

HOBBY AREA MANAGEMENT DISTRICT



HOBBY AREA DISTRICT

Agenda and Agenda Materials
Meeting of the Board of Directors

November 10, 2016



HOBBY AREA DISTRICT

HARRIS COUNTY IMPROVEMENT DISTRICT NUMBER NINE MEETING

TO: THE BOARD OF DIRECTORS OF THE HOBBY AREA MANAGEMENT DISTRICT AND TO ALL OTHER INTERESTED PERSONS:

Notice is hereby given that a regular meeting of the Board of Directors of the Hobby Area Management District will be held on Thursday, November 10, 2016 at 1:00 PM in the Doubletree Hilton Hobby - 8181 Airport Blvd, Houston, TX 77061, inside the boundaries of the District, open to the public, to consider, discuss and adopt such orders, resolutions or motions, and take other direct or indirect actions as may be necessary, convenient, or desirable with respect to the following matters:

AGENDA

1. Determine quorum; call to order.
2. Receive public comments.
3. Approve minutes of meeting held October 13, 2016.
4. Receive Assessments Collection Report.
5. Receive Bookkeeper's Report and approve invoices for payment.
6. Receive, Consider and Adopt a Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions.
7. Designate Danny Perkins, Helen Bonsall, Jerry Lowry, and Jack Roland as authorized signers for the new Plus 4 Credit Union investment account.
8. Receive and consider:
 - a. Accept Hearing Examiner's Report and Proposal for Decision for public hearing regarding Supplemental Assessment Roll
 - b. Approve Order Supplementing the Assessment Roll and Levying Assessments Against the Property of the Supplemental Assessment Roll
 - c. Approve Order Setting the Rate of Assessment for all Properties on the District's Assessment Roll for Year four of the District's Service Plan
9. Receive an update and recommendations from the Budget Committee.
 - a. Consider and approve the FY2017 Budget
 - b. Consider and approve an Employee Handbook and a Staff Organizational Chart
 - c. Authorize the Executive Committee (Chair, Vice Chair, and Secretary) to finalize all necessary documents to hire staff per the Organization Chart and within the approved budget for a January 1, 2017 start date
 - d. Consider administrative and project manager contract with Hawes Hill Calderon, LLP
 - e. Consider and approve a contract with S.E.A.L. Security Solutions LLC for a start date of January 1, 2017
 - f. Consider and approve office lease agreement with 8121 Broadway Interests LLC and authorize the Executive Director to expend funds for office equipment, furniture, and technology within the approved budget to occupy the office and equip staff
10. Receive an update and recommendations from Environment, Urban Design, and Mobility Committee.
 - a. Consider and approve Broadway Enhancement Project payment applications and/or required change orders
 - b. Consider and approve a contract with Clark Condon Associates for detailed design and construction documents for METRO bus shelters along and adjacent to Broadway Street
11. Receive update from the Business & Economic Development Committee.
12. Receive update from Public Safety Committee.
13. Receive Executive Director's monthly report in support of the District's Service Plan.
14. Adjourn.


Executive Director

Persons with disabilities who plan to attend this meeting and would like to request auxiliary aids or services are requested to contact the District's Executive Director at 281-595-1200 at least three business days prior to the meeting so that the appropriate arrangements can be made.



HOBBY AREA MANAGEMENT DISTRICT
(HARRIS COUNTY IMPROVEMENT DISTRICT NUMBER 9)
CITY OF HOUSTON
HARRIS COUNTY, TEXAS

AGENDA MEMORANDUM

TO: Hobby Area Management District Board of Directors
FROM: Executive Director
SUBJECT: Agenda Item Materials

3. Approve minutes of the meeting held October 13, 2016.

**MINUTES OF THE MEETING OF THE
HOBBY AREA MANAGEMENT DISTRICT
BOARD OF DIRECTORS**

October 13, 2016

DETERMINE QUORUM; CALL TO ORDER.

The Board of Directors of the Hobby Area Management District held a regular meeting on Thursday, October 13, 2016, at 1:00 p.m. in the Doubletree Hilton Hobby, 8181 Airport Blvd., Houston, Texas 77061, inside the boundaries of the District, open to the public, and the roll was called of the duly appointed members of the Board, to-wit:

Position 1 - Danny Perkins, *Chairman*
Position 2 - Helen Bonsall, *Vice-Chair*
Position 3 - Todd Szilagyi
Position 4 - Jesus H. Saenz, Jr.
Position 5 - Ann Collum
Position 6 - Sue De Haven, *Secretary*

Position 7 - Marjorie Evans
Position 8 - Joe Edd Nelson
Position 9 - Darryl Bailey
Position 10 - Vic J. Zachary
Position 11 - Alberto Cardenas

and all the above were present, with the exception of Directors Perkins, Szilagyi, Evans, Bailey and Zachary, thus constituting a quorum. Also present were Jerry Lowry, Tony Allender, Linda Clayton and Elisa Rodriguez, all with Hawes Hill Calderon, LLP; Clark Lord, Bracewell LLP; Jack Roland, Governmental Financial Reporting, LLC.; and Jeff Sonnheim, Equi-Tax. Others attending the meeting were Eoles Whitaker, Office of State Rep. Garnet Coleman; Rhedonda Cox and O'Brien McFadden, both of SEAL Security; Sherry Weesner, Scenic Houston; Jason Miller, Clark Condon; Maria Ramirez, Hobby Business Ambassador; Amber Ambrose, social media strategist; and Aaron Dominguez, Amegy Bank. Vice-Chair Bonsall called the meeting to order at 1:03 p.m.

RECEIVE PUBLIC COMMENTS.

Aaron Dominguez with Amegy Bank discussed a potentially new Amegy Bank branch being placed in the District on the I-45 corridor. He stated it would probably be a year before opening.

APPROVE MINUTES OF MEETING HELD SEPTEMBER 8, 2016.

Upon a motion duly made by Director DeHaven, and being seconded by Director Cardenas, the Board voted unanimously to approve the Minutes of the September 8, 2016, Board meeting, as presented.

1:07 p.m. Director Bailey arrived meeting.

RECEIVE ASSESSMENTS COLLECTION REPORT.

Mr. Sonnheim presented the Assessment Collection Report, included in the Board agenda materials. He reported a 98% collection rate on the 2015 assessments with no uncertified values. No action from the Board was required.

RECEIVE BOOKKEEPER'S REPORT AND APPROVE INVOICES FOR PAYMENT.

Mr. Roland presented the Bookkeeper's Report and went over invoices, included in the Board agenda materials. Staff answered questions regarding various invoices. Upon a motion duly made by Director DeHaven, and being seconded by Director Collum, the Board voted unanimously to accept the Bookkeeper's Report and approved payment of invoices, as presented.

RECEIVE AND CONSIDER FY2016 PROPOSAL FROM BELT HARRIS PECHACEK LLLP FOR CONDUCTING THE ANNUAL FINANCIAL REPORT AND AUDIT.

Mr. Lowry reviewed the proposal from Belt Harris Pechacek LLLP to prepare the FY2016 annual financial report and audit, and answered questions. He reported the fee estimate for the audit services was \$3,950.00 which was in line with the fees for the FY2015 audit. Upon a motion duly made by Director DeHaven, and being seconded by Director Nelson, the Board voted unanimously to approve the proposal from Belt Harris Pechacek LLLP to prepare the FY2016 annual financial report and audit for a fee estimate of \$3,950.00, as presented.

RECEIVE AN UPDATE FROM THE HOBBY AREA IMPROVEMENT CORPORATION (HAIC).

Mr. Lowry reported there were no items to report.

1:23 p.m. Director Evans arrived meeting.

RECEIVE AN UPDATE AND RECOMMENDATIONS FROM ENVIRONMENT, URBAN DESIGN, AND MOBILITY COMMITTEE.

Mr. Allender reported the Committee met on September 21, a copy of the Committee Minutes is included in the Board agenda materials.

- a. **Consider and approve a maintenance agreement with the City of Houston as required for the Broadway Enhancement Project.**

Mr. Allender reviewed the Maintenance Agreement, included in the Board agenda materials, and answered questions. He reported the agreement outlined what the District is responsible for maintaining versus what the City is responsible to maintain. Mr. Lord stated the City will not allow anyone to put anything in the right of way unless it has the capacity to maintain the improvements. He stated the

Maintenance Agreement was a standard agreement that the City enters into with Districts for maintenance requirements for improvements in the right-of-way. Upon a motion duly made by Director Collum, and being seconded by Director DeHaven, the Board voted unanimously to approve the Maintenance Agreement, as presented.

- b. Consider and approve Broadway Enhancement Project payment applications and/or required change orders.**

Mr. Miller reviewed Pay Applications No. 2 and 3 and Change Orders No. 3, 4 and 5, included in the Board agenda materials. He stated Clark Condon has reviewed the pay applications and change orders and agrees with the amounts and quantities and recommends approval of the pay applications and change orders. Upon a motion duly made by Director DeHaven, and being seconded by Director Saenz, the Board voted unanimously to approve Pay Application No. 2 from Jerdon Enterprise in the amount of \$101,847.60, Pay Application No. 3 from Jerdon Enterprise in the amount of \$410,973.75, Change Order No. 3 from Jerdon Enterprise in the amount of \$20,014.85, Change Order No. 4 in the amount of \$132,000.00, and Change Order No. 5 in the amount of \$-147,965.00, as presented.

- c. Ratify the EUDM Committee's action to proceed with trimming trees for CenterPoint's installation of new street light standards.**

Upon a motion duly made by Director Collum, and being seconded by Director Nelson, the Board voted unanimously to ratify the Environmental, Urban Design and Mobility Committee's action to authorize proceeding with trimming trees for CenterPoint's installation of new street light standards.

- d. Consider and approve a proposal from Clark Condon & Associates to prepare maintenance specifications and cost estimates for the Broadway project.**

This item was tabled.

RECEIVE UPDATE FROM THE BUSINESS & ECONOMIC DEVELOPMENT COMMITTEE.

Mr. Lowry reported the Committee met on September 21, a copy of the Committee Minutes is included in the Board agenda materials.

- a. Consider and approve a contract with Malone Strategies LLC for event management and fund development for the 2017 State of the District luncheon and HobbyFest 2017.**

Mr. Lowry reported request for proposals were sent out for event management and fund development to secure sponsorships for HobbyFest 2017 and State of the District Luncheon 2017 and three responses were received. He reported three contracts are being presented to the Board for consideration (1) from Malone Strategies LLC to plan and execute the Hobby Fest 2017 in the amount of \$3,200.00; (2) from Malone Strategies LLC for event management of the State of the District Luncheon 2017 in the amount of

\$2,000.00; and (3) from Malone Strategies LLC to secure sponsorships for the State of the District Luncheon 2017 and Hobby Fest 2017 at a rate of ten percent (10%) of sponsorship funds received. There was general discussion regarding the 10% commission rate being a little high for fund raising. There was discussion regarding putting a \$100,000.00 donation cap per event at the 10% rate and anything after that being at a rate of 5%. Upon a motion duly made by Director Collum, and being seconded by Director Bailey, the Board voted unanimously to (1) approve the contract with Malone Strategies LLC for event management of the Hobby Fest 2017 in the amount of \$3,200.00, as presented; (2) approve the contract with Malone Strategies LLC for event management of the State of the District Luncheon 2017 in the amount of \$2,000.00, as presented; and (3) approve a contract with Malone Strategies LLC for fund development to secure sponsorships for Hobby Fest 2017 and for the State of the District Luncheon 2017 with a \$100,000.00 donation cap per event at the rate of 10% and funds received for sponsorships over \$100,000.00 at the rate of 5%.

RECEIVE UPDATE FROM PUBLIC SAFETY COMMITTEE.

Mr. Lowry reported the Public Safety Committee met on September 21, a copy of the Committee Minutes is included in the Board agenda materials. Officer McFadden presented the SEAL Security Incident Report, included in the Board agenda materials, and answered questions. Ms. Cox provided an update on the mobile security cameras in and around hotels in the District. No action from the Board was required.

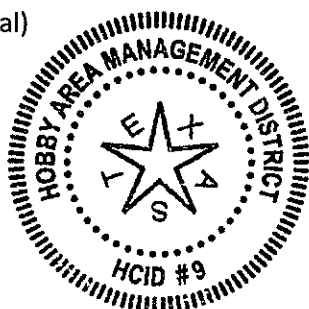
RECEIVE EXECUTIVE DIRECTOR'S MONTHLY REPORT IN SUPPORT OF THE DISTRICT'S SERVICE PLAN.

Mr. Lowry reported the Business Ambassador made 60 visits during the month. He stated the final Livable Centers Study workshop was conducted last week and the next step is to receive a draft report which is expected to be submitted by the end of the year. He stated there will be a comment period and hopefully the report will be finalized by January or February. No action from the Board was required.

ADJOURN.

There being no further business to come before the Board, Vice-Chair Bonsall adjourned the meeting at 1:56 p.m.

(Seal)



Secretary

HOBBY AREA MANAGEMENT DISTRICT
(HARRIS COUNTY IMPROVEMENT DISTRICT NUMBER 9)
CITY OF HOUSTON
HARRIS COUNTY, TEXAS

AGENDA MEMORANDUM

TO: Hobby Area Management District Board of Directors
FROM: Executive Director
SUBJECT: Agenda Item Materials

4. Receive the Assessment Collection Report.

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 9
ASSESSMENT COLLECTION REPORT
 October 2016
BILLING AND COLLECTION SUMMARY
FISCAL YEAR
01/01/16 - 12/31/16

YEAR	RATE	TOTAL LEVY	COLLECTIONS	RECEIVABLE	% COLLECTED
2015	0.15000	\$1,698,969.74	\$1,669,442.09	\$29,527.65	98%
2014	0.15000	\$1,524,880.22	\$1,517,047.23	\$7,832.99	99%
2013	0.15000	\$1,358,152.95	\$1,354,526.66	\$3,626.29	99%

Current Month Activity

Revenue:	Current Month	Year to Date
2015 Assessment Collected	2,859.07	1,393,348.50
2014 Assessment Collected	125.59	4,741.12
2013 Assessment Collected	9.05	4,505.68
Penalty & Interest	1,534.64	25,906.32
Overpayments	0.00	10,529.80
CAD Lawsuits	4,448.14	31,707.01
CAD Corrections	0.00	0.00
Collection Fees	1,795.31	11,527.38
Court Fees	0.00	0.00
Total Revenue	10,771.80	1,482,265.81
Overpayments Presented for Refund	4,448.14	40,930.41
Overpayments Applied to Assessment	0.00	0.00

ASSESSED VALUE FOR 2015:	1,146,248,828	Uncertified:	0
ASSESSED VALUE FOR 2014:	1,029,918,986	Uncertified:	0
ASSESSED VALUE FOR 2013:	919,950,929	Uncertified:	0

Assessment Collection Account: Wells Fargo, Account No. 3402018257

ASSESSMENT PLAN PROJECTIONS

YEAR	CURRENT RATE	PROJECTED LEVY 2%	COLLECTIONS @ 95%	CUMULATIVE COLLECTIONS	10 YEAR AVERAGE
2013	0.15000	1,358,153	1,290,245	\$1,354,526.66	
2014	0.15000	1,385,316	1,316,050	\$1,517,047.23	
2015	0.15000	1,413,022	1,342,371	\$1,669,442.09	
2016	0.15000	1,441,283	1,369,219		
2017	0.15000	1,470,108	1,396,603		
2018	0.15000	1,499,511	1,424,535		
2019	0.15000	1,529,501	1,453,026		
2020	0.15000	1,560,091	1,482,086		
2021	0.15000	1,591,293	1,511,728		
2022	0.15000	1,623,118	1,541,963		
		14,871,396	18,668,842		1,487,140

The Projected Levy is based on the rate remaining at 0.15000

Prepared by: Equi-Tax Inc.
 Collector for the District

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 9

October 2016					
TOP TEN ASSESSMENT PAYERS					
PROPERTY OWNER	ACCOUNT NOS	SITUS	PROPERTY TYPE	VALUE	ASSESSMENT
ARCP MT HOUSTON TX LLC 2325 E CAMELBACK RD STE 1100 PHOENIX AZ 85016-9078	1258210010001	0 MELDRUM 77075	WAREHOUSE STORE	34,931,454	52,397.18
	1260630010001	0 GULF FWY 77075			
	1260630010005	10013 ALMEDA GENOA RD 77075			
	1260630010006	10025 ALMEDA GENOA RD 77075			
	1260630010010	10009 ALMEDA GENOA RD 77075			
	1260630010011	0 MELDRUM 77075			
	1260630010012	0 ROWLETT ST 77075			
BROADWAY POST PARTNERS LLC 8205 SANTA MONICA BLVD STE 298 WEST HOLLYWOOD CA 90046-5967	0402390000108	8750 BROADWAY ST #222 77061	MULTI-FAMILY	31,253,764	46,880.65
	1141750000001	8955 BROADWAY ST #208 77061			
	0402390000101	8200 BROADWAY ST #224 77061			
	1097870000007	8900 GLENCREST ST #208 77061			
	1141690000001	8915 BROADWAY ST #200 77061			
	0402390000100	8601 BROADWAY ST #380 77061			
ACQUISITION BROADWAY SQUARE LLC 500 SKOKIE BLVD STE 200 NORTHBROOK IL 60062-2862	1097860000001	8751 BROADWAY ST #213 77061	MULTI-FAMILY	23,746,236	35,619.35
	1097860000002	7900 MORLEY ST #292 77061			
	1097860000003	8801 GLENCREST ST #322 77061			
	1097890000008	8950 GLENCREST ST #200 77061			
CENTER AMERICA PROPERTY TRUST LP 3901 BELLAIRE BLVD HOUSTON TX 77025-1100	1254930010002	10235 ALMEDA GENOA RD 77034	RETAIL CENTER	20,632,565	30,948.85
	1254930010001	10225 ALMEDA GENOA RD 77034			
ATRIUM FINANCE II LP MARRIOTT HOBBY 4243 HUNT RD BLUE ASH OH 45242-6645	0342030040003	9100 GULF FWY 77061	HOTEL	20,332,000	30,498.00
	0342030020130	9100 GULF FWY 77061			
	0342030020118	9100 GULF FWY #287 77017			
1859 HISTORIC HOTELS LTD 2302 POST OFFICE ST GALVESTON TX 77550-1935	0963850000001	8181 AIRPORT BLVD #303 77061	HOTEL	18,329,659	27,494.49
	0963850000003	0 RUTHBY 77061			
VIVA PROPERTIES LLC P O BOX 405 LOLITA TX 77971-0405	0971580000001 1199160010001 0971580000002	0 VILLA DR 77061 0 NEUHAUS AVE 77061 8300 TEWANTIN DR	WAREHOUSE	18,264,385	27,396.58

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 9

October 2016					
TOP TEN ASSESSMENT PAYERS					
POWELL ELECTRICAL SYSTEMS LLC 8550 MOSLEY RD HOUSTON TX 77075-1116	1193970010001	7232 AIRPORT BLVD 77061	MANUFACTURING	17,622,467	26,433.70
C G 7600 LP % GARVER 1901 LEXINGTON ST HOUSTON TX 77098-4219	0421910000006 0421910000117	7600 S SANTA FE DR 77061 7600 S SANTA FE DR 77061	WAREHOUSE	16,490,445	24,735.67
INLAND DIVERSIFIED HOUSTON OREM LLC P O BOX 460069 ESCONDIDO CA 92046-0069	1307400010001 1296790010001	6905 E OREM DR 77075 6903 E OREM DR 77075	TRUCK TERMINAL	22,614,009	23,098.22

HARRIS COUNTY IMPROVEMENT DISTRICT 9

October 2016					
TOP TEN DELINQUENT ACCOUNTS					
PROPERTY OWNER	ACCOUNT NO	SITUS	PROPERTY TYPE	ASSESSMENT YEAR(S)	ASSESSMENT
RMF PLANT LLC 7922 HANSEN RD HOUSTON TX 77061-3429	91 034 203 002 0081	7922 HANSEN RD 77061	WAREHOUSE	2015	3,537.91
MOTEL 6 NO 1086 1020 BRAND LN STE 525 STAFFORD TX 77477-5757	91 034 203 001 0083	8800 AIRPORT BLVD #124 77061	HOTEL / MOTEL	2015	2,860.94
HAMS AVIATION MAINTENANCE SRV INC 7766 BRANIFF ST HOUSTON TX 77061-5120	91 043 228 000 0031	8703 TELEPHONE RD 77061	STORAGE HANGAR	2013 - 2015	2,146.33
MERRIKH JAMILEH 8105 HOWARD DR HOUSTON TX 77017-4622	91 034 203 003 0126	8342 MOSLEY RD 77075	WAREHOUSE	2014 - 2015	1,952.05
ALMEDA ROWLETT RETAIL WEST LP 910 TOWN AND COUNTY BLVD STE 210 HOUSTON TX 77024	91 129 785 001 0005	0 ALMEDA GENOA RD 77075	VACANT	2015	1,803.69
VALDERRAMA A C & REFRIGERATION INC 12002 SAGEDOWNE LN HOUSTON TX 77089-4720	91 048 001 000 0190	8412 HANSEN RD 77075	WAREHOUSE	2015	1,715.83
FURNITURE BANK 2100 HUSSION ST HOUSTON TX 77003-5629	91 034 203 002 0122	8220 MOSLEY RD 77075	WAREHOUSE	2014	1,484.20
ZEENAT FOUNDATION 9703 RICHMOND AVE STE 108 HOUSTON TX 77042-4654	91 123 643 001 0001	0 MONROE RD 77075	VACANT	2013 - 2015	1,344.05
STMS INC DBA SOUTH TEXAS ADULT DAY ACTIVITY CENTER 2602 GRANITE CT PEARLAND TX 77584-9155	91 070 072 027 0017	6011 TELEPHONE RD 77087	DAY CARE CENTER	2013 - 2015	1,204.42
DUFFY GREGORY T 8102 BRANIFF ST HOUSTON TX 77061-5202	91 069 003 009 0001	8102 BRANIFF ST 77061	WAREHOUSE	2013 - 2015	962.61
* Pending HCAD Value Lawsuits					

**Harris County Improvement District No. 9 / Hobby Area
Lawsuit and Arbitration Status Summary as of 9/16/2016**

Jur 943

Summary

Settled

1,500,417,278	Original value of Settled accounts as of 9/16/2016
486	Number of Settled accounts as of 9/16/2016
217,434,866	Reduction in value of Settled accounts
14.49%	Average % reduction in value of Settled accounts*

Unsettled

135,087,617	Original value of Unsettled accounts as of 9/16/2016
49	Number of Unsettled accounts as of 9/16/2016

.15 Tax rate per \$100 valuation

\$29,365	Estimated* reduction in assessment on 49 Unsettled accounts, based on 14.49% average
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** Historical data from Tax Years 2007 through 2012 were used to establish initial statistics for the
"average % reduction in value of Settled accounts."*

PERDUE, BRANDON, FIELDER, COLLINS & MOTT L.L.P.
DELINQUENT ASSESSMENT REPORT
HARRIS COUNTY IMPROVEMENT DISTRICT #9
November 10, 2016

Amounts shown are 2015 base assessment amounts unless indicated.

Suit pending:

RMF Plant LLC \$3,537.91, 7922 Hansen Rd.-0342030020081

We have intervened in a suit filed by Pasadena ISD; we will monitor the case.

Jamileh Merrikh 14-15 assessments \$1,952.05, 8342 Mosley Rd. – 0342030030126

We have intervened in a suit filed by Harris County; a new trial date is set for 11/16/16.

We have also intervened in a suit filed by Pasadena ISD. We will monitor both cases.

Valderrama AC & Refrigeration Inc. \$1,715.83, 8412 Hansen Rd.-0342030010058

We have intervened in a suit filed by Pasadena ISD; we will monitor the case.

The Furniture Bank 14 assessments \$1,484.20, 8220 Mosley Rd. – 0342030020122

We have intervened in a suit filed by Pasadena ISD; we will monitor the case. HCAD has granted a total exemption for 2015 and a partial exemption for 2014. The assessment office has received and processed the correction and the 2014 assessment amount due has been reduced.

Zeenat Foundation 13-15 assessments \$1,344.05, Reserve A Block 1 on Monroe Rd. – 1236430010001

We have intervened in a suit filed by Pasadena ISD; we will monitor the case.

STMS Inc. dba South Texas Adult Day Activity 13-15 assessments \$1,204.42, 6011 Telephone Rd.-0700720270017

We have intervened in a suit filed by Harris County; we will monitor the case. They recently committed to pay in 3 installments; the first payment is due on 11/30.

Agbolade O. Odutayo \$640.23, 7634 Bellfort St. – 0950630000020

We have intervened in a suit filed by Harris County; we will monitor the case.

Marvell Services LLC 14-15 assessments \$557.13, West 1/2 of Tract 7 Block 12 on Tavenor Ln.-0342070120007

We have intervened in suits filed by Harris County and Pasadena ISD; the account has been **paid in full**.

McKenzie Heirs Partnership \$401.31, Tract 168B on Bryant St.-0342030030221

We have intervened in a suit filed by Harris County; the account has been **paid in full**.

Roy S. Moses 13-15 assessments \$235.87, 6818 Westover St. – 0741530010001

We have intervened in a suit filed by Harris County; we will monitor the case.

Katherine Atwood 13-15 assessments \$183.51, 9151 Wingtip Dr. – 0690030100027

We have intervened in a suit filed by Harris County; we will monitor the case.

Abraham Green 13-14 assessments \$142.04, vacant tract on Bellfort St. – 0410120010078

We have intervened in a suit filed by Harris County; judgment was signed on 5/11/15. The judgment is final; a judgment letter has been sent but there has been no response. The county has not set the property for tax sale because the owner has set up a payment agreement.

Edwin Meyer 13-15 assessments \$98.09, 6614 Heffernan St. – 0600770060004

We have intervened in a suit filed by Harris County; a trial date is set for 12/5/16.

Isiah Hunt 13-15 assessments \$94.50, Lot 18, Block 9 on Northdale St.-0600770090018

We have intervened in a suit filed by the county. A trial date was set for 10/5 but was passed; we will monitor the case.

Isiah Hunt 13-14 assessments \$63.00, Lot 17, Block 9 on Northdale St.-0600770090017

We have intervened in a suit filed by Harris County. A judgment that includes the 2013 and 2014 assessments was signed on 11/17/15. The judgment is final; a judgment letter has been sent but there has been no response. The county set the property for tax sale on 4/5/16 but the sale was postponed; the county has not set the property for tax sale at this time; we will monitor the case.

Estate of Khosrow Abtahi 13-15 assessments \$63.00, 6539 Northdale – 0600770090024

We have intervened in a suit filed by Harris County; judgment was signed on 3/29/16 but the county filed a motion for a new trial. The motion was granted and a new trial date was set for 8/31/16 but the trial was passed; we are monitoring the case.

Paid in full:

AHR Partners LP \$2,812.50, 9517 Alameda Genoa Rd.-0342070100045

Joel A. Ruth \$1,457.31, 6105 Nunn St. and Lot 11 Block 18 on Nunn St.-0620310060006, 0640650180011

Ruth Rental Real Estate Ltd. \$258.39, 3 lots on La Paseo St.-00620310090001, 0620310090006, 0620310090007

Richard Urdiales \$112.92, 6618 Heffernan St.-0600770060005

2015 accounts:

MP Hotels LLC \$2,860.94, 8800 Airport Blvd.-0342030010083

We spoke to the manager on 8/23 and he said that his brother was sending payment in full but the account is still due. We have called back several more times and left messages but they have not responded. We called again on 10/6 but there was no answer.

A statement has been sent to the lienholder, Jai Umiya Mata, LLC, a Texas limited liability company and another demand letter has been sent to the property owner.

Alameda Rowlett Retail West LP \$1,803.69, Reserve E Block 1 on Alameda Genoa Rd.-1297850010005

On 8/25, Jeanie Wright of Realm Realty requested an emailed statement, which was sent.

We spoke to Mr. Braband on 9/15 and he said that he had never received a bill until he received our demand letter. He said that the appraisal district has the wrong mailing address; we advised him to change his address with HCAD. We spoke to him again on 9/20 and he said he was going to contact the assessment office to discuss the account.

We spoke to Braband again on 10/13 and he requested an emailed statement which was sent.

- In addition to the 2015 accounts listed above, there are 34 accounts with 2015 base assessments ranging from \$10 to \$834; 30 of these accounts have base assessments of less than \$400. Demand letters have been sent, we are trying to reach each owner by phone and we are contacting lienholders, where appropriate.

Other accounts:

Ham's Aviation Maintenance Service Inc. 13-15 assessments \$2,146.33, improvements only account at 8703 Telephone Rd. – 0432280000031

We have spoken to Carla Ham who said they left Houston many years ago and that Million Air is now the owner of this location. This is a building on City owned land at Hobby Airport. We have told HCAD what we know and we have asked them twice to let us know what they know about this account and they have not replied, the County tax office has over \$150,000 due on this account, it is odd that HCAD is unresponsive and nothing seems to have been done on this.

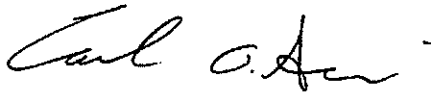
Jerry O'Brien 14-15 assessments \$1,347.55, 10 real property accounts on Morley St.

Nine of the accounts are delinquent for 2015 only; the other account is due for 2014 and 2015. In May, we spoke to him about the 2014 delinquency and he said it should be paid. He requested an

emailed statement, which was sent. We sent another demand letter on 7/18 and we left another voice mail message on 8/29. Another emailed statement was sent on 9/29. We talked to him again on 10/3 and he said he didn't have the money to pay but as soon as he did, he would call the assessment office to set up payment arrangements. On 10/17, we spoke to him to see if he had contacted the assessment office; he said he would check with his secretary to see if she had called. Once again, he stated that he really can't do much of anything until he gets some more money. We advised him that he can pay one account at a time if he doesn't have the funds to pay all of the accounts.

- In addition to the accounts listed above, there are 9 accounts with base assessments between \$400 and \$963 and 20 accounts that have base assessments of less than \$400. Demand letters have been sent, we are trying to reach each owner by phone and we are contacting lienholders, where appropriate. Due to the size of the accounts, further action is not recommended at this time.

If you have any questions, please feel free to contact me.



Carl O. Sandin

PerdueBrandonFielderCollins&Mott LLP
ATTORNEYS AT LAW

Email: csandin@pbfcml.com

Office: 713-802-6965 (Direct Line)

Mobile: 713-824-1290

Fax: 713-862-1429

HOBBY AREA MANAGEMENT DISTRICT
(HARRIS COUNTY IMPROVEMENT DISTRICT NUMBER 9)
CITY OF HOUSTON
HARRIS COUNTY, TEXAS

AGENDA MEMORANDUM

TO: Hobby Area Management District Board of Directors
FROM: Executive Director
SUBJECT: Agenda Item Materials

5. Receive the bookkeeper's report and approve invoices for payment.

HOBBY AREA MANAGEMENT DISTRICT

MONTHLY FINANCIAL REPORT

SEPTEMBER 2016

*G overnmental
F inancial
R eporting, LLC*

Hobby Area Management District
Balance Sheet
As of September 2016

	<u>Sept 16</u>
ASSETS	
Current Assets	
Checking/Savings	
1010 · Amegy Bank	18,439.09
1020 · Wells Fargo Bank	203,003.56
1030 · Plains State Bank - CD	247,179.45
1040 · TexSTAR-Operating	1,073,645.27
Total Checking/Savings	<u>1,542,267.37</u>
Other Current Assets	
1200 · Assessment Receivable	48,428.78
Total Other Current Assets	<u>48,428.78</u>
Total Current Assets	<u>1,590,696.15</u>
TOTAL ASSETS	<u><u>1,590,696.15</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	207,253.91
Total Accounts Payable	<u>207,253.91</u>
Other Current Liabilities	
2100 · Assessment Refunds Payable	6,546.50
2200 · Deferred Assessment Revenue	450,812.90
Total Other Current Liabilities	<u>457,359.40</u>
Total Current Liabilities	<u>664,613.31</u>
Total Liabilities	664,613.31
Equity	
3000 · Retained Earnings	645,896.19
Net Income	280,186.65
Total Equity	<u>926,082.84</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,590,696.15</u></u>

Hobby Area Management District
Statement of Sources & Uses - Budget vs Actual
September 2016

	<u>Sept 16</u>	<u>Budget</u>	<u>Jan - Sept 16</u>	<u>YTD Budget</u>	<u>Annual Budget</u>
MAINTENANCE & OPERATIONS FUND					
M&O SOURCES OF FUNDS					
4000 · District Assessments	141,951.49	142,399.00	1,283,278.98	1,281,591.00	1,708,786.00
4010 · Penalty & Interest Revenue	1,717.90	3,000.00	24,371.68	27,000.00	36,000.00
4020 · Overpayments	5,299.75	5,500.00	37,788.67	49,500.00	66,000.00
4030 · Assessment Refunds	-5,379.24	-5,541.00	-36,482.27	-49,877.00	-66,500.00
4050 · Grant and Donations	0.00	5,525.00	0.00	49,725.00	66,300.00
4060 · Interest Revenue	377.51	41.00	3,336.39	377.00	500.00
TOTAL M&O SOURCES OF FUNDS	<u>143,967.41</u>	<u>150,924.00</u>	<u>1,312,293.45</u>	<u>1,358,316.00</u>	<u>1,811,086.00</u>
M&O USES OF FUNDS					
Public Safety					
6010 · Contract Public Safety	15,504.75	16,849.00	141,864.75	151,633.00	202,180.00
6015 · Apartment Life Initiatives	1,620.00	2,084.00	12,945.00	18,748.00	25,000.00
6020 · Mobile Cameras	6,600.00	6,400.00	55,900.00	57,600.00	76,800.00
6025 · Nuisance Abatement Program	4,020.84	4,375.00	36,187.29	39,375.00	52,500.00
6030 · Street Light Outage Survey	0.00	175.00	1,400.00	1,575.00	2,100.00
6035 · Graffiti Abatement	2,560.00	3,334.00	24,960.00	29,998.00	40,000.00
6040 · Project Management	4,875.00	4,875.00	43,875.00	43,875.00	58,502.00
Total Public Safety	<u>35,180.59</u>	<u>38,092.00</u>	<u>317,132.04</u>	<u>342,804.00</u>	<u>457,082.00</u>
Mobility, Environmental, Urban Design					
6050 · Porter Service	9,166.67	10,416.00	86,726.03	93,752.00	125,000.00
6055 · Project Management	1,463.00	1,462.00	13,167.00	13,165.00	17,551.00
Total Mobility, Environ, Urban Design	<u>10,629.67</u>	<u>11,878.00</u>	<u>99,893.03</u>	<u>106,917.00</u>	<u>142,551.00</u>
Business & Economic Development					
6060 · Economic Developmt Programs	1,833.02	9,834.00	57,044.93	88,498.00	118,000.00
6065 · Events, Festivals, Comm. Proj.	0.00	2,250.00	5,303.91	20,250.00	27,000.00
6070 · Creative ED Support	6,420.00	6,934.00	62,492.50	62,398.00	83,200.00
6075 · Marketing Mtls & Promo Items	3,970.03	2,334.00	16,520.71	20,998.00	28,000.00
6080 · Project Management	2,925.00	2,925.00	26,325.00	26,325.00	35,101.00
Total Business & Economic Development	<u>15,148.05</u>	<u>24,277.00</u>	<u>167,687.05</u>	<u>218,469.00</u>	<u>291,301.00</u>
Administration					
6110 · Administration & Management	1,463.00	1,462.00	13,167.00	13,165.00	17,551.00
6115 · Meeting Expense	1,278.41	1,250.00	10,734.93	11,250.00	15,000.00
6120 · Reimbursable Expenses	1,655.10	500.00	12,551.85	4,500.00	6,000.00
6125 · Postage	41.34	24.00	369.51	208.00	280.00
6130 · Office Supplies	2.28	466.00	3,780.88	4,202.00	5,600.00
6135 · Public Notices, Advertising	18.00	12.00	1,014.00	114.00	150.00
6140 · Legal Services	4,249.92	3,750.00	33,196.29	33,750.00	45,000.00
6145 · Audit Services	0.00	541.00	6,550.00	4,877.00	6,500.00
6150 · Bookkeeping	850.00	600.00	6,150.00	5,400.00	7,200.00
6155 · Assessment Billing	2,125.71	1,875.00	24,192.79	16,875.00	22,500.00
6160 · Assessment Database Mgmt	300.00	300.00	2,700.00	2,700.00	3,600.00
6165 · Office Equipment	0.00	250.00	0.00	2,250.00	3,000.00
6170 · Insurance	870.24	125.00	3,052.62	1,125.00	1,500.00
6175 · Other	0.00	21.00	586.39	189.00	250.00
Total Administration	<u>12,854.00</u>	<u>11,176.00</u>	<u>118,046.26</u>	<u>100,605.00</u>	<u>134,131.00</u>

Hobby Area Management District
Statement of Sources & Uses - Budget vs Actual
September 2016

	<u>Sept 16</u>	<u>Budget</u>	<u>Jan - Sept 16</u>	<u>YTD Budget</u>	<u>Annual Budget</u>
Community Development Fund					
Hobby Fest					
6205 · Project Management	975.00	975.00	8,775.00	8,775.00	11,700.00
6210 · Committee Support & Supplies	155.00	334.00	1,718.98	2,998.00	4,000.00
6220 · Marketing & Promotional Items	0.00	2,666.00	21,414.24	24,002.00	32,000.00
6230 · Creative Services	0.00	959.00	11,945.00	8,623.00	11,500.00
Total Hobby Fest	<u>1,130.00</u>	<u>4,934.00</u>	<u>43,853.22</u>	<u>44,398.00</u>	<u>59,200.00</u>
6250 · Other Community Projects	0.00	1,250.00	0.00	11,250.00	15,000.00
Total Community Development Fund	<u>1,130.00</u>	<u>6,184.00</u>	<u>43,853.22</u>	<u>55,648.00</u>	<u>74,200.00</u>
TOTAL M&O USES OF FUNDS	<u>74,942.31</u>	<u>91,607.00</u>	<u>746,611.60</u>	<u>824,443.00</u>	<u>1,099,265.00</u>
M&O EXCESS SOURCES OVER USES	<u>69,025.10</u>	<u>59,317.00</u>	<u>565,681.85</u>	<u>533,873.00</u>	<u>711,821.00</u>
BALANCES AND TRANSFERS					
7000 · Prior Year Fund Balance	649,595.00	649,595.00	649,595.00	649,595.00	649,595.00
7005 · General Fund Planned Reserves	52,099.27	59,319.00	498,276.75	533,863.00	711,820.00
7010 · Lighting Reimbursement	0.00	11,223.00	0.00	101,007.00	134,678.00
7015 · Broadway Hardscape Rimbusement	0.00	46,452.00	0.00	418,076.00	557,432.00
Total Balances	<u>701,694.27</u>	<u>766,589.00</u>	<u>1,147,871.75</u>	<u>1,702,541.00</u>	<u>2,053,525.00</u>
7020 · Gen Fund Transfer to Capital Budget	-86,662.46	-101,739.00	-285,495.20	-915,637.00	-1,220,856.00
TOTAL BALANCES AND TRANSFERS	<u>615,031.81</u>	<u>664,850.00</u>	<u>862,376.55</u>	<u>786,904.00</u>	<u>832,669.00</u>
CAPITAL IMPROVEMENT FUND					
CAPITAL SOURCES OF FUNDS					
8001 · Transfer from General Fund	86,662.46	101,739.00	285,495.20	915,637.00	1,220,856.00
TOTAL SOURCES OF FUNDS	<u>86,662.46</u>	<u>101,739.00</u>	<u>285,495.20</u>	<u>915,637.00</u>	<u>1,220,856.00</u>
CAPITAL USES OF FUNDS					
Design and Engineering Services					
8010 · General Engineering Services	0.00	5,000.00	0.00	45,000.00	60,000.00
8012 · Esplanade Design	0.00	3,125.00	0.00	28,125.00	37,500.00
8014 · Metro Engineering Design	0.00	1,875.00	0.00	16,875.00	22,500.00
8016 · Signage and Identity Design	4,801.46	3,750.00	42,456.07	33,750.00	45,000.00
Total Design and Engineering Services	<u>4,801.46</u>	<u>13,750.00</u>	<u>42,456.07</u>	<u>123,750.00</u>	<u>165,000.00</u>
Mobility, Environmental, Urban Design					
8048 · Livable Centers Grant Match	0.00	4,479.00	55,362.50	40,311.00	53,750.00
8055 · Project Management	12,675.00	12,676.00	114,075.00	114,078.00	152,106.00
8063 · Esplanada Enhancement	27,186.00	20,834.00	31,601.63	187,498.00	250,000.00
8065 · METRO Bus Shelter Enhacement	0.00	12,500.00	0.00	112,500.00	150,000.00
8070 · Signage and Identity Installation	42,000.00	25,000.00	42,000.00	225,000.00	300,000.00
Total Mobility, Environmental, Urban Design	<u>81,861.00</u>	<u>75,489.00</u>	<u>243,039.13</u>	<u>679,387.00</u>	<u>905,856.00</u>
8090 · Fund Reserve - District Office	0.00	12,500.00	0.00	112,500.00	150,000.00
TOTAL CAPITAL USES OF FUNDS	<u>86,662.46</u>	<u>101,739.00</u>	<u>285,495.20</u>	<u>915,637.00</u>	<u>1,220,856.00</u>
CAPITAL SOURCES NET OF USES	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

**Hobby Area Management District
Bank Account Registers
As of November 10, 2016**

<i>Type</i>	<i>Date</i>	<i>Num</i>	<i>Name</i>	<i>Memo</i>	<i>Amount</i>	<i>Balance</i>
Amegy Bank						13,474.00
Bill Pmt -Check	10/14/2016	1699	Bracewell & Giuliani LLP	General Counsel	(1,467.50)	12,006.50
Bill Pmt -Check	10/14/2016	1700	Harris County Treasurer-Interlocal Contr.	Community Protection Program	(4,020.84)	7,985.66
Bill Pmt -Check	10/14/2016	1701	SEAL Security Solutions LLC	Security	(3,969.00)	4,016.66
Transfer	11/09/2016	Trf	TexSTAR	Transfer funds from TexSTAR	275,000.00	279,016.66
Check	11/10/2016	1702	Comerica Bank	Refund: 9100 Airport Blvd.	(318.71)	278,697.95
Check	11/10/2016	1703	Lauren Holdings	Refund: 11550 Gulf Freeway	(498.71)	278,199.24
Check	11/10/2016	1704	Preflight Parking Hobby LP	Refund: 7901 Airport Blvd	(2,159.25)	276,039.99
Check	11/10/2016	1705	WRI AEW Lone Star Retail Portfolio	Refunds: Two Propertuies	(1,471.47)	274,568.52
Bill Pmt -Check	11/10/2016	1706	Amber Ambrose	Social Media Management	(1,761.92)	272,806.60
Bill Pmt -Check	11/10/2016	1707	Amegy Visa Credit Card	Miscellaneous	(2,841.88)	269,964.72
Bill Pmt -Check	11/10/2016	1708	Chris Labod	Website Maintenance	(350.00)	269,614.72
Bill Pmt -Check	11/10/2016	1709	Core Logic Safe Rent	Apartment Life Initiatives	(4,860.00)	264,754.72
Bill Pmt -Check	11/10/2016	1710	CoStar Realty Information, Inc.	Real Estate Information	(308.07)	264,446.65
Bill Pmt -Check	11/10/2016	1711	Cracked Fox	Marketing	(1,200.00)	263,246.65
Bill Pmt -Check	11/10/2016	1712	Equi-tax Inc.	Monthly Roll Management & Collection	(2,425.71)	260,820.94
Bill Pmt -Check	11/10/2016	1713	Governmental Financial Reporting, LLC	Bookkeeping	(891.40)	259,929.54
Bill Pmt -Check	11/10/2016	1714	Greater East End Management District	Graffiti Abatement	(2,560.00)	257,369.54
Bill Pmt -Check	11/10/2016	1715	Greater Houston Partnership	2017 Membership Dues	(5,000.00)	252,369.54
Bill Pmt -Check	11/10/2016	1716	Hawes Hill Calderon LLC	Administration/Management	(28,907.53)	223,462.01
Bill Pmt -Check	11/10/2016	1717	Malone Strategies, LLC	Hobby Fest & State of the District	(750.00)	222,712.01
Bill Pmt -Check	11/10/2016	1718	Mario N. Ramirez	Business Ambassador	(1,726.50)	220,985.51
Bill Pmt -Check	11/10/2016	1719	Perdue, Brandon, Fielder, Collins & Mott	Delinquent collections	(1,864.42)	219,121.09
Bill Pmt -Check	11/10/2016	1720	Scenic Houston	Broadway Redevelopment	(150,500.00)	68,621.09
Bill Pmt -Check	11/10/2016	1721	SEAL Security Solutions LLC	Security	(24,798.00)	43,823.09
Bill Pmt -Check	11/10/2016	1722	SMC Logistics	Litter Abatement	(9,516.67)	34,306.42
Bill Pmt -Check	11/10/2016	1723	Tolunay-Wong Engineers, Inc.	Broadway Redevelopment	(3,318.00)	30,988.42
Total Amegy Bank					17,514.42	30,988.42
Wells Fargo Bank						203,003.56
Total Wells Fargo Bank					0.00	203,003.56
Plains State Bank - CD						247,179.45
Total Plains State Bank - CD					0.00	247,179.45
TexSTAR-Operating						873,275.02
Deposit	09/30/2016		Interest	Sept. Interest	370.25	873,645.27
Transfer	10/13/2016		Amegy Bank	Transfer to Amegy Operating	(275,000.00)	598,645.27
Total TexSTAR-Operating					(274,629.75)	598,645.27
TOTAL					(257,115.33)	1,079,816.70

BARBARA J. SCHOTT
HARRIS COUNTY AUDITOR
1001 Preston, Suite 800
Houston, Texas 77002
(713) 755-1160



REMIT PAYMENT TO:
Harris County Treasurer
Orlando Sanchez
1001 Preston, Room 652
Houston, Texas 77002

Invoice / Statement No.: AH012709

Customer No.: V00091127

INVOICE

HOBBY AREA MANAGEMENT
ATTN DAVID HAWES & BILL C
PO BOX 22167
HOUSTON, TX 77227-2167

Amount Due: 4,020.84

Amount Paid:

(Please detach and mail this top portion with payment)

DATE	DESCRIPTION	AMOUNT
10/03/16	NOV'16: ASST COUNTY ATTY FEE	4,020.84

The above amount is for County services. Amounts are due upon receipt of the invoice. If you have any questions, contact Accounts Receivable at 713-755-1160.

REMIT PAYMENT TO: HARRIS COUNTY TREASURER
Orlando Sanchez
1001 Preston, Room 652
Houston, Texas 77002

County Auditor's Form #341
Harris County, Texas (REV. 3/07)



SEAL Security Solutions LLC

1525 Blalock Road
Houston, TX 77080-7318
www.SEALSecurity.com
713-977-2388
TX DPS Lic. #C15942

Invoice

Date	Invoice #
10/3/2016	31756

Bill To

Hobby Area Management District
9610 Long Point, Ste. 150
Houston, TX 77055

Description	Hours	Rate/ Hour	Term
			Net 30
Three Commissioned Officers with Vehicles and Occasional K-9	147	27.00	3,969.00
Patrol Period 09/26/2016 through 10/02/2016			
Patrols are billed every Monday for the hours patrolled the week preceding the above invoice date.			
This invoice is Monday through Sunday inclusive.			
Sales Tax (8.25%)			\$0.00
Thank you for allowing us to earn your business.		Total	\$3,969.00

Bracewell LLP ATTORNEYS AT LAW

P. O. Box 448598
Dallas, TX 75224-8566
713 223-2300
TAX ID 74-1024627

Page 1

Hobby Area Management District
711 Louisiana
Suite 2300
Houston, TX 77002

October 6, 2016
Invoice: 21661864
B/A: 04674

Our Matter #: 069002.000001 For Services Through September 30, 2016
General Counsel

			Hours	Rate/Hr	Amount
09/06/16	Prepare email to J Hawes regarding the hearing date on the supplemental roll	Deborah Russell	0.25	325.00	81.25
09/08/16	Prepare for and attend Board meeting; telephone conference with J Lowry; telephone conference with D Perkins	Clerk Stockton Lord	2.50	450.00	1,125.00
09/19/16	Prepare follow up email to J Hawes regarding the timing for scheduling the hearing on the supplemental roll	Deborah Russell	0.25	325.00	81.25
09/27/16	Email correspondence with HHHC regarding the scheduling of the hearing on the supplemental roll; email to P Hall regarding same; prepare the notices for mailing and publication; email correspondence from J Lowry regarding the notice of the hearing; review same as requested; discussion with C Lord regarding same; email correspondence with the HBJ regarding the deadline for receiving the notice	Deborah Russell	0.75	325.00	243.75
09/28/16	Prepare email to the HBJ transmitting the notice of hearing for publication; email to G Lawson regarding the confirmation of the meeting place; email correspondence with the HBJ and HHHC regarding the billing for the publication notice	Deborah Russell	0.25	325.00	81.25
09/29/16	Prepare email to the TSG Reporting to reserve a court reporter for the hearing; prepare the cover sheet for the hearing notebook to send with the request	Deborah Russell	0.25	325.00	81.25

STATEMENT FOR PROFESSIONAL SERVICES IS PAYABLE UPON PRESENTATION
INVOICE AMOUNT DUE IN UNITED STATES DOLLARS

Bracewell LLP ATTORNEYS AT LAW

Page 2

Hobby Area Management District

October 6, 2016
Invoice: 21661864

Summary of Fees

	Hours	Rate/Hr	Amount
Clark Stockton Lord	2.50	450.00	1,125.00
Deborah Russell	1.75	325.00	568.75
Total	4.25	387.50	1,693.75

Less Discount (226.25)

Total Fees for Professional Services \$ 1,467.50

Fees for Professional Services \$ 1,467.50

Total Current Billing for this Matter \$ 1,467.50

STATEMENT FOR PROFESSIONAL SERVICES IS PAYABLE UPON PRESENTATION
INVOICE AMOUNT DUE IN UNITED STATES DOLLARS



Equi-Tax Inc.
Ad Valorem Tax Assessors / Collectors

www.equitaxinc.com

17111 Rolling Creek Drive, Suite 200, Houston, Texas 77090
P. O. Box 73109, Houston, Texas 77273
Customer Service 281.444.3946 fax 281.440.8304

DATE: 10/18/2016

LEGAL DESCRIPTION

COMERICA BANK
% COLLIER'S INTERNATIONAL
2 CORPORATE DR STE 300
SOUTHFIELD MI 48076-3759

TRS 123 & 123C
SOUTH HOUSTON GARDENS SEC 6

9100 AIRPORT BLVD

HARRIS COUNTY IMP DIST 9

ACCOUNT NUMBER: 91/034/203/003/0123
YEAR: 2015
REF No.: 0894933

DATE PROCESSED: 10/18/2016
RECEIPT NUMBER: 91150188
DEPOSIT BATCH No.: RP161018

NOTICE OF CHANGE IN ASSESSMENT

We have been notified by the Appraisal District of a change in the appraisal of your property that has resulted in a change in your assessment for the 2015 year.

The explanation of the change is:

- | | |
|--|---|
| <input type="checkbox"/> Decrease in Appraised Value | <input type="checkbox"/> Account Prorated |
| <input type="checkbox"/> Exemption(s) Added | <input type="checkbox"/> Account Deleted |
| <input type="checkbox"/> Homestead | <input type="checkbox"/> Rendition Penalty Waived |
| <input type="checkbox"/> Over 65 | <input type="checkbox"/> Other: |
| <input type="checkbox"/> Disabled Person | |
| <input type="checkbox"/> Disabled Veteran | |

☒ Lawsuit Cause No.: 2015-55516

This action has resulted in a decrease in the amount you owe. Accordingly, we are issuing you a refund in the amount of \$318.71.

Note: Questions regarding changes in value should be directed to the Appraisal District.

If you need more information, call Customer Service at 281.444.3946.



Equi-Tax Inc.
Ad Valorem Tax Assessors / Collectors

www.equitaxinc.com

17111 Rolling Creek Drive, Suite 200, Houston, Texas 77090
P. O. Box 73109, Houston, Texas 77273
Customer Service 281.444.3946 fax 281.440.8304

DATE: 10/21/2016

LEGAL DESCRIPTION

LAUREN HOLDINGS
4902 PILGRIM HARBOR DR

RES A BLK 1
GULF FREEWAY ALMEDA

FRIENDSWOOD TX 77546-2963

11550 GULF FWY

HARRIS COUNTY IMP DIST 9

ACCOUNT NUMBER: 91/123/174/001/0001
YEAR: 2015
REF No.: 0894976

DATE PROCESSED: 10/21/2016
RECEIPT NUMBER: 91151367
DEPOSIT BATCH No.: RP161021

NOTICE OF CHANGE IN ASSESSMENT

We have been notified by the Appraisal District of a change in the appraisal of your property that has resulted in a change in your assessment for the 2015 year.

The explanation of the change is:

- | | |
|--|---|
| <input type="checkbox"/> Decrease in Appraised Value | <input type="checkbox"/> Account Prorated |
| <input type="checkbox"/> Exemption(s) Added | <input type="checkbox"/> Account Deleted |
| <input type="checkbox"/> Homestead | <input type="checkbox"/> Rendition Penalty Waived |
| <input type="checkbox"/> Over 65 | <input type="checkbox"/> Other: |
| <input type="checkbox"/> Disabled Person | |
| <input type="checkbox"/> Disabled Veteran | |

☒ Lawsuit Cause No.: 2015-64081

This action has resulted in a decrease in the amount you owe. Accordingly, we are issuing you a refund in the amount of \$498.71.

Note: Questions regarding changes in value should be directed to the Appraisal District.

If you need more information, call Customer Service at 281.444.3946.



Equi-Tax Inc.
Ad Valorem Tax Assessors / Collectors

www.equitaxinc.com

17111 Rolling Creek Drive, Suite 200, Houston, Texas 77090
P. O. Box 73109, Houston, Texas 77273
Customer Service 281.444.3946 fax 281.440.8304

DATE: 10/18/2016

LEGAL DESCRIPTION

PREFLIGHT PARKING HOBBY LP
C/O PROPERTY TAX DEPT 200
PO BOX 4900
SCOTTSDALE AZ 85261-4900

RES F1
BROADWAY SQUARE BUSINESS PARK

7901 AIRPORT BLVD

HARRIS COUNTY IMP DIST 9

ACCOUNT NUMBER: 91/109/787/000/0009
YEAR: 2015
REF No.: 0894936

DATE PROCESSED: 10/18/2016
RECEIPT NUMBER: 91151305
DEPOSIT BATCH No.: RP161018

NOTICE OF CHANGE IN ASSESSMENT

We have been notified by the Appraisal District of a change in the appraisal of your property that has resulted in a change in your assessment for the 2015 year.

The explanation of the change is:

- | | |
|--|---|
| <input type="checkbox"/> Decrease in Appraised Value | <input type="checkbox"/> Account Prorated |
| <input type="checkbox"/> Exemption(s) Added | <input type="checkbox"/> Account Deleted |
| <input type="checkbox"/> Homestead | <input type="checkbox"/> Rendition Penalty Waived |
| <input type="checkbox"/> Over 65 | <input type="checkbox"/> Other: |
| <input type="checkbox"/> Disabled Person | |
| <input type="checkbox"/> Disabled Veteran | |

☒ Lawsuit Cause No.: 2015-55792

This action has resulted in a decrease in the amount you owe. Accordingly, we are issuing you a refund in the amount of \$2,159.25.

Note: Questions regarding changes in value should be directed to the Appraisal District.

If you need more information, call Customer Service at 281.444.3946.



