for new striping;
- Stripe court in standard striping;
- Cleanup and removal of all waste.

BASE BID: Court resurfacing as specified above:

$750.00

Description of work included in proposal: ***Brazos Park Tennis***

- Prepare courts surface for new court surfacing by high pressure power washing the court surface, removing mold, loose aggregate, and identifying low areas;
- Expansion joints will be cleared of existing wood, grass, and dirt. Will be replaced and sealed with back-a-rod and an industrial self leveling caulking compound to seal the joints from moisture;
- Repair surface cracks by grinding, cleaning crack, and patching crack with specially formulated court crack repair compound;
- Address low areas, if any, with Court Patch Binder;
- Apply Acrylic Resurfacer to all patches;
- Apply Acrylic Resurfacer to entire court surface, block sanding between each coat, to address any imperfections in surface and insure a secure seal and smooth surface;
- Apply 2 coats of Green court surfacing
- Stripe tennis court in standard striping;
- Cleanup and removal of all waste.

BASE BID: Court resurfacing as specified above:

$5,500.00

Description of work included in proposal: ***Community Park BBall Pavilion***

- Prepare courts surface for new court surfacing by high pressure power washing the court surface, removing mold, loose aggregate, and identifying low areas;
- Apply Acrylic Resurfacer to entire court surface,
- Apply 2 coats of Green court surfacing
- Stripe court in standard striping;
- Cleanup and removal of all waste.

BASE BID: Court resurfacing as specified above:

$5,000.00

Description of work included in proposal: ***Mario Garcia BBall Courts***

- Prepare (2) courts surface for new court surfacing by high pressure power washing the court surface, removing mold, loose aggregate, and identifying low areas;
- Clean out expansion joints and caulk/seal with industrial strength caulking;
- Apply Acrylic Resurfacer to entire court surface,
- Apply 2 coats of Green court surfacing
- Stripe court in standard striping;
- Cleanup and removal of all waste.

BASE BID: Court resurfacing as specified above:

$9,000.00

THE COURT SURFACE IS WARRANTEED FOR 2 YEARS EXCEPT WHERE CRACKS/SEAMS/BARE CONCRETE ATTRIBUTE TO THE FAILURE OF THE COURT SURFACE. CRACK REPIARS CAN BE REPAIRED BUT NOT WARRANTEED.

BIDDER hereby declares that he has personally inspected and is familiar with the project site; and hereby proposes to provide all labor, materials, tools, appliances and facilities as required to perform, in a professional and workmanlike manner, all work and services for the construction and completion of aforementioned project.

CCInc.'s Certificates of Insurance will be furnished upon the receipt of the signed contract or purchase order. We prefer to have our agent send the certificates directly to the client in lieu of attaching them to the proposal to insure authentication of the coverage. Our agent is John Cowart, State Farm Insurance, phone number (281) 362.8444.

The resurfaced court might have "tool marks or squeegee lines" from the application procedure. This is completely normal and cannot be 100% avoided.

Proposal is based on timely and adequate access to the project site, including utilization of on-site secured storage, use of existing materials where possible. CCI is not responsible for site security and assumes no liability for materials delivered/stored or work in progress at the site against theft or damage prior to completion of the project. WEATHER IS

CRITICAL TO QUALITY COURT SURFACING AND CONTROLS THE INSTALLATION AND COMPLETION SCHEDULE.

CourTex Construction Inc. bases its' proposal on its' ability to install a new surface over the existing surface with minimal preparation. Should the existing surface be unsuitable for re-surfacing due to age, condition, or chemical composition, the removal of the surface will be performed at additional cost. The adhesion of the new surfacing will not be warrantied against failure, cracks, chipping, or flaking due to the existing surface's condition or composition as these are construction design and conditions that are unknown and therefore beyond the control of CCI.

New concrete shall have no additives applied during the curing process. If CCinc. surfaces the court and there are adhesion problems due to additives present, then the surface cannot be warrantied.

Excluded *from this quote are Engineering/design requirements or fees of the project; ancillary asphalt or concrete repair, including normal wear due to construction; SWPPP Plan; fence installation, removal or replacement; landscape/sod repair or replacement; fees for bonds or permits; the addition/removal/re-location/or modification of existing or new utilities, irrigation, or drainage, identified or unidentified; or construction site security during construction period. Likewise, the new surface will not significantly change, improve, or deter the drainage of the existing court, which includes existing ponding issues present prior to the new surfacing. Any problems or issues with the new surface attributed by cracks or problems with the existing slab, or with the old surface, negate warranty coverage and liability. Therefore any and all repairs for non-warrantied work will be performed on a quoted or cost/plus basis.*

CONTRACT TIME: Bidder agrees, if awarded the Contract, to commence work under this Contract within 10 days or as specified from the date of written "Notice to Proceed" and to fully complete all work required and specified by the Contract Documents as agreed upon in the contract between the ***Client*** and ***CCI*** within the time dictated or extended as stipulated in the Contract Documents.

WITHDRAWAL OF BID: Bidder agrees that this Bid shall be good and may not be withdrawn for a period of thirty (30) calendar days after the date and time scheduled for receipt of Bids. The proposal is based on a November 1, start date and should this be delayed to a later date, then CCI reserves the right to review its proposal and modify it as necessary.

NOTIFICATION, EXECUTION, AND COMPLETION: Upon receipt of the Notice of Acceptance of this bid, the Bidder will execute the formal Contract. **The Work shall commence within 10 days of the date of issuance of the Notice to Proceed and shall be completed within the Contract time as stated above,** ***and UPON THE RECEIPT of 50% of contracted amount to address the***

mobilization costs and the procurement of materials, with the remainder due when invoiced.

Sincerely,

W.B. Ready

W. B. Ready

ACCEPTANCE OF PROPOSAL: THE ABOVE PRICES, SPECIFICATIONS, TERMS AND CONDITIONS ARE SATISFACTORY AND ARE HEREBY ACCEPTED. YOU ARE AUTHORIZED TO DO THE WORK AS PROPOSED. PAYMENT WILL BE MADE AS OUTLINED ABOVE. THIS PROPOSAL WILL BECOME PART OF ANY FUTURE CONTRACT AND IS CONTROLING IN CASE A CONFLICT OCCURS. LIKEWISE, IN LIEU OF SIGNATURE, THE AUTHORIZATION TO PROCEED AND COMMENCEMENT OF WORK SHALL ALSO BE DEEMED AS ACCEPTANCE OF THESE TERMS AND CONDITIONS.

_____ _____

ACCEPTANCE SIGNATURE DATE

COMMUNICATION FORM

February 13, 2014

ITEM #	ITEM TITLE
4	**Proposed Parks Improvement – Equipment Lease**
ITEM/MOTION	
Consideration of and action on the proposed parks improvement request to lease equipment necessary to relocate donated trees.	
APPROVAL	**SUPPORTING DOCUMENTS**

SUBMITTED BY :

Rachelle Kanak
Interim Economic Development Director

1) McCarthy Memorandum – 01-29-14

EXECUTIVE SUMMARY
Rosenberg Parks and Recreation Director Darren McCarthy will make a presentation on the proposed parks improvement plan to add 50 additional trees to area parks. The trees have been donated, but the Parks and Recreation Department does not have the equipment to remove and relocate the trees. Parks and Recreation staff has identified a company which specializes in tree removal and relocation and will request action on the request. The improvement project includes multiple City parks. Please see attached supporting documentation for full details.

From the desk of

Darren McCarthy, CPRP,
Parks and Recreation Director

Memo

To: Rachelle Kanak, Interim Economic Development Director

Date: January 29, 2014

Re: Potential Trees

As we discussed on Wednesday, January 15th Matt Fielder was contacted by Sheriff Troy Nehls regarding the City's interest in trees from his property. His property is located on Hartledge Road, outside of the Rosenberg City Limits and is in the expansion right-of-way (ROW) for Spur 10. On his property he has several Live Oak trees that are directly in the proposed ROW. He would like to donate these trees to the City for use in the City's Parks.

Staff went to the property and assessed the trees on January 29th. Staff observed that the trees were between 8 to 15 feet high and much too large to be removed by hand. If purchased out-right from a nursery, trees of this age and size would cost approximately $350 each. Staff has found a local company that would be able to use a tree spade to remove the trees and relocate them to a location of our choice in the park system. The cost to remove and relocate each tree would be $195 per tree. Staff estimates that there are fifty (50) trees that would be highly desirable for relocation in the parks.

Staff would like to request that the Rosenberg Development Corporation consider funding the removal and transplanting up to fifty (50) Live Oak trees. The estimate cost would not exceed $9,750.

Thank you for your consideration.

Cc: JT

Imagine If Trees Gave Off Wifi Signals, We Would Be Planting So Many Trees And We'd Probably Save The Planet Too.

Too Bad They Only Produce The Oxygen We Breathe.

COMMUNICATION FORM

February 13, 2014

ITEM #	ITEM TITLE
5	**Walsh Road Industrial Park, Ltd., Deed Restrictions**

ITEM/MOTION

Consideration of and action on amended Declaration of Covenants Conditions and Restrictions for Walsh Road Industrial Park, Ltd.

APPROVAL	SUPPORTING DOCUMENTS

SUBMITTED BY :

Rachelle Kanak
Interim Economic Development Director

1) Amended Declaration of Covenants Conditions and Restrictions for Walsh Road Industrial Park, Ltd. – Redline
2) Amended Declaration of Covenants Conditions and Restrictions for Walsh Road Industrial Park, Ltd. – Clean

EXECUTIVE SUMMARY

The Rosenberg Development Corporation (RDC) Board approved the Amended Declaration of Covenants Conditions and Restrictions (Covenants) for Walsh Road Industrial Park, Ltd., in September 2013 after an initial discussion in May 2013 at the RDC meeting. The developer's attorneys prepared the Covenants document, and submitted it to RDC for review and approval. The developer has identified three areas that need to be clarified before he submits the Covenants to potential prospects.

Article II, Section 2.15 reads, "Building Construction. The construction of any and all improvements on a Reserve shall at all times be in strict compliance with the Plans approved by the ARC, this Declaration, and Applicable Law. Each building to be located on a Reserve shall be constructed with insulated metallic exterior panels over steel frame construction, or better, and with a minimum of 40% masonry material, excluding window area. Only new construction materials (except for used brick) may be used in constructing a structure or improvements situated on a Reserve unless otherwise approved in writing by the ARC. Roofs shall be metallic as from time to time established by the ARC in the Design Standards."

The proposed revision to clarify the meaning of Article II, Section 2.15 reads, "Building Construction. The construction of any and all improvements on a Reserve shall at all times be in strict compliance with the Plans approved by the ARC, this Declaration, and Applicable Law. Each building to be located on a Reserve shall be constructed with insulated metallic exterior panels over steel frame construction, or better, and with a minimum of 40% masonry material on the front of the building, excluding window area. Only new construction materials (except for used brick) may be used in constructing a structure or improvements situated on a Reserve unless otherwise approved in writing by the ARC. Roofs shall be metallic as from time to time established by the ARC in the Design Standards."

Article II, Section2.8 reads, "Outside Storage. No outside storage of any kind will be permitted on any Reserve, unless such storage is behind the front edge of building, fenced and screened from

EXECUTIVE SUMMARY
view, and such storage does not interfere with Fire Department access. The right of any Permittee of a Reserve to use any building or Reserve shall not be construed to permit the keeping or storing of articles, goods, materials, equipment, incinerators, storage tanks, dumpsters, refuse containers or like items in the open or exposed to public view. No personal property, equipment or merchandise shall be kept, displayed, offered for sale or lease or stored within the Front Yard of any Reserve." The proposed revision to clarify the meaning of Article II, Section2.8 reads, "Outside Storage. No outside storage of any kind will be permitted on any Reserve, unless such storage is behind the front edge of building, fenced and screened from view on all sides, and such storage does not interfere with Fire Department access. The right of any Permittee of a Reserve to use any building or Reserve shall not be construed to permit the keeping or storing of articles, goods, materials, equipment, incinerators, storage tanks, dumpsters, refuse containers or like items in the open or exposed to public view. No personal property, equipment or merchandise shall be kept, displayed, offered for sale or lease or stored within the Front Yard of any Reserve." The developer also proposes adding the following provision, Article II, 2.2, "Building Size: Any single Reserve purchased will require a minimum building size of 7,500 sf enclosed. Any owner that purchases more than a minimum one (1.0) acre site, the requirement will be a ratio of at least 6,500 sf of building size per one (1.0) acre, or portion of land over one (1.0) acre thereof. Example: If two (2.0) acres are purchased, the minimum building size will be 13,000 sf."

AMENDED

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, AND EASEMENTS

This Amended Declaration of Covenants, Conditions, Restrictions, and Easements ("Declaration") is made effective as of ~~September~~ February 13, ~~25~~, 201~~3~~4, by WALSH ROAD INDUSTRIAL PARK, LTD. ("Declarant"), a Texas limited partnership.

RECITALS:

A. Declarant is the owner of that certain 24.2119 acre tract of land situated Fort Bend County, Texas, more particularly described on the attached Exhibit "A".

B. Declarant desires to create and carry out a general and uniform plan for the improvement, development, maintenance, use, and continuation of a business park, known as Walsh Road Industrial Park (the "Park") on the Property, for the mutual benefit of the Owners thereof, on the terms and conditions hereinafter set forth.

AGREEMENTS:

NOW, THERFORE, Declarant, on behalf of itself and its successors and assigns, hereby Imposes on the Property the following covenants, conditions, restrictions, and easements:

ARTICLE I.

DEFINITIONS

1.1 "Annual Maintenance Charge" shall mean the assessment made and levied against each Owner and such Owner's Reserve or Reserves by the Association in accordance with the provisions of this Declaration.

1.2 "Applicable Law" shall mean the laws, rules, ordinances, regulations, and orders of the State of Texas or other Governmental Authority.

1.3 "ARC" shall mean the Architectural Review Committee consisting of 3 members, initially appointed by the Declarant. The Declarant may at any time assign its rights to appoint the ARC to a successor by a written instrument filed for record in the Official Records of Real Property Fort Bend County, Texas. Notwithstanding the foregoing, upon formation of the Association, the term "ARC" shall mean and refer to the Board.

1.4 "Association" shall mean a Texas non-profit corporation hereafter organized by the Declarant as an owners' association for purposes of enforcing and administration these Restrictions, Maintaining and improving any Common Area or Shared Use Facilities or such other purposes as Declarant may determine, and the successors and assigns of such corporation. Upon organizing the Association, Declarant shall file for record in the Official Public Records of Real Property of Fort Bend County, Texas, an amendment to this Declaration naming the Association.

1.5 "Board" or "Board of Directors" shall mean the Board of Directors of the Association, whether such Board be appointed by Declarant or elected in accordance with the provisions of this Declaration or Bylaws.

1.6 "Industrial Park Sign" shall mean the project identity signs constructed at the entrances to the Park, in the areas shown on the Site Plan, with the name Walsh Road Industrial Park, Ltd.

1.7 "By-laws" shall mean the By-laws of the Association.

1.8 "Common Area" shall mean the Industrial Park Sign areas per section 1.6, and the detention pond constituting a part of the Water Detention and Drainage Facilities as shown on the Site Plan.

1.9 "Common Driveway" shall mean the driveway and related driveway improvements, including paving, curbing, entrances, and exits for motor vehicles and pedestrian access, ingress, and egress on and through adjoining Reserves.

1.10 "Control Period" shall mean the period commencing on the date this Declaration is recorded in the Official Public Records of Real Property of Fort Bend County, Texas and ending on the earlier to occur of (i) the date Declarant no longer owns any Reserve, or (ii) the date Declarant records a document in the Official Public Records of Real Property of Fort Bend County, Texas, which references this Declaration and states that Declarant has assigned its rights under this Declaration to the Association; or (iii) the date Declarant records a documents in the Official Public Records of Real Property of Fort Bend County, Texas, which references this Declaration and states that the Declarant declares this Control Period under this Declaration to be terminated, Declarant having the right to make such declaration and record such document at any time.

1.11 "Declarant" shall mean Walsh Road Industrial Park, Ltd., and its successors or assigns, if such successors or assigns are designed in writing as a successor or assignee of the rights set forth herein.

1.12 "Declaration" shall mean this instrument and any amendment hereto.

