

**ANNEXATION, SERVICE AND FINANCING AGREEMENT  
BY AND BETWEEN  
HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 99  
AND  
DREAMLAB DEVELOPERS, LLC**

**STATE OF TEXAS           §  
                                     §  
COUNTY OF HARRIS     §**

This Annexation, Service and Financing and Construction Agreement (hereinafter called the "Agreement") is made and entered into as of this 24th day of July, 2019, by and between **HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 99**, a conservation and reclamation district, a body politic and corporate and political subdivision of the State of Texas, created and operating pursuant to Article XVI, Section 59 of the Constitution of Texas and Chapters 49 and 51, Texas Water Code, V.T.C.A., as amended (the "District"), and **DREAMLAB DEVELOPERS, LLC**, a Texas limited liability company (the "Developer"):

**W I T N E S S E T H:**

**RECITALS**

**WHEREAS**, the District is authorized under the Texas Water Code, to purchase and construct, or otherwise acquire fresh water supply systems and sanitary sewer systems or parts of such systems or facilities, and to make any and all necessary purchases, construction, improvements, extensions, additions and repairs thereto, and to purchase or acquire all necessary equipment, buildings, plants, structures and facilities therefor, and to operate and maintain same, and to sell water, sewage treatment and other services, and to issue its bonds to finance any of the above listed activities;

**WHEREAS**, the Developer owns approximately 21 acres of land to be annexed into the boundaries of the District, more particularly described in Exhibit "A" attached hereto (the "Property");

**WHEREAS**, the District proposes to issue bonds in the future to finance the construction or acquisition of fresh water and/or sanitary sewer facilities (the "Facilities") to, among other things, serve the Property;

**WHEREAS**, the District proposes to provide fresh water and sanitary sewer services and Facilities to users within the District and recognizes that the Property on which the Developer plans to develop, is or will be located within the District and as such will be entitled to receive the benefit of the District's services and Facilities; and

**WHEREAS**, the Developer desires to proceed with the development of Class A multifamily and commercial improvements on the Property (the "Development"), the Developer requires fresh water and sanitary sewer services to serve the Development and the District and Developer agree such Facilities are needed, but not currently present.

**NOW, THEREFORE,** the parties hereto have determined that under the circumstances and for their mutual benefit, they desire to enter into this Agreement whereby District will call a bond election, annex the Property into the District, and construct certain Facilities to serve the District and the Development, and the Developer will advance funds for and advertise for bids and enter into contracts with the approval of the District (or sign a special conditions provision of the District's contract guaranteeing payment) for the construction of the hereinafter described Developer Facilities and convey such Developer Facilities to the District, if necessary, and the District will make its best efforts to issue bonds (the "Bonds") for the purpose of upgrading and expanding certain District Facilities and reimbursing the Developer.

## **AGREEMENT**

For and in consideration of the mutual promises, covenants, obligations and benefits in this Agreement, the District and the Developer contract and agree as follows:

### **ARTICLE I**

#### **REPRESENTATIONS AND DEFINITIONS**

##### **Section 1.01 Representations.**

(a) The District represents that it has full legal authority to enter into this Agreement, it will proceed with calling an election at the next available uniform election date for the authorization of Bonds and issuance of the Bonds in accordance with this Agreement and the Constitution and laws of the State of Texas.

(b) The Developer represents, covenants and agrees that the Developer has the funds available or has the ability to secure the funds necessary to enable the Developer to perform its obligations under the terms of this Agreement in a timely and expeditious manner.

(c) Developer represents, covenants and agrees that Developer: (i) has good and indefeasible title to the Property; (ii) has dedicated or will dedicate all easements containing the Facilities to the District at no cost or other amount authorized by the rules of the Commission; (iii) will convey in fee simple all real property which constitutes a Site or Sites, to be reimbursed per this Agreement; (iv) has or will comply with all applicable rules and regulations of the Commission with respect to reimbursement of a developer, as applicable, and (v) has full legal authority to perform its obligations under the terms of this Agreement in a timely and expeditious manner, subject to any applicable municipal, state and federal rules and regulations and subject to the District timely and fully performing its obligations under this Agreement.

(d) For and in consideration of the Developer's agreement to provide for the benefit of the District the funds necessary to pay the Construction Costs of the Developer Facilities, as hereinafter provided, and the District's agreement to accept conveyance from the Developer, as hereinafter provided, the Developer agrees to sell and assign, and the District agrees to purchase and receive all of the Developer's right, title and interest in and to such final plans, specifications and contract documents and the Facilities to be constructed pursuant thereto.

(e) The Developer and the District agree and represent that all contracts for the construction of the Developer Facilities shall be let in the name of the District with the

Developer signing a special condition provision to the contract guaranteeing payment on behalf of the District.

(f) The Developer represents that after the date Developer executes Exhibit "B", it will not claim any agricultural or open space use valuation, or any other type of exemption or valuation available under the Texas Property Tax Code, for the Property that would reduce the assessed value of the Property below its market value for purposes of ad valorem taxation by the District, except as allowed in Exhibit "B". If any such use, exemption or valuation is claimed on the Property after the date Developer executes Exhibit "B", except as allowed in Exhibit "B", this Agreement shall automatically terminate. The Developer agrees upon successful annexation of the Property discussed in Section 2.01 and passage of the bond election discussed in Section 2.02, to execute a recordable instrument in a form substantially similar to that attached in Exhibit "B", waiving its right to claim such exemption for the Property, beginning with the 2020 tax year, except as set forth therein.

#### Section 1.02 Definitions.

Unless the context requires otherwise, the following terms and phrases used in this Agreement shall have meanings as follows:

(a) The term "Annexation Expenses" shall mean all expenses incurred by the District and the Developer related to the annexation of the Property into the District, including but not limited to legal and engineering and financial advisor fees, and fees paid to the City of Houston, and specifically include \$35,000 advanced to the District by the Developer prior to the execution of this Agreement. Annexation Expenses are part of the Construction Costs which are reimbursable to the Developer (defined hereafter).

(b) The term "Bonds" shall mean the issue or issues of unlimited tax bonds, combination unlimited tax and revenue bonds, or other obligations of the District which are hereafter issued and sold by the District pursuant to the provisions of this Agreement and the provisions of Chapters 49 and 51, Texas Water Code, as amended, for the purposes provided in this Agreement, and any refunding bonds issued in lieu thereof.

(c) The term "City" shall mean the City of Houston, Harris County, Texas.

(d) The term "Class A Multi-Family Complex" shall mean a unit apartment complex construction in accordance with the Restrictions (as defined herein).

(e) The term "Commission" shall mean the Texas Commission on Environmental Quality or any governmental agency successor to the Texas Commission on Environmental Quality.

(f) The term "Construction Costs" shall mean and include any capacity reservation fees and Annexation Expenses advanced by the Developer to the District and all actual costs approved for reimbursement by the District as shown on Schedule A, attached hereto, including, without limitation, the cost of labor, equipment, materials, supplies and all engineering, design and inspection costs incurred by the District's Engineer and Developer's Engineer in the design, advertisement, installation, construction and inspection of the Developer Facilities to be conveyed to and accepted by the District, and title insurance and costs related to the acquisition by the District of the Sites.

(g) The term "Contractor" shall mean an individual, partnership or corporation that is a party to a construction contract with the Developer relating to the construction of the Developer Facilities and includes one who furnishes material worked to a special design according to the plans and specifications for construction of the Developer Facilities.

(h) The term "Developer's Engineer" shall mean Jones & Carter or such other engineer or engineering firm as maybe selected and so designated by the Developer, with the approval of the District, as its engineer from time to time.

(i) The term "District's Engineer" shall mean Vogt Engineering, L.P. or such other engineer or engineering firm as may be selected and so designated by the District as its engineer from time to time.

(j) The term "District Facilities" shall mean the District's water and wastewater plants and appurtenances and serving the District and its customers, and the water loop line and new water well and plant facilities to be constructed and funded by the District, as such Facilities are shown and listed on the attached Schedule "A". Developer is advancing \$325,000 to the District to assist the District in funding the District Facilities.

(k) The term "District's Financial Advisor" shall mean The GMS Group L.L.C. or such other financial advisor or financial advising firm as may be selected and so designated by the District as its financial advisor from time to time.

(l) The term "Developer Facilities" shall mean all the lift station and force main sanitary sewer facilities required to be constructed by the Developer to serve the Property as shown on Schedule "A" attached hereto. The Developer Facilities specifically do not include drainage and detention facilities which are to be solely designed and constructed by the Developer without reimbursement from the District.

(m) The term "Facilities" shall mean the District Facilities and the Developer Facilities.

(n) The term "Property" shall refer to the real property described on Exhibit "A" of the Developer's proposed multifamily and commercial development, which is to be located within the District's boundaries.

(o) The term "Reimbursable Share" shall mean the amount of reimbursement of Construction Costs in accordance with the Rules of the Commission and allowed and approved by the Commission together with interest thereon, calculated from the date of payment by the Developer through the earlier of the date of acquisition of the Facilities and Sites by the District or two years, unless a greater time is allowed by the TCEQ for reimbursement through Bonds, and/or assumption of any outstanding contracts by the District as hereinafter provided, such interest to be calculated at a rate equal to the net effective interest rate at which hypothetical Bonds are sold (unless bonds are actually sold in which case the actual net effective interest rate shall be used); provided, however, that land or easements for the Facilities may be acquired by the District at the Developer's cost plus carrying charges, all subject to the rules and approvals set out above. The Reimbursable Share shall not exceed 100 percent (100%) of the total cost of the Facilities plus interest. The Board of Directors of the District shall, in its sole discretion, determine when bonds shall be sold, if at all, within the guidelines set forth above. It is estimated



by the District's Engineer that the maximum amount of the Reimbursable Share will total approximately \$1,200,000. The Reimbursable Share shall not exceed the amount which is Self-Supporting. District Facilities, as defined in the Commission rules, if any, shall be reimbursed at 100 percent (100%), and Developer Facilities shall be reimbursed at the level which is Self-Supporting, as defined herein, at the time of reimbursement.

(p) The term "Self-Supporting" means the Reimbursable Share must be supported by the taxable assessed value of the improvements within the development at a projected District's debt service rate of \$0.37 (or higher rate if the District's debt service tax exceeds \$0.37 at such time) that the estimated taxable value of the Property shall be sufficient at the time of reimbursement to amortize the debt service payments on a hypothetical bond issue in an amount equal to the amount of the Reimbursable Share and payable to the Developer, including Developer's pro rata share of all associated costs, and fees, including but not limited to professional fees, bond issuance fees and expenses, capitalized interest and contingencies, at an interest rate estimated by the District's Financial Advisor. The District shall determine, in its sole and absolute discretion, when the Developer's Development is Self-Supporting. Provided, however, that if the Development includes improvements which do not generally appreciate, such as mobile homes and similar type establishments, the District reserves the right to not reimburse the Developer for Developer Facilities serving such disallowed establishments, as may be defined in the District's Order Amending Consolidating Order Regarding Water and Sewer Connections, Rates and Use from time to time.