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Ad Valorem Tax Assessors / Collectors

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17111 Rolling Creek Drive, Suite 200, Houston, Texas 77090
P. O. Box 73109, Houston, Texas 77273
Customer Service 281.444.3946 fax 281.440.8304

DATE: 10/18/2016

LEGAL DESCRIPTION

WRI-AEW Lone Star Retail Portfolio, LLC
c/o Wilson & Franco
11000 Richmond Ave Ste 350
Houston, TX 77042

TR 12B-1
ABST 56 H B PRENTISS

6300 TELEPHONE RD 1

HARRIS COUNTY IMP DIST 9

ACCOUNT NUMBER: 91/041/012/001/0030
YEAR: 2015
REF No.: 0894934

DATE PROCESSED: 10/18/2016
RECEIPT NUMBER: 91150377
DEPOSIT BATCH No.: RP161018

NOTICE OF CHANGE IN ASSESSMENT

We have been notified by the Appraisal District of a change in the appraisal of your property that has resulted in a change in your assessment for the 2015 year.

The explanation of the change is:

- | | |
|--|---|
| <input type="checkbox"/> Decrease in Appraised Value | <input type="checkbox"/> Account Prorated |
| <input type="checkbox"/> Exemption(s) Added | <input type="checkbox"/> Account Deleted |
| <input type="checkbox"/> Homestead | <input type="checkbox"/> Rendition Penalty Waived |
| <input type="checkbox"/> Over 65 | <input type="checkbox"/> Other: |
| <input type="checkbox"/> Disabled Person | |
| <input type="checkbox"/> Disabled Veteran | |

☒ Lawsuit Cause No.: 2015-48056

This action has resulted in a decrease in the amount you owe. Accordingly, we are issuing you a refund in the amount of \$1,357.05.

Note: Questions regarding changes in value should be directed to the Appraisal District.

If you need more information, call Customer Service at 281.444.3946.



Equi-Tax Inc.
Ad Valorem Tax Assessors / Collectors

www.equitaxinc.com

17111 Rolling Creek Drive, Suite 200, Houston, Texas 77050
P. O. Box 73109, Houston, Texas 77273
Customer Service 281.444.3946 fax 281.440.8304

DATE: 10/18/2016

LEGAL DESCRIPTION

WRI-AEW Lone Star Retail Portfolio, LLC
c/o Wilson & Franco
11000 Richmond Ave Ste 350
Houston, TX 77042

TR 122
ABST 56 H B PRENTISS

6348 TELEPHONE RD

HARRIS COUNTY IMP DIST 9

ACCOUNT NUMBER: 91/041/012/001/0112 DATE PROCESSED: 10/18/2016
YEAR: 2015 RECEIPT NUMBER: 91150396
REF No.: 0894935 DEPOSIT BATCH No.: RF161018

NOTICE OF CHANGE IN ASSESSMENT

We have been notified by the Appraisal District of a change in the appraisal of your property that has resulted in a change in your assessment for the 2015 year.

The explanation of the change is:

<input type="checkbox"/> Decrease in Appraised Value	<input type="checkbox"/> Account Prorated
<input type="checkbox"/> Exemption(s) Added	<input type="checkbox"/> Account Deleted
<input type="checkbox"/> Homestead	<input type="checkbox"/> Rendition Penalty Waived
<input type="checkbox"/> Over 65	<input type="checkbox"/> Other:
<input type="checkbox"/> Disabled Person	
<input type="checkbox"/> Disabled Veteran	

Lawsuit Cause No.: 2015-48056

This action has resulted in a decrease in the amount you owe. Accordingly, we are issuing you a refund in the amount of \$114.42.

Note: Questions regarding changes in value should be directed to the Appraisal District.

If you need more information, call Customer Service at 281.444.3946.

INVOICE

Amber Ambrose
6431 Fairwood Dr.
Houston, TX 77088

amber@amberambrose.com
361.813.6681
amberambrose.com

Client:
Hobby Area Management District

PO Box 22167
Houston, TX 77227-2167
Attn: Gretchen Larson
Invoice #273

Date:
11/1/16

Project Description:
Social Media Management & PR

Hourly Charges or Project Fee:
\$1700

Additional Charges or Reimbursements:
\$61.92 (out-of-pocket Facebook promotions)

Adjustments:
\$0

Total Fee Due:
\$1761.92

#6070 & 6075
Please send check to addressee/address above OR PayPal funds to
amber@amberambrose.com. Thank you for your business!

AmegyBank
of Texas

CONTROL ACCOUNT
HOBBY AREA MD
Account Number:
XXXX XXXX 0683

VISA

ACCOUNT SUMMARY

Account Number	XXXX XXXX 0683	Previous Balance	\$1,254.43
Credit Limit	\$10,000.00	Payments	\$1,254.43
Available Credit	\$7,158.00	Credits	\$0.00
Statement Closing Date	October 24, 2016	Purchases	\$2,841.88
Payment Due Date	November 13, 2016	Other Charges	\$0.00
Amount Due Due	\$0.00	Cash Advances	\$0.00
Min Payment Due	\$71.00	Finance Charges	\$0.00
Days in Billing Cycle	32	New Balance	\$2,841.88

TRANSACTIONS

Trans Date	Post Date	Reference Number	Transaction Description	Amount
10/11	10/11	7476800MEBKDFRFX	PAYMENT - THANK YOU	\$1,254.43
TOTAL XXXXXXXXXX0683				\$1,254.43

GRETCHEN LARSON

09/22	09/23	2416407LS2168EVB	FEDEX OFFICE: 00007997 SUGAR LAND TX	\$1,036.21
10/03	10/03	2419433M1LQ2FX9AX	US STORAGE-HOUSTON 866-858-7031 TX	\$163.50
10/13	10/13	2424760MFP191XQJ3	DOUBLETRER HOBBY HOUSTON TX	\$1,652.17
TOTAL XXXXXXXXXX0680				\$2,841.88



Chris Labod
2501 Deer Forest Dr
Spring TX 77373
(281)-658-0741

Hobby Area Management District
9410 Long Point Rd., Ste 150
Houston TX 77055

Invoice

Nov 01, 2016
Invoice # 22167-1476
Website Maintenance

Item	hrs / qty	rate / price	taxes	subtotal
Website Maintenance	00.00	\$350.00		\$350.00

Subtotal \$350.00
Total due by Nov 15, 2016 \$350.00

See Reverse Side for Important Information About Your Account.
5545 8871 BAH 3 7 16 16129 8 PAGE 1 of 2 11 5078 8810 TBLR 01A45543 8167

AmegyBank
of Texas

P.O. BOX 38833
SALT LAKE CITY UT 84138-1833

For prompt credit, mail payments to location shown below.
Payment sent to any other location may delay crediting your account.
Please detach this portion and return it with your payment to ensure proper credit.

Make Checks Payable to:

BANKCARD CENTER
PO BOX 30835
SALT LAKE CITY UT 84130-0835
[Barcode]

PAYMENT INFORMATION

Account Number	XXXX XXXX 0683
Payment Due Date	11/15/16
New Balance	\$2,841.88
Minimum Payment Due	\$71.00
Post Due Amount	\$0.00
Cash Enclosed	
Total Payment Amount	\$

CONTROL ACCOUNT
HOBBY AREA MD
PO BOX 22167
HOUSTON TX 77227-2167
[Barcode]

⑆5066 0000⑆53980000030 20683⑆

Ledger: November 2016

Hobby Area Management District
P.O. Box 22167
Houston, TX 77227

Make check payable to:
Core Logic Safe Rent
P.O. Box 402453
Atlanta, GA 30384-2453

Invoice Date	Parent #	Acct #	Hobby Area Apartments	Management Company	HAA	RCR	Units	RCR Sub Fees
11/1/2016	T6412	T6590	7518 Morley Street Apts	DIN Ventures, LLC	Yes	Yes	6	\$1.50
11/1/2016	T6412	T6607	Alta Verde	First Choice Management	Yes	Yes	1430	\$357.50
11/1/2016	T6412	T6452	Bellestone Villas	Atlas Equity Management	Yes	Yes	60	\$15.00
11/1/2016	T6412	T1152	Bellfort East	Captain Investment Corp	Yes	Yes	58	\$14.50
11/1/2016	T6412	T3294	Bellfort Plaza	Andy Hernandez	Yes	Yes	154	\$38.50
11/1/2016	T6412	T6064	Broadway Casa	Gatesco	Yes	Yes	150	\$37.50
11/1/2016	T6412	T5099	Broadway Village	Javed Ashraf	Yes	Yes	210	\$52.50
11/1/2016	T6412	T6454	Cabo San Lucas	Nova Property Management	Yes	Yes	1066	\$266.50
11/1/2016	T6412	T6462	Casa Anita	Haroks Management	Yes	Yes	24	\$6.00
11/1/2016	T6412	T6461	Casa Cruz	Indus Management Group	Yes	Yes	262	\$65.50
11/1/2016	T6412	T6451	Casa Grande	CKR Property Management LLC	Yes	Yes	65	\$16.25
11/1/2016	T6412	T3376	Che Orleans	Kindred Residential	Yes	Yes	23	\$5.75
11/1/2016	T6412	T2631	Clearwood Villas Apts	Picerne Development	Yes	Yes	276	\$69.00
11/1/2016	T6412	T5778	Crescent City	GPI Real Estate Management	Yes	Yes	328	\$82.00
11/1/2016	T6412	T1068	Del Lago	GWR Interests	Yes	Yes	162	\$40.50
11/1/2016	T6412	T2604	Dover Cove Apts	Dover Cove LLC	Yes	Yes	32	\$8.00
11/1/2016	T6412	T6450	Esperanza	CKR Property Management LLC	Yes	Yes	29	\$7.25
11/1/2016	T6412	T6457	Globe	CWD Interests LLC	Yes	Yes	61	\$15.25
11/1/2016	T6412	T6453	Grahamcrest Manor	Q10 Property Advisors	Yes	Yes	50	\$12.50
11/1/2016	T6412	T6459	Las Palmas	Heritage Gulf Coast Properties	Yes	Yes	140	\$35.00
11/1/2016	T6412	T1150	Lennox	Captain Investment Corp	Yes	Yes	41	\$10.25
11/1/2016	T6412	T6460	Leonora	Infinitum Property Management	No	Yes	62	\$15.50
11/1/2016	T6412	T5759	Leonora Square	Infinitum Property Management	No	Yes	38	\$9.50
11/1/2016	T6412	T6480	Los Arcos	Guardian Equity	Yes	Yes	64	\$16.00
11/1/2016	T6412	T1403	Pebble Walk	Gatesco	Yes	Yes	228	\$57.00
11/1/2016	T6412	T6683	Pecan Villa Apts	Pecan Villa Apts, LLC	Yes	Yes	20	\$5.00
11/1/2016	T6412	T4966	Redford Square	Salcedo Properties	Yes	Yes	61	\$15.25
11/1/2016	T6412	T6458	Sterling Court Apt Homes	Greater Coastal Management Co	Yes	Yes	140	\$35.00
11/1/2016	T6412	T1509	Telephone Road Apts	Tarantino Properties Inc	Yes	Yes	200	\$50.00
11/1/2016	T6412	T6463	Vista Verde	Monument Real Estate	Yes	Yes	1040	\$260.00

REMIT THIS STATEMENT WITH PAYMENT

6480 \$1,620.00

Ledger: September 2016

Hobby Area Management District
P.O. Box 22167
Houston, TX 77227

Make check payable to:
Core Logic Safe Rent
P.O. Box 402453
Atlanta, GA 30384-2453

Invoice Date	Parent #	Acct #	Hobby Area Apartments	Management Company	HAA	RCR	Units	RCR Sub Fees
9/1/2016	T6412	T6590	7518 Morley Street Apts	DIN Ventures, LLC	Yes	Yes	6	\$1.50
9/1/2016	T6412	T6607	Alta Verde	First Choice Management	Yes	Yes	1430	\$357.50
9/1/2016	T6412	T6452	Bellestone Villas	Atlas Equity Management	Yes	Yes	60	\$15.00
9/1/2016	T6412	T1152	Bellfort East	Captain Investment Corp	Yes	Yes	58	\$14.50
9/1/2016	T6412	T3294	Bellfort Plaza	Andy Hernandez	Yes	Yes	154	\$38.50
9/1/2016	T6412	T6064	Broadway Casa	Gatesco	Yes	Yes	150	\$37.50
9/1/2016	T6412	T5099	Broadway Village	Javed Ashraf	Yes	Yes	210	\$52.50
9/1/2016	T6412	T6454	Cabo San Lucas	Nova Property Management	Yes	Yes	1066	\$266.50
9/1/2016	T6412	T6462	Casa Anita	Haroks Management	Yes	Yes	24	\$6.00
9/1/2016	T6412	T6461	Casa Cruz	Indus Management Group	Yes	Yes	262	\$65.50
9/1/2016	T6412	T6451	Casa Grande	CKR Property Management LLC	Yes	Yes	65	\$16.25
9/1/2016	T6412	T3376	Che Orleans	Kindred Residential	Yes	Yes	23	\$5.75
9/1/2016	T6412	T2631	Clearwood Villas Apts	Picerne Development	Yes	Yes	276	\$69.00
9/1/2016	T6412	T5778	Crescent City	GPI Real Estate Management	Yes	Yes	328	\$82.00
9/1/2016	T6412	T1068	Del Lago	GWR Interests	Yes	Yes	162	\$40.50
9/1/2016	T6412	T2604	Dover Cove Apts	Dover Cove LLC	Yes	Yes	32	\$8.00
9/1/2016	T6412	T6450	Esperanza	CKR Property Management LLC	Yes	Yes	29	\$7.25
9/1/2016	T6412	T6457	Globe	CWD Interests LLC	Yes	Yes	61	\$15.25
9/1/2016	T6412	T6453	Grahamcrest Manor	Q10 Property Advisors	Yes	Yes	50	\$12.50
9/1/2016	T6412	T6459	Las Palmas	Heritage Gulf Coast Properties	Yes	Yes	140	\$35.00
9/1/2016	T6412	T1150	Lennox	Captain Investment Corp	Yes	Yes	41	\$10.25
9/1/2016	T6412	T6460	Leonora	Infinitum Property Management	No	Yes	62	\$15.50
9/1/2016	T6412	T5759	Leonora Square	Infinitum Property Management	No	Yes	38	\$9.50
9/1/2016	T6412	T6480	Los Arcos	Guardian Equity	Yes	Yes	64	\$16.00
9/1/2016	T6412	T1403	Pebble Walk	Gatesco	Yes	Yes	228	\$57.00
9/1/2016	T6412	T6683	Pecan Villa Apts	Pecan Villa Apts, LLC	Yes	Yes	20	\$5.00
9/1/2016	T6412	T4966	Redford Square	Salcedo Properties	Yes	Yes	61	\$15.25
9/1/2016	T6412	T6458	Sterling Court Apt Homes	Greater Coastal Management Co	Yes	Yes	140	\$35.00
9/1/2016	T6412	T1509	Telephone Road Apts	Tarantino Properties Inc	Yes	Yes	200	\$50.00
9/1/2016	T6412	T6463	Vista Verde	Monument Real Estate	Yes	Yes	1040	\$260.00

REMIT THIS STATEMENT WITH PAYMENT

6480 \$1,620.00

Ledger: October 2016

Hobby Area Management District
P.O. Box 22167
Houston, TX 77227

Make check payable to:
Core Logic Safe Rent
P.O. Box 402453
Atlanta, GA 30384-2453

Invoice Date	Parent #	Acct #	Hobby Area Apartments	Management Company	HAA	RCR	Units	RCR Sub Fees
10/1/2016	T6412	T6590	7518 Morley Street Apts	DIN Ventures, LLC	Yes	Yes	6	\$1.50
10/1/2016	T6412	T6607	Alta Verde	First Choice Management	Yes	Yes	1430	\$357.50
10/1/2016	T6412	T6452	Bellestone Villas	Atlas Equity Management	Yes	Yes	60	\$15.00
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10/1/2016	T6412	T3294	Bellfort Plaza	Andy Hernandez	Yes	Yes	154	\$38.50
10/1/2016	T6412	T6064	Broadway Casa	Gatesco	Yes	Yes	150	\$37.50
10/1/2016	T6412	T5099	Broadway Village	Javed Ashraf	Yes	Yes	210	\$52.50
10/1/2016	T6412	T6454	Cabo San Lucas	Nova Property Management	Yes	Yes	1066	\$266.50
10/1/2016	T6412	T6462	Casa Anita	Haroks Management	Yes	Yes	24	\$6.00
10/1/2016	T6412	T6461	Casa Cruz	Indus Management Group	Yes	Yes	262	\$65.50
10/1/2016	T6412	T6451	Casa Grande	CKR Property Management LLC	Yes	Yes	65	\$16.25
10/1/2016	T6412	T3376	Che Orleans	Kindred Residential	Yes	Yes	23	\$5.75
10/1/2016	T6412	T2631	Clearwood Villas Apts	Picerne Development	Yes	Yes	276	\$69.00
10/1/2016	T6412	T5778	Crescent City	GPI Real Estate Management	Yes	Yes	328	\$82.00
10/1/2016	T6412	T1068	Del Lago	GWR Interests	Yes	Yes	162	\$40.50
10/1/2016	T6412	T2604	Dover Cove Apts	Dover Cove LLC	Yes	Yes	32	\$8.00
10/1/2016	T6412	T6450	Esperanza	CKR Property Management LLC	Yes	Yes	29	\$7.25
10/1/2016	T6412	T6457	Globe	CWD Interests LLC	Yes	Yes	61	\$15.25
10/1/2016	T6412	T6453	Grahamcrest Manor	Q10 Property Advisors	Yes	Yes	50	\$12.50
10/1/2016	T6412	T6459	Las Palmas	Heritage Gulf Coast Properties	Yes	Yes	140	\$35.00
10/1/2016	T6412	T1150	Lennox	Captain Investment Corp	Yes	Yes	41	\$10.25
10/1/2016	T6412	T6460	Leonora	Infinitum Property Management	No	Yes	62	\$15.50
10/1/2016	T6412	T5759	Leonora Square	Infinitum Property Management	No	Yes	38	\$9.50
10/1/2016	T6412	T6480	Los Arcos	Guardian Equity	Yes	Yes	64	\$16.00
10/1/2016	T6412	T1403	Pebble Walk	Gatesco	Yes	Yes	228	\$57.00
10/1/2016	T6412	T6683	Pecan Villa Apts	Pecan Villa Apts, LLC	Yes	Yes	20	\$5.00
10/1/2016	T6412	T4966	Redford Square	Salcedo Properties	Yes	Yes	61	\$15.25
10/1/2016	T6412	T6458	Sterling Court Apt Homes	Greater Coastal Management Co	Yes	Yes	140	\$35.00
10/1/2016	T6412	T1509	Telephone Road Apts	Tarantino Properties Inc	Yes	Yes	200	\$50.00
10/1/2016	T6412	T6463	Vista Verde	Monument Real Estate	Yes	Yes	1040	\$260.00

REMIT THIS STATEMENT WITH PAYMENT

6480 \$1,620.00



1331 L Street, NW
Washington, DC 20005

GRETCHEN LARSON
9510 LONG POINT RD, SUITE 110
HOUSTON, TX 77055-4395

CURRENT INVOICE

See the following reports for details

Costar, Station and Current	667.00
Sub-Total	667.00
Tax	57.22
Current Invoice Total	824.22

CARD 3 - 308.08
CARD 3 - 306.01
CARD 3 - 306.01
CARD 3 - 306.01

SUMMARY OF CHARGES

Previous Balance	2,713.64
Less Charge	0.00
Payments (last payment received on 10/21/16)	(1,202.78)
Charges (last credit received on 10/24/16)	(84.17)
Debits	0.00
Invoice Total	524.22
Total Balance Due	1,589.35

Enroll Today in Invoice Gateway.
Find Enrollment Token on bottom left of this invoice.

INVOICE

Location ID:	35766770
Invoice Date:	11/03/16
Invoice Number:	10484513
Fed Tax ID No:	52-2134617

Page 1 of 2

REMITTANCE DOCUMENT - Please include With Your Payment

Location ID: 35766770



GRETCHEN LARSON
9510 LONG POINT RD, SUITE 110
HOUSTON, TX 77055-4395

Invoice Number:	10484513
Invoice Date:	11/03/16
Payment Due Date:	11/08/16
Current Invoice Amount:	924.22
Total Balance:	1,540.37

Amount Enclosed:

To View and Pay Your Bill Online Go To: costarbill.com
Use This Enrollment Token: PPV DTV BMD

Make Checks Payable and Send To:

COSTAR REALTY INFORMATION, INC.
P.O. Box 22167
Houston, TX 77227-1127

Costar/ing.com



hello! you have an invoice from:

Cracked Fox

2815 Bermuda Dunes Dr. Missouri City, TX 77459
Roan@CrackedFox.com | 832.364.4012 | www.CrackedFox.com

Bill To:

Hobby Area District
PO Box 22167
Houston, TX 77227

Date	Invoice No.	Terms
10/14/16	681	Net 30
Payments/Credits	Balance Due	
\$0.00	\$1,200.00	

Item	Description	Quantity	Rate	Amount
marketing	marketing, graphic design and photography, research, meetings and other... for the month of October		0.00	0.00
Photography	Livable Centers	1	600.00	600.00
Design	selection of photography deliverables to Livable Centers	2	100.00	200.00
1	Branding, Marketing and Research including logo quality assurance in usage and recreation of logos used in district print collateral		100.00	0.00
2	Editing, proof reading, and checking for website, information/hyperlink integrity		100.00	0.00
3	Meetings, Correspondence, Phone Calls, and Invoicing	1	100.00	100.00
4	Photography: editing/color correction, airbrushing, cropping etc.) for use in web and print collateral.	1	100.00	100.00
5	Social media: Facebook/twitter/pinterest/instagram updates, photo galleries, posting, tagging, creation of cover photos. Backup monitoring of Facebook, with responsive and interaction with visitors	1	100.00	100.00
6	Print and Web resolution creation of files in proper formats for distribution to printers, web developers, partners and staff.	1	100.00	100.00
Total				\$1,200.00

Thank you for your business

6070

Equi-Tax Inc.

Suite 200
17111 Rolling Creek Drive
Houston Texas 77090
281-444-4866

Invoice

DATE	INVOICE #
11/1/2016	50240

BILL TO
HCID No. 9 / Hobby Area c/o Bracewell & Giuliani 711 Louisiana St, Ste 2300 Houston TX 77002-2770

DESCRIPTION	AMOUNT
Roll Management	300.00
Monthly Fee per Contract for Assessment Collection	2,125.71

Governmental Financial Reporting, LLC

1525 Lakeville Drive, Suite 121
Kingwood, TX 77339
(281) 348-9151
FAX (281) 348-9199

11/1/2016

Hobby Area Management District
P.O. Box 22167
Houston, TX 77227-2167

For Professional Services Rendered

Bookkeeping services provided during October 2016 for the month of September 2016 850.00

Postage and Deliveries 0.00

Mileage 41.40

\$891.40



Greater East End Management District
P.O. Box 230099
Houston, TX 77223-0099
713-923-9916
equitax@greatereastend.com

INVOICE

BILL TO
Jerry W Lowry
Hobby Area Management
District
P.O. Box 22167
Houston, Texas 77227-2167

INVOICE # 22-32
DATE 10/31/2016
DUE DATE 11/30/2016
TERMS Net 30

DATE	ACTIVITY	QTY	RATE	AMOUNT
10/04/2016	Graffiti Abatement Constituent visits, waiver collection, follow-up visits, graffiti identification, reporting, and graffiti abatement. Sites Abated: 13	8	80.00	640.00
10/10/2016	Graffiti Abatement Constituent visits, waiver collection, follow-up visits, graffiti identification, reporting, and graffiti abatement. Sites Abated: 3	4	80.00	320.00
10/11/2016	Graffiti Abatement Constituent visits, waiver collection, follow-up visits, graffiti identification, reporting, and graffiti abatement. Sites Abated: 4	4	80.00	320.00
10/17/2016	Graffiti Abatement Constituent visits, waiver collection, follow-up visits, graffiti identification, reporting, and graffiti abatement. Sites Abated: 8	8	80.00	640.00
10/25/2016	Graffiti Abatement Constituent visits, waiver collection, follow-up visits, graffiti identification, reporting, and graffiti abatement. Sites Abated: 13	8	80.00	640.00
Total Sites Abated: 42			BALANCE DUE	\$2,560.00

Description	Ext. Price
Professional Services rendered in the collection of delinquent taxes, penalties and interest Sept 2016	\$1,864.42
Total	\$1,864.42

Scenic Houston

5615 Kirby Drive, Suite 645
Houston, Texas 77005
713-629-0481

INVOICE

Bill To:
Jerry Lowry
HAMD
PO Box 22167
Houston 77227-2167

October 20, 2016

DESCRIPTION	AMOUNT
Contribution to the Broadway Redevelopment Project Identity Markers on Broadway	\$102,000.00
Please submit payment to: Scenic Houston 5615 Kirby Drive, Suite 645 Houston, Texas 77005 Attention: Blanca Ortega	\$102,000.00

Scenic Houston

5615 Kirby Drive, Suite 645
Houston, Texas 77005
713-629-0481

INVOICE

Bill To:
Jerry Lowry
HAMD
PO Box 22167
Houston 77227-2167

November 2, 2016

DESCRIPTION	AMOUNT
Remove and dispose existing Glenbrook Valley sign, including wall, foundation and bollards	\$3,289.00
Furnish and install planting around Glenbrook Valley sign instead of planting and original contract	\$201.25
Furnish and install Glenbrook Valley sign, including foundation and brick cadding	\$19,606.25
Furnish and install landscape edge, including foundation and brick cadding	\$25,403.50
Please submit payment to: Scenic Houston 5615 Kirby Drive, Suite 645 Houston, Texas 77005 Attention: Blanca Ortega	\$48,500.00



SEAL Security Solutions LLC
1525 Blalock Road
www.SEALSecurity.com
713-979-2388
TX DPS Lic. # C15942

Invoice

Date	Invoice #
10/1/2016	31757

Bill To
Hobby Area Management District 9610 Long Point, Ste. 150 Houston, TX 77055

Camera Location
Wal-Mart/Game Stop 10012 Alameda Genoa Houston, Texas



SEAL Security Solutions LLC
1525 Blalock Road
www.SEALSecurity.com
713-979-2388
TX DPS Lic. # C15942

Invoice

Date	Invoice #
10/1/2016	31758

Bill To
Hobby Area Management District 9610 Long Point, Ste. 150 Houston, TX 77055

Camera Location
Jack In The Box 8081 Airport Houston, Texas

Description	Amount
Mobile Security Unit - Solar HD/IP Four (4) Camera System with Advanced Analytics	2,000.00
-4 Weeks Video Storage	
Discount	-500.00
Monitoring Period from 10/01/2016 through 10/31/2016	
Monitoring Invoices are billed every month for the entire month.	
This Invoice is billed in advance for the month.	
NOTE: A 3% convenience fee will be charged on all payments made by credit card.	
Thank you for allowing us to earn your business.	
Total	\$1,500.00

Description	Amount
Mobile Security Unit - 1080 P HD Camera "Plug and Play" Electric System	1,500.00
-4 Ptz Cameras	
-4 Weeks Video Storage	
Discount	-300.00
Monitoring Period from 10/01/2016 through 10/31/2016	
Monitoring Invoices are billed at the beginning of every month for the entire month.	
The Invoice is billed in advance for the month.	
NOTE: A 3% convenience fee will be charged on all payments made by credit card.	
Total	\$1,200.00

**SEAL Security Solutions LLC**

1525 Blalock Road
Houston, TX 77080-7318
www.SEALSecurity.com
713-979-2388
TX DPS Lic. #C15942

Invoice

Date	Invoice #
10/10/2016	31813

Bill To

Hobby Area Management District
9610 Long Point, Ste. 150
Houston, TX 77055

Terms

Net 30

Description	Hours	Rate/ Hour	Amount
Three Commissioned Officers with Vehicles and Occasional K-9	142	27.00	3,834.00
Patrol Period 10/03/2016 through 10/09/2016			
Patrols are billed every Monday for the hours patrolled the week preceding the above invoice date.			
This invoice is Monday through Sunday inclusive.			
NOTE: A 3% convenience fee will be charged on all payments made by credit card.			
			Sales Tax (8.25%) \$0.00
Thank you for allowing us to earn your business.			
Total			\$3,834.00

**SEAL Security Solutions LLC**

1525 Blalock Road
Houston, TX 77080
www.SEALSecurity.com
713-979-2388
TX DPS Lic. #C15942

Invoice

Date	Invoice #
10/11/2016	31842

Bill To

Hobby Area Management District
9610 Long Point, Ste. 150
Houston, TX 77055

Camera Location

Shell Station
8920 Bellfort St.
Houston, Texas

Terms

Net 30

Description	Amount
Mobile Security Unit - 1080 P HD Camera "Plug and Play" Electric System	1,500.00
-4 Ptz Cameras	
-4 Weeks Video Storage	
Discount	-300.00
Location: Shell Station 8920 Bellfort St. Houston Texas	
Monitoring Period from 10/11/2016 through 11/12/2016	
Monitoring Invoices are billed at the beginning of every month for the entire month.	
The Invoice is billed in advance for the month.	
NOTE: A 3% convenience fee will be charged on all payments made by credit card.	
Sales Tax (8.25%) \$0.00	
Thank you for allowing us to earn your business.	
Total	

\$1,200.00**SEAL Security Solutions LLC**

1525 Blalock Road
www.SEALSecurity.com
713-979-2388
TX DPS Lic. #C15942

Invoice

Date	Invoice #
10/12/2016	31844

Bill To

Hobby Area Management District
9610 Long Point, Ste. 150
Houston, TX 77055

Camera Location

Best Western
8778 Airport Blvd
Houston, Texas 77061

Terms

Net 30

Description	Amount
Mobile Security Unit - 1080 P HD Camera "Plug and Play" Electric System	1,500.00
-4 Ptz Cameras	
-4 Weeks Video Storage	
Discount	-300.00
Location: Best Western Hobby	
Monitoring Period from 10/12/2016 through 11/11/2016	
Monitoring Invoices are billed at the beginning of every month for the entire month.	
The Invoice is billed in advance for the month.	
NOTE: A 3% convenience fee will be charged on all payments made by credit card.	
Sales Tax (8.25%) \$0.00	
Thank you for allowing us to earn your business.	
Total	

\$1,200.00**SEAL Security Solutions LLC**

1525 Blalock Road
Houston, TX 77080-7318
www.SEALSecurity.com
713-979-2388
TX DPS Lic. #C15942

Invoice

Date	Invoice #
10/17/2016	31872

Bill To

Hobby Area Management District
9610 Long Point, Ste. 150
Houston, TX 77055

Terms

Net 30

Description	Hours	Rate/ Hour	Amount
Three Commissioned Officers with Vehicles and Occasional K-9	144	27.00	3,888.00
Patrol Period 10/10/2016 through 10/16/2016			
Patrols are billed every Monday for the hours patrolled the week preceding the above invoice date.			
This invoice is Monday through Sunday inclusive.			
NOTE: A 3% convenience fee will be charged on all payments made by credit card.			
Sales Tax (8.25%) \$0.00			
Thank you for allowing us to earn your business.			
Total			

\$3,888.00

**SEAL Security Solutions LLC**

1525 Blalock Road
Houston, TX 77080
www.SEALSecurity.com
713-979-2388
TX DPS Lic. # C15942

Invoice

Date	Invoice #
10/20/2016	31911

Bill To

Hobby Area Management District
9610 Long Point, Ste. 150
Houston, TX 77055

Camera Location

Gulf Gas Station
Airport / Monroe
Houston, Texas

Description	Terms	
	Net 30	Amount
Mobile Security Unit - Solar HD/TP Four (4) Camera System with Advanced Analytics -4 Weeks Video Storage		2,000.00
Discount		-500.00
Monitoring Period from 10/20/2016 through 11/19/2016		
Monitoring Invoices are billed every month for the entire month.		
This Invoice is billed in advance for the month.		
NOTE: A 3% convenience fee will be charged on all payments made by credit card.	Sales Tax (8.25%)	\$0.00
Thank you for allowing us to earn your business.	Total	\$1,500.00

**SEAL Security Solutions LLC**

1525 Blalock Road
Houston, TX 77080-7318
www.SEALSecurity.com
713-979-2388
TX DPS Lic. # C15942

Invoice

Date	Invoice #
10/24/2016	31935

Bill To

Hobby Area Management District
9610 Long Point, Ste. 150
Houston, TX 77055

Description	Hours	Rate/ Hour	Terms	
			Net 30	Amount
Three Commissioned Officers with Vehicles and Occasional K-9 Patrol Period 10/17/2016 through 10/23/2016	144	27.00		3,888.00
Patrols are billed every Monday for the hours patrolled the week preceding the above invoice date.				
This invoice is Monday through Sunday inclusive.				
NOTE: A 3% convenience fee will be charged on all payments made by credit card.			Sales Tax (8.25%)	\$0.00
Thank you for allowing us to earn your business.	Total			\$3,888.00

**SEAL Security Solutions LLC**

1525 Blalock Road
Houston, TX 77080-7318
www.SEALSecurity.com
713-979-2388
TX DPS Lic. # C15942

Invoice

Date	Invoice #
10/31/2016	31989

Bill To

Hobby Area Management District
9610 Long Point, Ste. 150
Houston, TX 77055

Description	Hours	Rate/ Hour	Terms	
			Net 30	Amount
Three Commissioned Officers with Vehicles and Occasional K-9 Patrol Period 10/24/2016 through 10/30/2016	144	27.00		3,888.00
Patrols are billed every Monday for the hours patrolled the week preceding the above invoice date.				
This invoice is Monday through Sunday inclusive.				
NOTE: A 3% convenience fee will be charged on all payments made by credit card.			Sales Tax (8.25%)	\$0.00
Thank you for allowing us to earn your business.	Total			\$3,888.00

**SEAL Security Solutions LLC**

1525 Blalock Road
Houston, TX 77080
www.SEALSecurity.com
713-979-2388
TX DPS Lic. # C15942

Invoice

Date	Invoice #
11/1/2016	32066

Bill To

Hobby Area Management District
9610 Long Point, Ste. 150
Houston, TX 77055

Camera Location

Jack In The Box
8081 Airport
Houston, Texas

Description	Amount	Terms	
		Net 30	Amount
Mobile Security Unit - 1080 P HD Camera "Plug and Play" Electric System -4 Ptz Cameras -4 Weeks Video Storage	1,500.00		
Discount	-300.00		
Monitoring Period from 11/1/2016 through 11/31/2016			
Monitoring Invoices are billed at the beginning of every month for the entire month.			
The Invoice is billed in advance for the month.			
NOTE: A 3% convenience fee will be charged on all payments made by credit card.		Sales Tax (8.25%)	\$0.00
	Total		\$1,200.00



SEAL Security Solutions LLC
1525 Blalock Road
Houston, TX 77080
www.SEALSecurity.com
713-979-2388
TX DPS Lic. # C15942

Invoice

Date	Invoice #
11/1/2016	32075

Bill To

Hobby Area Management District
9610 Long Point, Ste. 150
Houston, TX 77055

Camera Location

Wal-Mart/Game Stop
10012 Alameda Genoa
Houston, Texas

Terms

Net 30

Description	Amount
Mobile Security Unit - Solar HD/TP Four (4) Camera System with Advanced Analytics	2,000.00
-4 Weeks Video Storage	
Discount	-500.00
Monitoring Period from 11/01/2016 through 11/30/2016	
Monitoring Invoices are billed every month for the entire month.	
This Invoice is billed in advance for the month.	
NOTE: A 3% convenience fee will be charged on all payments made by credit card.	
Sales Tax (8.25%)	\$0.00
Thank you for allowing us to earn your business.	
Total	\$1,500.00

SMC Logistics, LLC
13107 James Ln.
Stafford, TX 77477 US
sonia@smclogisticsworks.com
smclogisticsworks.com



INVOICE

BILL TO

Hobby Area Management
District
PO Box 22167
Houston, TX 77227

INVOICE # 1218
DATE 11/03/2016
DUE DATE 11/18/2016

ACTIVITY	QTY	RATE	AMOUNT
Hobby Litter Abatement	1	9,166.67	9,166.67
Litter abatement of right-of-way for Hobby Area Management District			
October 2016 Litter Abatement Services		0.00	0.00

We appreciate your prompt payment.

BALANCE DUE **\$9,166.67**

SMC Logistics, LLC
13107 James Ln.
Stafford, TX 77477 US
sonia@smclogisticsworks.com
smclogisticsworks.com



INVOICE

BILL TO

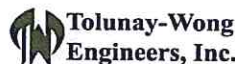
Hobby Area Management
District
PO Box 22167
Houston, TX 77227

INVOICE # 1219
DATE 11/03/2016
DUE DATE 11/18/2016

ACTIVITY	QTY	RATE	AMOUNT
Street Light Survey	10	35.00	350.00
Survey of burned out street lights			
October 2016		0.00	0.00

We appreciate your prompt payment.

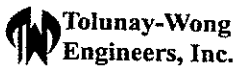
BALANCE DUE **\$350.00**



10710 S. Sam Houston Pkwy W., Ste. 100
Houston, TX 77031
713-722-7064

DATE 07/31/2016
INVOICE NO. 16-7095

BILL TO		PROJECT DESCRIPTION				
Hobby Area District c/o Clark Condon Associates, Inc. Anthony Allender tallender@hchelp.com jlowry@hchelp.com		Hobby Area Management District, Broadway St. Landscape Improvements				
PROJECT NO.	16.11.321	MANAGER	Benjamin Bynum	TERMS	NET 30	
ITEM		QTY	UNIT	DESC	RATE	AMOUNT
Report No.001 - July 07, 2016						
Construction Materials Technician		4.00	hours		44.00	176.00
Vehicle Charge		1.00	day		55.00	55.00
Compressive Strength (Concrete Cyls)		4.00	each		17.00	68.00
Report No.002 - July 11, 2016						
Construction Materials Technician		5.50	hours		44.00	242.00
Vehicle Charge		1.00	day		55.00	55.00
Compressive Strength (Concrete Cyls)		4.00	each		17.00	68.00
Report No.003 - July 12, 2016						
Construction Materials Technician		4.00	hours		44.00	176.00
Vehicle Charge		1.00	day		55.00	55.00
Compressive Strength (Concrete Cyls)		4.00	each		17.00	68.00
Report No.004 - July 15, 2016						
Construction Materials Technician		7.00	hours		44.00	308.00
Vehicle Charge		1.00	day		55.00	55.00
Compressive Strength (Concrete Cyls)		4.00	each		17.00	68.00
Report No.005 - July 18, 2016						
Construction Materials Technician		4.00	hours		44.00	176.00
Vehicle Charge		1.00	day		55.00	55.00
Compressive Strength (Concrete Cyls)		4.00	each		17.00	68.00
Report No.006 - July 20, 2016						
Construction Materials Technician		4.00	hours		44.00	176.00
Vehicle Charge		1.00	day		55.00	55.00
Compressive Strength (Concrete Cyls)		4.00	each		17.00	68.00
Report No.007 - July 22, 2016						
Construction Materials Technician		7.50	hours		44.00	330.00
Vehicle Charge		1.00	day		55.00	55.00
Compressive Strength (Concrete Cyls)		4.00	each		17.00	68.00



10710 S. Sam Houston Pkwy W., Ste. 100
Houston, TX 77031
713-722-7064

DATE	INVOICE NO.
07/31/2016	16-7095

Total	\$2,445.00
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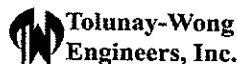
Thank you for your business!

A late charge of 1.5% per month will be added in the event that payment is not made within 30 days of the date of invoice.

Hobby Area District c/o Clark Condon Associates,
Inc.

Invoice number 16-7095

Invoice date 07/31/2016



10710 S. Sam Houston Pkwy W., Ste. 100
Houston, TX 77031
713-722-7064

DATE	INVOICE NO.
08/31/2016	16-8113

BILL TO

Hobby Area District c/o Clark Condon Associates, Inc.
Anthony Allender
allender@hhdp.com
jowry@hhdp.com

PROJECT DESCRIPTION

Hobby Area Management District, Broadway St.
Landscape Improvements

PROJECT NO.	16.11.321	MANAGER	Benjamin Bynum	TERMS	NET 30
-------------	-----------	---------	----------------	-------	--------

ITEM	QTY	UNIT	DESC	RATE	AMOUNT
Report No.008 - August 04, 2016					
Construction Materials Technician	4.00	hours		44.00	176.00
Vehicle Charge	1.00	day		55.00	55.00
Compressive Strength (Concrete Cyls)	4.00	each		17.00	68.00
Report No.008A - August 05, 2016					
Sample Pick Up	2.50	hours		44.00	110.00
Vehicle Charge	0.50	day		55.00	27.50
Report No.009 - August 08, 2016					
Construction Materials Technician	4.00	hours		44.00	176.00
Vehicle Charge	1.00	day		55.00	55.00
Compressive Strength (Concrete Cyls)	4.00	each		17.00	68.00
Report No.009A - August 09, 2016					
Sample Pick Up	2.50	hours		44.00	110.00
Vehicle Charge	0.50	day		55.00	27.50

Total	\$873.00
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Thank you for your business!

A late charge of 1.5% per month will be added in the event that payment is not made within 30 days of the date of invoice.

Hobby Area District c/o Clark Condon Associates,
Inc.

Invoice number 16-8113

Invoice date 08/31/2016

HAWES HILL CALDERON
LLP



P.O. Box 22167
Houston TX 77227-2167

Invoice

MD-Hobby Area Management District
(HCID #9)
P.O. Box 22167
Houston, TX 77227

Invoice #: 43015501
Date: 11/2/2016

DATE	DESCRIPTION	AMOUNT
	Professional consulting, administration and project management fee, October 2016	\$24,376.00
	In-house postage, photocopies, binding, etc., October 2016	\$706.38
	Cell phone, Mario Ramirez, 10/20-11/19/2016	\$87.96
	Cell phone, G. Larson, 10/20-11/19/2016, 25% of shared costs	\$52.11
	Reimbursable mileage, parking, tolls, related expenses, as follows:	
	J. Lowry, October 2016	\$3,444.24
	G. Larson, September 2016	\$214.92
	L. Clayton, October 2016	\$25.92

Terms: C.O.D.

Sales Tax: \$0.00
Total Amount: \$28,907.53
Amount Applied: \$0.00
Balance Due: \$28,907.53

Owed As Of: 11/2/2016

30 DAYS	90 DAYS	90+ DAYS	Total Owed
			\$28,907.53

HOBBY AREA MANAGEMENT DISTRICT

In-house Postage, Photocopies, Binding, etc.

Postage	Amount
10/17/2016	\$ 2.83

Total	<u>\$ 2.83</u>
-------	----------------

Photocopies @ \$0.15

Date	Pages	Amount
10/6/2016	112	\$ 16.80
10/10/2016	4340	\$ 651.00
10/14/2016	37	\$ 5.55

Total	<u>\$ 656.55</u>
-------	------------------

Color Photocopies @ \$0.50

10/4/2016	38	\$ 19.00
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Total	<u>\$ 19.00</u>
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Binding sets @ \$1.00

Date	Sets	Amount
10/10/2016	28	\$ 28.00

Total	<u>\$ 28.00</u>
-------	-----------------

Total, all Items

Postage	\$ 2.83
Photocopies	\$ 656.55
Color Photocopies	\$ 19.00
Binding sets	\$ 28.00
	<u>\$ 706.38</u>



Summary for Mario Ramirez: 832-727-0511

Your Plan

Nationwide Business Talk 450
\$44.99 monthly charge
450 monthly allowance minutes
\$.25 per minute after allowance

Friends & Family

Data Package/2GB
\$30.00 monthly charge
2 monthly gigabyte allowance
\$10.00 per GB after allowance

Beginning on 07/06/15:
08% Access Discount

Beginning on 07/06/15:
8% - Feature Discount

M2M National Unlimited
Unlimited monthly Mobile to Mobile

UNL Night & Weekend Min
Unlimited monthly OFFPEAK

Have more questions about your charges?
Get details for usage charges at
www.vzw.com/mybusinessaccount.

Monthly Charges

Nationwide Business Talk 450	10/20 - 11/19	44.99
08% Access Discount	10/20 - 11/19	-3.60
Data Package/2GB	10/20 - 11/19	30.00
8% - Feature Discount	10/20 - 11/19	-2.40
Total Equipment Coverage - Asurion	10/20 - 11/19	9.00
		\$77.99

Usage and Purchase Charges

Voice		Allowance	Used	Billable	Cost
Shared	minutes	450 (shared)	24	---	---
Mobile to Mobile	minutes	unlimited	18	---	---
Total Voice					\$0.00

Data

Gigabyte Usage	gigabytes	2.000	.045	---	---
Total Data					\$0.00

Total Usage and Purchase Charges **\$0.00**

Surcharges

Fed Universal Service Charge	1.89
Regulatory Charge	.21
Administrative Charge	1.23
TX Franchise Surchg	.24
Texas Universal Service	1.12
	\$4.69

Taxes, Governmental Surcharges and Fees

TX State 911 Fee	.50
TX Equalization Surcharge	.06
TX State Sales Tax	4.72
	\$5.28

Total Current Charges for 832-727-0511

\$87.96



Invoice Number Account Number Date Due Page
9773956819 919181047-00001 11/14/16 21 of 30

Summary for Gretchen Larson: 832-392-2546

Your Plan

Nationwide Email & Data 450
\$84.99 monthly charge
450 monthly allowance minutes
\$.25 per minute after allowance

Friends & Family

M2M National Unlimited
Unlimited Mobile to Mobile

UNL Night & Weekend Min
Unlimited OFFPEAK

Data MHS CRP Email/4GB
\$20.00 monthly charge
4 monthly gigabyte allowance
\$10.00 per GB after allowance

Beginning on 01/07/09:
08% Access Discount

Have more questions about your charges?
Get details for usage charges at
www.vzw.com/mybusinessaccount.

Monthly Charges

Nationwide Email & Data 450	10/20 - 11/19	84.99
08% Access Discount	10/20 - 11/19	-6.80
Data MHS CRP Email/4GB	10/20 - 11/19	20.00
Total Equipment Coverage - Asurion	10/20 - 11/19	9.00
		\$107.19

Usage and Purchase Charges

Voice		Allowance	Used	Billable	Cost
Shared	minutes	450 (shared)	997	---	---
Mobile to Mobile	minutes	unlimited	175	---	---
Night/Weekend	minutes	unlimited	119	---	---
Total Voice					\$0.00

Messaging

Text – Sent	<i>messages</i>	—	87	87	17.40
Text – Rcv'd	<i>messages</i>	—	175	175	35.00
Picture & Video – Sent	<i>messages</i>	—	42	42	10.50
Picture & Video – Rcv'd	<i>messages</i>	—	68	68	17.00
Total Messaging					\$79.90

Data

Gigabyte Usage	<i>gigabytes</i>	4.000	1.615	--	--
Total Data					\$0.00

Total Usage and Purchase Charges **\$79.90**

Surcharges

Fed Universal Service Charge	1.89
Regulatory Charge	.21
Administrative Charge	1.23
TX Franchise Surchg	.24
Texas Universal Service	3.10
	\$6.67

Taxes, Governmental Surcharges and Fees

TX State 911 Fee	.50
TX Equalization Surcharge	.06
TX State Sales Tax	11.66
Houston City Sales Tax	1.87
Houston Mta Tax	.59
	\$14.68

Total Current Charges for 832-392-2546

\$208.44

25% = 52.11

[illegible]



8181 Airport Blvd. • Houston, TX 77061
Phone (713) 645-3000 • Fax (713) 645-2251
For reservations across the nation
www.doubletree.com or 1-800-222-TREE

Name & Address

HOBBY AREA MANAGEMENT DISTRICT
8121 BROADWAY
SUITE 135
HOUSTON 77061
UNITED STATES OF AMERICA

Room H 2607
Arrival Date 4/8/2016 12:00 AM
Departure Date

Adult/Child
Room Rate

Rate Plan:
HH #
AL:
Car:

Folio

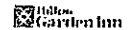
10/18/2016

HILTON
HHONORS

DATE	REFERENCE	DESCRIPTION	AMOUNT
10/13/2016	953637	*BANQUETS	\$115.00
10/13/2016	953638	*BANQUETS	\$530.00
10/18/2016	957188	VS *3701	(\$645.00)
		BALANCE	\$0.00



CONRAD
A HILTON HOTEL



ACCOUNT NO.
CARD MEMBER NAME
ESTABLISHMENT NO. & LOCATION
CARD MEMBER'S SIGNATURE

DATE OF CHARGE	FOLIO NO /CHECK NO
	293520 B
AUTHORIZATION	INITIAL
PURCHASES & SERVICES	
TAXES	
TIPS & MISC.	
TOTAL AMOUNT	-645.00

PAYMENT DUE UPON RECEIPT

MERCHANDISE AND/OR SERVICES PURCHASED ON THIS CARD SHALL NOT BE RETURNED OR REFUNDABLE FOR A CASH REFUND



Tax Exempt - Sales

8181 Airport Boulevard Houston, TX 77061
Phone: 713-645-3000 - Fax: 713-645-1409

Page 1 of 1

Banquet Check

BEO#: 48695

Group Name:	Hobby Area Management District	F&B Acct:	H2607
Post As:	Hobby Area Management District Board Meeting	Site Contact:	Mr. Josh Hawes
Catering Mgr:	Maggie Del Rio		

Day/Date	Time	Function	Room	Gtd	Actual
Thursday, October 13, 2016	1:00 pm	Business and Econorr	Tamp/Mont/Canc	20	

ROOM RENTAL		PRICE	SUBTOTAL	TOTAL
Room:	Tamp/Mont/Canc			
	Function: MTG	500.00	500.00	
	TOTAL		500.00	
	SERVICE CHARGE %	23.00	115.00	
	Room Rental Tax %	6.00	30.00	
	Sales Tax %	0.00	0.00	
				645.00

Grand Total: 645.00

Balance Due: 645.00

Page 1 of 1

Client Signature _____

Date: 10/13/2016



8181 Airport Blvd. • Houston, TX 77061
Phone (713) 645-3000 • Fax (713) 645-2251
For reservations across the nation
www.doubletree.com or 1-800-222-TREE

Name & Address

HOBBY AREA MANAGEMENT DISTRICT
PO BOX 22167
HOUSTON TX 77227
UNITED STATES OF AMERICA

Room H 2996
Arrival Date 10/14/2016 12:00 AM
Departure Date

Adult/Child
Room Rate

Rate Plan:
HH #
AL:
Car:

Folio

10/24/2016



DATE	REFERENCE	DESCRIPTION	AMOUNT
10/18/2016	957266	*BANQUETS	\$1,079.94
10/18/2016	957272	*BANQUETS	\$106.00
10/18/2016	957273	*BANQUETS	\$113.96
10/19/2016	957978	*BANQUETS	\$181.00
10/19/2016	957979	*BANQUETS	\$505.75
10/24/2016	961531	VS *3701	(\$1,986.65)
		BALANCE	\$0.00

1079.94

~~1299.90~~

219.96

686.75

CONRAD

Hilton

DoubleTree

Hampton

Hilton Garden Inn

Home2 Suites

Home2

Hilton Grand Vacations

ACCOUNT NO.		DATE OF CHARGE	FOLIO NO./CHECK NO.
			296635 A
CARD MEMBER NAME		AUTHORIZATION	INITIAL
ESTABLISHMENT NO. & LOCATION		PURCHASES & SERVICES	
		TAXES	
		TIPS & MISC.	
		TOTAL AMOUNT	-1,986.65
CARD MEMBER'S SIGNATURE		PAYMENT DUE UPON RECEIPT	
X			

DISCOUNTS AND/OR SERVICES PURCHASED ON THIS CARD SHALL NOT BE REFUND OR RETURNED FOR A CASH REFUND



Not Tax Exempt

8181 Airport Boulevard Houston, TX 77061
Phone: 713-845-3080 - Fax: 713-845-1409

Page 1 of 1

Banquet Check

BEO#: 49876

Group Name:	Hobby Area Management District	F&B Acct:	H2996
Post As:	Hobby Area Management District	Site Contact:	Mr. Jerry Lowry
Catering Mgr:	Angie Thompson		

Day/Date	Time	Function	Room	Gtd	Actual
Tuesday, October 18, 2016	2:00 pm		Delta Room	6	

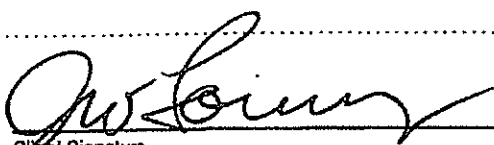
NO.	FOOD	PRICE	SUBTOTAL	TOTAL
1	Pot(s) Freshly Brewed 100% Columbian Regular Coffee	25.00	25.00	
1	Pot(s) Iced Tea	25.00	25.00	
1	Dozen Freshly Baked Assorted Cookies	23.95	23.95	
	TOTAL FOOD		73.95	
	SERVICE CHARGE %	23.00	17.01	
				90.96

ROOM RENTAL	PRICE	SUBTOTAL	TOTAL
Room: Delta Room	100.00	100.00	
Function: MTG			
TOTAL		100.00	
SERVICE CHARGE %	23.00	23.00	
Room Rental Tax %	6.00	6.00	
Sales Tax %	0.00	0.00	
			129.00

Grand Total: 219.96

Balance Due: 219.96

Page 1 of 1


Client Signature

Date: 10/18/2016



Not Tax Exempt

8181 Airport Boulevard Houston, TX 77061
Phone: 713-645-3000 - Fax: 713-645-1409

Page 1 of 1

Banquet Check

BEO#: 49845

Group Name:	Hobby Area Management District	F&B Acct:	H2996
Post As:	Hobby Area Apartment PIP Meeting	Site Contact:	Mr. Jerry Lowry
Catering Mgr:	Angie Thompson		

Day/Date	Time	Function	Room	Gtd	Actual
Tuesday, October 18, 2016	11:00 am		Moody 1	40	
Tuesday, October 18, 2016	11:30 am		Moody 1	40	
Tuesday, October 18, 2016	12:00 pm		Moody 1	40	

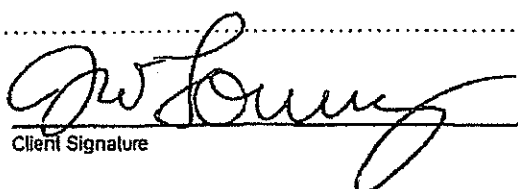
NO.	FOOD	PRICE	SUBTOTAL	TOTAL
40	Hobby Deli	21.95	878.00	
	TOTAL FOOD		878.00	
	SERVICE CHARGE %	23.00	201.94	
				1,079.94

ROOM RENTAL	PRICE	SUBTOTAL	TOTAL
Room: Moody 1			
Room: Moody 1			
Room: Moody 1			
Function: SET			
Function: MTG			
Function: LUN			
SERVICE CHARGE %	23.00	0.00	
Room Rental Tax %	6.00	0.00	
Sales Tax %	0.00	0.00	

Grand Total: 1,079.94

Balance Due: 1,079.94

Page 1 of 1


Client Signature

Date: 10/18/2016



Tax Exempt - Sales

8181 Airport Boulevard Houston, TX 77061
Phone: 713-645-3000 - Fax 713-645-1409

Page 1 of 1

Banquet Check

BEO#: 48684

Group Name:	Hobby Area Management District	F&B Acct:	H2996
Post As:	Hobby Area Management District - Committee Meetings	Site Contact:	Mr. Josh Hawes
Catering Mgr:	Maggie Del Rio		

Day/Date	Time	Function	Room	Gtd	Actual
Wednesday, October 19, 2016	10:00 am	Business and Econorr	Moody 1	10	
Wednesday, October 19, 2016	11:00 am	Visual Improvements	Moody 1	10	
Wednesday, October 19, 2016	11:30 am		Moody 1	15	
Wednesday, October 19, 2016	12:00 pm	Public Safety	Moody 1	10	

NO.	FOOD	PRICE	SUBTOTAL	TOTAL
15	Hobby Deli-Working Lunch	21.95	329.25	
	TOTAL FOOD		329.25	
	SERVICE CHARGE %	23.00	75.73	
				404.98

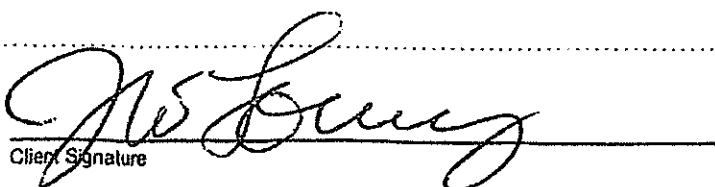
NO.	MISCELLANEOUS	PRICE	SUBTOTAL	TOTAL
1	7' Tripod Screen	50.00	50.00	
	TOTAL MISCELLANEOUS		50.00	
	SERVICE CHARGE %	23.00	11.50	
				61.50

ROOM RENTAL		PRICE	SUBTOTAL	TOTAL
Room:	Moody 1	Function: MTG	170.75	170.75
Room:	Moody 1	Function: MTG		
Room:	Moody 1	Function: LUN		
Room:	Moody 1	Function: MTG		
	TOTAL		170.75	
	SERVICE CHARGE %	23.00	39.27	
	Room Rental Tax %	6.00	10.25	
	Sales Tax %	0.00	0.00	
				220.27

Grand Total: 686.75

Balance Due: 686.75

Page 1 of 1


Client Signature

Date: 10/19/2016

(713)944-0360
THAI JASMINE
10900 KINGSPPOINT RD 13
HOUSTON, TX 77075

10/05/2016

12:14:03

CREDIT CARD

VISA SALE

Card # XXXXXXXXXXXX3701
Chip Card: CHASE VISA
AID: A0000000031010
ATC: 0015
TC: 3BE58ABB7BBFDB28
SEQ #: 11
Batch #: 57
INVOICE 11
SERVER 0000
Approval Code: 02101C
Entry Method: Chip Read
Mode: Issuer

PRE-TIP AMT \$16.76
TIP 3.24
TOTAL AMOUNT 20.00

CUSTOMER COPY

DoubleTree by Hilton
Houston Hobby Airport
The Landing
8181 Airport Boulevard
Houston, TX 77061
(713) 645-3000

Date: Oct05'16 09:54AM
Card Type: VISA
Acct #: XXXXXXXXXXXX3701
Card Entry: SWIPED
Trans Type: PURCHASE
Auth Code: C3592C
Check: 136
Table: 80/1
Server: 304 Silvia E

Subtotal: 13.48

For your convenience we are
providing the following
gratuity calculations:

15% is \$2.02
18% is \$2.43
20% is \$2.70

TIP 2.52

TOTAL 16.00

SIGNATURE: 

THIS IS CUSTOMERS COPY

Office DEPOT OfficeMax

OFFICE DEPOT STORE# 12
10525 Gulf Freeway
Houston, TX 77034
(713) 947-7590

10/05/2016 16.7.2 12:34 PM
STR 12 REG 4 TRN 2221 EMP 651558

SALE	Product ID	Description	Total
	751095	SCANNING, DOC	6.50
	26 @ 0.25		6.50SS
	You Pay		6.50
	Subtotal:		0.54
Sales Tax:	Total:		7.04
	Visa 3701:		7.04

AUTH CODE 06185C
TDS Chip Read
AID A0000000031010 CHASE VISA
TVR 0080008000
CVS No Signature Required

DoubleTree by Hilton
Houston Hobby Airport
The Landing
8181 Airport Boulevard
Houston, TX 77061
(713) 645-3000

Date: Cct10'16 10:49AM
Card Type: VISA
Acct #: XXXXXXXXXXXX3701
Card Entry: SWIPED
Trans Type: PURCHASE
Auth Code: C7385C
Check: 278
Table: E0/1
Server: 304 Silvia E

Subtotal: 32.45

For your convenience we are
providing the following
gratuity calculations:

15% is \$4.87
18% is \$5.84
20% is \$6.49

TIP 5.55

TOTAL 38.00

SIGNATURE: 

THIS IS CUSTOMERS COPY

Office DEPOT OfficeMax

OFFICE DEPOT STORE# 12
10525 Gulf Freeway
Houston, TX 77034
(713) 947-7590

10/18/2016 16.8.2 10:49 AM
STR 12 REG 4 TRN 3717 EMP 651558

Product ID	Description	Total
163061	Impression, BWS	
103 @ 0.12		12.36
	You Pay	12.36SS
167060	BW SS Letter	
6 @ 0.14		0.84
	You Pay	0.84SS
224111	Impression, Clr	
24 @ 0.59		14.16
	You Pay	14.16SS
420283	PPR, COPY, OD, RE	6.79 SS
	Subtotal:	34.15
	Sales Tax:	2.82
	Total:	36.97
	Visa 3701:	36.97

AUTH CODE 00864C
TDS Chip Read
AID A0000000031010 CHASE VISA
TVR 0080008000
CVS Signature Verified

DoubleTree by Hilton
Houston Hobby Airport
The Landing
8181 Airport Boulevard
Houston, TX 77061
(713) 645-3000

Date: Cct25'16 09:48AM
Card Type: VISA
Acct #: XXXXXXXXXXXX3701
Card Entry: SWIPED
Trans Type: PURCHASE
Auth Code: C4116C
Check: 1025
Table: E3/1
Server: E04 Loretta

Subtotal: 14.03

For your convenience we are
providing the following
gratuity calculations:

15% is \$2.10
18% is \$2.53
20% is \$2.81

TIP 2.97

TOTAL 17.00

SIGNATURE: 

THIS IS CUSTOMERS COPY

10/14/2016

[illegible]

HOBBY AREA MANAGEMENT DISTRICT
(HARRIS COUNTY IMPROVEMENT DISTRICT NUMBER 9)
CITY OF HOUSTON
HARRIS COUNTY, TEXAS

AGENDA MEMORANDUM

TO: Hobby Area Management District Board of Directors
FROM: Executive Director
SUBJECT: Agenda Item Materials

6. Receive, consider and adopt a Resolution Establishing the Authorized Depository Institutions and Adopting the List of Qualified Broker/Dealers with Whom the Authority May Engage in Investment Transactions.