1.13 "Governmental Authority" shall mean the City of Rosenberg, Fort Bend County, or any other Governmental authority having jurisdiction over the Property.

1.14 "Hazardous Substance" shall mean any hazardous or toxic substance or contaminated material including but not limited to asbestos, oil and petroleum products and those substances within the scope of all federal, state and local environmental laws and ordinances, including without limitation the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act and the Superfund Amendment and Reauthorization Act of 1986.

1.15 "Maintenance Fund" shall mean any accumulation of (i) the Annual Maintenance Charge and (ii) interest, penalties, special assessments, and other sums and revenues collected by the Association pursuant to this Declaration.

1.16 "Majority of the Members" shall mean the majority of those votes entitled to be cast by the Members who are eligible to vote and are present or voting by legitimate proxy at a duly called meeting at which a quorum (as defined in the By-laws) of Members who are eligible to vote are represented.

1.17 "Masonry Materials" shall mean exterior finishes of brick, split face block, natural stone, stucco or EFIS.

1.18 "Member" or "Members" shall mean a member or members of the Association.

Formatted: Centered

1.19 "Mortgage" shall mean a security interest, mortgage, deed of trust, or lien instrument granted by an Owner, duly recorded in the Office of the County Clerk of Fort Bend County, Texas, and creating a lien or security interest encumbering a Reserve and all Improvements thereon.

1.20 "Mortgagee" shall mean the beneficial owner(s) of a Mortgage.

1.21 "Owner" or "Owners" shall mean any person or persons, firm, corporation, or other entity that holds, of record, fee title to a Reserve, but excluding a Mortgagee or the buyer of a Reserve under an executor contract of sale.

1.22 "Reserve" or "Reserves" shall mean each separate lot, tract, or reserve of land out of the Property.

1.23 "Permittees" shall mean the tenant(s) or occupant(s) of a Reserve, and the respective employees, agents, contractors, customers, invitees and licensees of (i) the Owner of such Reserve, And/or (ii) such tenant(s) or occupant(s).

1.24 "Plans" shall mean the final construction plans and specifications (including a site plan ~~S~~showing the location of all structures and improvements and the size and location of driveways, walks, parking and storage facilities, fences and screening) for any building or improvement of any kind to be erected, placed, constructed, maintained or altered on any portion of any Reserve, together with detailed, final plans, specifications and descriptions of the landscaping to be installed thereon, all in form and substance reasonably satisfactory to the Board, and prepared in conformity with the applicable provisions of this Declaration.

1.25 "Property" shall mean the 24.2119 acres described in Exhibit "A" attached hereto.

1.26 "Restrictions" shall mean the covenant, conditions, easements, reservations and stipulations that shall be applicable and govern the improvement, use, occupancy, and conveyance of all the Reserves as set forth in this Declaration or any amendment thereto.

1.27 "Road" shall mean Walsh Road, the public street located adjacent to the Property.

1.28 "Screening" shall mean the use of a 6 foot minimum wooden (natural finish), or chain link fence (brown color) with full fencing or privacy splits on entire fence, to hide storage areas from street or neighbor view. Other materials may be considered by request to the ARC.

1.28 "Rules and Regulations" shall mean reasonable rules adopted and/or amended from time to time by the Board concerning the management and administration of the Property for the use, benefit and enjoyment of the Owners, which shall apply the same to all Reserves and shall not affect the Owner's use of its Reserve.

1.29 "Shared Use Facilities" shall mean the Business Park Sign, Utility Facilities, and Water Detention and Drainage Facilities.

1.30 "Site Plan" shall mean that site plan of the Property attached hereto as Exhibit "B". Except as may be otherwise provided in this Declaration, the Site Plan is for identification purposes only.

1.31 "Water Detention and Drainage Facilities" shall mean those lines, pipes, conduits and other apparatus for the collection, discharge, drainage, use detention and retention of storm water runoff and

Formatted: Centered

the detention pond constructed or to be constructed along the north boundary line of the Property as shown on the Site Plan together with all improvements thereon used in connection with Detention Pond Easement of even date herewith executed by Declarant and recorded or to be recorded in the real property records of Fort Bend County, Texas, and as may be constructed on the Property, whether presently existing or hereafter constructed, for the discharge, drainage, use detention and retention of storm water runoff on the Property in compliance with the requirements of the Governmental Authority, in the manner and in the location indicated on the Site Plan.

1.32 "Yard" shall mean those portions of the Reserve that are outside of exterior walls of the building or other structures from time to time located on the Reserves. Each Reserve shall have, unless a variance is granted by the ARC, (a) one (1) "Front Yard", being a minimum twenty five feet (25') from the front of the property line, and (b) two (2) "Side Yards", the Side Yard on each side of any building shall be at least ten feet (10') from the Reserve boundary line to the side of the building, (c) "Back Yard", being all of the Reserve behind the back edge of the main building.

ARTICLE II.

RESTRICTIONS

2.1 General Restriction. The Property shall be used for lawful purposes in conformity with Applicable Law.

2.2 Building Size: Any single Reserve purchased will require a minimum building size of 7,500 sf enclosed. Any owner that purchases more than a minimum one (1.0) acres site, the requirement will be a ratio of at least 6,500 sf of building size per one (1.0) acre, or portion of land over one (1.0) acre thereof. Example: If two (2.0) acres are purchased, the minimum building size will be 13,000 sf.

2.3 Permitted Uses. The permitted uses of the Property includes, without limitation, warehousing, office, office service center, showroom/warehouse, distribution center, light manufacturing and other similar uses from time to time approved by the ARC, provided such do not constitute a Prohibited Use (as described in Section 2.4 below). The term "light manufacturing" shall mean and refer to any operation or use which is performed or carried out entirely within a building or buildings so designed and constructed that the enclosed operations therein do not cause or produce a nuisance or annoyance to the occupants of an adjoining Reserve, such as vibration, sound, radiation, air pollution, or water pollution.

2.4 Prohibited Uses. No Reserve shall be used for any purpose which is noxious or offensive by reason of odor, fumes, dust, smoke, noise, or pollution, or which is dangerous or hazardous by reason of excessive danger of fire or explosion, or for any purpose which may become a nuisance to any other Reserve, or which will be in violation of Applicable Law, or that would unreasonably interfere with the use and occupancy of the Property by other Owners or Permittees. In addition to the foregoing, it is expressly agreed that no part of the Property shall be used, directly or indirectly, for the following purposes: cocktail lounge; bar, disco; bowling alley; pool hall or billiard parlor; skating or roller rink; amusement arcade; adult book store; adult theater; adult amusement or entertainment facility; cabaret; men's club; selling or displaying pornographic materials; any facility requiring licensing or zoning as a sexually oriented business; second hand store; odd lots; close out or liquidation store; flea market; junk yard; sleeping quarters or lodging; residential housing (single family or multi-family); the housing or raising of animals; car wash; assembly hall; off-track betting establishment; bingo parlor; any use involving the repair of automobiles, auto body shop, or related use as the primary business; smelting; rendering; refining; or any other activity which causes or involves excessive emissions of ~~oder~~odor,

Formatted: Centered

dust, fumes, smoke, or noise. No Owner or Permittee shall engage in an activity within the Property, which has the effect of increasing premiums for any insurance carried by the Association or any other Owner or Permittee.

2.5 Temporary Structures and Trailers. No structure of a temporary character, including trailers, tents, shacks, barns, or other out-buildings shall be permitted on the Property at any time; provided, however, that a construction trailer or a temporary structure permitted under Applicable Laws may be used in connection with the construction of improvements on a Reserve.

2.6 Monument Sign. Only one monument sign shall be permitted on each Reserve and such sign shall be perpendicular to Public Street at such location on the stone or masonry column over the front entrance of the building on such Reserve as determined by the ARC and shall be of a design and same masonry material used on the front of the building. Only a monument sign which designates the name of the business which occupies the building on a Reserve shall be permitted.

2.7 Building Sign. Company identity sign is permitted above the entry or on the front wall of the building. The sign must be on a wood or metal face plate and not higher than the building wall approved by the ARC, which approval shall not be unreasonably withheld, conditioned or delayed. The following are prohibited: (a) signs painted on a building wall or any other exterior surface of a building, (b) flashing, moving, blinking or audible signs, (c) paper or cardboard signs, temporary or movable signs, flag-streamers or banner signs, unless approved for temporary use by the ARC, or (d) signs located on top of or extending above a building. In the event a building has multiple owners or tenants, all owners or tenants may be shown on the one permitted sign, subject to the approval of the ARC and the ARC shall have the right, and hereby reserves an easement, to enter upon any and all portions of a Reserve to move any signs that are in violation of this Section upon reasonable notice to the owner or lessee of such Reserve, all at the expense of such owner or lessee. The ARC may promulgate sign guidelines which may be modified by the ARC from time to time in its discretion. Notwithstanding the foregoing, the Industrial Park Sign which may be constructed at the entrance to the Property shall be located and of such design and materials and specifications as may from time to time be determined by the ARC.

2.8 Outside Storage. No outside storage of any kind will be permitted on any Reserve, unless such storage ~~i~~n behind the front edge of building, fenced and screened from view on all sides~~–~~, and such storage does not interfere with Fire Department access. The right of any Permittee of a Reserve to use any building or Reserve shall not be construed to permit the keeping or storing of articles, goods, materials, equipment, incinerators, storage tanks, dumpsters, refuse containers or like items in the open or exposed to public view. No personal property, equipment or merchandise shall be kept, displayed, offered for sale or lease or stored within the Front Yard of any Reserve.

2.9 Mineral Exploration. No drilling, digging, quarrying, or minding operation of any sort shall be permitted on the Property.

2.10 Hazardous Materials. Bulk storage of flammable fluids must be maintained aboveground, in flash proof metal tanks, or protected by earthen fire walls. No effluent containing harmful bacteria, poisonous acids, oils, or other harmful substances shall be permitted to drain into the storm drainage system or sanitary sewer for the Property or released beyond the property lines of a Reserve.

2.11 Maintenance. Each Owner of a Reserve and its Permittees shall at all times keep their respective premises, buildings, improvements, and appurtenances in a well-maintained, safe, clean, attractive, and sanitary condition and shall comply with Applicable Law. Trash, garbage, or other waste materials shall be kept only in sanitary containers constructed of metal, plastic, or masonry materials,

Formatted: Centered

with sanitary lids or covers. All such containers and other equipment for the storage or disposal of such waste material shall be kept in a clean and sanitary condition and shall be attractively screened from view, behind a screened, Side Yard gate or fence from the adjoining Reserve(s), and the Road. All rubbish, trash, or garbage shall be regularly removed from the Property and shall not be allowed to accumulate thereon. Any accumulation of trash shall be disposed of immediately by the Owner or Permitted causing same. If, in the opinion of the ARC, any such Owner or Permittee is failing in this duty and responsibility, then the ARC may give such Owner or Permittee, or both, notice of such fact, and such Owner or Permittee must, within 10 days of such notice, undertake the care and maintenance required to restore such Owner's or Permittee's reserve to a safe, clean, and attractive condition. Should any such Owner or Permittee fail to fulfill this duty and responsibility after such notice, then the ARC shall have the right and power to perform, or have performed, such care and maintenance, including, without limitation, the mowing of any vacant Reserve, and the Owner and Permittee (and or both of them) of the Reserve on which such work is performed by the ARC shall be liable for the cost of any such work and shall promptly reimburse the ARC for the cost thereof. Such indebtedness shall bear interest from the date that demand is made by the ARC until paid at the rate of 18% per annum and shall be secured in the same manner as the Annual Maintenance Charge, but in no event shall the interest rate exceed the maximum rate allowed by Applicable Law.

2.12 Parking and Access. Parking for each Reserve and its Permittees shall be permitted only on the Reserve and only in designated area from time to time improved for parking, paved with concrete or other materials approved by the ARC; and no Permittee or vehicles serving Permittee shall have any right to park on the Road or block vehicular access to such Road. No large trucks or other vehicles larger than a pick-up truck will be permitted to park in the areas designated and improved for automobile parking on each Reserve. No use shall be made of any Reserve or any building constructed thereon which requires or is reasonably expected to require or attract parking in excess of the capacity of the parking facilities maintained on the Reserve or the requirements of Governmental Authority. No repair or maintenance work on automobiles, trucks, trailers and other vehicles shall be performed on the Reserve, except in building constructed for such purpose. Each parking area and truck apron located in the Front Yard of a Reserve shall remain unobstructed to vehicular access.

2.13 Firearms and Explosives. The discharge of firearms of any kind or nature in the Property is strictly prohibited and no hunting of wild game or birds of any species by any method is allowed therein. Explosive devices shall not be utilized on any Reserve except with prior written permission from the ARC.

2.14 Subdivision. No subdivision of a Reserve shall be permitted without the prior written approval of the ARC, which approval may be either withheld or conditioned upon compliance with such additional requirements and covenants as the ARC may reasonably impose.

2.15 Building Construction. The construction of any and all improvements on a Reserve shall at all times be in strict compliance with the Plans approved by the ARC, this Declaration, and Applicable Law. Each building to be located on a Reserve shall be constructed with insulated metallic exterior panels over steel frame construction, or better, and with a minimum of 40% masonry material on the front of the building, excluding window area. Only new construction materials (except for used brick) may be used in constructing a structure or improvements situated on a Reserve unless otherwise approved in writing by the ARC. Roofs shall be metallic as from time to time established by the ARC in the Design Standards.

2.16 Landscaping. All open unpaved space on any Reserve shall be planted and landscaped in a manner meeting the minimum standard described in this section below. Landscaping in accordance with

Formatted: Centered

approved Plans, must be completed within 30 days following the initial occupancy of any building or improvement constructed on a Reserve Maintenance of all landscape areas (including replacement of any landscaping as needed) shall be the responsibility of the Owner. If the Owner fails to restore the landscaping or trees as originally approved, the ARC shall have the right to do so out of the Maintenance Fund and assess the charges back to the Owner.

Building Landscaping – The building side next to the street, and the building front entry ~~area's~~areas, if different, must have sufficient landscaping next to the building and at the entry featuring shrubs, hedges, flowers, and ground cover in any combination, to provide a tasteful appearance of green space.

Street trees – Must be planted in or adjacent to public rights-of-way; one tree for every 30 feet of road frontage. Street trees must be planted at least 20 feet apart without extreme variation in the spacing excluding site conditions and driveways. An existing street tree in the abutting street right-of-way may count toward the requirement of one required tree (as listed on the street tree list in Exhibit C).

Parking lot trees – Each parking space must be within 120 feet of a parking lot or street tree. One tree for every 10 spaces is required. At least one-half of the parking lot trees will be large parking lot trees (as listed on the parking lot tree list as listed in Exhibit C).

Shrubs – At least 75% must be planted along the perimeter of parking lots with the remainder planted along or within the perimeter (as listed on the shrub list in Exhibit C); 10 shrubs for each required street tree.

Landscape buffers – Screening fence, with a minimum height of six feet, located along the property line between two adjacent properties; must be constructed with cedar fence using steel poles in the ground, or chain link fence with 100% screening slats, or better. Alternative buffer is planted evergreen trees and/or shrubs along the property lines, a minimum shrub size of 5 gallon, and a minimum tree size of 10 gallon.

2.17 Auxiliary Structures. No auxiliary structures separate and apart from the building, shall be located on any Reserve without the written consent of the ARC, which may be withheld, conditioned or delayed at its sole discretion.

2.18 Storage of Building Material. Without the prior written consent of the ARC, no building material of any kind or character shall be placed or stored upon any Reserve more than 30 days before the construction of a structure or improvement is commenced. All materials permitted to be placed on a Reserve shall be placed within the property lines of the Reserve. At the completion of such building or improvements, any unused materials shall be removed immediately from the Reserve.

2.19 Exempt Property. None of the use restrictions contained in Article II shall apply to the Shared Use Facilities in section 1.29.

2.20 Use of "Walsh Road Industrial Park, Ltd.". The name "Walsh Road Industrial Park, Ltd." shall not be used in connection with any business or trade or operations on or any portion of the Property without the prior written consent of ARC, which consent ARC may withhold, condition or delay in its sole discretion. All rights, titles and interest in and to the name "Walsh Road Industrial Park, Ltd." are expressly reserved and retained by Declarant until end of the Control Period whereupon such name shall belong to and be the property of the Association.

