

By: Creighton

S.B. No. 2249

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the East Lake Houston Management District; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle C, Title 4, Special District Local Laws Code, is amended by adding Chapter 3936 to read as follows:

CHAPTER 3936. EAST LAKE HOUSTON MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3936.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "City" means the city of Houston.

(3) "Director" means a board member.

(4) "District" means the East Lake Houston Management District.

Sec. 3936.002. CREATION AND NATURE OF DISTRICT. The district is a special district created under Section 59, Article XVI, Texas Constitution.

Sec. 3936.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city and other political subdivisions to contract with the district, the

1 legislature has established a program to accomplish the public
2 purposes set out in Section 52-a, Article III, Texas Constitution.

3 (b) The creation of the district is necessary to promote,
4 develop, encourage, and maintain employment, commerce,
5 transportation, housing, tourism, recreation, the arts,
6 entertainment, economic development, safety, and the public
7 welfare in the district.

8 (c) The district is created to supplement and not to
9 supplant city services provided in the district.

10 Sec. 3936.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
11 The district is created to serve a public use and benefit.

12 (b) All land and other property included in the district
13 will benefit from the improvements and services to be provided by
14 the district under powers conferred by Sections 52 and 52-a,
15 Article III, and Section 59, Article XVI, Texas Constitution, and
16 other powers granted under this chapter.

17 (c) The creation of the district is in the public interest
18 and is essential to further the public purposes of:

19 (1) developing and diversifying the economy of the
20 state;

21 (2) eliminating unemployment and underemployment;

22 (3) developing or expanding transportation and
23 commerce; and

24 (4) providing quality residential housing.

25 (d) The district will:

26 (1) promote the health, safety, and general welfare of
27 residents, employers, potential employees, employees, visitors,

1 and consumers in the district, and of the public;

2 (2) provide needed funding for the district to
3 preserve, maintain, and enhance the economic health and vitality of
4 the district territory as a residential community and business
5 center; and

6 (3) promote the health, safety, welfare, and enjoyment
7 of the public by providing pedestrian ways and by landscaping,
8 removing graffiti from, and developing certain areas in the
9 district, which are necessary for the restoration, preservation,
10 and enhancement of scenic beauty.

11 (e) Pedestrian ways along or across a street, whether at
12 grade or above or below the surface, and street lighting, street
13 landscaping, vehicle parking, and street art objects are parts of
14 and necessary components of a street and are considered to be an
15 improvement project that includes a street or road improvement.

16 (f) The district will not act as the agent or
17 instrumentality of any private interest even though the district
18 will benefit many private interests as well as the public.

19 Sec. 3936.005. DISTRICT TERRITORY. (a) The district is
20 initially composed of the territory described by Section 2 of the
21 Act enacting this chapter.

22 (b) The boundaries and field notes contained in Section 2 of
23 the Act enacting this chapter form a closure. A mistake in the
24 field notes or in copying the field notes in the legislative process
25 does not affect the district's:

26 (1) organization, existence, or validity;

27 (2) right to issue any type of bond for the purposes

1 for which the district is created or to pay the principal of and
2 interest on a bond;

3 (3) right to impose or collect an assessment or tax; or

4 (4) legality or operation.

5 Sec. 3936.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

6 (a) All or any part of the area of the district is eligible to be
7 included in:

8 (1) a tax increment reinvestment zone created under
9 Chapter 311, Tax Code;

10 (2) a tax abatement reinvestment zone created under
11 Chapter 312, Tax Code;

12 (3) an enterprise zone created under Chapter 2303,
13 Government Code; or

14 (4) an industrial district created under Chapter 42,
15 Local Government Code.

16 (b) If the city creates a tax increment reinvestment zone
17 described by Subsection (a), the city and the board of directors of
18 the zone, by contract with the district, may grant money deposited
19 in the tax increment fund to the district to be used by the district
20 for the purposes permitted for money granted to a corporation under
21 Section 380.002(b), Local Government Code, including the right to
22 pledge the money as security for any bonds issued by the district
23 for an improvement project.

24 (c) A tax increment reinvestment zone created by the city in
25 the district is not subject to the limitations provided by Section
26 311.006(b), Tax Code.