**RESOLUTION AUTHORIZING DEPOSITORY INSTITUTIONS AND ADOPTING
LIST OF QUALIFIED BROKER/DEALERS OF
HARRIS COUNTY IMPROVEMENT DISTRICT NO. 9**

WHEREAS, Harris County Improvement District No. 9 (the "District"), has been legally created and operates pursuant to the general laws of the State applicable to municipal management districts; and

WHEREAS, the Public Funds Investment Act, Chapter 2256, Government Code, as amended from time to time, requires the Board of Directors of the District to, at least annually, review, revise, and adopt a list of qualified broker/dealers with whom the District may engage in investment transactions; and

WHEREAS, the District's Investment Policy provides that the list of qualified broker/dealers shall be adopted by written resolution of the Board of Directors; and

WHEREAS, the Board of Directors has convened on this date at a meeting open to the public and wishes to adopt the list of qualified broker/dealers with whom the District may engage in investment transactions; Now, Therefore,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF HARRIS COUNTY IMPROVEMENT DISTRICT NO. 9 THAT:

Section 1: The attached Exhibit "A" includes a list of the qualified broker/dealers with whom the District may engage in investment transactions.

Section 2: The provisions of this Resolution shall be effective as of the date of adoption and shall remain in effect until modified by action of the Board of Directors.

PASSED AND APPROVED THIS 10th day of November 2016.

Chair

ATTEST:

Secretary



CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

I, the undersigned officer of the Board of Directors of Harris County Improvement District No. 9, hereby certify as follows:

1. The Board of Directors of Harris County Improvement District No. 9 convened in regular session on the 10th day of November, 2016, at the regular meeting place thereof, inside the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board to-wit:

Danny R. Perkins	President
Helen Bonsall	Vice President
Sue DeHaven	Secretary
Jesus H. Saenz, Jr.	Director
Ann Collum	Director
Marjorie Evans	Director
Joe Ed Nelson	Director
Darryl Bailey	Director
Todd Szilagyi	Director
Vic Zachary	Director
Alberto P. Cardenas	Director

and all of said persons were present, except Director(s) _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at the meeting: a written

**RESOLUTION AUTHORIZING DEPOSITORY INSTITUTIONS AND ADOPTING
LIST OF QUALIFIED BROKER/DEALERS OF
HARRIS COUNTY IMPROVEMENT DISTRICT NO. 9**

was introduced for the consideration of the Board. It was then duly moved and seconded that the Resolution be adopted, and, after due discussion, the motion, carrying with it the adoption of the Resolution, prevailed and carried unanimously.

2. That a true, full and correct copy of the aforesaid Resolution adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that the Resolution has been duly recorded in the Board's minutes of the meeting; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the Board as indicated therein; that each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid meeting, and that the Resolution would be introduced and considered for adoption at the meeting, and each of the officers and members consented, in advance, to the holding of the meeting for such purpose; that the meeting was open to the public as required by law; and that public notice of the time, place and subject of the meeting was given as required by Chapter 551, Texas Government Code, and Section 49.063, Texas Water Code.

SIGNED AND SEALED the 10th day of November, 2016.

(SEAL)

Secretary, Board of Directors



EXHIBIT A
LIST OF AUTHORIZED BROKER/DEALERS

<p> Allegiance Bank Texas Amegy Bank of Texas (Amegy Bank, N.A.) Bank of America Corporation Bank of America, N.A. Bank of Ozarks Bank of Texas (BOKF, NA) BBVA Compass Bank Beal Bank Capital Bank, N.A. Capital One, N.A. Capital Markets Group, Inc. Central Bank Chase Investments Services Corp. Chasewood Bank Coastal Securities Inc. Comerica Bank Commercial State Bank CommunityBank of Texas, N.A. Edward Jones Encore Bank, N.A. Enterprise Bank and Trust Company FirstBank & Trust First Bank of Conroe First Bank Texas First Choice Bank First Citizens Bank First Community Bank, N.A. First National Bank of Bastrop First National Bank Texas First Southwest First Texas Bank Fiserve, Inc. Frost Bank Green Bank, N.A. Herring Bank HomeTown Bank, N.A. Independent Bank International Bank of Commerce JPMorgan Chase & Co. JPMorgan Chase Bank, N.A. J.P. Morgan Securities LLC Legacy Texas Bank Legg Mason LOGIC (Local Government Investment Cooperative) Lone Star Bank Lone Star Investment Pool LPL Financial Services Memorial City Bank Merchants Bank Midkiff & Stone Capital Group, Inc. </p>	<p> MidSouth Bancorp, Inc. Moody National Bank Morgan Stanley Morgan Stanley Wealth Management New First National Bank Patriot Bank Plains State Bank Plus 4 Credit Union Post Oak Bank Preferred Bank Prosperity Bank Prudential Equity Group Raymond James & Associates, Inc. RBC Wealth Management USA Regions Bank Regions Financial Corporation Security State Bank Southwest Securities, Inc. Space City Credit Union State Bank of Texas State Street Bank & Trust Co. Sterling Bancshares, Inc. TexSTAR Texas Capital Bank, National Association Texas Citizens Bank Texas CLASS Texas Community Bank Texas First Bank TIB – The Independent BankersBank TexPool/TexPool Prime The Bank of River Oaks Tri Star Financial Trustmark National Bank U.S. Bank National Association UBS Financial Services, Inc. Unity National Bank Wallis State Bank Wells Fargo Advisors, LLC Wells Fargo Bank, N.A. Westbound Bank Whitney National Bank Woodforest National Bank </p>
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HOBBY AREA MANAGEMENT DISTRICT
(HARRIS COUNTY IMPROVEMENT DISTRICT NUMBER 9)
CITY OF HOUSTON
HARRIS COUNTY, TEXAS

AGENDA MEMORANDUM

TO: Hobby Area Management District Board of Directors
FROM: Executive Director
SUBJECT: Agenda Item Materials

7. Designate Danny Perkins, Helen Bonsall, Jerry Lowry, and Jack Roland as authorized signers for the new Plus 4 Credit Union investment account.

HOBBY AREA MANAGEMENT DISTRICT
(HARRIS COUNTY IMPROVEMENT DISTRICT NUMBER 9)
CITY OF HOUSTON
HARRIS COUNTY, TEXAS

AGENDA MEMORANDUM

TO: Hobby Area Management District Board of Directors
FROM: Executive Director
SUBJECT: Agenda Item Materials

8. Receive and consider:
- a. Accept the Hearing Examiner's Report and Proposal for Decision for a Public Hearing regarding the Supplemental Assessment Roll.
 - b. Approve the Order Supplementing the Assessment Roll and Levying Assessments of the Property on the Supplemental Assessment Roll
 - c. Approve Oder Setting the Rate of Assessment for all Properties on the District's Assessment Roll for Year Four of the District's Service Plan

HEARING EXAMINER'S REPORT AND PROPOSAL FOR DECISION
on the public hearing held on November 2, 2016
to be presented to the Board of Directors of
Harris County Improvement District No. 9

The Harris County Improvement District No. 9 was created by House Bill 4110, Act of the 80th Legislature, Regular Session, 2007, and is governed by Chapter 375, Texas Local Government Code, and Chapter 3859, Texas Special District Local Laws Code (together, as amended, the "Act").

Petitions were presented to the Board of Directors of the District (the "Board") requesting the services and improvements set forth in the Service and Improvement Plan and Assessment Plan (the "Service Plan") for the District. The Board held a public hearing on October 24, 2013. Thereafter, on November 14, 2013, the Board adopted its "Order Granting Petition; Approving a Service Plan and Improvement and Assessment Plan; Approving an Assessment Roll; Setting an Assessment Rate for Property within the District for Year One of the District's Service and Improvement and Assessment Plan; Levying Annual Assessments Against Property within the District for a Ten-year Period Specified in the Service and Improvement Plan; Specifying the Method of Payment and the Amount of Annual Installments of the Assessment; Providing Penalties and Interest on Delinquent Assessments; and Authorizing the Collection of Assessments" (collectively, the "Order").

The Order provides that in the years 2014-2023 the District may, after conducting a public hearing for which due notice has been given to owners of property in the District, supplement its assessment roll by adding the value of properties newly classified as commercial non-exempt or with new improvements or substantially rehabilitated improvements (a rehabilitation is substantial if the costs of such rehabilitation equal or exceed 25% of the value of the original improvement) under construction on January 1, 2013, or constructed, remodeled or rehabilitated in the District after January 1, 2013, without the need to secure a new petition from property owners within the District, at the value shown on the rolls of the Harris County Appraisal District ("HCAD") for each year. The Order further provides that assessments on improvements under construction should be based on the value of the portion of the improvement that is complete, and improvements that have been completed should be based on the value of the completed improvement as shown on the rolls of HCAD. On July 24, 2013, the Board adopted a resolution calling a public hearing for such purpose.

The District held a public hearing on November 2, 2016, regarding the advisability of levying assessments against properties with new improvements or substantially rehabilitated improvements (the "Construction Improvements") at the value shown on the rolls of HCAD on January 1, 2016, which were not included in the original assessment roll; and regarding the advisability of using the 2016 HCAD certified values as the basis for the Year 4 assessment.

Pursuant to the direction of the Board, Josh Hawes was appointed as the Chief Hearing Examiner. The Chief Hearing Examiner conducted an administrative hearing on November 2, 2016, on the advisability of supplementing the assessment roll with Construction Improvements. Appropriate notice was given pursuant to the provisions of Chapter 375, Texas Local Government Code (the "Code"), by publishing a copy of the notice of hearing in The Houston

Business Journal, a newspaper of general circulation within the District, in the September 30, 2016 issue, and by mailing copies of the notice of the hearing to the owners of property with Construction Improvements by regular, first class, U.S. Mail, at the address shown on the tax roll of HCAD, on September 29, 2016. The hearing was held at the Hobby Double Tree Hotel, 8181 Airport Boulevard, Houston, Texas, at 2:00 p.m.

TESTIMONY

The Chief Hearing Examiner asked if any persons present desired to be designated as a party to this proceeding. The Harris County Improvement District No. 9 was granted party status and was represented by Clark Stockton Lord, attorney for the District.

The following persons were called by the District and presented formal evidence and testimony: Jerry Lowry, Executive Director of the District, and Pat Hall of Equi-Tax. No other person requested to present formal evidence and testimony.

Jerry Lowry, Executive Director of the District

Mr. Lowry explained the District's Service Plan, the method and rate of assessment and the purpose for the supplemental assessment roll. He reviewed the history of the creation of the District and discussed accomplishments of the District. Mr. Lowry explained the composition of the Board and the qualifications for serving on the Board. He next explained that certain properties had Construction Improvements and that the values of those properties had increased by at least 25% from the value last year. Mr. Lowry identified and explained several documents relating to the authority of the District to levy assessments and provide services and improvements, copies of which are attached hereto entitled "Documentary Evidence", and such documents were admitted into evidence during the hearing. He testified in favor of supplementing the assessment roll with the Construction Improvements. Mr. Hawes stated that he believed that all properties in the District receive a benefit from the District's services and improvement projects that equals or exceeds the assessment paid by the property owner.

Ms. Pat Hall, Equi-Tax Inc., Assessor/Collector for the District

Next, Ms. Hall identified and explained additional documents that were admitted into evidence during the hearing. A list of those documents is attached hereto entitled "Documentary Evidence." Ms. Hall testified regarding the mechanics of the assessment, the calculation of assessment rates and the determination of property values, the method of collecting assessments and the penalties for late payment of assessments. Ms. Hall also explained the reason for supplementing the assessment roll and the method for determining which properties had Construction Improvements.

TEXAS LOCAL GOVERNMENT CODE REQUIREMENTS

The authority of the District to levy supplemental assessments is governed by the provisions of the Act and the Code. Sections 375.111 and 375.112 of the Code set forth the purposes for which the District may levy special assessments on property in an area based on benefit conferred by the improvements or services provided. Section 375.122 governs the authority of the District to make supplemental assessments. Section 375.113 of the Code

requires a hearing, after notice is given in accordance with the provisions of Section 375.115, on the advisability of the improvements and services proposed to be provided and the assessments proposed to be levied.

The District now desires to supplement its current assessment roll with the Construction Improvements. The Order and the Code require that the Board hold a public hearing after due notice to property owners regarding such supplements to the assessment roll. The Act governs the procedure for the hearing to be held and the findings and determinations to be made by the Board in order to supplement the assessment roll. These provisions and the Order generally permit the Board to add properties to the assessment roll after making findings relating to the advisability of the improvements or services, the nature of the improvements or services, the estimated cost, the area benefitted, the method of assessment, and the method and time for payment of the assessment.

The Act contains provisions for the apportionment of costs based on special benefits, permits the Board to allow the assessments to be paid in periodic installments, and authorizes the Board to provide that delinquent assessments will be subject to penalties and bear interest.

ISSUES PRESENTED

Major issues presented at the hearing are as follows:

1. SHOULD THE ASSESSMENT ROLL BE SUPPLEMENTED WITH THE CONSTRUCTION IMPROVEMENTS AT THE VALUE SHOWN ON THE ROLLS OF HCAD ON JANUARY 1, 2016 AND SHOULD THE ASSESSMENT BE BASED ON 2016 HCAD VALUES?

Evidence was presented at the hearing showing that the properties with Construction Improvements will receive benefits from the services and improvements set forth in the Service Plan in excess of the assessment to be paid by property owners. Testimony was also given that it was fair, equitable and appropriate for the District to levy the Year 4 assessment against the Construction Improvements based on the 2016 HCAD certified appraised values.

I, Josh Hawes, Chief Hearing Examiner, agree that each property with Construction Improvements will receive benefits from the services and improvements provided or to be provided by the District, which equal or exceed the assessment levied on each property during the term of the Service Plan. Further, I agree that the Year 4 assessment against the Construction Improvements should be based on 2016 HCAD certified appraised values.

I, Josh Hawes, the Chief Hearing Examiner, recommend that the Board find from the preponderance of the evidence that: (a) the District's current assessment roll should be supplemented with the Construction Improvements shown on the supplemental assessment roll presented into evidence at the hearing (the "Supplemental Assessment Roll"), (b) the Board should levy its Year 4 assessment on the properties with Construction Improvements based on the 2016 HCAD certified appraised values in accordance with the Order, (c) all properties on the Supplemental Assessment Roll should be assessed at the same rate; (d) all properties within the District will receive benefits from all of the existing and proposed programs and improvements, (e) the properties with Construction Improvements will receive benefits that are equal to or

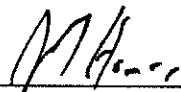
greater than the amount assessed against such properties, and (f) HCAD values are the most appropriate and fair basis of assessment.

RECOMMENDATIONS OF THE CHIEF HEARING EXAMINER

After review of the record and for the reasons given above, the Chief Hearing Examiner makes the following recommendations to the Board:

- (a) That the Board should supplement the assessment roll with the Construction Improvements; and
- (b) That the Board should levy assessments in accordance with the Service Plan and the Order on the Construction Improvements for Year 4 based on the value of such properties shown on the certified rolls of HCAD on January 1, 2016, which is the value shown on the proposed Supplemental Assessment Roll.
- (c) That in all other respects, the Board should continue to follow the Order.

Presented this 10th day of November, 2016.



Josh Hawes
Chief Hearing Examiner

DOCUMENTARY EVIDENCE

EXHIBIT	DESCRIPTION
A	Order Granting Petition; Approving a Service Plan and Improvement and Assessment Plan; Approving an Assessment Roll; Setting an Assessment Rate for Property within the District for Year One of the District's Service and Improvement and Assessment Plan; Levying Annual Assessments Against Property within the District for a Ten-year Period Specified in the Service and Improvement Plan; Specifying the Method of Payment and the Amount of Annual Installments of the Assessment; Providing Penalties and Interest on Delinquent Assessments; and Authorizing the Collection of Assessments
B	2014-2023 Service and Improvement and Assessment Plan
C	Notice of Hearing published in the <u>Houston Business Journal</u> and Affidavit of Publication
D	Affidavit of Mailing of the Notice of the Hearing by Regular, First Class U.S. Mail
E	Unclaimed and Returned Notices from the mailing of Notice to the property owners
F	Supplemental Assessment Roll for the District

NOTE: See original Hearing Examiner's Report for Exhibits A - F.

AMENDED INFORMATION FORM OF
HARRIS COUNTY IMPROVEMENT DISTRICT NO. 9

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

We, the undersigned, constituting a majority of the members of the Board of Directors of Harris County Improvement District No. 9 (the "District"), do hereby make, execute and affirm this Information Form in compliance with TEXAS WATER CODE §49.452 and §49.455 and 30 TEXAS ADMIN. CODE §293.92. We do hereby certify as follows:

1. The most recent rate of assessment levied by the District is \$0.15 per \$100 of assessed valuation of all real property and improvements, as shown on the records of the Harris County Appraisal District.

2. The form Notice to Purchasers required by § 49.452, Texas Water Code, as amended, to be furnished by a seller to a purchaser of real property in the District is attached hereto as Exhibit "A" and incorporated herein for all purposes.

WITNESS OUR HANDS this 10th day of November, 2016.

Danny Perkins

Helen Bonsall

Jesus H. Saenz, Jr.

Sue DeHaven

Ann Collum

Todd Szilagyi

Marjorie Evans

Joe Ed Nelson

Darryl Bailey

Vic Zachary

Alberto P. Cardenas

THE STATE OF TEXAS

§

§

COUNTY OF HARRIS

§

BEFORE ME, the undersigned, a Notary Public, on this day personally appeared Danny Perkins, Helen Bonsall, Sue De Haven, Ann Collum, Jesus H. Saenz, Jr., Marjorie Evans, Joe Ed Nelson, Darryl Bailey, Todd Szilagyi, Vic Zachary and Alberto P. Cardenas, known to me to be the persons and officers whose names are subscribed to the foregoing instrument and affirmed and acknowledged that said instrument is correct and accurate to the best of their knowledge and belief, and that they executed the same for the purposes and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 10th day of November, 2016.

(SEAL)

Notary Public, State of Texas

After recording, return to:

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 9

c/o Bracewell LLP

711 Louisiana, Suite 2300

Houston, Texas 77002-6760

Attn: Debbie J. Russell

EXHIBIT "A"

NOTICE TO PURCHASERS

The real property, described below, that you are about to purchase is located in the Harris County Improvement District NO. 9 (the "District"). The District has taxing authority separate from any other taxing authority, and may, subject to voter approval, issue an unlimited amount of bonds and levy an unlimited rate of tax in payment of such bonds. The District has not yet levied taxes but the most recent projected tax rate is \$0.00 on each \$100 of assessed valuation. The total amount of bonds, excluding refunding bonds and any bonds or any portion of bonds issued that are payable solely from revenues received or expected to be received under a contract with a governmental entity, approved by the voters and which have been or may, at this date, be issued is \$0.00, and the aggregate initial principal amounts of all bonds issued for one or more of the specified facilities of the District and payable in whole or in part from property taxes is \$0.00.

The District has the authority to adopt and impose a standby fee on property in the District that has water, sanitary sewer, or drainage facilities and services available but not connected and which does not have a house, building, or other improvement located thereon and does not substantially utilize the utility capacity available to the property. The District may exercise the authority without holding an election on the matter. As of this date, the most recent amount of the standby fee is \$0.00. An unpaid standby fee is a personal obligation of the person that owned the property at the time of imposition and is secured by a lien on the property. Any person may request a certificate from the District stating the amount, if any, of unpaid standby fees on a tract of property in the District.

The District has the authority to levy an assessment on property within the District. The District may exercise this authority without holding an election on the matter. As of this date, the amount of the assessment is \$0.15 per \$100 of valuation for the real property and any improvements thereon, as reflected on the tax rolls of the Harris County Appraisal District in the District.

The District is located in whole or in part within the corporate boundaries of the City of Houston. The taxpayers of the District are subject to the taxes imposed by the municipality and assessments or taxes imposed by the District until the District is dissolved. By law, a district located within the corporate boundaries of a municipality may be dissolved by municipal ordinance without the consent of the district or the voters of the district.

The purpose of this District is to promote, develop, encourage and maintain employment, commerce, transportation, housing, tourism, recreation, arts, entertainment, economic development, safety and public welfare. The cost of these services and improvements is not included in the purchase price of your property.

The legal description of the property you are acquiring is as follows: (description of property)

SELLER:

Signature of Seller

(Date)

#5043269.1



PURCHASER IS ADVISED THAT THE INFORMATION SHOWN ON THIS FORM IS SUBJECT TO CHANGE BY THE DISTRICT AT ANY TIME. THE DISTRICT ROUTINELY ESTABLISHES ASSESSMENT RATES DURING THE MONTHS OF SEPTEMBER THROUGH DECEMBER OF EACH YEAR, EFFECTIVE FOR THE UPCOMING YEAR. PURCHASER IS ADVISED TO CONTACT THE DISTRICT TO DETERMINE THE STATUS OF ANY CURRENT OR PROPOSED CHANGES TO THE INFORMATION SHOWN ON THIS FORM.

The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or prior to execution of a binding contract for the purchase of the real property described in such notice or at closing of purchase of the real property.

PURCHASER:

Signature of Purchaser

(Date)

(APPROPRIATE ACKNOWLEDGMENTS)

NOTE: After recording, please return to:

ORDER SUPPLEMENTING THE ASSESSMENT ROLL FOR THE HARRIS COUNTY
IMPROVEMENT DISTRICT NO. 9 AND LEVYING ASSESSMENTS AGAINST THE
PROPERTY ON THE SUPPLEMENTAL ASSESSMENT ROLL

WHEREAS, the Harris County Improvement District No. 9 (the "District") was created by House Bill 4110, Acts of the 80th Legislature, Regular Session, 2007, for the purpose of providing services and improvements in the Hobby Airport area of the City of Houston, and is governed by Chapter 375, Texas Local Government Code, as amended, and Chapter 3859, Special District Local Laws Code (collectively, the "Act"); and

WHEREAS, in accordance with the Act, petitions (the "Petition") were presented to the Board of Directors of the District (the "Board") requesting the District to provide services and improvements as described in the Service and Improvement and Assessment Plan Through 2023 (the "Service Plan"); and

WHEREAS, after the issuance of proper notice pursuant to the Act, the District held a public hearing on the Petitions on October 24, 2013, to give property owners an opportunity to question and/or contest the granting of the Petitions; and

WHEREAS, on November 14, 2013, the Board adopted its "Order Granting Petition; Approving a Service Plan; Approving an Assessment Roll; Setting an Assessment Rate for Property within the District For Year One of the District's Service and Improvement and Assessment Plan; Levying Annual Assessments Against Property within the District for a Ten-year Period; Specifying the Method of Payment and the Amount of Annual Installments of the Assessment; Providing Penalties and Interest on Delinquent Assessments; and Authorizing the Collection of Assessments" (the "Original Order"); and

WHEREAS, the Act and the Original Order provides that the District may add to its assessment roll properties that are eligible for assessment that were not on the prior year's assessment roll, and properties with new improvements or substantially rehabilitated improvements (a rehabilitation is substantial if the costs of such rehabilitation equal or exceed 25% of the value of the original improvement) (the "Construction Improvements") at the value shown on the tax rolls of the Harris County Appraisal District ("HCAD") for each year; and

WHEREAS, the District's Assessor/Collector prepared a supplemental assessment roll (the "Supplemental Assessment Roll") with the Construction Improvements at the value shown on the tax rolls of HCAD on January 1, 2016; and

WHEREAS, after giving notice in accordance with the requirements of the Act, the District held a public hearing (the "Hearing") on November 2, 2016, on the advisability of adding the Construction Improvements to the District's assessment roll at the value shown on the tax rolls of HCAD on January 1, 2016 and levying the Year 4 assessment against the properties with Construction Improvements based on the 2016 HCAD values; and

WHEREAS, following the Hearing, the Chief Hearings Examiner presented his report to the Board; and

WHEREAS, the Board desires to accept the Hearings Examiner's Report and Proposal for Decision (the "Hearings Examiner's Report"); and

WHEREAS, the Board desires to add to its assessment roll those properties with Construction Improvements at the value shown on the tax rolls of HCAD on January 1, 2016, and levy the Year 4 assessment against such properties based on the 2016 HCAD values; and

OFFICIAL NOTICE OF CERTAIN MATTERS

The Board hereby orders that official notice be taken and that all persons, entities, and parties be on notice of and that the official record of the proceedings of the Hearing includes:

1. All memoranda and reports of the staff and of consultants to the District and documents of the District prepared and dated as of or prior to the date of such hearing and relating to the Petition, the District, the Service Plan, the levy of assessments, the Original Assessment Roll (as hereinafter defined) and supplementing the Original Assessment Roll with the Supplemental Assessment Roll, the basis of assessment and the subject matter of such hearing;
2. The status of The Houston Business Journal as a newspaper of general circulation within the county in which the District is located;
3. All petitions, certificates, orders, resolutions, reports, and related documents and data submitted to and on file with the District and Board relating to the hearing, the District's Service Plan, assessment roll and the proposed levy of assessments; and
4. The tax rolls of the Harris County Appraisal District for the Year 2016, the value of property on the tax roll and the owners of property and their addresses on the tax roll.

There was submitted for the record and as evidence of the matters therein contained, an affidavit of publication of notice of the hearing in The Houston Business Journal, with such publication occurring on September 30, 2016, which is at least thirty (30) days prior to the date of such hearing, as required by the Act.

There was also submitted evidence that notice was mailed by first class certified mail, return receipt requested, on September 29, 2016, which is at least thirty (30) days prior to the date of such hearing, as required by the Act, to each owner of property with a 25% or more increase in the valuation of property subject to assessment or to each owner of property that had been reclassified as commercial, non-exempt property at the address of such property owner as reflected on the most recent tax rolls of Harris County, Texas, such evidence including certified mailing receipts, return receipts, and returned notices of those persons who failed to accept or receive the notice of hearing.

FINDINGS OF FACT

In consideration of all issues of fact and law relative to the aforesaid hearing, the Board rules and makes the following Findings of Fact:

1. All petitions, resolutions, orders, and related documents and data required pursuant to the Act and the Code, and of the District have been duly and timely submitted to and filed with the District.
2. By motion of the Board at its meeting on October 13, 2016, the time, date, subject, and place of the hearing before the Hearings Examiners was set for November 2, 2016, at 1:00 p.m. at the Hobby Airport Double Tree Hotel, 8181 Airport Boulevard, Houston, Texas.
3. Notice of the Hearing (the "Notice") was given in accordance with the Act by publishing a copy of the Notice in The Houston Business Journal, a newspaper of general circulation in Harris County, Texas, on September 30, 2016, a date not later than thirty (30) days before the date of the hearing, and by mailing a copy of the Notice by first class mail, on September 29, 2016, which is not later than thirty (30) days before the date of the Hearing, to each owner of property with Construction Improvements in the District at the current address of such property owner as shown on the HCAD tax roll.
4. The Service Plan and the Original Order authorize the District to supplement the assessment roll approved by the Original Order (the "Original Assessment Roll") without need for a further petition, provided that a public hearing is held in compliance with all requirements of the Act.
5. The Original Assessment Roll, as supplemented by the Supplemental Assessment Roll (the "2016 Assessment Roll") should be approved as the assessment roll for the District.
6. That there should be levied against all properties shown on the Supplemental Assessment Roll for Year 4 of the Service Plan, an assessment for services and improvements in accordance with the Petition, the Service Plan and the Original Order.
7. All of the real property in the District, which is being assessed by the Board in the amount shown on the 2016 Assessment Roll, will be benefited by the services and improvements proposed to be provided by the District in the Service Plan, and each parcel of real property will receive special benefits in each year equal to or greater than the amount assessed, and will receive special benefits during the term of the Service Plan in an amount equal to or greater than the total amount assessed during the term of the Service Plan.
8. The cost of providing services and improvements for the District, as shown in the Service Plan, on the basis of the value of property as shown on the tax rolls of the Harris County Appraisal District and as shown on the 2016 Assessment Roll

results in imposing equal shares of the cost on property similarly benefited, and results in a reasonable classification and formula for the apportionment of costs of the various classes of services and improvements proposed to be provided in the Service Plan to the benefited property within the District.

9. The Board, pursuant to the Original Order, levied one annual assessment for the year 2013 against all properties shown on the District's assessment roll. The District now proposes to levy a subsequent annual assessment for the year 2016 against all properties shown on the District's assessment roll.
10. The provisions relating to due and delinquency dates for assessments, interest, and penalties on delinquent assessments and procedures in connection with the Original Order with the imposition and collection of assessments as set forth in the Service Plan should be approved and continued and will expedite collection of the assessments in a timely manner in order to provide the services and improvements needed and required for the District as described with the Service Plan.
11. That the recitations, objectives, goals, costs, programs, and conclusions set forth in the Service Plan are found to be true and correct and will benefit the District and the properties within the District, including the Construction Improvements, as determined and set forth in the Service Plan.
12. The Board finds that it is advisable for the improvements and services set forth in the Service Plan be provided to properties within the District, including the Construction Improvements, during the term set forth in the Service Plan.
13. That the matters, facts, and recommendations of the Hearings Examiner's Report and Proposal for Decision are found to be true and correct.

CONCLUSIONS OF LAW

The District has met all requirements of the Act necessary to supplement the Original Assessment Roll with the Supplemental Assessment Roll and levy assessments on the properties with Construction Improvements, and the Hearings Examiner's Report and the Supplemental Assessment Roll should be approved.

1. The public hearing of the District on the advisability of the District supplementing the Original Assessment Roll with the Construction Improvements and levying an assessment against such properties based on the 2016 HCAD certified appraised values, was held and all necessary and appropriate notice thereof was given under the authority of and in accordance with the provisions of the Act.
2. The Board is authorized to supplement the Original Assessment Roll, to conduct the Hearing, and to levy assessments for services and improvements in accordance with the Petition and the Original Order.

3. In order to accomplish and effectuate the purposes for which the District was created as set forth in the Act, the Hearings Examiner's Report should be approved in its entirety, the 2016 Assessment Roll should be approved and the assessment on properties with Construction Improvements should be levied by the Board for Year 4 based on the 2016 HCAD certified appraised values of such properties.
4. The method of apportioning costs on the basis of valuation of property as shown on the tax rolls of the Harris County Appraisal District for services and improvements will result in the reasonable apportionment of the costs and in imposing equal shares of the costs of the Service Plan on properties similarly benefited and results in a reasonable classification and formula for the apportionment of the costs of the various classes of services and improvements proposed to be provided to the benefited property within the District.

NOW, THEREFORE, BE IT ORDERED BY THE BOARD OF DIRECTORS OF HARRIS COUNTY IMPROVEMENT DISTRICT NO. 9 THAT:

Section 1. Findings and Adoption of Hearings Examiner's Report. The recitals, findings of fact and conclusions of law in the preamble of this Order are hereby found and determined to be true and correct. The matters, facts, and recommendations of the Hearings Examiner's Report, which is attached hereto as Exhibit A, are hereby accepted and the Hearings Examiner's Report and Proposal for Decision is hereby approved.

Section 2. Assessment Roll. The Original Assessment Roll is hereby supplemented with the Construction Improvements shown on the Supplemental Assessment Roll. The 2016 Assessment Roll is hereby approved as the assessment roll of the District. The 2016 Assessment Roll as approved is incorporated in this Order by reference.

Section 3. Levy of Assessments on Construction Improvements. The Board hereby levies upon the Construction Improvements shown on the Supplemental Assessment Roll an assessment for Year 4 at the rate of \$0.15 per \$100 assessed valuation, which rate was adopted by the Board on November 10, 2016.

Section 4. Collection of Assessments. Equi-Tax, Inc., the District's Assessor/Collector, is hereby authorized and directed to collect the assessments on behalf of the District and to take all necessary actions in connection therewith. The procedures for the collection of assessments, for the calculation and imposition of penalties and interest, and for the enforcement of assessments, penalties and interest through a lien against the property assessed, contained in the Original Order are hereby confirmed.

Section 5. Severability. If any provision, section, subsection, sentence, clause, or phrase of this Order, or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void, or invalid, the validity of the remaining portions of this Order or their application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the Board in adopting this Order that no portion hereof, or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality,

voidness, or invalidity of any other portion hereof, and all provisions of this Order are declared to be severable for that purpose.

Section 6. Notice. The Board officially finds, determines, recites, and declares that sufficient written notices of the date, hour, place, and subject of this meeting of the Board were posted at places convenient to the public at the Harris County Clerk's Office and in the District for the time required by law preceding this meeting, as required by the Open Meetings Law, Chapter 551, Texas Government Code, and that this meeting has been open to the public as required by law at all times during which this Order and the subject matter thereof has been discussed, considered, and formally acted upon. The Board further ratifies, approves, and confirms such written notice and the contents and posting thereof.

(Signature Page Follows)

PASSED, APPROVED AND ADOPTED this 10th day of November, 2016.

Chairman, Board of Directors
Harris County Improvement District No. 9

ATTEST:

Secretary, Board of Directors
Harris County Improvement District No. 9



Exhibit A - Hearings Examiner's Report and Proposal for Decision

CERTIFICATE FOR ORDER

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

I, the undersigned officer of the Board of Directors of Harris County Improvement District No. 9, hereby certify as follows:

1. The Board of Directors of Harris County Improvement District No. 9 convened in regular session on the 10th day of November, 2016, at the regular meeting place thereof, inside the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board to-wit:

Danny R. Perkins	President
Helen Bonsall	Vice President
Sue DeHaven	Secretary
Jesus H. Saenz, Jr.	Director
Ann Collum	Director
Marjorie Evans	Director
Joe Ed Nelson	Director
Darryl Bailey	Director
Todd Szilagyi	Director
Vic Zachary	Director
Alberto P. Cardenas	Director

and all of said persons were present, except Director(s) _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at the meeting: a written

**ORDER SUPPLEMENTING THE ASSESSMENT ROLL FOR THE HARRIS COUNTY
IMPROVEMENT DISTRICT NO. 9 AND LEVYING ASSESSMENTS AGAINST THE
PROPERTY ON THE SUPPLEMENTAL ASSESSMENT ROLL**

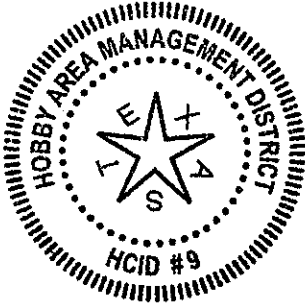
was introduced for the consideration of the Board. It was then duly moved and seconded that the order be adopted, and, after due discussion, the motion, carrying with it the adoption of the order, prevailed and carried unanimously.

2. That a true, full and correct copy of the aforesaid Order adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that the Order has been duly recorded in the Board's minutes of the meeting; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the Board as indicated therein; that each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid meeting, and that the Order would be introduced and considered for adoption at the meeting, and each of the officers and members consented, in advance, to the holding of the meeting for such purpose; that the meeting was open to the public as required by law; and that public notice of the time, place and subject of the meeting was given as required by Chapter 551, Texas Government Code, and Section 49.063, Texas Water Code.

SIGNED AND SEALED the 10th day of November, 2016.

Secretary, Board of Directors

(SEAL)



**ORDER SETTING THE RATE OF ASSESSMENT FOR ALL
PROPERTIES ON THE DISTRICT'S ASSESSMENT ROLL FOR YEAR
FOUR OF THE DISTRICT'S SERVICE PLAN**

WHEREAS, the Harris County Improvement District No. 9 (the "District") was created by House Bill 4110, Acts of the 80th Legislature, Regular Session, 2007, for the purpose of providing services and improvements in the Hobby Airport area of the City of Houston, and is governed by Chapter 375, Texas Local Government Code, as amended, and Chapter 3859, Special District Local Laws Code (collectively, the "Act"); and

WHEREAS, after appropriate notice was given pursuant to the provisions of the Governing Laws, the Board of Directors of the District (the "Board"), held a public hearing (the "Hearing") on November 2, 2016, on the advisability of the District providing services and improvement projects (the "Projects") described in the Updated and Ongoing Service and Improvement and Assessment Plan Through 2023 (the "Service Plan"), the nature and cost of the Projects, the area and property to be benefited by the Projects, the amount of the benefit and the proposed time, method and amount of assessments to pay for the Projects; and

WHEREAS, the Board, at a duly called meeting held on November 14, 2013, adopted an order (the "Original Order") approving the Service Plan, an assessment roll for the District, the levy of ten annual assessments, and other related matters; and

WHEREAS, the Original Order provided that the Board may vary the rate of assessment for subsequent years from the rate adopted for Year One of the Service Plan, provided that in no year may the rate be more than \$0.15 per \$100 assessed valuation; and

WHEREAS, the Board desires to set the rate of assessment for Year Four of the Service Plan for all properties on the District's assessment roll.

NOW, THEREFORE, BE IT ORDERED BY THE BOARD OF DIRECTORS OF HARRIS COUNTY IMPROVEMENT DISTRICT NO. 9 THAT:

Section 1. Assessment Rate for the Year Four. The rate of assessment for Year Four of the Service Plan for all properties shown on the assessment roll is hereby set at \$0.15 per \$100 of assessed valuation.

Section 2. Method of Assessment; Caps. The District hereby assesses the properties shown on the District's assessment roll on the basis of the 2016 certified taxable values as shown on the appraisal rolls of the Harris County Appraisal District; and the total dollar assessment for each property is hereby capped at twice the total assessment on such property for the first year such property is assessed under the Service Plan.

Section 3. Due Date. The fourth installment of the District's assessment shall be due and payable prior to February 1, 2017. Any assessment not paid by February 1, 2017 will be delinquent. All delinquent assessments shall incur penalties and interest as provided in the Original Order. There will be no split payment of assessments or discounts for the early payment of assessments.

Section 4. Collection of Assessments. Equi-Tax, Inc., the District's Assessor/Collector, is hereby authorized and directed to collect the assessments on behalf of the District and to take all necessary actions in connection therewith. The procedures for the collection of assessments, for the calculation and imposition of penalties and interest, and for the enforcement of assessments, penalties and interest through a lien against the property assessed contained in the Original Order are hereby confirmed and ratified.

Section 5. Filing with Harris County and TCEQ. The District's employees and legal counsel are hereby authorized to file all documents regarding the District's assessment rate that are required to be filed with Harris County and the Texas Commission on Environmental Quality.

Section 6. Ratification of Prior Action. All action not inconsistent with this order previously taken by the Board, the District, or by the District's employees or Assessor/Collector in connection with the matters set forth herein is hereby ratified, approved and confirmed.

(Signature Page Follows)

PASSED, APPROVED AND ADOPTED this 10th day of November, 2016.

Chairman, Board of Directors
Harris County Improvement District No. 9

ATTEST:

Secretary, Board of Directors
Harris County Improvement District No. 9



CERTIFICATE FOR ORDER

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

I, the undersigned officer of the Board of Directors of Harris County Improvement District No. 9, hereby certify as follows:

1. The Board of Directors of Harris County Improvement District No. 9 convened in regular session on the 10th day of November, 2016, at the regular meeting place thereof, inside the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board to-wit:

Danny R. Perkins	President
Helen Bonsall	Vice President
Sue DeHaven	Secretary
Jesus H. Saenz, Jr.	Director
Ann Collum	Director
Marjorie Evans	Director
Joe Ed Nelson	Director
Darryl Bailey	Director
Todd Szilagyi	Director
Vic Zachary	Director
Alberto P. Cardenas	Director

and all of said persons were present, except Director(s) _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at the meeting: a written

**ORDER SETTING THE RATE OF ASSESSMENT FOR ALL
PROPERTIES ON THE DISTRICT'S ASSESSMENT ROLL FOR YEAR
FOUR OF THE DISTRICT'S SERVICE PLAN**

was introduced for the consideration of the Board. It was then duly moved and seconded that the order be adopted, and, after due discussion, the motion, carrying with it the adoption of the order, prevailed and carried unanimously.

2. That a true, full and correct copy of the aforesaid Order adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that the Order has been duly recorded in the Board's minutes of the meeting; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the Board as indicated therein; that each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid meeting, and that the Order would be introduced and considered for adoption at the meeting, and each of the officers and members consented, in advance, to the holding of the meeting for such purpose; that the meeting was open to the public as required by law; and that public notice of the time, place and subject of the meeting was given as required by Chapter 551, Texas Government Code, and Section 49.063, Texas Water Code.

SIGNED AND SEALED the 10th day of November, 2016.

Secretary, Board of Directors



HOBBY AREA MANAGEMENT DISTRICT
(HARRIS COUNTY IMPROVEMENT DISTRICT NUMBER 9)
CITY OF HOUSTON
HARRIS COUNTY, TEXAS

AGENDA MEMORANDUM

TO: Hobby Area Management District Board of Directors
FROM: Executive Director
SUBJECT: Agenda Item Materials

9. Receive an update and recommendations from the Budget Committee.
 - a. Consider and approve the FY 2017 budget
 - b. Consider and approve an Employee Handbook and a Staff Organizational Chart
 - c. Authorize the Executive Committee (Chair, Vice Chair, and Secretary) to finalize all necessary documents to hire staff per the Organizational Chart and within the approved budget, for a January 1, 2017 start date
 - d. Consider an administrative and project manager contract with Hawes Hill Calderón LLP
 - e. Consider and approve a contract with S.E.A.L. Security Solutions LLC, for a start date of January 1, 2017
 - f. Consider and approve an office lease agreement with 8121 Broadway Interests LLC and authorize the Executive Director to expend funds for office equipment, furniture, and technology, within the approved budget, to occupy the office and equip staff

FY 2017 Budget Priorities

Overview:

Currently the HAMD is managed with contracted professional staff with an Executive Director assigned on a full-time basis. Other professional and administrative staff are provided incrementally to provide support activities and intergovernmental relations.

The chair requested the executive director outline a draft budget that would allow for a small core of professional level district employees and to utilize contracted staff with Hawes Hill Calderon in various support functions to create the most effective and efficient team to move the district to the level in terms of organization, performance, and return on investment of the district's assessment payers. The budget should also identify areas for increased and/or decreased funding to align the budget with the highest priorities of the district.

The draft budget outlined here, details spreadsheet attached, is aggressive in the funds allotted to Public safety, Clean and Green programs, Economic Development, and professionally managing the effort while leaving a surplus of \$100,000.

Proposed Draft Budget:

Public Safety – net increase of \$95,464

- Keeps current level of SEAL Security patrol
- Adds 32 hours of HPD police patrol by SEAL Security
- Adds \$40,000 for special operations to include super bowl, hot spots, joint task force, high concentration patrol, etc.
- Adds two additional cameras monitored by SEAL Security
- Eliminates the County Attorney program to return to the City Attorney program which is provided at no cost

Mobility, Environmental Design, Mobility – net increase of \$217,500

- Adds vacuum street sweeping of all major corridors twice per month
- Adds corridor maintenance for Broadway at required level as well as flood control easements along Monroe, Belfort, and potentially Gulf Freeway at some level

Business and Economic Development – net decrease of -\$81,200

- Several areas adjusted to reduce duplication of staff

Administration and Staffing – net increase of \$274,388

- Adds three full time staff and 1.28 FTE w/HHC contract support
- Adds office lease and equipping

	FY 2016 Budget	Projected Year End Expenditures	FY 2017 DRAFT Budget	+/- 2017 to 2016	Explanation
Ordinary Income/Expense					
Income					
M&O SOURCES OF FUNDS					
4000 • District Assessments	1,708,786	0	1,825,614	116,828	
4010 • Penalty & Interest Revenue	36,000	0	36,000	0	
4020 • Overpayments	66,000	0	66,000	0	
4030 • Assessment Refunds	-66,500	0	-66,500	0	
4050 • Grant and Donations	66,300	0	0	0	Funds from closing chamber hobbyfest account deposited into HAIC
4060 • Interest Revenue	500	4,438	4,500	4,000	Better rates than projected
Total M&O SOURCES OF FUNDS	1,811,086	4,438	1,865,614		
Total Income	1,811,086	4,438	1,865,614	54,528	
	1,744,786				
Expense					
M&O USES OF FUNDS					
Public Safety					
6010 • Contract Public Safety	202,180	202,180	219,024	16,884	1st increase of base contract. Adds 311 items and street light reporting at no additional costs.
6012 • HPD Patrol			91,520	91,520	Adds 32 hrs of police patrol per week
6014 • Special Operations			40,000	40,000	Special ops including Super Bowl, surveillance, high density patrol, etc.
6015 • Apartment Life Initiatives	25,000	17,500	25,000	0	
6020 • Mobile Cameras	76,800	76,800	81,000	4,200	Adds coverage with two more cameras
6025 • Nuisance Abatement Program	52,500	50,000	0	-52,500	Moved to SEAL contract for HPD Patrol
6030 • Street Light Outage Survey	2,100	2,100	0	-2,100	To be provided by SEAL
6035 • Graffiti Abatement	40,000	35,000	35,000	-5,000	Less usage
6040 • Project Management	0	0	0		
Total Public Safety	398,580	383,580	491,544	92,964	
Mobility, Environ, Urban Design					
6050 • Porter Service	125,000	116,339	150,000	25,000	Increased heavy trash/dumping clean-ups
6052 • Corridor and ROW Maintenance	0	0	140,000	140,000	Broadway (\$87k), Gulf Freeway, HCFCD
6054 • Street Sweeping	0	0	75,000	75,000	Major corridors twice monthly
6055 • Project Management	0	0	0	0	
Total Mobility, Environ, Urban Design	125,000	116,339	365,000	240,000	

Business & Economic Development

6060 • Economic Developmt Programs	106,000	82,818	90,000	-16,000
6065 • Events	20,000	7,956	20,000	0
6070 • Creative ED Support	102,200	77,831	45,000	-57,200
6075 • Marketing Mtls & Promo Items	28,000	18,774	20,000	-8,000
6080 • Project Management	0	0	0	
Total Business & Economic Development	256,200	187,379	175,000	-81,200

Covers conferences, seminars, luncheons, outreach, etc (Domestic/International)

Administration

6110 • Administration & Management

Staff	164,951	307,000	142,049	
Estimated taxes		26,000	26,000	
Medical Allowance		18,000	18,000	
HCC Contract	292,512	127,561	107,500	-185,012
6115 • Meeting Expense	15,000	14,185	16,500	1,500
6120 • Reimbursable Expenses	6,000	16,345	15,000	9,000
6125 • Postage	280	492	280	0
6130 • Office Supplies	5,600	5,668	7,500	1,900
6135 • Public Notices, Advertising	150	1,494	1,500	1,350
6140 • Legal Services	45,000	38,117	47,500	2,500
6145 • Audit Services	6,500	6,550	7,550	1,050
6150 • Bookkeeping	7,200	7,950	9,000	1,800
6155 • Assessment Billing	22,500	32,500	32,500	10,000
6160 • Assessmt Database Mgmt	3,600	3,600	3,600	0
6165 • Office Equipment	3,000	0	30,000	27,000
6170 • Insurance	1,500	2,200	2,500	1,000
6172 • Office Lease	0	0	25,800	25,800
6172 • Communication & Technologies			25,000	25,000
6175 • Other	250	0	750	500
Total Administration	409,092	421,613	683,480	274,388

Adds two full time staff - Eco Devo & Constituent Services Director, and Communications, Public Affairs, & Admin. Director

FICA for three employees

Three employees x \$500 monthly each

Reduced contracted staffing

Accommodates new office start up

Adds payroll provision

2016 amt of 22,500 was a typo.

Accommodates new office start up

Accommodates new office start up

Accommodates new office start up

Notes - contract management to staff w/contract comparison

	2016	2017
Revenue	1,744,786	1,865,614
<u>People Cost</u>		
	<u>contract</u>	<u>staff w/contract support</u>
	292,512 3.1 FTE	351,000 107,500 Total 4.3 FTE
Creative Services	113,700	45,000
Business Ambassador	25,000	25,000
Total costs	431,212	528,500 + 97,288
People Cost as % of Revenue	24.7%	28.3% + 3.6%

Community Development Fund (For FY2017 change to HAIC as a single line item annual payment)

Hobby Fest

6205 • Project Management	0	0	5,000	5,000
6210 • Committee Support and Supplies	4,000	1,750	5,000	1,000
6220 • Marketing and Promotional Items	32,000	22,500	25,000	-7,000
6230 • Creative Services	11,500	12,500	0	-11,500
Total Hobby Fest	47,500	36,750	35,000	-12,500
6250 • Other Community Projects	15,000	0	15,000	0
Total Community Development Fund	62,500	36,750	50,000	-12,500

Annual Payment of \$50k to HAIC

Total M&O USES OF FUNDS	1,251,372	1,145,661	1,765,024
Total Projected Revenue			1,865,614
FY 2017 Surplus Budget			100,590
Estimated FY 2016 M&O Surplus			105,711
Sub Total			206,301
Estimated Capital Surplus			725,493
General Fund Planned Reserves			931,794

BALANCES AND TRANSFERS

7005 • General Fund Planned Reserves	711,820	0	931,794
7010 • Lighting Reimbursement	134,678	0	134,678
7015 • Broadway Hardscape Reimbursement	557,432	0	557,432
7020 • Gen Fund Trsf to Capital Budget	-1,220,856	0	-1,557,500
Total BALANCES AND TRANSFERS	183,074	0	66,404

expected 2017

expected 2017

CAPITAL SOURCES OF FUNDS

8001 • Transfer from General Fund	1,220,856	0	1,557,500
Total CAPITAL SOURCES OF FUNDS	1,220,856	0	1,557,500

CAPITAL USES OF FUNDS**Design and Engineering Services**

8010 • General Engineering Services	60,000	20,000	60,000
8012 • Esplanade Design	37,500	0	37,500
8014 • Metro Engineering Design	22,500	60,000	20,000
8016 • Signage and Identity Design	45,000	45,000	60,000
Total Design and Engineering Services	165,000	125,000	177,500

Mobility, Environ, Urban Design

8048 • Livable Centers Grant Match	53,750	55,363	0
#### Eco Devo Strategic Plan			25,000
#### Placemaking Study			100,000
#### Market Feasibility Study			50,000
#### Materials Prep			30,000
8055 • Project/Contract Management	152,106	125,000	200,000
8063 • Esplanade Enhancement	250,000	25,000	50,000
8065 • METRO Bus Shelter Enhancement	150,000	0	400,000
8070 • Signage and/or Identity Install	300,000	125,000	200,000
#### Gateway Monuments			0
#### Streetscape Assessories			35,000
#### Neighborhood Signs		40,000	40,000
8090 • Fund Reserve - District Office	150,000	0	250,000
Total Mobility, Environ, Urban Design	1,055,856	370,363	1,380,000
Total CAPITAL USES OF FUNDS	1,220,856	495,363	1,557,500

Street signs, site furniture, bike racks

Follows and Builds on Livable Centers study

Builds on Livable Centers and Eco Devo Strategic Plan. Seek match from TIRZ for 100k

Test various target industries

14 major and 4 minor shelters

Salary Survey*

Executive Directors**

Greater East End - \$ 185,000

Memorial - \$ 159,000

Midtown - \$ 139,050 (2011 salary)

Other Senior staff members

COO - \$ \$175,000 (Downtown)

Compliance Director - \$ 161,500 (Galleria)

Planning Director - \$ 150,000 (Greater East End)

Operations Director - \$ 148,500 (Downtown)

Parks Director - \$ 157,500 (Galleria)

* Downtown, Galleria, Westchase, Energy Corridor, Upper Kirby executive directors make between \$200,000 - \$299,500 per year plus medical and various types of retirement plans.