2.21 Building Setbacks. No building shall be constructed closer to the front property line than 25 feet; no closer to either side line than 10 feet, and no closer to the rear property line 10 feet. No building

Formatted: Centered

or other structure, except as herein provided, shall be constructed in any Side Yard and no expansion or addition to any building or other structure, except as herein provided, shall be permitted in any Back Yard. Truck wells, truck aprons, parking areas, driveways, roadways, walkways, light standards, curbing, paving, entrances, exits, and other similar exterior site improvements may be located in the Front Yard. Requirements that may from time to time exist to permit access by fire and other emergency services, including a Fire Department approved access lock.

ARTICLE III.

APPROVAL OF PLANS

3.1 Approval. No building, structure, or improvement of any kind (including, without limitation, landscaping, exterior lighting, and fences) shall be erected, placed, constructed, maintained, modified, altered, or improved on any Reserve until the Plans have been submitted to and approved in writing by the ARC and thereafter approved by the appropriate Governmental Authority (if required).

3.2 Criteria. In determining whether such Plans shall be approved, the ARC may take into consideration all factors deemed appropriate by the ARC, including, without limitation, the following:

(a) Compliance with this Declaration;

(b) Kind and quality of the building materials or improvements and their suitability;

(c) Kind and quality of the proposed landscaping;

(d) Harmony, compatibility, and the conformity of the design of such building or improvement with existing and proposed buildings and improvements on the Property and with the design or overall character and aesthetics of the Property;

(e) Location of such building, improvements, and landscaping within the Reserve on which it will be constructed or placed;

(f) Square footage;

(g) Compliance with the Design Standards (hereinafter defined), if any;

(h) Compliance with the Rules and Regulations; and

(i) Applicable Law.

3.3 Approval of Plans. The ARC shall approve or disapprove the Plans in accordance with the following procedures:

(a) Owner shall deliver to the ARC, 2 complete sets of the Plans, together with samples of materials and colors and such other documentation or information as may be deemed pertinent and required by the ARC. The ARC may require submission of additional plans, specifications, or other information prior to approving or disapproving the proposed Plans. Until receipt by the ARC of all required materials in connection with the proposed Plans, the ARC may postpone review of any materials submitted for approval. The submitting Owner shall pay all reasonable costs and expenses incurred by the ARC to review the proposed Plans.

Formatted: Centered

(b) If the Plans are approved by the ARC, a letter of approval, including a description of qualifications or required modifications, if any, shall be prepared for the countersignature of the Owner. Such approval shall be dated and shall not be effective for construction commenced more than 6 months after such approval. If construction is not commenced within 6 months after such approval, the Owner shall not begin construction of any building or improvement of any kind until the corresponding Plans have been resubmitted and reapproved by the ARC in accordance with the provisions of this Section.

(c) If the Plans are disapproved by the ARC, one set of such Plans shall be returned marked "Disapproved", and shall be accompanied by a statement by the ARC setting forth the reasons for disapproval.

(d) The ARC may from time to time (but shall not be obligated to) promulgate architectural and landscaping standards for the design and construction of improvements within the Property and for the design and installation of landscaping on the Reserves (the "Design Standards"). A copy of the Design Standards in effect at the time will be furnished to any Owner upon written request therefor. Such Design Standards shall supplement this Declaration and may make other and further provisions as to the approval and disapproval of Plans, prohibited materials, and other matters relating to the appearance, design and quality of improvements or landscaping. Such Design Standards, as they may be promulgated from time to time by the ARC, shall be incorporated in this Declaration by this reference as if set forth at length herein.

3.4 Building Decision. All decisions of the ARC shall be final, conclusive and binding and there shall be no review of any action of the ARC.

3.5 Effect of Approval. No approval of Plans and no publication of Design Standards shall ever be construed as representing or implying that such Plans, specifications, or standards will, if followed, result in a properly constructed structure complying with all Applicable Law. Approval of applicable Governmental ~~Authorties~~Authorities is required prior to any construction. Such approvals and standards shall in no event be construed as a representation, warranty, or guaranty by the ARC that any structure will be built in a good or workmanlike manner. Neither Declarant, the Association, the members of the ARC, or any of their representatives, shall be liable in damages to anyone submitting Plans to the ARC for approval, or to any Owner or Permittee of any part of the Property affected by this Declaration, by reason of or in connection with the approval or disapproval or failure to approve any Plans submitted. Every person who submits Plans to the ARC for approval agrees, by submission of such Plans, and every Owner or Permittee of any portion of the Property involved therein agrees, by acquiring title thereto or any interest therein, that such Owner or Permittee will not bring any action or suit against the Declarant, the Association, any of the members of the ARC, or any of their representatives, to recover any such damages and each, by acceptance of such conveyance, hereby waives all such claims and causes of action.

3.6 Inspection. The ARC or its duly authorized representative shall have the right, but not the obligation, to inspect any improvements to a Reserve prior to or after completion.

3.7 Non- Waiver. No action or failure to act by the ARC shall constitute a waiver or estoppel with respect to future action by the ARC.

3.8 Variance. The ARC may authorize variances from compliance with the requirements of this Declaration due to circumstances warranting such variance in the opinion of the ARC such as

Formatted: Centered

topography, natural obstructions, hardship, aesthetic or environmental considerations and the shape and configuration of the particular Reserve for which the variance is sought. Such variances must be evidenced in writing and shall become effective when signed by the representatives of the ARC. The granting 'of a variance shall not operate to waive any of the provisions of this Declaration for any purpose except as to the particular Reserve and particular provision described therein, nor shall the granting of a variance affect in any way the Owner's obligation to comply with Applicable Law.

3.9 Deemed Approval. In the event of any request for approval, variance, or exception to these Restrictions, or approval of any proposed action by an Owner where a construction of this Declaration is required is made to the ARC, the ARC shall, within 30 days after the request is made and receipt of all of the Plans, materials, documentation, and information described in Section 3.3, give the person making the request, at such person's address as shown in the request, written notification either of the approval by the ARC, which approval shall not be unreasonably withheld, or of its rejection of the request, with specification of the reasons for such rejection. If the ARC falls to give to the person requesting such approval notification of rejection within such 30 day period, the ARC shall be conclusively deemed to have given its approval. Any approval or rejection given by the ARC, and any written approval, rejection, or other communication by the ARC may be relied upon, as the act of the ARC, by the person receiving such approval, rejection, or other communication.

3.10 Commencement. Construction of improvements must be commenced upon a Reserve by the Owner thereof within eighteen (18) months after the date such Reserve is first conveyed by Declarant to an Owner.

3.11 Completion of Work. After commencement of construction of any structure or improvement on the Reserve, the work thereon shall be prosecuted diligently, to the end that the structure or improvements shall not remain in a partly finished condition any longer than reasonably necessary for completion thereof. Unless otherwise authorized in writing by the ARC prior to commencement of construction, the construction of any structure or improvement on a Reserve shall be completed within (one) 1 year from the date of commencement of construction, excepting delays due to strikes, war, acts of God or other causes beyond the control of the Owner.

ARTICLE IV.

ALTERATIONS, MAINTENANCE, AND REPAIRS

4.1 Alterations. Subject to the terms and provisions of this Declaration and the Rules and Regulations, each Owner shall have the right to make alterations, modifications, and repairs, including structural alterations, to such Owner's Reserve and improvements, provided that such action is performed in a good and workmanlike manner, causes minimum inconvenience to the other Owners, and does not constitute a nuisance. Alterations, modifications or repairs which would change the exterior color, materials, or shape of the improvements must be approved by the ARC. Notwithstanding the foregoing, if any of the above described actions is performed without the prior approval of the ARC of the Plans therefor in accordance with Article III of this Declaration, the ARC may require (but shall be under no obligation to require) the Owner to remove or eliminate any paint color, decoration, or other object situated on such Owner's improvements or Reserve that is visible from any Road, Common Driveway, or from any other Reserve, if, in the ARC's sole judgment, such object detracts from the visual attractiveness of the Property or is inconsistent with the design or overall character and aesthetics of the Property.

Formatted: Centered

4.2 Maintenance. Except for landscaping and Shared Use Facilities to be maintained by the Association, each Owner shall maintain such Owner's Reserve, together with the improvements, driveways, fences, landscaping, light standards and fixtures, sanitary, storm water, water and drainage lines and facilities which service only such Owner's Reserve and improvements, including the point of the connection of such lines and facilities to the Shared Use Facilities, in good working order and repair and in an attractive condition at all times. If any Owner fails to comply with the requirements of this Section, the Association may, but shall not be obligated to, without liability to such Owner or any occupant in trespass or otherwise, enter upon such Reserve, maintain or repair any of same, in which case such Owner shall upon demand pay the Association's cost of same. Such indebtedness shall bear interest from the date that demand is made by the Association until paid at the rate of 18% per annum and shall be secured in the same manner as the Annual Maintenance Charge, but in no event shall the interest rate exceed the maximum rate allowed by Applicable Law.

ARTICLE V.

SHARED USE FACILITIES

5.1 Dedication. The Common Area and Shared Use Facilities are hereby designated and dedicated for the benefit of all Owners and Permittees of the Property. Declarant shall convey the Common Area and Shared Use Facilities to the Association. The cost of the initial construction of the Shared Use Facilities shall be borne solely by Declarant.

5.2 Operation of Common Area and Shared Use Facilities. The Association shall own, improve, manage, maintain, repair, replace, insure, and operate the Common Area and Shared Use Facilities as herein provided and as provided for in the By-laws and Rules and Regulations. The Association shall improve the Common Area and Shared Use Facilities as needed in connection with the development of the Property, and such improvement shall be accomplished as required by the specifications and regulations of the Governmental Authority. The Association shall (a) maintain the Common Area and Shared Use Facilities to a standard required by the Governmental Authority, and in an attractive, safe and clean condition at all times, (b) shall keep the Common Area and Shared Use Facilities insured as deemed appropriate by the Board, and (c) shall pay all taxes assessed against the Common Area and Shared Use Facilities.

5.3 Partition Waiver. The Owners hereby waive the right to partition any part of the Common Area and Shared Use Facilities to the fullest extent permitted by Applicable Law.

ARTICLE VI.

EASEMENTS

6.1 Easement Dedication. Subject to any express conditions, limitations, or reservations contained herein, the Property, and all Owners and Permittees of the Reserves, shall be benefited and burdened by the following non-exclusive, perpetual, and reciprocal easements:

(a) Access, Ingress, and Egress. An easement for reasonable access, ingress, and egress over all paved driveways, roadways, and walkways as presently or hereafter constructed and constituting a part of the Common Driveway, so as to provide for the passage of motor vehicles and pedestrians between all Reserves to the Common Driveway, and to and from the Road furnishing access to such Reserves.

Formatted: Centered

(b) Shared Use Facilities. An easement upon, under, over, above, and across the Yards on each Reserve, including the right of reasonable ingress and egress required, for the installation, maintenance, repair and replacement of the Shared Use Facilities, including: water mains; storm water collection, retention, detention and distribution lines; storm drains; sewers; sanitary sewer lines, firewater lines, water sprinkler system lines; telephone or electrical conduits or systems; cable; gas mains; conduits; pipes; and other apparatus; and other utility facilities necessary for the orderly development and operation of the Shared Use Facilities, from time to time located on the Property; provided however, (i) all such facilities shall be installed and maintained below the ground level or surface of the Property (except for such parts thereof that cannot and are not intended to be placed below the surface, such as transformers and control panels); and (ii) the exact location of any utilities shall be subject to the reasonable approval of the Owner(s) of the burdened Reserve(s).

(c) Sign Easement. Declarant shall have the right (but no obligation) at its sole cost and expense, to construct a Business Park Sign at the entrance to the Park in the area shown on the Site Plan. The Business Park Sign shall identify the Park and display such other information as Declarant may from time to time determine. In the event the Declarant does not construct a Business Park Sign on or before the expiration of the Control Period, the Association shall have the right (but no obligation), at its sole cost and expense, to construct a Business Park Sign. The Association shall maintain the Business Park Sign in good condition and repair. There is hereby created in favor of the Declarant, and upon expiration of the Control Period, in favor of the Association, for the benefit of the Property, an easement upon the area shown on the Site Plan for installation, replacing, repairing and maintaining the Business Park Sign.

(d) Future Public Utility Easements. In lieu of the Declarant reserving easements on, over, under, and across the Property that may be unnecessary or unused, each Owner covenants and agrees, upon written request from another Owner and a public utility provider, to dedicate and convey a 10 foot public utility easement on, over, under, and across such Owner's Reserve for the benefit of the requesting Owner's Reserve; provided, however, such public utility easement(s) shall be located, as near as possible, to the boundary lines of the burdened Reserve(s). The form of the utility easement(s) shall be similar in form and substance to other utility easements required by the utility provider and subject to the other terms and provisions of this Declaration.

6.2 Indemnification. Each Owner having rights with respect to an easement granted hereunder ("Benefited Owner") shall indemnify and hold the Owner whose Reserve is subject to the easement harmless from and against all claims, liabilities, and expenses (including reasonable attorneys' fees) relating to accidents, injuries, loss, or damage of or to any person or property arising from the negligent, intentional, or willful acts or omissions of such Benefited Owner, its contractors, employees, agents, or others acting on behalf of such Benefited Owner.

6.3 Use of Easements.

(a) General. The easements herein above granted shall be used and enjoyed by each Owner and its Permittees in such manner so as not to unreasonably interfere with,

Formatted: Centered

obstruct or delay the conduct and operations of the business of any other Owner or its Permittees at any time conducted on its Reserve, including, without limitation, public access to and from said business, and the receipt or delivery of merchandise in connection therewith.

(b) Interference and Relocation. Once the Shared Use Facilities are installed pursuant to the easements granted above, no permanent building, structures, trees or other improvements inconsistent with the use and enjoyment of such easements shall be placed over or permitted to encroach upon such installations.

(c) Construction. Once commenced, any construction undertaken in reliance upon an easement granted herein shall be diligently prosecuted to completion, so as to minimize any interference with the business of any other Owner and its Permittees. Except in cases of emergency, the right of any Owner to enter upon a Reserve of another Owner for the exercise of any right pursuant to the interferes set forth, or to prosecute work on such Owner's own Reserve if the same interferes with the casements, in favor of another Owner's reserve, shall be undertaken only in such a manner so as to minimize any interference with the business of the other Owner and its Permittees. In such case, no affirmative monetary obligation shall be imposed upon the other Owner, and the Owner undertaking such work shall with due diligence repair at its sole cost and expense any and all damage caused by such work and restore the affected portion of the Reserve upon which such work is performed to a condition which is equal to or better than the condition which existed prior to the commencement of such work. In addition, the Owner undertaking such work shall pay all costs and expenses associated therewith and shall indemnify and hold harmless the other Owner(s) and its Permittees from all damages, losses, liens or claims attributable to the performance of such work.

(d) Non-Exclusive. The easements herein granted are not exclusive.

ARTICLE VII.

MANAGEMENT OF THE PROPETY

7.1 Management of Property. The affairs of the Property shall be managed by the Declarant until the formation of the Association. All referenced herein to the Association shall mean the Declarant until the Association is formed. The Association shall have the right, power and obligation to provide for the management, maintenance, repair, replacement, administration, insuring and operation of the Property as herein provided and as provided for in the By-laws and in the Rules and Regulations. The business affairs of the Association shall be managed by its Board of Directors. Until the expiration of the Control Period, the Declarant shall have absolute, complete and exclusive control of the Association and the Board of Directors, regardless of how many other Owners may acquire Reserves during such period of time. The Declarant, in its sole discretion, may appoint a Board of Directors during the Control Period. The Board of Directors appointed by Declarant is herein referred to as the "Appointed Board". The appointed Board shall administer the Association's and the Property's affairs until the first annual meeting of the Members of the Association is held and a Board of Directors is elected by the Members. The Board of Directors elected at the first annual meeting of Members of the Association is herein called the “First Elected Board”. The Declarant shall have the power, exercisable at any time and from time to time, to remove any Director of the Appointed Board and appoint a successor, as well as to

Formatted: Centered

appoint a success for any position for any position on the Appointed Board which becomes vacant. The Appointed Board may engage the Declarant or any other party, whether or not affiliated with Declarant, to perform the day to day functions of the Association and to provide for the management, maintenance, repair, replacement, administration, insuring, and operation of the Property.