(q) The term "Reimbursement Date" shall mean the actual date on which payment of the Reimbursable Share is tendered by the District to the Developer, as provided for herein.

(r) The term "Restrictions" shall mean the Dedication of Covenants, Conditions and Restrictions substantially in the form attached hereto as Exhibit "C." as may be approved by the District.

(s) The term "Site" or "Sites" shall mean the real property on which the water plant and lift station will be constructed and which real property will be conveyed to the District by Developer only by special warranty deed, in a form acceptable to District, which are purchased by the District pursuant to this Agreement. The location and size of the Sites shall be mutually agreed upon.

(t) The term "TCEQ" shall mean the Commission.

(u) The term "Utility Commitment" shall mean the Utility Commitment Letter issued by the District, described in Section 2.04 of this Agreement and significantly in the form as attached hereto as Exhibit "D."

## ARTICLE II

### **ANNEXATION, BOND ELECTION, AND DEVELOPMENT RESTRICTIONS**

Section 2.01 Annexation of the Property. Upon execution of this Agreement, the Developer shall deposit \$325,000.00 with the District, which shall be used toward: (i) annexation expenses, (ii) expenses incurred by the District to hold the bond election in November, 2019 to

authorize bonds to, among other things, potentially reimburse the Developer for the cost of the Facilities, and (iii) capacity reservation fees and costs related to water plant and sewer plant capacity to serve the Property. Upon deposit of the \$325,000.00, the District shall prepare necessary petitions and documents to annex the Property into the District and to obtain consent of the City of Houston to such annexation. The District shall complete the annexation process as quickly as possible, submit the annexation consent request to the City as quickly as possible and shall use its best efforts to obtain the City's consent. While the consent to the annexation is pending, the District shall proceed to call a bond election for November 2019 in a sufficient amount to fully reimburse the Developer for the Construction Costs and Reimbursable Share and finance the District Facilities, as determined by the District. After a successful bond election and after the City consents to the annexation, the District shall annex the Property. The parties recognize the need, and agree to use their best efforts to finalize annexation prior to December 31, 2019. If the election fails, the District agrees to reimburse the Developer for any portion of the \$325,000 deposit that remains unspent, as well as fifty percent (50%) of the election costs paid from Developer funds. If the election passes but the City's consent has not yet been obtained, the Developer shall not withdraw or hinder the annexation process for a period of one (1) year and shall promptly furnish to the District information necessary to finalize the annexation of the Property.

If the election passes, as of January 1, 2020 and every January 1 thereafter while this Agreement is in effect and the Property is not annexed by or on the tax roll of the District if applicable, the Developer agrees to make a payment to the District in lieu of taxes at the time taxes are levied by the District for that year and in an amount equal to the ad valorem taxes which would be due to the District for the Property at the District's then existing tax rate applied to the assessed valuation without exemptions as established by Harris County Appraisal District if the Property would have been in the District and subject to taxation. The Developer shall include notice of this provision in each contract for sale of land out of the Property. If payment is not made as required, at the sole discretion of the District, any Utility Commitment issued by the District pursuant to this Agreement shall be void and of no force or effect until such payment is made and all payments previously made to the District are not refundable. Notwithstanding the above, if the District is providing service of any kind, payments in lieu of taxes or appropriate service rates shall continue until service is terminated or the annexation is complete.

**Section 2.02 Bond Election.** Following the execution of this Agreement, the Board of Directors of the District shall authorize the District Engineer to prepare an engineering report per Chapter 49.106 of the Texas Water Code to authorize unlimited tax bonds sufficient, to among other things, reimburse the Developer for Construction Costs and Reimbursable Share to the maximum extent allowed under TCEQ rules. Following the engineering report, the Board of Directors of the District shall call for a bond election to be held in November 2019.

**Section 2.03 Land Use Restrictions.** As a condition to annexation of the Property and the District providing the Property with water service and sewer service, and as a condition to the District's purchase or reimbursement of any Developer Facilities serving the Property, the Developer, upon annexation and prior to approval by the District of any plans and specifications related to the development for construction of improvements on the Property, shall execute, including consents of all lienholders with respect to the Property, if any, and deliver to the District the Restrictions, which the Developer shall record or cause to be recorded in the form which shall be approved by the District prior to service being connected.

Section 2.04 Utility Commitment. Upon execution of the Agreement, the District shall issue a Utility Commitment Letter, substantially in the form attached hereto as Exhibit "D", to serve the Property with up to 350 equivalent single family connections. The Utility Commitment Letter shall be conditioned upon successful annexation, passage of the bond election, and recordation of the Restrictions. Should the Property require additional utility capacity, the District may require additional payments from the Developer or property owner for capacity in the District's system.

### ARTICLE III

#### CONSTRUCTION OF FACILITIES

Section 3.01 Plans and Specifications - Facilities. The Developer's Engineer will prepare or supervise the preparation of plans and specifications for construction of the Developer's Facilities to serve the Property, excluding any plans and specifications necessary for the construction and expansion of any improvements to the District's Facilities, or for the construction of additional wastewater treatment plants, water plants, or water wells which shall be the sole responsibility of the District's Engineer. The Developer's Engineer will submit the plans and specifications, as well as any subsequent changes in plans or specifications, to the District for approval. The District's Engineer shall have final approval of the plans and specifications, including those prepared by the Developer's Engineer, which approval shall not be unreasonably withheld. The Developer's Engineer will submit the plans and specifications to the City, the Commission, Harris County, the Texas Department of Health and all other agencies having jurisdiction for review and approval. Neither the District's Engineer nor the Developer's Engineer will make any changes in the construction plans and specifications relating to the Developer's Facilities, as approved by the Developer and the engineers, except as may reasonably be necessary in order to obtain and/or retain the approval of any reviewing authority of the said plans and specifications. In the event changes to the plans and specifications are made to obtain and/or retain the approval of reviewing authorities, the Developer agrees to construct the Developer's Facilities, pursuant to Section 3.04 and 3.05 below, in accordance with such changes as are approved by the Developer, the District and any other regulatory agency with jurisdiction.

Section 3.02 Wastewater Treatment Plant/Water Plant/Water Loop Line. The District's Engineer will prepare or supervise the preparation of plans and specifications for the construction of the rehabilitation and expansion of the District's Facilities. The District's Engineer will submit the plans and specifications of the City, the Commission, Harris County, the Texas Department of Health and all other agencies having jurisdiction for review and approval. Prior to construction as required by the District, the Developer shall convey a water well Site and a lift station Site at locations and sizes mutually agreed to by the District and the Developer, approved by the District's Engineer to the District by special warranty deed. As soon as possible, the District will commence construction of the District Facilities, and will use its best efforts to have such facilities completed prior to occupancy in the Development.

#### Section 3.03 Construction.

(a) The Parties agree it is best practices for the District to construct the Developer Facilities with the Developer signing the District awarded construction contract as guarantor of

payment to the contractor. Developer agrees to pre-finance the District's cost to advertise for bids and to sign a special conditions provision of the contracts necessary for construction of the Developer Facilities pursuant to all applicable laws of the State of Texas governing public contracts, and the Rules of the Commission. Developer's Engineer shall supervise the process of construction in accordance with Section 3.04 below.

(b) The Facilities will be constructed upon Sites and within easements agreed to by the District or in dedicated streets or utility easements. The Developer shall convey the Sites to the District by special warranty deed as provided above with respect to the water well site and the lift station site and upon completion of construction of the Facilities located on the Sites, the District will reimburse the Developer at a cost calculated pursuant to the rules of the Commission, and payable pursuant to Article IV hereof. Payment will be made in accordance with this Agreement.

(c) After commencement of construction, the Developer will make payments to the contractor on behalf of the District as is necessary to cause the construction of the Developer Facilities to be diligently prosecuted to completion in a reasonable time.

(d) If for any reason the Developer decides at its sole discretion and determination that is not economically feasible to go forward and does not go forward with its plans for the Development, the Developer may, in its sole discretion, delay commencing construction of the Developer Facilities agreed to herein until such time as it is economically feasible to go forward with the Development.

(e) The District, in its sole discretion, may determine which District Facilities to construct, the order of construction and the method of construction so long as the District is able to deliver water and wastewater service to the Development within the rules of the Commission for public utilities.

Section 3.04 District Supervision of Construction. Following award of construction contracts, and coordinating with the District's Engineer, the Developer's Engineer shall issue the necessary work orders and cause construction to be initiated and performed in accordance with final plans, specifications and contract documents, as approved by the parties. No material change, alteration, or deviation from such final plans and specifications shall be made or permitted unless same is first approved by both parties hereto.

Section 3.05 Payments to Contractor. Upon receipt of a periodic payment request from a Contractor engaged in the construction of all or any portion of the Facilities, the District's Engineer or Developer's Engineer, as appropriate, shall determine the amount properly payable and promptly invoice the Developer. As a party to the construction contract, the Developer must make timely payment to the contractor. The Developer shall timely pay to the Contractor the sum necessary to satisfy the Contractor's payment request (or the portion thereof recommended and approved for payment by the District's Engineer). The Developer's Engineer will maintain and provide the District with a complete accounting of the Construction Costs incurred by the Developer to assist the District in determining the Reimbursable Share.

Section 3.06 Ownership of Facilities. The construction contracts entered into with Contractor(s) for the Developer Facilities are for the benefit of the District. It is the intent of the parties that ownership of and title to all portions of the Facilities as constructed shall ultimately



be in the District, upon payment in full by the Developer to the contractor, ownership and title to all materials delivered to and stored in the District and which are intended to become incorporated into the Developer Facilities or consumed in construction of the Developer Facilities shall be in the District. The Developer is reimbursed for the payments made on behalf of the District pursuant to this Agreement.

Section 3.07 Sales Tax Exemption. The parties agree, acknowledge and understand that the District qualifies for exemption for Texas state and local sales taxes pursuant to the provisions of Section 151.309(5) of the Texas Tax Code, as amended, and that shall, in purchasing all materials to be incorporated into the Developer Facilities and in purchasing, renting, or leasing all materials, supplies and equipment to be used or consumed in the construction of the Facilities, cause to be issued to its suppliers or the suppliers of the Contractor(s), with the cooperation of the District where necessary, an exemption certificate in lieu of said tax, with any such exemption certificate to comply with and be subject to any and all applicable Rules and Rulings of the State Comptroller of Public Accounts.

Section 3.08 Notice of Completion of Facilities. The Developer's Engineer shall cause the construction of the Developer Facilities to be inspected by the District's Engineer, and shall notify the District of the time and place of the final inspection of the construction of the Developer Facilities and afford the District and the District's Engineer a reasonable opportunity to review and inspect same and call attention to any defect, discrepancy, incompleteness or deviation from the final plans and specifications. Upon the completion and final inspection of, and issuance of certificates of completion by the District's Engineer or the Developer's Engineer, as appropriate, the Developer shall make any final payment due the Contractor(s). However, final payment shall not be made by the Developer until approved by the District, such approval not to be unreasonably withheld.