**Current compensation for Jerry Lowry is \$141,000 annually.

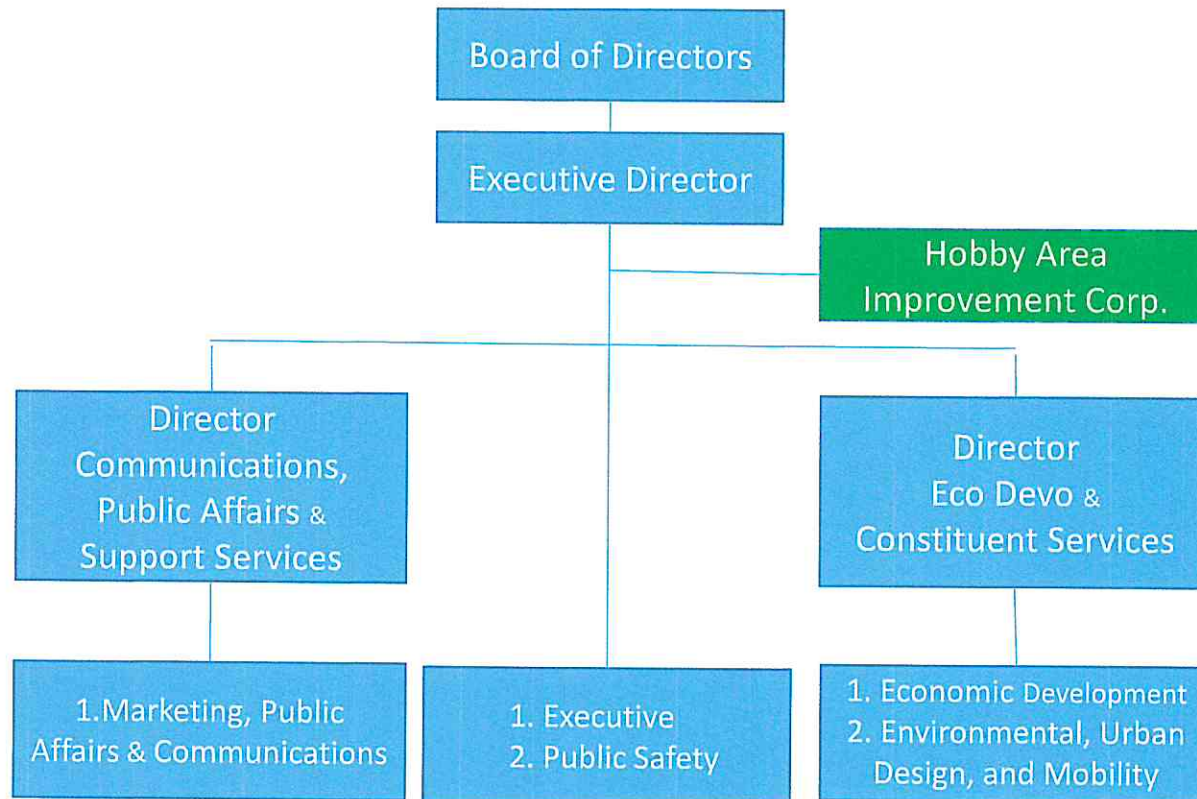
Ranges of local management district base salary for similar positions

Director of Eco Devo & Constituent Services - \$70,000 - \$94,500 annually

Director of Communications, Public Affairs & Admin – \$86,500 – \$116,000 annually

Hobby Area Management District

Staffing & Committee Responsibilities Chart



JOB DESCRIPTION

Position: Executive Director

Reports to: Chair, Board of Directors

FLSA Status: Exempt

Updated: June 2016

Summary: As Senior Staff Officer provide the overall vision to, and management of, the various district departments, personnel or consultants as well as developing relationships with regional, state and local community partners in collaborative efforts to improve the Hobby area. Additionally serves as the Executive Director of the Hobby Area Improvement Corporation (HAIC), a 501c3 non-profit foundation, created by the district to further its efforts to accomplish the vision of the District.

Concentration Areas/Responsibilities:

- Visioning/Planning/Implementing - *Leading the Efforts*
- Project Identification and Direction
- Identify Markets to Promote the Hobby Area in Business Recruitment and Expansion Opportunities
- Relationships with Elected/Appointed Officials and respective staffs
- Representing Hobby at the Regional Level
- Spokesperson for the District and HAIC
 - Marketing the District to Prospective Developers, Investors, Tenants, and Residents
 - Hearing the Concerns/Wishes of Area Employees/Residents
 - Attracting Brokers/Investors
 - Retaining Owners and Tenants
 - Building a Consensus on Issues Affecting the Area
- Board Development and Volunteer Recruitment for HAMD and HAIC
- Administration and Compliance for HAMD and HAIC
- Evaluating the Need for Additional Legislative Authority to Assist the District in Meeting its Objectives
- Directing the Efforts and Ensuring that District Staff/Consultants are Provided the Tools Essential for Efficiency and Quality of Work
- Work with the Board of HAMD and/or HAIC and its committees to plan and then implement projects
- Reports on a regular basis to the Board of Directors of HAMD and HAIC regarding the status of operational activities and the district's finances.
- Other duties may include, but not limited to, event support, special/temporary assignments due to various district/departmental needs, and other projects as assigned by the Chair.

Job Description

Position: Director, Economic Development & Constituent Services
Reports to: Executive Director
Updated: October 2016

Position Summary:

The Director, Economic Development & Constituent Services is responsible for managing various aspects of the District's Economic Development program, including the Business Retention and Expansion Program as well as providing research support and maintains demographic information for the District. Additionally, the position manages various field services related contracts, such as, but not limited to identity markers, way finding signage, landscaping, litter and graffiti abatement, and similar duties as directed by the Executive Director.

Primary Duties & Responsibilities:

- Manage the Business Retention and Expansion Program. Schedule and complete site interviews with companies and maintain a comprehensive database.
- Identify challenges for specific businesses to develop strategies and facilitate solutions in order to retain Hobby businesses and attract those outside the area.
- Provide research and reports needed to assist the District to respond to domestic and international leads.
- Prepare packet submissions to Request for Information from Greater Houston Partnership, Office of Governor, or others providing leads to the district.
- Provide follow up communication to lead responses as needed.
- Develop a real estate broker program to keep them routinely apprised of opportunities as well as to offer assistance.
- Conduct various research activities and generate reports and studies as needed for marketing purposes.
- Maintain current demographic and other pertinent information and files for marketing purposes, such as City demographics, site-specific demographics, information on city and regional educational facilities, tax information, incentives, etc.
- Manage District activities related to stakeholder groups in the Hobby area
- Identifying local workforce issues and working with companies, colleges, local and state government entities to develop programs to meet workforce needs.
- Develop information related to various incentives from local or federal agencies as well as prepare and submit grant applications for areas which impact the economic health of the Hobby Area to governmental agencies or other entities such as foundations, corporations, endowments.
- Manage operations and maintenance contracts for the Hobby Clean and Green Program.
- Develop relationships with city and state agencies to enhance the level of care provided to the Hobby Area and develop appropriate supplemental projects.
- Maintain the District's contact database.
- Staff lead for the Business & Economic Development Committee of which Marketing is a part as well as supervise the Business Ambassador program.

Other Duties

- May include, but not limited to, event support, special/temporary assignments due to various district/departmental needs, and other projects as assigned by the Executive Director.

POSITION REQUIREMENTS:

1. Bachelor's degree in Economic Development, Business Administration, Public Administration, or other related field. A Master's Degree and/or a Certified Economic Developer designation is preferred.
2. Five or more years of related experience, preferably with a demonstrated and quantifiable record of job retention and/or creation.
3. Understanding of legislative process and how to work with elected officials.
4. Strong writing skills. Experience writing articles and press releases related to economic development.
5. Must be a self-starter with strong oral communications, persuasion, and sales skills. Ability to multitask and be highly organized.
6. Computer skills with proficiency in Microsoft Office (Excel, Word, PowerPoint, Outlook) and experience with Synchronist Business Information System, Constant Contact and other programs.
7. Knowledge of available workforce and entrepreneurship programs is preferred.
8. Understanding and experience with various incentive programs offered by local, state or federal agencies.
9. Experience managing service contracts.

Job Description

Position: Director, Communications, Public Affairs, & Administration

Reports to: Executive Director

FLSA Status: Exempt

Updated: October 2016

Position Summary:

Under the direction of the Executive Director, the Director manages, supervises and directs the operations of the department to effectively support, market and communicate initiatives undertaken by all District departments; coordinates assigned office administration activities; cultivates positive relationships with the District Board of Directors and provides highly responsible and complex support to the Executive Director.

Primary Duties & Responsibilities:

Administration and Planning

- Develop, implement and manage goals, objectives, and priorities for marketing and public affairs programs.
- Implement, monitor and evaluate the efficiency and effectiveness of service delivery methods and procedures.
- Manage vendor contracts executed to support departmental activities.
- Forecast, develop and manage the department's annual budget.
- Plan, organize and direct the department's daily administrative activities.
- Manage the District central contact database

Marketing & Social Media

- Develop and execute comprehensive marketing plans that effectively support and communicate activities and initiatives undertaken by the District.
- Negotiate media buys
- Create advertisements for target publications
- Oversee creation and distribution of District newsletters
- Oversee development, distribution and maintenance of District website, publications, e-newsletters, social media sites and other online communication outlets
- Oversee assembly and distribution of marketing packets and promotional materials
- Oversee development and updating of PowerPoint presentations
- Produce graphic elements of publications, presentations, Web sites and e-newsletters
- Design flyers, promotional displays, brochures and forms for District departments
- Ensure marketing and communications elements of District sponsorships and memberships are fulfilled

Public Affairs

- Foster positive working relationships with area media outlets
- Manage writing and issuing press releases and media alerts
- Prepare staff for interviews and inquiries, including developing message points
- Serve as the District's Public Information Officer (PIO) by interacting with media or coordinating the appropriate staff or board member for interviews, meetings, etc.

Event Planning

- Stage breakfasts, luncheons or other meetings to inform media, commercial real estate professionals, community leaders and/or the public about Greenspoint activities and development including:
 - District's annual Public Hearing
 - Annual Volunteer Appreciation event
 - District Economic Development events
 - Ribbon cuttings/grand openings/milestone celebrations
- Solicit sponsorships for events
- Negotiate room and meal rates on behalf of the District
- Design invitations, programs, sponsor boards and other materials for events

Board and Committee Relations

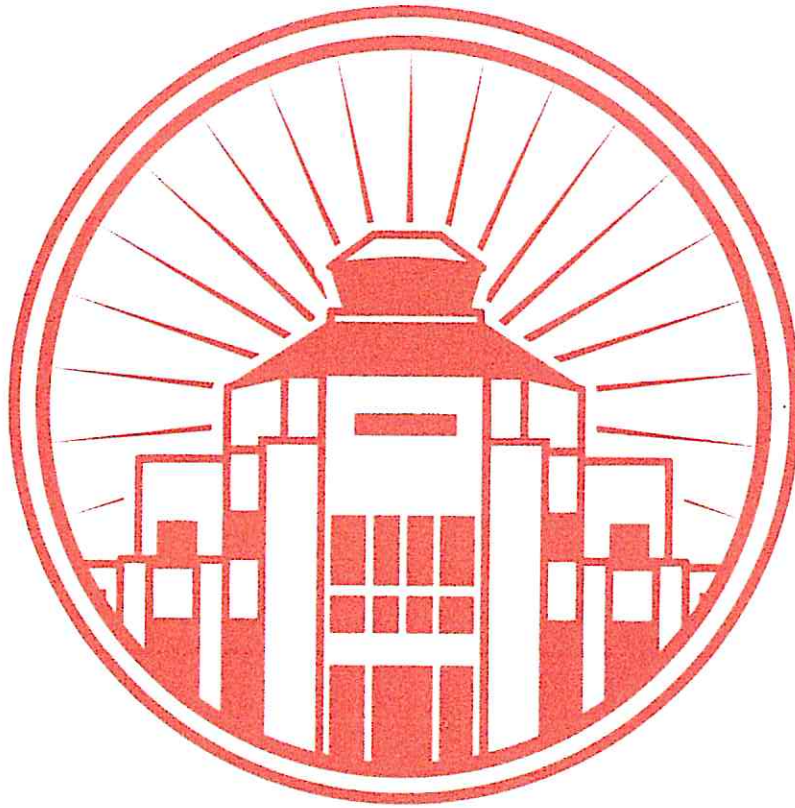
- Manage District Marketing and Public Affairs Committee
- Provide support to the President for quarterly meetings of the District Board of Directors and Executive Committee, including develop agendas, manage onsite meetings and prepare meeting minutes

Office Administration

- Oversee administrative aspects of the Hawes Hill Calderon contract, including but not limited to records management, bookkeeping, minutes, board or committee materials, etc.
- Administer contracts and oversee purchase, service and maintenance of office systems and equipment
- Manage purchase of office furniture, furnishings and supplies for the District office.
- Oversee office lease agreement, parking, building access, office repairs and maintenance.
- Ensure District office presents a professional atmosphere

Other

- Other duties as assigned may include, but not limited to, event support, special/temporary assignments due to various district/departmental needs, and other projects as assigned by the Executive Director or designee.



HOBBY AREA DISTRICT

EMPLOYEE HANDBOOK

November 10, 2016

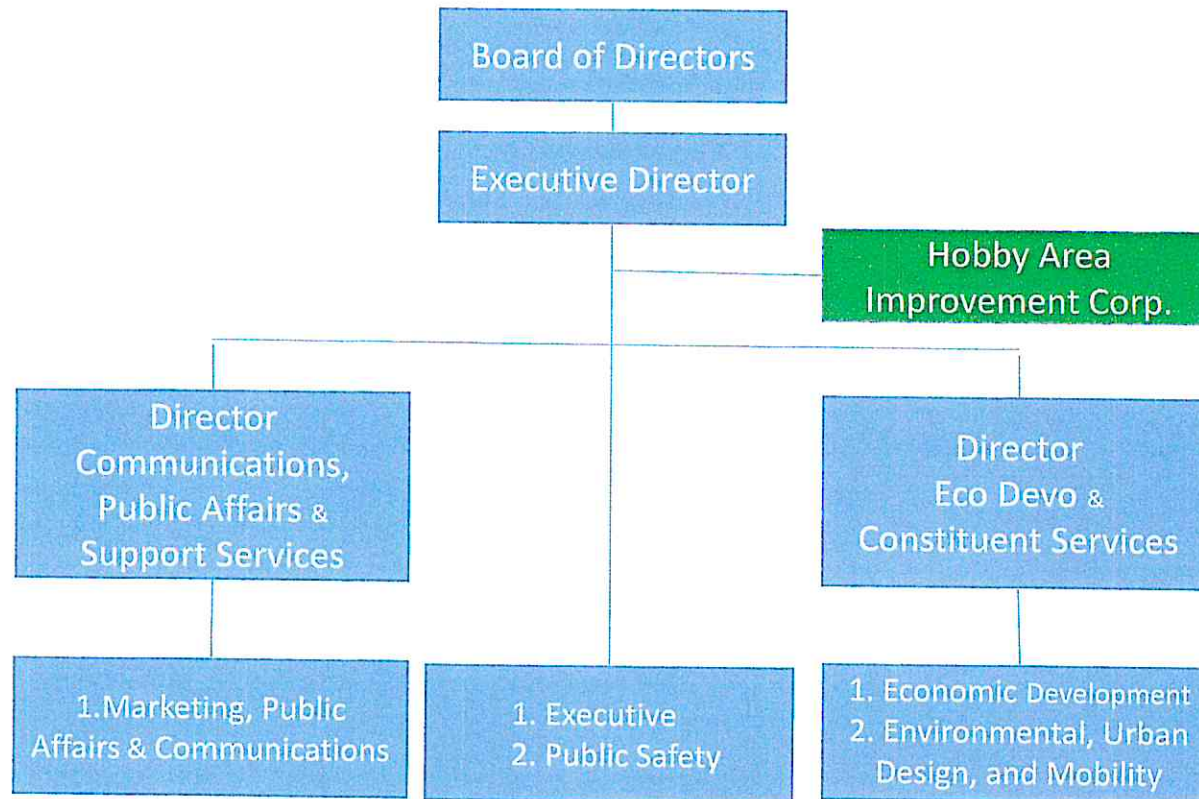
This handbook and its contents are subject to modification, revision or omission at the discretion of the Hobby Area Management District at any time after its effective date; therefore, employees cannot and should not rely on its contents as a continuing right during their employment with the District.

This handbook remains the property of Hobby Area Management District.

HAdistrict.org

Hobby Area Management District

Staffing & Committee Responsibilities Chart



**AMENDED AND RESTATED AGREEMENT BY AND BETWEEN
HARRIS COUNTY IMPROVEMENT DISTRICT NO. 9
dba "HOBBY AREA MANAGEMENT DISTRICT"
AND HAWES HILL CALDERON LLP**

This Amended and Restated Agreement is made and entered into by and between Harris County Improvement District No. 9, dba "Hobby Area Management District, (the "District") a special purpose district created by the 80th Regular Texas Legislative Session, and Hawes Hill Calderon LLP, (the "Contractor"). This Agreement is effective as of January 1, 2017, (the "Effective Date") and supersedes any previous agreements.

W I T N E S S E T H :

WHEREAS, the District desires that the Contractor provide the District with certain professional and administrative services;

WHEREAS, the Contractor has the employees, office operations, and knowledge to ably provide the professional and administrative services required by the District;

NOW THEREFORE, for and in consideration of the premises and mutual covenants and agreements herein contained, it is agreed as follows:

I.

Engagement of Contractor

The District hereby engages the Contractor, and the Contractor hereby agrees to provide, furnish, or perform certain professional and administrative services with respect to the District including the services described on Exhibit A, annexed hereto. Such services herein collectively referred to as the "Services."

II.

Compensation and Reimbursement to Contractor

For and in consideration of the **Professional Consulting and District Management Services** to be performed by the Contractor specified in Exhibit "A," *Scope of Professional Consulting and Management Services*, of this Agreement, the District agrees to pay the for professional consulting services performed in connection with the District's operations at the rate determined and established by the Board of Directors and adopted in the District's operating budget each fiscal year.

Reimbursable out-of-pocket expenses and other expenses and charges incurred by the Contractor in performing the Services under this Agreement shall be made on a monthly basis upon submission by the Contractor of invoices and other documentation setting forth such expenses and charges; *provided, however*, all expenses and charges proposed to be incurred by the Contractor for the performance of the Services shall be subject to the District's prior written approval. The *Schedule of Maximum Charges and Rates of Hawes Hill Calderon LLP* for the performance of the Services by the Contractor under this Agreement as set forth on Exhibit "B" attached hereto for reference are hereby approved by the District. The District expressly disclaims any liability for reimbursement to the Contractor of any amounts in excess of those approved in writing by the District.

Contractor shall tender to the District a detailed invoice of the services performed and the allowable reimbursable expenses incurred to the District each month during the term of this Agreement. Payments on account of services rendered and for reimbursable expenses incurred shall commence upon receipt of district funds and be made within fifteen (15) days after the District receives Contractor's detailed invoice therefore. In the event of a disputed or contested invoice, the District may withhold any such disputed or contested amount without penalty.

III. Administrative Policies and Procedures

The Contractor shall conduct the administrative activities of the District in accordance with the instructions and guidance of the District.

IV. Accounts, Records, Accounting Reports and Audits

The Contractor shall maintain the books of records and accounts of the District in order to establish the amount due by the District to the Contractor in accordance with this Agreement. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. The Contractor shall provide free access to the District and allow for inspection and audit of all work, data, documents, proceedings, and activities related to this Agreement. Such right of access and audit shall continue for a period three (3) years from the date of termination of this Agreement.

V. Compliance With Applicable Laws Concerning Management Districts

The Contractor, in performance of its duties under this Agreement for the District, will comply with all applicable provisions of Texas law concerning municipal management districts under which the District is created.

VI. Right of Ownership

All data, information, maps, books, reports, files, photography, artwork, software, equipment, and materials purchased, created or maintained by the District or purchased, created or maintained by the Contractor on behalf of the District shall remain the property of the District. It shall be clearly marked as property of the District in such manner that it may at any time be removed from the premises of the Contractor.

VII.
Laws to be Observed

In performing its obligations under this Agreement, the Contractor at all times shall observe and comply with all federal and state laws, local laws, ordinances, orders, and regulations of the federal, state, county, or city governments. The federal, state, and local laws, ordinances, and regulations which affect those engaged or employed in the work, or the equipment used in the work, or which in any way affects the conduct of the work, shall be at all times in effect, and no pleas of misunderstanding will be considered on account of ignorance thereof.

VIII.
Successors and Assigns

This Agreement shall bind and benefit the respective parties and their legal successors, and shall not be assignable, in whole or in part, by any party hereto without first obtaining the written consent of the other party. Nothing herein shall be construed as creating any personal liability on the part of any officer or director of the District.

IX.
Character of Workers and Work

Services provided for under this Agreement are being performed for the public benefit. The employees provided by the Contractor shall be competent and careful workers skilled in their respective trades. In performing its obligations under this Agreement, the Contractor shall not employ any person who engages in misconduct or is incompetent or negligent in the performance of his or her duties. The District retains the right to require the Contractor to remove from the performance of services provided for under this Agreement any employee who engages in (1) unethical or unprofessional conduct, (2) misconduct or other discourtesies toward the public, (3) conduct inconsistent with sound business practices or (4) other conduct inconsistent with the performance of work in an acceptable manner and at a satisfactory rate of progress to the District. Nothing herein is intended to, and the parties agree that this Agreement does not, create any third party beneficiary rights for any employee or other person. It is intended that any employee who engages in any services provided for under this Agreement is an employee-at-will of the Contractor.

X.
Conflict of Interest

In keeping with Contractor's duties to the District, Contractor agrees that it shall not, directly or indirectly, become involved in any conflict of interest, or upon discovery thereof, allow such a conflict to continue. Moreover, Contractor agrees that it shall promptly disclose to the District any facts which might involve any reasonable possibility of a conflict of interest.

XI.

Disclaimer of Political Support or Affiliation

The District expressly disclaims any political support or affiliation with the Contractor. Further, the District prohibits the Contractor, and the Contractor hereby agrees to comply with such prohibition, from expending any District funds, directly or indirectly, including any funds to be reimbursed by the District, on any political candidate, cause, party, organization, or activity.

XII.

Term and Termination

This Agreement shall become effective on the 1st day of January, 2017, and shall continue in force until either party terminates the Agreement by giving a sixty- (60) day written notice to the other. If this Agreement is terminated, Contractor shall be paid for all reimbursable expenses and work performed up to the date of termination.

XIII.

Amendment or Modification

Except as otherwise provided in this Agreement, this Agreement shall be subject to change, amendment, or modification only upon the written consent of the parties hereto.

DATED to be effective as of this _____ day of _____, 2017.

HAWES HILL CALDERÓN LLP

HARRIS COUNTY IMPROVEMENT DISTRICT
NO. 9 dba "HOBBY AREA MANAGEMENT
DISTRICT"

By: _____
Name: DAVID W. HAWES
Title: SENIOR PARTNER

By: _____
Name: DANNY J. PERKINS
Title: CHAIRMAN, BOARD OF DIRECTORS



Exhibit "A"
Scope of Professional Consulting and Management Services

Hawes Hill Calderon LLP will provide the following services:

General Administration and Management

- Assist Executive Director in the administer the day-to-day operations of the District
- Employ, assign and supervise a qualified professional staff member to serve the District operations as prescribed by the Executive Director.
- Oversee all accounting and financial administration procedures of the District, working closely with the District's bookkeeper and Investment Officer; monitor compliance with Public Funds Investment Act and Public Funds Collateral Act
- Assist Executive Director to administer the District's budget, including tracking income and monthly expenses in reference to the annual budget, monitoring assessment collections and District expenses, preparing budget reports, and assisting with annual budget preparation
- Arrange for the District's independent audit, providing necessary information and documentation
- Establish District's Records Management Program, respond to routine requests for public information and monitor compliance with Public Information Act; maintain files on behalf of the District
- Monitor changes and comply with all regulations and reporting requirements of Secretary of State, Texas Commission on Environmental Quality, Harris County, City of Houston and other regulatory bodies
- Coordinate and work closely with District's executive director and legal counsel in all matters of law coming before the District, including public hearings, statutory filings, etc.
- Coordinate and staff all meetings of the District's Board of Directors and its committees, if any, including the following
 - Assist in preparation of board meeting agendas and ensure proper notification is made in accordance with state statutes and such other governing documents as may apply
 - Take and prepare minutes of Board meetings; prepare resolutions; assemble reports and information packets for use at Board meetings
 - Make physical arrangements for meetings
- Prepare requests for qualifications and requests for proposals for contract services as needed and as determined by the Board of Directors
- Assist in providing administrative management oversight for all contractors, including public infrastructure construction contractors, security services, landscape services, and others

Exhibit "B"
Schedule of Maximum Charges and Rates
of Hawes Hill Calderon LLP

General Administration and Management	as approved in HAMD's annual budget
Construction and Project management services	5% of total project Budget
GIS Mapping	\$150.00/Hour
Special Events and/or other marketing assistance	\$85.00/Hour
TPIA Requests	\$130.00/Hour

Out-of-pocket expenses including, without limitation, the following:

- Prints, photocopies, reproductions, graphics, art supplies
- Postage, deliveries
- Posting, filing and submittal fees
- Publication of public notices
- Parking fees and tolls
- Costs of food, beverage for district meetings
- Travel, lodging and incidentals

Automobile mileage directly attributable to this project shall be charged at the current rate allowable under Internal Revenue Service regulations.

SECURITY PROPOSAL /RECOMMENDATION

Hobby Area Management District

S.E.A.L. SECURITY PROPOSAL



9/30/2016 Page 1 of 6

Prepared for: Jerry Lowry, Executive Director
Phone: (713)-595-1214



ABOUT US

Experience

Since day one, our knowledge and expertise in security solutions has been the lifeline of our business. When you work with Seal Security, you can rest assured that your security will be analyzed by one of the industry's most experienced and trusted sources. Most all of our officers are former military or police, our technology - "State of the Art", and our K-9 teams - top in the world

Integrity

Each project brings unique challenges and requires careful attention to detail. We work hand in hand with our clients to deliver best-in-class security services. Our team will work in concert with you to customize a competitively price plan to fit your unique security needs. SEAL Security is building confidence through experience, expertise, technology, and results

Relationships

At SEAL Security, our clients are the foundation for our success and fostering strong business in the future. As a client, our SEAL Security name lies in your hands. Our success is providing the best in security and safety for your community, district, business, property, residence, capitol, and construction project – it is job #1

SECURITY PROPOSAL /RECOMMENDATION

S.E.A.L. Security Services

Commercial | Residential | School & Church | Event | Industrial | Utility Districts| Work Place

Armed Officer Patrol Services:

- Uniformed, Fit, Commission & Armed Security Guards
- Authority to Arrest
- Marked & Visible Patrol Cars
- Officers are on GPS patrol - every 4 minutes
- Pro-Active, Vigilant Neighborhood – Community Involvement
- Emergency 24/7 Hotline
- Dedicated Command Center
- Vacation Watch, Bank Deposit Pickup, Welfare Check Ins
- Safety Escort
- Safety Education

K-9 Patrol Units:

- Dual Purpose: Bomb, Tracking, or Drug Detection

Camera Surveillance & Video Monitoring

- Live Surveillance & Video Monitoring Technology that comes with **Armed SEAL Officer Response** or Law Enforcement. 24/7 dedicated hotline, Monitoring Analytics, Alerts, and Lights/ Back up power options
- Solar and Electric- “Plug and Play” standard models
- Standard to advance 5 HD/ Digital PTZs with Night Vision and Advanced Analytics
- Lights Only “Parking Lot” Security Units or Video Capture Only Mobile Units
- Fixed Camera Solutions- Integration

Other Services:

- Security Planning, Design, and Implementation
- Executive, Work Place, Security Assessments, Consulting, Individual Protection
 - Speaking Engagements: for communities & groups that want to learn more about living a more safe and secure life
 - Piracy Protection

Projects

- Balfour Beatty Construction
- Caldwell Companies
- 5 Corners
- Hobby
- Kings Bridge MUD
- Oak Forest
- Spring Branch

.... and over 100+ Districts, Communities, and Construction projects currently in and around Houston and Surrounding areas



SECURITY PROPOSAL/RECOMMENDATION

Jerry Lowry
Executive Director
Hobby Area Management District
Phone: (713)-595-1214
JLowry@HADistrict.org
WWW.hadistrict.org

9/30/2016

Mr. Lowry,

Greetings.

To follow are formalized 2017 budget proposals from SEAL Security for the Hobby district as discussed:

1. 2017 Budget Proposal for SEAL Security Patrol with HPD services
2. 2017 Budget Proposal for Special Operations
3. 2017 Budget for Camera security and monitoring service.

If you would like any changes to these proposals, please do not hesitate to let us know. I will follow up with you next week to see if you need anything additional from me or have any questions.

As always, we thank you for your continued support and effort in building strong partnership between SEAL Security and the Hobby Area Management District.

Respectfully,

Benjamin Hatfield
Benjamin@sealsecurity.com
S.E.A.L. Security Solutions, LLC
1525 Blalock Road, Houston, TX 77080
Phone: 713-979-2388

SECURITY PROPOSAL /RECOMMENDATION

S.E.A.L. Security Services Proposal

SEAL SECURITY DISTRICT PATROL INFORMATION

Prepared for: Jerry Lowry
Executive Director
Hobby Area Management District
Phone: (713)-595-1214
JLowry@HADistrict.org
WWW.hadistrict.org

Project: District Patrol

Level III Commissioned Security Officers with K9 Unit and Highly Marked Vehicles coupled with contracted HPD Officers to patrol the Hobby Area District

Patrol:

One (1) Commissioned Security Officer with K9 Units and Highly Marked Patrol Vehicles

Weekly Hours: 144

Hourly Rate: \$29.25

One (1) Contracted HPD Officer in Highly Marked Patrol Vehicle

Weekly Hours: 32

Hourly Rate: \$55.00

Weekly Estimated Net Cost: \$5,972.00

Monthly Estimated Net Cost: \$25,878.67

Annual Estimated Net Cost: \$ 310,544.00

END PATROL INFORMATION:

SECURITY PROPOSAL /RECOMMENDATION

S.E.A.L. Security Services Proposal

SEAL SECURITY SPECIAL OPERATIONS INFORMATION

Prepared for: Jerry Lowry
Executive Director
Hobby Area Management District
Phone: (713)-595-1214
JLowry@HADistrict.org
WWW.hadistrict.org

Project: Special Operations

Level III Commissioned Security Officers with K9 Unit and Highly Marked Vehicles coupled with contracted HPD Officers to patrol the Hobby Area District as needed for special events

Special Operations:

Contracted HPD Or Seal Officers as needed use for Super bowl Patrol Coverage, Holidays, Events, And other as needed incidence

Weekly Estimated Net Cost: \$769.23
Monthly Estimated Net Cost: \$3,333.33
Annual Estimated Net Cost: \$40,000.00

END SPECIAL OPERATIONS INFORMATION:

SECURITY PROPOSAL /RECOMMENDATION

S.E.A.L. Security Services Proposal

SEAL SECURITY CAMERA MONITORING SYSTEMS INFORMATION

Prepared for: Jerry Lowry
Executive Director
Hobby Area Management District
Phone: (713)-595-1214
JLowry@HADistrict.org
WWW.hadistrict.org

Project: Security Camera Monitoring Systems
Security Type:

A. Camera and monitoring security:

7 Security Units / 28 Cameras

2-Electric IP Camera Mobile Security Systems with Battery Backup

Each Standard Electric MSU contains 4 PTZ Cameras

\$1,200.00/Month per MSU

4-Pole Mounted Security Systems with Battery Backup –

Each Standard Pole Mount contains 2 Fixed/2 PTZ Cameras

\$685.00/month per MSU- Initial installation included; each additional move within the contracted year will be \$300.00

1-Solar IP Camera Mobile Security Systems with Battery Backup

Each Standard Solar MSU contains 4 PTZ Cameras

\$1,500.00/Month per MSU

24/7 Video Capture (4 weeks), Alarms / Alerts for Off Working Site Hours, Audio Security Announcements and Intervention

Authorized Remote Viewing: WIFI Free, Cellular 15 GB free per month (\$5.00/ GB per month thereafter)

S.E.A.L. Armed officer Response or Contact of Law Enforcement for any Breaches to Alerts/ Alarms as set from Post Orders

24/7 Dispatch Center Hotline

B. All Equipment Available For Immediate Installation Pending Contract And Permission To Place

Weekly Estimated Net Cost: \$1,532.31

Monthly Estimated Net Cost: \$6,640.00

Annual Estimated Net Cost: \$79,680.00

END CAMERA MONITORING SYSTEMS INFORMATION

Lease Agreement for 8121 Broadway Interests LLC and Harris County Improvement District No. 9

LEASE AGREEMENT
(OFFICE SPACE)

THIS LEASE AGREEMENT (OFFICE SPACE) (this "Lease") is made and entered as of the 1 day of January, 2017 by and between 8121 BROADWAY INTERESTS L.L.C., ("Landlord"), a Texas limited liability company, whose address is 5116 Bissonnet, Suite 154, Bellaire, TX 77401, and Harris County Improvement District No. 9 ("Tenant"), whose address is 8121 Broadway Houston TX 77061, (Suite # 135.) Subject to all of the terms, provisions, covenants and conditions of this Lease, and in consideration of the mutual covenants, obligations and agreements contained in this Lease, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord and Tenant agree as follows:

ARTICLE 1. BASIC LEASE PROVISIONS

BASE RENTAL shall be calculated on the basis of the price per square foot per year, multiplied by the total Net Rentable Area (hereinafter defined) of the Leased Premises (hereinafter defined) throughout the Term (hereinafter defined), payable as described in Section 3.01(b) of this Lease.

<u>Period</u>	<u>Monthly Base Rental</u>	<u>Period Base Rental</u>
Months 1-12	\$ 2,150.00	\$25,000.00
Months 13-24	\$ 2,150.00	\$25,000.00
Months 25-36	\$ 2,150.00	\$25,000.00
Months 36-48	\$ 2,150.00	\$25,000.00
Months 48-60	\$ 2,150.00	\$25,000.00

TENANT BROKER – N/A

LANDLORD BROKER - Internal

BUILDING means the structure containing approximately 29,549 square feet of Net Rentable Area situated upon the Land (hereinafter defined), commonly known as 8121 Broadway, located in the City of Houston, County of Harris, State of Texas, as the same currently exists or as it may from time to time hereafter be expanded or modified.

PROJECT means the Building, together with the Land, the parking area serving the Building, all other improvements situated on the Land or directly benefiting the Building, and all additional facilities or improvements directly benefiting the Building that may be constructed.

COMMENCEMENT DATE shall mean January 1, 2017.

TERM means thirty-six (36) months, ending December 31, 2019.

LAND shall mean that certain tract of land, legally describes as TR 32E ABST 27 J R HARRIS situated in Harris County, Texas.

PARKING means zero (4) parking spaces per 1000 sf of occupancy or in the parking area serving the Building as more fully described in Section 2.04 hereof. Tenant shall have two (2) designated parking spots for parking police vehicles

Security Deposit This lease requires a security deposit of \$6,450 which must be paid in advance of lease commencement. This includes first month rents, last month rents and deposit

TENANT'S PRO-RATA SHARE for purposes of this Lease is 5.5% percent.

BASE YEAR means 2017

LEASEHOLD IMPROVEMENTS

Rent Concessions N/A

TI Concessions: Install neutral colored laminate flooring, Build out kitchenette with counter and cabinets.

ARTICLE 2.

Section 2.01. Leased Premises. Landlord does hereby lease, demise and let to Tenant, and Tenant does hereby lease and take from Landlord, those certain premises containing approximately (1,621) square feet of Net Rentable Area (as defined in Exhibit C, which is attached hereto and made a part hereof) located on the 1st floor, of the Building together with the nonexclusive use of all rights, privileges, easements, appurtenances and amenities belonging to or in any way pertaining to said premises (collectively, the "Leased Premises"). The Leased Premises are outlined on Exhibit B, which is attached hereto and made a part hereof.

Section 2.02. Term. The Term of this Lease shall begin on the Commencement Date and shall continue in full force and effect for the Term of this Lease unless extended or sooner terminated in accordance with the provisions of this Lease. The term of this lease is thirty-six (36) months.

Section 2.04. Parking. Throughout the Term, Tenant shall be entitled to use the number of parking spaces specified in Article I of the Lease ("Allocated Spaces") in the parking area serving the Building at no additional cost to Tenant. So long as no default exists under the Lease, all such parking spaces shall be provided to Tenant for use on an assigned basis. Tenant agrees to use such parking spaces in accordance with any and all rules and regulations established by Landlord. Landlord shall use all reasonable efforts to insure that the Allocated Spaces (or substitutes therefore) are available to Tenant throughout the Term.

ARTICLE 3.

Section 3.01. Rental Payments. (a) **Installments.** Commencing on the Commencement Date and continuing thereafter throughout the Term, Tenant shall pay the Base Rental (starting with the first month of the Term for which the Base Rental is due and not abated, to which the Prepaid Rental shall be applied), which is due and payable each lease year during the Term hereof in twelve (12) equal installments on the first (1st) day of each calendar month of each lease year during the Term, and Tenant shall make such installments to Landlord at Landlord's address specified in this Lease (or such other address as may be designated by Landlord from time to time) monthly in advance.

If the Commencement Date is other than the first (1st) day of a calendar month, or if this Lease terminates on other than the last day of a calendar month, then the installments of Base Rental for such months shall be prorated, and the installments so prorated shall be paid in advance. The term "lease year" as used herein shall mean a period of twelve (12) consecutive full calendar months. The first lease year shall begin on the first day of the first calendar month following the Commencement Date (or, if the Commencement Date is the first day of a month, then beginning with such month) and each succeeding lease year shall commence upon the same day of each such year.

(b) **Payment; Past Due Rate.** The Base Rental, the Additional Rental (hereinafter defined), any Prepaid Rental and any and all other payments which Tenant is obligated to make to Landlord under this Lease shall constitute, and are sometimes hereinafter collectively referred to as, "Rent". Tenant shall pay all Rent and other sums of money as shall become due from and payable by Tenant to Landlord in lawful money of the United States of America at the times and in the manner provided in this Lease, without demand, deduction, abatement, setoff, counterclaim or prior notice. All Rent under this Lease not paid within 10 days of its due date shall bear interest from the date due until paid at the lesser of eighteen percent (18%) or the maximum non-usurious rate of interest then permitted by the applicable laws of the State of Texas or the United States of America, whichever shall permit the higher non-usurious rate, and to the extent that such maximum non-usurious rate is determined by reference to the laws of the State of Texas, such rate shall be the indicated rate ceiling (as defined and described in the Texas Finance Code, as amended) at the applicable time in effect, until paid, such interest being in addition to and cumulative of any other rights and remedies which Landlord may have with regard to the failure of Tenant to make any such payments under this Lease.

Section 3.02. Additional Rental. (a) Definitions.

- (i) "**Base Operating Expenses**" means Operating Expenses (hereinafter defined) for the calendar year (the "**Base Year**"). 2017
- (ii) "**Base Real Estate Taxes**" means Real Estate Taxes (hereinafter defined) for the Base Year.
- (iii) "**Real Estate Taxes**" means all taxes, assessments and governmental charges, whether or not directly paid by Landlord, whether federal, state, county or municipal and whether they are imposed by taxing districts or authorities currently taxing the Project or by others subsequently created or otherwise, and any other taxes and assessments, assessed against or attributable to the Project or its operation, excluding, however, federal and state taxes on income, death taxes, franchise taxes and transfer taxes.
- (iv) "**Operating Expenses**" means all expenses, costs and disbursements relating to or incurred or paid in connection with the ownership and operation of the Project, computed on an accrual basis in accordance with generally accepted accounting principles consistently applied, including but not limited to the following: (a) wages and salaries of all persons, if any, engaged in the operation, maintenance, security or access control of the Project, including all taxes, insurance and benefits relating thereto; (b) the cost of all supplies, tools, equipment and materials used in the operation and maintenance of the Project, including rental fees for the same, if such items are not purchased and amortized pursuant to Section 3.02(a)(iv)(f) below; (c) the cost of all utilities for the Project (excluding those costs billed to specific tenants); (d) the cost of all maintenance and service agreements for the Project; (e) the cost of repairs and general maintenance, excluding (y) repairs and general maintenance paid by proceeds of insurance, by Tenant or by other third parties, and (z) alterations attributable solely to tenants of the Building other than Tenant; (f) amortization of the cost of capital investment items which are installed for the purpose of reducing operating expenses, or complying with governmental requirements; (g) the cost of all insurance relating to the Project; (h) Landlord's accounting and audit costs and attorneys' fees applicable to the Project, but excluding attorneys' fees, accounting fees and expenditures incurred in connection with negotiations, disputes, claims of other tenants or occupants of the Project or with other third parties other than Tenant; and (i) property management fees for the Project. Notwithstanding the foregoing, the term Operating Expenses does not include: (1) franchise or income taxes imposed on Landlord's net income, (2) expenses for which Landlord is or will be reimbursed by another source (excluding tenant reimbursement for Operating Expenses), including but not limited to repair or replacement of any item to the extent covered by warranty; (3) depreciation and amortization of the Building and financing and refinancing costs, including interest and principal amortization of debts; (4) leasing commissions, advertising expenses and other costs incurred in leasing or procuring new tenants; (5) rental on ground leases or other underlying leases; (6) contributions to operating expense reserves or capital reserves; (7) costs of renovating or otherwise improving Leased Premises or the Land or vacant space in the Project; (8) costs included in Operating Expenses representing an amount paid to any entity related to Landlord which is in excess of the amount which would have been paid in the absence of such relationship; and (9) costs, items or amounts which are not reasonable in amount or not customarily included in operating expenses for similar type and class properties located in the vicinity of the Project.
- (v) "**Adjustment Period**" means each calendar year occurring during the Term beginning with calendar year which shall be the first Adjustment Period.
- vi) "**Tenant's Pro Rata Share**" means the percentage calculated by dividing the Net Rentable Area of the Leased Premises (numerator) by the Net Rentable Area of the Building (denominator), and expressing the fraction as a percentage.
- (b) **Gross-Up Adjustment.** Operating Expenses shall be adjusted as follows: if occupancy during the Base Year or any Adjustment Period is less than ninety-five percent (95%), then Operating Expenses for that Base Year or Adjustment Period shall be "grossed up" to that amount of Operating Expenses that, using reasonable projections, would normally be expected to be incurred during the Base Year or Adjustment Period if the Building was ninety-five percent (95%) occupied during the Base Year or Adjustment Period, as determined in accordance with generally accepted accounting principles consistently applied. Landlord shall provide in the Statement (hereinafter defined) a reasonably detailed description of how the Operating Expenses were grossed up. Notwithstanding anything contained herein to the contrary, only those component expenses that are affected by variations in occupancy levels shall be grossed up (for example and not by way of limitation, expenses for insurance for the Project would not be grossed up).
- (c) **Base Year Statement.** On or before, Landlord shall deliver to Tenant an itemized statement of the Base Operating Expenses and Base Real Estate Taxes, and Landlord's calculation of the gross-up adjustment of Base Operating Expenses.

(d) Payment by Landlord. Subject to reimbursement under Section 3.02(e), Landlord shall pay the Project's Operating Expenses and Real Estate Taxes before delinquency.

(e) Payment by Tenant. If the Operating Expenses and Real Estate Taxes when combined for any Adjustment Period exceed the combined total of Base Operating Expenses and Base Real Estate Taxes (any such excess being known collectively as the "Expense Increase"), then Tenant agrees to pay Landlord as additional rent (the "Additional Rental") Tenant's Pro Rata Share of the Expense Increase.

(f) Manner of Payment.

(i) Landlord may give Tenant notice of Landlord's estimate of amounts payable under this Section 3.02 for each Adjustment Period. Landlord's estimate shall be reasonable and based upon generally accepted accounting principles consistently applied. If Tenant requests, Landlord shall give Tenant reasonably detailed documentation to support Landlord's estimate. By the first day of each month during the Adjustment Period, Tenant shall pay Landlord one-twelfth (1/12th) of the estimated amount. If, however, the estimate is not given before the Adjustment Period begins, Tenant shall continue to pay on the basis of the previous year's estimate, if any, until the month after the new estimate is given.

(ii) Within ninety (90) days after each Adjustment Period ends, or as soon as reasonably practical, Landlord shall give Tenant an itemized statement (the "Statement") of Operating Expenses and Real Estate Taxes, and if the Statement shows that the actual amount Tenant owes for the Adjustment Period is less than any estimated Expense Increase paid by Tenant during the Adjustment Period, Landlord shall return the difference (the "Overpayment"). If the Statement shows that the actual amount Tenant owes is more than any estimated Expense Increase paid by Tenant during the Adjustment Period, Tenant shall pay the difference (the "Underpayment"). The Overpayment or Underpayment shall be paid within thirty (30) days after the Statement is delivered to Tenant. During any Adjustment Period that this Lease is not in effect for a complete calendar year, unless it was ended due to Tenant's default, Tenant's obligation for Additional Rental for those Adjustment Periods shall be prorated.

(g) Tenant's Audit Right. Within sixty (60) days (the "Audit Election Period") after Landlord furnishes to Tenant the Operating Expenses Statement for any calendar year (including the Base Year), Tenant may, at its expense, during Landlord's normal business hours at Landlord's office, elect to audit Landlord's Operating Expenses for such calendar year only. Tenant shall deliver a copy of such audit to Landlord within five (5) business days of receipt of the audit report by Tenant. This paragraph shall not be construed to limit, suspend, or abate Tenant's obligation to pay Rent when due, including estimated Operating Expenses. After verification of Tenant's audit report, Landlord shall credit any Overpayment determined by the audit report against the next Rent due and owing by Tenant or, if no further Rent is due, refund such Overpayment directly to Tenant within thirty (30) days of the termination date of this Lease. In the event Tenant's audit report reveals that Landlord's calculation of Operating Expenses for the calendar year under inspection was overstated by more than five percent (5%) in the aggregate, and Landlord does not agree with the results of Tenant's audit report, then Landlord may, within thirty (30) days following receipt of Tenant's audit report, obtain an audit report (the "Verifying Audit") of Landlord's Operating Expenses for the calendar year in question by an independent certified public accountant selected by Landlord. If the Verifying Audit (or Tenant's audit, if not challenged by Landlord through a Verifying Audit) reveals an overstatement of Landlord's Operating Expenses in the Statement provided to Tenant by more than five percent (5%) for such calendar year, then, in addition to crediting or refunding the Overpayment, Landlord will pay the reasonable out-of-pocket costs of Tenant's audit report within thirty (30) days of Landlord's receipt of an invoice for same. However, if the Verifying Audit reveals that there is an overstatement in the Landlord's Operating Expenses of five percent (5%) or less for such calendar year, then Tenant shall pay its own costs incurred for the Tenant's audit report, as well as the reasonable out-of-pocket costs incurred by Landlord in obtaining the Verifying Audit within thirty (30) days after Landlord delivers an invoice for the Verifying Audit to Tenant. Notwithstanding the foregoing, Landlord shall be obligated to refund any Overpayment by Tenant of Tenant's share of the Landlord's Operating Expenses. If Tenant does not give written notice of its election to audit during the Audit Election Period, Landlord's Operating Expenses for the applicable calendar year shall be deemed approved for all purposes, and Tenant shall have no further right to review or contest the same. The provisions of this section shall survive the termination of this Lease.

(h) Cap on Controllable Costs. Notwithstanding anything contained in this Lease to the contrary, for purposes of computing Tenant's Pro-Rata Share of Operating Costs, Controllable Costs (as defined in this paragraph) for any calendar year shall not exceed the Cap Amount (as defined in this paragraph) for that calendar year. The "Cap Amount" for any given calendar year during the Lease Term shall be an amount determined by increasing the Controllable Costs for the calendar year in which the Commencement Date occurs by 7% per annum on a cumulative

Lease Agreement for 8121 Broadway Interests LLC and Harris County Improvement District No. 9

basis. "Controllable Costs" shall mean all Operating Costs other than the costs of Real Estate Taxes, all insurance related costs, all utility and waste collection related costs, and all costs incurred in complying with changes in the law. In addition, the Cap Amount shall exclude increases in Controllable Costs resulting from any increases in minimum hourly wage rates in effect as of the Commencement Date.

ARTICLE 4.

Section 4.01. Services. (a) Services Provided. So long as no default by Tenant under this Lease has occurred and is continuing, Landlord shall furnish to Tenant while Tenant is occupying the Leased Premises:

- (i) Domestic water at those points of supply provided for general use of tenants in the Building.
 - (ii) Central heat and air conditioning in season from 6:00 a.m. to 6:00 p.m., Monday through Friday, 7:00 a.m. to 2:00pm on Saturday, subject to curtailment as required by governmental laws, rules or regulations, in such amounts as will provide comfortable occupancy of the Leased Premises as determined by Landlord in its reasonable discretion, but such service at times during weekdays other than the hours stated above, on Saturdays, Sundays and Holidays to be furnished only upon request of Tenant, and for such service Tenant shall pay Landlord within 30 days of receipt of Landlord's invoice an amount equal to the rate Landlord at that time is charging for such service. Landlord's after-hour rate may be adjusted based upon increases in Landlord's actual cost to provide such service.
 - (iii) Electric lighting service for all public areas and special service areas of the Building.
 - (iv) Janitor service on a five (5) day week basis in a manner consistent with similar properties in the area.
 - (v) Equipment and personnel to limit access to the Building after normal business hours; provided, however, Landlord shall have no responsibility to prevent, and shall not be liable to Tenant for and shall be indemnified by Tenant against liability or loss to Tenant or any of Tenant's Agents arising out of, losses due to theft, burglary or damage or injury to persons or property caused by persons obtaining access to the Leased Premises, and Tenant hereby releases Landlord from all liability relating thereto, except to the extent caused by Landlord's or any of Landlord's Agents' negligence or willful misconduct.
 - (vi) Electrical facilities to furnish sufficient power to operate fluorescent lighting, typewriters, voice writers, calculating machines, copy machines, telecopy machines, personal computers and other machines of similar low electrical consumption in the Leased Premises (total consumption not to exceed six (6) watts per square foot of Net Rentable Area in the Leased Premises); but not including electricity required for special lighting requiring power in excess of Building standard and any other item of electrical equipment which (singly) consumes more than 0.5 kilowatts at rated capacity or requires a voltage of more than 120 volts single phase (said equipment will be metered separately and the installation of the meter and operating costs will be the obligations of Tenant). If any electrical equipment requires air conditioning in excess of Building standard, the same shall be installed at Tenant's expense and Tenant shall pay all costs relating thereto. Tenant covenants and agrees that at all times its use of electric current shall never exceed the capacity of existing feeders to the Building.
 - (vii) All fluorescent bulb and ballast replacement for Building standard lighting in all areas and all incandescent bulb replacement in public areas, toilet and restroom areas and stairwells.
- (b) Cessation of Services. To the extent the services described in Section 4.01(a) of this Lease require electricity, gas and water supplied by public utilities, Landlord's covenants hereunder shall only impose on Landlord the obligation to use its best efforts to cause the applicable public utilities to furnish the same. Failure by Landlord to furnish the services described in this Section 4.01 to any extent, or any cessation thereof, shall not render Landlord in default hereunder or liable in any respect for damages to either person or property, or be construed as an eviction of Tenant, or work an abatement of Rent, or relieve Tenant from fulfillment of any covenant or agreement hereof, except to the extent caused by Landlord's failure to use best efforts to cause the applicable public utilities to furnish the same. In addition to the foregoing, should any of the equipment or machinery break down, cease to function properly for any cause, or be intentionally turned off for testing or maintenance purposes, Tenant shall have no claim for abatement or reduction of Rent or damages on account of an interruption in service occasioned thereby or resulting therefrom.

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(c) Holidays. The following dates shall collectively be known as "Holidays" and individually known as a "Holiday": New Year's Day; Memorial Day; Independence Day; Labor Day; Thanksgiving Day; Friday following Thanksgiving; Christmas Day; and any other holiday recognized and taken by tenants occupying at least one-half (1/2) of the Net Rentable Area of office space of the Building. If in the case of any Holiday, a different day shall be observed than the respective day above described, then that day which constitutes the day observed by national banks in the city or proximate area in which the Building is located, on account of such Holiday, shall constitute the Holiday under this Lease.

Section 4.02. Keys and Locks. Landlord shall initially furnish Tenant with ten (10) keys for the standard corridor doors serving the Leased Premises and ten (10) key cards for the Building and ten (10) keys for the elevator. Additional keys will be furnished by Landlord upon an order signed by Tenant and at Tenant's expense. All such keys shall remain the property of Landlord. Without the prior written consent of Landlord, no additional locks shall be allowed on any door of the Leased Premises, and Tenant shall not make or permit to be made any duplicate keys, except those furnished by Landlord. Upon termination or expiration of this Lease or a surrender of possession of the Leased Premises by Tenant, Tenant shall surrender to Landlord all keys to any locks on doors entering or within the Leased Premises and all key cards for the Building.

Section 4.03. Graphics and Building Directory. Landlord shall provide and install initially at Landlord's expense, and thereafter, at Tenant's expense, all letters or numerals at the entrance to the Leased Premises, and a strip containing a listing of Tenant's name on the Building directory board to be placed in the main lobby of the Building. All such letters and numerals shall be in Building standard graphics. No signs, numerals, letters or other graphics shall be used or permitted on the exterior of, or which may be visible from outside, the Leased Premises, unless approved in writing by Landlord.

ARTICLE 5.

Section 5.01. Occupancy of Leased Premises. Tenant shall throughout the Term of this Lease, at its own expense, maintain the Leased Premises and all improvements thereon in the same condition as received on the Commencement Date and shall deliver up the Leased Premises in a clean and sanitary condition at the expiration or termination of this Lease or the termination of Tenant's right to occupy the Leased Premises by Tenant, in the same condition as received on the Commencement Date, reasonable wear and tear excepted. In the event Tenant should neglect to maintain the Leased Premises, Landlord shall have the right, but not the obligation, after ten (10) business days' prior written notice to Tenant (except for in the case of emergency repairs), to cause repairs or corrections to be made, and any reasonable costs therefore shall be payable by Tenant to Landlord on demand. Upon the expiration or termination of this Lease or the termination of Tenant's right to occupy the Leased Premises by Tenant, Tenant shall surrender all keys and key cards for the Leased Premises and Building to Landlord in accordance with Section 4.02 of this Lease and Landlord shall have the right to reenter and resume possession of the Leased Premises. No act or thing done by Landlord or any of Landlord's Agents (hereinafter defined) during the Term of the Lease shall be deemed an acceptance of a surrender of the Leased Premises, and no agreement to accept a surrender of the Leased Premises shall be valid unless the same be made in writing and executed by Landlord. Tenant shall notify Landlord at least fifteen (15) days prior to vacating the Leased Premises and shall arrange to meet with Landlord for a joint inspection of the Leased Premises. If Tenant fails to give such notice or to arrange for such inspection, then Landlord's inspection of the Leased Premises shall be deemed correct for the purpose of determining Tenant's responsibility for repair and restoration of the Leased Premises.