7.2 Membership in the Association. Each Owner, including Declarant during the period of time in which Declarant owns any Reserve, shall be a Member in the Association and such membership shall terminate automatically when such ownership ceases; provided, however, that in the event Declarant shall transfer ownership of all Reserves prior to the expiration of the Control Period, Declarant shall nevertheless be considered a member in the Association the expiration of such period of time, and shall have all voting and other rights granted to Declarant under this Article and otherwise in this Declaration until the expiration of such period of time. Upon the transfer of ownership of a Reserve, howsoever achieved, the new Owner thereof shall, concurrently with such transfer, become a Member in the Association.

7.3 Voting Rights. Until the expiration of the Control Period, Declarant shall have all voting power, and no other Member shall have any voting power whatsoever during such period of time; thereafter, the total voting power shall be the sum of votes that correspond to the number of Reserves, with all votes in the Association to be on the basis of one vote being allocated to each Reserve owned by such Owner. In the event that ownership interests in a Reserve are owned by more than one Owner, such Owners shall exercise their right to vote in such manner as they may among themselves determine, but in no event shall more than one vote be cast for Reserve. Such Owners shall appoint one of them as the Member who shall be entitled to exercise the vote for that Reserve at any meeting of the Association and until such Owners so designate who shall be the Member entitled to vote, no single Owner of such Reserve shall be entitled to vote. Such designation shall be made in written notice to the Board. The Board shall be entitled to rely on any such designation until written notice revoking such designation is received by the Board. In the event that a Reserve is owned by more than one Member of the Association and no single Member is designated to vote on behalf of the Members having an ownership interest in such Reserve, then none of such Members shall be allowed to vote. All Members of the Association may attend meetings of the Association and all voting Members may exercise their vote at such meetings either in person or by proxy.

7.4 Meeting of Members. The first annual meeting of the Members of the Association shall be held within 60 days after the expiration of the Control Period, when called by either the Appointed Board or Declarant, upon no less than 10 and no more than 50 days' prior written notice to the Members. The First Elected Board shall be elected at the first annual meeting of the Members of the Association. Thereafter, annual and special meetings of the Members of the Association shall be held at such place and time and on such dates as shall be specified in the By-laws. The Declarant may convene a special meeting of the Members of the Association at any time and from time to time prior to the first annual meeting of the Members of the Association for such purposes as the Declarant may deem appropriate.

7.5 Dispute Resolutions. In addition to its other powers conferred by law or hereunder, the Board shall be empowered to create procedures for resolving disputes between or among Owners, the Board and/or the Association, including appointment of committees to consider and recommend resolution of any such disputes.

7.6 Delegation of Authority. ARC or the Board may retain, hire, employ or contract for the construction, maintenance, repair, landscaping, insuring, administration and operation of the Property as provided for herein and as provided for in the By-laws.

Formatted: Centered

7.7 Non-Liability of Board. Any action, inaction or omission by the Board made or taken in good faith shall not subject the Board or any individual member of the Board to any liability to the Association, its Members, or any other party.

7.8 Board Elections. In accordance with the By-laws, the Board shall elect, at lease annually, a President, one or more Vice Presidents, a Secretary, a Treasurer and such other officers and assistant officers as it may designate. The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the Association. The President shall have all the general powers and duties which are usually vested in the office of president of an association. The Secretary shall keep all the minutes of all meetings of the Board and the minutes of all meetings of the Association, and shall be in charge of such books and papers as the Board may direct. The Secretary shall keep and update a complete list of Members, showing opposite each Member's name the number of the Reserve owned by such Member. The Treasurer shall have responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipt and disbursements in books belonging to the Association. The Treasurer shall also be responsible for the deposit of all monies and other valuable effects in the name, and to the credit of, the Association in such depositories as may from time to time be designated by the Board.

7.9 Action without Meeting. Notwithstanding any provision in this Declaration to the contrary, all actions of the Members, ARC, Board, or any committee of the Board provided for herein may be taken by unanimous written consent without a meeting, or any meeting thereof may be held by means of a telephone conference or the like, to the full extent pem1itted by law.

ARTICLE VIII.

ANNUAL MAINTENANCE CHARGE AND MAINTENANCE FUND

8.1 Annual Maintenance Charge. Each Parce1 shall be subject to an Annual Maintenance Charge in an amount to be set by the Declarant or Board. The amount of the Annual Maintenance Charge for each Reserve may be increased or decreased from time to time, as needed to pay for the expenses of the Association. However, after the initial Annual Maintenance Charge has been established, if any such change would increase the Annual Maintenance Charge by more than 20% of the amount of Annual Maintenance Charge prior to such change (for any reason other than increases in taxes or insurance, the introduction of new or additional services, or a requirement of a Governmental Authority), the change must be approved by a Majority of the Members. The Annual Maintenance Charge and any special assessments provided for in this Declaration shall be based on the number of square feet of land contained in each Reserve.

8.2 Maintenance Fund. The Annual Maintenance Charges collected shall be paid into the Maintenance Fund, for the benefit of the Property. The Board shall expend the Maintenance Fund for the maintenance, repair, replacement, insuring, administration, management and operation of the Common Areas and Shared Use Facilities; for the payment of taxes; for the performance of the duties of the Board and the Association as set forth herein; and, for the enforcement of this Declaration by action at law or in equity, or otherwise. The Board and its

Formatted: Centered

individual members shall not be liable to any person as a result of action taken by the Board with respect to the Maintenance Fund, except for willful misconduct or fraud.

8.3 Special Assessments. If the Board at any time (and from time to time) determines that the Annual Maintenance Charges assessed for any period are insufficient to provide for its stated purpose, then the Board shall have the authority to levy such special assessments as it shall deem necessary to provide for the same. No special assessment shall be effective until the same is approved in writing by a Majority of Members. Any such special assessment shall be payable, and the payment thereof may be enforced, in the manner herein specified for the payment of the Annual Maintenance Charges.

8.4 Payment. The Annual Maintenance Charge assessed against each Owner shall be due and payable, in advance, annually on the date detem1ined from time to time by the Board, subject to the appropriate adjustment based upon actual expenses incurred. Any such amount not paid and received by the 15th after the due date thereof shall be deemed delinquent, and, without notice, shall bear interest at a rate of 18% per annum until paid, but in no event shall the interest rate exceed the maximum rate allowed by Applicable Law. The Board, at its option, may impose and collect late charges on delinquent payments.

8.5 Lien to Secure Payment. To secure the payment of the Annual Maintenance Charge, special assessments levied hereunder, and any other sums due hereunder (including, without limitation, interest, late fees or delinquency charges), a vendor's lien and superior title shall be and is hereby reserved, and a contractual lien is hereby created, in favor of the Association, in and to each Reserve and improvements which liens shall be enforceable as hereinafter set forth by the Association or the Board on behalf of the Association. The liens described in this Article and the superior title herein reserved shall be deemed subordinate to any Mortgage to secure the repayment of a loan made to an Owner for the purpose of acquiring a Reserve and/or constructing improvements thereon, and any renewal, extension, rearrangements, or refinancing thereof; provided, however, no foreclosure of any Mortgage shall free any Reserve from the liens securing the Annual Maintenance Charges, special assessments, or any other sums due hereunder becoming due and payable after such foreclosure. The collection of such Annual Maintenance Charges, special assessments, and other sums due hereunder may, in addition to any other applicable method at law or inequity, be enforced by suit for a money judgment and in the event of such suit, the expense incurred in collecting such delinquent amounts, including interest, costs and attorney's fees shall be chargeable to and be a personal obligation of the defaulting Owner. In no event shall the foreclosure of any Mortgage extinguish or discharge the personal obligation of the foreclosed Owner to pay Annual Maintenance Charges, special assessments levied hereunder or any other sums due hereunder. The voting right of any Owner in default in the payment of the Annual Maintenance Charge, or other charge owing hereunder for which an Owner is liable, shall be automatically revoked for the period during which such default exists.

8.6 Notice of Lien. Notice of the lien referred to in this Articles may be given by the recordation in the Office of the County Clerk of Fort Bend County, Texas of an affidavit, duly executed, sworn to and acknowledged by an officer of the Association, setting forth the amount owed, the name of the Owner or Owners of the affected Reserve according to the books and records of the Association, and the legal description of such Reserve.

Formatted: Centered

8.7 Enforcement of Lien. Each Owner, by acceptance of a deed to such Owner's Reserve, hereby expressly recognizes the existence of such lien as being prior to such Owner's ownership of such Reserve and hereby vests in the Board the right and power to bring all actions against such Owner personally for the collection of such unpaid Annual Maintenance Charge, special assessments and other sums due hereunder as a debt, and to enforce the aforesaid lien by all methods available for the enforcement of such liens, both by judicial and non-judicial foreclosure. Additionally, by acceptance of the deed to such Owner's Reserve, each Owner expressly GRANTS, BARGAINS, SELLS AND CONVEYS to the President of the Association from time to time serving, as trustee (and to any substitute or successor trustee as hereinafter provided), such Owner's Reserve and all improvements thereon, and all rights appurtenant thereto, in trust, for the purpose of securing the aforesaid Annual Maintenance Charge, special assessments and other sums due hereunder remaining unpaid by such Owner from time to time. The trustee herein designated may be changed at any time by execution of an instrument in writing signed by the President of the Association and filed in the Office of the County Clerk of Fort Bend County, Texas. In the event of the election by the Board to foreclose the lien herein provided, for nonpayment of sums secured to be paid by such lien, then it shall be the duty of the trustee, or his successor, as hereinabove provided, at the request of the Board (which request shall be presumed) to enforce this trust and to sell such Reserve and all improvements thereon, and all rights appurtenant thereto, at the door of the County Courthouse of Fort Bend County, Texas, on the first Tuesday in any month between the hours of 10:00 a.m. and 4:00 p.m. to the highest bidder for cash after the trustee and the Board, respectively, shall have given notices of the proposed sale in the manner hereinafter set forth, or otherwise in the manner then provided by the Texas Foreclosure Statute (hereinafter defined). Following sale, the trustee shall make due conveyance of the Reserve and all improvements thereon to the purchaser or purchasers, with general warranty of title to such purchaser or purchasers binding upon the Owner of such Reserve and all improvements thereon and their heirs, executors, administrators and successors. The trustee shall give notice of such proposed sale by posting a written notice of time, place, and terms of the sale for at least 21 consecutive days preceding the date of sale at the Courthouse door of Fort Bend County, Texas, by filing such notice with the County Clerk of Fort Bend County, Texas, at least 21 consecutive days preceding the date of sale, and, in addition, the Board shall serve written notice at least 21 days preceding the date of sale by certified mail on each of such Owner according to the records of the Association of such sale or shall otherwise cause the notice thereof to comply with the provisions of Section 51.002 of the Texas Property Code it may be amended or recodified from time to time ("Texas Foreclosure Statute"). Service of such notice shall be completed upon deposit of the notice in the United States mail, properly addressed to such Owner at the most recent address as ~~S~~shown by the records of the Association. The affidavit of any person having knowledge of the facts to the effect that such service was completed shall be prima facie evidence of the fact of such service.

8.8 Post Foreclosure. At any foreclosure, judicial or non-judicial, the Association shall be entitled to bid up to the amount of the sum secured by its lien, together with costs and attorney's fees, and to apply as a cash credit against its bid all sums due to the Association covered by the lien foreclosed. From and after any such foreclosure, the occupants of such Reserve shall be required to pay a reasonable rent for the use of such Reserve and such occupancy shall constitute a tenancy-at-sufferance, and the purchaser at such foreclosure sale shall be entitled to the appointment of a receiver to collect such rents and further, shall be entitled to sue for recovery of possession of such Reserve by forcible detainer without further notice.

Formatted: Centered

ARTICLE IX.

INSURANCE

9.1 Hazard Insurance. Each Owner shall keep, at its own expense, all improvements on its Reserve insured against Joss or damage by fire, windstorm, hail, explosion, damage from aircraft and vehicles, and smoke damage, and such other risks as are from time to time included in the broad form "extended coverage" endorsements generally written in the Houston, Texas metropolitan area.

9.2 Liability Insurance. Each Owner shall maintain, at its own expense, general public liability insurance against claims for personal injury or death and property damage occasioned by accident occurring upon, in or about that Owner's Reserve, such insurance to provide protection in each case of not less than: (i) $2,000,000 in respect of injury or death to any one person; (ii)
$3,000,000 in respect of injury or death to any number of persons arising out of any one occurrence, and (iii) $500,000 per occurrence in respect of any instances of property damage.

ARTICLE X.

TERM

This Declaration shall run with and bind the Property, and shall inure to the benefit of and be enforceable by the Association, Declarant, the Owner of any Reserve subject to this Declaration and their respective heirs, legal representatives, successors, and assigns for a term of 40 years from the date this Declaration is recorded in Fort Bend County, Texas, after which time this Declaration shall be automatically extended for successive periods of 10 years; provided, however, that in the event an instrument terminating this Declaration is signed by Owners owning at least 75% of all of the Reserves and recorded in Real Property Records of Fort Bend County, Texas at least 180 days before the expiration of the initial 40 year period or any subsequent 10 year period, then this Declaration shall terminate at the end of such 40 year period or such 10 year period, as the case may be.

ARTICLE XI.

GENERAL PROVISIONS

11.1 Enforcement. Each Owner shall comply with the provisions of this Declaration. Declarant, the Association, or any Owner shall have the right to enforce by any proceedings at Jaw or in equity all restrictions, conditions, covenants, easements, liens and charges now or hereafter imposed by the provisions of this Declaration and recover sums due for damages, injunctive relief or both, including reasonable attorney's fees and costs of court.

11.2 Severability. Invalidation of any one or more of these covenants or restrictions by judgment or court order shall in no way affect any other provision, and all such other provisions shall remain in full force and effect.

Formatted: Centered

11.3 Amendment. This Declaration may be amended at any time until the expiration of the Control Period, by an instrument signed (i) by Declarant and (ii) a majority of all Owners (owning a majority of the total square footage of land in all of the Reserves, including, for this purpose, the Declarant). After the expiration of the Control Period, the covenants and restrictions or any other portion of this Declaration may be amended at any time by an instrument signed by 'at least 75% of all Owners (owning 75% of the total square footage of land in all of the Reserves). Any amendment must be properly recorded in Fort Bend County, Texas.

11.4 Additional Restrictions and Land. The Declarant may make additional restrictions by appropriate provisions in any deed or deeds hereafter conveying any land in the Property, without otherwise modifying the general plan outlined above, and such other restrictions shall inure to the benefit of the Owners in the same manner as though they had been expressed herein.

11.5 Non-Waiver. No delay in enforcing the provisions of this Declaration as to any breach or violation thereof shall impair, damage or waive the right of any party entitled to enforce the same or obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation thereof at any later time or times.

11.6 Non-Liability of Declarant. Declarant shall not be liable to any Owner or Permittee of a Reserve or any portion thereof or to any other party for any loss, claim or demand in connection with the breach of any provisions of this Declaration by any party other than Declarant.

11.7 Notice. Any notice to Declarant, the Association, Board, or ARC shall be made in writing, and shall be sent by certified mail, postage prepaid, to the following address:

Walsh Road Industrial Park, Ltd.
2333 Town Center Drive, Suite 300
Sugar Land, Texas 77478
Attn: Larry Indermuehle

(Signature and acknowledgment are on the next page)

Formatted: Centered

IN WITNESS WHEREOF, the undersigned has duly executed this Declaration of Covenants, Conditions, Restrictions and Easements effectefective as of the date first above written.

DECLARANT:

Walsh Road Industrial Park, Ltd

By: Walsh Road GP, LLC its General Partner

_____
Larry Indermuehle
Managing General
Partner

List of Exhibits

A- Property legal description
B- Site Plan
C- Approved Shrub and Tree Lists

STATE OF TEXAS §
§
COUNTY OF FORT BEND §

The foregoing instrument was acknowledged before me on this _____day of _____ , 2013, by Larry Indermuehle, Managing Partner of Walsh Road GP, LLC, a Texas Limited Liability Corporation, sole General Partner of Walsh Road Industrial Park, Ltd., a Texas limited partnership, on behalf of said entities in the capacities stated.

_____
Notary Public, STATE OF TEXAS

AMENDED
DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, AND EASEMENTS

This Amended Declaration of Covenants, Conditions, Restrictions, and Easements ("Declaration") is made effective as of February 13, 2014, by WALSH ROAD INDUSTRIAL PARK, LTD. ("Declarant"), a Texas limited partnership.