Section 3.9 Responsibility for Developer Facilities. After the District receives notice of completion of the Developer Facilities, the District shall be responsible for the operation and maintenance of the Developer Facilities for providing sanitary sewer services to the Property and shall be entitled to collect fees and charges for services provided by such Developer Facilities in accordance with the rules, regulations, policies and operating procedures established by the District from time to time for similar classes of services within the District. The Developer understands the District is not reimbursing for drainage and detention facilities which Developer must construct to serve the Development. The District agrees, upon request of the Developer, to operate and maintain these facilities and to charge the customers within the Property the cost of such operation and maintenance.

## **ARTICLE IV**

### **REIMBURSEMENT OF COSTS OF CONSTRUCTION**

Section 4.01 General Statement. The purpose of this Article is to provide for the payment by the District to the Developer of the Reimbursable Share, including developer interest to the maximum extent allowed by the TCEQ rules, subject to the provisions of Section 1.02 (n), above.

Section 4.02 Submission of Bond Application. Upon determination by the District, after consultation with the District's Financial Advisor and the District's Engineer that the taxable



value of the Property meets the feasibility requirements of the TCEQ and is or is projected to be Self-Supporting, the District shall instruct the District's Engineer to proceed promptly with the preparation of an engineering report and all required attachments and exhibits thereto, necessary to enable the District to make application for the issuance of the Bonds pursuant to Commission Rule No. 31 TAC § 293.41 et seq., or similar rules of any successor agency, in an amount sufficient to pay or provide for the payment of the cost of the Facilities, including the Developer's Reimbursable Share. Upon completion and adoption of such report, the District will take all steps reasonably necessary in accordance with the Rules of the Commission and all applicable laws to prepare, submit, file and process with the Commission a bond application for approval of the issuance of sufficient bonds to pay or provide for the payment of the Construction Costs of the Facilities, including the Reimbursable Share. The District shall not be obligated to issue Bonds for any purpose in an amount equal to less than \$1,000,000 unless it is the remainder of the Reimbursable Share owed to the Developer. It is the intention of the District to issue only one bond issue to reimburse the Developer for the Reimbursable Share; however, it may be necessary for the District to issue bonds to fund the District Facilities and it may be necessary to sell one or two bond issues to fund the Reimbursable Share. Since the Reimbursable Share is dependent on the assessed value built by the Developer, it may be necessary to delay the bond issue in order for sufficient value to be built to support the bonds able to make 100% payment of the Reimbursable Share to the Developer.

Section 4.03 Issuance and Sale of Bonds. The District agrees that it will use its best efforts in good faith to issue, sell and deliver its Bonds on the best available terms as soon as reasonably practical according to the provisions of this Agreement and will use the proceeds of the sale of such Bonds to pay the Reimbursable Share incurred by the Developer in the manner and amount approved by the Commission. The District shall advertise and receive bids, and issue, sell and deliver the Bonds as soon as reasonably practical; provided, however, that if no bid is received by the District offering to purchase the bonds at a net effective interest rate equal to or less than two (2) percentage points over the maximum weekly average of the "20-Bond Index" in Credit Markets for the thirty-day period immediately preceding the date of the notice of sale of the Bonds, the District shall not be required to accept any such bid(s) nor be obligated to readvertise and attempt to sell such Bonds sooner than sixty (60) days following the last such unsuccessful attempt to sell the Bonds. Upon the sale of the Bonds, the District shall use its best efforts in good faith to obtain the Attorney General's approval of the Bonds and registration of the Bonds by the Comptroller of Public Accounts of the State of Texas.

Section 4.04 Developer Request for Reimbursement. The Developer agrees to maintain and provide the District with a complete accounting of all Construction Costs incurred by the Developer in order to determine the Reimbursable Share. The District's Engineer shall verify such Reimbursable Share to the District, and the Developer and the District's Engineer agree to assist the auditor engaged by the District to perform the legally required audit of the bond issue in determining and verifying the Reimbursable Share.

Section 4.05 Purchase of Facilities. The District's obligation to purchase the Developer Facilities is subject to the following:

(a) The Developer's compliance with all terms of this Agreement and the Restrictions;

(b) Prior written consent by the District of the inclusion of any Developer Facility or expense as acceptable reimbursement under this Agreement; provided the District has an obligation to include the Developer Facilities described in this Agreement.

(c) Approval of the plans and specifications of the Developer Facilities by all federal, State and local bodies having jurisdiction;

(d) The Developer Facilities shall be constructed in a good and workmanlike manner, and the materials used shall be free from defects and fit for the intended purpose;

(e) The Developer Facilities shall be constructed in rights-of-way or utility easements dedicated to the District. The Developer shall convey to the District or by conveyance document in recordable form all the necessary easements, rights-of-way, for the real property on or under which the Facilities are located and shall convey by warranty deed any Site or Sites for the Facilities, except as provided by the Rules of the Commission;

(f) Upon completion of the construction of the Developer Facilities, the Developer shall provide the District with "as-built" or "record" drawings of the Facilities approved by the District's Engineers;

(g) The District's Engineer shall provide the District with certification to the effect that the construction has been completed in accordance with the plans and specifications as approved by the District;

(h) Approval by the Commission of the issuance and sale by the District of Bonds for the purchase of Developer Facilities;

(i) The receipt of a bid and awarding of sale of the Bonds by the District;

(j) Approval of the Bonds by the Attorney General of the State of Texas;

(k) Registration of the Bonds by the Comptroller of Public Accounts of the State of Texas; and

(l) Presentation to the District of a commitment for title insurance with respect to the real property on which the Developer Facilities are located including the Site or Sites, if any, and the "easements" to be conveyed pursuant to this Agreement and a copy of every document affecting the chain of title to such real property from the date of the prior reimbursement agreement with the Prior Developer to the date of this Agreement, updated at closing in a form acceptable to the District;

Section 4.06 Release of Interest. Upon the completion of any improvements constructed as part of the Facilities described herein and upon final inspection and acceptance thereof by the Developer and the District, the Developer shall, in writing, convey, transfer, release, terminate, and forever relinquish to the District any and all claims, interests, rights, title and benefits or whatever nature or kind, including any and all beneficial interest that the Developer may have or may acquire to the Developer Facilities by operation of law or pursuant to the terms and provisions of this Agreement, resulting from the Developer's payment of the Construction Costs. Further, Developer agrees to grant, sell and convey to the District all easements and Sites by special warranty deed, in a manner and form acceptable to District, upon which any Developer

Facilities or District Facilities shall have been or shall be constructed with full warranties, free and clear of all liens, claims, encumbrances, options, charges, assessments, restrictions, limitations and reservations, including liens for ad valorem taxes for past and current years and payments due to construction contractors, laborers or materialmen, except for matters already of record or usual subdivision restrictions. This Section shall not be construed to release any rights the Developer may have with respect to payment of the Reimbursable Share pursuant to the terms and provisions of this Agreement.

Section 4.07 Warranties on Facilities. Any and all obligations, warranties, guarantees or other assurances of workmanship, materials or equipment by the Contractor, materialmen or other suppliers of labor, material or equipment with respect to the installation and construction of the Facilities shall be for the benefit of and shall run to the District.

Section 4.08 Value Created by Developer. The District agrees that the taxable value created by or caused to be created by the Developer on the Property will be used first to support debt to reimburse the Developer for the Developer's Reimbursable Share and Construction Costs of the Developer Facilities as calculated by the District's Financial Advisor under this Agreement, provided, however, that Developer shall seek reimbursement hereunder in a single bond issue if possible, but may be reimbursed from two bond issues, and that thereafter, the District may use any value on the Property for any purpose of the District. Developer acknowledges that reimbursement from these two bond issues may not provide for 100 percent (100%) reimbursement to Developer of all of the Construction Costs of the Facilities, but shall be in an amount no less than the Reimbursable Share due Developer subject to the reimbursement audit, as prepared by the District's auditor and approved by the Board. In the event the District requires the Developer to not be paid the Reimbursable Share in one bond issue, the District shall include any unpaid portion of the Reimbursable Share in the next following bond issue.

## ARTICLE V

### MISCELLANEOUS

Section 5.01 Insurance. Upon conveyance of the Developer's Facilities to the District, the District shall add the insurable Developer's Facilities to its insurance policy.

Section 5.02 Force Majeure. If force majeure prevents either party hereto from performing any of its obligations under this Agreement, in whole or in part, then the obligations of such party, to the extent affected by such force majeure, shall be suspended during the continuance of any inability so long as such party is exercising due diligence to resume performance at the earliest practicable time. As soon as reasonably possible after occurrence of the force majeure relied upon, the party whose contractual obligations are affected thereby shall give notice and full particulars of such force majeure to the other party. The term "Force Majeure," as used herein, shall include, without limitation of the generality thereof, acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, orders of any kind of the government of the United States or the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraints of government and people, civil disturbances, explosions, breakages or accidents to machinery, pipelines or canals, partial or entire failure of

water supply, and any other inabilities of either party, whether similar to those enumerated or otherwise, which are not within the control of the party claiming such inability, and which such party could not have avoided by the exercise of due diligence and care. It is understood and agreed that the settlement of strikes and lockouts shall be remedied with all reasonable dispatch, but shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing party or parties when such settlement is unfavorable to it in the judgment of the party having the difficulty.

Section 5.03 Remedies Upon Default. It is not intended hereby to specify, and this Agreement shall not be considered as specifying an exclusive remedy for any default, but all such other remedies existing at law or in equity may be availed of by either party and shall be cumulative.

Section 5.04 No Additional Waiver Implied. No waiver or waivers of any breach or default (or any breaches or defaults) by either party hereto of any term, covenant, condition, or liability hereunder, or of performance by the other party of any duty or obligation hereunder, shall be deemed or construed to be a waiver of subsequent breaches or defaults of any kind, under any circumstances.

Section 5.05 Addresses and Notice. Unless otherwise provided in this Agreement, any notice, communication, request, reply or advice herein provided or permitted to be given, made or accepted by either party to the other must be in writing and may be given or be served by depositing the same in the United States mail postpaid and registered or certified and addressed to the party to be notified, with return receipt requested, or by delivering the same to an officer of such party, or by electronic mail to the party to be notified or an officer thereof, when appropriate, addressed to the party to be notified. For the purpose of notice, the addresses of the parties shall, until changed as hereinafter provided, be as follows:

If to the District, to:  
Harris County Water Control & Improvement District No. 99  
c/o Johnson Petrov LLP  
2929 Allen Parkway, Suite 3150  
Houston, Texas 77019  
Email address: [apetrov@johnsonpetrov.com](mailto:apetrov@johnsonpetrov.com)

If to the Developer, to:  
DreamLab Developers, LLC  
c/o Diego Vilchris  
4444 Westheimer Road, Bldg. G, Suite 325  
Houston, Texas 77027  
Email address: [diego@dreamlabdevelopers.com](mailto:diego@dreamlabdevelopers.com)

The parties shall have the right from time to time and at any time to change their respective addresses and each shall have the right to specify any other address by at least fifteen (15) days' written notice to the other party.