Section 5.02. Light, Air and View. Neither the diminution nor the shutting off of any light, air or view nor any other effect on the Leased Premises by any structure or condition now or hereafter existing on property adjacent to the Leased Premises or the Project shall affect this Lease, abate Rent or otherwise impose any liability on Landlord.

Section 5.03. Entry for Repairs and Inspection. Tenant shall permit Landlord and Landlord's Agents (hereinafter defined) to enter into and upon the Leased Premises at all reasonable times for the purposes of inspecting the same or showing the same to prospective purchasers or for the purpose of maintaining or making repairs, and the Rent shall in no way abate while such inspections, repairs, alterations, improvements or additions are being made, by reason of loss or interruption of business of Tenant.

Section 5.04 Waste and Environmental Compliance. Tenant covenants and agrees to comply strictly and in all respects and to cause Tenant's Agents to comply strictly and in all respects with the requirements of any applicable law, statute, ordinance, permit, decree, guideline, rule, regulation or order pertaining to health or the environment (hereinafter sometimes collectively called "Applicable Environmental Laws"), including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, the Resource Conservation and Recovery Act, the Hazardous Materials Transportation Act, the Clean Air Act, the Clean Water Act, the Texas Health and Safety Code, the

Texas Natural Resources Code, the Texas Water Code, and regulations promulgated under any of the preceding statutes, as each of the foregoing may be amended from time to time. Tenant shall not cause or permit any Hazardous Materials (hereinafter defined) to be brought to or generated, treated, stored, used, installed or disposed in, on, under or about the Leased Premises or the Project, except that Tenant shall be permitted to use and store small quantities of Hazardous Materials typically used in offices (e.g., toner, cleaning products, etc.) provided that such materials are used and stored in compliance with Applicable Environmental Laws. Tenant represents, warrants, covenants and agrees that Tenant and Tenant's Agents are not and will not become involved in operations at the Leased Premises or the Project locations which could lead to the imposition on Landlord or any of Landlord's Related Parties (hereinafter defined) of liability under any of the Applicable Environmental Laws or otherwise. TO THE FULLEST EXTENT ALLOWED BY LAW, TENANT ACKNOWLEDGES THAT CERTAIN HAZARDOUS MATERIALS MAY EXIST ON THE PROJECT, INCLUDING BUT NOT LIMITED TO ASBESTOS-CONTAINING MATERIALS. If Tenant knows, or has reasonable cause to believe, that a Hazardous Materials substance has come to be located in, on, under or about the Leased Premises, other than as previously consented by Landlord, Tenant shall immediately give written notice of such fact to Landlord, and provide Landlord with a copy of any report, notice, claim or other documentation which it has concerning the presence of such Hazardous Materials substance. Tenant shall not cause or permit any Hazardous Materials to be spilled or released in, on, under, or about the Leased Premises (including through the plumbing sanitary sewer system) and shall promptly, at Tenant's expense, take all investigatory and/or remedial action reasonably recommended whether or not formally ordered or required, for the cleanup of any contamination of, and for the maintenance, security and/or monitoring of the Leased Premises or neighboring properties that was caused or materially contributed to by Tenant, or pertaining to or involving any Hazardous Materials brought onto the Leased Premises during the Term by or for Tenant. Tenant shall indemnify, defend and hold Landlord, its agents, employees, lenders and ground lessor, if any, harmless from and against any and all loss of rents and/or damages, liabilities, judgments, claims, expenses, penalties, and attorneys' and consultants' fees arising out of or involving any Hazardous Materials brought onto the Leased Premises by or for Tenant, (provided, however, that Tenant shall have no liability under this Lease with respect to underground or overhead migration of any Hazardous Material in the Leased Premises from areas outside of the Project). Tenant's obligations shall include, but not be limited to, the effects of any contamination of injury to person, property or the environment created or suffered by Tenant, and the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease. No termination, cancellation or release agreement entered into by Landlord and Tenant shall release Tenant from its obligations under this Lease with respect to Hazardous Materials, unless specifically so agreed by Landlord in writing at the time of such agreement. Landlord's obligations, as and when required by Applicable Environmental Laws, shall include, but not be limited to, the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease. Landlord shall retain the responsibility and pay for any investigations or remediation measures required by government entities having jurisdiction with respect to the existence of Hazardous Materials on the Leased Premises prior to the Commencement Date, unless such remediation measure is required as a result of Tenant's use of the Leased Premises after the Commencement Date, in which event Tenant shall be responsible for such payment. Tenant shall cooperate fully in any such activities at the request of Landlord, including allowing Landlord and Landlord's agents to have reasonable access to the Leased Premises at reasonable times in order to carry out Landlord's investigative and remedial responsibilities. The covenants and agreements of Tenant under this Section shall survive the expiration or termination of this Lease. "Hazardous Materials" means any flammables, explosives, radioactive materials, asbestos-containing materials, solid wastes that pose imminent and substantial endangerment to health or the environment, formaldehyde, radon gas, lead, petroleum or any fraction thereof, polychlorinated biphenyls, and any other material, waste, or substance that could represent a threat to human health or safety or the environment, if it were improperly managed or disposed, including without limitation substances defined, listed or regulated as "hazardous substances," "hazardous materials," "toxic substances," "hazardous waste," "extremely hazardous substance," "regulated substance," "contaminant" or "Class I" or "Class II" waste pursuant to Applicable Environmental Laws.

Section 5.05. Compliance with Laws Regarding Disabilities. Landlord covenants and agrees that the common areas of the Project and all alterations and improvements to the Leased Premises constructed by Landlord pursuant to the terms and provisions of this Lease shall be constructed substantially in accordance with the Americans With Disabilities Act and the Texas Architectural Barriers Act in effect as of the Commencement Date of this Lease (collectively, the "Act"), and Landlord shall attempt to reasonably comply with the Act in such construction. Tenant covenants and agrees that all alterations and improvements to the Leased Premises constructed by Tenant after the Commencement Date shall be constructed in accordance with the Act. In the event that, subsequent to the Commencement Date, Tenant requests Landlord to perform any alterations, additions or improvements to the Leased Premises, whether by virtue of expansion, extension or otherwise, Tenant agrees to and shall be responsible for all costs and expense incurred in connection with any improvements and alterations necessary to ensure compliance with the Act. It is the intent of this Section that any additional alterations, improvements or additions required by the Act with regard to the Leased Premises after the Commencement Date, whether resulting from amendments to the Act or otherwise, shall be the sole responsibility of Tenant.

ARTICLE 6.

Section 6.01. Leasehold Improvements. (a) Acceptance of Leased Premises. Tenant has made a complete inspection of the Leased Premises and shall accept the Leased Premises and the Project in their "AS IS," "WHERE IS," and "WITH ALL FAULTS" condition on the Commencement Date without recourse to Landlord, except for Landlord's Improvements described on Exhibit B hereto. Landlord shall have no obligation to furnish, equip or improve the Leased Premises or the Project, except for Landlord's Improvements described on Exhibit B hereto. The taking of possession of the Leased Premises by Tenant shall be conclusive evidence against Tenant that Tenant accepts the Leased Premises and the Project as being suitable for its intended purpose and in a good and satisfactory condition and acknowledges that the Leased Premises and the Project comply fully with Landlord's covenants and obligations under this Lease as of the Commencement Date.

(b) Improvements and Alterations. Tenant shall not make or allow to be made (except as otherwise provided in this Lease) any improvements, alterations or physical additions (including fixtures) in or to the Leased Premises or the Project, without first obtaining the written consent of Landlord, including Landlord's written approval of Tenant's contractor(s) and of the plans, working drawings and specifications relating thereto, which consent shall not be unreasonably withheld, conditioned or delayed. Approval by Landlord of any of Tenant's drawings and plans and specifications prepared in connection with any alterations, improvements, modifications or additions to the Leased Premises or the Project shall not constitute a representation or warranty of Landlord as to the adequacy or sufficiency of such drawings, plans and specifications, or alterations, improvements, modifications or additions to which they relate, for any use, purpose or conditions, but such approval shall merely be the consent of Landlord as required hereunder. Any and all furnishing, equipping and improving of or other alteration and addition to the Leased Premises shall be (i) made at Tenant's sole cost, risk and expense, and Tenant shall pay for Landlord's actual costs incurred in connection with and as a result of such alterations or additions; (ii) performed in a prompt, good and workmanlike manner with labor and materials of such quality as Landlord may reasonably require; (iii) constructed in accordance with all plans and specifications approved in writing by Landlord prior to the commencement of any such work; (iv) prosecuted diligently and continuously to completion so as to minimize interference with the normal business operations of other tenants in the Building, the performance of Landlord's obligations under this Lease or any mortgage or ground lease covering or affecting all or any part of the Building or the Land, and any work being done by contractors engaged by Landlord with respect to or in connection with the Building; and (v) performed by contractors approved in writing by Landlord. Any and all alterations, improvements and additions to the Leased Premises shall at once become the property of Landlord. Tenant shall have no (and hereby waives all) rights to payment or compensation for any such item. Tenant shall notify Landlord upon completion of such alterations, improvements, modifications or additions and Landlord shall inspect same for workmanship and compliance with the approved plans and specifications. Tenant and its contractors shall comply with all reasonable requirements Landlord may impose on Tenant or its contractors with respect to such work (including but not limited to, insurance, indemnity and bonding requirements), and shall deliver to Landlord a complete copy of the "asbuilt" plans and specifications for all alterations or physical additions so made in or to the Leased Premises within thirty (30) days of completing the work. Tenant shall not place any items that would exceed load bearing limits of the floors. Notwithstanding herein anything to the contrary, Landlord agrees to perform improvements to the Leased Premises as specified in Exhibit B at Landlord's sole cost and expense.

(c) Title to Alterations. All alterations, physical additions, modifications or improvements in or to the Leased Premises (including fixtures) shall, when made, become the property of Landlord and shall be surrendered to Landlord upon termination or expiration of this Lease or termination of Tenant's right to occupy the Leased Premises, whether by lapse of time or otherwise without any payment, reimbursement or compensation therefore; the rights conferred to Landlord under this Section 6.01(c) shall be in addition to (and not in conflict with) any other rights conferred on Landlord by this Lease, in equity or at law.

(d) Personal Property Taxes. Tenant shall be responsible for ad valorem taxes and other taxes, assessments or charges levied upon or applicable to Tenant's personal property ("Tenant's Property") and all license fees and other fees or charges imposed on the business conducted by Tenant on the Leased Premises before such taxes, assessments, charges or fees become delinquent.

Section 6.02. Repairs by Landlord. All repairs, alterations or additions that affect the Project's structural components or major mechanical, electrical or plumbing systems shall be made by Landlord or its contractors only, and, in the case of any damage to such components or systems caused by Tenant or Tenant's Agents, shall be paid for by Tenant in an amount equal to Landlord's costs plus fifteen percent (15%) as an overhead expense. Unless otherwise provided herein, Landlord shall not be required to make any improvements to or repairs of any kind or character to the Leased Premises

during the Term, except such repairs as Landlord deems necessary for normal maintenance operations. Landlord shall be responsible for the removal of cabling, if required at the end of the Lease Term.

Section 6.03. Repairs by Tenant. Subject to Section 6.02 of this Lease, Tenant shall, at its own cost and expense, repair or replace any damage or injury done to the leasehold improvements in the Leased Premises or any part thereof, the Leased Premises or any part thereof, or the Project or any part thereof, caused by Tenant or any of Tenant's Agents (hereinafter defined). If Tenant fails to make such repairs or replacements, Landlord may, at its option, after ten (10) business days' prior written notice to Tenant (except in the case of an emergency), make such repairs or replacements, and Tenant shall pay to Landlord on demand the cost thereof plus fifteen percent (15%) as an overhead expense. Except insofar as Landlord is expressly obligated under this Lease to maintain and repair the Leased Premises, in addition to the maintenance and repair obligations of Tenant otherwise expressly set forth in this Lease, Tenant is also obligated to perform, at Tenant's own cost and expense and risk, all other maintenance and repairs necessary or appropriate to cause the Leased Premises to be suitable for Tenant's intended commercial purpose.

Section 6.04. Liens. Tenant shall not permit any mechanic's lien or any other liens, encumbrances, claims or charges to be placed on the Leased Premises or the Project, or any part thereof, on the improvements thereon, on Landlord's interest therein, or upon Tenant's leasehold interest therein, during the Term of this Lease, and in the event of the filing of any such lien, encumbrance, claim or charge, Tenant shall promptly have same removed. Tenant covenants and agrees that it will pay or cause to be paid all sums legally due and payable by it on account of labor performed or materials furnished in connection with any work performed on the Leased Premises and that it will save and hold Landlord harmless from and defend Landlord against any and all loss, claim, damage, cost and expense based on or arising out of any such asserted claims, liens, encumbrances or charges. Tenant agrees to give Landlord immediate written notice of the placing of any lien, charge, claim or encumbrance against the Leased Premises or the Project. If Tenant fails to cancel or discharge any such lien within 30 days, Landlord may, at its sole option, cancel or discharge the same, and upon Landlord's demand, Tenant shall promptly reimburse Landlord for all costs incurred in canceling or discharging such lien or liens.

Section 6.05. Indemnification. As additional consideration for Landlord entering into this Lease, Tenant does hereby for itself and its heirs, legal representatives, successors and assigns, agree to and hereby does expressly indemnify, defend and hold harmless Landlord, and Landlord's manager of the Project and Landlord's and such manager's agents, principals, employees, heirs, legal representatives, successors, assigns, affiliates, officers, directors, shareholders, partners, ventures, trustees and representatives (collectively, "Landlord's Related Parties"), against and from any and all claims, actions, causes of action, demands, losses, assessments, suits, damages, liability, costs and expenses of whatever kind (including without limitation attorneys' fees), that Landlord or any of Landlord's Related Parties may at any time sustain or incur by reason of any and all claims asserted against any of them to the extent that such claims arise out of or are based upon (a) any breach of any of the agreements of Tenant under this Lease, (b) any occurrence in, upon or about the Leased Premises or the Project caused by the sole, contributory, partial, joint, comparative or concurrent negligence, but only to the extent of such negligence, of Tenant or Tenant's respective employees, agents, officers, directors, shareholders, partners, trustees, representatives, customers, guests, invitees, licensees, subtenants, concessionaires, contractors, servants, vendors, material men, suppliers, heirs, legal representatives, successors, assigns or any other person entering the Project under express or implied invitation of Tenant, claiming by, through or under Tenant or who may occupy or use the Leased Premises (collectively, "Tenant's Agents"), WHETHER OR NOT CAUSED BY THE CONTRIBUTORY, PARTIAL, JOINT, COMPARATIVE OR CONCURRENT NEGLIGENCE OF LANDLORD OR LANDLORD'S RESPECTIVE EMPLOYEES, AGENTS, OFFICERS, DIRECTORS, SHAREHOLDERS, PARTNERS, TRUSTEES, REPRESENTATIVES, CUSTOMERS, GUESTS, INVITEES, LICENSEES, CONCESSIONAIRES, CONTRACTORS, SERVANTS, VENDORS, MATERIALMEN, SUPPLIERS, HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS, ASSIGNS OR ANY OTHER PERSON ENTERING THE PROJECT UNDER EXPRESS OR IMPLIED INVITATION OF LANDLORD OR CLAIMING BY, THROUGH OR UNDER LANDLORD (COLLECTIVELY, "LANDLORD'S AGENTS"), but not including occurrences caused solely by reason of the negligence or willful misconduct of Landlord or Landlord's Agents acting within the scope of their employment or authority, (c) the conduct of management of any work done by Tenant or any of Tenant's Agents in, upon or about the Leased Premises or the Project, (d) any occurrence in, upon or about the Leased Premises or the Project occasioned wholly or in part by any act, omission or neglect claimed to have been caused by Tenant or any of Tenant's Agents, or (e) any occurrence occasioned by the violation of any law, statute, permit, order, decree, guideline, rule, regulation or ordinance (including without limitation any Legal Requirements or Applicable Environmental Laws) by Tenant or any of Tenant's Agents. In any case in which Tenant has agreed to indemnify Landlord, Landlord's Related Parties or any other person, such indemnity shall be deemed to include an obligation on the part of Tenant to appear on behalf of the indemnified party in any and all proceedings involving a claim or cause of action covered by such indemnity and to defend the indemnified party against such claim or cause of action, all at Tenant's cost; provided, however, at the option of any party indemnified hereunder, such party shall have the right to appear on its own behalf, employ its own legal counsel and defend any claim or cause of action

indemnified in this Section 6.05 at such party's cost. Landlord does hereby for itself and its heirs, legal representatives, successors and assigns, agree to and hereby does expressly indemnify, defend and hold harmless Tenant and Tenant's agents, principals, employees, heirs, legal representatives, successors, assigns, affiliates, officers, directors, shareholders, partners, ventures, trustees and representatives (collectively, "Tenant's Related Parties"), against and from any and all claims, actions, causes of action, demands, losses, assessments, suits, damages, liability, costs and expenses of whatever kind (including without limitation attorneys' fees), that Tenant or any of Tenant's Related Parties may at any time sustain or incur by reason of any and all claims asserted against any of them to the extent that such claims arise out of or are based upon (v) any breach of any of the agreements of Landlord under this Lease, (w) any occurrence in, upon or about the Leased Premises or the Project caused by the sole, contributory, partial, joint, comparative or concurrent negligence, but only to the extent of such negligence, of Landlord or Landlord's Agents, WHETHER OR NOT CAUSED BY THE CONTRIBUTORY, PARTIAL, JOINT, COMPARATIVE OR CONCURRENT NEGLIGENCE OF TENANT OR TENANT'S AGENTS, but not including occurrences caused solely by reason of the negligence or willful misconduct of Tenant or Tenant's Agents acting within the scope of their employment or authority, (x) the conduct of management of any work done by Landlord or any of Landlord's Agents in, upon or about the Leased Premises or the Project, (y) any occurrence in, upon or about the Leased Premises or the Project occasioned wholly or in part by any act, omission or neglect claimed to have been caused by Landlord or any of Landlord's Agents, or (z) any occurrence occasioned by the violation of any law, statute, permit, order, decree, guideline, rule, regulation or ordinance (including without limitation any Legal Requirements or Applicable Environmental Laws) by Landlord or any of Landlord's Agents. The provisions of this Section 6.05 shall survive the termination or expiration of this Lease.

ARTICLE 7.

Section 7.01. Condemnation. (a) Total Taking. In the event of a taking or damage related to the exercise of the power of eminent domain, by any authority, person, corporation or entity empowered to condemn property (including without limitation a voluntary conveyance by Landlord in lieu of such taking or condemnation) (individually, a "Taking") of the entire Leased Premises, so much of the Leased Premises as to prevent or substantially impair its use by Tenant during the Term of this Lease or portions of the Building or Project required for reasonable access to, or reasonable use of, the Leased Premises (individually, a "Total Taking"), the rights of Tenant under this Lease shall cease and terminate as of the date upon which title to the property taken passes to and vests in the condemner or the effective date of any order for possession if issued prior to the date title vests in the condemner ("Date of Taking").

(b) Partial Taking. In the event of a Taking of only a part of the Leased Premises or of a part of the Project which does not constitute a Total Taking during the Term of this Lease (individually, a "Partial Taking"), the rights of Tenant under this Lease and the leasehold estate of Tenant in and to the portion of the property taken shall cease and terminate as of the Date of Taking, and an adjustment to the Rent shall be made based upon the reduced value of the Leased Premises.

(c) Termination by Landlord. In the event of a Taking of a portion of the Building or Project (other than the Leased Premises), and in Landlord's reasonable opinion, the Building or Project should be restored in a manner that materially alters the Leased Premises, Landlord may terminate this Lease by giving notice to Tenant within sixty (60) days following the date title vests in the condemner. This Lease shall terminate on the date specified in the termination notice, which date shall be at least thirty (30) days but not more than ninety (90) days after the date such notice is given.

(d) Rent Adjustment. If this Lease is terminated pursuant to this Section 7.01, Landlord shall refund to Tenant any prepaid un-accrued Rent and any other sums due and owing to Tenant (less any sums then due and owing Landlord by Tenant), and Tenant shall pay to Landlord any remaining sums due and owing Landlord under this Lease, each prorated as of the Date of Taking where applicable.

(e) Repair. If this Lease is not terminated as provided for in this Section 7.01, then Landlord at its expense shall promptly repair and restore the Building, Project and/or the Leased Premises to approximately the same condition that existed at the time Tenant entered into possession of the Leased Premises, wear and tear excepted (and Landlord shall have no obligation to repair or restore Tenant's improvements to the Leased Premises or Tenant's Property), except for the part taken, to render the Building or Project a complete architectural unit, but only to the extent of the condemnation award received by Landlord for the damage.

(f) Awards and Damages. Landlord reserves all rights to damages paid because of any Partial or Total Taking of the Leased Premises or the Project. Tenant assigns to Landlord any right Tenant may have to the damages or award. Further, Tenant shall not make claims against Landlord or the condemning authority for damages. Notwithstanding, Tenant may claim and recover from the condemning authority a separate award for Tenant's moving expenses, business dislocation damages, Tenant's Property and any other award that would not reduce the award payable to Landlord.

Section 7.02. Force Majeure. Neither Landlord nor Tenant shall be required to perform any term of this Lease (other than the obligations of Tenant to pay Rent as provided herein) so long as such performance is delayed or prevented by "Force Majeure", which shall mean acts of God, strikes, injunctions, lockouts, material or labor restrictions by any governmental authority, civil riots, floods, fire, theft, public enemy, insurrection, war, court order, requisition or order of governmental body or authority, and any other cause not reasonably within the control of Landlord or Tenant and which by the exercise of due diligence Landlord or Tenant is unable, wholly or in part, to prevent or overcome. Neither Landlord nor any mortgagee shall be liable or responsible to Tenant for any loss or damage to any property or person occasioned by any Force Majeure, or for any damage or inconvenience which may arise through repair or alteration of any part of the Project as a result of any Force Majeure.

Section 7.03. Fire or Other Casualty. (a) Damage. If any portion of the Leased Premises is destroyed or damaged by fire or any other casualty, Tenant shall immediately give notice thereof to Landlord. If any portion of the Leased Premises or Project is destroyed or damaged by fire or any other casualty then, at the option of Landlord, (i) Landlord may restore and repair the portion of the Leased Premises or Project damaged and, if the Leased Premises are rendered untenable in whole or in part by reason of such casualty as determined by Landlord in Landlord's reasonable discretion, Tenant shall be entitled to a fair diminution of the Rent hereunder until such time as the Leased Premises (exclusive of any of Tenant's Property) are made tenantable as determined by Landlord in Landlord's reasonable discretion by repair or restoration or (ii) Landlord may terminate this Lease whereupon all Rent accrued up to the time of such damage and any other sums due and owing shall be paid by Tenant to Landlord (less any sums then due and owing Tenant by Landlord) and any remaining sums due and owing by Landlord to Tenant shall be paid to Tenant. In no event shall Landlord have any obligation to repair or restore any such destruction or damage.

(b) Repair. Landlord shall use reasonable efforts to give Tenant written notice of its decisions, estimates or elections under this Section 7.03 within sixty (60) days after any such damage or destruction. If Landlord elects to repair and restore the Leased Premises or other portion of the Project, this Lease shall continue in full force and effect, and the repairs will be made within a reasonable time thereafter (not to exceed 180 days), subject to the provisions of Section 7.02 of this Lease. Should the repairs not be completed within that period, both Landlord and Tenant shall each have the option of terminating this Lease by written letter of termination. If this Lease is terminated as herein permitted, Landlord shall refund to Tenant any Prepaid Rental (un-accrued as of the date of damage or destruction) and any other sums due and owing by Landlord to Tenant (less any sums then due and owing Landlord by Tenant) and any remaining sums due and owing by Tenant to Landlord shall be paid to Landlord. If Landlord elects to rebuild the Leased Premises or other portion of the Project, Landlord shall (i) only be obligated to restore or rebuild the Leased Premises or other portion of the Project to approximately the same condition as existed at the time Tenant entered into possession of the Leased Premises, wear and tear excepted and (ii) not be required to rebuild, repair or replace any part of Tenant's Property. Notwithstanding anything contained in this Lease to the contrary, if Landlord elects to repair and restore the Leased Premises or other portion of the Project pursuant to this Section 7.03, in no event shall Landlord be required to expend under this Article VII any amount in excess of the proceeds actually received from the insurance carried by Landlord pursuant to Section 7.04(a) of this Lease. Landlord shall not be liable for any inconvenience or annoyance to Tenant or injury to the business of Tenant resulting in any way from such damage or destruction, except (i) for Landlord's breach of its obligations hereunder and (b) that Rent shall be abated from thirty (30) business days after Landlord's receipt of written notice, for any portion of the Leased Premises that is unusable by Tenant until Landlord's restoration work in the Leased Premises is substantially complete, which abatement shall be in the same proportion that the Net Rentable Square Footage of the Leased Premises that is unusable by Tenant bears to the total Net Rentable Square Footage of the Leased Premises; provided that Tenant shall not be entitled to any abatement of Rent if the damage or destruction in the Leased Premises is restored within sixty(60) business days after Landlord's receipt of written notice from Tenant of the occurrence of the damage or destruction.

(c) Negligence of Tenant. Notwithstanding the provisions of Sections 7.03(a) and 7.03(b) of this Lease, if the Leased Premises, the Project or any portion thereof, are damaged by fire or other casualty resulting from the fault or negligence of Tenant or any of Tenant's Agents, Tenant will be liable to Landlord for the cost and expense of the repair and restoration of the Leased Premises, the Project or any part thereof.

Section 7.04. Insurance. (a) Landlord shall maintain, or cause to be maintained, a policy of insurance on the Building against loss or damage by any and all hazards covered by the standard Causes of Loss – Special Form insurance policy in such amount as will, from time to time, cover the full cost of reconstructing the destroyed or damaged portion of the Building and improvements in accordance with then applicable laws and regulations, without any deduction for depreciation (100% replacement cost coverage). In addition, Landlord shall maintain commercial general liability insurance in the amount of at least Two Million Dollars (\$2,000,000) combined single limit for bodily injury and property damage per occurrence. Such insurance shall be maintained with an insurance company authorized to do business in

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Texas, at the expense of Landlord (but with the same to be included in the operating expenses of the Building as described in Section 3.02 of this Lease). The insurance required to be obtained by Landlord may be obtained by Landlord through blanket or master policies insuring other entities or properties owned or controlled by Landlord.

(b) Tenant shall, at its sole cost and expense, procure and maintain during the Term of this Lease commercial general liability insurance (including personal injury liability, premises/operation, property damage, independent contractors and broad form contractual in support of the indemnifications of Landlord by Tenant under this Lease) in amounts of not less than a combined single limit of \$1,000,000, comprehensive automobile liability insurance, property insurance with respect to Tenant's Property, leasehold improvements, alterations and additions written on an "all risk" basis for full replacement cost, and worker's compensation and employer's liability insurance, all maintained with companies authorized to do business in Texas and endorsed to include Landlord as an additional insured, with the premiums fully paid on or before the due dates. Tenant, and not Landlord, will be liable for any costs or damages in excess of the statutory limit for which Tenant would, in the absence of worker's compensation, be liable. In the event that Tenant fails to take out or maintain any policy required by this Section 7.04 to be maintained by Tenant, such failure shall be a defense to any claim asserted by Tenant against Landlord by reason of any loss sustained by Tenant that would have been covered by such policy, notwithstanding that such loss may have been proximately caused solely or partially by the negligence or willful misconduct of Landlord or any of Landlord's Related Parties. If Tenant does not procure insurance as required, Landlord may, upon advance written notice to Tenant, cause this insurance to be issued and Tenant shall pay to Landlord the premium for such insurance within ten (10) days of Landlord's demand, plus interest at the past due rate provided for in Section 3.01(b) of this Lease until repaid by Tenant. All policies of insurance required to be maintained by Tenant shall specifically provide that Landlord shall be given at least thirty (30) days' prior written notice of any cancellation or non-renewal of any such policy. A certificate evidencing each such policy shall be deposited with Landlord by Tenant on or before the Commencement Date, and a replacement certificate for each subsequent policy shall be deposited with Landlord at least thirty (30) days prior to the expiration of the preceding such policy. All insurance policies obtained by Tenant shall be written as primary policies (primary over any insurance carried by Landlord), not contributing with and not in excess of coverage which Landlord may carry, if any. The insurance required to be obtained by Tenant may be obtained by Tenant through blanket or master policies insuring other entities or properties owned or controlled by Tenant.

Section 7.05. Waiver of Subrogation Rights. Each party hereto waives all rights of recovery, claims, actions or causes of actions arising in any manner in its (the "Injured Party's") favor and against the other party for loss or damage to the Injured Party's property located within or constituting a part or all of the Project, to the extent the loss or damage is covered by: (a) the Injured Party's insurance; or (b) the insurance the Injured Party is required to carry under this Lease, whichever is greater, regardless of the cause or origin, including the sole, contributory, partial, joint, comparative or concurrent negligence of the other party. This waiver also applies to each party's directors, officers, employees, shareholders, partners, representatives and agents. All insurance carried by either Landlord or Tenant covering the losses and damages described in this Section 7.05 shall provide for a waiver of rights of subrogation by the Injured Party's insurance carrier against the other party, to the maximum extent that the same is permitted under the laws and regulations governing the writing of insurance within the State of Texas. Both parties hereto are obligated to obtain such a waiver and provide evidence to the other party of such waiver. The waiver set forth in this Section 7.05 shall be in addition to, and not in substitution for, any other waivers, indemnities or exclusions of liability set forth in this Lease.

ARTICLE 8.

Section 8.01. Default by Tenant. The occurrence of any one or more of the following events shall constitute a default by Tenant under this Lease:

(a) Tenant shall fail to perform, observe or comply with any of the terms, provisions, agreements, covenants or conditions of this Lease or any guaranty now or hereafter executed relating to this Lease (other than the failure specified in Section 8.01(b) hereof), such failure continuing for thirty (30) days after written notice from Landlord to Tenant of such failure; provided, however, that Landlord shall not be required to provide such notice with respect to any failure which is by its nature incurable;

(b) Tenant shall fail to pay to Landlord any Rent or any other monetary charge due from Tenant hereunder as and when due and payable and such failure continues for ten (10) days after such payment is due and payable;

(c) A Transfer (hereinafter defined) shall occur of all or a part of this Lease or the Leased Premises, without the prior written approval of Landlord (where such approval of Landlord is required);

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- (d) The interest of Tenant under this Lease shall be levied on under execution or other legal process;
- (e) Any petition in bankruptcy or other insolvency proceedings shall be filed by or against Tenant, or any petition shall be filed or other action taken to declare Tenant a bankrupt or to delay, reduce or modify Tenant's debts or obligations or to reorganize or modify Tenant's capital structure or indebtedness or to appoint a trustee, receiver or liquidator of Tenant or of any property of Tenant, or any proceeding or other action shall be commenced or taken by any governmental authority for the dissolution or liquidation of Tenant;
- (f) Tenant shall become insolvent, or Tenant shall make an assignment for the benefit of creditors, or Tenant shall make a transfer in fraud of creditors, or a receiver or trustee shall be appointed for Tenant or any of its properties;
- (g) The admission by Tenant that it cannot meet its obligations as they become due;
- (h) Tenant shall do or permit to be done anything which creates a lien upon the Leased Premises or the Project, which lien is not discharged as required by Section 6.04;
- (i) The death or legal incapacity of Tenant, if Tenant is an individual person, or the termination, dissolution or liquidation of Tenant, if Tenant is a corporation, partnership or other entity; or
- (j) Tenant constructively or actually abandons the Leased Premises and/or discontinues normal business operations in the Leased Premises.

The term "Tenant" as used in this Section 8.02 shall be deemed to include any guarantor of, or any other person or entity primarily or secondarily liable for, any of Tenant's obligations under this Lease.

Non-payment of any monetary charge by Tenant is an immediate default and any notice period, which may be provided in this Lease will be a period during which Tenant can cure the default. It is further understood that any notice of non-payment of a monetary charge, which may be required under this Lease, will be deemed the same notice required by any applicable Texas statute, if any, and shall not be deemed an additional or extra notice to any statutory notice.

Section 8.02. Landlord's Remedies. Upon the occurrence of any default by Tenant under this Lease, Landlord may, at its sole option, have the option to pursue any one or more of the following remedies without any notice or demand whatsoever, other than any notice expressly provided in this Lease:

(a) Terminate this Lease, and Landlord may forthwith repossess the Leased Premises and be entitled to recover as damages a sum of money equal to the total of: the cost of recovering the Leased Premises, the cost of removing and storing Tenant's or any other occupant's property, the unpaid Rent and any other sums accrued hereunder at the date of termination, a sum equal to the amount, if any, by which the present value of the total Rent and other benefits which would have accrued to Landlord under this Lease for the remainder of the Term, if the terms of this Lease had been fully complied with by Tenant, exceeds the total fair market value of the Leased Premises for the balance of the Term (it being the agreement of the parties hereto that Landlord shall receive the benefit of its bargain), the reasonable cost of restoring the Leased Premises to the condition necessary to rent the Leased Premises at the prevailing market rental rate, normal wear and tear excepted, any increase in insurance premiums caused by the vacancy of the Leased Premises, the amount of any unamortized improvements to the Leased Premises paid for by Landlord, the amount of any unamortized brokerage commission paid by Landlord in connection with the leasing of the Leased Premises and any other sum of money or damages owed by Tenant to Landlord. The fair market value of the Leased Premises shall be the prevailing market rental rate for similar space of similar size in a similar building in the city where the Leased Premises is located for a lease term equal to the remaining Term.

(b) Terminate Tenant's right of occupancy of the Leased Premises and reenter and repossess the Leased Premises by entry, forcible entry or detainer suit or otherwise, without demand or notice of any kind to Tenant and without terminating this Lease, without acceptance of surrender of possession of the Leased Premises, and without becoming liable for damages or guilty of trespass, in which event Landlord may, but shall be under no obligation to relet the Leased Premises or any part thereof for the account of Tenant (nor shall Landlord be under any obligation to relet the Leased Premises before Landlord relets or leases any other portion of the Project or any other property under the ownership or control of Landlord) for a period equal to or lesser or greater than the remainder of the Term of the Lease on whatever terms and conditions Landlord, at Landlord's sole discretion, deems advisable. Tenant shall be liable for and shall pay to Landlord all Rent payable by Tenant under this Lease (plus interest at the past due rate provided in Section 3.01(b) of this Lease if in arrears) plus an amount equal to: the cost of recovering possession of the Leased Premises, the cost of removing and storing any of Tenant's or any other occupant's property left on the Leased Premises or the Project after

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reentry, the cost of reasonable decorations, repairs, changes, alterations and additions to the Leased Premises and the Project, the cost of any attempted reletting or reletting and the collection of the rent accruing from such reletting, the cost of any brokerage fees or commissions payable by Landlord in connection with any reletting or attempted reletting, any other costs incurred by Landlord in connection with any such reletting or attempted reletting, the cost of any increase in insurance premiums caused by the termination of possession of the Leased Premises, the amount of any unamortized improvements to the Leased Premises paid for by Landlord, the amount of any unamortized brokerage commission paid by Landlord in connection with the leasing of the Leased Premises and any other sum of money or damages owed by Tenant to Landlord, all reduced by any sums received by Landlord through any reletting of the Leased Premises; provided, however, that in no event shall Tenant be entitled to any excess of any sums obtained by reletting over and above Rent provided in this Lease to be paid by Tenant to Landlord. For the purpose of such reletting Landlord is authorized to decorate or to make any repairs, changes, alterations or additions in or to the Leased Premises that may be necessary as determined by Landlord in its reasonable discretion. Landlord may file suit to recover any sums falling due under the terms of this Section 8.03(b) from time to time, and no delivery to or recovery by Landlord of any portion due Landlord hereunder shall be any defense in any action to recover any amount not theretofore reduced to judgment in favor of Landlord. No reletting shall be construed as an election on the part of Landlord to terminate this Lease unless a written notice of such intention is given to Tenant by Landlord. Notwithstanding any such reletting without termination, Landlord may at any time thereafter elect to terminate this Lease for such previous default and/or exercise its rights under Section 8.03(a) of this Lease.

(c) Enter upon the Leased Premises and do whatever Tenant is obligated to do under the terms on this Lease; and Tenant agrees to reimburse Landlord on demand for any expenses which Landlord may incur in effecting compliance with Tenant's obligations under this Lease plus fifteen percent (15%) of such cost to cover overhead plus interest at the past due rate provided in this Lease, and Tenant further agrees that Landlord shall not be liable for any damages resulting to Tenant from such action. No action taken by Landlord under this Section 8.03(c) shall relieve Tenant from any of its obligations under this Lease or from any consequences or liabilities arising from the failure to perform such obligations.

(d) Without waiving such default, apply all or any part of the Security Deposit and/or any Prepaid Rental to cure the default or to any damages suffered as a result of the default to the extent of the amount of damages suffered. Tenant shall reimburse Landlord for the amount of such depletion of the Security Deposit and/or any Prepaid Rental on demand.

(e) Disconnect, discontinue, interrupt or cause the interruption of any utility or service currently being furnished to Tenant including without limitation gas, water, electricity, air conditioning and heating.

(f) Change all door locks and other security devices of Tenant at the Leased Premises and/or the Project, provided, however, that Landlord shall provide a new key to Tenant during Tenant's regular business hours upon the condition that Tenant has cured any and all defaults hereunder and, reimbursed or paid Landlord for all Rent and other sums due Landlord hereunder. Landlord, on terms and conditions satisfactory to Landlord in its sole discretion, may upon request from Tenant's employees, enter the Leased Premises for the purpose of retrieving therefrom personal property of such employees, provided, Landlord shall have no obligation to do so.

(g) Exercise any of the following remedies: enforcement of Landlord's statutory lien, suit on the contract, suit for anticipatory breach and injunctive relief of all varieties.

(h) Exercise any or all other remedies available to Landlord in this Lease, at law or in equity.

Section 8.03. Reentry. If Tenant fails to allow Landlord to reenter and repossess the Leased Premises, Landlord shall have full and free license to enter into and upon the Leased Premises with or without process of law for the purpose of repossessing the Leased Premises, expelling or removing Tenant and any others who may be occupying or within the Leased Premises, removing any and all property therefrom and changing all door locks of the Leased Premises. Landlord may take these actions without being deemed in any manner guilty of trespass, eviction or forcible entry or detainer, without accepting surrender of possession of the Leased Premises by Tenant, and without incurring any liability for any damage resulting therefrom, including without limitation any liability arising under Sections 93.002 and 93.003 of the Texas Property Code, as amended or superseded from time to time, and without relinquishing Landlord's right to Rent or any other right given to Landlord hereunder or by operation of law or in equity, Tenant hereby waiving any right to claim damage for such reentry and expulsion, including without limitation any rights granted to Tenant by Sections 93.002 and 93.003 of the Texas Property Code, as amended or superseded from time to time.

Section 8.04. No Duty to Relet or Mitigate. Notwithstanding anything contained herein to the contrary, to the full extent permitted under applicable law, Tenant hereby (a) releases Landlord from any and all duty to relet the Leased Premises or otherwise mitigate damages and (b) waives its right to require Landlord to relet the Leased Premises or otherwise

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mitigate damages. Landlord shall not be liable, nor shall Tenant's obligations hereunder be diminished, because of Landlord's failure to relet the Leased Premises or collect rent due with respect to such reletting. In no event shall Tenant be entitled to any excess rents received by Landlord. In the event, and only in the event and to the extent (but no further) that (despite such waiver) Texas law requires Landlord to mitigate damages, or to use efforts or make attempts to do so, and such requirement cannot be lawfully and effectively waived, Landlord shall use reasonable efforts to relet the Leased Premises on such terms and conditions as Landlord in its good faith judgment may determine; provided, however, that Landlord shall not be obligated to relet the Leased Premises before leasing any other unoccupied portions of the Project and any other property under the ownership or control of Landlord.

Section 8.05. Non Waiver. Failure on the part of either party hereto to complain of any action or non-action on the part of the other party, no matter how long the same may continue, shall not be deemed to be a waiver by such party of any of its rights under this Lease. Further, it is covenanted and agreed that no waiver at any time of any of the provisions hereof by either party shall be construed as a waiver of any of the other provisions hereof and that a waiver at any time of any of the provisions hereof shall not be construed as a waiver at any subsequent time of the same provisions. The consent or approval by Landlord to or of any action by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent or approval to or of any subsequent similar act by Tenant.

Section 8.06. Holding Over. In the event Tenant remains in possession of the Leased Premises after the expiration or termination of this Lease without the execution of a new lease or Landlord's written approval, then Tenant, at Landlord's option, shall be deemed to be occupying the Leased Premises as a tenant at will at a base rental equal to 200% of the Base Rental, and shall otherwise remain subject to all the conditions, provisions and obligations of this Lease insofar as the same are applicable to a tenancy at will, including without limitation the payment of all other Rent. No holding over by Tenant after the expiration or termination of this Lease shall be construed to extend the Term or in any other manner be construed as permission by Landlord to hold over. Tenant shall indemnify Landlord (y) against all claims for damages by any other tenant to whom Landlord may have leased all or any part of the Leased Premises effective upon the termination or expiration of this Lease, and (z) for all other losses, costs and expenses, including reasonable attorneys' fees, incurred by reason of such holding over.

Section 8.07. Abandonment of Personal Property. Any personal property left in the Leased Premises or any personal property of Tenant left about the Project at the expiration or termination of this Lease, the termination of Tenant's right to occupy the Leased Premises shall be deemed abandoned by Tenant and may, at the option of Landlord, be immediately removed from the Leased Premises or such other space by Landlord and stored by Landlord at the full risk, cost and expense of Tenant. Landlord shall in no event be responsible for the value, preservation or safekeeping thereof. In the event Tenant does not reclaim any such personal property and pay all costs for any storage and moving thereof within thirty (30) days after the expiration or termination of this Lease, the termination of Tenant's right to occupy the Leased Premises or the abandonment, desertion or vacating of the Leased Premises by Tenant, Landlord may dispose of such personal property in any way that it deems proper. If Landlord shall sell any such personal property, it shall be entitled to retain from the proceeds the amount of any Rent or other expenses due Landlord, together with the cost of storage and moving and the expense of the sale. Notwithstanding anything contained herein to the contrary, in addition to the rights provided herein with respect to any such property, Landlord shall have the option of exercising any of its other rights or remedies provided in the Lease or exercising any rights or remedies available to Landlord in the Texas Property Code, as amended from time to time, or otherwise at law or in equity.

ARTICLE 9.

Section 9.01. Transfers. Tenant shall not, by operation of law or otherwise (a) assign, transfer, mortgage or otherwise encumber all or any part of this Lease or the Leased Premises, (b) grant any concession or license within the Leased Premises, (c) grant or transfer any management privileges or rights with respect to the Leased Premises, (d) sublet all or any part of the Leased Premises or any right or privilege appurtenant to the Leased Premises, (e) permit any other party to occupy or use all or any part of the Leased Premises or (f) advertise for any of the foregoing (collectively, a "Transfer"), without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Tenant shall have the right to assign the Lease in its entirety or sublet all or any portion of the Leased Premises without obtaining Landlord's consent to any parent, subsidiary, or affiliate of Tenant, or any entity purchasing substantially all of the stock or assets of Tenant, or into which or with which Tenant is merged or consolidated. If Tenant desires the consent of Landlord to a Transfer, Tenant shall submit to Landlord, at least sixty (60) days prior to the proposed effective date of the Transfer, a written notice which includes the following information: the name of the proposed assignee or subtenant and the nature and character of the business of the proposed assignee or subtenant, the term, use, rental rate and all other material terms and conditions of the proposed assignment or sublease, and evidence reasonably satisfactory to Landlord that any proposed assignee is financially responsible. Landlord's consent shall be granted or withheld within thirty (30) days of receipt of Tenant's notice. Tenant

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shall reimburse Landlord for its reasonable attorneys' fees and other expenses incurred in connection with considering any request for its consent to a Transfer. Landlord's consent to a Transfer shall not release Tenant from performing its obligations under this Lease, but rather Tenant's transferee shall assume all of Tenant's obligations under this Lease in a writing satisfactory to Landlord, and Tenant and its transferee shall be jointly and severally liable therefore. Landlord's consent to any Transfer shall not waive Landlord's rights as to any subsequent Transfer. Upon Tenant's uncured default, Tenant authorizes its transferees to make payments of rent and any other sums due and payable, directly to Landlord upon receipt of notice from Landlord to do so. Any attempted Transfer by Tenant in violation of the terms and covenants of this Article IX shall be void and shall constitute a default by Tenant under this Lease.

Section 9.02. Assignment by Landlord. Landlord shall have the right at any time to sell, transfer or assign, in whole or in part, by operation of law or otherwise, its interests in any part of this Lease or the Project, without the prior consent of Tenant, and such sale, transfer or assignment shall be binding on Tenant. After such sale, transfer or assignment, provided such purchaser, transferee or assignee assumes all of Landlord's obligations hereunder, Tenant shall attorn to such purchaser, transferee or assignee, and Landlord shall be released from all liability and obligations under this Lease arising after the effective date of such sale, transfer or assignment.

Section 9.03. Limitation of Landlord's Liability. Any provisions of this Lease to the contrary notwithstanding, Tenant hereby agrees that no personal, partnership or corporate liability of any kind or character whatsoever now attaches or at any time hereafter under any condition shall attach to Landlord or any of Landlord's Related Parties or any mortgagee for payment of any amounts payable under this Lease or for the performance of any obligation under this Lease. The exclusive remedies of Tenant for the failure of Landlord to perform any of its obligations under this Lease shall be to proceed against the interest of Landlord in and to the Project. The provision contained in the foregoing sentence is not intended to, and shall not, limit any right that Tenant might otherwise have to obtain injunctive relief against Landlord or Landlord's successors in interest or any suit or action in connection with enforcement or collection of amounts which may become owing or payable under or on account of insurance maintained by Landlord. In no event shall either Landlord or Tenant be liable to the other for any indirect, special, consequential or punitive damages.

ARTICLE 10.

Section 10.01. Subordination. This Lease shall be subject and subordinated at all times to all ground leases and all liens of all mortgages and deeds of trust in any amount or amounts whatsoever now or hereafter placed on the Project or Landlord's interest or estate therein or on or against such ground or underlying leases and to all modifications thereof. Within ten (10) business days after Landlord's written request, Tenant shall execute and deliver any instruments, releases or other documents requested by any lessor or mortgagee for the purpose of subjecting and subordinating this Lease to such ground leases, mortgages or deeds of trust; provided, that, Landlord procures from any such mortgagees an agreement in writing which shall be delivered to Tenant, providing in substance that so long as Tenant shall discharge the obligations on its part to be kept and performed under the terms of this Lease, its tenancy will not be disturbed nor this Lease affected by any default under such mortgage, and mortgagee agrees that this Lease shall remain in full force and effect even though default on the mortgage may occur. Furthermore, Landlord agrees to provide Tenant with such a non-disturbance agreement from each current lender simultaneously with the execution of this Lease. Tenant shall attorn to any party succeeding to Landlord's interest in the Leased Premises, whether by purchase, foreclosure, deed in lieu of foreclosure, power of sale, termination of lease or otherwise, and shall execute such agreements confirming such attornment as such party may reasonably request. Tenant shall not seek to enforce any remedy it may have for any default on the part of Landlord without first giving written notice by certified mail, return receipt requested, specifying the default in reasonable detail, to any mortgagee or lessor under a lien instrument or lease covering the Leased Premises whose address has been given to Tenant, and affording such mortgagee or lessor a reasonable opportunity to perform Landlord's obligations hereunder. Notwithstanding the generality of the foregoing, any mortgagee or ground lessor may at any time subordinate any such deeds of trust, mortgages, other security instruments or ground leases to this Lease on such terms and conditions as such mortgagee or ground lessor may deem appropriate.

Section 10.02. Estoppel Certificate or Three-party Agreement. Landlord and Tenant each agree within ten (10) business days following written request by the other to execute, acknowledge and deliver to the other party, and any other persons specified by such party, a certificate certifying such matters as are reasonably acceptable to all parties. Any such statement provided by Tenant may be relied upon by a purchaser, assignee or lender. The requested party's failure to execute and deliver such statement within the time required shall be conclusive upon the requested party that: (1) this Lease is in full force and effect and has not been modified except as represented by the requesting party; (2) there are no uncured defaults in the requesting party's performance and, if Landlord is the requesting party, that Tenant has no right to offset, counterclaim or deduction against Rent; and (3) not more than one month's Rent has been paid in advance.

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Section 10.03. Notices. Any notice, request, approval, consent or other communication required or contemplated by this Lease must be in writing, and may, unless otherwise in this Lease expressly provided, be given or be served by depositing the same in the United States Postal Service, postpaid and certified and addressed to the party to be notified, with return receipt requested, or by delivering the same in person to such party (or, in case of a corporate party, to an officer of such party), or by express overnight mail service, when appropriate, addressed to the party to be notified. Notice deposited in the mail in the manner hereinabove described shall be effective from and after three (3) days (exclusive of Saturdays, Sundays and postal holidays) after such deposit. Notice given in any other manner shall be effective only if and when delivered to the party to be notified or at such party's address for purposes of notice as set forth herein. For purposes of notice the addresses of the parties shall, until changed as herein provided, be as provided on the first page of this Lease. However, the parties hereto shall have the right from time to time to change their respective addresses by giving at least fifteen (15) days' written notice to the other party in the manner set forth in this Section 10.03. Notice may be given by a party's attorney or other representative.

ARTICLE 11. MISCELLANEOUS

Section 11.01. Attorneys' Fees and Other Expenses. In the event either party hereto defaults in the faithful performance or observance of any of the terms, covenants, provisions, agreements or conditions contained in this Lease, the party in default shall be liable for and shall pay to the non-defaulting party all expenses incurred by such party in enforcing any of its remedies for any such default, and if the non-defaulting party places the enforcement of all or any part of this Lease in the hands of an attorney, the party in default agrees to pay the non-defaulting party's reasonable attorneys' fees in such connection.

Section 11.02. Successors; Gender; Time. Subject to the provisions of this Lease, and except as otherwise provided in this Lease, all covenants and obligations as contained within this Lease shall bind and extend and inure to the benefit of the parties hereto and their heirs, legal representatives, successors and assigns. The pronouns of any gender shall include the other genders, and either the singular or the plural shall include the other. Time is of the essence with respect to this Lease.

Section 11.03. Rights and Remedies Cumulative. The rights and remedies of Landlord under this Lease shall be nonexclusive and each right or remedy shall be in addition to and cumulative of all other rights and remedies available to Landlord under this Lease or at law or in equity. Pursuit of any right or remedy shall not preclude pursuit of any other rights or remedies provided in this Lease or at law or in equity, nor shall pursuit of any right or remedy constitute a forfeiture or waiver of any Rent due to Landlord or of any damages accruing to Landlord by reason of the violation of any of the terms of this Lease.

Section 11.04. Legal Interpretation. This Lease and the rights and obligations of the parties hereto shall be interpreted, construed and enforced in accordance with the laws of the State of Texas and the United States. All obligations of the parties hereto shall be performable in, and all legal actions to enforce or construe this Lease shall be instituted in the courts of the county in which the Leased Premises are located. The determination that one or more provisions of this Lease is invalid, void, illegal or unenforceable shall not affect or invalidate any other provision of this Lease, and this Lease shall be construed as if such invalid, illegal or unenforceable provision had never been contained in this Lease, and, so far as is reasonable and possible, effect shall be given to the intent manifested by the portion held invalid or inoperative. All obligations of either party hereunder not fully performed after the expiration or termination of the Term of this Lease shall survive the expiration or termination of the Term of this Lease and shall be fully enforceable in accordance with those provisions pertaining thereto. Article and section titles and captions appearing in this Lease are for convenient reference only and shall not be used to interpret or limit the meaning of any provision of this Lease. No custom or practice which may evolve between the parties in the administration of the terms of this Lease shall waive or diminish the right of Landlord to insist upon the performance by Tenant in strict accordance with the terms of this Lease. This Lease is for the sole benefit of Landlord and Tenant, and, without the express written consent thereto, no third party shall be deemed a third party beneficiary hereof. Tenant agrees that this Lease supersedes and cancels any and all previous statements, negotiations, arrangements, brochures, agreements and understandings, if any, between Landlord and Tenant with respect to the subject matter of this Lease or the Leased Premises and that this Lease, including written extrinsic documents referred to herein, is the entire agreement of the parties, and that there are no representations, understandings, stipulations, agreements, warranties or promises (express or implied, oral or written) between Landlord and Tenant with respect to the subject matter of this Lease or the Leased Premises. It is likewise agreed that this Lease may not be altered, amended or extended except by an instrument in writing signed by both Landlord and Tenant. The terms and provisions of this Lease shall not be construed against or in favor of a party hereto merely because such party is the "Landlord" or the "Tenant" hereunder or because such party or its counsel is the draftsman of this Lease. All references to days in this Lease and any Exhibits or Addenda hereto mean calendar days, not working or business days, unless otherwise stated.

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Section 11.05. Tenant's Authority. Tenant warrants and represents unto Landlord that: Tenant is a duly organized and legal entity, in good standing and qualified to do business in the State of Texas, Tenant has full right, power and authority to execute, deliver and perform this Lease, and that the person executing this Lease on behalf of Tenant was authorized to do so.

Section 11.06. No Brokers. Landlord and Tenant warrant and represent to the other that it has not dealt with any real estate broker and/or salesman (other than the Broker, if any, described in this Lease) in connection with the negotiation or execution of this Lease and no such broker or salesman has been involved in connection with this Lease, and each party agrees to defend, indemnify and hold harmless the other party from and against any and all costs, expenses, attorneys' fees or liability for any compensation, commission and charges claimed by any real estate broker and/or salesman (other than the Broker) due to acts of such party or such party's representatives.

Section 11.07. Other Leases and Tenants. Landlord reserves the absolute right to affect such other tenancies in the Building as Landlord, in the exercise of its sole business judgment, shall determine to best promote the interest of the Building. Notwithstanding anything in this Lease to the contrary, Tenant does not rely on the fact, and Landlord does not represent, that any specific tenant or number of tenants shall during the Term occupy any space or any particular space in the Building, and Landlord does not represent or warrant that any particular space will be used for any particular purpose during the Term.

Section 11.08. Joint and Several Liability. If there is more than one Tenant, then the obligations hereunder imposed upon Tenant shall be joint and several. If there is a guarantor of Tenant's obligations hereunder, then the obligations hereunder imposed upon Tenant shall be the joint and several obligations of Tenant and such guarantor, and Landlord need not first proceed against Tenant before proceeding against such guarantor nor shall any such guarantor be released from its guaranty for any reason whatsoever.

Section 11.09. Independent Covenants. The obligation of Tenant to pay Rent and other monetary obligations provided to be paid by Tenant under this Lease and the obligation of Tenant to perform Tenant's other covenants and duties under this Lease constitute independent, unconditional obligations of Tenant to be performed at all times provided for under this Lease, save and except only when an abatement thereof or reduction therein is expressly provided for in this Lease and not otherwise. Notwithstanding any of the other terms or provisions of this Lease and notwithstanding any other circumstances whatsoever, it is the intent and agreement of Landlord and Tenant that so long as Tenant has not been wrongfully evicted from the Leased Premises, the doctrine of independent covenants shall apply in all matters relating to this Lease including, without limitation, the obligation of Landlord to perform Landlord's covenants under this Lease, as well as the obligation of Tenant to pay Rent and all other monetary obligations of Tenant and perform Tenant's other covenants, duties and obligations under this Lease.

Section 11.10. Recording. This Lease (and any Exhibits or Addenda hereto or Memorandum hereof) shall not be recorded without the prior written consent of Landlord.