RECITALS:

A. Declarant is the owner of that certain 24.2119 acre tract of land situated Fort Bend County, Texas, more particularly described on the attached Exhibit "A".

B. Declarant desires to create and carry out a general and uniform plan for the improvement, development, maintenance, use, and continuation of a business park, known as Walsh Road Industrial Park (the "Park") on the Property, for the mutual benefit of the Owners thereof, on the terms and conditions hereinafter set forth.

AGREEMENTS:

NOW, THERFORE, Declarant, on behalf of itself and its successors and assigns, hereby Imposes on the Property the following covenants, conditions, restrictions, and easements:

ARTICLE I.

DEFINITIONS

1.1 "Annual Maintenance Charge" shall mean the assessment made and levied against each Owner and such Owner's Reserve or Reserves by the Association in accordance with the provisions of this Declaration.

1.2 "Applicable Law" shall mean the laws, rules, ordinances, regulations, and orders of the State of Texas or other Governmental Authority.

1.3 "ARC" shall mean the Architectural Review Committee consisting of 3 members, initially appointed by the Declarant. The Declarant may at any time assign its rights to appoint the ARC to a successor by a written instrument filed for record in the Official Records of Real Property Fort Bend County, Texas. Notwithstanding the foregoing, upon formation of the Association, the term "ARC" shall mean and refer to the Board.

1.4 "Association" shall mean a Texas non-profit corporation hereafter organized by the Declarant as an owners' association for purposes of enforcing and administration these Restrictions, Maintaining and improving any Common Area or Shared Use Facilities or such other purposes as Declarant may determine, and the successors and assigns of such corporation. Upon organizing the Association, Declarant shall file for record in the Official Public Records of Real Property of Fort Bend County, Texas, an amendment to this Declaration naming the Association.

1.5 "Board" or "Board of Directors" shall mean the Board of Directors of the Association, whether such Board be appointed by Declarant or elected in accordance with the provisions of this Declaration or Bylaws.

1.6 "Industrial Park Sign" shall mean the project identity signs constructed at the entrances to the Park, in the areas shown on the Site Plan, with the name Walsh Road Industrial Park, Ltd.

1.7 "By-laws" shall mean the By-laws of the Association.

1.8 "Common Area" shall mean the Industrial Park Sign areas per section 1.6, and the detention pond constituting a part of the Water Detention and Drainage Facilities as shown on the Site Plan.

1.9 "Common Driveway" shall mean the driveway and related driveway improvements, including paving, curbing, entrances, and exits for motor vehicles and pedestrian access, ingress, and egress on and through adjoining Reserves.

1.10 "Control Period" shall mean the period commencing on the date this Declaration is recorded in the Official Public Records of Real Property of Fort Bend County, Texas and ending on the earlier to occur of (i) the date Declarant no longer owns any Reserve, or (ii) the date Declarant records a document in the Official Public Records of Real Property of Fort Bend County, Texas, which references this Declaration and states that Declarant has assigned its rights under this Declaration to the Association; or (iii) the date Declarant records a documents in the Official Public Records of Real Property of Fort Bend County, Texas, which references this Declaration and states that the Declarant declares this Control Period under this Declaration to be terminated, Declarant having the right to make such declaration and record such document at any time.

1.11 "Declarant" shall mean Walsh Road Industrial Park, Ltd., and its successors or assigns, if such successors or assigns are designed in writing as a successor or assignee of the rights set forth herein.

1.12 "Declaration" shall mean this instrument and any amendment hereto.

1.13 "Governmental Authority" shall mean the City of Rosenberg, Fort Bend County, or any other Governmental authority having jurisdiction over the Property.

1.14 "Hazardous Substance" shall mean any hazardous or toxic substance or contaminated material including but not limited to asbestos, oil and petroleum products and those substances within the scope of all federal, state and local environmental laws and ordinances, including without limitation the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act and the Superfund Amendment and Reauthorization Act of 1986.

1.15 "Maintenance Fund" shall mean any accumulation of (i) the Annual Maintenance Charge and (ii) interest, penalties, special assessments, and other sums and revenues collected by the Association pursuant to this Declaration.

1.16 "Majority of the Members" shall mean the majority of those votes entitled to be cast by the Members who are eligible to vote and are present or voting by legitimate proxy at a duly called meeting at which a quorum (as defined in the By-laws) of Members who are eligible to vote are represented.

1.17 "Masonry Materials" shall mean exterior finishes of brick, split face block, natural stone, stucco or EFIS.

1.18 "Member" or "Members" shall mean a member or members of the Association.

1.19 "Mortgage" shall mean a security interest, mortgage, deed of trust, or lien instrument granted by an Owner, duly recorded in the Office of the County Clerk of Fort Bend County, Texas, and creating a lien or security interest encumbering a Reserve and all Improvements thereon.

1.20 "Mortgagee" shall mean the beneficial owner(s) of a Mortgage.

1.21 "Owner" or "Owners" shall mean any person or persons, firm, corporation, or other entity that holds, of record, fee title to a Reserve, but excluding a Mortgagee or the buyer of a Reserve under an executor contract of sale.

1.22 "Reserve" or "Reserves" shall mean each separate lot, tract, or reserve of land out of the Property.

1.23 "Permittees" shall mean the tenant(s) or occupant(s) of a Reserve, and the respective employees, agents, contractors, customers, invitees and licensees of (i) the Owner of such Reserve, And/or (ii) such tenant(s) or occupant(s).

1.24 "Plans" shall mean the final construction plans and specifications (including a site plan showing the location of all structures and improvements and the size and location of driveways, walks, parking and storage facilities, fences and screening) for any building or improvement of any kind to be erected, placed, constructed, maintained or altered on any portion of any Reserve, together with detailed, final plans, specifications and descriptions of the landscaping to be installed thereon, all in form and substance reasonably satisfactory to the Board, and prepared in conformity with the applicable provisions of this Declaration.

1.25 "Property" shall mean the 24.2119 acres described in Exhibit "A" attached hereto.

1.26 "Restrictions" shall mean the covenant, conditions, easements, reservations and stipulations that shall be applicable and govern the improvement, use, occupancy, and conveyance of all the Reserves as set forth in this Declaration or any amendment thereto.

1.27 "Road" shall mean Walsh Road, the public street located adjacent to the Property.

1.28 "Screening" shall mean the use of a 6 foot minimum wooden (natural finish), or chain link fence (brown color) with full fencing or privacy splits on entire fence, to hide storage areas from street or neighbor view. Other materials may be considered by request to the ARC.

1.28 "Rules and Regulations" shall mean reasonable rules adopted and/or amended from time to time by the Board concerning the management and administration of the Property for the use, benefit and enjoyment of the Owners, which shall apply the same to all Reserves and shall not affect the Owner's use of its Reserve.

1.29 "Shared Use Facilities" shall mean the Business Park Sign, Utility Facilities, and Water Detention and Drainage Facilities.

1.30 "Site Plan" shall mean that site plan of the Property attached hereto as Exhibit "B". Except as may be otherwise provided in this Declaration, the Site Plan is for identification purposes only.

1.31 "Water Detention and Drainage Facilities" shall mean those lines, pipes, conduits and other apparatus for the collection, discharge, drainage, use detention and retention of storm water runoff and

the detention pond constructed or to be constructed along the north boundary line of the Property as shown on the Site Plan together with all improvements thereon used in connection with Detention Pond Easement of even date herewith executed by Declarant and recorded or to be recorded in the real property records of Fort Bend County, Texas, and as may be constructed on the Property, whether presently existing or hereafter constructed, for the discharge, drainage, use detention and retention of storm water runoff on the Property in compliance with the requirements of the Governmental Authority, in the manner and in the location indicated on the Site Plan.

1.32 "Yard" shall mean those portions of the Reserve that are outside of exterior walls of the building or other structures from time to time located on the Reserves. Each Reserve shall have, unless a variance is granted by the ARC, (a) one (1) "Front Yard", being a minimum twenty five feet (25') from the front of the property line, and (b) two (2) "Side Yards", the Side Yard on each side of any building shall be at least ten feet (10') from the Reserve boundary line to the side of the building, (c) "Back Yard", being all of the Reserve behind the back edge of the main building.

ARTICLE II.

RESTRICTIONS

2.1 General Restriction. The Property shall be used for lawful purposes in conformity with Applicable Law.

2.2 Building Size: Any single Reserve purchased will require a minimum building size of 7,500 sf enclosed. Any owner that purchases more than a minimum one (1.0) acres site, the requirement will be a ratio of at least 6,500 sf of building size per one (1.0) acre, or portion of land over one (1.0) acre thereof. Example: If two (2.0) acres are purchased, the minimum building size will be 13,000 sf.

2.3 Permitted Uses. The permitted uses of the Property includes, without limitation, warehousing, office, office service center, showroom/warehouse, distribution center, light manufacturing and other similar uses from time to time approved by the ARC, provided such do not constitute a Prohibited Use (as described in Section 2.4 below). The term "light manufacturing" shall mean and refer to any operation or use which is performed or carried out entirely within a building or buildings so designed and constructed that the enclosed operations therein do not cause or produce a nuisance or annoyance to the occupants of an adjoining Reserve, such as vibration, sound, radiation, air pollution, or water pollution.

2.4 Prohibited Uses. No Reserve shall be used for any purpose which is noxious or offensive by reason of odor, fumes, dust, smoke, noise, or pollution, or which is dangerous or hazardous by reason of excessive danger of fire or explosion, or for any purpose which may become a nuisance to any other Reserve, or which will be in violation of Applicable Law, or that would unreasonably interfere with the use and occupancy of the Property by other Owners or Permittees. In addition to the foregoing, it is expressly agreed that no part of the Property shall be used, directly or indirectly, for the following purposes: cocktail lounge; bar, disco; bowling alley; pool hall or billiard parlor; skating or roller rink; amusement arcade; adult book store; adult theater; adult amusement or entertainment facility; cabaret; men's club; selling or displaying pornographic materials; any facility requiring licensing or zoning as a sexually oriented business; second hand store; odd lots; close out or liquidation store; flea market; junk yard; sleeping quarters or lodging; residential housing (single family or multi-family); the housing or raising of animals; car wash; assembly hall; off-track betting establishment; bingo parlor; any use involving the repair of automobiles, auto body shop, or related use as the primary business; smelting; rendering; refining; or any other activity which causes or involves excessive emissions of odor, dust,

fumes, smoke, or noise. No Owner or Permittee shall engage in an activity within the Property, which has the effect of increasing premiums for any insurance carried by the Association or any other Owner or Permittee.

2.5 Temporary Structures and Trailers. No structure of a temporary character, including trailers, tents, shacks, barns, or other out-buildings shall be permitted on the Property at any time; provided, however, that a construction trailer or a temporary structure permitted under Applicable Laws may be used in connection with the construction of improvements on a Reserve.

2.6 Monument Sign. Only one monument sign shall be permitted on each Reserve and such sign shall be perpendicular to Public Street at such location on the stone or masonry column over the front entrance of the building on such Reserve as determined by the ARC and shall be of a design and same masonry material used on the front of the building. Only a monument sign which designates the name of the business which occupies the building on a Reserve shall be permitted.

2.7 Building Sign. Company identity sign is permitted above the entry or on the front wall of the building. The sign must be on a wood or metal face plate and not higher than the building wall approved by the ARC, which approval shall not be unreasonably withheld, conditioned or delayed. The following are prohibited: (a) signs painted on a building wall or any other exterior surface of a building, (b) flashing, moving, blinking or audible signs, (c) paper or cardboard signs, temporary or movable signs, flag-streamers or banner signs, unless approved for temporary use by the ARC, or (d) signs located on top of or extending above a building. In the event a building has multiple owners or tenants, all owners or tenants may be shown on the one permitted sign, subject to the approval of the ARC and the ARC shall have the right, and hereby reserves an easement, to enter upon any and all portions of a Reserve to move any signs that are in violation of this Section upon reasonable notice to the owner or lessee of such Reserve, all at the expense of such owner or lessee. The ARC may promulgate sign guidelines which may be modified by the ARC from time to time in its discretion. Notwithstanding the foregoing, the Industrial Park Sign which may be constructed at the entrance to the Property shall be located and of such design and materials and specifications as may from time to time be determined by the ARC.

2.8 Outside Storage. No outside storage of any kind will be permitted on any Reserve, unless such storage n behind the front edge of building, fenced and screened from view on all sides, and such storage does not interfere with Fire Department access. The right of any Permittee of a Reserve to use any building or Reserve shall not be construed to permit the keeping or storing of articles, goods, materials, equipment, incinerators, storage tanks, dumpsters, refuse containers or like items in the open or exposed to public view. No personal property, equipment or merchandise shall be kept, displayed, offered for sale or lease or stored within the Front Yard of any Reserve.

2.9 Mineral Exploration. No drilling, digging, quarrying, or minding operation of any sort shall be permitted on the Property.

2.10 Hazardous Materials. Bulk storage of flammable fluids must be maintained aboveground, in flash proof metal tanks, or protected by earthen fire walls. No effluent containing harmful bacteria, poisonous acids, oils, or other harmful substances shall be permitted to drain into the storm drainage system or sanitary sewer for the Property or released beyond the property lines of a Reserve.

2.11 Maintenance. Each Owner of a Reserve and its Permittees shall at all times keep their respective premises, buildings, improvements, and appurtenances in a well-maintained, safe, clean, attractive, and sanitary condition and shall comply with Applicable Law. Trash, garbage, or other waste materials shall be kept only in sanitary containers constructed of metal, plastic, or masonry materials,

with sanitary lids or covers. All such containers and other equipment for the storage or disposal of such waste material shall be kept in a clean and sanitary condition and shall be attractively screened from view, behind a screened, Side Yard gate or fence from the adjoining Reserve(s), and the Road. All rubbish, trash, or garbage shall be regularly removed from the Property and shall not be allowed to accumulate thereon. Any accumulation of trash shall be disposed of immediately by the Owner or Permitted causing same. If, in the opinion of the ARC, any such Owner or Permittee is failing in this duty and responsibility, then the ARC may give such Owner or Permittee, or both, notice of such fact, and such Owner or Permittee must, within 10 days of such notice, undertake the care and maintenance required to restore such Owner's or Permittee's reserve to a safe, clean, and attractive condition. Should any such Owner or Permittee fail to fulfill this duty and responsibility after such notice, then the ARC shall have the right and power to perform, or have performed, such care and maintenance, including, without limitation, the mowing of any vacant Reserve, and the Owner and Permittee (and or both of them) of the Reserve on which such work is performed by the ARC shall be liable for the cost of any such work and shall promptly reimburse the ARC for the cost thereof. Such indebtedness shall bear interest from the date that demand is made by the ARC until paid at the rate of 18% per annum and shall be secured in the same manner as the Annual Maintenance Charge, but in no event shall the interest rate exceed the maximum rate allowed by Applicable Law.

2.12 Parking and Access. Parking for each Reserve and its Permittees shall be permitted only on the Reserve and only in designated area from time to time improved for parking, paved with concrete or other materials approved by the ARC; and no Permittee or vehicles serving Permittee shall have any right to park on the Road or block vehicular access to such Road. No large trucks or other vehicles larger than a pick-up truck will be permitted to park in the areas designated and improved for automobile parking on each Reserve. No use shall be made of any Reserve or any building constructed thereon which requires or is reasonably expected to require or attract parking in excess of the capacity of the parking facilities maintained on the Reserve or the requirements of Governmental Authority. No repair or maintenance work on automobiles, trucks, trailers and other vehicles shall be performed on the Reserve, except in building constructed for such purpose. Each parking area and truck apron located in the Front Yard of a Reserve shall remain unobstructed to vehicular access.

2.13 Firearms and Explosives. The discharge of firearms of any kind or nature in the Property is strictly prohibited and no hunting of wild game or birds of any species by any method is allowed therein. Explosive devices shall not be utilized on any Reserve except with prior written permission from the ARC.

2.14 Subdivision. No subdivision of a Reserve shall be permitted without the prior written approval of the ARC, which approval may be either withheld or conditioned upon compliance with such additional requirements and covenants as the ARC may reasonably impose.