Section 5.06 Modification. This Agreement shall be subject to change or modification only in writing and with the mutual consent of the parties.

Section 5.07 Parties in Interest. This Agreement shall be for the sole and exclusive benefit of the District, the District's successors, the Developer and the Developer's successors and shall not inure to the benefit of any Contractor(s) or any third party.

Section 5.08 Assignment. It is expressly agreed by the parties hereto that this Agreement shall not be assignable by the Developer without the prior written consent of the District, which consent shall not be unreasonably withheld, conditioned, delayed or denied.

Section 5.09 Severability. The provisions of this Agreement are severable, and if any provision or part of this Agreement or the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement with respect to other persons or circumstances shall not be affected thereby.

Section 5.10 Merger. This Agreement, together with Exhibits "A", "B," "C", and "D", and Schedule "A" attached hereto, constitutes the entire agreement between the parties relative to the subject matter hereof. There have been and are no agreements, covenants, representations or warranties between the parties other than those stated or provided for herein.

Section 5.11 Choice of Law. This Agreement and the transactions contemplated hereby shall be construed in accordance with and governed by the laws of the State of Texas. The obligations hereunder are further subject to all rules, regulations and laws of any regulatory agency having jurisdiction, including the Rules of the Commission.

Section 5.12 Term. This Agreement shall have a term of twenty (20) years from the date first written above, except in the event of earlier termination pursuant to the provisions of Section 3.03, in which event Section 3.03 shall control. Should this Agreement terminate in accordance with Section 3.03 of this Section, the parties in good faith shall consider the renewal of this Agreement upon mutually acceptable terms. Additionally, should the annexation contemplated by Section 2.01 fail to occur by December 31, 2019 or the bond election contemplated by Section 2.02 fail to pass, this Agreement shall terminate and neither Party shall have any obligation to the other.

EXHIBIT "A" - Legal Description of the Property

EXHIBIT "B" - Waiver of Special Appraisal

EXHIBIT "C" - Declaration of Covenants, Conditions and Restrictions

EXHIBIT "D" - Utility Commitment Letter

SCHEDULE "A" - Facilities to be Constructed and Map

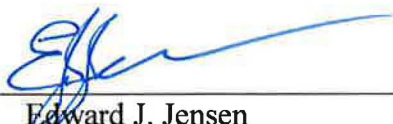


IN WITNESS WHEREOF, the parties hereto have executed this Agreement in multiple copies, each of which shall be deemed to be an original, as of the date and year first written above.

**HARRIS COUNTY WATER CONTROL AND  
IMPROVEMENT DISTRICT NO. 99**

By:   
Monte L. Cooper  
President, Board of Directors


ATTEST:

By:   
Edward J. Jensen  
Secretary, Board of Directors

[SEAL]



**DREAMLAB DEVELOPERS, LLC,**  
a Texas Limited Liability Company

By:   
Name: Alberto Rangel  
Title: MANAGER

## **EXHIBIT "A"**

### **Legal Description of the Property**

A **21.1583 acre tract of land** being the same property described in a deed recorded under Harris County Clerk File No. 20070224606, located in the William Lemm Survey, Abstract Number 519, Harris County, Texas, and being more particularly described by Metes and Bounds as follows, with the bearings being based on the U.S. State Plane Coordinate System, NAD 83, Texas South Central Zone 4204:

BEGINNING at the northwest corner of the herein described tract, same being the northeast corner of Lot 391, Block 29, North Hill Estates, Section 3, recorded in Volume 157, Page 120 of the Harris County Map Records, on the southeasterly line of East Cypresswood Drive (100 foot wide right-of-way), from which a 60D nail bears North 43 degrees West, a distance of 0.91 feet and from which a 5/8 inch iron rod bears South 41 degrees East, a distance of 1.09 feet;

THENCE, along the southeasterly line of East Cypresswood Drive, North 55 degrees 45 minutes 37 seconds East, for a distance of 15.29 feet to a 5/8 inch iron rod found marking the point of curve, of a curve to the left;

THENCE, continuing along the southeasterly line of East Cypresswood Drive, along said curve to the left having a central angle of 28 degrees 27 minutes 18 seconds, a radius of 2050.00 feet, for an arc distance of 1018.10 feet (chord bears North 41 degrees 31 minutes 58 seconds East, a distance of 1007.67 feet) to a capped 1/2 Inch iron rod (cap illegible) found for corner;

THENCE, along the southeasterly line of a tract recorded under Harris County Clerk File No. 20120589542, North 55 degrees 48 minutes 09 seconds East, for a distance of 321.41 feet to a capped 5/8 inch iron rod marked "1ST AMER 4052532444" set for an angle point;

THENCE, along the southeasterly line of a called 21.213 acre tract described In a deed recorded under Harris County Clerk File No. 3075451, North 56 degrees 16 minutes 38 seconds East, for a distance of 114.47 feet to the northeast corner, being in the centerline of Lemm Gully as described by deed recorded under Harris County Clerk File No. 20070224606;

THENCE, along the meanders of the centerline of said Lemm Gully the following courses and distances:

- 1) South 23 degrees 31 minutes 43 seconds West, for a distance of 79.04 feet to an angle point;
- 2) South 25 degrees 00 minutes 26 seconds East, for a distance of 46.12 feet to an angle point;
- 3) South 45 degrees 03 minutes 03 seconds East, for a distance of 44.82 feet to an angle point;
- 4) South 02 degrees 49 minutes 52 seconds East, for a distance of 39.59 feet to an angle point;

- 5) South 28 degrees 01 minutes 12 seconds West, for a distance of 57.37 feet to an angle point;
- 6) South 07 degrees 31 minutes 08 seconds West, for a distance of 97.11 feet to an angle point;
- 7) South 29 degrees 39 minutes 55 seconds West, for a distance of 96.31 feet to an angle point;
- 8) South 43 degrees 09 minutes 15 seconds West, for a distance of 405.62 feet to an angle point;
- 9) South 65 degrees 25 minutes 31 seconds West, for a distance of 68.94 feet to an angle point;
- 10) South 54 degrees 22 minutes 06 seconds West, for a distance of 50.95 feet to an angle point;
- 11) South 28 degrees 39 minutes 30 seconds East, for a distance of 74.76 feet to an angle point;
- 12) South 20 degrees 09 minutes 31 seconds East, for a distance of 101.81 feet to an angle point;  
South 40 degrees 08 minutes 56 seconds East, for a distance of 46.56 feet to an angle point;
- 13) South 49 degrees 50 minutes 33 seconds East, for a distance of 76.80 feet to an angle point;
- 14) South 42 degrees 27 minutes 06 seconds East, for a distance of 107.03 feet to a point for corner;

THENCE, along the northwest line of a called 5.0000 acre tract described in a deed recorded under Harris County Clerk File No. E570639, South 55 degrees 52 minutes 19 seconds West, for a distance of 156.30 feet to a 518 inch Iron rod found for corner;

THENCE, along the southwest line of said 5.0000 acres, south 34 degrees 25 minutes 38 seconds East, for a distance of 281.75 feet to a 1/a inch Iron rod found for .an angle point;

THENCE, along the southwest line of a called 4.00 acre tract described in a deed recorded under Harris County Clerk File No. E570641, South 34 degrees 16 minutes 47 seconds East, for a distance of 224.42 feet to a point for corner, being in the centerline of Lemm Gully as described by deed recorded under Harris County Clerk File No. 20070224606;

THENCE, along the meanders of the centerline of said Lemm Gully the following 2 courses and distances:

- 1) South 05 degrees 36 minutes 10 seconds West, for a distance of 325.96 feet to an angle point;
- 2) South 23 degrees 21 minutes 58 seconds East, for a distance of 91.21 feet to the southeast corner;

THENCE, along the northwest line of a called 0.5881 acre tract described as Tract I in a deed recorded under Harris County Clerk File No. U887414, South 56 degrees 05 minutes, 30 seconds West, for a distance of 260.11 feet to the southwest corner, in the northeast line of said North Hill

Estates, Section 3, from which a I inch iron rod bears South 09 degrees East, a distance of 0.49 feet;

THENCE, along the northeast line of Lots 377, 378, 379, 380, 381, Block 15, the northeast line of Dresher Drive (60 foot wide right-of-way and access denied by a one foot reserve as recorded in Volume 157, Page 120 of the Harris County Map Records) and the northeast line of Lots 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, Block 29, all of said North Hill Estates, Section 3, North 33 degrees 54 minutes 43 seconds West, for a distance of 1382.40 feet to the POINT OF BEGINNING and containing **21.1583 acres of land**



**EXHIBIT "B"**

**Waiver of Special Appraisal**

**WAIVER OF SPECIAL APPRAISAL  
FOR THE BENEFIT OF  
HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 99**

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

THAT this Waiver of Special Appraisal (this "Waiver") is made and entered into as of \_\_\_\_\_ day of \_\_\_\_\_, 2019, for the benefit of **HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 99** (the "District"), a body politic and corporate and a governmental agency of the State of Texas, organized pursuant to the provisions of Article XVI, Section 59 of the Texas Constitution, and operating pursuant to Chapters 49 and 51 of the Texas Water Code, as amended, by **DREAMLAB DEVELOPERS, LLC**, a Texas limited liability company ("Owner"), a landowner within the District, and is made and entered into pursuant to Section 23.20, Texas Property Tax Code.

**RECITALS**

A. The District is created, organized and exists for the purposes of the construction, acquisition, maintenance and operation of a waterworks and sanitary sewer system for domestic and commercial uses. The District currently has ad valorem taxing jurisdiction over the property described in Exhibit "A" hereto (the "Property").

B. The purposes of the District in selling unlimited tax and/or revenue bonds (the "Bonds") is to provide, among other things, the funding of water and wastewater facilities (the "Facilities"). Such Facilities will be of benefit to all of the landowners within the boundaries of the District.

C. The parties acknowledge that (i) a tax base within the District based on the full appraised market value of the Property will be necessary to generate the necessary ad valorem tax revenues needed to service effectively the District's debt to be incurred in connection with the sale of the bonds, and (ii) the election by Owner, its successors or assigns, to claim agricultural, open-space, or timberland exemptions, or inventory valuation or a right to use any other mechanism now available or to be made available by any change in Texas law for the reduction of ad valorem tax liability with respect to real property (such exemptions, valuations and rights being referred to collectively herein as the "Tax Exemptions"), not including any residential homestead exemption, for the Property would be detrimental to such tax base and significantly impair the ability of the District to meet its debt obligations under the Bonds.

D. The Texas Commission on Environmental Quality (the "TCEQ") has required that Owner waive its right to a special appraisal provided by Subchapters C, D, E, F, or G of chapter 23 of the Texas Property Tax Code as to the District, pursuant to authority granted the TCEQ in Section 23.20(e), Texas Property Tax Code.