Section 11.11. Addendum and Exhibits. The terms and provisions of the Exhibits and Addenda (if any) attached to this Lease are hereby incorporated herein and hereby made a part hereof for all purposes.

LANDLORD AND TENANT EXPRESSLY ACKNOWLEDGE AND AGREE, AS A MOVING AND MATERIAL PART OF THE CONSIDERATION FOR LANDLORD'S ENTERING INTO THIS LEASE WITH TENANT, THAT LANDLORD HAS MADE NO WARRANTIES TO TENANT AS TO THE USE OR CONDITION OF THE LEASED PREMISES OR THE PROJECT, EITHER EXPRESS OR IMPLIED, AND LANDLORD AND TENANT EXPRESSLY DISCLAIM ANY IMPLIED WARRANTY THAT THE LEASED PREMISES OR THE PROJECT ARE SUITABLE FOR TENANT'S INTENDED COMMERCIAL PURPOSE OR ANY OTHER WARRANTY (EXPRESS OR IMPLIED) REGARDING THE LEASED PREMISES OR THE PROJECT AND ALSO EXPRESSLY ACKNOWLEDGE AND AGREE THAT TENANT'S OBLIGATION TO PAY RENT HEREUNDER IS NOT DEPENDENT UPON THE CONDITION OF THE LEASED PREMISES OR THE PROJECT OR THE PERFORMANCE BY LANDLORD OF ITS OBLIGATIONS HEREUNDER, AND THAT TENANT WILL CONTINUE TO PAY THE RENT PROVIDED FOR HEREIN WITHOUT ABATEMENT, SETOFF OR DEDUCTION, NOTWITHSTANDING ANY BREACH BY LANDLORD OF ITS DUTIES OR OBLIGATIONS HEREUNDER, EXPRESS OR IMPLIED. TENANT EXPRESSLY WAIVES (TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW) ANY CLAIMS UNDER FEDERAL, STATE OR OTHER LAW THAT TENANT MIGHT OTHERWISE HAVE AGAINST LANDLORD RELATING TO THE USE, CHARACTERISTICS OR CONDITION OF THE LEASED PREMISES OR THE PROJECT. LANDLORD AND TENANT EXPRESSLY AGREE THAT THERE ARE NO, AND SHALL NOT BE ANY, IMPLIED WARRANTIES OF MERCHANTABILITY, HABITABILITY, FITNESS FOR A PARTICULAR PURPOSE OR ANY

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OTHER KIND ARISING OUT OF THIS LEASE AND THAT ALL EXPRESS OR IMPLIED WARRANTIES IN CONNECTION HERewith ARE EXPRESSLY DISCLAIMED AND WAIVED.

IN TESTIMONY WHEREOF, the parties hereto have executed this Lease as of the day and year first above written.

LANDLORD:

TENANT:

8121 Broadway Interests, L.L.C.

Harris County Improvement District No. 9

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

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LEASE AGREEMENT
(OFFICE SPACE)

THIS LEASE AGREEMENT (OFFICE SPACE) (this "Lease") is made and entered as of the 1 day of January, 2017 by and between 8121 BROADWAY INTERESTS L.L.C., ("Landlord"), a Texas limited liability company, whose address is 5116 Bissonnet, Suite 154, Bellaire, TX 77401, and Harris County Improvement District No. 9 ("Tenant"), whose address is 8121 Broadway Houston TX 77061, (Suite # 135.) Subject to all of the terms, provisions, covenants and conditions of this Lease, and in consideration of the mutual covenants, obligations and agreements contained in this Lease, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord and Tenant agree as follows:

ARTICLE 1. BASIC LEASE PROVISIONS

BASE RENTAL shall be calculated on the basis of the price per square foot per year, multiplied by the total Net Rentable Area (hereinafter defined) of the Leased Premises (hereinafter defined) throughout the Term (hereinafter defined), payable as described in Section 3.01(b) of this Lease.

<u>Period</u>	<u>Monthly Base Rental</u>	<u>Period Base Rental</u>
Months 1-12	\$ 2,150.00	\$25,000.00
Months 13-24	\$ 2,150.00	\$25,000.00
Months 25-36	\$ 2,150.00	\$25,000.00

TENANT BROKER – N/A

LANDLORD BROKER - Internal

BUILDING means the structure containing approximately 29,549 square feet of Net Rentable Area situated upon the Land (hereinafter defined), commonly known as 8121 Broadway, located in the City of Houston, County of Harris, State of Texas, as the same currently exists or as it may from time to time hereafter be expanded or modified.

PROJECT means the Building, together with the Land, the parking area serving the Building, all other improvements situated on the Land or directly benefiting the Building, and all additional facilities or improvements directly benefiting the Building that may be constructed.

COMMENCEMENT DATE shall mean January 1, 2017.

TERM means thirty-six (36) months, ending December 31, 2019.

LAND shall mean that certain tract of land, legally describes as TR 32E ABST 27 J R HARRIS situated in Harris County, Texas.

PARKING means zero (4) parking spaces per 1000 sf of occupancy or in the parking area serving the Building as more fully described in Section 2.04 hereof. Tenant shall have two (2) designated parking spots for parking police vehicles

Security Deposit This lease requires a security deposit of \$6,450 which must be paid in advance of lease commencement. This includes first month rents, last month rents and deposit

TENANT'S PRO-RATA SHARE for purposes of this Lease is 5.5% percent.

BASE YEAR means 2017

LEASEHOLD IMPROVEMENTS

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Rent Concessions N/A

TI Concessions: Install neutral colored laminate flooring, Build out kitchenette with counter and cabinets.

ARTICLE 2.

Section 2.01. Leased Premises. Landlord does hereby lease, demise and let to Tenant, and Tenant does hereby lease and take from Landlord, those certain premises containing approximately (1,621) square feet of Net Rentable Area (as defined in Exhibit C, which is attached hereto and made a part hereof) located on the 1st floor, of the Building together with the nonexclusive use of all rights, privileges, easements, appurtenances and amenities belonging to or in any way pertaining to said premises (collectively, the "Leased Premises"). The Leased Premises are outlined on Exhibit B, which is attached hereto and made a part hereof.

Section 2.02. Term. The Term of this Lease shall begin on the Commencement Date and shall continue in full force and effect for the Term of this Lease unless extended or sooner terminated in accordance with the provisions of this Lease. The term of this lease is thirty-six (36) months.

Section 2.04. Parking. Throughout the Term, Tenant shall be entitled to use the number of parking spaces specified in Article I of the Lease ("Allocated Spaces") in the parking area serving the Building at no additional cost to Tenant. So long as no default exists under the Lease, all such parking spaces shall be provided to Tenant for use on an assigned basis. Tenant agrees to use such parking spaces in accordance with any and all rules and regulations established by Landlord. Landlord shall use all reasonable efforts to insure that the Allocated Spaces (or substitutes therefore) are available to Tenant throughout the Term.

ARTICLE 3.

Section 3.01. Rental Payments. (a) Installments. Commencing on the Commencement Date and continuing thereafter throughout the Term, Tenant shall pay the Base Rental (starting with the first month of the Term for which the Base Rental is due and not abated, to which the Prepaid Rental shall be applied), which is due and payable each lease year during the Term hereof in twelve (12) equal installments on the first (1st) day of each calendar month of each lease year during the Term, and Tenant shall make such installments to Landlord at Landlord's address specified in this Lease (or such other address as may be designated by Landlord from time to time) monthly in advance.

If the Commencement Date is other than the first (1st) day of a calendar month, or if this Lease terminates on other than the last day of a calendar month, then the installments of Base Rental for such months shall be prorated, and the installments so prorated shall be paid in advance. The term "lease year" as used herein shall mean a period of twelve (12) consecutive full calendar months. The first lease year shall begin on the first day of the first calendar month following the Commencement Date (or, if the Commencement Date is the first day of a month, then beginning with such month) and each succeeding lease year shall commence upon the same day of each such year.

(b) Payment; Past Due Rate. The Base Rental, the Additional Rental (hereinafter defined), any Prepaid Rental and any and all other payments which Tenant is obligated to make to Landlord under this Lease shall constitute, and are sometimes hereinafter collectively referred to as, "Rent". Tenant shall pay all Rent and other sums of money as shall become due from and payable by Tenant to Landlord in lawful money of the United States of America at the times and in the manner provided in this Lease, without demand, deduction, abatement, setoff, counterclaim or prior notice. All Rent under this Lease not paid within 10 days of its due date shall bear interest from the date due until paid at the lesser of eighteen percent (18%) or the maximum non-usurious rate of interest then permitted by the applicable laws of the State of Texas or the United States of America, whichever shall permit the higher non-usurious rate, and to the extent that such maximum non-usurious rate is determined by reference to the laws of the State of Texas, such rate shall be the indicated rate ceiling (as defined and described in the Texas Finance Code, as amended) at the applicable time in effect, until paid, such interest being in addition to and cumulative of any other rights and remedies which Landlord may have with regard to the failure of Tenant to make any such payments under this Lease.

Section 3.02. Additional Rental. (a) Definitions.

- (i) "Base Operating Expenses" means Operating Expenses (hereinafter defined) for the calendar year (the "Base Year"). 2017
- (ii) "Base Real Estate Taxes" means Real Estate Taxes (hereinafter defined) for the Base Year.
- (iii) "Real Estate Taxes" means all taxes, assessments and governmental charges, whether or not directly paid by Landlord, whether federal, state, county or municipal and whether they are imposed by taxing districts or authorities currently taxing the Project or by others subsequently created or otherwise, and any other taxes and assessments, assessed against or attributable to the Project or its operation, excluding, however, federal and state taxes on income, death taxes, franchise taxes and transfer taxes.
- (iv) "Operating Expenses" means all expenses, costs and disbursements relating to or incurred or paid in connection with the ownership and operation of the Project, computed on an accrual basis in accordance with generally accepted accounting principles consistently applied, including but not limited to the following: (a) wages and salaries of all persons, if any, engaged in the operation, maintenance, security or access control of the Project, including all taxes, insurance and benefits relating thereto; (b) the cost of all supplies, tools, equipment and materials used in the operation and maintenance of the Project, including rental fees for the same, if such items are not purchased and amortized pursuant to Section 3.02(a)(iv)(f) below; (c) the cost of all utilities for the Project (excluding those costs billed to specific tenants); (d) the cost of all maintenance and service agreements for the Project; (e) the cost of repairs and general maintenance, excluding (y) repairs and general maintenance paid by proceeds of insurance, by Tenant or by other third parties, and (z) alterations attributable solely to tenants of the Building other than Tenant; (f) amortization of the cost of capital investment items which are installed for the purpose of reducing operating expenses, or complying with governmental requirements; (g) the cost of all insurance relating to the Project; (h) Landlord's accounting and audit costs and attorneys' fees applicable to the Project, but excluding attorneys' fees, accounting fees and expenditures incurred in connection with negotiations, disputes, claims of other tenants or occupants of the Project or with other third parties other than Tenant; and (i) property management fees for the Project. Notwithstanding the foregoing, the term Operating Expenses does not include: (1) franchise or income taxes imposed on Landlord's net income, (2) expenses for which Landlord is or will be reimbursed by another source (excluding tenant reimbursement for Operating Expenses), including but not limited to repair or replacement of any item to the extent covered by warranty; (3) depreciation and amortization of the Building and financing and refinancing costs, including interest and principal amortization of debts; (4) leasing commissions, advertising expenses and other costs incurred in leasing or procuring new tenants; (5) rental on ground leases or other underlying leases; (6) contributions to operating expense reserves or capital reserves; (7) costs of renovating or otherwise improving Leased Premises or the Land or vacant space in the Project; (8) costs included in Operating Expenses representing an amount paid to any entity related to Landlord which is in excess of the amount which would have been paid in the absence of such relationship; and (9) costs, items or amounts which are not reasonable in amount or not customarily included in operating expenses for similar type and class properties located in the vicinity of the Project.
- (v) "Adjustment Period" means each calendar year occurring during the Term beginning with calendar year which shall be the first Adjustment Period.
- vi) "Tenant's Pro Rata Share" means the percentage calculated by dividing the Net Rentable Area of the Leased Premises (numerator) by the Net Rentable Area of the Building (denominator), and expressing the fraction as a percentage.
- (b) Gross-Up Adjustment. Operating Expenses shall be adjusted as follows: if occupancy during the Base Year or any Adjustment Period is less than ninety-five percent (95%), then Operating Expenses for that Base Year or Adjustment Period shall be "grossed up" to that amount of Operating Expenses that, using reasonable projections, would normally be expected to be incurred during the Base Year or Adjustment Period if the Building was ninety-five percent (95%) occupied during the Base Year or Adjustment Period, as determined in accordance with generally accepted accounting principles consistently applied. Landlord shall provide in the Statement (hereinafter defined) a reasonably detailed description of how the Operating Expenses were grossed up. Notwithstanding anything contained herein to the contrary, only those component expenses that are affected by variations in occupancy levels shall be grossed up (for example and not by way of limitation, expenses for insurance for the Project would not be grossed up).
- (c) Base Year Statement. On or before, Landlord shall deliver to Tenant an itemized statement of the Base Operating Expenses and Base Real Estate Taxes, and Landlord's calculation of the gross-up adjustment of Base Operating Expenses.

(d) **Payment by Landlord.** Subject to reimbursement under Section 3.02(e), Landlord shall pay the Project's Operating Expenses and Real Estate Taxes before delinquency.

(e) **Payment by Tenant.** If the Operating Expenses and Real Estate Taxes when combined for any Adjustment Period exceed the combined total of Base Operating Expenses and Base Real Estate Taxes (any such excess being known collectively as the "Expense Increase"), then Tenant agrees to pay Landlord as additional rent (the "Additional Rental") Tenant's Pro Rata Share of the Expense Increase.

(f) **Manner of Payment.**

(i) Landlord may give Tenant notice of Landlord's estimate of amounts payable under this Section 3.02 for each Adjustment Period. Landlord's estimate shall be reasonable and based upon generally accepted accounting principles consistently applied. If Tenant requests, Landlord shall give Tenant reasonably detailed documentation to support Landlord's estimate. By the first day of each month during the Adjustment Period, Tenant shall pay Landlord one-twelfth (1/12th) of the estimated amount. If, however, the estimate is not given before the Adjustment Period begins, Tenant shall continue to pay on the basis of the previous year's estimate, if any, until the month after the new estimate is given.

(ii) Within ninety (90) days after each Adjustment Period ends, or as soon as reasonably practical, Landlord shall give Tenant an itemized statement (the "Statement") of Operating Expenses and Real Estate Taxes, and if the Statement shows that the actual amount Tenant owes for the Adjustment Period is less than any estimated Expense Increase paid by Tenant during the Adjustment Period, Landlord shall return the difference (the "Overpayment"). If the Statement shows that the actual amount Tenant owes is more than any estimated Expense Increase paid by Tenant during the Adjustment Period, Tenant shall pay the difference (the "Underpayment"). The Overpayment or Underpayment shall be paid within thirty (30) days after the Statement is delivered to Tenant. During any Adjustment Period that this Lease is not in effect for a complete calendar year, unless it was ended due to Tenant's default, Tenant's obligation for Additional Rental for those Adjustment Periods shall be prorated.

(g) **Tenant's Audit Right.** Within sixty (60) days (the "Audit Election Period") after Landlord furnishes to Tenant the Operating Expenses Statement for any calendar year (including the Base Year), Tenant may, at its expense, during Landlord's normal business hours at Landlord's office, elect to audit Landlord's Operating Expenses for such calendar year only. Tenant shall deliver a copy of such audit to Landlord within five (5) business days of receipt of the audit report by Tenant. This paragraph shall not be construed to limit, suspend, or abate Tenant's obligation to pay Rent when due, including estimated Operating Expenses. After verification of Tenant's audit report, Landlord shall credit any Overpayment determined by the audit report against the next Rent due and owing by Tenant or, if no further Rent is due, refund such Overpayment directly to Tenant within thirty (30) days of the termination date of this Lease. In the event Tenant's audit report reveals that Landlord's calculation of Operating Expenses for the calendar year under inspection was overstated by more than five percent (5%) in the aggregate, and Landlord does not agree with the results of Tenant's audit report, then Landlord may, within thirty (30) days following receipt of Tenant's audit report, obtain an audit report (the "Verifying Audit") of Landlord's Operating Expenses for the calendar year in question by an independent certified public accountant selected by Landlord. If the Verifying Audit (or Tenant's audit, if not challenged by Landlord through a Verifying Audit) reveals an overstatement of Landlord's Operating Expenses in the Statement provided to Tenant by more than five percent (5%) for such calendar year, then, in addition to crediting or refunding the Overpayment, Landlord will pay the reasonable out-of-pocket costs of Tenant's audit report within thirty (30) days of Landlord's receipt of an invoice for same. However, if the Verifying Audit reveals that there is an overstatement in the Landlord's Operating Expenses of five percent (5%) or less for such calendar year, then Tenant shall pay its own costs incurred for the Tenant's audit report, as well as the reasonable out-of-pocket costs incurred by Landlord in obtaining the Verifying Audit within thirty (30) days after Landlord delivers an invoice for the Verifying Audit to Tenant. Notwithstanding the foregoing, Landlord shall be obligated to refund any Overpayment by Tenant of Tenant's share of the Landlord's Operating Expenses. If Tenant does not give written notice of its election to audit during the Audit Election Period, Landlord's Operating Expenses for the applicable calendar year shall be deemed approved for all purposes, and Tenant shall have no further right to review or contest the same. The provisions of this section shall survive the termination of this Lease.

(h) **Cap on Controllable Costs.** Notwithstanding anything contained in this Lease to the contrary, for purposes of computing Tenant's Pro-Rata Share of Operating Costs, Controllable Costs (as defined in this paragraph) for any calendar year shall not exceed the Cap Amount (as defined in this paragraph) for that calendar year. The "Cap Amount" for any given calendar year during the Lease Term shall be an amount determined by increasing the Controllable Costs for the calendar year in which the Commencement Date occurs by 7% per annum on a cumulative

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basis. "Controllable Costs" shall mean all Operating Costs other than the costs of Real Estate Taxes, all insurance related costs, all utility and waste collection related costs, and all costs incurred in complying with changes in the law. In addition, the Cap Amount shall exclude increases in Controllable Costs resulting from any increases in minimum hourly wage rates in effect as of the Commencement Date.

ARTICLE 4.

Section 4.01. Services. (a) Services Provided. So long as no default by Tenant under this Lease has occurred and is continuing, Landlord shall furnish to Tenant while Tenant is occupying the Leased Premises:

- (i) Domestic water at those points of supply provided for general use of tenants in the Building.
- (ii) Central heat and air conditioning in season from 6:00 a.m. to 6:00 p.m., Monday through Friday, 7:00 a.m. to 2:00pm on Saturday, subject to curtailment as required by governmental laws, rules or regulations, in such amounts as will provide comfortable occupancy of the Leased Premises as determined by Landlord in its reasonable discretion, but such service at times during weekdays other than the hours stated above, on Saturdays, Sundays and Holidays to be furnished only upon request of Tenant, and for such service Tenant shall pay Landlord within 30 days of receipt of Landlord's invoice an amount equal to the rate Landlord at that time is charging for such service. Landlord's after-hour rate may be adjusted based upon increases in Landlord's actual cost to provide such service.
- (iii) Electric lighting service for all public areas and special service areas of the Building.
- (iv) Janitor service on a five (5) day week basis in a manner consistent with similar properties in the area.
- (v) Equipment and personnel to limit access to the Building after normal business hours; provided, however, Landlord shall have no responsibility to prevent, and shall not be liable to Tenant for and shall be indemnified by Tenant against liability or loss to Tenant or any of Tenant's Agents arising out of, losses due to theft, burglary or damage or injury to persons or property caused by persons obtaining access to the Leased Premises, and Tenant hereby releases Landlord from all liability relating thereto, except to the extent caused by Landlord's or any of Landlord's Agents' negligence or willful misconduct.
- (vi) Electrical facilities to furnish sufficient power to operate fluorescent lighting, typewriters, voice writers, calculating machines, copy machines, telecopy machines, personal computers and other machines of similar low electrical consumption in the Leased Premises (total consumption not to exceed six (6) watts per square foot of Net Rentable Area in the Leased Premises); but not including electricity required for special lighting requiring power in excess of Building standard and any other item of electrical equipment which (singly) consumes more than 0.5 kilowatts at rated capacity or requires a voltage of more than 120 volts single phase (said equipment will be metered separately and the installation of the meter and operating costs will be the obligations of Tenant). If any electrical equipment requires air conditioning in excess of Building standard, the same shall be installed at Tenant's expense and Tenant shall pay all costs relating thereto. Tenant covenants and agrees that at all times its use of electric current shall never exceed the capacity of existing feeders to the Building.
- (vii) All fluorescent bulb and ballast replacement for Building standard lighting in all areas and all incandescent bulb replacement in public areas, toilet and restroom areas and stairwells.

(b) Cessation of Services. To the extent the services described in Section 4.01(a) of this Lease require electricity, gas and water supplied by public utilities, Landlord's covenants hereunder shall only impose on Landlord the obligation to use its best efforts to cause the applicable public utilities to furnish the same. Failure by Landlord to furnish the services described in this Section 4.01 to any extent, or any cessation thereof, shall not render Landlord in default hereunder or liable in any respect for damages to either person or property, or be construed as an eviction of Tenant, or work an abatement of Rent, or relieve Tenant from fulfillment of any covenant or agreement hereof, except to the extent caused by Landlord's failure to use best efforts to cause the applicable public utilities to furnish the same. In addition to the foregoing, should any of the equipment or machinery break down, cease to function properly for any cause, or be intentionally turned off for testing or maintenance purposes, Tenant shall have no claim for abatement or reduction of Rent or damages on account of an interruption in service occasioned thereby or resulting therefrom.

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(c) Holidays. The following dates shall collectively be known as "Holidays" and individually known as a "Holiday": New Year's Day; Memorial Day; Independence Day; Labor Day; Thanksgiving Day; Friday following Thanksgiving; Christmas Day; and any other holiday recognized and taken by tenants occupying at least one-half (1/2) of the Net Rentable Area of office space of the Building. If in the case of any Holiday, a different day shall be observed than the respective day above described, then that day which constitutes the day observed by national banks in the city or proximate area in which the Building is located, on account of such Holiday, shall constitute the Holiday under this Lease.

Section 4.02. Keys and Locks. Landlord shall initially furnish Tenant with ten (10) keys for the standard corridor doors serving the Leased Premises and ten (10) key cards for the Building and ten (10) keys for the elevator. Additional keys will be furnished by Landlord upon an order signed by Tenant and at Tenant's expense. All such keys shall remain the property of Landlord. Without the prior written consent of Landlord, no additional locks shall be allowed on any door of the Leased Premises, and Tenant shall not make or permit to be made any duplicate keys, except those furnished by Landlord. Upon termination or expiration of this Lease or a surrender of possession of the Leased Premises by Tenant, Tenant shall surrender to Landlord all keys to any locks on doors entering or within the Leased Premises and all key cards for the Building.

Section 4.03. Graphics and Building Directory. Landlord shall provide and install initially at Landlord's expense, and thereafter, at Tenant's expense, all letters or numerals at the entrance to the Leased Premises, and a strip containing a listing of Tenant's name on the Building directory board to be placed in the main lobby of the Building. All such letters and numerals shall be in Building standard graphics. No signs, numerals, letters or other graphics shall be used or permitted on the exterior of, or which may be visible from outside, the Leased Premises, unless approved in writing by Landlord.

ARTICLE 5.

Section 5.01. Occupancy of Leased Premises. Tenant shall throughout the Term of this Lease, at its own expense, maintain the Leased Premises and all improvements thereon in the same condition as received on the Commencement Date and shall deliver up the Leased Premises in a clean and sanitary condition at the expiration or termination of this Lease or the termination of Tenant's right to occupy the Leased Premises by Tenant, in the same condition as received on the Commencement Date, reasonable wear and tear excepted. In the event Tenant should neglect to maintain the Leased Premises, Landlord shall have the right, but not the obligation, after ten (10) business days' prior written notice to Tenant (except for in the case of emergency repairs), to cause repairs or corrections to be made, and any reasonable costs therefore shall be payable by Tenant to Landlord on demand. Upon the expiration or termination of this Lease or the termination of Tenant's right to occupy the Leased Premises by Tenant, Tenant shall surrender all keys and key cards for the Leased Premises and Building to Landlord in accordance with Section 4.02 of this Lease and Landlord shall have the right to reenter and resume possession of the Leased Premises. No act or thing done by Landlord or any of Landlord's Agents (hereinafter defined) during the Term of the Lease shall be deemed an acceptance of a surrender of the Leased Premises, and no agreement to accept a surrender of the Leased Premises shall be valid unless the same be made in writing and executed by Landlord. Tenant shall notify Landlord at least fifteen (15) days prior to vacating the Leased Premises and shall arrange to meet with Landlord for a joint inspection of the Leased Premises. If Tenant fails to give such notice or to arrange for such inspection, then Landlord's inspection of the Leased Premises shall be deemed correct for the purpose of determining Tenant's responsibility for repair and restoration of the Leased Premises.

Section 5.02. Light, Air and View. Neither the diminution nor the shutting off of any light, air or view nor any other effect on the Leased Premises by any structure or condition now or hereafter existing on property adjacent to the Leased Premises or the Project shall affect this Lease, abate Rent or otherwise impose any liability on Landlord.

Section 5.03. Entry for Repairs and Inspection. Tenant shall permit Landlord and Landlord's Agents (hereinafter defined) to enter into and upon the Leased Premises at all reasonable times for the purposes of inspecting the same or showing the same to prospective purchasers or for the purpose of maintaining or making repairs, and the Rent shall in no way abate while such inspections, repairs, alterations, improvements or additions are being made, by reason of loss or interruption of business of Tenant.

Section 5.04 Waste and Environmental Compliance. Tenant covenants and agrees to comply strictly and in all respects and to cause Tenant's Agents to comply strictly and in all respects with the requirements of any applicable law, statute, ordinance, permit, decree, guideline, rule, regulation or order pertaining to health or the environment (hereinafter sometimes collectively called "Applicable Environmental Laws"), including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, the Resource Conservation and Recovery Act, the Hazardous Materials Transportation Act, the Clean Air Act, the Clean Water Act, the Texas Health and Safety Code, the

Texas Natural Resources Code, the Texas Water Code, and regulations promulgated under any of the preceding statutes, as each of the foregoing may be amended from time to time. Tenant shall not cause or permit any Hazardous Materials (hereinafter defined) to be brought to or generated, treated, stored, used, installed or disposed in, on, under or about the Leased Premises or the Project, except that Tenant shall be permitted to use and store small quantities of Hazardous Materials typically used in offices (e.g., toner, cleaning products, etc.) provided that such materials are used and stored in compliance with Applicable Environmental Laws. Tenant represents, warrants, covenants and agrees that Tenant and Tenant's Agents are not and will not become involved in operations at the Leased Premises or the Project locations which could lead to the imposition on Landlord or any of Landlord's Related Parties (hereinafter defined) of liability under any of the Applicable Environmental Laws or otherwise. TO THE FULLEST EXTENT ALLOWED BY LAW, TENANT ACKNOWLEDGES THAT CERTAIN HAZARDOUS MATERIALS MAY EXIST ON THE PROJECT, INCLUDING BUT NOT LIMITED TO ASBESTOS-CONTAINING MATERIALS. If Tenant knows, or has reasonable cause to believe, that a Hazardous Materials substance has come to be located in, on, under or about the Leased Premises, other than as previously consented by Landlord, Tenant shall immediately give written notice of such fact to Landlord, and provide Landlord with a copy of any report, notice, claim or other documentation which it has concerning the presence of such Hazardous Materials substance. Tenant shall not cause or permit any Hazardous Materials to be spilled or released in, on, under, or about the Leased Premises (including through the plumbing sanitary sewer system) and shall promptly, at Tenant's expense, take all investigatory and/or remedial action reasonably recommended whether or not formally ordered or required, for the cleanup of any contamination of, and for the maintenance, security and/or monitoring of the Leased Premises or neighboring properties that was caused or materially contributed to by Tenant, or pertaining to or involving any Hazardous Materials brought onto the Leased Premises during the Term by or for Tenant. Tenant shall indemnify, defend and hold Landlord, its agents, employees, lenders and ground lessor, if any, harmless from and against any and all loss of rents and/or damages, liabilities, judgments, claims, expenses, penalties, and attorneys' and consultants' fees arising out of or involving any Hazardous Materials brought onto the Leased Premises by or for Tenant, (provided, however, that Tenant shall have no liability under this Lease with respect to underground or overhead migration of any Hazardous Material in the Leased Premises from areas outside of the Project). Tenant's obligations shall include, but not be limited to, the effects of any contamination of injury to person, property or the environment created or suffered by Tenant, and the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease. No termination, cancellation or release agreement entered into by Landlord and Tenant shall release Tenant from its obligations under this Lease with respect to Hazardous Materials, unless specifically so agreed by Landlord in writing at the time of such agreement. Landlord's obligations, as and when required by Applicable Environmental Laws, shall include, but not be limited to, the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease. Landlord shall retain the responsibility and pay for any investigations or remediation measures required by government entities having jurisdiction with respect to the existence of Hazardous Materials on the Leased Premises prior to the Commencement Date, unless such remediation measure is required as a result of Tenant's use of the Leased Premises after the Commencement Date, in which event Tenant shall be responsible for such payment. Tenant shall cooperate fully in any such activities at the request of Landlord, including allowing Landlord and Landlord's agents to have reasonable access to the Leased Premises at reasonable times in order to carry out Landlord's investigative and remedial responsibilities. The covenants and agreements of Tenant under this Section shall survive the expiration or termination of this Lease. "Hazardous Materials" means any flammables, explosives, radioactive materials, asbestos-containing materials, solid wastes that pose imminent and substantial endangerment to health or the environment, formaldehyde, radon gas, lead, petroleum or any fraction thereof, polychlorinated biphenyls, and any other material, waste, or substance that could represent a threat to human health or safety or the environment, if it were improperly managed or disposed, including without limitation substances defined, listed or regulated as "hazardous substances," "hazardous materials," "toxic substances," "hazardous waste," "extremely hazardous substance," "regulated substance," "contaminant" or "Class I" or "Class II" waste pursuant to Applicable Environmental Laws.

Section 5.05. Compliance with Laws Regarding Disabilities. Landlord covenants and agrees that the common areas of the Project and all alterations and improvements to the Leased Premises constructed by Landlord pursuant to the terms and provisions of this Lease shall be constructed substantially in accordance with the Americans With Disabilities Act and the Texas Architectural Barriers Act in effect as of the Commencement Date of this Lease (collectively, the "Act"), and Landlord shall attempt to reasonably comply with the Act in such construction. Tenant covenants and agrees that all alterations and improvements to the Leased Premises constructed by Tenant after the Commencement Date shall be constructed in accordance with the Act. In the event that, subsequent to the Commencement Date, Tenant requests Landlord to perform any alterations, additions or improvements to the Leased Premises, whether by virtue of expansion, extension or otherwise, Tenant agrees to and shall be responsible for all costs and expense incurred in connection with any improvements and alterations necessary to ensure compliance with the Act. It is the intent of this Section that any additional alterations, improvements or additions required by the Act with regard to the Leased Premises after the Commencement Date, whether resulting from amendments to the Act or otherwise, shall be the sole responsibility of Tenant.

ARTICLE 6.

Section 6.01. Leasehold Improvements. (a) **Acceptance of Leased Premises.** Tenant has made a complete inspection of the Leased Premises and shall accept the Leased Premises and the Project in their "AS IS," "WHERE IS," and "WITH ALL FAULTS" condition on the Commencement Date without recourse to Landlord, except for Landlord's Improvements described on Exhibit B hereto. Landlord shall have no obligation to furnish, equip or improve the Leased Premises or the Project, except for Landlord's Improvements described on Exhibit B hereto. The taking of possession of the Leased Premises by Tenant shall be conclusive evidence against Tenant that Tenant accepts the Leased Premises and the Project as being suitable for its intended purpose and in a good and satisfactory condition and acknowledges that the Leased Premises and the Project comply fully with Landlord's covenants and obligations under this Lease as of the Commencement Date.

(b) **Improvements and Alterations.** Tenant shall not make or allow to be made (except as otherwise provided in this Lease) any improvements, alterations or physical additions (including fixtures) in or to the Leased Premises or the Project, without first obtaining the written consent of Landlord, including Landlord's written approval of Tenant's contractor(s) and of the plans, working drawings and specifications relating thereto, which consent shall not be unreasonably withheld, conditioned or delayed. Approval by Landlord of any of Tenant's drawings and plans and specifications prepared in connection with any alterations, improvements, modifications or additions to the Leased Premises or the Project shall not constitute a representation or warranty of Landlord as to the adequacy or sufficiency of such drawings, plans and specifications, or alterations, improvements, modifications or additions to which they relate, for any use, purpose or conditions, but such approval shall merely be the consent of Landlord as required hereunder. Any and all furnishing, equipping and improving of or other alteration and addition to the Leased Premises shall be (i) made at Tenant's sole cost, risk and expense, and Tenant shall pay for Landlord's actual costs incurred in connection with and as a result of such alterations or additions; (ii) performed in a prompt, good and workmanlike manner with labor and materials of such quality as Landlord may reasonably require; (iii) constructed in accordance with all plans and specifications approved in writing by Landlord prior to the commencement of any such work; (iv) prosecuted diligently and continuously to completion so as to minimize interference with the normal business operations of other tenants in the Building, the performance of Landlord's obligations under this Lease or any mortgage or ground lease covering or affecting all or any part of the Building or the Land, and any work being done by contractors engaged by Landlord with respect to or in connection with the Building; and (v) performed by contractors approved in writing by Landlord. Any and all alterations, improvements and additions to the Leased Premises shall at once become the property of Landlord. Tenant shall have no (and hereby waives all) rights to payment or compensation for any such item. Tenant shall notify Landlord upon completion of such alterations, improvements, modifications or additions and Landlord shall inspect same for workmanship and compliance with the approved plans and specifications. Tenant and its contractors shall comply with all reasonable requirements Landlord may impose on Tenant or its contractors with respect to such work (including but not limited to, insurance, indemnity and bonding requirements), and shall deliver to Landlord a complete copy of the "asbuilt" plans and specifications for all alterations or physical additions so made in or to the Leased Premises within thirty (30) days of completing the work. Tenant shall not place any items that would exceed load bearing limits of the floors. Notwithstanding herein anything to the contrary, Landlord agrees to perform improvements to the Leased Premises as specified in Exhibit B at Landlord's sole cost and expense.

(c) **Title to Alterations.** All alterations, physical additions, modifications or improvements in or to the Leased Premises (including fixtures) shall, when made, become the property of Landlord and shall be surrendered to Landlord upon termination or expiration of this Lease or termination of Tenant's right to occupy the Leased Premises, whether by lapse of time or otherwise without any payment, reimbursement or compensation therefore; the rights conferred to Landlord under this Section 6.01(c) shall be in addition to (and not in conflict with) any other rights conferred on Landlord by this Lease, in equity or at law.

(d) **Personal Property Taxes.** Tenant shall be responsible for ad valorem taxes and other taxes, assessments or charges levied upon or applicable to Tenant's personal property ("Tenant's Property") and all license fees and other fees or charges imposed on the business conducted by Tenant on the Leased Premises before such taxes, assessments, charges or fees become delinquent.

Section 6.02. Repairs by Landlord. All repairs, alterations or additions that affect the Project's structural components or major mechanical, electrical or plumbing systems shall be made by Landlord or its contractors only, and, in the case of any damage to such components or systems caused by Tenant or Tenant's Agents, shall be paid for by Tenant in an amount equal to Landlord's costs plus fifteen percent (15%) as an overhead expense. Unless otherwise provided herein, Landlord shall not be required to make any improvements to or repairs of any kind or character to the Leased Premises

during the Term, except such repairs as Landlord deems necessary for normal maintenance operations. Landlord shall be responsible for the removal of cabling, if required at the end of the Lease Term.

Section 6.03. Repairs by Tenant. Subject to **Section 6.02** of this Lease, Tenant shall, at its own cost and expense, repair or replace any damage or injury done to the leasehold improvements in the Leased Premises or any part thereof, the Leased Premises or any part thereof, or the Project or any part thereof, caused by Tenant or any of Tenant's Agents (hereinafter defined). If Tenant fails to make such repairs or replacements, Landlord may, at its option, after ten (10) business days' prior written notice to Tenant (except in the case of an emergency), make such repairs or replacements, and Tenant shall pay to Landlord on demand the cost thereof plus fifteen percent (15%) as an overhead expense. Except insofar as Landlord is expressly obligated under this Lease to maintain and repair the Leased Premises, in addition to the maintenance and repair obligations of Tenant otherwise expressly set forth in this Lease, Tenant is also obligated to perform, at Tenant's own cost and expense and risk, all other maintenance and repairs necessary or appropriate to cause the Leased Premises to be suitable for Tenant's intended commercial purpose.

Section 6.04. Liens. Tenant shall not permit any mechanic's lien or any other liens, encumbrances, claims or charges to be placed on the Leased Premises or the Project, or any part thereof, on the improvements thereon, on Landlord's interest therein, or upon Tenant's leasehold interest therein, during the Term of this Lease, and in the event of the filing of any such lien, encumbrance, claim or charge, Tenant shall promptly have same removed. Tenant covenants and agrees that it will pay or cause to be paid all sums legally due and payable by it on account of labor performed or materials furnished in connection with any work performed on the Leased Premises and that it will save and hold Landlord harmless from and defend Landlord against any and all loss, claim, damage, cost and expense based on or arising out of any such asserted claims, liens, encumbrances or charges. Tenant agrees to give Landlord immediate written notice of the placing of any lien, charge, claim or encumbrance against the Leased Premises or the Project. If Tenant fails to cancel or discharge any such lien within 30 days, Landlord may, at its sole option, cancel or discharge the same, and upon Landlord's demand, Tenant shall promptly reimburse Landlord for all costs incurred in canceling or discharging such lien or liens.

Section 6.05. Indemnification. As additional consideration for Landlord entering into this Lease, Tenant does hereby for itself and its heirs, legal representatives, successors and assigns, agree to and hereby does expressly indemnify, defend and hold harmless Landlord, and Landlord's manager of the Project and Landlord's and such manager's agents, principals, employees, heirs, legal representatives, successors, assigns, affiliates, officers, directors, shareholders, partners, ventures, trustees and representatives (collectively, "Landlord's Related Parties"), against and from any and all claims, actions, causes of action, demands, losses, assessments, suits, damages, liability, costs and expenses of whatever kind (including without limitation attorneys' fees), that Landlord or any of Landlord's Related Parties may at any time sustain or incur by reason of any and all claims asserted against any of them to the extent that such claims arise out of or are based upon (a) any breach of any of the agreements of Tenant under this Lease, (b) any occurrence in, upon or about the Leased Premises or the Project caused by the sole, contributory, partial, joint, comparative or concurrent negligence, but only to the extent of such negligence, of Tenant or Tenant's respective employees, agents, officers, directors, shareholders, partners, trustees, representatives, customers, guests, invitees, licensees, subtenants, concessionaires, contractors, servants, vendors, material men, suppliers, heirs, legal representatives, successors, assigns or any other person entering the Project under express or implied invitation of Tenant, claiming by, through or under Tenant or who may occupy or use the Leased Premises (collectively, "Tenant's Agents"), WHETHER OR NOT CAUSED BY THE CONTRIBUTORY, PARTIAL, JOINT, COMPARATIVE OR CONCURRENT NEGLIGENCE OF LANDLORD OR LANDLORD'S RESPECTIVE EMPLOYEES, AGENTS, OFFICERS, DIRECTORS, SHAREHOLDERS, PARTNERS, TRUSTEES, REPRESENTATIVES, CUSTOMERS, GUESTS, INVITEES, LICENSEES, CONCESSIONAIRES, CONTRACTORS, SERVANTS, VENDORS, MATERIALMEN, SUPPLIERS, HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS, ASSIGNS OR ANY OTHER PERSON ENTERING THE PROJECT UNDER EXPRESS OR IMPLIED INVITATION OF LANDLORD OR CLAIMING BY, THROUGH OR UNDER LANDLORD (COLLECTIVELY, "LANDLORD'S AGENTS"), but not including occurrences caused solely by reason of the negligence or willful misconduct of Landlord or Landlord's Agents acting within the scope of their employment or authority, (c) the conduct of management of any work done by Tenant or any of Tenant's Agents in, upon or about the Leased Premises or the Project, (d) any occurrence in, upon or about the Leased Premises or the Project occasioned wholly or in part by any act, omission or neglect claimed to have been caused by Tenant or any of Tenant's Agents, or (e) any occurrence occasioned by the violation of any law, statute, permit, order, decree, guideline, rule, regulation or ordinance (including without limitation any Legal Requirements or Applicable Environmental Laws) by Tenant or any of Tenant's Agents. In any case in which Tenant has agreed to indemnify Landlord, Landlord's Related Parties or any other person, such indemnity shall be deemed to include an obligation on the part of Tenant to appear on behalf of the indemnified party in any and all proceedings involving a claim or cause of action covered by such indemnity and to defend the indemnified party against such claim or cause of action, all at Tenant's cost; provided, however, at the option of any party indemnified hereunder, such party shall have the right to appear on its own behalf, employ its own legal counsel and defend any claim or cause of action

indemnified in this Section 6.05 at such party's cost. Landlord does hereby for itself and its heirs, legal representatives, successors and assigns, agree to and hereby does expressly indemnify, defend and hold harmless Tenant and Tenant's agents, principals, employees, heirs, legal representatives, successors, assigns, affiliates, officers, directors, shareholders, partners, ventures, trustees and representatives (collectively, "Tenant's Related Parties"), against and from any and all claims, actions, causes of action, demands, losses, assessments, suits, damages, liability, costs and expenses of whatever kind (including without limitation attorneys' fees), that Tenant or any of Tenant's Related Parties may at any time sustain or incur by reason of any and all claims asserted against any of them to the extent that such claims arise out of or are based upon (v) any breach of any of the agreements of Landlord under this Lease, (w) any occurrence in, upon or about the Leased Premises or the Project caused by the sole, contributory, partial, joint, comparative or concurrent negligence, but only to the extent of such negligence, of Landlord or Landlord's Agents, WHETHER OR NOT CAUSED BY THE CONTRIBUTORY, PARTIAL, JOINT, COMPARATIVE OR CONCURRENT NEGLIGENCE OF TENANT OR TENANT'S AGENTS, but not including occurrences caused solely by reason of the negligence or willful misconduct of Tenant or Tenant's Agents acting within the scope of their employment or authority, (x) the conduct of management of any work done by Landlord or any of Landlord's Agents in, upon or about the Leased Premises or the Project, (y) any occurrence in, upon or about the Leased Premises or the Project occasioned wholly or in part by any act, omission or neglect claimed to have been caused by Landlord or any of Landlord's Agents, or (z) any occurrence occasioned by the violation of any law, statute, permit, order, decree, guideline, rule, regulation or ordinance (including without limitation any Legal Requirements or Applicable Environmental Laws) by Landlord or any of Landlord's Agents. The provisions of this Section 6.05 shall survive the termination or expiration of this Lease.

ARTICLE 7.

Section 7.01. Condemnation. (a) **Total Taking.** In the event of a taking or damage related to the exercise of the power of eminent domain, by any authority, person, corporation or entity empowered to condemn property (including without limitation a voluntary conveyance by Landlord in lieu of such taking or condemnation) (individually, a "Taking") of the entire Leased Premises, so much of the Leased Premises as to prevent or substantially impair its use by Tenant during the Term of this Lease or portions of the Building or Project required for reasonable access to, or reasonable use of, the Leased Premises (individually, a "Total Taking"), the rights of Tenant under this Lease shall cease and terminate as of the date upon which title to the property taken passes to and vests in the condemner or the effective date of any order for possession if issued prior to the date title vests in the condemner ("Date of Taking").

(b) **Partial Taking.** In the event of a Taking of only a part of the Leased Premises or of a part of the Project which does not constitute a Total Taking during the Term of this Lease (individually, a "Partial Taking"), the rights of Tenant under this Lease and the leasehold estate of Tenant in and to the portion of the property taken shall cease and terminate as of the Date of Taking, and an adjustment to the Rent shall be made based upon the reduced value of the Leased Premises.

(c) **Termination by Landlord.** In the event of a Taking of a portion of the Building or Project (other than the Leased Premises), and in Landlord's reasonable opinion, the Building or Project should be restored in a manner that materially alters the Leased Premises, Landlord may terminate this Lease by giving notice to Tenant within sixty (60) days following the date title vests in the condemner. This Lease shall terminate on the date specified in the termination notice, which date shall be at least thirty (30) days but not more than ninety (90) days after the date such notice is given.

(d) **Rent Adjustment.** If this Lease is terminated pursuant to this Section 7.01, Landlord shall refund to Tenant any prepaid un-accrued Rent and any other sums due and owing to Tenant (less any sums then due and owing Landlord by Tenant), and Tenant shall pay to Landlord any remaining sums due and owing Landlord under this Lease, each prorated as of the Date of Taking where applicable.

(e) **Repair.** If this Lease is not terminated as provided for in this Section 7.01, then Landlord at its expense shall promptly repair and restore the Building, Project and/or the Leased Premises to approximately the same condition that existed at the time Tenant entered into possession of the Leased Premises, wear and tear excepted (and Landlord shall have no obligation to repair or restore Tenant's improvements to the Leased Premises or Tenant's Property), except for the part taken, to render the Building or Project a complete architectural unit, but only to the extent of the condemnation award received by Landlord for the damage.

(f) **Awards and Damages.** Landlord reserves all rights to damages paid because of any Partial or Total Taking of the Leased Premises or the Project. Tenant assigns to Landlord any right Tenant may have to the damages or award. Further, Tenant shall not make claims against Landlord or the condemning authority for damages. Notwithstanding, Tenant may claim and recover from the condemning authority a separate award for Tenant's moving expenses, business dislocation damages, Tenant's Property and any other award that would not reduce the award payable to Landlord.

Section 7.02. Force Majeure. Neither Landlord nor Tenant shall be required to perform any term of this Lease (other than the obligations of Tenant to pay Rent as provided herein) so long as such performance is delayed or prevented by "Force Majeure", which shall mean acts of God, strikes, injunctions, lockouts, material or labor restrictions by any governmental authority, civil riots, floods, fire, theft, public enemy, insurrection, war, court order, requisition or order of governmental body or authority, and any other cause not reasonably within the control of Landlord or Tenant and which by the exercise of due diligence Landlord or Tenant is unable, wholly or in part, to prevent or overcome. Neither Landlord nor any mortgagee shall be liable or responsible to Tenant for any loss or damage to any property or person occasioned by any Force Majeure, or for any damage or inconvenience which may arise through repair or alteration of any part of the Project as a result of any Force Majeure.

Section 7.03. Fire or Other Casualty. (a) **Damage.** If any portion of the Leased Premises is destroyed or damaged by fire or any other casualty, Tenant shall immediately give notice thereof to Landlord. If any portion of the Leased Premises or Project is destroyed or damaged by fire or any other casualty then, at the option of Landlord, (i) Landlord may restore and repair the portion of the Leased Premises or Project damaged and, if the Leased Premises are rendered untenable in whole or in part by reason of such casualty as determined by Landlord in Landlord's reasonable discretion, Tenant shall be entitled to a fair diminution of the Rent hereunder until such time as the Leased Premises (exclusive of any of Tenant's Property) are made tenantable as determined by Landlord in Landlord's reasonable discretion by repair or restoration or (ii) Landlord may terminate this Lease whereupon all Rent accrued up to the time of such damage and any other sums due and owing shall be paid by Tenant to Landlord (less any sums then due and owing Tenant by Landlord) and any remaining sums due and owing by Landlord to Tenant shall be paid to Tenant. In no event shall Landlord have any obligation to repair or restore any such destruction or damage.

(b) **Repair.** Landlord shall use reasonable efforts to give Tenant written notice of its decisions, estimates or elections under this Section 7.03 within sixty (60) days after any such damage or destruction. If Landlord elects to repair and restore the Leased Premises or other portion of the Project, this Lease shall continue in full force and effect, and the repairs will be made within a reasonable time thereafter (not to exceed 180 days), subject to the provisions of Section 7.02 of this Lease. Should the repairs not be completed within that period, both Landlord and Tenant shall each have the option of terminating this Lease by written letter of termination. If this Lease is terminated as herein permitted, Landlord shall refund to Tenant any Prepaid Rental (un-accrued as of the date of damage or destruction) and any other sums due and owing by Landlord to Tenant (less any sums then due and owing Landlord by Tenant) and any remaining sums due and owing by Tenant to Landlord shall be paid to Landlord. If Landlord elects to rebuild the Leased Premises or other portion of the Project, Landlord shall (i) only be obligated to restore or rebuild the Leased Premises or other portion of the Project to approximately the same condition as existed at the time Tenant entered into possession of the Leased Premises, wear and tear excepted and (ii) not be required to rebuild, repair or replace any part of Tenant's Property. Notwithstanding anything contained in this Lease to the contrary, if Landlord elects to repair and restore the Leased Premises or other portion of the Project pursuant to this Section 7.03, in no event shall Landlord be required to expend under this Article VII any amount in excess of the proceeds actually received from the insurance carried by Landlord pursuant to Section 7.04(a) of this Lease. Landlord shall not be liable for any inconvenience or annoyance to Tenant or injury to the business of Tenant resulting in any way from such damage or destruction, except (i) for Landlord's breach of its obligations hereunder and (b) that Rent shall be abated from thirty (30) business days after Landlord's receipt of written notice, for any portion of the Leased Premises that is unusable by Tenant until Landlord's restoration work in the Leased Premises is substantially complete, which abatement shall be in the same proportion that the Net Rentable Square Footage of the Leased Premises that is unusable by Tenant bears to the total Net Rentable Square Footage of the Leased Premises; provided that Tenant shall not be entitled to any abatement of Rent if the damage or destruction in the Leased Premises is restored within sixty(60) business days after Landlord's receipt of written notice from Tenant of the occurrence of the damage or destruction.

(c) **Negligence of Tenant.** Notwithstanding the provisions of Sections 7.03(a) and 7.03(b) of this Lease, if the Leased Premises, the Project or any portion thereof, are damaged by fire or other casualty resulting from the fault or negligence of Tenant or any of Tenant's Agents, Tenant will be liable to Landlord for the cost and expense of the repair and restoration of the Leased Premises, the Project or any part thereof.

Section 7.04. Insurance. (a) Landlord shall maintain, or cause to be maintained, a policy of insurance on the Building against loss or damage by any and all hazards covered by the standard Causes of Loss – Special Form insurance policy in such amount as will, from time to time, cover the full cost of reconstructing the destroyed or damaged portion of the Building and improvements in accordance with then applicable laws and regulations, without any deduction for depreciation (100% replacement cost coverage). In addition, Landlord shall maintain commercial general liability insurance in the amount of at least Two Million Dollars (\$2,000,000) combined single limit for bodily injury and property damage per occurrence. Such insurance shall be maintained with an insurance company authorized to do business in

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Texas, at the expense of Landlord (but with the same to be included in the operating expenses of the Building as described in Section 3.02 of this Lease). The insurance required to be obtained by Landlord may be obtained by Landlord through blanket or master policies insuring other entities or properties owned or controlled by Landlord.

(b) Tenant shall, at its sole cost and expense, procure and maintain during the Term of this Lease commercial general liability insurance (including personal injury liability, premises/operation, property damage, independent contractors and broad form contractual in support of the indemnifications of Landlord by Tenant under this Lease) in amounts of not less than a combined single limit of \$1,000,000, comprehensive automobile liability insurance, property insurance with respect to Tenant's Property, leasehold improvements, alterations and additions written on an "all risk" basis for full replacement cost, and worker's compensation and employer's liability insurance, all maintained with companies authorized to do business in Texas and endorsed to include Landlord as an additional insured, with the premiums fully paid on or before the due dates. Tenant, and not Landlord, will be liable for any costs or damages in excess of the statutory limit for which Tenant would, in the absence of worker's compensation, be liable. In the event that Tenant fails to take out or maintain any policy required by this Section 7.04 to be maintained by Tenant, such failure shall be a defense to any claim asserted by Tenant against Landlord by reason of any loss sustained by Tenant that would have been covered by such policy, notwithstanding that such loss may have been proximately caused solely or partially by the negligence or willful misconduct of Landlord or any of Landlord's Related Parties. If Tenant does not procure insurance as required, Landlord may, upon advance written notice to Tenant, cause this insurance to be issued and Tenant shall pay to Landlord the premium for such insurance within ten (10) days of Landlord's demand, plus interest at the past due rate provided for in Section 3.01(b) of this Lease until repaid by Tenant. All policies of insurance required to be maintained by Tenant shall specifically provide that Landlord shall be given at least thirty (30) days' prior written notice of any cancellation or non-renewal of any such policy. A certificate evidencing each such policy shall be deposited with Landlord by Tenant on or before the Commencement Date, and a replacement certificate for each subsequent policy shall be deposited with Landlord at least thirty (30) days prior to the expiration of the preceding such policy. All insurance policies obtained by Tenant shall be written as primary policies (primary over any insurance carried by Landlord), not contributing with and not in excess of coverage which Landlord may carry, if any. The insurance required to be obtained by Tenant may be obtained by Tenant through blanket or master policies insuring other entities or properties owned or controlled by Tenant.

Section 7.05. Waiver of Subrogation Rights. Each party hereto waives all rights of recovery, claims, actions or causes of actions arising in any manner in its (the "Injured Party's") favor and against the other party for loss or damage to the Injured Party's property located within or constituting a part or all of the Project, to the extent the loss or damage is covered by: (a) the Injured Party's insurance; or (b) the insurance the Injured Party is required to carry under this Lease, whichever is greater, regardless of the cause or origin, including the sole, contributory, partial, joint, comparative or concurrent negligence of the other party. This waiver also applies to each party's directors, officers, employees, shareholders, partners, representatives and agents. All insurance carried by either Landlord or Tenant covering the losses and damages described in this Section 7.05 shall provide for a waiver of rights of subrogation by the Injured Party's insurance carrier against the other party, to the maximum extent that the same is permitted under the laws and regulations governing the writing of insurance within the State of Texas. Both parties hereto are obligated to obtain such a waiver and provide evidence to the other party of such waiver. The waiver set forth in this Section 7.05 shall be in addition to, and not in substitution for, any other waivers, indemnities or exclusions of liability set forth in this Lease.

ARTICLE 8.

Section 8.01. Default by Tenant. The occurrence of any one or more of the following events shall constitute a default by Tenant under this Lease:

(a) Tenant shall fail to perform, observe or comply with any of the terms, provisions, agreements, covenants or conditions of this Lease or any guaranty now or hereafter executed relating to this Lease (other than the failure specified in Section 8.01(b) hereof), such failure continuing for thirty (30) days after written notice from Landlord to Tenant of such failure; provided, however, that Landlord shall not be required to provide such notice with respect to any failure which is by its nature incurable;

(b) Tenant shall fail to pay to Landlord any Rent or any other monetary charge due from Tenant hereunder as and when due and payable and such failure continues for ten (10) days after such payment is due and payable;

(c) A Transfer (hereinafter defined) shall occur of all or a part of this Lease or the Leased Premises, without the prior written approval of Landlord (where such approval of Landlord is required);

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- (d) The interest of Tenant under this Lease shall be levied on under execution or other legal process;
- (e) Any petition in bankruptcy or other insolvency proceedings shall be filed by or against Tenant, or any petition shall be filed or other action taken to declare Tenant a bankrupt or to delay, reduce or modify Tenant's debts or obligations or to reorganize or modify Tenant's capital structure or indebtedness or to appoint a trustee, receiver or liquidator of Tenant or of any property of Tenant, or any proceeding or other action shall be commenced or taken by any governmental authority for the dissolution or liquidation of Tenant;
- (f) Tenant shall become insolvent, or Tenant shall make an assignment for the benefit of creditors, or Tenant shall make a transfer in fraud of creditors, or a receiver or trustee shall be appointed for Tenant or any of its properties;
- (g) The admission by Tenant that it cannot meet its obligations as they become due;
- (h) Tenant shall do or permit to be done anything which creates a lien upon the Leased Premises or the Project, which lien is not discharged as required by Section 6.04;
- (i) The death or legal incapacity of Tenant, if Tenant is an individual person, or the termination, dissolution or liquidation of Tenant, if Tenant is a corporation, partnership or other entity; or
- (j) Tenant constructively or actually abandons the Leased Premises and/or discontinues normal business operations in the Leased Premises.