2.15 Building Construction. The construction of any and all improvements on a Reserve shall at all times be in strict compliance with the Plans approved by the ARC, this Declaration, and Applicable Law. Each building to be located on a Reserve shall be constructed with insulated metallic exterior panels over steel frame construction, or better, and with a minimum of 40% masonry material on the front of the building, excluding window area. Only new construction materials (except for used brick) may be used in constructing a structure or improvements situated on a Reserve unless otherwise approved in writing by the ARC. Roofs shall be metallic as from time to time established by the ARC in the Design Standards.

2.16 Landscaping. All open unpaved space on any Reserve shall be planted and landscaped in a manner meeting the minimum standard described in this section below. Landscaping in accordance with

approved Plans, must be completed within 30 days following the initial occupancy of any building or improvement constructed on a Reserve Maintenance of all landscape areas (including replacement of any landscaping as needed) shall be the responsibility of the Owner. If the Owner fails to restore the landscaping or trees as originally approved, the ARC shall have the right to do so out of the Maintenance Fund and assess the charges back to the Owner.

Building Landscaping – The building side next to the street, and the building front entry areas, if different, must have sufficient landscaping next to the building and at the entry featuring shrubs, hedges, flowers, and ground cover in any combination, to provide a tasteful appearance of green space.

Street trees – Must be planted in or adjacent to public rights-of-way; one tree for every 30 feet of road frontage. Street trees must be planted at least 20 feet apart without extreme variation in the spacing excluding site conditions and driveways. An existing street tree in the abutting street right-of-way may count toward the requirement of one required tree (as listed on the street tree list in Exhibit C).

Parking lot trees – Each parking space must be within 120 feet of a parking lot or street tree. One tree for every 10 spaces is required. At least one-half of the parking lot trees will be large parking lot trees (as listed on the parking lot tree list as listed in Exhibit C).

Shrubs – At least 75% must be planted along the perimeter of parking lots with the remainder planted along or within the perimeter (as listed on the shrub list in Exhibit C); 10 shrubs for each required street tree.

Landscape buffers – Screening fence, with a minimum height of six feet, located along the property line between two adjacent properties; must be constructed with cedar fence using steel poles in the ground, or chain link fence with 100% screening slats, or better. Alternative buffer is planted evergreen trees and/or shrubs along the property lines, a minimum shrub size of 5 gallon, and a minimum tree size of 10 gallon.

2.17 Auxiliary Structures. No auxiliary structures separate and apart from the building, shall be located on any Reserve without the written consent of the ARC, which may be withheld, conditioned or delayed at its sole discretion.

2.18 Storage of Building Material. Without the prior written consent of the ARC, no building material of any kind or character shall be placed or stored upon any Reserve more than 30 days before the construction of a structure or improvement is commenced. All materials permitted to be placed on a Reserve shall be placed within the property lines of the Reserve. At the completion of such building or improvements, any unused materials shall be removed immediately from the Reserve.

2.19 Exempt Property. None of the use restrictions contained in Article II shall apply to the Shared Use Facilities in section 1.29.

2.20 Use of "Walsh Road Industrial Park, Ltd.". The name "Walsh Road Industrial Park, Ltd." shall not be used in connection with any business or trade or operations on or any portion of the Property without the prior written consent of ARC, which consent ARC may withhold, condition or delay in its sole discretion. All rights, titles and interest in and to the name "Walsh Road Industrial Park, Ltd." are expressly reserved and retained by Declarant until end of the Control Period whereupon such name shall belong to and be the property of the Association.

2.21 Building Setbacks. No building shall be constructed closer to the front property line than 25 feet; no closer to either side line than 10 feet, and no closer to the rear property line 10 feet. No building

or other structure, except as herein provided, shall be constructed in any Side Yard and no expansion or addition to any building or other structure, except as herein provided, shall be permitted in any Back Yard. Truck wells, truck aprons, parking areas, driveways, roadways, walkways, light standards, curbing, paving, entrances, exits, and other similar exterior site improvements may be located in the Front Yard. Requirements that may from time to time exist to permit access by fire and other emergency services, including a Fire Department approved access lock.

ARTICLE III.

APPROVAL OF PLANS

3.1 Approval. No building, structure, or improvement of any kind (including, without limitation, landscaping, exterior lighting, and fences) shall be erected, placed, constructed, maintained, modified, altered, or improved on any Reserve until the Plans have been submitted to and approved in writing by the ARC and thereafter approved by the appropriate Governmental Authority (if required).

3.2 Criteria. In determining whether such Plans shall be approved, the ARC may take into consideration all factors deemed appropriate by the ARC, including, without limitation, the following:

(a) Compliance with this Declaration;

(b) Kind and quality of the building materials or improvements and their suitability;

(c) Kind and quality of the proposed landscaping;

(d) Harmony, compatibility, and the conformity of the design of such building or improvement with existing and proposed buildings and improvements on the Property and with the design or overall character and aesthetics of the Property;

(e) Location of such building, improvements, and landscaping within the Reserve on which it will be constructed or placed;

(f) Square footage;

(g) Compliance with the Design Standards (hereinafter defined), if any;

(h) Compliance with the Rules and Regulations; and

(i) Applicable Law.

3.3 Approval of Plans. The ARC shall approve or disapprove the Plans in accordance with the following procedures:

(a) Owner shall deliver to the ARC, 2 complete sets of the Plans, together with samples of materials and colors and such other documentation or information as may be deemed pertinent and required by the ARC. The ARC may require submission of additional plans, specifications, or other information prior to approving or disapproving the proposed Plans. Until receipt by the ARC of all required materials in connection with the proposed Plans, the ARC may postpone review of any materials submitted for approval. The submitting Owner shall pay all reasonable costs and expenses incurred by the ARC to review the proposed Plans.

(b) If the Plans are approved by the ARC, a letter of approval, including a description of qualifications or required modifications, if any, shall be prepared for the countersignature of the Owner. Such approval shall be dated and shall not be effective for construction commenced more than 6 months after such approval. If construction is not commenced within 6 months after such approval, the Owner shall not begin construction of any building or improvement of any kind until the corresponding Plans have been resubmitted and reapproved by the ARC in accordance with the provisions of this Section.

(c) If the Plans are disapproved by the ARC, one set of such Plans shall be returned marked "Disapproved", and shall be accompanied by a statement by the ARC setting forth the reasons for disapproval.

(d) The ARC may from time to time (but shall not be obligated to) promulgate architectural and landscaping standards for the design and construction of improvements within the Property and for the design and installation of landscaping on the Reserves (the "Design Standards"). A copy of the Design Standards in effect at the time will be furnished to any Owner upon written request therefor. Such Design Standards shall supplement this Declaration and may make other and further provisions as to the approval and disapproval of Plans, prohibited materials, and other matters relating to the appearance, design and quality of improvements or landscaping. Such Design Standards, as they may be promulgated from time to time by the ARC, shall be incorporated in this Declaration by this reference as if set forth at length herein.

3.4 Building Decision. All decisions of the ARC shall be final, conclusive and binding and there shall be no review of any action of the ARC.

3.5 Effect of Approval. No approval of Plans and no publication of Design Standards shall ever be construed as representing or implying that such Plans, specifications, or standards will, if followed, result in a properly constructed structure complying with all Applicable Law. Approval of applicable Governmental Authorities is required prior to any construction. Such approvals and standards shall in no event be construed as a representation, warranty, or guaranty by the ARC that any structure will be built in a good or workmanlike manner. Neither Declarant, the Association, the members of the ARC, or any of their representatives, shall be liable in damages to anyone submitting Plans to the ARC for approval, or to any Owner or Permittee of any part of the Property affected by this Declaration, by reason of or in connection with the approval or disapproval or failure to approve any Plans submitted. Every person who submits Plans to the ARC for approval agrees, by submission of such Plans, and every Owner or Permittee of any portion of the Property involved therein agrees, by acquiring title thereto or any interest therein, that such Owner or Permittee will not bring any action or suit against the Declarant, the Association, any of the members of the ARC, or any of their representatives, to recover any such damages and each, by acceptance of such conveyance, hereby waives all such claims and causes of action.

3.6 Inspection. The ARC or its duly authorized representative shall have the right, but not the obligation, to inspect any improvements to a Reserve prior to or after completion.

3.7 Non- Waiver. No action or failure to act by the ARC shall constitute a waiver or estoppel with respect to future action by the ARC.

3.8 Variance. The ARC may authorize variances from compliance with the requirements of this Declaration due to circumstances warranting such variance in the opinion of the ARC such as

topography, natural obstructions, hardship, aesthetic or environmental considerations and the shape and configuration of the particular Reserve for which the variance is sought. Such variances must be evidenced in writing and shall become effective when signed by the representatives of the ARC. The granting 'of a variance shall not operate to waive any of the provisions of this Declaration for any purpose except as to the particular Reserve and particular provision described therein, nor shall the granting of a variance affect in any way the Owner's obligation to comply with Applicable Law.

3.9 Deemed Approval. In the event of any request for approval, variance, or exception to these Restrictions, or approval of any proposed action by an Owner where a construction of this Declaration is required is made to the ARC, the ARC shall, within 30 days after the request is made and receipt of all of the Plans, materials, documentation, and information described in Section 3.3, give the person making the request, at such person's address as shown in the request, written notification either of the approval by the ARC, which approval shall not be unreasonably withheld, or of its rejection of the request, with specification of the reasons for such rejection. If the ARC falls to give to the person requesting such approval notification of rejection within such 30 day period, the ARC shall be conclusively deemed to have given its approval. Any approval or rejection given by the ARC, and any written approval, rejection, or other communication by the ARC may be relied upon, as the act of the ARC, by the person receiving such approval, rejection, or other communication.

3.10 Commencement. Construction of improvements must be commenced upon a Reserve by the Owner thereof within eighteen (18) months after the date such Reserve is first conveyed by Declarant to an Owner.

3.11 Completion of Work. After commencement of construction of any structure or improvement on the Reserve, the work thereon shall be prosecuted diligently, to the end that the structure or improvements shall not remain in a partly finished condition any longer than reasonably necessary for completion thereof. Unless otherwise authorized in writing by the ARC prior to commencement of construction, the construction of any structure or improvement on a Reserve shall be completed within (one) 1 year from the date of commencement of construction, excepting delays due to strikes, war, acts of God or other causes beyond the control of the Owner.

ARTICLE IV.

ALTERATIONS, MAINTENANCE, AND REPAIRS

4.1 Alterations. Subject to the terms and provisions of this Declaration and the Rules and Regulations, each Owner shall have the right to make alterations, modifications, and repairs, including structural alterations, to such Owner's Reserve and improvements, provided that such action is performed in a good and workmanlike manner, causes minimum inconvenience to the other Owners, and does not constitute a nuisance. Alterations, modifications or repairs which would change the exterior color, materials, or shape of the improvements must be approved by the ARC. Notwithstanding the foregoing, if any of the above described actions is performed without the prior approval of the ARC of the Plans therefor in accordance with Article III of this Declaration, the ARC may require (but shall be under no obligation to require) the Owner to remove or eliminate any paint color, decoration, or other object situated on such Owner's improvements or Reserve that is visible from any Road, Common Driveway, or from any other Reserve, if, in the ARC's sole judgment, such object detracts from the visual attractiveness of the Property or is inconsistent with the design or overall character and aesthetics of the Property.

4.2 Maintenance. Except for landscaping and Shared Use Facilities to be maintained by the Association, each Owner shall maintain such Owner's Reserve, together with the improvements, driveways, fences, landscaping, light standards and fixtures, sanitary, storm water, water and drainage lines and facilities which service only such Owner's Reserve and improvements, including the point of the connection of such lines and facilities to the Shared Use Facilities, in good working order and repair and in an attractive condition at all times. If any Owner fails to comply with the requirements of this Section, the Association may, but shall not be obligated to, without liability to such Owner or any occupant in trespass or otherwise, enter upon such Reserve, maintain or repair any of same, in which case such Owner shall upon demand pay the Association's cost of same. Such indebtedness shall bear interest from the date that demand is made by the Association until paid at the rate of 18% per annum and shall be secured in the same manner as the Annual Maintenance Charge, but in no event shall the interest rate exceed the maximum rate allowed by Applicable Law.

ARTICLE V.

SHARED USE FACILITIES

5.1 Dedication. The Common Area and Shared Use Facilities are hereby designated and dedicated for the benefit of all Owners and Permittees of the Property. Declarant shall convey the Common Area and Shared Use Facilities to the Association. The cost of the initial construction of the Shared Use Facilities shall be borne solely by Declarant.

5.2 Operation of Common Area and Shared Use Facilities. The Association shall own, improve, manage, maintain, repair, replace, insure, and operate the Common Area and Shared Use Facilities as herein provided and as provided for in the By-laws and Rules and Regulations. The Association shall improve the Common Area and Shared Use Facilities as needed in connection with the development of the Property, and such improvement shall be accomplished as required by the specifications and regulations of the Governmental Authority. The Association shall (a) maintain the Common Area and Shared Use Facilities to a standard required by the Governmental Authority, and in an attractive, safe and clean condition at all times, (b) shall keep the Common Area and Shared Use Facilities insured as deemed appropriate by the Board, and (c) shall pay all taxes assessed against the Common Area and Shared Use Facilities.

5.3 Partition Waiver. The Owners hereby waive the right to partition any part of the Common Area and Shared Use Facilities to the fullest extent permitted by Applicable Law.

ARTICLE VI.

EASEMENTS

6.1 Easement Dedication. Subject to any express conditions, limitations, or reservations contained herein, the Property, and all Owners and Permittees of the Reserves, shall be benefited and burdened by the following non-exclusive, perpetual, and reciprocal easements:

(a) Access, Ingress, and Egress. An easement for reasonable access, ingress, and egress over all paved driveways, roadways, and walkways as presently or hereafter constructed and constituting a part of the Common Driveway, so as to provide for the passage of motor vehicles and pedestrians between all Reserves to the Common Driveway, and to and from the Road furnishing access to such Reserves.

(b) Shared Use Facilities. An easement upon, under, over, above, and across the Yards on each Reserve, including the right of reasonable ingress and egress required, for the installation, maintenance, repair and replacement of the Shared Use Facilities, including: water mains; storm water collection, retention, detention and distribution lines; storm drains; sewers; sanitary sewer lines, firewater lines, water sprinkler system lines; telephone or electrical conduits or systems; cable; gas mains; conduits; pipes; and other apparatus; and other utility facilities necessary for the orderly development and operation of the Shared Use Facilities, from time to time located on the Property; provided however, (i) all such facilities shall be installed and maintained below the ground level or surface of the Property (except for such parts thereof that cannot and are not intended to be placed below the surface, such as transformers and control panels); and (ii) the exact location of any utilities shall be subject to the reasonable approval of the Owner(s) of the burdened Reserve(s).

(c) Sign Easement. Declarant shall have the right (but no obligation) at its sole cost and expense, to construct a Business Park Sign at the entrance to the Park in the area shown on the Site Plan. The Business Park Sign shall identify the Park and display such other information as Declarant may from time to time determine. In the event the Declarant does not construct a Business Park Sign on or before the expiration of the Control Period, the Association shall have the right (but no obligation), at its sole cost and expense, to construct a Business Park Sign. The Association shall maintain the Business Park Sign in good condition and repair. There is hereby created in favor of the Declarant, and upon expiration of the Control Period, in favor of the Association, for the benefit of the Property, an easement upon the area shown on the Site Plan for installation, replacing, repairing and maintaining the Business Park Sign.

(d) Future Public Utility Easements. In lieu of the Declarant reserving easements on, over, under, and across the Property that may be unnecessary or unused, each Owner covenants and agrees, upon written request from another Owner and a public utility provider, to dedicate and convey a 10 foot public utility easement on, over, under, and across such Owner's Reserve for the benefit of the requesting Owner's Reserve; provided, however, such public utility easement(s) shall be located, as near as possible, to the boundary lines of the burdened Reserve(s). The form of the utility easement(s) shall be similar in form and substance to other utility easements required by the utility provider and subject to the other terms and provisions of this Declaration.

6.2 Indemnification. Each Owner having rights with respect to an easement granted hereunder ("Benefited Owner") shall indemnify and hold the Owner whose Reserve is subject to the easement harmless from and against all claims, liabilities, and expenses (including reasonable attorneys' fees) relating to accidents, injuries, loss, or damage of or to any person or property arising from the negligent, intentional, or willful acts or omissions of such Benefited Owner, its contractors, employees, agents, or others acting on behalf of such Benefited Owner.