### AGREEMENT

NOW THEREFORE, for and in consideration of the promises recited above, and the mutual promises, covenants, obligations and benefits of this Waiver, the District and Owner hereby contract, agree and covenant as follows:

Section 1. Waiver of Tax Exemptions. Owner, on behalf of itself, its successors and assigns, (i) irrevocably waives its right to claim any of the Tax Exemptions with respect to the Property for a period of twenty-five (25) years beginning with the 2019 tax year or such later time as permitted by Commission rules, as to the taxing jurisdiction of the District, and (ii) authorizes the District to file this Waiver with the Chief Appraiser of the Harris County Appraisal District within ten (10) days of the date hereof, and (iii) covenant that they will not make any claim for a special appraisal except on approval of the District's Board of Directors upon a finding that revocation of this Waiver will not materially impair the contractual, bond, or other debt obligations of the District wholly or partly payable from property taxes to which the Property is subject, and on written authorization of the TCEQ. Owner acknowledges that it may have the right under Article 8 of the Texas Constitution to assert some or all of the Tax Exemptions which it is waiving herein, and agrees that it shall be estopped from claiming such Tax Exemptions for so long as this Waiver shall remain in effect, provided, however, it is expressly acknowledged and agreed that mechanisms for single family residences now available or to be made available by any change in Texas laws for the reduction of ad valorem tax liability with respect to real property, such as exemptions for homesteads, disabled veterans, and elderly homesteads, are not included in the definition of Tax Exemptions and are expressly allowed, to the extent such exemptions would be otherwise available, with respect to the Property.

Section 2. Disclosure of Lienholders. Owner represents and warrants that there are no lienholders on the property it owns that is within the boundaries of the District.

Section 3. Reliance of District on Waiver. The District will rely, in significant part, on the covenants made by Owner hereunder in issuing its Bonds.

Section 4. Enforceability. The covenants and restrictions binding the Property hereunder shall be enforceable only by the District and its successors and assigns.

Section 5. Termination. This Waiver shall continue in full force and effect until such time as the District approves a revocation by official action of its Board of Directors, upon a finding by the Board that the revocation of the Waiver would not materially impair the contractual, bond, or other debt obligations of the District wholly or partly payable from property taxes to which the Property is subject, and on written authorization of the TCEQ.

Section 6. Severability. Every provision of this Waiver is intended to be severable. In the event any term or provision hereof is declared to be illegal or invalid for any reason whatsoever by a court of competent jurisdiction, or by act of the Texas Legislature, such illegality or invalidity shall not affect the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable to the maximum extent permitted by law, it being the intent of the parties hereto to give full force and effect to the agreements made hereunder to the maximum extent permitted by law.

Section 7. Headings. The Section headings are included in this instrument for convenience and reference only, and shall not be deemed to affect the substantive provisions of this Waiver.

[THE REMAINDER OF THIS PAGE INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Waiver in multiple counterparts, each of equal dignity, as of the date and year set forth on the first page hereof.

**DREAMLAB DEVELOPERS, LLC,**  
a Texas Limited Liability Company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF TEXAS       §  
                                  §  
COUNTY OF HARRIS   §

Before me on this day, personally appeared \_\_\_\_\_, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that the instrument was the act of \_\_\_\_\_, as the sole manager of **DREAMLAB DEVELOPERS, LLC**, a Texas limited liability company, and that he executed the instrument as the act of said limited liability company for the purposes and consideration expressed therein, by proper authority, and in the capacity stated in the instrument.

Given under my hand and seal of office this \_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
Notary Public in and for the State of Texas

(SEAL)

**EXHIBIT "C"**

**Form of Restrictions**

**DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS**

THE STATE OF TEXAS     §  
                                      §  
COUNTY OF HARRIS             §

This DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (this "Declaration") is made on this the \_\_\_\_ day of \_\_\_\_\_, 2019 (the "Effective Date"), by **DREAMLAB DEVELOPERS, LLC**, a Texas limited liability company ("Declarant"), to impose certain covenants, conditions and restrictions on certain property in Harris County, Texas, in or to be located within the boundaries of **HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 99** (the "District"), a political subdivision of the State of Texas, created under Section 59, Article XVI, Texas Constitution and operating under Chapters 49 and 51 of the Texas Water Code (the "District"), to be recorded in the Real Property Records of Harris County, Texas.

**RECITALS**

WHEREAS, Declarant is the owner of the real property situated in Harris County, Texas, legally described in Exhibit "A", attached hereto and made a part hereof for all purposes (the "Property"); and

WHEREAS, the Property is now or will be located within the boundaries of the District; and

WHEREAS, Declarant desires to provide a general and uniform plan designed to govern and control the development and use of the Property for multifamily residential purposes, and to enhance and protect the value, desirability and attractiveness of the Property by imposing upon and against the Property the covenants, conditions and restrictions set forth herein (the "Restrictions");

WHEREAS, Declarant owns all of the land area in the Property and is authorized to make this Declaration; and

WHEREAS, the District has consented to make water and wastewater services available to the Property and/or purchase certain facilities to serve the Property from Declarant based on representations from Declarant with respect to the nature and quality of the development on the Property, operation of the Property and the ad valorem tax revenue which will be derived from the Property and the development thereon;

NOW THEREFORE, Declarant declares for itself and its successors and assigns, that the Property, and such phases, additions, or subdivisions as may hereafter be created, is and shall be



held, transferred, sold, conveyed, occupied, and enjoyed subject to the Restrictions set forth below.

The above Recitals are hereby incorporated herein and made a part hereof, as follows:

I.

RESTRICTIONS

1.1 Construction Restriction. Any multi-family residential development constructed on the Property shall be constructed as a Class A multifamily residential development. For purposes of the Restrictions, Declarant stipulates that a "Class A multifamily residential development" is a multifamily residential development which contains the following characteristics:

- (a) Built to or near investment grade standards and at the most desirable location Declarant stipulates that the Property is a "most desirable location". "Investment grade" means real property that is of sufficient quality and size to be eligible at the time of initial construction for inclusion in large, high-quality institutional portfolios;
- (b) Contains amenities and building materials that are typically considered top of the line at the time of initial construction of the development in question for multifamily residential developments in the suburban Harris County, Texas area, such as some or all of the following: granite countertops, exterior stone and/or stucco, pool, pets accepted, alarm system, entrance gates, covered parking, garage, washer/dryers and clubhouse; and
- (c) Consists of buildings of two (2) or more stories.

The Restriction in this Section 1.1 shall be satisfied by:

- 1. Approval by the District of the Multifamily Residential Amenity Form (the "Amenity Form") filed by the Declarant with the District and accepted by the District prior to construction, attached hereto as Exhibit "B".
- 2. Certification by the Declarant's architect that all proposed amenities and building materials requiring construction features on the Amenity Form are included in final construction plans for the development of the Property; and
- 3. Certification by the Declarant's architect that the amenities and building materials on the Amenity Form (or otherwise established) requiring construction features have in fact been constructed.

Each of the approvals and/or certifications above shall be made in good faith and the District shall cause a determination with respect to the Amenity Form to be made by no later than forty-

five (45) days after submittal of a request by an owner of the affected portion of the Property. Failure by the District to respond within forty-five (45) days of a written request shall be deemed approval thereof. In the event the District reasonably determines that any certifications hereunder are inaccurate, and such inaccuracy continues for sixty (60) days after written notice from the District to the owner of the Property creating such inaccuracy, plus such reasonable period of time if the nature of such inaccuracy requires additional time (so long as the affected owner is acting diligently to cure the inaccuracy), the District may consider such an event as a violation of the Restrictions, the Utility Commitment and the Rate Order.

1.2 Operations Covenant. Declarant covenants and agrees that any multi-family residential development constructed on the Property will be operated following construction as a "Class A multifamily residential development," as set forth hereinabove, and that all of the amenities and services will be maintained during the term of these Restrictions, subject to damage by casualty, or, at the option of the affected owner to rebuild any damaged amenity, replaced by other amenities common to other Class A multifamily residential developments built after the Effective Date.

1.3 No Tax Exemption Restriction. Declarant has previously executed a Waiver of Special Appraisal (the "Waiver") with respect to the Property, prior to this Declaration, the expectation of the continuation of which throughout the term of these Restrictions has been relied upon by the District. In furtherance of the Waiver, Declarant covenants and agrees that any multi-family residential development constructed on the Property will be constructed and operated without the use or benefit of any tax exemption or tax subsidy, including low income housing tax credits. The restriction in this Paragraph 1.3 is not intended to discriminate against any person or group because of race, ethnicity, color, creed, national origin or sexual orientation, but is intended to maintain the ad valorem tax value and the income upon which the request for annexation, the utility commitment to serve the Property and/or approval of the agreement by the District to purchase utility facilities from the Declarant was granted.

1.4 Change in Use. In the event the Property is not developed for or is no longer used for multifamily residential purposes and is developed or used for any purpose permitted by the District's Order Amending Consolidating Order Regarding Water and Sewer Connections, Rates and Use adopted by the District (the "Rate Order") as it may be amended in accordance with laws from time to time, the Amended and Restated Policy, Procedures and Application for Water and Sewer Service, Annexation and/or the Developer Reimbursement (the "Service Policy"), these Restrictions shall be of no force or effect upon the issuance by the District of a utility commitment for the new use of the Property or any portion of the Property affected by the change in use. Nothing in this Declaration shall require a multifamily use of all or any portion of the Property.

1.5 Access Restriction. Declarant covenants and agrees that if any access to the Property is created from Dresher Street, that access will be for emergency vehicles only and that no general access by residents or service vehicles will be permitted.

1.6 Security Fencing. Declarant covenants and agrees that prior to starting any construction on the Property it shall construct an eight (8') foot wooden security fence with a rot board, on the Property along the western boundary of the Property. The fence shall be made of

western red cedar with a picket grade of 2 or better. The rot board and rails shall be made of pressure treated pine, and the fence posts shall be 4" by 4" pressure treated pine or galvanized schedule 40 steel round posts with a 2-3/8" diameter. The fence shall be properly maintained and replaced by the Declarant as necessary to prevent the fence from falling down or rotting.

## II.

### ENFORCEMENT

2.1 Enforcement. Only the District has the power to enforce the Restrictions. The District may prosecute in the appropriate court a suit at law or in equity to prevent any violation or attempted violation of the Restrictions and to recover damages expenses or fines as provided in the Rate Order or by law for any violation or attempted violation, including, but not limited to, reasonable attorney's fees. The District shall give at least sixty (60) days' notice to the Property owner of any violation and the steps required to correct such violation or attempted violation prior to taking any action to enforce cure such violation under this section. If the District has been furnished the name and address of the mortgagee of the portion of the Property in violation, it shall contemporaneously send notice of any violation or attempted violation to such mortgagee and give the mortgagee the same rights to cure a violation as the affected owner, plus such additional reasonable period of time to obtain possession of the property, so long as such mortgagee is using commercially reasonable efforts to obtain possession and cure the violation. In addition, in the event title to any portion of the Property shall be transferred by foreclosure or deed in lieu of foreclosure, the purchaser at foreclosure or the grantee of the deed in lieu of foreclosure shall not be liable for any damages that might have accrued by the acts or omissions of the defaulting owner of which the District failed to notify the mortgagee as provided above, and provided, however, such purchaser or grantee shall be liable for any violations first accruing during its period of ownership following notice of a default, and after passage of a reasonable period of time for such purchaser or grantee to remedy such default.