The term "Tenant" as used in this Section 8.02 shall be deemed to include any guarantor of, or any other person or entity primarily or secondarily liable for, any of Tenant's obligations under this Lease.

Non-payment of any monetary charge by Tenant is an immediate default and any notice period, which may be provided in this Lease will be a period during which Tenant can cure the default. It is further understood that any notice of non-payment of a monetary charge, which may be required under this Lease, will be deemed the same notice required by any applicable Texas statute, if any, and shall not be deemed an additional or extra notice to any statutory notice.

Section 8.02. Landlord's Remedies. Upon the occurrence of any default by Tenant under this Lease, Landlord may, at its sole option, have the option to pursue any one or more of the following remedies without any notice or demand whatsoever, other than any notice expressly provided in this Lease:

(a) Terminate this Lease, and Landlord may forthwith repossess the Leased Premises and be entitled to recover as damages a sum of money equal to the total of: the cost of recovering the Leased Premises, the cost of removing and storing Tenant's or any other occupant's property, the unpaid Rent and any other sums accrued hereunder at the date of termination, a sum equal to the amount, if any, by which the present value of the total Rent and other benefits which would have accrued to Landlord under this Lease for the remainder of the Term, if the terms of this Lease had been fully complied with by Tenant, exceeds the total fair market value of the Leased Premises for the balance of the Term (it being the agreement of the parties hereto that Landlord shall receive the benefit of its bargain), the reasonable cost of restoring the Leased Premises to the condition necessary to rent the Leased Premises at the prevailing market rental rate, normal wear and tear excepted, any increase in insurance premiums caused by the vacancy of the Leased Premises, the amount of any unamortized improvements to the Leased Premises paid for by Landlord, the amount of any unamortized brokerage commission paid by Landlord in connection with the leasing of the Leased Premises and any other sum of money or damages owed by Tenant to Landlord. The fair market value of the Leased Premises shall be the prevailing market rental rate for similar space of similar size in a similar building in the city where the Leased Premises is located for a lease term equal to the remaining Term.

(b) Terminate Tenant's right of occupancy of the Leased Premises and reenter and repossess the Leased Premises by entry, forcible entry or detainer suit or otherwise, without demand or notice of any kind to Tenant and without terminating this Lease, without acceptance of surrender of possession of the Leased Premises, and without becoming liable for damages or guilty of trespass, in which event Landlord may, but shall be under no obligation to relet the Leased Premises or any part thereof for the account of Tenant (nor shall Landlord be under any obligation to relet the Leased Premises before Landlord relets or leases any other portion of the Project or any other property under the ownership or control of Landlord) for a period equal to or lesser or greater than the remainder of the Term of the Lease on whatever terms and conditions Landlord, at Landlord's sole discretion, deems advisable. Tenant shall be liable for and shall pay to Landlord all Rent payable by Tenant under this Lease (plus interest at the past due rate provided in Section 3.01(b) of this Lease if in arrears) plus an amount equal to: the cost of recovering possession of the Leased Premises, the cost of removing and storing any of Tenant's or any other occupant's property left on the Leased Premises or the Project after

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reentry, the cost of reasonable decorations, repairs, changes, alterations and additions to the Leased Premises and the Project, the cost of any attempted reletting or reletting and the collection of the rent accruing from such reletting, the cost of any brokerage fees or commissions payable by Landlord in connection with any reletting or attempted reletting, any other costs incurred by Landlord in connection with any such reletting or attempted reletting, the cost of any increase in insurance premiums caused by the termination of possession of the Leased Premises, the amount of any unamortized improvements to the Leased Premises paid for by Landlord, the amount of any unamortized brokerage commission paid by Landlord in connection with the leasing of the Leased Premises and any other sum of money or damages owed by Tenant to Landlord, all reduced by any sums received by Landlord through any reletting of the Leased Premises; provided, however, that in no event shall Tenant be entitled to any excess of any sums obtained by reletting over and above Rent provided in this Lease to be paid by Tenant to Landlord. For the purpose of such reletting Landlord is authorized to decorate or to make any repairs, changes, alterations or additions in or to the Leased Premises that may be necessary as determined by Landlord in its reasonable discretion. Landlord may file suit to recover any sums falling due under the terms of this Section 8.03(b) from time to time, and no delivery to or recovery by Landlord of any portion due Landlord hereunder shall be any defense in any action to recover any amount not theretofore reduced to judgment in favor of Landlord. No reletting shall be construed as an election on the part of Landlord to terminate this Lease unless a written notice of such intention is given to Tenant by Landlord. Notwithstanding any such reletting without termination, Landlord may at any time thereafter elect to terminate this Lease for such previous default and/or exercise its rights under Section 8.03(a) of this Lease.

(c) Enter upon the Leased Premises and do whatever Tenant is obligated to do under the terms on this Lease; and Tenant agrees to reimburse Landlord on demand for any expenses which Landlord may incur in effecting compliance with Tenant's obligations under this Lease plus fifteen percent (15%) of such cost to cover overhead plus interest at the past due rate provided in this Lease, and Tenant further agrees that Landlord shall not be liable for any damages resulting to Tenant from such action. No action taken by Landlord under this Section 8.03(c) shall relieve Tenant from any of its obligations under this Lease or from any consequences or liabilities arising from the failure to perform such obligations.

(d) Without waiving such default, apply all or any part of the Security Deposit and/or any Prepaid Rental to cure the default or to any damages suffered as a result of the default to the extent of the amount of damages suffered. Tenant shall reimburse Landlord for the amount of such depletion of the Security Deposit and/or any Prepaid Rental on demand.

(e) Disconnect, discontinue, interrupt or cause the interruption of any utility or service currently being furnished to Tenant including without limitation gas, water, electricity, air conditioning and heating.

(f) Change all door locks and other security devices of Tenant at the Leased Premises and/or the Project, provided, however, that Landlord shall provide a new key to Tenant during Tenant's regular business hours upon the condition that Tenant has cured any and all defaults hereunder and, reimbursed or paid Landlord for all Rent and other sums due Landlord hereunder. Landlord, on terms and conditions satisfactory to Landlord in its sole discretion, may upon request from Tenant's employees, enter the Leased Premises for the purpose of retrieving therefrom personal property of such employees, provided, Landlord shall have no obligation to do so.

(g) Exercise any of the following remedies: enforcement of Landlord's statutory lien, suit on the contract, suit for anticipatory breach and injunctive relief of all varieties.

(h) Exercise any or all other remedies available to Landlord in this Lease, at law or in equity.

Section 8.03. Reentry. If Tenant fails to allow Landlord to reenter and repossess the Leased Premises, Landlord shall have full and free license to enter into and upon the Leased Premises with or without process of law for the purpose of repossessing the Leased Premises, expelling or removing Tenant and any others who may be occupying or within the Leased Premises, removing any and all property therefrom and changing all door locks of the Leased Premises. Landlord may take these actions without being deemed in any manner guilty of trespass, eviction or forcible entry or detainer, without accepting surrender of possession of the Leased Premises by Tenant, and without incurring any liability for any damage resulting therefrom, including without limitation any liability arising under Sections 93.002 and 93.003 of the Texas Property Code, as amended or superseded from time to time, and without relinquishing Landlord's right to Rent or any other right given to Landlord hereunder or by operation of law or in equity, Tenant hereby waiving any right to claim damage for such reentry and expulsion, including without limitation any rights granted to Tenant by Sections 93.002 and 93.003 of the Texas Property Code, as amended or superseded from time to time.

Section 8.04. No Duty to Relet or Mitigate. Notwithstanding anything contained herein to the contrary, to the full extent permitted under applicable law, Tenant hereby (a) releases Landlord from any and all duty to relet the Leased Premises or otherwise mitigate damages and (b) waives its right to require Landlord to relet the Leased Premises or otherwise

Lease Agreement for 8121 Broadway Interests LLC and Harris County Improvement District No. 9

mitigate damages. Landlord shall not be liable, nor shall Tenant's obligations hereunder be diminished, because of Landlord's failure to relet the Leased Premises or collect rent due with respect to such reletting. In no event shall Tenant be entitled to any excess rents received by Landlord. In the event, and only in the event and to the extent (but no further) that (despite such waiver) Texas law requires Landlord to mitigate damages, or to use efforts or make attempts to do so, and such requirement cannot be lawfully and effectively waived, Landlord shall use reasonable efforts to relet the Leased Premises on such terms and conditions as Landlord in its good faith judgment may determine; provided, however, that Landlord shall not be obligated to relet the Leased Premises before leasing any other unoccupied portions of the Project and any other property under the ownership or control of Landlord.

Section 8.05. Non Waiver. Failure on the part of either party hereto to complain of any action or non-action on the part of the other party, no matter how long the same may continue, shall not be deemed to be a waiver by such party of any of its rights under this Lease. Further, it is covenanted and agreed that no waiver at any time of any of the provisions hereof by either party shall be construed as a waiver of any of the other provisions hereof and that a waiver at any time of any of the provisions hereof shall not be construed as a waiver at any subsequent time of the same provisions. The consent or approval by Landlord to or of any action by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent or approval to or of any subsequent similar act by Tenant.

Section 8.06. Holding Over. In the event Tenant remains in possession of the Leased Premises after the expiration or termination of this Lease without the execution of a new lease or Landlord's written approval, then Tenant, at Landlord's option, shall be deemed to be occupying the Leased Premises as a tenant at will at a base rental equal to 200% of the Base Rental, and shall otherwise remain subject to all the conditions, provisions and obligations of this Lease insofar as the same are applicable to a tenancy at will, including without limitation the payment of all other Rent. No holding over by Tenant after the expiration or termination of this Lease shall be construed to extend the Term or in any other manner be construed as permission by Landlord to hold over. Tenant shall indemnify Landlord (y) against all claims for damages by any other tenant to whom Landlord may have leased all or any part of the Leased Premises effective upon the termination or expiration of this Lease, and (z) for all other losses, costs and expenses, including reasonable attorneys' fees, incurred by reason of such holding over.

Section 8.07. Abandonment of Personal Property. Any personal property left in the Leased Premises or any personal property of Tenant left about the Project at the expiration or termination of this Lease, the termination of Tenant's right to occupy the Leased Premises shall be deemed abandoned by Tenant and may, at the option of Landlord, be immediately removed from the Leased Premises or such other space by Landlord and stored by Landlord at the full risk, cost and expense of Tenant. Landlord shall in no event be responsible for the value, preservation or safekeeping thereof. In the event Tenant does not reclaim any such personal property and pay all costs for any storage and moving thereof within thirty (30) days after the expiration or termination of this Lease, the termination of Tenant's right to occupy the Leased Premises or the abandonment, desertion or vacating of the Leased Premises by Tenant, Landlord may dispose of such personal property in any way that it deems proper. If Landlord shall sell any such personal property, it shall be entitled to retain from the proceeds the amount of any Rent or other expenses due Landlord, together with the cost of storage and moving and the expense of the sale. Notwithstanding anything contained herein to the contrary, in addition to the rights provided herein with respect to any such property, Landlord shall have the option of exercising any of its other rights or remedies provided in the Lease or exercising any rights or remedies available to Landlord in the Texas Property Code, as amended from time to time, or otherwise at law or in equity.

ARTICLE 9.

Section 9.01. Transfers. Tenant shall not, by operation of law or otherwise (a) assign, transfer, mortgage or otherwise encumber all or any part of this Lease or the Leased Premises, (b) grant any concession or license within the Leased Premises, (c) grant or transfer any management privileges or rights with respect to the Leased Premises, (d) sublet all or any part of the Leased Premises or any right or privilege appurtenant to the Leased Premises, (e) permit any other party to occupy or use all or any part of the Leased Premises or (f) advertise for any of the foregoing (collectively, a "Transfer"), without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Tenant shall have the right to assign the Lease in its entirety or sublet all or any portion of the Leased Premises without obtaining Landlord's consent to any parent, subsidiary, or affiliate of Tenant, or any entity purchasing substantially all of the stock or assets of Tenant, or into which or with which Tenant is merged or consolidated. If Tenant desires the consent of Landlord to a Transfer, Tenant shall submit to Landlord, at least sixty (60) days prior to the proposed effective date of the Transfer, a written notice which includes the following information: the name of the proposed assignee or subtenant and the nature and character of the business of the proposed assignee or subtenant, the term, use, rental rate and all other material terms and conditions of the proposed assignment or sublease, and evidence reasonably satisfactory to Landlord that any proposed assignee is financially responsible. Landlord's consent shall be granted or withheld within thirty (30) days of receipt of Tenant's notice. Tenant

Lease Agreement for 8121 Broadway Interests LLC and Harris County Improvement District No. 9

shall reimburse Landlord for its reasonable attorneys' fees and other expenses incurred in connection with considering any request for its consent to a Transfer. Landlord's consent to a Transfer shall not release Tenant from performing its obligations under this Lease, but rather Tenant's transferee shall assume all of Tenant's obligations under this Lease in a writing satisfactory to Landlord, and Tenant and its transferee shall be jointly and severally liable therefore. Landlord's consent to any Transfer shall not waive Landlord's rights as to any subsequent Transfer. Upon Tenant's uncured default, Tenant authorizes its transferees to make payments of rent and any other sums due and payable, directly to Landlord upon receipt of notice from Landlord to do so. Any attempted Transfer by Tenant in violation of the terms and covenants of this Article IX shall be void and shall constitute a default by Tenant under this Lease.

Section 9.02. Assignment by Landlord. Landlord shall have the right at any time to sell, transfer or assign, in whole or in part, by operation of law or otherwise, its interests in any part of this Lease or the Project, without the prior consent of Tenant, and such sale, transfer or assignment shall be binding on Tenant. After such sale, transfer or assignment, provided such purchaser, transferee or assignee assumes all of Landlord's obligations hereunder, Tenant shall attorn to such purchaser, transferee or assignee, and Landlord shall be released from all liability and obligations under this Lease arising after the effective date of such sale, transfer or assignment.

Section 9.03. Limitation of Landlord's Liability. Any provisions of this Lease to the contrary notwithstanding, Tenant hereby agrees that no personal, partnership or corporate liability of any kind or character whatsoever now attaches or at any time hereafter under any condition shall attach to Landlord or any of Landlord's Related Parties or any mortgagee for payment of any amounts payable under this Lease or for the performance of any obligation under this Lease. The exclusive remedies of Tenant for the failure of Landlord to perform any of its obligations under this Lease shall be to proceed against the interest of Landlord in and to the Project. The provision contained in the foregoing sentence is not intended to, and shall not, limit any right that Tenant might otherwise have to obtain injunctive relief against Landlord or Landlord's successors in interest or any suit or action in connection with enforcement or collection of amounts which may become owing or payable under or on account of insurance maintained by Landlord. In no event shall either Landlord or Tenant be liable to the other for any indirect, special, consequential or punitive damages.

ARTICLE 10.

Section 10.01. Subordination. This Lease shall be subject and subordinated at all times to all ground leases and all liens of all mortgages and deeds of trust in any amount or amounts whatsoever now or hereafter placed on the Project or Landlord's interest or estate therein or on or against such ground or underlying leases and to all modifications thereof. Within ten (10) business days after Landlord's written request, Tenant shall execute and deliver any instruments, releases or other documents requested by any lessor or mortgagee for the purpose of subjecting and subordinating this Lease to such ground leases, mortgages or deeds of trust; provided, that, Landlord procures from any such mortgagees an agreement in writing which shall be delivered to Tenant, providing in substance that so long as Tenant shall discharge the obligations on its part to be kept and performed under the terms of this Lease, its tenancy will not be disturbed nor this Lease affected by any default under such mortgage, and mortgagee agrees that this Lease shall remain in full force and effect even though default on the mortgage may occur. Furthermore, Landlord agrees to provide Tenant with such a non-disturbance agreement from each current lender simultaneously with the execution of this Lease. Tenant shall attorn to any party succeeding to Landlord's interest in the Leased Premises, whether by purchase, foreclosure, deed in lieu of foreclosure, power of sale, termination of lease or otherwise, and shall execute such agreements confirming such attornment as such party may reasonably request. Tenant shall not seek to enforce any remedy it may have for any default on the part of Landlord without first giving written notice by certified mail, return receipt requested, specifying the default in reasonable detail, to any mortgagee or lessor under a lien instrument or lease covering the Leased Premises whose address has been given to Tenant, and affording such mortgagee or lessor a reasonable opportunity to perform Landlord's obligations hereunder. Notwithstanding the generality of the foregoing, any mortgagee or ground lessor may at any time subordinate any such deeds of trust, mortgages, other security instruments or ground leases to this Lease on such terms and conditions as such mortgagee or ground lessor may deem appropriate.

Section 10.02. Estoppel Certificate or Three-party Agreement. Landlord and Tenant each agree within ten (10) business days following written request by the other to execute, acknowledge and deliver to the other party, and any other persons specified by such party, a certificate certifying such matters as are reasonably acceptable to all parties. Any such statement provided by Tenant may be relied upon by a purchaser, assignee or lender. The requested party's failure to execute and deliver such statement within the time required shall be conclusive upon the requested party that: (1) this Lease is in full force and effect and has not been modified except as represented by the requesting party; (2) there are no uncured defaults in the requesting party's performance and, if Landlord is the requesting party, that Tenant has no right to offset, counterclaim or deduction against Rent; and (3) not more than one month's Rent has been paid in advance.

Lease Agreement for 8121 Broadway Interests LLC and Harris County Improvement District No. 9

Section 10.03. Notices. Any notice, request, approval, consent or other communication required or contemplated by this Lease must be in writing, and may, unless otherwise in this Lease expressly provided, be given or be served by depositing the same in the United States Postal Service, postpaid and certified and addressed to the party to be notified, with return receipt requested, or by delivering the same in person to such party (or, in case of a corporate party, to an officer of such party), or by express overnight mail service, when appropriate, addressed to the party to be notified. Notice deposited in the mail in the manner hereinabove described shall be effective from and after three (3) days (exclusive of Saturdays, Sundays and postal holidays) after such deposit. Notice given in any other manner shall be effective only if and when delivered to the party to be notified or at such party's address for purposes of notice as set forth herein. For purposes of notice the addresses of the parties shall, until changed as herein provided, be as provided on the first page of this Lease. However, the parties hereto shall have the right from time to time to change their respective addresses by giving at least fifteen (15) days' written notice to the other party in the manner set forth in this Section 10.03. Notice may be given by a party's attorney or other representative.

ARTICLE 11. MISCELLANEOUS

Section 11.01. Attorneys' Fees and Other Expenses. In the event either party hereto defaults in the faithful performance or observance of any of the terms, covenants, provisions, agreements or conditions contained in this Lease, the party in default shall be liable for and shall pay to the non-defaulting party all expenses incurred by such party in enforcing any of its remedies for any such default, and if the non-defaulting party places the enforcement of all or any part of this Lease in the hands of an attorney, the party in default agrees to pay the non-defaulting party's reasonable attorneys' fees in such connection.

Section 11.02. Successors; Gender; Time. Subject to the provisions of this Lease, and except as otherwise provided in this Lease, all covenants and obligations as contained within this Lease shall bind and extend and inure to the benefit of the parties hereto and their heirs, legal representatives, successors and assigns. The pronouns of any gender shall include the other genders, and either the singular or the plural shall include the other. Time is of the essence with respect to this Lease.

Section 11.03. Rights and Remedies Cumulative. The rights and remedies of Landlord under this Lease shall be nonexclusive and each right or remedy shall be in addition to and cumulative of all other rights and remedies available to Landlord under this Lease or at law or in equity. Pursuit of any right or remedy shall not preclude pursuit of any other rights or remedies provided in this Lease or at law or in equity, nor shall pursuit of any right or remedy constitute a forfeiture or waiver of any Rent due to Landlord or of any damages accruing to Landlord by reason of the violation of any of the terms of this Lease.

Section 11.04. Legal Interpretation. This Lease and the rights and obligations of the parties hereto shall be interpreted, construed and enforced in accordance with the laws of the State of Texas and the United States. All obligations of the parties hereto shall be performable in, and all legal actions to enforce or construe this Lease shall be instituted in the courts of the county in which the Leased Premises are located. The determination that one or more provisions of this Lease is invalid, void, illegal or unenforceable shall not affect or invalidate any other provision of this Lease, and this Lease shall be construed as if such invalid, illegal or unenforceable provision had never been contained in this Lease, and, so far as is reasonable and possible, effect shall be given to the intent manifested by the portion held invalid or inoperative. All obligations of either party hereunder not fully performed after the expiration or termination of the Term of this Lease shall survive the expiration or termination of the Term of this Lease and shall be fully enforceable in accordance with those provisions pertaining thereto. Article and section titles and captions appearing in this Lease are for convenient reference only and shall not be used to interpret or limit the meaning of any provision of this Lease. No custom or practice which may evolve between the parties in the administration of the terms of this Lease shall waive or diminish the right of Landlord to insist upon the performance by Tenant in strict accordance with the terms of this Lease. This Lease is for the sole benefit of Landlord and Tenant, and, without the express written consent thereto, no third party shall be deemed a third party beneficiary hereof. Tenant agrees that this Lease supersedes and cancels any and all previous statements, negotiations, arrangements, brochures, agreements and understandings, if any, between Landlord and Tenant with respect to the subject matter of this Lease or the Leased Premises and that this Lease, including written extrinsic documents referred to herein, is the entire agreement of the parties, and that there are no representations, understandings, stipulations, agreements, warranties or promises (express or implied, oral or written) between Landlord and Tenant with respect to the subject matter of this Lease or the Leased Premises. It is likewise agreed that this Lease may not be altered, amended or extended except by an instrument in writing signed by both Landlord and Tenant. The terms and provisions of this Lease shall not be construed against or in favor of a party hereto merely because such party is the "Landlord" or the "Tenant" hereunder or because such party or its counsel is the draftsman of this Lease. All references to days in this Lease and any Exhibits or Addenda hereto mean calendar days, not working or business days, unless otherwise stated.

Lease Agreement for 8121 Broadway Interests LLC and Harris County Improvement District No. 9

Section 11.05. Tenant's Authority. Tenant warrants and represents unto Landlord that: Tenant is a duly organized and legal entity, in good standing and qualified to do business in the State of Texas, Tenant has full right, power and authority to execute, deliver and perform this Lease, and that the person executing this Lease on behalf of Tenant was authorized to do so.

Section 11.06. No Brokers. Landlord and Tenant warrant and represent to the other that it has not dealt with any real estate broker and/or salesman (other than the Broker, if any, described in this Lease) in connection with the negotiation or execution of this Lease and no such broker or salesman has been involved in connection with this Lease, and each party agrees to defend, indemnify and hold harmless the other party from and against any and all costs, expenses, attorneys' fees or liability for any compensation, commission and charges claimed by any real estate broker and/or salesman (other than the Broker) due to acts of such party or such party's representatives.

Section 11.07. Other Leases and Tenants. Landlord reserves the absolute right to affect such other tenancies in the Building as Landlord, in the exercise of its sole business judgment, shall determine to best promote the interest of the Building. Notwithstanding anything in this Lease to the contrary, Tenant does not rely on the fact, and Landlord does not represent, that any specific tenant or number of tenants shall during the Term occupy any space or any particular space in the Building, and Landlord does not represent or warrant that any particular space will be used for any particular purpose during the Term.

Section 11.08. Joint and Several Liability. If there is more than one Tenant, then the obligations hereunder imposed upon Tenant shall be joint and several. If there is a guarantor of Tenant's obligations hereunder, then the obligations hereunder imposed upon Tenant shall be the joint and several obligations of Tenant and such guarantor, and Landlord need not first proceed against Tenant before proceeding against such guarantor nor shall any such guarantor be released from its guaranty for any reason whatsoever.

Section 11.09. Independent Covenants. The obligation of Tenant to pay Rent and other monetary obligations provided to be paid by Tenant under this Lease and the obligation of Tenant to perform Tenant's other covenants and duties under this Lease constitute independent, unconditional obligations of Tenant to be performed at all times provided for under this Lease, save and except only when an abatement thereof or reduction therein is expressly provided for in this Lease and not otherwise. Notwithstanding any of the other terms or provisions of this Lease and notwithstanding any other circumstances whatsoever, it is the intent and agreement of Landlord and Tenant that so long as Tenant has not been wrongfully evicted from the Leased Premises, the doctrine of independent covenants shall apply in all matters relating to this Lease including, without limitation, the obligation of Landlord to perform Landlord's covenants under this Lease, as well as the obligation of Tenant to pay Rent and all other monetary obligations of Tenant and perform Tenant's other covenants, duties and obligations under this Lease.

Section 11.10. Recording. This Lease (and any Exhibits or Addenda hereto or Memorandum hereof) shall not be recorded without the prior written consent of Landlord.

Section 11.11. Addendum and Exhibits. The terms and provisions of the Exhibits and Addenda (if any) attached to this Lease are hereby incorporated herein and hereby made a part hereof for all purposes.

LANDLORD AND TENANT EXPRESSLY ACKNOWLEDGE AND AGREE, AS A MOVING AND MATERIAL PART OF THE CONSIDERATION FOR LANDLORD'S ENTERING INTO THIS LEASE WITH TENANT, THAT LANDLORD HAS MADE NO WARRANTIES TO TENANT AS TO THE USE OR CONDITION OF THE LEASED PREMISES OR THE PROJECT, EITHER EXPRESS OR IMPLIED, AND LANDLORD AND TENANT EXPRESSLY DISCLAIM ANY IMPLIED WARRANTY THAT THE LEASED PREMISES OR THE PROJECT ARE SUITABLE FOR TENANT'S INTENDED COMMERCIAL PURPOSE OR ANY OTHER WARRANTY (EXPRESS OR IMPLIED) REGARDING THE LEASED PREMISES OR THE PROJECT AND ALSO EXPRESSLY ACKNOWLEDGE AND AGREE THAT TENANT'S OBLIGATION TO PAY RENT HEREUNDER IS NOT DEPENDENT UPON THE CONDITION OF THE LEASED PREMISES OR THE PROJECT OR THE PERFORMANCE BY LANDLORD OF ITS OBLIGATIONS HEREUNDER, AND THAT TENANT WILL CONTINUE TO PAY THE RENT PROVIDED FOR HEREIN WITHOUT ABATEMENT, SETOFF OR DEDUCTION, NOTWITHSTANDING ANY BREACH BY LANDLORD OF ITS DUTIES OR OBLIGATIONS HEREUNDER, EXPRESS OR IMPLIED. TENANT EXPRESSLY WAIVES (TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW) ANY CLAIMS UNDER FEDERAL, STATE OR OTHER LAW THAT TENANT MIGHT OTHERWISE HAVE AGAINST LANDLORD RELATING TO THE USE, CHARACTERISTICS OR CONDITION OF THE LEASED PREMISES OR THE PROJECT. LANDLORD AND TENANT EXPRESSLY AGREE THAT THERE ARE NO, AND SHALL NOT BE ANY, IMPLIED WARRANTIES OF MERCHANTABILITY, HABITABILITY, FITNESS FOR A PARTICULAR PURPOSE OR ANY

Lease Agreement for 8121 Broadway Interests LLC and Harris County Improvement District No. 9

OTHER KIND ARISING OUT OF THIS LEASE AND THAT ALL EXPRESS OR IMPLIED WARRANTIES IN CONNECTION HERewith ARE EXPRESSLY DISCLAIMED AND WAIVED.

IN TESTIMONY WHEREOF, the parties hereto have executed this Lease as of the day and year first above written.

LANDLORD:

TENANT:

8121 Broadway Interests, L.L.C.

Harris County Improvement District No. 9

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Lease Agreement for 8121 Broadway Interests LLC and Harris County Improvement District No. 9

HOBBY AREA MANAGEMENT DISTRICT
(HARRIS COUNTY IMPROVEMENT DISTRICT NUMBER 9)
CITY OF HOUSTON
HARRIS COUNTY, TEXAS

AGENDA MEMORANDUM

TO: Hobby Area Management District Board of Directors
FROM: Executive Director
SUBJECT: Agenda Item Materials

10. Receive an update and recommendations from the Environmental, Urban Design, and Mobility Committee.
 - a. Consider and approve Broadway Enhancement Project Payment Applications and/or required Change Orders
 - b. Consider and approve a proposal from Clark Condon & Associates for detailed design and construction documents for METRO bus shelters along and adjacent to Broadway Street

JERDON ENTERPRISE, L.P.
13403 Redfish
Stafford, TX 77477
Phone (281)261-5000 Fax (281)261-5500

713-871-1414

Date:	11/01/2016	Job No.	5382
Attn:	Brandon Whittaker		
Re:	Hobby Area Management District Broadway Landscape Enhancement Project		

☐ Copy of Letter ☐ Change Order ☒ Documents[illegible]

<input type="checkbox"/> For approval	<input type="checkbox"/> Approved as submitted	<input type="checkbox"/> Resubmit _____ copies for approval
<input type="checkbox"/> For your use	<input type="checkbox"/> Approved as noted	<input type="checkbox"/> Submit _____ copies for distribution
<input checked="" type="checkbox"/> As requested	<input type="checkbox"/> Returned for corrections	<input type="checkbox"/> Return _____ corrected prints

☐ FOR BIDS DUE:

☐ PRINTS RETURNED AFTER LOAN TO US

REMARKS:

Thank you.

COPY TO: File

By: Jerdon Holding, L.L.C., General Partner

SIGNED: Jeff Grzybowski, Senior Vice President

APPLICATION AND CERTIFICATION FOR PAYMENT

AIA DOCUMENT G702

PAGE ONE OF 1 PAGES 5

TO OWNER:
Hobby Area Management District

PROJECT:
Broadway Boulevard

APPLICATION NO: 5382-04

Distribution to:

<input checked="" type="checkbox"/>	OWNER
<input checked="" type="checkbox"/>	ARCHITECT
<input type="checkbox"/>	CONTRACTOR
<input type="checkbox"/>	
<input type="checkbox"/>	

FROM CONTRACTOR:
JERDON ENTERPRISE, L.P.
13403 REDFISH LANE
STAFFORD, TX 77477

VIA ARCHITECT: Brandon Whittaker
Clark Condon
10401 Stella Link Rd
Houston, TX 77025

PERIOD TO: 10/1/2016 to 10/31/2016

PROJECT NOS: CCA 113-098

CONTRACT DATE: June 1, 2016

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet, AIA Document G703, is attached.

- | | | |
|---|----|----------------|
| 1. ORIGINAL CONTRACT SUM | \$ | 4,934,820.70 |
| 2. Net change by Change Orders | \$ | (1,232,059.50) |
| 3. CONTRACT SUM TO DATE (Line 1 ± 2) | \$ | 3,702,761.20 |
| 4. TOTAL COMPLETED & STORED TO DATE (Column G on G703) | \$ | 1,907,729.02 |
| 5. RETAINAGE: | | |
| a. 10 % of Completed Work (Column D + E on G703) | \$ | 190,772.90 |
| b. % of Stored Material (Column F on G703) | \$ | |
| Total Retainage (Lines 5a + 5b or Total in Column I of G703) | | |
| 6. TOTAL EARNED LESS RETAINAGE (Line 4 Less Line 5 Total) | \$ | 1,716,956.12 |
| 7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate) | \$ | 1,062,296.30 |
| 8. CURRENT PAYMENT DUE | \$ | 654,659.82 |
| 9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6) | \$ | 1,985,805.08 |

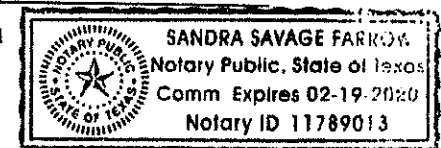
CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	\$1,400.00	(\$1,237,509.35)
Total approved this Month - chg ord #3-5	\$4,049.85	
TOTALS	\$5,449.85	(\$1,237,509.35)
NET CHANGES by Change Order	(\$1,232,059.50)	

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR:

By: Jeff Grobowski Sr. Vice President
State of: Texas County of: Fort Bend
Subscribed and sworn to before me this 4th day of October
Notary Public: Sandra Savage Farrow
My Commission expires: 02/19/2020

Date: 11/1/16



ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED \$

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)

ARCHITECT:

By: _____ Date: _____

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

CONTINUATION SHEET

AIA DOCUMENT G703

PAGE 2 OF PAGES 5

AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing Contractor's signed certification is attached.

In tabulations below, amounts are stated to the nearest dollar.

Use Column I on Contracts where variable retainage for line items may apply.

APPLICATION NO: 5382-04

APPLICATION DATE: 11/01/2016

PERIOD TO: 10/1/2016 - 10/31/2016

ARCHITECT'S PROJECT NO: CCA 113-098

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G		H BALANCE TO FINISH (C - G)	I RETAINAGE (IF VARIABLE RATE)
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD		TOTAL COMPLETED AND STORED TO DATE (D+E+F)	% (G + C)		
1	Site Prep and Mobilization	\$ 417,708.05	\$ 417,708.05			\$ 417,708.05	100.00%		\$ 41,770.81
2	Construction permits	\$ 16,300.00	\$ 16,300.00			\$ 16,300.00	100.00%		\$ 1,630.00
3	Payment & Performance Bond	\$ 50,000.00	\$ 50,000.00			\$ 50,000.00	100.00%		\$ 5,000.00
4	Maintenance Bond	\$ 500.00	\$ 500.00			\$ 500.00	100.00%		\$ 50.00
5	SWPPP -Filter fabric fence	\$ 17,961.40		\$ -				\$ 17,961.40	\$ -
6	SWPPP - Inlet Protection Barrier	\$ 9,940.00		\$ -				\$ 9,940.00	\$ -
7	SWPPP Stabilized Construction Exit	\$ 38,900.00		\$ 38,900.00		\$ 38,900.00	100.00%		\$ 3,890.00
8	Traffic Control Measures	\$ 100,000.00	\$ 51,000.00	\$ 17,000.00		\$ 68,000.00	68.00%	\$ 32,000.00	\$ 6,800.00
9	Flagmen	\$ 25,000.00	\$ 12,750.00	\$ 4,250.00		\$ 17,000.00	68.00%	\$ 8,000.00	\$ 1,700.00
10	Tree Protection and Fencing	\$ 13,520.00	\$ 3,200.00	\$ 10,130.00		\$ 13,330.00	98.59%	\$ 190.00	\$ 1,333.00
11	Tree Planting	\$ 40,595.00	\$ 8,395.00	\$ 1,380.00		\$ 9,775.00	24.08%	\$ 30,820.00	\$ 977.50
12	Tree Pruning	\$ 1,000.00	\$ 1,000.00			\$ 1,000.00	100.00%		\$ 100.00
13	Tree Removal	\$ 31,600.00	\$ 10,400.00			\$ 10,400.00	32.91%	\$ 21,200.00	\$ 1,040.00
14	Shrub and groundcover removal	\$ 2,720.00	\$ 2,720.00			\$ 2,720.00	100.00%		\$ 272.00
15	Elec Serv., panels and controls	\$ 45,000.00		\$ 45,000.00		\$ 45,000.00	100.00%		\$ 4,500.00
16	Elec Conduit, boxes and wiring	\$ 175,000.00		\$ 175,000.00		\$ 175,000.00	100.00%		\$ 17,500.00
17	Landscape lighting fixtures	\$ 271,950.00		\$ 271,950.00		\$ 271,950.00	100.00%		\$ 27,195.00
18	Remove 4in Type D HMAc for paver installation	\$ 17,512.50	\$ 56.67	\$ 600.00		\$ 656.67	3.75%	\$ 16,855.83	\$ 65.67
19	Street light foundation	\$ 137,600.00		\$ -				\$ 137,600.00	\$ -
20	4in Dia PVC SCH 80 pipe with boring	\$ 40,443.00	\$ 8,385.00	\$ 4,212.00		\$ 12,597.00	31.15%	\$ 27,846.00	\$ 1,259.70
21	6in Dia PVC SCH 80 pipe with boring	\$ 45,050.00	\$ 20,100.00	\$ -		\$ 20,100.00	44.62%	\$ 24,950.00	\$ 2,010.00
22	1in Dia water taps and copper service line with new meter box short side	\$ 26,100.00		\$ -				\$ 26,100.00	\$ -
23	1 inch diameter water taps and copper serv line with new meter box long side	\$ 46,800.00	\$ 15,600.00	\$ 7,800.00		\$ 23,400.00	50.00%	\$ 23,400.00	\$ 2,340.00
24	1in dia water taps copper serv line new meter box extra long side	\$ 17,600.00		\$ -				\$ 17,600.00	\$ -
25	Granite gravel	\$ 237,600.00		\$ 104,544.00		\$ 104,544.00	44.00%	\$ 133,056.00	\$ 10,454.40
26	Saw cutting existing concrete	\$ 19,232.00		\$ -				\$ 19,232.00	\$ -
27	Clay brick pavers	\$ 972,000.00	\$ 189,774.00	\$ 140,760.00		\$ 330,534.00	34.01%	\$ 641,466.00	\$ 33,053.40
28	Concrete subbase for pavers in median	\$ 374,050.00	\$ 251,608.00	\$ 64,650.00		\$ 316,258.00	84.55%	\$ 57,792.00	\$ 31,625.80
29	6in concrete edge	\$ 180,615.00	\$ 59,032.50	\$ 59,216.25		\$ 118,248.75	65.47%	\$ 62,366.25	\$ 11,824.88
30	Live Oak - 65 gal	\$ 102,240.00		\$ 16,685.00		\$ 16,685.00	16.32%	\$ 85,555.00	\$ 1,668.50
31	Lacebark Elm - 65 gal	\$ 2,130.00		\$ 710.00		\$ 710.00	33.33%	\$ 1,420.00	\$ 71.00
32	Mexican Sycamore - 65 gal	\$ 3,550.00		\$ 1,065.00		\$ 1,065.00	30.00%	\$ 2,485.00	\$ 106.50
33	Water Oak - 65 gal	\$ 2,130.00		\$ 710.00		\$ 710.00	33.33%	\$ 1,420.00	\$ 71.00
34	Monterey Oak - 65 gal	\$ 1,775.00		\$ 710.00		\$ 710.00	40.00%	\$ 1,065.00	\$ 71.00
35	Natchez Crepe Myrtle - 65 gal	\$ 15,620.00		\$ 7,100.00		\$ 7,100.00	45.45%	\$ 8,520.00	\$ 710.00

CONTINUATION SHEET

AIA DOCUMENT G703

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AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing Contractor's signed certification is attached.

In tabulations below, amounts are stated to the nearest dollar.

Use Column I on Contracts where variable retainage for line items may apply.

APPLICATION NO: 5382-04

APPLICATION DATE: 11/01/2016

PERIOD TO: 10/1/2016 - 10/31/2016

ARCHITECT'S PROJECT NO: CCA 113-098

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G		H BALANCE TO FINISH (C - G)	I RETAINAGE (IF VARIABLE RATE)
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD		TOTAL COMPLETED AND STORED TO DATE (D+E+F)	% (G + C)		
36	Clara Indian Hawthorne - 5 gal	\$ 79,742.00		\$ 32,916.00		\$ 32,916.00	41.28%	\$ 46,826.00	\$ 3,291.60
37	Azalea - 5 gal	\$ 4,960.00		\$ -				\$ 4,960.00	\$ -
38	Lily of the Nile - 3 gal	\$ 29,767.00		\$ -				\$ 29,767.00	\$ -
39	Bicolor Iris - 3 gal	\$ 239,280.00		\$ 51,220.00		\$ 51,220.00	21.41%	\$ 188,060.00	\$ 5,122.00
40	Gulf Muhly - 3 gal	\$ 33,600.00		\$ -				\$ 33,600.00	\$ -
41	Maiden Grass - 3 gal	\$ 6,681.00		\$ -				\$ 6,681.00	\$ -
42	Bigblue Liriope - 1 gal	\$ 203,544.00		\$ 44,193.60		\$ 44,193.60	21.71%	\$ 159,350.40	\$ 4,419.36
43	Fig Ivy 1 gal	\$ 1,362.90		\$ -				\$ 1,362.90	\$ -
44	Monkey Grass - 4" pot	\$ 63,304.00		\$ 17,701.75		\$ 17,701.75	27.96%	\$ 45,602.25	\$ 1,770.18
45	Asian Jasmine - 4" pot	\$ 195,353.80		\$ 4,211.20		\$ 4,211.20	2.16%	\$ 191,142.40	\$ 421.12
46	Seasonal Color - 4" pot	\$ 41,434.25		\$ -				\$ 41,434.25	\$ -
47	St. Augustine Sod	\$ 1,500.00		\$ -				\$ 1,500.00	\$ -
48	Irrigation Systems Complete & Oper.	\$ 675,000.00	\$ 141,750.00	\$ 195,750.00		\$ 337,500.00	50.00%	\$ 337,500.00	\$ 33,750.00
49	One year landscape maintenance	\$ 195,000.00		\$ -				\$ 195,000.00	\$ -
1.1	Deduct landscape light fixtures	\$ (271,950.00)		\$ (271,950.00)		\$ (271,950.00)	100.00%		\$ (27,195.00)
1.2	Deduct elec conduit boxes and wiring	\$ (60,000.00)		\$ (60,000.00)		\$ (60,000.00)	100.00%		\$ (6,000.00)
1.3	Deduct boring & sleeving	\$ (3,500.00)		\$ (3,500.00)		\$ (3,500.00)	100.00%		\$ (350.00)
	Change Order No. 1								
3	Payment & Performance Bond	\$ (8,900.00)	\$ (8,900.00)			\$ (8,900.00)	100.00%		\$ (890.00)
5	SWPPP -Filter fabric fence	\$ (8,661.40)		\$ -				\$ (8,661.40)	\$ -
11	Tree Planking	\$ (30,820.00)		\$ -				\$ (30,820.00)	\$ -
13	Tree Removal	\$ (16,800.00)		\$ -				\$ (16,800.00)	\$ -
16	Elec Conduit, boxes and wiring	\$ (11,000.00)		\$ (11,000.00)		\$ (11,000.00)	100.00%		\$ (1,100.00)
19	Street light foundation	\$ (137,600.00)		\$ -				\$ (137,600.00)	\$ -
20	4in Dia PVC SCH 80 pipe with boring	\$ (20,943.00)		\$ -				\$ (20,943.00)	\$ -
21	6in Dia PVC SCH 80 pipe with boring	\$ (20,050.00)		\$ -				\$ (20,050.00)	\$ -

CONTINUATION SHEET

AIA DOCUMENT G703

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AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing Contractor's signed certification is attached.

In tabulations below, amounts are stated to the nearest dollar.

Use Column 1 on Contracts where variable retainage for line items may apply.

APPLICATION NO: 5382-04

APPLICATION DATE: 11/01/2016

PERIOD TO: 10/1/2016 - 10/31/2016

ARCHITECT'S PROJECT NO: CCA 113-098

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G		H BALANCE TO FINISH (C - G)	I RETAINAGE (IF VARIABLE RATE)
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD		TOTAL COMPLETED AND STORED TO DATE (D+E+F)	% (G ÷ C)		
22	1in Dia water taps and copper service line with new meter box short side	\$ (26,100.00)		\$ -				\$ (26,100.00)	\$ -
24	1in dia water taps copper serv line new meter box extra long side	\$ (17,600.00)		\$ -				\$ (17,600.00)	\$ -
35	Natchez Crepe Myrtle - 65 gal	\$ (2,840.00)		\$ -				\$ (2,840.00)	\$ -
36	Clara Indian Hawthorne - 5 gal	\$ 3,692.00		\$ -				\$ 3,692.00	\$ -
38	Lily of the Nile - 3 gal	\$ (714.00)		\$ -				\$ (714.00)	\$ -
39	Bicolor Iris - 3 gal	\$ (123,800.00)		\$ -				\$ (123,800.00)	\$ -
40	Gulf Muhly - 3 gal	\$ (33,600.00)		\$ -				\$ (33,600.00)	\$ -
41	Malden Grass - 3 gal	\$ (6,681.00)		\$ -				\$ (6,681.00)	\$ -
42	Bigblue Liriope - 1 gal	\$ (108,870.30)		\$ -				\$ (108,870.30)	\$ -
44	Monkey Grass - 4" pot	\$ (20,094.10)		\$ -				\$ (20,094.10)	\$ -
45	Asian Jasmine - 4" pot	\$ (176,288.00)		\$ -				\$ (176,288.00)	\$ -
46	Seasonal Color - 4" pot	\$ (2,839.55)		\$ -				\$ (2,839.55)	\$ -
48	Irrigation Systems Complete & Oper.	\$ (345,000.00)	\$ (72,450.00)	\$ (100,050.00)		\$ (172,500.00)	50.00%	\$ (172,500.00)	\$ (17,250.00)
49	One year landscape maintenance	\$ (165,000.00)		\$ -				\$ (165,000.00)	\$ -
50	Hand watering for 151 live oads in setback through maintenance period	\$ 39,500.00		\$ -				\$ 39,500.00	\$ -
1.30	Deduct boring & sleeving	\$ 3,500.00		\$ 3,500.00		\$ 3,500.00	100.00%		\$ 350.00
	Change Order No. 2								\$ -
	Remove Monumental Sign at Sanat Elena	\$ 1,400.00	\$ 1,400.00			\$ 1,400.00	100.00%		\$ 140.00
	Change Order No. 3								\$ -
10	10.Tree Protection and Fencing	\$ (298.00)						\$ (298.00)	\$ -
26	26.Saw cutting existing concrete	\$ 5,600.00						\$ 5,600.00	\$ -
27	27.Clay brick pavers	\$ 15,282.00						\$ 15,282.00	\$ -
28	28.Concrete subbase for pavers in median	\$ 8,490.00						\$ 8,490.00	\$ -
29	29.6in concrete edge	\$ 5,122.50						\$ 5,122.50	\$ -
30	30.Live Oak - 65 gal	\$ (3,905.00)						\$ (3,905.00)	\$ -
36	36.Clara Indian Hawthorne - 5 gal	\$ 2,444.00						\$ 2,444.00	\$ -
38	38.Lily of the Nile - 3 gal	\$ 595.00						\$ 595.00	\$ -
39	39.Bicolor Iris - 3 gal	\$ (15,800.00)						\$ (15,800.00)	\$ -
42	42.Bigblue Liriope - 1 gal	\$ 5,445.00						\$ 5,445.00	\$ -
44	44.Monkey Grass - 4" pot	\$ (4,266.05)						\$ (4,266.05)	\$ -
46	46.Seasonal Color - 4" pot	\$ 1,305.40						\$ 1,305.40	\$ -
									\$ -
	Change Order No. 4								\$ -
4	ID Marker Sign and Foundation	\$ 132,000.00						\$ 132,000.00	\$ -

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Use Column I on Contracts where variable retainage for line items may apply.

APPLICATION NO: 5382-04

APPLICATION DATE: 11/01/2016

PERIOD TO: 10/1/2016 - 10/31/2016

ARCHITECT'S PROJECT NO: CCA 113-098

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G		H BALANCE TO FINISH (C - G)	I RETAINAGE (IF VARIABLE RATE)
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD		TOTAL COMPLETED AND STORED TO DATE (D+E+F)	% (G ÷ C)		
									\$ -
									\$ -
	Change Order No. 5								\$ -
5	Deduct Electrical Services, Panels and Controls	\$ (45,000.00)		\$ (45,000.00)		\$ (45,000.00)	100.00%		\$ (4,500.00)
5	Deduct All Electrical Conduit, Boxes and Wiring	\$ (104,000.00)		\$ (104,000.00)		\$ (104,000.00)	100.00%		\$ (10,400.00)
5	10 Hours of Electrical Project Management	\$ 1,035.00		\$ 1,035.00		\$ 1,035.00	100.00%		\$ 103.50
									\$ -
	GRAND TOTALS	\$ 3,702,761.20	\$ 1,180,329.22	\$ 727,399.80	\$ -	\$ 1,907,729.02		\$ 1,795,032.18	\$ 190,772.90

Users may obtain validation of this document by requesting of the license a completed AIA Document D401 - Certification of Document's Authenticity

Broadway Street Landscape Improvements
JERDON ENTERPRISE, L.P. Job # 5382
PAY ESTIMATE #04 October 2016

ITEM NO.	DESCRIPTION	UNIT	CONTRACT QUANTITY	CONTRACT UNIT PRICE	ESTIMATED TOTAL CONTRACT VALUE	PREVIOUS MONTH	CURRENT QUANTITY	CURRENT EXTENSION	QUANTITY IN PLACE	TOTAL COMPLETE TO DATE
	Base Bid									
1	Site Prep and Mobilization	LS	1.00	\$ 417,708.05	\$ 417,708.05	1.00	0.00	\$ -	1.00	\$ 417,708.05
2	Construction permits	LS	1.00	\$ 16,300.00	\$ 16,300.00	1.00	0.00	\$ -	1.00	\$ 16,300.00
3	Payment & Performance Bond	LS	1.00	\$ 50,000.00	\$ 50,000.00	1.00	0.00	\$ -	1.00	\$ 50,000.00
4	Maintenance Bond	LS	1.00	\$ 500.00	\$ 500.00	1.00	0.00	\$ -	1.00	\$ 500.00
5	SWPPP -Filter fabric fence	LF	11588.00	\$ 1.55	\$ 17,961.40	0.00	0.00	\$ -	0.00	\$ -
6	SWPPP - Inlet Protection Barrier	LF	994.00	\$ 10.00	\$ 9,940.00	0.00	0.00	\$ -	0.00	\$ -
7	SWPPP Stabilized Construction Exit	SY	1556.00	\$ 25.00	\$ 38,900.00	0.00	1,556.00	\$ 38,900.00	1,556.00	\$ 38,900.00
8	Traffic Control Measures	LS	1.00	\$ 100,000.00	\$ 100,000.00	0.51	0.17	\$ 17,000.00	0.68	\$ 68,000.00
9	Flagmen	LS	1.00	\$ 25,000.00	\$ 25,000.00	0.51	0.17	\$ 4,250.00	0.68	\$ 17,000.00
10	Tree Protection and Fencing	LF	6760.00	\$ 2.00	\$ 13,520.00	1,600.00	5,065.00	\$ 10,130.00	6,665.00	\$ 13,330.00
11	Tree Planting	EA	353.00	\$ 115.00	\$ 40,595.00	73.00	12.00	\$ 1,380.00	85.00	\$ 9,775.00
12	Tree Pruning	LS	1.00	\$ 1,000.00	\$ 1,000.00	1.00	0.00	\$ -	1.00	\$ 1,000.00
13	Tree Removal	EA	79.00	\$ 400.00	\$ 31,600.00	26.00	0.00	\$ -	26.00	\$ 10,400.00
14	Shrub and groundcover removal	SF	34000.00	\$ 0.08	\$ 2,720.00	34,000.00	0.00	\$ -	34,000.00	\$ 2,720.00
15	Elec Serv., panels and controls	LS	1.00	\$ 45,000.00	\$ 45,000.00	0.00	1.00	\$ 45,000.00	1.00	\$ 45,000.00
16	Elec Conduit, boxes and wiring	LS	1.00	\$ 175,000.00	\$ 175,000.00	0.00	1.00	\$ 175,000.00	1.00	\$ 175,000.00
17	Landscape lighting fixtures	EA	111.00	\$ 2,450.00	\$ 271,950.00	0.00	111.00	\$ 271,950.00	111.00	\$ 271,950.00
18	Remove 4in Type D HMA for paver installation	SY	2335.00	\$ 7.50	\$ 17,512.50	7.56	80.00	\$ 600.00	87.56	\$ 656.67
19	Street light foundation	EA	86.00	\$ 1,600.00	\$ 137,600.00	0.00	0.00	\$ -	0.00	\$ -
20	4in Dia PVC SCH 80 pipe with boring	SF	1037.00	\$ 39.00	\$ 40,443.00	215.00	108.00	\$ 4,212.00	323.00	\$ 12,597.00
21	6in Dia PVC SCH 80 pipe with boring	SF	901.00	\$ 50.00	\$ 45,050.00	402.00	0.00	\$ -	402.00	\$ 20,100.00
22	1in Dia water taps and copper service line with new meter box short side	EA	9.00	\$ 2,900.00	\$ 26,100.00	0.00	0.00	\$ -	0.00	\$ -
23	1 inch diameter water taps and copper serv line with new meter box long side	EA	12.00	\$ 3,900.00	\$ 46,800.00	4.00	2.00	\$ 7,800.00	6.00	\$ 23,400.00
24	1in dia water taps copper serv line new meter box extra long side	EA	4.00	\$ 4,400.00	\$ 17,600.00	0.00	0.00	\$ -	0.00	\$ -
25	Granite gravel	SF	72000.00	\$ 3.30	\$ 237,600.00	0.00	31,680.00	\$ 104,544.00	31,680.00	\$ 104,544.00
26	Saw cutting existing concrete	LF	4808.00	\$ 4.00	\$ 19,232.00	0.00	0.00	\$ -	0.00	\$ -
27	Clay brick pavers	SF	54000.00	\$ 18.00	\$ 972,000.00	10,543.00	7,820.00	\$ 140,760.00	18,363.00	\$ 330,534.00
28	Concrete subbase for pavers in median	SF	37405.00	\$ 10.00	\$ 374,050.00	25,160.80	6,465.00	\$ 64,650.00	31,625.80	\$ 316,258.00
29	6in concrete edge	LF	24082.00	\$ 7.50	\$ 180,615.00	7,871.00	7,895.50	\$ 59,216.25	15,766.50	\$ 118,248.75
30	Live Oak - 65 gal	EA	288.00	\$ 355.00	\$ 102,240.00	0.00	47.00	\$ 16,685.00	47.00	\$ 16,685.00
31	Lacebark Elm - 65 gal	EA	6.00	\$ 355.00	\$ 2,130.00	0.00	2.00	\$ 710.00	2.00	\$ 710.00
32	Mexican Sycamore - 65 gal	EA	10.00	\$ 355.00	\$ 3,550.00	0.00	3.00	\$ 1,065.00	3.00	\$ 1,065.00
33	Water Oak - 65 gal	EA	6.00	\$ 355.00	\$ 2,130.00	0.00	2.00	\$ 710.00	2.00	\$ 710.00
34	Monterey Oak - 65 gal	EA	5.00	\$ 355.00	\$ 1,775.00	0.00	2.00	\$ 710.00	2.00	\$ 710.00
35	Natchez Crepe Myrtle - 65 gal	EA	44.00	\$ 355.00	\$ 15,620.00	0.00	20.00	\$ 7,100.00	20.00	\$ 7,100.00
36	Clara Indian Hawthorne - 5 gal	EA	3067.00	\$ 26.00	\$ 79,742.00	0.00	1,266.00	\$ 32,916.00	1,266.00	\$ 32,916.00
37	Azalea - 5 gal	EA	160.00	\$ 31.00	\$ 4,960.00	0.00	0.00	\$ -	0.00	\$ -
38	Lily of the Nile - 3 gal	EA	1751.00	\$ 17.00	\$ 29,767.00	0.00	0.00	\$ -	0.00	\$ -
39	Bicolor Iris - 3 gal	EA	11964.00	\$ 20.00	\$ 239,280.00	0.00	2,561.00	\$ 51,220.00	2,561.00	\$ 51,220.00
40	Gulf Muhly - 3 gal	EA	1344.00	\$ 25.00	\$ 33,600.00	0.00	0.00	\$ -	0.00	\$ -
41	Maiden Grass - 3 gal	EA	262.00	\$ 25.50	\$ 6,681.00	0.00	0.00	\$ -	0.00	\$ -
42	Bigblue Liriope - 1 gal	EA	20560.00	\$ 9.90	\$ 203,544.00	0.00	4,464.00	\$ 44,193.60	4,464.00	\$ 44,193.60

Broadway Street Landscape Improvements
JERDON ENTERPRISE, L.P. Job # 5382
PAY ESTIMATE #04 October 2016

ITEM NO.	DESCRIPTION	UNIT	CONTRACT QUANTITY	CONTRACT UNIT PRICE	ESTIMATED TOTAL CONTRACT VALUE	PREVIOUS MONTH	CURRENT QUANTITY	CURRENT EXTENSION	QUANTITY IN PLACE	TOTAL COMPLETE TO DATE
43	Fig Ivy 1 gal	EA	231.00	\$ 5.90	\$ 1,362.90	0.00	0.00	\$ -	0.00	\$ -
44	Monkey Grass - 4" pot	EA	30880.00	\$ 2.05	\$ 63,304.00	0.00	8,635.00	\$ 17,701.75	8,635.00	\$ 17,701.75
45	Asian Jasmine - 4" pot	EA	30524.00	\$ 6.40	\$ 195,353.60	0.00	658.00	\$ 4,211.20	658.00	\$ 4,211.20
46	Seasonal Color - 4" pot	EA	13585.00	\$ 3.05	\$ 41,434.25	0.00	0.00	\$ -	0.00	\$ -
47	St. Augustine Sod	SF	1000.00	\$ 1.50	\$ 1,500.00	0.00	0.00	\$ -	0.00	\$ -
48	Irrigation Systems Complete & Oper.	LS	1.00	\$ 675,000.00	\$ 675,000.00	0.21	0.29	\$ 195,750.00	0.50	\$ 337,500.00
49	One year landscape maintenance	LS	1.00	\$ 195,000.00	\$ 195,000.00	0.00	0.00	\$ -	0.00	\$ -
1.1	Deduct landscape light fixtures	EA	111.00	\$ (2,450.00)	\$ (271,950.00)	0.00	111.00	\$ (271,950.00)	111.00	\$ (271,950.00)
1.2	Deduct elec conduit boxes and wiring	LS	1.00	\$ (60,000.00)	\$ (60,000.00)	0.00	1.00	\$ (60,000.00)	1.00	\$ (60,000.00)
1.3	Deduct boring & sleeving	LS	1.00	\$ (3,500.00)	\$ (3,500.00)	0.00	1.00	\$ (3,500.00)	1.00	\$ (3,500.00)
					\$ 4,934,820.70			\$ 982,914.80		\$ 2,243,194.02
	Change Order No. 1									
3	Payment & Performance Bond	LS	1.00	\$ (8,900.00)	\$ (8,900.00)	1.00		\$ -	1.00	\$ (8,900.00)
5	SWPPP -Filter fabric fence	LF	-5,588.00	\$ 1.55	\$ (8,661.40)	0.00		\$ -	0.00	\$ -
11	Tree Planting	EA	-268.00	\$ 115.00	\$ (30,820.00)	0.00		\$ -	0.00	\$ -
13	Tree Removal	EA	-42.00	\$ 400.00	\$ (16,800.00)	0.00		\$ -	0.00	\$ -
16	Elec Conduit, boxes and wiring	LS	1.00	\$ (11,000.00)	\$ (11,000.00)	0.00	1.00	\$ (11,000.00)	1.00	\$ (11,000.00)
19	Street light foundation	EA	-86.00	\$ 1,600.00	\$ (137,600.00)	0.00		\$ -	0.00	\$ -
20	4in Dia PVC SCH 80 pipe with boring	SF	-537.00	\$ 39.00	\$ (20,943.00)	0.00		\$ -	0.00	\$ -
21	6in Dia PVC SCH 80 pipe with boring	SF	-401.00	\$ 50.00	\$ (20,050.00)	0.00		\$ -	0.00	\$ -
22	1in Dia water taps and copper service line with new meter box short side	EA	-9.00	\$ 2,900.00	\$ (26,100.00)	0.00		\$ -	0.00	\$ -
24	1in dia water taps copper serv line new meter box extra long side	EA	-4.00	\$ 4,400.00	\$ (17,600.00)	0.00		\$ -	0.00	\$ -
35	Natchez Crepe Myrtle - 65 gal	EA	-8.00	\$ 355.00	\$ (2,840.00)	0.00		\$ -	0.00	\$ -
36	Clara Indian Hawthorne - 5 gal	EA	142.00	\$ 26.00	\$ 3,692.00	0.00		\$ -	0.00	\$ -
38	Lily of the Nile - 3 gal	EA	-42.00	\$ 17.00	\$ (714.00)	0.00		\$ -	0.00	\$ -
39	Bicolor Iris - 3 gal	EA	-6,190.00	\$ 20.00	\$ (123,800.00)	0.00		\$ -	0.00	\$ -
40	Gulf Muhly - 3 gal	EA	-1,344.00	\$ 25.00	\$ (33,600.00)	0.00		\$ -	0.00	\$ -
41	Maiden Grass - 3 gal	EA	-262.00	\$ 25.50	\$ (6,681.00)	0.00		\$ -	0.00	\$ -
42	Bigblue Liriope - 1 gal	EA	-10,997.00	\$ 9.90	\$ (108,870.30)	0.00		\$ -	0.00	\$ -
44	Monkey Grass - 4" pot	EA	-9802.00	\$ 2.05	\$ (20,094.10)	0.00		\$ -	0.00	\$ -
45	Asian Jasmine - 4" pot	EA	-27545.00	\$ 6.40	\$ (176,288.00)	0.00		\$ -	0.00	\$ -
46	Seasonal Color - 4" pot	EA	-931.00	\$ 3.05	\$ (2,839.55)	0.00		\$ -	0.00	\$ -
48	Irrigation Systems Complete & Oper.	LS	1.00	\$ (345,000.00)	\$ (345,000.00)	0.21	0.29	\$ (100,050.00)	0.50	\$ (172,500.00)
49	One year landscape maintenance	LS	1.00	\$ (165,000.00)	\$ (165,000.00)	0.00		\$ -	0.00	\$ -
50	Hand watering for 151 live oads in setback through maintenance period	LS	1.00	\$ 39,500.00	\$ 39,500.00	0.00		\$ -	0.00	\$ -
1.3	Deduct boring & sleeving	LS	1.00	\$ 3,500.00	\$ 3,500.00	0.00	1.00	\$ 3,500.00	1.00	\$ 3,500.00
					\$ (1,237,509.35)			\$ (107,550.00)		\$ (188,900.00)
	Change Order No. 2									
	Remove Monumental Sign at Santa Elena	LS	1.00	\$ 1,400.00	\$ 1,400.00	1.00		\$ -	1.00	\$ 1,400.00
					\$ 1,400.00			\$ -		\$ 1,400.00

[Jerdon Enterprises, LP], located at 13403 Redfish Ln, Stafford, TX 77477 (hereinafter "Contractor"), in accordance with the terms and conditions of the Contract dated June 1, 2016 for described improvements (as more fully described therein) between Contractor and the Hobby Area Management District ("Owner") and any amendments thereto (the "Contract" and capitalized words used herein shall have the meaning set forth in the Contract), hereby acknowledges the receipt and sufficiency of the sum of \$654,659.82, Six Hundred Fifty Four Thousand Six Hundred Fifty Nine Dollars and Eighty Two Cents and other good and valuable consideration, in partial payment for furnishing the Work as defined in the Agreement, including all labor, materials and services, for improvements known as Broadway Landscape Improvements.