6.3 Use of Easements.

(a) General. The easements herein above granted shall be used and enjoyed by each Owner and its Permittees in such manner so as not to unreasonably interfere with,

obstruct or delay the conduct and operations of the business of any other Owner or its Permittees at any time conducted on its Reserve, including, without limitation, public access to and from said business, and the receipt or delivery of merchandise in connection therewith.

(b) Interference and Relocation. Once the Shared Use Facilities are installed pursuant to the easements granted above, no permanent building, structures, trees or other improvements inconsistent with the use and enjoyment of such easements shall be placed over or permitted to encroach upon such installations.

(c) Construction. Once commenced, any construction undertaken in reliance upon an easement granted herein shall be diligently prosecuted to completion, so as to minimize any interference with the business of any other Owner and its Permittees. Except in cases of emergency, the right of any Owner to enter upon a Reserve of another Owner for the exercise of any right pursuant to the interferes set forth, or to prosecute work on such Owner's own Reserve if the same interferes with the casements, in favor of another Owner's reserve, shall be undertaken only in such a manner so as to minimize any interference with the business of the other Owner and its Permittees. In such case, no affirmative monetary obligation shall be imposed upon the other Owner, and the Owner undertaking such work shall with due diligence repair at its sole cost and expense any and all damage caused by such work and restore the affected portion of the Reserve upon which such work is performed to a condition which is equal to or better than the condition which existed prior to the commencement of such work. In addition, the Owner undertaking such work shall pay all costs and expenses associated therewith and shall indemnify and hold harmless the other Owner(s) and its Permittees from all damages, losses, liens or claims attributable to the performance of such work.

(d) Non-Exclusive. The easements herein granted are not exclusive.

ARTICLE VII.

MANAGEMENT OF THE PROPETY

7.1 Management of Property. The affairs of the Property shall be managed by the Declarant until the formation of the Association. All referenced herein to the Association shall mean the Declarant until the Association is formed. The Association shall have the right, power and obligation to provide for the management, maintenance, repair, replacement, administration, insuring and operation of the Property as herein provided and as provided for in the By-laws and in the Rules and Regulations. The business affairs of the Association shall be managed by its Board of Directors. Until the expiration of the Control Period, the Declarant shall have absolute, complete and exclusive control of the Association and the Board of Directors, regardless of how many other Owners may acquire Reserves during such period of time. The Declarant, in its sole discretion, may appoint a Board of Directors during the Control Period. The Board of Directors appointed by Declarant is herein referred to as the "Appointed Board". The appointed Board shall administer the Association's and the Property's affairs until the first annual meeting of the Members of the Association is held and a Board of Directors is elected by the Members. The Board of Directors elected at the first annual meeting of Members of the Association is herein called the “First Elected Board”. The Declarant shall have the power, exercisable at any time and from time to time, to remove any Director of the Appointed Board and appoint a successor, as well as to

appoint a success for any position for any position on the Appointed Board which becomes vacant. The Appointed Board may engage the Declarant or any other party, whether or not affiliated with Declarant, to perform the day to day functions of the Association and to provide for the management, maintenance, repair, replacement, administration, insuring, and operation of the Property.

7.2 Membership in the Association. Each Owner, including Declarant during the period of time in which Declarant owns any Reserve, shall be a Member in the Association and such membership shall terminate automatically when such ownership ceases; provided, however, that in the event Declarant shall transfer ownership of all Reserves prior to the expiration of the Control Period, Declarant shall nevertheless be considered a member in the Association the expiration of such period of time, and shall have all voting and other rights granted to Declarant under this Article and otherwise in this Declaration until the expiration of such period of time. Upon the transfer of ownership of a Reserve, howsoever achieved, the new Owner thereof shall, concurrently with such transfer, become a Member in the Association.

7.3 Voting Rights. Until the expiration of the Control Period, Declarant shall have all voting power, and no other Member shall have any voting power whatsoever during such period of time; thereafter, the total voting power shall be the sum of votes that correspond to the number of Reserves, with all votes in the Association to be on the basis of one vote being allocated to each Reserve owned by such Owner. In the event that ownership interests in a Reserve are owned by more than one Owner, such Owners shall exercise their right to vote in such manner as they may among themselves determine, but in no event shall more than one vote be cast for Reserve. Such Owners shall appoint one of them as the Member who shall be entitled to exercise the vote for that Reserve at any meeting of the Association and until such Owners so designate who shall be the Member entitled to vote, no single Owner of such Reserve shall be entitled to vote. Such designation shall be made in written notice to the Board. The Board shall be entitled to rely on any such designation until written notice revoking such designation is received by the Board. In the event that a Reserve is owned by more than one Member of the Association and no single Member is designated to vote on behalf of the Members having an ownership interest in such Reserve, then none of such Members shall be allowed to vote. All Members of the Association may attend meetings of the Association and all voting Members may exercise their vote at such meetings either in person or by proxy.

7.4 Meeting of Members. The first annual meeting of the Members of the Association shall be held within 60 days after the expiration of the Control Period, when called by either the Appointed Board or Declarant, upon no less than 10 and no more than 50 days' prior written notice to the Members. The First Elected Board shall be elected at the first annual meeting of the Members of the Association. Thereafter, annual and special meetings of the Members of the Association shall be held at such place and time and on such dates as shall be specified in the By-laws. The Declarant may convene a special meeting of the Members of the Association at any time and from time to time prior to the first annual meeting of the Members of the Association for such purposes as the Declarant may deem appropriate.

7.5 Dispute Resolutions. In addition to its other powers conferred by law or hereunder, the Board shall be empowered to create procedures for resolving disputes between or among Owners, the Board and/or the Association, including appointment of committees to consider and recommend resolution of any such disputes.

7.6 Delegation of Authority. ARC or the Board may retain, hire, employ or contract for the construction, maintenance, repair, landscaping, insuring, administration and operation of the Property as provided for herein and as provided for in the By-laws.

7.7 Non-Liability of Board. Any action, inaction or omission by the Board made or taken in good faith shall not subject the Board or any individual member of the Board to any liability to the Association, its Members, or any other party.

7.8 Board Elections. In accordance with the By-laws, the Board shall elect, at lease annually, a President, one or more Vice Presidents, a Secretary, a Treasurer and such other officers and assistant officers as it may designate. The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the Association. The President shall have all the general powers and duties which are usually vested in the office of president of an association. The Secretary shall keep all the minutes of all meetings of the Board and the minutes of all meetings of the Association, and shall be in charge of such books and papers as the Board may direct. The Secretary shall keep and update a complete list of Members, showing opposite each Member's name the number of the Reserve owned by such Member. The Treasurer shall have responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipt and disbursements in books belonging to the Association. The Treasurer shall also be responsible for the deposit of all monies and other valuable effects in the name, and to the credit of, the Association in such depositories as may from time to time be designated by the Board.

7.9 Action without Meeting. Notwithstanding any provision in this Declaration to the contrary, all actions of the Members, ARC, Board, or any committee of the Board provided for herein may be taken by unanimous written consent without a meeting, or any meeting thereof may be held by means of a telephone conference or the like, to the full extent pem1itted by law.

ARTICLE VIII.

ANNUAL MAINTENANCE CHARGE AND MAINTENANCE FUND

8.1 Annual Maintenance Charge. Each Parce1 shall be subject to an Annual Maintenance Charge in an amount to be set by the Declarant or Board. The amount of the Annual Maintenance Charge for each Reserve may be increased or decreased from time to time, as needed to pay for the expenses of the Association. However, after the initial Annual Maintenance Charge has been established, if any such change would increase the Annual Maintenance Charge by more than 20% of the amount of Annual Maintenance Charge prior to such change (for any reason other than increases in taxes or insurance, the introduction of new or additional services, or a requirement of a Governmental Authority), the change must be approved by a Majority of the Members. The Annual Maintenance Charge and any special assessments provided for in this Declaration shall be based on the number of square feet of land contained in each Reserve.

8.2 Maintenance Fund. The Annual Maintenance Charges collected shall be paid into the Maintenance Fund, for the benefit of the Property. The Board shall expend the Maintenance Fund for the maintenance, repair, replacement, insuring, administration, management and operation of the Common Areas and Shared Use Facilities; for the payment of taxes; for the performance of the duties of the Board and the Association as set forth herein; and, for the enforcement of this Declaration by action at law or in equity, or otherwise. The Board and its

individual members shall not be liable to any person as a result of action taken by the Board with respect to the Maintenance Fund, except for willful misconduct or fraud.

8.3 Special Assessments. If the Board at any time (and from time to time) determines that the Annual Maintenance Charges assessed for any period are insufficient to provide for its stated purpose, then the Board shall have the authority to levy such special assessments as it shall deem necessary to provide for the same. No special assessment shall be effective until the same is approved in writing by a Majority of Members. Any such special assessment shall be payable, and the payment thereof may be enforced, in the manner herein specified for the payment of the Annual Maintenance Charges.

8.4 Payment. The Annual Maintenance Charge assessed against each Owner shall be due and payable, in advance, annually on the date detem1ined from time to time by the Board, subject to the appropriate adjustment based upon actual expenses incurred. Any such amount not paid and received by the 15th after the due date thereof shall be deemed delinquent, and, without notice, shall bear interest at a rate of 18% per annum until paid, but in no event shall the interest rate exceed the maximum rate allowed by Applicable Law. The Board, at its option, may impose and collect late charges on delinquent payments.

8.5 Lien to Secure Payment. To secure the payment of the Annual Maintenance Charge, special assessments levied hereunder, and any other sums due hereunder (including, without limitation, interest, late fees or delinquency charges), a vendor's lien and superior title shall be and is hereby reserved, and a contractual lien is hereby created, in favor of the Association, in and to each Reserve and improvements which liens shall be enforceable as hereinafter set forth by the Association or the Board on behalf of the Association. The liens described in this Article and the superior title herein reserved shall be deemed subordinate to any Mortgage to secure the repayment of a loan made to an Owner for the purpose of acquiring a Reserve and/or constructing improvements thereon, and any renewal, extension, rearrangements, or refinancing thereof; provided, however, no foreclosure of any Mortgage shall free any Reserve from the liens securing the Annual Maintenance Charges, special assessments, or any other sums due hereunder becoming due and payable after such foreclosure. The collection of such Annual Maintenance Charges, special assessments, and other sums due hereunder may, in addition to any other applicable method at law or inequity, be enforced by suit for a money judgment and in the event of such suit, the expense incurred in collecting such delinquent amounts, including interest, costs and attorney's fees shall be chargeable to and be a personal obligation of the defaulting Owner. In no event shall the foreclosure of any Mortgage extinguish or discharge the personal obligation of the foreclosed Owner to pay Annual Maintenance Charges, special assessments levied hereunder or any other sums due hereunder. The voting right of any Owner in default in the payment of the Annual Maintenance Charge, or other charge owing hereunder for which an Owner is liable, shall be automatically revoked for the period during which such default exists.

8.6 Notice of Lien. Notice of the lien referred to in this Articles may be given by the recordation in the Office of the County Clerk of Fort Bend County, Texas of an affidavit, duly executed, sworn to and acknowledged by an officer of the Association, setting forth the amount owed, the name of the Owner or Owners of the affected Reserve according to the books and records of the Association, and the legal description of such Reserve.

8.7 Enforcement of Lien. Each Owner, by acceptance of a deed to such Owner's Reserve, hereby expressly recognizes the existence of such lien as being prior to such Owner's ownership of such Reserve and hereby vests in the Board the right and power to bring all actions against such Owner personally for the collection of such unpaid Annual Maintenance Charge, special assessments and other sums due hereunder as a debt, and to enforce the aforesaid lien by all methods available for the enforcement of such liens, both by judicial and non-judicial foreclosure. Additionally, by acceptance of the deed to such Owner's Reserve, each Owner expressly GRANTS, BARGAINS, SELLS AND CONVEYS to the President of the Association from time to time serving, as trustee (and to any substitute or successor trustee as hereinafter provided), such Owner's Reserve and all improvements thereon, and all rights appurtenant thereto, in trust, for the purpose of securing the aforesaid Annual Maintenance Charge, special assessments and other sums due hereunder remaining unpaid by such Owner from time to time. The trustee herein designated may be changed at any time by execution of an instrument in writing signed by the President of the Association and filed in the Office of the County Clerk of Fort Bend County, Texas. In the event of the election by the Board to foreclose the lien herein provided, for nonpayment of sums secured to be paid by such lien, then it shall be the duty of the trustee, or his successor, as hereinabove provided, at the request of the Board (which request shall be presumed) to enforce this trust and to sell such Reserve and all improvements thereon, and all rights appurtenant thereto, at the door of the County Courthouse of Fort Bend County, Texas, on the first Tuesday in any month between the hours of 10:00 a.m. and 4:00 p.m. to the highest bidder for cash after the trustee and the Board, respectively, shall have given notices of the proposed sale in the manner hereinafter set forth, or otherwise in the manner then provided by the Texas Foreclosure Statute (hereinafter defined). Following sale, the trustee shall make due conveyance of the Reserve and all improvements thereon to the purchaser or purchasers, with general warranty of title to such purchaser or purchasers binding upon the Owner of such Reserve and all improvements thereon and their heirs, executors, administrators and successors. The trustee shall give notice of such proposed sale by posting a written notice of time, place, and terms of the sale for at least 21 consecutive days preceding the date of sale at the Courthouse door of Fort Bend County, Texas, by filing such notice with the County Clerk of Fort Bend County, Texas, at least 21 consecutive days preceding the date of sale, and, in addition, the Board shall serve written notice at least 21 days preceding the date of sale by certified mail on each of such Owner according to the records of the Association of such sale or shall otherwise cause the notice thereof to comply with the provisions of Section 51.002 of the Texas Property Code it may be amended or recodified from time to time ("Texas Foreclosure Statute"). Service of such notice shall be completed upon deposit of the notice in the United States mail, properly addressed to such Owner at the most recent address as shown by the records of the Association. The affidavit of any person having knowledge of the facts to the effect that such service was completed shall be prima facie evidence of the fact of such service.

8.8 Post Foreclosure. At any foreclosure, judicial or non-judicial, the Association shall be entitled to bid up to the amount of the sum secured by its lien, together with costs and attorney's fees, and to apply as a cash credit against its bid all sums due to the Association covered by the lien foreclosed. From and after any such foreclosure, the occupants of such Reserve shall be required to pay a reasonable rent for the use of such Reserve and such occupancy shall constitute a tenancy-at-sufferance, and the purchaser at such foreclosure sale shall be entitled to the appointment of a receiver to collect such rents and further, shall be entitled to sue for recovery of possession of such Reserve by forcible detainer without further notice.

ARTICLE IX.

INSURANCE

9.1 Hazard Insurance. Each Owner shall keep, at its own expense, all improvements on its Reserve insured against Joss or damage by fire, windstorm, hail, explosion, damage from aircraft and vehicles, and smoke damage, and such other risks as are from time to time included in the broad form "extended coverage" endorsements generally written in the Houston, Texas metropolitan area.

9.2 Liability Insurance. Each Owner shall maintain, at its own expense, general public liability insurance against claims for personal injury or death and property damage occasioned by accident occurring upon, in or about that Owner's Reserve, such insurance to provide protection in each case of not less than: (i) $2,000,000 in respect of injury or death to any one person; (ii)
$3,000,000 in respect of injury or death to any number of persons arising out of any one occurrence, and (iii) $500,000 per occurrence in respect of any instances of property damage.

ARTICLE X.

TERM

This Declaration shall run with and bind the Property, and shall inure to the benefit of and be enforceable by the Association, Declarant, the Owner of any Reserve subject to this Declaration and their respective heirs, legal representatives, successors, and assigns for a term of 40 years from the date this Declaration is recorded in Fort Bend County, Texas, after which time this Declaration shall be automatically extended for successive periods of 10 years; provided, however, that in the event an instrument terminating this Declaration is signed by Owners owning at least 75% of all of the Reserves and recorded in Real Property Records of Fort Bend County, Texas at least 180 days before the expiration of the initial 40 year period or any subsequent 10 year period, then this Declaration shall terminate at the end of such 40 year period or such 10 year period, as the case may be.

ARTICLE XI.