2.2 Rate Order Violation. Failure to construct or operate the Property in accordance with the Restrictions and the continuation of such failure after applicable notice and opportunity to cure shall be a violation of the Utility Commitment delivered by the District to the Declarant and may be enforced by the District as a violation of the terms of the Utility Commitment and the Rate Order with respect to the Property, but not any other property covered thereby.

2.3 Tax Exemption. Upon the granting by the Harris County Appraisal District or other appropriate agency to any owner of the Property or any portion of the Property a Tax Exemption (as defined in the Waiver) of any kind, except: (a) a homestead exemption to the extent the District grants a homestead exemption for similarly situated taxpayers in the District in the event the Property becomes a condominium or other individually owned residential property or (b) with prior written consent from the District. The Utility Commitment with respect to the Property shall terminate without further notice.

### III.

#### MISCELLANEOUS PROVISIONS

3.1 Restrictions and Covenants to Run With the Land. The foregoing Restrictions are adopted as part of and shall apply to each and every portion of the Property. Such Restrictions are equally for the benefit of all subsequent owners of parcels of the Property or any portion thereof, and accordingly, shall be covenants running with the land. If the Property is ever subdivided, liability shall be limited to the owner of the affected portion of the Property which violates these Restrictions and no action may be taken, directly or indirectly, against the other owners. Upon a sale or other transfer of all or a portion of the Property, the transferring owner shall be relieved of any unaccrued liability under these Restrictions.

3.2 Term and Amendment. The term of the Restrictions shall be for a period of twenty (20) years, and shall then terminate; provided, however, the term shall end sooner if the Property shall be annexed into the City of Houston. The Restrictions may be amended from time to time by the owner(s) of at least fifty-one (51%) percent of the land area in the Property. Notwithstanding the foregoing, no amendment or modification by Declarant shall be effective without the advance written consent of the District and all mortgagees of the affected portions of the Property.

3.3 Severability. Invalidation of any one of the Restrictions contained in this document, by judgment or court order, shall in no way affect any of the other provisions hereof which shall remain in full force and effect.

3.4 Consent to Restrictions. Every person who now or hereafter owns or acquires any right, title or interest in or to any of the Property shall be conclusively deemed to have consented and agreed to every covenant, condition and restriction contained herein, whether or not any reference to this Declaration is contained in the instrument by which such person acquires an interest in the Property.

3.5 Other Applicable Laws. Notwithstanding the provisions contained herein, all development on the Property shall be in accordance with all applicable local, state and federal laws.

3.6 Estoppel Letters. Within forty-five (45) days of a written request from time to time by an owner of all or any portion of the Property, the District shall execute and deliver a letter certifying as to the status of this Declaration and such other matters related hereto as may be reasonably requested and customary for properties encumbered by restrictive covenants.

EXECUTED to effective on the Effective Date.

DECLARANT:

**DREAMLAB DEVELOPERS, LLC,**  
a Texas limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF TEXAS           §

§

COUNTY OF HARRIS       §

BEFORE ME, the undersigned authority, on this day personally appeared \_\_\_\_\_, **DREAMLAB DEVELOPERS, LLC**, a Texas limited liability company, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed and in the capacity therein stated, and as the act and deed of said limited liability company.

Given under my hand and seal of office, this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
Notary Public in and for the State of Texas

**JOINDER BY THE DISTRICT**

**HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 99**, a conservation and reclamation district, a body politic and corporate and political subdivision of the State of Texas, created and operating pursuant to Article XVI, Section 59 of the Constitution of the State of Texas and Chapters 49 and 51, Texas Water Code (the "District"), joins in the execution of to the foregoing Declaration of Covenants, Conditions and Restrictions (the "Declaration"), to evidence its acceptance of the provisions of the Declaration applicable to it, including, without limitation, any provisions requiring actions or standards of performance by the District.

**HARRIS COUNTY WATER CONTROL AND  
IMPROVEMENT DISTRICT NO. 99**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF TEXAS       §  
                                  §  
COUNTY OF HARRIS   §

BEFORE ME, the undersigned authority, on this day personally appeared **MONTE L. COOPER, PRESIDENT** of **HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 99**, a conservation and reclamation district, a body politic and corporate and political subdivision of the State of Texas, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

Given under my hand and seal of office this \_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
Notary Public in and for the State of Texas

**EXHIBIT A - Declaration of Covenants, Conditions and Restrictions**  
**Property Description**



## EXHIBIT B - Declaration of Covenants, Conditions and Restrictions

### HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 99

#### MULTI-FAMILY RESIDENTIAL AMENITY FORM

Name of Development: \_\_\_\_\_ (the "Project")

Location: \_\_\_\_\_ (see attached for legal description)

A. Pre-Development Submittal Checklist to be submitted with Amenity Form:

1. Site Plan (to include)
  - Project Name
  - Location
  - Unit Count
  - All buildings and amenities
2. Building Renderings/Elevations

B. Select the proposed Building Materials and Amenities for the Project from the list below and add any other applicable amenities:

**Building Materials:**

Exterior: \_\_\_\_\_

Interior: \_\_\_\_\_

Countertops: \_\_\_\_\_

**Amenity Check List:**

- \_\_\_\_\_ Outdoor resident and guest lobby or living area with conversational seating
- \_\_\_\_\_ Pool(s)
- \_\_\_\_\_ Courtyard with outdoor dining and barbeque areas
- \_\_\_\_\_ Dog Park
- \_\_\_\_\_ Pet Washing Station
- \_\_\_\_\_ Screening Room with HDTV (Media Room)
- \_\_\_\_\_ Fitness Center
- \_\_\_\_\_ Car Charging Stations (Number of charging stations: \_\_\_\_\_)

_____	Car Wash Station
_____	Online payments available
_____	Covered Parking (Number of spaces: _____)
_____	Outdoor media lounge
_____	Coffee Lounge
_____	Clubhouse
_____	Pets Allowed
_____	Play Ground
_____	Storage Units (Number of storage units: _____)
_____	Wi-Fi (in common areas)
_____	_____
_____	_____
_____	_____

**Developer Certification:**

The Developer hereby certifies that the Project will be a Class-A multi-family development built in accordance with the submitted site plan, elevations and renderings and that all proposed amenities selected above and specified on the site plan, elevations and renderings attached hereto (the "Plans") will be constructed or under construction prior to occupancy of the first unit and that all of the building materials and amenities listed on this Amenities Form will be offered and operated in accordance with the Restrictions. The Developer will not make any material changes in its plan of development, as set forth on the submitted elevations and rendering site plan, affecting either the number of buildings in the development or the offered amenities without first obtaining written approval from the District. Developer certifies that true and complete copies of the required documents are attached hereto and the representations and warranties made by the Developer in the documents are true and correct.

**Developer**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_, 20\_\_

**District Approval of Plans:**

Execution of this document by the District shall evidence the District's approval of Developer's site plan elevations, renderings, and specification of amenities attached hereto ("Plans") and shall confirm the District's agreement that the Plans satisfy the District's requirement for construction of a Class A multi-family residential development, subject to the enforcement and other provisions of the Restrictions.

**HARRIS COUNTY WATER CONTROL AND  
IMPROVEMENT DISTRICT NO. 99**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_, 20\_\_

**Architect's Design Certification:**

I, the undersigned, am the Architect for the Project and I hereby certify that the Plans include all building materials and amenities included in the Amenity Form and, to the best of my knowledge, included in the design and are included in the final construction drawings (i.e., those on which a building permit was obtained) as identified in the Plans attached hereto.

**Architect**

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_, 20\_\_

**Architect's Construction Certification:**

I, the undersigned, am the Architect for the Project and I hereby certify that the Project has been constructed substantially in accordance with the Plans certified above and all building materials and Amenities requiring physical characteristics in construction listed on the Amenity Form have been constructed in accordance with the Plans.

Architect

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_, 20\_\_\_\_

**EXHIBIT "D"**

**Form of Utility Commitment Letter**

**HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 99**

c/o JOHNSON PETROV LLP  
2929 Allen Parkway, Suite 3150  
Houston, Texas 77019

March 25, 2019

**Via Regular Mail and E-mail**

Mr. Alberto Rangel, Owner  
Mr. Diego Vilchis, CEO  
DreamLab Developers, LLC  
4444 Westheimer Road, Bldg. G  
Suite 325  
Houston, Texas 77027

RE: Harris County Water Control and Improvement District No. 99 (the "**District**"); Utility Commitment for 300 Unit Class A Multifamily Development and Commercial Complex, Located on Cypresswood Drive (the "**Utility Commitment**")

Gentlemen:

This will confirm that the Board of Directors of the District (the "**Board**") met on \_\_\_\_\_, 2019 and approved your request for the District's commitment to provide water and wastewater capacity to serve approximately 21.1583 acres described in Exhibit "A" (the "**Property**") for the purpose of providing service to a Class A multi-family development (the "**Development**") and a commercial complex.

The District has reserved and shall supply 350 ESCFs of water supply and wastewater treatment capacity for the Development (the "**Service Allocation**") for service to the Property, subject to verification of Developer's schedule and demand for services. Capacity will be allocated by the District as requests for allocation of capacity is requested by Developer. However, this confirmation of Utility Commitment is conditioned upon and subject to the following provisions:

1. Except as specifically provided herein, this Utility Commitment is nontransferable to any person, entity or property without the express written

consent of the District. The District shall not unreasonably withhold, condition or delay such consent so long as the provisions in the Annexation, Service and Financing Agreement By and Between Harris County Water Control & Improvement District No. 99 and Dreamlab Developers, LLC ("**Annexation, Service and Financing Agreement**"), attached hereto as Schedule 1 or other similar agreement between Dreamlab Developers, LLC and the District and the District's Rate Order ("**Rate Order**") attached hereto as Schedule 2 as it may be amended from time to time so long as the same shall be generally applicable throughout the District, are followed and so long as the transfer is to a subsequent purchaser of the Property proposing to utilize the same Service Allocation and land use as approved herein. Notwithstanding the foregoing, the District acknowledges that the Property is currently owned by Dreamlab Developers, LLC, a Texas limited liability company ("**Developer**"), and hereby consents to the assignment of this Utility Commitment by Developer to any entity of which Developer or its owners are a general partner, member or owner upon written notice to the District (Developer and such assignee collectively, "**Owner**"). To the extent this commitment is utilized for the Development, as a condition to the District providing the Property with the Service Allocation, and as a condition to the District's purchase or reimbursement of any utility facilities or sites serving the Property which may be agreed upon, the Owner, prior to approval by the District of any plans and specifications related to the Development for construction of improvements on the Property, shall execute and deliver to the District the Declaration of Covenants, Conditions and Restrictions (the "**Restrictions**") substantially in the form attached hereto as **Exhibit "B"**, which Owner and/or Developer shall record or cause to be recorded in the form which shall be approved by the District prior to service being connected. A consent from any lienholder on the Property shall be delivered to the District in a form requested by the District.