Contractor hereby acknowledges and certifies that Owner has made partial payment to Contractor on all sums owing and that it has no further claims against Owner or the above referenced property to the extent of such partial payment and upon the further payment of \$ 654,659.82

Six Hundred Fifty Four Thousand Six Hundred Fifty Nine Dollars and Eighty Two Cents.
will have no further claims against Owner or the above referenced property to the extent of such further payment.

In consideration for such partial and further payment, Contractor, on behalf of itself and its predecessors, employees, agents, officers, directors, shareholders, representatives, attorneys, affiliates, successors, insurers and assigns, and on behalf of any other persons claiming by, through or under Contractor, does hereby waive, release, and relinquish its rights to and discharge, release and acquit the project site and Owner and its agents, representatives, consultants, attorneys, affiliates, successors, insurers and assigns, and all other Indemnitees as defined in the Contract, from any and all causes of action, claims, demands, debts, liabilities, expenses or costs of any kind and every character and nature whatsoever, including but not limited to any lien claims or rights, whether known or unknown, contingent or fixed, either in or arising out of the law of contracts, torts or property rights, whether arising under statutory law or common law, at law or in equity, with respect to the above-referenced property and arising out of the Work for which such partial and further payment was and is made. Furthermore, Contractor agrees to indemnify and hold harmless Owner and all other persons or entities released by Contractor above against the full amount of any liability, loss, claim, damage, or expense (including attorneys' fees and any judgment required to be paid) in connection with any of the matters it has released in the event any person should assert against such released person or entity a claim under assignment or title derivative from Contractor and in connection with any claims made in connection with or relating to Contractor's provision of the Work on the above-referenced property. Contractor represents and warrants that all bills and claims against Contractor of every nature and kind whatsoever arising out of labor performed or material or equipment supplied or because of the performance of the Work by Contractor have been or will be paid and satisfied, and that this Partial Affidavit and Release is made for the purpose of inducing payment under the Contract.

PROJECT NO.
CCA 113-098

PARTIAL AFFIDAVIT AND RELEASE
FOR CONTRACTOR

THE STATE OF TEXAS§

EXECUTED this 1st day of November 2016.

CONTRACTOR: Jerdon Enterprises, LP

By: Jeff Grzybowski

Name: Jeff Grzybowski

Print or Type: Jeff Grzybowski

Title: Senior Vice President

SWORN TO AND SUBSCRIBED BEFORE ME, under my official hand and seal of office on this 1st day of November 2016.



(SEAL)

Sandra Savage Farrow
Notary Public in and for
the State of Texas

My Commission Expires: 2/19/2020

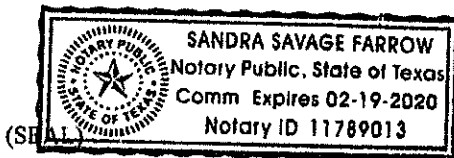
AFFIDAVIT

THE STATE OF TEXAS §

COUNTY OF FORT BEND §

BEFORE ME, the undersigned Notary Public, on this day personally came and appeared Jeff Grzybowski known to me to be the individual whose name is subscribed to the foregoing PARTIAL AFFIDAVIT AND RELEASE and being duly sworn, did state and acknowledge on his oath that he/she is the Senior Vice President of Jerdon Enterprises, LP and is authorized to execute and deliver the foregoing on behalf of Jerdon Enterprises, LP as an act and deed of that entity for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 1st day of November, 2016.



(SEAL)

Sandra Savage Farrow
Notary Public in and for the State
of Texas

My Commission Expires: 2/19/2020

**AIA****Document G701™ – 2001****Change Order**

PROJECT (Name and address): Broadway Street	CHANGE ORDER NUMBER: 006 DATE: November 1, 2016	OWNER: <input checked="" type="checkbox"/> ARCHITECT: <input checked="" type="checkbox"/> CONTRACTOR: <input checked="" type="checkbox"/> FIELD: <input type="checkbox"/> OTHER: <input type="checkbox"/>
TO CONTRACTOR (Name and address): Jerdon Enterprise 13403 Redfish Stafford, TX 77477	ARCHITECT'S PROJECT NUMBER: 113-098 CONTRACT DATE: May 12, 2016 CONTRACT FOR: Landscape Improvements	

THE CONTRACT IS CHANGED AS FOLLOWS:

(Include, where applicable, any undisputed amount attributable to previously executed Construction Change Directives)
Glenbrook Valley Sign

The original Contract Sum was	\$ 4,934,820.70
The net change by previously authorized Change Orders	\$ -1,232,059.50
The Contract Sum prior to this Change Order was	\$ 3,702,761.20
The Contract Sum will be increased by this Change Order in the amount of	\$ 48,500.00
The new Contract Sum including this Change Order will be	\$ 3,751,261.20

The Contract Time will be increased by Zero (0) days.

The date of Substantial Completion as of the date of this Change Order therefore is unchanged.

NOTE: This Change Order does not include changes in the Contract Sum, Contract Time or Guaranteed Maximum Price which have been authorized by Construction Change Directive until the cost and time have been agreed upon by both the Owner and Contractor, in which case a Change Order is executed to supersede the Construction Change Directive.

NOT VALID UNTIL SIGNED BY THE ARCHITECT, CONTRACTOR AND OWNER.

Clark Condon Associates
ARCHITECT (Firm name)
10401 Stella Link, Houston, TX 77025
ADDRESS
BY (Signature)
JASON A. MILLER
(Typed name)
DATE 11/1/16

Jerdon Enterprise
CONTRACTOR (Firm name)
13403 Redfish, Stafford, TX 77477
ADDRESS
BY (Signature)
(Typed name)
DATE

Hobby Area Management District
OWNER (Firm name)
c/o Hawes Hill Calderon, 9610 Long Point
Road, Suite 150, Houston, TX 77055,
ADDRESS
BY (Signature)
(Typed name)
DATE

Scenic Houston

OWNER

5615 Kirby Dr. #645

Houston, TX 77005

ADDRESS

BY (Signature)

(Typed Name)

DATE



AIA Document G701™ – 2001

Change Order

PROJECT (Name and address): Broadway Street	CHANGE ORDER NUMBER: 007 DATE: November 1, 2016	OWNER: <input checked="" type="checkbox"/> ARCHITECT: <input checked="" type="checkbox"/> CONTRACTOR: <input checked="" type="checkbox"/> FIELD: <input type="checkbox"/> OTHER: <input type="checkbox"/>
TO CONTRACTOR (Name and address): Jerdon Enterprise 13403 Redfish Stafford, TX 77477	ARCHITECT'S PROJECT NUMBER: 113-098 CONTRACT DATE: May 12, 2016 CONTRACT FOR: Landscape Improvements	

THE CONTRACT IS CHANGED AS FOLLOWS:

(Include, where applicable, any undisputed amount attributable to previously executed Construction Change Directives)
Addition of 12 Solar Panel Kits to controllers.

The original Contract Sum was	\$ 4,934,820.70
The net change by previously authorized Change Orders	\$ -1,183,559.50
The Contract Sum prior to this Change Order was	\$ 3,751,261.20
The Contract Sum will be increased by this Change Order in the amount of	\$ 4,500.00
The new Contract Sum including this Change Order will be	\$ 3,755,761.20

The Contract Time will be increased by Zero (0) days.

The date of Substantial Completion as of the date of this Change Order therefore is unchanged.

NOTE: This Change Order does not include changes in the Contract Sum, Contract Time or Guaranteed Maximum Price which have been authorized by Construction Change Directive until the cost and time have been agreed upon by both the Owner and Contractor, in which case a Change Order is executed to supersede the Construction Change Directive.

NOT VALID UNTIL SIGNED BY THE ARCHITECT, CONTRACTOR AND OWNER.

Clark Condon Associates
ARCHITECT (Firm name)

10401 Stella Link, Houston, TX 77025

ADDRESS

BY (Signature)

JASON A. MILLEX
(Typed name)

DATE

11/1/16

Jerdon Enterprise

CONTRACTOR (Firm name)

13403 Redfish, Stafford, TX 77477

ADDRESS

BY (Signature)

(Typed name)

DATE

Hobby Area Management District
OWNER (Firm name)

c/o Hawes Hill Calderon, 9610 Long Point
Road, Suite 150, Houston, TX 77055,
ADDRESS

BY (Signature)

(Typed name)

DATE

Scenic Houston

OWNER

5615 Kirby Dr. #645

Houston, TX 77005

ADDRESS

BY (Signature)

(Typed Name)

DATE

CLARK CONDON

November 4, 2016

Tony Allender
Hawes Hill Calderon
9610 Long Point Rd. #150
Houston, TX 77055

10401 STELLA LINK ROAD
HOUSTON, TEXAS 77025

phone 713.871.1414 *fax* 713.871.0888

CLARKCONDON.COM

Re: Hobby Area Bus Shelters CDs through CA

Dear Tony,

We are pleased to make this proposal for professional services associated with the Bus Shelters. For the purposes of this proposal, you will be referred to as the Client, and Clark Condon Associates, Inc. as the Landscape Architect.

SCOPE OF WORK – The Landscape Architect will prepare Construction Documents for the bus shelters based on previously approved concept plan.

CONSTRUCTION DOCUMENTS - The Construction Documents will be based on the previously approved concept plan dated 10/19/16. The Design Team will prepare the Construction Documents and Technical Specifications for pricing of the project. Services to be provided in this phase include:

1. Finalize design drawings for fabrication.
2. Finalization of specifications.
3. Review documents with Client.
4. Locate bus shelters along Broadway Street within the District.
5. Coordinate with District and METRO for approval.
6. Coordinate with fabricator to provide structural and foundation requirements.
7. Coordinate with Owner (HAMD) to provide artwork for graphics to be applied to shelters.
8. Specifications in MasterSpec format.

PRICING - After completion and approval of the Construction Documents, the Landscape Architect will assist the Client in coordinating with METRO fabricators to price and install the bus shelters. Services shall include the following:

1. Coordinate with Owner to price the shelters with a fabricator and installer.
2. Review pricing and provide recommendations.

CONSTRUCTION ADMINISTRATION - The Landscape Architect will provide Construction Administration for the project. Services to be provided in this phase include:

1. Periodic visits to the site to observe the progress and quality of construction and to insure the integrity of the design as indicated on the drawings.
2. Review shop drawings and material suppliers' products.
3. Review fabrication with supplier.
4. Review payment requests.
5. Conduct substantial completion and final walk throughs and prepare punch lists.

landscape architecture

CLARK CONDON

FEE - The total fee for this project is a lump sum based upon the estimated time for professional services, plus reimbursable expenses.

Construction Documents	\$35,000.00
Pricing	\$3,000.00
Construction Administration	<u>\$15,000.00</u>
TOTAL	\$53,000.00

We consider chargeable revisions to include changes made after a phase of work has been accepted and we have been authorized by the Client to proceed to the next phase.

REIMBURSABLE EXPENSES - The Client shall pay the Landscape Architect for the cost of out-of-town travel expenses, mileage, printing, and other directly related costs. All expenses will be billed at cost plus 15%.

EXCLUSIONS TO THE CONTRACT

1. Topographic and boundary surveys.
2. Existing site engineering and utility base information.
3. Soil engineering, geotechnical consultant services or related testing, if required.
4. Civil engineering (plan and profiles).

EXTRA SERVICES - Additional services, if requested by the Client, will be considered as extra services and be billed hourly at the rates listed below.

Principal/Owner	\$350.00/hour
Principal	\$225.00/hour
Senior Associate	\$150.00/hour
Project Manager	\$125.00/hour
Assistant Project Manager	\$100.00/hour
Project Staff	\$90.00/hour
Administrative	\$75.00/hour

Hourly rates will be reviewed annually and may be increased in accordance with annual salary and cost-of-living reviews.

BILLING - Billing shall be monthly based on the portion of the total estimated fee. Invoices shall be due upon receipt. Clark Condon Associates, Inc. reserves the right to charge the amount of interest allowable under the current laws of the State of Texas on any invoices not paid within thirty (30) days.

JURISDICTION - The Texas Board of Architectural Examiners has jurisdiction over complaints regarding the professional practices of persons registered as landscape architects in Texas. The Board may be reached at the following address:


Texas Board of Architectural Examiners
P.O. Box 12337 Austin, TX 78711-2337
(512) 305-9000 – Phone / (512) 305-8900

TERMINATION - If the Client should decide to terminate this Agreement, he shall give Clark Condon Associates, Inc. seven (7) days written notice and shall pay for all services rendered to the date of termination. Clark Condon Associates, Inc. reserves the right to terminate this contract upon fifteen (15) days notice if any amount billed to client is sixty days past due.

CLARK CONDON

If this Agreement meets with your approval, please sign in the appropriate place below and return one copy to us. I appreciate the opportunity to submit this proposal to you and look forward to working with you.

Sincerely,

A handwritten signature in black ink, reading "Sheila M. Condon" with a long, sweeping horizontal line extending to the right.

Sheila M. Condon FASLA
President / Landscape Architect

APPROVED _____ DATE _____

HOBBY AREA MANAGEMENT DISTRICT
(HARRIS COUNTY IMPROVEMENT DISTRICT NUMBER 9)
CITY OF HOUSTON
HARRIS COUNTY, TEXAS

AGENDA MEMORANDUM

TO: Hobby Area Management District Board of Directors
FROM: Executive Director
SUBJECT: Agenda Item Materials

11. Receive an update from the Business and Economic Development Committee.

Hobby Area Management District Social Media Report

October 3 - 16

Facebook

Total number of likes: **1835**

Total Reach (for last 28 days): **10,030**

Top 5 Posts

1. Live video feed on Facebook: Tree tagging event for Broadway project with [Scenic Houston](#), [Robert Gallegos](#), [Trees For Houston](#) and [CenterPoint Energy](#).

650 Reached, 19 Reactions, Comments & Shares, 218 Video Views



2. Join us next Thursday for a tree tagging event!

"Scenic Houston has been very fortunate to partner with Trees for Houston which will be providing all of the live oaks being used to create a signature 'classic Houston boulevard' along Broadway." — with [Scenic Houston](#) and [Trees For Houston](#).

401 Reached, 7 Reactions, Comments & Shares

3. From [Scenic Houston](#), an update on the Broadway project.

"We are thrilled to report Scenic Houston's Broadway/Hobby Corridor Redevelopment Project is progressing well and scheduled for completion by year's end. Enhancements to the corridor will include distinctive pedestrian crosswalks, featuring red brick inlays, extensive landscaping, state-of-the-art LED streetlights (currently being installed!), and 410 large new trees."

355 Reached, 7 Reactions, Comments & Shares

4. Hobby District executive director Jerry Lowry tagged one of the live oaks that will be planted this week on Broadway. It's all happening!

348 Reached, 6 Reactions, Comments & Shares



5. Super excited to pick out some trees for the Broadway project today. [[Panoramic photo](#)]

347 Reached, 5 Reactions, Comments & Shares

Twitter

Total number of tweets & retweets for the time period: 12

Total number of impressions for the last 28 days: 5276

Total number of profile visits for the last 28 days: 193

Total number of followers: 221

Top Tweet earned 175 impressions

Trees! Special event to select trees to plant for the

@ScenicHouston Broadway project. pic.twitter.com/HMGCmWoNeG

Top media Tweet earned 165 impressions

We <3 Trees. We also <3 **@TreesForHouston** & **@ScenicHouston**.

Come see what all the <3 is about, tomorrow. (But please RSVP.)

Media welcome! pic.twitter.com/pNPkfT4Moi

Hobby Area Management District Social Media Report

October 17 - November 1

Facebook

Total number of likes: **1840**

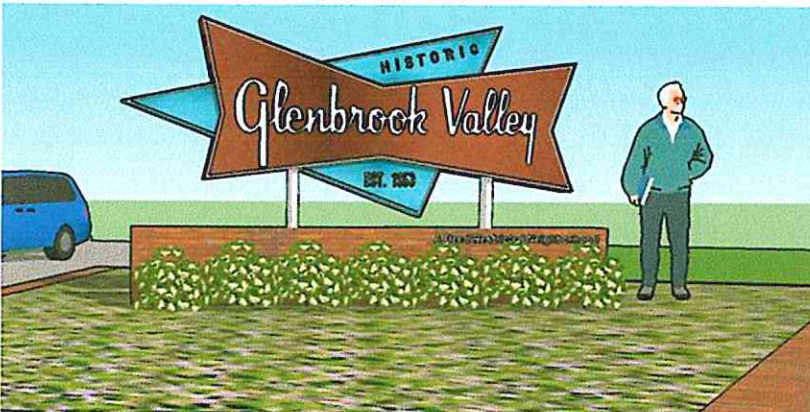
Total Reach (for last 28 days): **10,138**

Top 4 Posts

1. We love the [#MiniMuralsHou](#) project so much (especially here in the Hobby District), we made a video about it. (Don't forget to turn on the sound!) Special thanks to [UP Art Studio](#) for pioneering this [Mini Murals](#) project. [This is the video if you'd like to watch it.]

2,085 Reached, 104 Reactions, Comments & Shares, 551 Video Views - so far.*

*We plan to promote to reach more people for the next few weeks.



2. So, it's official. This is coming soon. Very, very soon. We'll have more information on our grant program to help Hobby neighborhoods with identity markers and signage. Congratulations to Glenbrook Valley.

1537 Reached, 166 Reactions, Comments & Shares

3. Watch out, Houston, Hobby's got a brand new bag. [Link to KHOU story about Beautification around Hobby Airport.]

1133 Reached, 65 Reactions, Comments & Shares



**RIDE FREE
TO CAST YOUR VOTE**

4. Not only do you get to exercise your right to vote, but you get a free ride to do it! How's that for deal? [Flyer for METRO offering free rides for voters.]

418 Reached, 3 Reactions, Comments & Shares

.....
Saturday, October 29th
Friday, November 4th
Tuesday, November 8th

Twitter

Total number of tweets & retweets for the time period: 11

Total number of impressions for the last 28 days: 4811

Total number of profile visits for the last 28 days: 201

Total number of followers: 222

Top Tweet earned 316 impressions

We <3 Trees. We also <3 [@TreesForHouston](#) & [@ScenicHouston](#).

Come see what all the <3 is about, tomorrow. (But please RSVP.)

Media welcome! pic.twitter.com/pNPkfT4Moi

Top media Tweet earned 315 impressions

Trees! Special event to select trees to plant for the

[@ScenicHouston](#) Broadway project. pic.twitter.com/HMGCmWoNeG

Other notable Tweets:

Hobby Area District [@HADistrict](#) Oct 31

Fun fact: A lot of electrical boxes in Hobby District are dressed up like murals for Halloween. [#MiniMuralsHOU](#)

vimeo.com/188919933

132 Impressions

Hobby Area District [@HADistrict](#)

Hey friends, we would love it if you could help us out! <https://twitter.com/HADistrict/status/789467001852792832> ...

228 Impressions



Engineering News-Record, a weekly trade magazine for architects, engineers, and builders, has named the international terminal expansion at Houston's William P. Hobby Airport a "2016 Project of the Year."

The 280,000-square-foot terminal, which features five gates and a U.S. Customs and Border Protection station, opened in October 2015 and came in \$10 million under budget at \$146 million. Southwest Airlines funded the project.

The publication lauded the project's cost management and collaboration between the airline, general contractor Hensel Phelps Construction Co., subcontractors and the Houston Airport System.

RELATED: Hiatus over, international flights resume at Hobby

"We appreciate this honor from Engineering News-Record, and the recognition for both the impact of this project has had on the traveling public, and the value we were able to create through successful partnerships with our airline partners," said Mario Diaz, the city's aviation director, in a statement.

"Because of that effective teamwork, Hobby Airport was completely transformed to become a four-star air transportation center, and now stands as a testimony to all that can come from a successful public-private partnership," Diaz continued.

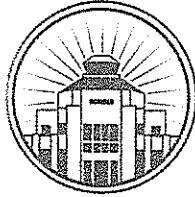
More than 800,000 passengers have used the new terminal since it opened a year ago, according to a city news release.

HOBBY AREA MANAGEMENT DISTRICT
(HARRIS COUNTY IMPROVEMENT DISTRICT NUMBER 9)
CITY OF HOUSTON
HARRIS COUNTY, TEXAS

AGENDA MEMORANDUM

TO: Hobby Area Management District Board of Directors
FROM: Executive Director
SUBJECT: Agenda Item Materials

12. Receive an update from the Public Safety Committee.



**Hobby Area Management District
Public Safety Committee
October 19, 2016**

MINUTES

The Public Safety Committee of the Hobby Area Management District met on, October 19, 2016, at 12:00 p.m., the Doubletree Hilton Hobby - 8181 Airport Blvd, 77061, within the boundaries of the District and open to the public, to consider, discuss, and make recommendations, and take direct actions as may be necessary, desirable, or convenient:

District Board and Committee members present: Danny Perkins, Helen Bonsall, Ann Collum, and Joe Ed Nelson

Staff Present: Jerry Lowry

Public present: Julius Levine, Julie Countiss, S.E.A.L. Staff, Off. Harris, HPD

1. The meeting was called to order by committee chair, Helen Bonsall.
2. Public Safety Initiatives and Reports
Receive update from S.E.A.L. Security on Public Safety initiatives in the District. Report from SE.A.L. was presented by Lt. O'Brian McFadden. The report, attached by reference, provides the details.
3. An update on RCR program was provided by Tina DeFiore, HAA, RCR Director. The numbers of users are relatively the same as last report with over 7,000.
4. An update was provided by Staff and Ms. DeFiore concerning the first Apartment PIP hosted by HAMD. Twelve communities were represented with a total of 40 attending. Everyone agreed it was a wonderful start. The Houston Apartment Association will host the next meeting on November 15th.
5. The meeting was adjourned at 1:20 pm.

Jerry Lowry
Executive Director



HOBBY AREA DISTRICT



INCIDENT REPORT

October 2016

(Redacted)

TX PSB #C15942

Prepared for Hobby Area Management District



About Incident Reports

This is an incident report prepared by S.E.A.L. Security Solutions, LLC each month for the Hobby Area Management District. Throughout the month S.E.A.L.'s dispatch center receives calls from residents and S.E.A.L. officers concerning dangerous or potentially threatening situations or activity, and observations of incidents that occurred in the area. S.E.A.L.'s 24-hour dispatch center also received calls from clients inquiring about information on our services. These calls have been recorded to provide Hobby Area Management District information that impacts the community.

About S.E.A.L. Security

S.E.A.L. Security is contracted to safeguard your community and be on call during high risk situations. All S.E.A.L. officers are armed and patrol in marked patrol units. S.E.A.L. Security takes a proactive position on patrolling and securing the Hobby District. S.E.A.L.'s expanded canine (K-9) division includes foot patrol in your community. In addition to patrol services, most K-9s are dual purposed in either narcotics or explosive detection, or tracking. S.E.A.L.'s specially-trained Officers and their K-9 partners can be one of the most effective and productive security tools available to dissuade, discourage, and prevent crime. In the interest of safety, we ask that clients and residents do not approach the K-9 or attempt to pet them. We appreciate everyone's support.

Disclaimer

Information contained in this report is based on the information at the time of reporting, from sources believed to be reliable, and is true to the best of S.E.A.L.'s knowledge. S.E.A.L. provides the Board information in the report for the Board's sole use and purpose in its management and execution of its authorized duties. S.E.A.L. does not intend that the information contained in this report be disclosed to, relied on, or otherwise used by, anyone other than those authorized to receive such information. The information and the reports may contain personal, private, or otherwise identifying information and may compromise the safety and security of others. As such, the publication, dissemination, or disclosure of the report or information therein of any kind to anyone not authorized to receive such information shall be at the sole risk and liability of the Board, its members, and those authorized to receive such information, and each shall hold S.E.A.L. harmless and indemnify S.E.A.L. for any and all liability arising from any publication or disclosure.

**SUMMARY PAGE
October 2016**

Alarm	0
Animal	0
Assault	0
Assistance	8
Burglary of Business/Habitation	2
Burglary of Motor Vehicle	11
Calls to Call Center	67
CTW	2
Damage/Defacing of Property	1
Disturbance/Noise	3
Emergency Medical Services	1
Solicitor	0
Suspicious Activity	0
Suspicious Person	15
Suspicious Vehicle	44
Theft	2
Vehicle Collision	0

Hobby Area Management HOTLINE: 713.489.6300

Please call S.E.A.L. Security for any suspicious activity or anything that seems out of place.

Saturday, October 1

12:23 A.M. Officer responded to Best Western, 8778 Airport, regarding a suspicious vehicle in the parking lot out of view of the surveillance camera. Officer found the occupants were renting a room and waiting for friends to arrive.

Sunday, October 2

8:49 P.M. Officer responded to Best Western, 8778 Airport, regarding a suspicious person who came in and tried to use their computers, and then went out and left something in the bushes. Officer was unable to locate the subject, but found what he had left in the bushes was a soda can.

Tuesday, October 4

9:01 A.M. Officer responded to Hampton Inn, 8620 Airport, on two BMVs and one attempted BMV. One of the vehicles had been burglarized and a radio stolen. Nothing was taken from the other.

11:02 A.M. Officer on patrol was flagged down on Hanson and advised there were two black males attempting a break-in on the 8500 block of Mosley. The suspects were gone on the officer's arrival, and HPD had just finished clearing the building.

11:15 A.M. Officer responded to Central Texas Bar B Que, 8101 Airport, to remove Uber drivers loitering on the property. Upon arrival, the officer made contact with those loitering and removed them, also noting their license plates: 2XXX; XXX-5514; XXX-9437; XXX-4653; XXX-2655; XXX-1866; and XXX-7913.

1:49 P.M. Officer responded to Best Western, 8778 Airport, regarding a disturbance: management asked a suspected prostitute to leave, at which time she became belligerent and refused. The female subject was gone on arrival, having headed west on Airport towards the Shell station. Officer found her there, and she advised she was leaving the area, and would cause no further incident.

Wednesday, October 5

1:01 P.M. Officer on patrol at the Shell station, 8902 Gulf Fwy, found a person sleeping in a car. Subject advised he was just very tired, and was leaving.



1:20 P.M. Officer responded to Central Texas BBQ, 28101 Airport, on a complaint of Uber drivers loitering. Officer found them parked in the fire lane, and one such vehicle, a white Hyundai Tucson, license plate XXX-7373, was also unattended. Officer issued a CTW to the operator, EXXX OXXX (TXDL# XXXXXXXXX). Other plates recorded were: XXX-329; XXX-7219; XXX-2448; and XXX-4616.



Thursday, October 6

12:01 P.M. Officer on patrol at 8101 Airport noted several license plates: XXX-3972; XXX-2590; XXX-8827; XXX-1419; XXX-5969; and XXX-7445.

2:01 P.M. Officer on patrol at the Hong Kong market, 9820 Gulf Fwy, found two subjects sleeping on the second floor of the parking garage. Officer advised them that that was not allowed, and they complied with requests to leave the property immediately.



4:10 P.M. Officer on patrol spotted a loiterer in front of the Hobby Market Beer and Wine, 8542 Broadway. Officer confirmed with management that the subject was not allowed on the property, and issued a verbal warning and escorted him off the property.

Friday, October 7

10:40 A.M. Officer responded to Central Texas BBQ, 8101 Airport, regarding loitering Uber drivers. Officer told the drivers with the following license plates to leave (and they complied): XXX-6572; XXX-8172; XXX-9245; XXX-2640; XXX-0952; XXX-6748; and XXX-5219.

3:01 P.M. Officer on patrol in the area of Lockheed noted a large grass fire in the area of Mykawa and Dixie, but HFD was already on the scene.

Saturday, October 8

1:00 P.M. Officer responded to Broadway Belfort shopping center, 8300 Broadway, regarding a suspicious male. The officer was unable to locate the described subject, but did find a found semi-conscious male (WXXX SXXX, DOB XX/XX/XXX) on the north end of the shopping center requesting help

and EMS. The subject, who had previously been verbally trespassed from the property, was determined to be intoxicated. HPD transported him.



Sunday, October 9

1:40 A.M. Officer responded to Crawfish Pot and Oyster Bar, 9820 Gulf Fwy., regarding a burglary in progress – the owner was watching two individuals via a surveillance camera. HPD had also responded, reporting that two males ran off when they arrived. S.E.A.L. officers remained on scene while employees reset the alarm and boarded up the damage.

Monday, October 10

6:05 P.M. Officer responded to Best Western, 8778 Airport, regarding a BMV. Management told both SEAL and HPD that a blue Dodge Avenger was spotted in the parking lot at the time that another vehicle had been broken in to. Officers determined that several vehicles had been broken into at both the Best Western and at the La Quinta, 8776 Airport: a blue Chevrolet Silverado; a blue Dodge Ram 2500 crew cab; A white GMC Yukon XL; a maroon Ford F150 crew cab; and a black Ford F250. At 6:41, the officer was called to Springhill Suites, 7922 Mosley, regarding two more BMVs: a black Ford F150, and a blue Dodge Ram 2500 crew cab.



Tuesday, October 11

10:01 A.M. Officer reviewed photos with HPD at Hobby Airport regarding suspects in the recent BMVs.

7:46 P.M. Officer responded to Stop and Drive, 8318 Broadway, regarding a panhandler who refused to leave. Officer found the subject to be gone on arrival.

Wednesday, October 12

10:23 a.m. Officer responded to Doubletree Inn, 8181 Airport, regarding an Uber driver sitting in the lobby. Officer determined the driver was there to pick up a customer.

1:01 P.M. Officer stood by for the safety of Animal Control in the area of Telephone and Alameda Genoa and South Santa Fe as they confiscated dogs from residences.

5:01 P.M. Officer responded to a BMV complaint at Stay Express Inn, 9902 Gulf Fwy. The victim's vehicle was a black Dodge Charger, and the suspect was driving a black Chevrolet Silverado Texas Edition. The officer noted there was already a BOLO for the vehicle.



Friday, October 14

5:30 P.M. Officer on patrol spotted two vehicles standing in the fire lane and blocking the driveway. Officer explained to the operators that the lot was for customers and tenants only, and they agreed to leave.

Saturday, October 15

12:48 P.M. Officer responded to Best Western, 8778 Airport, regarding suspicious activity: two people apparently attempting to gain access to a storage container belonging to La Quinta, as seen through a surveillance camera. Officer found the subjects gone on arrival, and the storage container remained secure.

Wednesday, October 19

11:56 A.M. Officer responded to Flight Safety International, 7525 Fauna, regarding a phoned-in threat to the entire staff from an employee's ex-husband. A subject identified as QXXX WXXX (DOB XX/XX/XXXX) had allegedly called in approximately 20 times and hung up, and the final time he spoke with the manager and threatened to come to the office and implied that he would commit violence. HPD was alerted and said they would make contact with the subject. HPD case number 133632516-T. S.E.A.L. officers were provided the subject and vehicle's descriptions and agreed to conduct heavy patrols in the area.

12:25 P.M. Officer attended the Hobby area management public safety meeting.

Thursday, October 20

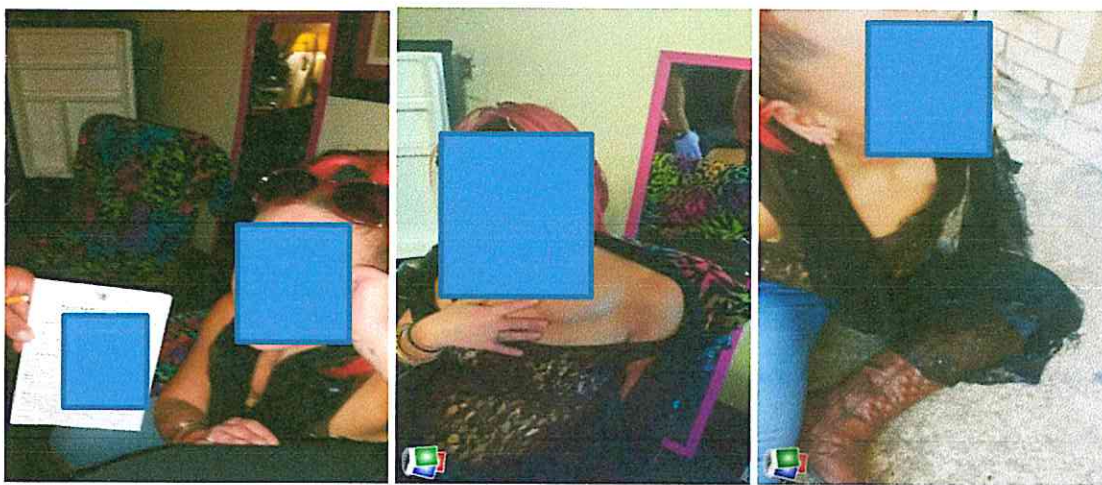
9:01 A.M. Officer on patrol found graffiti on the sides of buildings in the area of 6614 Dixie and at the intersection of Lindbergh and Nunn.



9:38 A.M. Officer responded to Central Texas BBQ, 8101 Airport, for Uber drivers loitering on the property. Officer made contact with the subjects and told them to leave. They complied. Texas license plates recorded were: XXX-8246; XXX-9593; and XXX-1500.

Friday, October 21

5:01 P.M. Officer on patrol at the Best Western, 8778 Airport, observed a subject he recognized as having been banned from the property and also as having an outstanding felony warrant from Ft. Bend County. Officer made contact with KXXX FXXX SXXX (DOB. XX/XX/XXXX) and called for HPD regarding the warrant. While the officer was confirming the status of the warrant, Simmonds ran from the property to Hobby Airport Inn, 8800 Airport. HPD Officer Hood verified she had an active warrant for possession of a controlled substance (heroin) with intent to distribute and told the S.E.A.L. officer to arrest her. Officer found her at the Hobby Airport Inn when she exited a room. Officer apprehended her, and while waiting for HPD to take her into custody, the officer said she attempted to bribe him with money "and other supposed enticements." As HPD prepared to transport her she requested they go to her room to collect her money and phone. While there, HPD alleged, they also found approx. 15 hypodermic needles and other paraphernalia.



8:07 P.M. Officer on patrol at Hobby Market Beer and Wine, 8542 Broadway, was informed by store management of a male who had been observed on closed-circuit video stealing candy. Store management told the individual that he was not allowed back. Officer told management to contact SEAL Dispatch if the individual returned.

Tuesday, October 25

10:34 A.M. Officer responded to Central Texas BBQ, 8101 Airport, regarding Uber drivers loitering. On arrival, officer noted the drivers had already left.

3:30 P.M. Officer on patrol at Hampton Inn, 8620 Airport, was flagged down by hotel management who complained of a female loiterer at the front door. Officer eventually found the subject and escorted her from the property.

9:40 P.M. Officer responded to Best Western where the clerk thought a female was bleeding. Officer found the woman and determined that the wound was old.

Wednesday, October 26

9:26 A.M. Officer responded to CIM Industries, 6900 Nelms, regarding a parked and occupied tractor-trailer unit blocking the gate, with the operator possibly sleeping. The vehicle left before the officer could make contact.

4:28 P.M. Officer responded to Party City, 10065 Alameda Genoa, regarding a disturbance inside the store. On arrival, the officer noted HPD was there and the subject had already left. HPD was onsite to take a report regarding a strong-arm robbery earlier in the day. The manager asked the S.E.A.L. officer to escort him to the bank and back.

Thursday, October 27

10:55 A.M. Officer responded to Central Texas BBQ, 8101 Airport, regarding Uber drivers loitering. On arrival, officer noted the drivers had already left.

12:01 P.M. Officer responded to Central Texas BBQ, 8101 Airport, to remove Uber drivers from the parking lot. Subjects left the area upon officer's arrival.

3:04 P.M. Officer responded to Party City, 10065 Alameda Genoa, to do a courtesy escort with the manager to the bank.

Friday, October 28

3:04 P.M. Officer responded to Party City, 10065 Alameda Genoa, to do a courtesy escort with the manager to the bank.

Sunday, October 30

3:19 A.M. Officer responded to Best Western, 8778 Airport, regarding several vehicles "hanging out" in the back of the property. Upon officer's arrival, the vehicles had already dispersed.

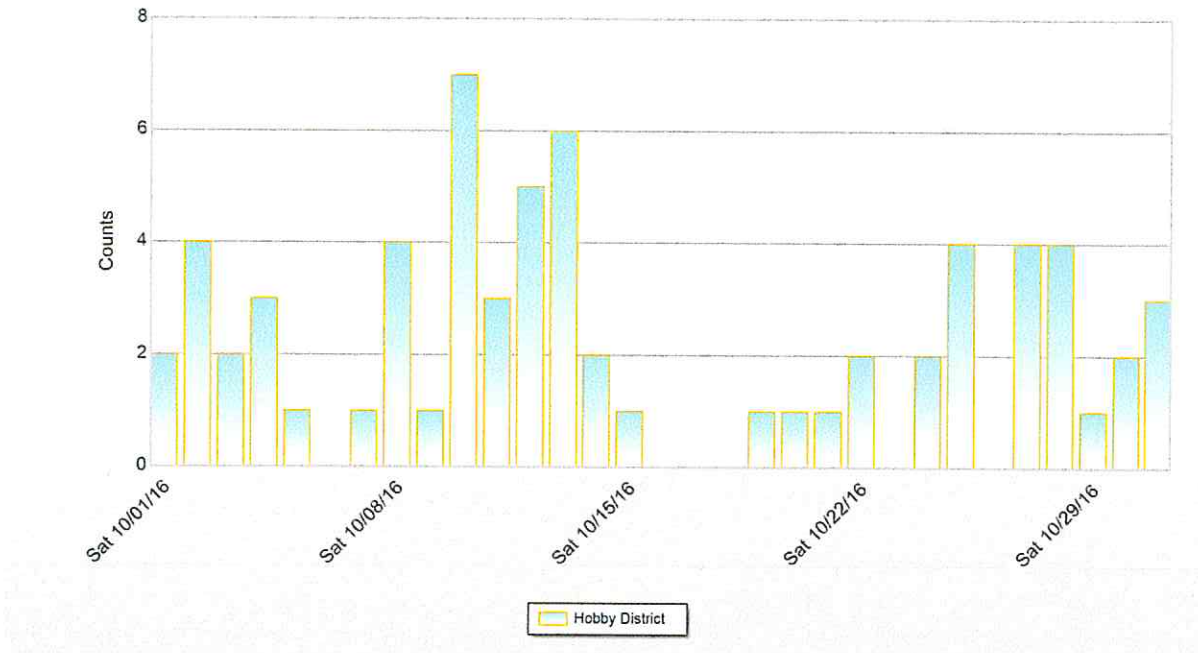
Monday, October 31

12:42 A.M. Officer responded to Best Western, 8778 Airport, regarding several individuals casing the parking lot. Officer spoke with management and patrolled the parking lot and found no one outside.

2:20 P.M. Officer responded to Best Western, 8778 Airport, regarding a suspicious, parked and occupied vehicle in the parking lot. When the officer arrived, he was told by management that the occupant turned out to be visiting a friend who was staying at the motel.

Hobby Area Management HOTLINE: 713.489.6300

Calls Received During the Month:



Call Center

Hobby Area Management Hotline received **67** calls from the district with information and tips.

Criminal Trespass Warnings

There were **2** total criminal trespass warnings issued.

Hobby Year-to-Date Summary

Incident:	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.	YTD
Alarm	1	0	0	0	0	0	0	0	0	0			1
Animal	1	0	0	0	1	0	0	1	2	0			5
Assault	0	0	1	0	0	0	0	0	1	0			2
Assistance	5	11	1	1	4	2	1	7	1	8			41
Burglary/Habitation	5	1	1	1	0	0	0	0	0	2			10
Burglary of Vehicle	27	1	0	1	0	0	1	0	7	11			48
Calls to Call Center	27	30	41	45	39	21	21	33	49	67			373
CTW	5	2	2	3	3	3	2	0	4	2			26
Damage/Defacement	3	1	4	1	5	2	0	0	1	1			18
Disturbance/Noise	4	7	13	6	3	1	1	13	3	3			54
EMS	0	0	3	1	0	2	1	1	2	1			11
Solicitor	1	0	1	1	0	0	0	1	0	0			4
Suspicious Activity	5	8	2	5	10	0	0	0	3	0			28
Suspicious Person	17	21	7	3	9	12	8	5	14	15			111
Suspicious Vehicle	3	1	1	1	1	2	0	3	23	44			79
Theft	1	2	2	5	0	3	3	6	2	2			26
Vehicle Collision	1	0	1	0	0	1	0	1	2	0			6

During our daily patrols, we made contact with several businesses to introduce S.E.A.L. Security to the district and offer our assistance to the owners and employees, as well as support to other security companies working inside the district.

END OF REPORT



Hobby Area Management District
Litter Abatement and Special Projects Crew
 October 2016

Date	Street Cleaned	Milage of ROW Delittered	Milage of ROW Mowed	Bags Filled	Pounds	Bandit Signs Collected	Buisness Fronts Mowed	Special Projects
10/3	Almeda Genoa, Clearwood, Airport	6.2		4	200	30		
10/4	Broadway, Bellfort, Telephone	3.75		4	200	40		
10/5	Telephone, Airport, Bellfort	6.6		5	250	15		
10/6	Airport, Bellfort	0	1	0	0	0	12	
10/10	Almeda Genoa, Clearwood, Airport	5.2		4	200	40		
10/11	Broadway, Bellfort, Telephone	6.6		4	200	25		
10/12	Telephone, Airport, Bellfort	3.9		3	150	30		
10/13	Telephone, Almeda	0	1.5	0	0	0	18	
10/17	Almeda Genoa, Clearwood, Airport	5.2		4	200	30		
10/18	Broadway, Bellfort, Telephone	6.6		5	250	35		
10/19	Telephone, Airport, Bellfort	3.9		3	150	25		
10/20	Almeda Genoa, Monroe	0	2	0	0	0	22	
10/24	Almeda Genoa, Clearwood, Airport	5.2		0	0	0		
10/25	Broadway, Bellfort, Telephone	6.6		4	200	35		
10/26	Telephone, Airport, Bellfort	3.9		4	200	35		
10/27	Monroe, Bellfort	0	2	3	150	40	22	
Total	40	63.65	6.5	47	2350	380	74	0



Hobby Area Management District
Litter Abatement and Special Projects Crew
January to December 2016

Month	Streets Cleaned	Milage of ROW Delittered	Milage of ROW Mowed	Bags Filled	Pounds	Bandit Signs Collected	Business Fronts Mowed	Special Projects
January	36	55	14.5	48	2,400	255	66	0
February	43	50.5	50.5	50.5	2,525	435	78	2
March	52	65.15	50	63	3,150	320	156	0
April	34	54.15	8	75	3,750	310	78	3
May	38	66.7	10	52	2,600	347	92	0
June	51	77.6	17	81	4,100	420	109	2
July	47	81.66	13.5	54.23	2,200	325	85	0
August	54	90.8	12	64.5	3,225	343	86	0
September	54	64.8	11	44	2,200	415	105	0
October	40	63.65	6.5	47	2,350	380	74	
Total	449	670.01	193	579.23	28,500	3550	929	7

2016 Totals



HOBBY AREA MANAGEMENT DISTRICT
(HARRIS COUNTY IMPROVEMENT DISTRICT NUMBER 9)
CITY OF HOUSTON
HARRIS COUNTY, TEXAS

AGENDA MEMORANDUM

TO: Hobby Area Management District Board of Directors
FROM: Executive Director
SUBJECT: Agenda Item Materials

13. Receive the Executive Director's monthly report on actions and initiatives in support of the District's Service Plan.



HOBBY AREA MANAGEMENT DISTRICT

SERVICE PLAN

MONTHLY REPORT

OCTOBER 13, 2016 – NOVEMBER 9, 2016

COMMITTEE ACTIVITY

Business and Economic Development Committee

The Business and Economic Development Committee did not meet in October.

Environmental, Urban Design and Mobility Committee

The Environmental and Urban Design Committee met October 19th.

Public Safety Committee

The Public Safety Committee met on October 19th.

STAFF ACTIVITY

SEPTEMBER 8 – OCTOBER 13, 2016

- The business ambassador made 60 visits during the month. The BA reports that businesses are generally pleased to learn about the District and our services and regularly share information/issues with him. The BA passes along all reports of issues to the Executive Director for follow up.
- Staff made regular updates to the District website and distributed e-news and e-blasts for area partner events.
- Staff continues to work with area partners to promote their events as well as businesses who provide information to the team. See social media reports attached to this report.
- Staff is assisting new event planner with needed information for the planned transition.
- Staff assisted the press, Joshua Chapin with KHOU and Mihir Zaveri with the Houston Chronicle, with information related to the Broadway redevelopment project.
- The mini-mural video project has been completed and can be viewed at the website. This was a pilot project to increase engagement and we will be boosting the video via FB to gauge interest and as a benchmark for future videos.
- Broadway Street Visual Enhancement Project – Signs of improvements are clearly visible along nearly the full length of the Broadway Street corridor, including installation of trees, plants and finish material on several of the medians. All CenterPoint poles are now installed along the roadway. The project remains on track for completion in January 2017.
- ID markers along Broadway Street have been approved by the City of Houston and work is underway to prepare for their placement. Clark Condon Associates is coordinating with staff and EUDM Committee membership regarding design of HAMD markers. Staff is coordinating with the Super Bowl Host Committee regarding their design content.

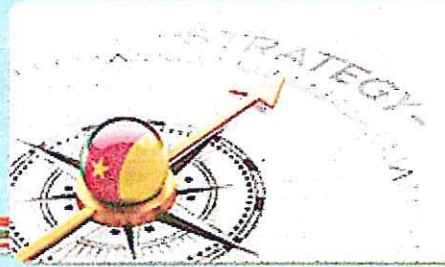
- The Glenbrook Valley neighborhood sign has been resized and approved by the City of Houston. The sign is intended to be complete before Super Bowl LI.
- Clark Condon Associates has presented final conceptual designs of bus shelters along Broadway Street, including a potential mini-bus shelter to be placed at bus stop locations. Next steps include a follow-up meeting with METRO and HAMD approval for detailed design and construction documents for the shelters.
- Mini-Mural Project – Phase 1 was completed. Phase 2 idea development is underway
- Public Safety Initiatives and Reports
 - Received update from S.E.A.L. Security on Public Safety initiatives in the District. Copy included in board book. Discussion of the District's Mobile Security Camera program was presented by Rhedonda Cox.
 - Sgt. Charles Landrum, HPD, DRT, is coordinating efforts in developing historical crime statistics for the HAMD. Due to required training Sgt. Landrum was unable to attend the meeting and report on his activities.
 - An update on RCR program was provided by Tina DeFiore, HAA, RCR Director. She and the HAMD Executive Director worked with Sgt. Young, Community Service, HPD to re-start the Apartment PIP meeting and base it in the Hobby Area District. The first meeting was held on October 18th with 40 attending from 12 properties.

Visit our website to stay up-to-date on Hobby Area news.

[View this email in your browser](#)



HOBBY AREA
DISTRICT



Chairman Perkins represents Hobby Area District at Retail Trade Summit and Expo in Belize

Chairman Danny Perkins recently attended the retail trade summit and expo in Belize. The expo organizers are dedicated to promoting U.S. products, services and investments in Belize. We believe there are many advantages to doing business in Belize. In terms of proximity, culture, language, and currency, Belizeans already have strong linkages in the United States and we are their top trading partner in terms of imports (31%), exports (35%), tourism, and other service related industries.



Pictures from the Livable Center Study Meeting on Oct. 6



Hobby Area Chairman Danny Perkins, Board member Ann Collum and Executive Director Jerry Lowry with the Livable Center study team and Houston-Galveston Area Council after our workshop October 6, 2016. [See more...](#)

CAF Wings Over Houston Airshow



The CAF Wings Over Houston Airshow this October 22nd and 23rd at Ellington Airport is presented by the volunteer efforts of the Houston Wing, Gulf Coast Wing, and Tora! Tora! Tora! of the Commemorative Air Force, with support from the Lone Star Flight Museum in Galveston, the Texas Flying Legends Museum, Collings Foundation-Houston based at Ellington Airport, and the Vietnam War Flight Museum.

Gragg Park Celebrates 100 Years

The Houston Parks and Recreation Department was created in 1916 to oversee the fledgling park system of 750 acres of land and a handful of parks. The system has since grown to over 37,800 acres and 350 parks serving neighborhoods all across the City. In celebration of its 100th anniversary, HPARD held a Citywide Celebration at Gragg Park on October 1st.



HPD Seeks to Raise Awareness of Domestic Violence

Domestic Violence Awareness Month provides an opportunity for the Houston Police Department to bring additional attention to an underreported crime.

Victims are usually, but not always, women, with one in four women experiencing domestic violence in her lifetime. It affects people of all ages and all ethnic, racial and socioeconomic...

Jones Hall Turns 50

In October 1966, Jones Hall was dedicated as our city's first performing arts center, designed to be home to the Symphony, the Opera, the Ballet, and the Society for the Performing Arts (SPA).

Given as a single gift to the city by Houston Endowment, Jones Hall put Houston's performing arts on the national and international map and transformed downtown in a way that no other building has in the past fifty years.