GENERAL PROVISIONS

11.1 Enforcement. Each Owner shall comply with the provisions of this Declaration. Declarant, the Association, or any Owner shall have the right to enforce by any proceedings at Jaw or in equity all restrictions, conditions, covenants, easements, liens and charges now or hereafter imposed by the provisions of this Declaration and recover sums due for damages, injunctive relief or both, including reasonable attorney's fees and costs of court.

11.2 Severability. Invalidation of any one or more of these covenants or restrictions by judgment or court order shall in no way affect any other provision, and all such other provisions shall remain in full force and effect.

11.3 Amendment. This Declaration may be amended at any time until the expiration of the Control Period, by an instrument signed (i) by Declarant and (ii) a majority of all Owners (owning a majority of the total square footage of land in all of the Reserves, including, for this purpose, the Declarant). After the expiration of the Control Period, the covenants and restrictions or any other portion of this Declaration may be amended at any time by an instrument signed by 'at least 75% of all Owners (owning 75% of the total square footage of land in all of the Reserves). Any amendment must be properly recorded in Fort Bend County, Texas.

11.4 Additional Restrictions and Land. The Declarant may make additional restrictions by appropriate provisions in any deed or deeds hereafter conveying any land in the Property, without otherwise modifying the general plan outlined above, and such other restrictions shall inure to the benefit of the Owners in the same manner as though they had been expressed herein.

11.5 Non-Waiver. No delay in enforcing the provisions of this Declaration as to any breach or violation thereof shall impair, damage or waive the right of any party entitled to enforce the same or obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation thereof at any later time or times.

11.6 Non-Liability of Declarant. Declarant shall not be liable to any Owner or Permittee of a Reserve or any portion thereof or to any other party for any loss, claim or demand in connection with the breach of any provisions of this Declaration by any party other than Declarant.

11.7 Notice. Any notice to Declarant, the Association, Board, or ARC shall be made in writing, and shall be sent by certified mail, postage prepaid, to the following address:

Walsh Road Industrial Park, Ltd.
2333 Town Center Drive, Suite 300
Sugar Land, Texas 77478
Attn: Larry Indermuehle

(Signature and acknowledgment are on the next page)

IN WITNESS WHEREOF, the undersigned has duly executed this Declaration of Covenants, Conditions, Restrictions and Easements effective as of the date first above written.

DECLARANT:

Walsh Road Industrial Park, Ltd

By: Walsh Road GP, LLC its General Partner

_____
Larry Indermuehle
Managing General
Partner

List of Exhibits

A- Property legal description
B- Site Plan
C- Approved Shrub and Tree Lists

STATE OF TEXAS §
§
COUNTY OF FORT BEND §

The foregoing instrument was acknowledged before me on this _____day of _____ , 2013, by Larry Indermuehle, Managing Partner of Walsh Road GP, LLC, a Texas Limited Liability Corporation, sole General Partner of Walsh Road Industrial Park, Ltd., a Texas limited partnership, on behalf of said entities in the capacities stated.

_____
Notary Public, STATE OF TEXAS

ITEM 6

Consider motion to adjourn for Executive Session.

ITEM 7

Hold Executive Session for deliberations regarding the potential purchase, exchange, lease, or value of real property pursuant to Texas Government Code Section 551.072; and, for deliberations regarding economic development negotiations as authorized by Texas Government Code Section 551.087.

ITEM 8

Adjourn Executive Session, reconvene into Regular Session, and take action as necessary as a result of Executive Session.

COMMUNICATION FORM

February 13, 2014

ITEM #	ITEM TITLE
9	**Interim Economic Development Director's Report**

ITEM/MOTION
Consideration of and action on a report from the Interim Economic Development Director regarding the previous month's economic development activities and contacts.

APPROVAL	SUPPORTING DOCUMENTS

SUBMITTED BY :

Rachelle Kanak
Interim Economic Development Director

1) Director's Report – January 2014
2) Imperial Performing Arts (IPA) Report – January 2014

EXECUTIVE SUMMARY
This item has been included to provide the Economic Development Director the opportunity to update the Board on the previous month's activities, contacts, and projects.

Rosenberg Development Corporation
Economic Development Director's Update
January 2014

New and Expanded Business Update

Mattress One- 23835 B Brazos Town Center Crossing
The Burger Barn- 1101 Damon Street
Bohemian Hill Tavern- 2339 1st Street
G-Watt's BBQ- 2516 1st Street

New Prospect Update

Prospect 140101 – Industrial Prospect
Prospect 140102 – Retail Prospect
Prospect 140201 – Industrial Prospect
Prospect 140204 – Industrial Prospect

New Home Update

City Housing Starts in 2014:	15
City Housing Starts in January:	15
ETJ Housing Starts in 2014:	22
ETJ Housing Starts in January:	22
City Lots Platted through 2014:	62
ETJ Lots Platted through 2014:	108

Economic Indicators:

Unemployment for December 2013:	5%
Non-Adjusted Employment for December 2013:	14,901
January Sales Tax Receipts (November 2013 sales):	$1,239,832.19
Percentage Change From Previous Year:	+ 29.58%
Annual Sales Tax Receipts for 2014 (November 2013 sales):	$1,239,832.19
Percentage Change From Previous Year:	+ 29.58%

Business Retention Visits

KM Realty- Nelson Spitz
Orion Development- Rob Parades

Department Activity

- Attended West Fort Bend Management District Monthly Meeting
- Attended 90A Redevelopment Committee Meeting-Livable Centers Study
- Attended Central Ft. Bend Chamber (CFBCA) Awards Luncheon
- Met with organizers of Downtown Rosenberg's Farmers Market
- Redeveloped ad campaign/branding for 2014- Cultural District
- Revised ordinance for consumption of alcohol in downtown during special events- proposal to be submitted to City Council at February workshop
- Met with potential purchaser of Avenue E property- business expansion
- Met with and revised contract for Business Appreciation Reception with CFBCA
- Attended regional Economic Development Directors Luncheon
- Attended meeting with Dr. Thomas Randle (LCISD), Shanta Kuhl (CFBCA) and others to discuss HB 5 and how to educate businesses on the bill and the opportunities that exist
- Met with Paul Bonnette, PGAL, architect firm for Old City Hall
- Met with Eric Johnson, IDS Engineering Group, for Rosenberg Business Park
- Attended CFBCA Downtown Division meeting
- Drafted revised Business Assistance Grant Program to expand to all of Rosenberg. Proposal to be sent to City Council in February for review.
- Toured a facility in Liberty that is interested in relocating to Rosenberg.

Strategic Plan Update:

The Board asked that each Director's report provide an update on one aspect of the Strategic Plan. The current Strategic Plan is under development, and will be presented at a future RDC meeting.

Projects Update:

Old City Hall – Demolition complete. Staff has reached out to a group that is potentially interested in occupying the building. Meeting scheduled.

Downtown Parking – Property at 4th Street and Ave. G is under contract and scheduled to close in February. Staff has a meeting scheduled to consult with Ft. Bend Transportation Department regarding partnering if the parking lot can be used as a bus stop as well.

Aldi Distribution Center – Building construction plans were submitted in February and are under consideration.

Alcohol In Certain Places Ordinance – Propose revisions to the alcohol in certain places ordinance for special events. Proposal will be submitted to City Council February 25th.

RDC Strategic Planning Update – Board retreat resulted in a series of five goals, which are being formalized in a report. The report will be submitted to RDC and City Council for approval.

Economic Development Department Strategic Plan – Plan was completed and submitted for review. Staff is preparing a presentation for City Council as part of the City's Strategic Plan.

Tourism Program – Staff is meeting with hotels to identify events and attractions that can be promoted to increase the number of people utilizing Rosenberg hotels and revamping tourism advertising program.

Highway 36A Coalition – Staff has attended meetings of the Highway 36A Coalition, which is seeking to improve Highway 36 from Freeport to Waller County, including the extension of Spur 10 north to Interstate 10 as a truck bypass. Staff has transferred the project to the Planning Department as the direct liaison.

Livable Centers Study – HGAC has identified Rosenberg as a participant for a Livable Centers Study, for which the RDC has committed to fund the

local match. An interlocal agreement, which will include specifying the scope, will be presented to the RDC this spring. Staff has met with representatives from West Fort Bend Management District and H-GAC to begin the scoping process.

Imperial Performing Arts

Activity Report

Our Sixth Season (September 2013 - August 2014)

rev. 01/31/2014

All events held at the Center for the Arts and/or in Downtown Rosenberg, unless otherwise noted (see below).
Events in other locations have been included when Imperial Arts was host and/or sponsor.

Event Details			Event Type						Traffic Count			
Month	Dates	Description	TE	CH	CP	PE	O	Total	Audience	Hosted	Other	Total
Sept	3, 10, 17, 24	Rosenberg Symphonic Band					4	4		75		75
	13	Season Launch (Red Carpet Event)		1				1	200			200
	15	Houston Chamber Choir, "Musica Divina" *	1					1	153	29	5	187
	21	Tour the Arts Day (HDRD, CFBCA)			1			1	3000		4	3004
Oct	1, 8, 15, 22, 29	Imperial Arts Academy - Children's Art Class	5					5	10			10
	1, 8, 15, 22, 29	Rosenberg Symphonic Band Rehearsals					5	5		105		105
	10	Houston Symphony Chamber Concert	1					1	73	11		84
	12	Queen Theatre Audition Workshop	1					1	30			30
	13, 20	Rosenberg Symphonic Band Dress Rehearsals					2	2			42	42
	14, 21, 28	Queen Theatre Acting Classes	3					3	15			15
	16, 23, 30	Queen Theatre Film Classes	3					3	24			24
	24	GEMS Event (absolutely! Focus Media)				1		1		6	200	206
	27	Rosenberg Symphonic Band Fall Concert	1					1	53	24		77
Nov	5, 12, 19, 26	Imperial Arts Academy - Children's Art Class	4					4	15			15
	5, 12, 19, 26	Rosenberg Symphonic Band Rehearsals					4	4		88		88
	4, 11, 18	Queen Theatre Acting Classes	3					3	18			18
	6, 13, 20	Queen Theatre Film Classes	3					3	24			24
	8	Artist Sarah Beth Baca - Gallery Opening	1					1	156			156
Dec	2, 9	Queen Theatre Acting Classes	2					2	24			24
	4, 11	Queen Theatre Film Classes	2					2	12			12
	9, 11	Queen Theatre Final Class Performances	2					2	65	21		86
	3, 10, 15	Rosenberg Symphonic Band Rehearsals					3	3		63		63
	3, 10	Imperial Arts Academy - Children's Art Class	2					2	14			14
	6	Marvin Gaspard New CD Release Concert	1					1	124	5		129
	7	Christmas in Rosenberg (Live Performances)			1			1	1200			1200
	13	Texana/Imperial Academy Gallery Opening	1					1	175	23		198
	15	Rosenberg Symphonic Band Winter Concert	1					1	74	25		99
	21	Film - THE POLAR EXPRESS	3					3	244		26	270
Jan	17	LCISD Masterclass with HS Brass			1			1	30	8		38
	17	Houston Symphony Chamber Concert - Brass	1					1	75	9		84
	18	Private Event - Birthday Painting Class				1		1		12		12
	21, 28	Rosenberg Symphonic Band Rehearsals					2	2		57		57
		Totals *(to date)*	41	1	3	2	20	**67**	5,808	561	277	**6,646**

Event Types

TE *Ticketed Event (Shows, Classes)*
CH *Community Event - Hosted by IPA*
CP *Community Event - IPA as Participant*
PE *Private Event*
O *Other - rehearsals, workshops, private events that are internal, other*

Traffic Count

Audience *Persons in audience for show or class*
Hosted *Imperial artists, staff, technical support, and volunteers in attendance*
Other *Other persons impacted (via Private Events and Community Events)*
Total *Total persons impacted by event*

** Holy Rosary Catholic Church, Rosenberg*

COMMUNICATION FORM

February 13, 2014

ITEM #	ITEM TITLE
10	**Resolution No. RDC-86 – Funding for Infrastructure Improvements to the Rosenberg Development Park Between RDC and the City**

ITEM/MOTION

Consideration of and action on Resolution No. RDC-86, a Resolution of the Board of Directors of the Rosenberg Development Corporation, approving the funding arrangement between the City of Rosenberg and the Rosenberg Development Corporation for infrastructure improvements to the Rosenberg Development Park.

APPROVAL	SUPPORTING DOCUMENTS
SUBMITTED BY : Rachelle Kanak Interim Economic Development Director	1) Resolution No. RDC-86

EXECUTIVE SUMMARY

The Rosenberg Business Park Development Agreement states the City and the Rosenberg Development Corporation (RDC) would each pay one-half of the cost of the infrastructure improvements to the Business Park. At the November 14, 2013 RDC meeting, the Board requested staff present to City Council the proposition that the RDC would fund $3,478,300 for the infrastructure improvements to the Rosenberg Business Park. The $3,478,300 includes both the City's portion and the RDC's portion. The City, as repayment, would lower the RDC's debt owed to the City in return for advance funding of the City's portion of the Rosenberg Business Park.

On January 29, 2014, the Rosenberg City Council Finance/Audit Committee agreed to RDC's request to reduce the amount of RDC debt owed to the City by $1,700,000. The Resolution presented for consideration and action by the RDC outlines this agreement.

Staff recommends approval.

RESOLUTION NO. RDC-86

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ROSENBERG DEVELOPMENT CORPORATION, APPROVING THE FUNDING ARRANGEMENT BETWEEN THE CITY OF ROSENBERG AND THE ROSENBERG DEVELOPMENT CORPORATION FOR THE INFRASTRUCTURE IMPROVEMENTS TO THE ROSENBERG DEVELOPMENT PARK.

* * * * *

WHEREAS, The Rosenberg Development Corporation ("RDC") Strategic Plan, adopted in 2008, established as a priority the development of a business park in the City of Rosenberg ("City"); and,

WHEREAS, RDC staff worked with a developer who purchased a 184-acre tract in order to develop a business park; and,

WHEREAS, on February 05, 2013, the Rosenberg City Council approved Resolution No. R-1613, a Resolution authorizing the City Manager to negotiate and execute, for an on behalf of the City, a Development Agreement ("Agreement"), by and among the City, RDC, and Rosenberg Business Park, Ltd., for the development of the Rosenberg Business Park; and,

WHEREAS, on February 14, 2013, the RDC Board authorized the Executive Director to negotiate and execute, for and on behalf of the RDC, a Development Agreement, by and between the Rosenberg Development Corporation, the City of Rosenberg, and Rosenberg Business Park, Ltd., for the development of the Rosenberg Business Park;

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ROSENBERG DEVELOPMENT CORPORATION:

Section 1. Pursuant to said Agreement, the City will construct the infrastructure improvements ("improvements") which include the water distribution

system, sanitary sewer, storm sewer drainage, paving improvements, installation of natural gas lines, and electrical services in two phases. Phase I is estimated at $3,478,300 and Phase II is estimated at $1,700,000.

Section 2. The City and RDC will each fund fifty percent (50%) of said improvements.

Section 3. On November 14, 2013, the RDC Board agreed to request that City Council lower the debt RDC owes the City in return for advance funding of the City's portion of the Rosenberg Business Park.

Section 4. On January 29, 2014, the Rosenberg City Council Finance/Audit Committee agreed to RDC's request to reduce the amount of RDC debt owed to the City by $1,700,000.

Section 5. The reduction of debt each year will equal the amount of anticipated property taxes that will be generated from the new improvements.

Section 6. That the RDC agrees to the reduction in RDC debt each year by the amount of anticipated property tax payments paid to the City for improvements made to the Rosenberg Business Park in the amount of $1,700,000 and agrees to approve the new RDC debt schedule with the stated reductions as summarized in "Exhibit A" and made a part hereof for all purposes.

PASSED, APPROVED, AND RESOLVED on this _____ day of _____ 2014.

ATTEST: **Rosenberg Development Corporation**

_____ _____

Linda Cernosek**, City Secretary** Bill Knesek, **President**

COMMUNICATION FORM

February 13, 2014

ITEM #	ITEM TITLE
11	**Future Agenda Items**
ITEM/MOTION	
Consideration and action on requests for future agenda items.	
APPROVAL	**SUPPORTING DOCUMENTS**

SUBMITTED BY :

N/A

Rachelle Kanak
Interim Economic Development Director

EXECUTIVE SUMMARY
This item provides the RDC Board the opportunity to request future agenda items.

ITEM 12

Announcements.

ITEM 13

Adjournment.