2. The District shall supply to the Property water and wastewater treatment capacity in the amount up to the Service Allocation; provided that the Service Allocation is subject to any restrictions on capacity or service imposed by the State of Texas or any other authority with jurisdiction, including permit limits, provided that such restrictions are applied and enforced uniformly throughout the District and on the same basis as other property in the District.
3. If the use capacity of the Property exceeds the Service Allocation, the District, in its reasonable discretion, shall have the right to limit future taps and connections to the Property or limit use of water and sewer capacity to the amount of the Service Allocation.
4. In the event construction has not commenced on the Property prior to twelve (12) months following the date of this Utility Commitment or construction is not prosecuted diligently to completion, subject to an event of Force Majeure, this Utility Commitment, as to the unused portion of the Service Allocation, shall be void and of no force or effect and must be requested again. The term "Force Majeure" shall mean an Act of God, fire, earthquake, flood, explosion, action of the elements, war, invasion, insurrection, riot, mob violence, terrorism, sabotage, strike, lockout, action of labor unions, requisitions, laws, orders of government or civil or military authorities, or other events beyond the reasonable control of



Owner (other than financial ability or economic conditions), which excuses, prevents, delays, retards or hinders the performance of an obligation or undertaking under this Utility Commitment (except for financial liability or economic conditions); provided that if Owner asserts the existence of an event resulting in Force Majeure pursuant to this paragraph 5, Owner must give written notice to the District notifying the District of such fact within ten (10) days following the date upon which Owner acquired actual knowledge of such an event and that the same has or will affect Owner's ability to perform.

5. All provisions of the District's Rate Order now or hereafter in force or any other lawful order or resolution of the District regulating water and/or sewer service shall govern service to the Property. The Development shall comply with the District's Rate Order and the Annexation, Service and Financing Agreement, including the Restrictions and any other multifamily amenity regulations. Because the Development will not receive garbage services, the rates charged shall not include any costs related to such service.
6. The District shall have the right to enter the Property at any reasonable time to inspect or test the Property, any connections or any other water or sewer facilities serving the Property, to verify the amenities have been constructed and are still being operated and to enforce the Restrictions.
7. This Utility Commitment is based upon and applies only to the types of facilities required to provide the Service Allocation.
8. In the event any utility facilities are to be dedicated to the District for maintenance, such utilities must be designed and constructed in accordance with all city, county and State requirements and must be approved by the District's Engineer, such approval not to be unreasonably withheld, conditioned or delayed. All such utility facilities shall be located in easements dedicated to the District and shall have a one (1) year warranty against any defect.
9. The Owner of the Property has executed or will execute a Waiver of Special Appraisal (the "**Waiver**") with respect to the Property, the expectation of the continuation of which throughout the Term has been relied upon by the District. In furtherance of the Waiver, Owner covenants and agrees that the Development will be constructed and operated without the use or benefit of any tax exemption or tax subsidy, including low income housing tax credits. This paragraph is not intended to discriminate against any person or group because of race, ethnicity, color, creed, national origin or sexual orientation, but is intended to maintain the ad valorem tax value and/or the utility revenues upon which the Utility Commitment to serve the Property and/or approval of the agreement by the District to purchase utility facilities from the Owner was granted.
10. Utility service to the Property may be terminated upon the granting by the Harris County Appraisal District or other appropriate agency to any owner of the Property or any portion of the Property a Tax Exemption (as defined in the Waiver) of any kind, except: (a) a homestead exemption to the extent the District grants a homestead exemption for similarly situated taxpayers in the District in

the event the Property becomes a condominium or other individually owned residential property or (b) with prior written consent from the District.

11. The District has the power to enforce the terms, provisions and conditions of this Utility Commitment as a violation of the agreements in this Utility Commitment and enforce this Utility Commitment pursuant to the terms, provisions and conditions of the District's Rate Order by any means available at law or in equity, including termination of utility services. The District may, but is not obligated, to prosecute in the appropriate court a suit at law or in equity to prevent any violation or attempted violation of this Utility Commitment and to enforce the Rate Order and to recover any amounts authorized under the Rate Order, including, but not limited to, reasonable attorneys' fees. Notwithstanding the foregoing, the District shall give at least thirty (30) days' prior written notice to the Owner of any violation and the steps required to correct it and thereafter such additional time to allow the Owner to cure such violations prior to the District taking any action of enforcement under this paragraph so long as such cure is pursued diligently to completion.
12. Neither party may file this Utility Commitment in the real property records of Harris County, Texas, provided, however, that either party may file a memorandum hereof in the form of **Exhibit "C"** attached hereto and incorporated herein.
13. This Utility Commitment shall be binding upon and shall inure to the benefit of the parties hereto and their successors and permitted assigns. Each subsequent owner of the Property shall be considered an Owner.
14. This Utility Commitment may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute but one and the same instrument.
15. Invalidation of any one of the provisions contained in this Utility Commitment by judgment or court order shall in no way affect any of the other provisions hereof which shall remain in full force and effect.

At such time as Owner wishes to first utilize the Service Allocation, Owner should contact the District's Operator and/or Engineer to ensure full compliance with all District rules, regulations and tap fees.

If the foregoing is in agreement with Owner's understanding of the conditions of the Board's commitment to you, please indicate your agreement by signing the duplicate original of this letter in the space provided below and return same to me at which time this Utility Commitment will become effective.

Should you have any questions, please do not hesitate to let me know.

Sincerely,

**DISTRICT:**

HARRIS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 99

By: \_\_\_\_\_

Name: Monte Lee Cooper, President

Title: Board of Directors

**ACKNOWLEDGED AND AGREED TO BY:**

**OWNER:**

DREAMLAB DEVELOPERS, LLC,  
a Texas limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title \_\_\_\_\_

## **EXHIBIT "A" to Utility Commitment Letter**

### **PROPERTY DESCRIPTION**

**A 21.1583 acre tract of land** being the same property described in a deed recorded under Harris County Clerk File No. 20070224606, located in the William Lemm Survey, Abstract Number 519, Harris County, Texas, and being more particularly described by Metes and Bounds as follows, with the bearings being based on the U.S. State Plane Coordinate System, NAD 83, Texas South Central Zone 4204:

BEGINNING at the northwest corner of the herein described tract, same being the northeast corner of Lot 391, Block 29, North Hill Estates, Section 3, recorded in Volume 157, Page 120 of the Harris County Map Records, on the southeasterly line of East Cypresswood Drive (100 foot wide right-of-way), from which a 60D nail bears North 43 degrees West, a distance of 0.91 feet and from which a 5/8 inch iron rod bears South 41 degrees East, a distance of 1.09 feet;

THENCE, along the southeasterly line of East Cypresswood Drive, North 55 degrees 45 minutes 37 seconds East, for a distance of 15.29 feet to a 5/8 inch iron rod found marking the point of curve, of a curve to the left;

THENCE, continuing along the southeasterly line of East Cypresswood Drive, along said curve to the left having a central angle of 28 degrees 27 minutes 18 seconds, a radius of 2050.00 feet, for an arc distance of 1018.10 feet (chord bears North 41 degrees 31 minutes 58 seconds East, a distance of 1007.67 feet) to a capped 1/2 Inch iron rod (cap Illegible) found for corner;

THENCE, along the southeasterly line of a tract recorded under Harris County Clerk File No. 20120589542, North 55 degrees 48 minutes 09 seconds East, for a distance of 321.41 feet to a capped 5/8 inch iron rod marked "1ST AMER 4052532444" set for an angle point;

THENCE, along the southeasterly line of a called 21.213 acre tract described In a deed recorded under Harris County Clerk File No. 3075451, North 56 degrees 16 minutes 38 seconds East, for a distance of 114.47 feet to the northeast corner, being in the centerline of Lemm Gully as described by deed recorded under Harris County Clerk File No. 20070224606;

THENCE, along the meanders of the centerline of said Lemm Gully the following courses and distances:

- 1) South 23 degrees 31 minutes 43 seconds West, for a distance of 79.04 feet to an angle point;
- 2) South 25 degrees 00 minutes 26 seconds East, for a distance of 46.12 feet to an angle point;
- 3) South 45 degrees 03 minutes 03 seconds East, for a distance of 44.82 feet to an angle point;
- 4) South 02 degrees 49 minutes 52 seconds East, for a distance of 39.59 feet to an angle point;

- 5) South 28 degrees 01 minutes 12 seconds West, for a distance of 57.37 feet to an angle point;
- 6) South 07 degrees 31 minutes 08 seconds West, for a distance of 97.11 feet to an angle point;
- 7) South 29 degrees 39 minutes 55 seconds West, for a distance of 96.31 feet to an angle point;
- 8) South 43 degrees 09 minutes 15 seconds West, for a distance of 405.62 feet to an angle point;
- 9) South 65 degrees 25 minutes 31 seconds West, for a distance of 68.94 feet to an angle point;
- 10) South 54 degrees 22 minutes 06 seconds West, for a distance of 50.95 feet to an angle point;
- 11) South 28 degrees 39 minutes 30 seconds East, for a distance of 74.76 feet to an angle point;
- 12) South 20 degrees 09 minutes 31 seconds East, for a distance of 101.81 feet to an angle point;  
South 40 degrees 08 minutes 56 seconds East, for a distance of 46.56 feet to an angle point;
- 13) South 49 degrees 50 minutes 33 seconds East, for a distance of 76.80 feet to an angle point;
- 14) South 42 degrees 27 minutes 06 seconds East, for a distance of 107.03 feet to a point for corner;

THENCE, along the northwest line of a called 5.0000 acre tract described in a deed recorded under Harris County Clerk File No. E570639, South 55 degrees 52 minutes 19 seconds West, for a distance of 156.30 feet to a 5/8 inch Iron rod found for corner;

THENCE, along the southwest line of said 5.0000 acres, south 34 degrees 25 minutes 38 seconds East, for a distance of 281.75 feet to a 1/4 inch Iron rod found for an angle point;

THENCE, along the southwest line of a called 4.00 acre tract described in a deed recorded under Harris County Clerk File No. E570641, South 34 degrees 16 minutes 47 seconds East, for a distance of 224.42 feet to a point for corner, being in the centerline of Lemm Gully as described by deed recorded under Harris County Clerk File No. 20070224606;

THENCE, along the meanders of the centerline of said Lemm Gully the following 2 courses and distances:

- 1) South 05 degrees 36 minutes 10 seconds West, for a distance of 325.96 feet to an angle point;
- 2) South 23 degrees 21 minutes 58 seconds East, for a distance of 91.21 feet to the southeast corner;

THENCE, along the northwest line of a called 0.5881 acre tract described as Tract I in a deed recorded under Harris County Clerk File No. U887414, South 56 degrees 05 minutes, 30 seconds West, for a distance of 260.11 feet to the southwest corner, in the northeast line of said North Hill



Estates, Section 3, from which a I inch iron rod bears South 09 degrees East, a distance of 0.49 feet;

THENCE, along the northeast line of Lots 377, 378, 379, 380, 381, Block 15, the northeast line of Dresher Drive (60 foot wide right-of-way and access denied by a one foot reserve as recorded in Volume 157, Page 120 of the Harris County Map Records) and the northeast line of Lots 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, Block 29, all of said North Hill Estates, Section 3, North 33 degrees 54 minutes 43 seconds West, for a distance of 1382.40 feet to the POINT OF BEGINNING and containing **21.1583 acres of land**

**EXHIBIT "B" to Utility Commitment Letter**  
**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**

[to be attached]

**EXHIBIT "C" to Utility Commitment Letter**  
**MEMORANDUM OF UTILITY COMMITMENT**

**MEMORANDUM OF AGREEMENT**

STATE OF TEXAS

§

§

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF HARRIS

§

This MEMORANDUM OF AGREEMENT (this "*Memorandum*") is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between HARRIS COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 99, a conservation and reclamation district of the State of Texas ("*DISTRICT*") and \_\_\_\_\_, a \_\_\_\_\_ ("*OWNER*").

FOR AND IN CONSIDERATION of One and No/100 Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, DISTRICT and OWNER hereby recite and agree as follows:

1. DISTRICT and OWNER have entered into that certain Utility Commitment dated the \_\_\_\_ day of \_\_\_\_\_, 20\_\_ (the "*Agreement*") (all capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement).

2. As more particularly set forth in the Agreement, as a condition to OWNER obtaining DISTRICT'S commitment to provide water and wastewater utility services in the amount of the Service Allocation to the Development located on the approximately \_\_\_\_\_ acres described by metes and bounds on Exhibit "A" attached hereto and incorporated herein (the "*Land*"), OWNER has agreed to comply with the terms, provisions and conditions of the Agreement as more particularly set forth therein.

3. This Memorandum does not alter, amend or modify the Agreement, but is executed for the purpose of recording in the Real Property Records of Harris County, Texas, to give notice of the rights and obligations of DISTRICT and OWNER in the Agreement, to which reference is here made for a full description of the rights and obligations of DISTRICT and OWNER. In the event of any conflict between the terms of the Agreement and this Memorandum, the Agreement shall control.

4. If construction has not commenced on the Land within \_\_\_\_\_ (\_\_\_\_) months following the date of the Agreement, the Agreement, as to the unused portion of the capacity allocated therein, shall be void and of no further force or effect.

5. This Memorandum may be executed in any number of counterparts, each of which shall be considered an original for all purposes; provided however, that all such counterparts shall constitute one and the same instrument. This Memorandum shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and assigns.

*[Signature Page to Follow]*

**EXECUTED** effective the date first written above.

**OWNER:**

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

THE STATE OF TEXAS       §

§

COUNTY OF \_\_\_\_\_ §

BEFORE ME, the undersigned authority, on this day personally appeared \_\_\_\_\_, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the act of the said \_\_\_\_\_, for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

By \_\_\_\_\_

Notary Public in and for the State of Texas

My Commission Expires: \_\_\_\_\_

**DISTRICT:**

**HARRIS COUNTY WATER CONTROL &  
IMPROVEMENT DISTRICT NO. 99**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: President

THE STATE OF TEXAS       §

§

COUNTY OF \_\_\_\_\_ §

BEFORE ME, the undersigned authority, on this day personally appeared \_\_\_\_\_,  
President of the Harris County Water Control & Improvement District No. 99, a  
\_\_\_\_\_, known to me to be the person and officer whose name is subscribed to the  
foregoing instrument, and acknowledged to me that the same was the act of the said  
\_\_\_\_\_, for the purposes and consideration therein expressed and in the capacity  
therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the \_\_\_\_\_ day of \_\_\_\_\_,  
20\_\_.

By \_\_\_\_\_

Notary Public in and for the State of Texas

My Commission Expires: \_\_\_\_\_

**After recording return to:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**EXHIBIT "A" to Memorandum of Utility Commitment Letter**

THE PROPERTY

(To Be Attached)



## SCHEDULE "A" AND MAP

### Facilities To Be Constructed Estimates only – final costs to be determined

#### Developer Facilities:

Capacity Reservation Fee Costs	\$325,000
District Annexation Expenses (to date)	35,000
Developer Annexation and Election Expenses	50,000
Site Costs (Water Plant and Lift Station only)	50,000
Sanitary Sewer Force Main & Lift Station	\$400 – 750,000
Estimated Construction	\$810,000 – \$1,160,000

#### District Facilities:

Water Line Loop	\$200,000
Off site Easements	6,000
Water Well	1,200,000
STP improvements/replacement	TBD

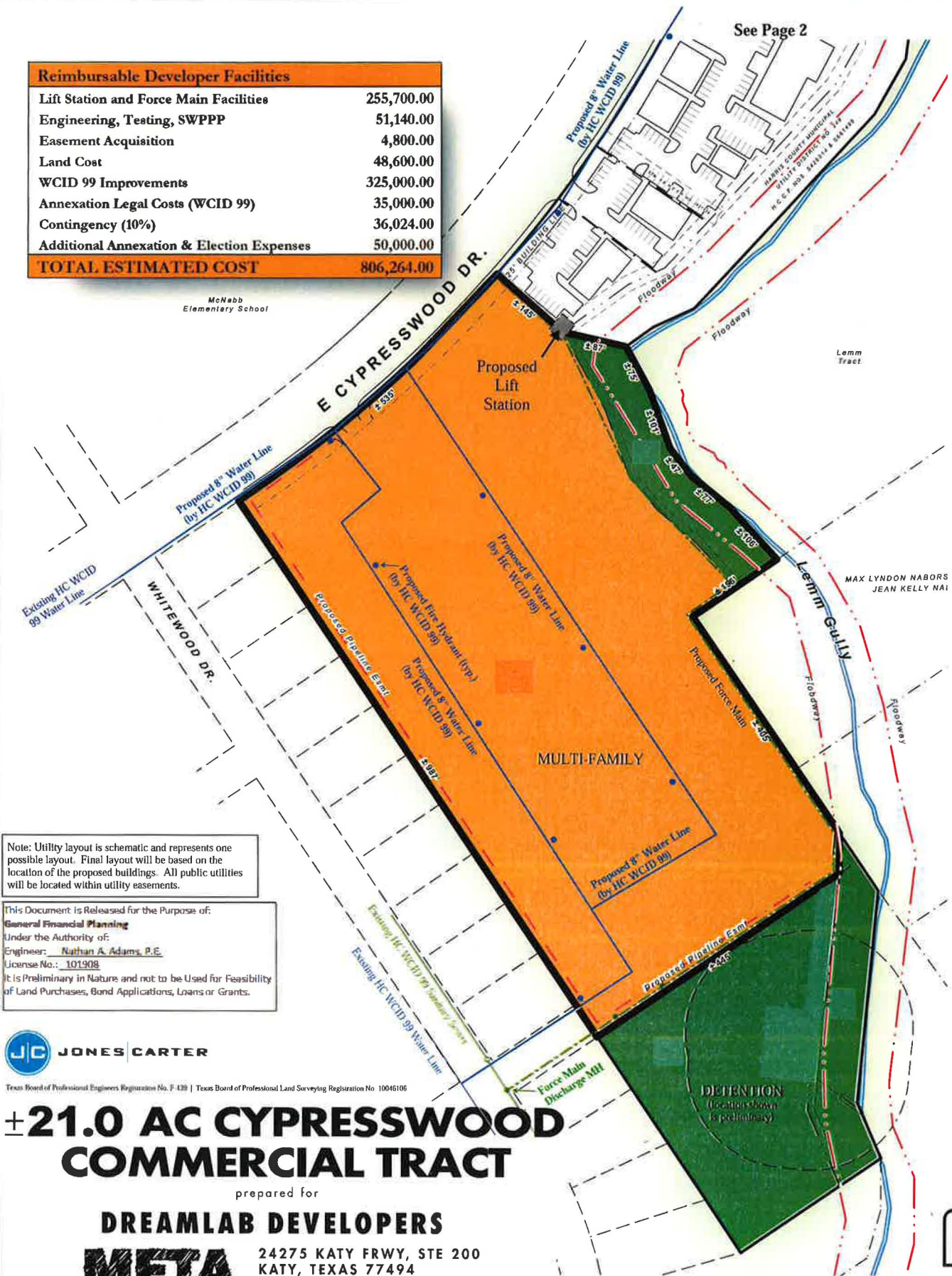
As determined by the District, additional facilities to serve the Property may be constructed and funded by the District.

### Reimbursable Developer Facilities

Lift Station and Force Main Facilities	255,700.00
Engineering, Testing, SWPPP	51,140.00
Easement Acquisition	4,800.00
Land Cost	48,600.00
WCID 99 Improvements	325,000.00
Annexation Legal Costs (WCID 99)	35,000.00
Contingency (10%)	36,024.00
Additional Annexation & Election Expenses	50,000.00
<b>TOTAL ESTIMATED COST</b>	<b>806,264.00</b>

McNabb  
Elementary School

See Page 2



Note: Utility layout is schematic and represents one possible layout. Final layout will be based on the location of the proposed buildings. All public utilities will be located within utility easements.

This Document is Released for the Purpose of:  
**General Financial Planning**  
Under the Authority of:

Engineer: Nathan A. Adams, P.E.  
License No.: 101908

It is Preliminary in Nature and not to be Used for Feasibility of Land Purchases, Bond Applications, Loans or Grants.



Texas Board of Professional Engineers Registration No. F. 429 | Texas Board of Professional Land Surveying Registration No. 10046106

# ±21.0 AC CYPRESSWOOD COMMERCIAL TRACT

prepared for

**DREAMLAB DEVELOPERS**

**META**  
PLANNING + DESIGN

24275 KATY FRWY, STE 200  
KATY, TEXAS 77494  
Tel: 281-810-1422  
[www.metaplanningdesign.com](http://www.metaplanningdesign.com)

Scale: 1"=100'

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a conceptual development plan for

# +21 AC CYPRESSWOOD DRIVE TRACT

prepared for

## DREAMLAB DEVELOPERS

**META**  
PLANNING + DESIGN

24275 KATY FRWY, STE 200  
KATY, TEXAS 77494  
Tel: 281-810-1422  
www.metaplanningdesign.com

Scale: 1"=100'

MTA-01104A  
MARCH 1, 2019

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