27 Sec. 3936.007. APPLICABILITY OF MUNICIPAL MANAGEMENT

1 DISTRICTS LAW. Except as otherwise provided by this chapter,
2 Chapter 375, Local Government Code, applies to the district.

3 Sec. 3936.008. CONSTRUCTION OF CHAPTER. This chapter shall
4 be liberally construed in conformity with the findings and purposes
5 stated in this chapter.

6 SUBCHAPTER B. BOARD OF DIRECTORS

7 Sec. 3936.051. GOVERNING BODY; TERMS. The district is
8 governed by a board of five voting directors who serve staggered
9 terms of four years with two or three directors' terms expiring June
10 1 of each odd-numbered year.

11 Sec. 3936.052. QUALIFICATIONS OF DIRECTORS APPOINTED BY
12 CITY. To be qualified to serve as a director appointed by the
13 governing body of the city, a person must be:

14 (1) a resident of the district who is also a registered
15 voter of the district;

16 (2) an owner of property in the district;

17 (3) an owner of stock or a partnership or membership
18 interest, whether beneficial or otherwise, of a corporate
19 partnership, limited liability company, or other entity owner of a
20 direct or indirect interest in property in the district;

21 (4) an owner of a beneficial interest in a trust, or a
22 trustee in a trust, that directly or indirectly owns property in the
23 district;

24 (5) an agent, employee, or tenant of a person
25 described by Subdivision (2), (3), or (4); or

26 (6) an initial director.

27 Sec. 3936.053. APPOINTMENT OF DIRECTORS. The governing

1 body of the city shall appoint directors from persons recommended
2 by the board.

3 Sec. 3936.054. VACANCY. If a vacancy occurs on the board,
4 the remaining directors shall appoint a director for the remainder
5 of the unexpired term.

6 Sec. 3936.055. DIRECTOR'S OATH OR AFFIRMATION. (a) A
7 director shall file the director's oath or affirmation of office
8 with the district, and the district shall retain the oath or
9 affirmation in the district records.

10 (b) A director shall file a copy of the director's oath or
11 affirmation with the secretary of the city.

12 Sec. 3936.056. QUORUM. A vacant director position is not
13 counted for purposes of establishing a quorum.

14 Sec. 3936.057. OFFICERS. The board shall elect from among
15 the directors a chair, a vice chair, and a secretary. The offices
16 of chair and secretary may not be held by the same person.

17 Sec. 3936.058. COMPENSATION; EXPENSES. (a) The district
18 may compensate each director in an amount not to exceed \$50 for each
19 board meeting. The total amount of compensation a director may
20 receive each year may not exceed \$2,000.

21 (b) A director is entitled to reimbursement for necessary
22 and reasonable expenses incurred in carrying out the duties and
23 responsibilities of the board.

24 Sec. 3936.059. LIABILITY INSURANCE. The district may obtain
25 and pay for comprehensive general liability insurance coverage from
26 a commercial insurance company or other source that protects and
27 insures a director against personal liability and from all claims

1 relating to:

2 (1) actions taken by the director in the director's
3 capacity as a member of the board;

4 (2) actions and activities taken by the district; or

5 (3) the actions of others acting on behalf of the
6 district.

7 Sec. 3936.060. NO EXECUTIVE COMMITTEE. The board may not
8 create an executive committee to exercise the powers of the board.

9 Sec. 3936.061. BOARD MEETINGS. The board shall hold
10 meetings at a place accessible to the public.

11 Sec. 3936.062. INITIAL DIRECTORS. (a) The initial board
12 consists of:

<u>Pos. No.</u>	<u>Name of Director</u>
<u>1</u>	_____
<u>2</u>	_____
<u>3</u>	_____
<u>4</u>	_____
<u>5</u>	_____

19 (b) The terms of the initial directors expire June 1, 2019.

20 (c) Of the directors who replace an initial director, the
21 terms of directors serving in positions 1 through 3 expire June 1,
22 2021, and the terms of directors serving in positions 4 and 5 expire
23 June 1, 2023.

24 (d) Section 3936.052 does not apply to initial directors
25 under this section.

26 (e) This section expires September 1, 2023.

1 SUBCHAPTER C. POWERS AND DUTIES

2 Sec. 3936.101. GENERAL POWERS AND DUTIES. The district has
3 the powers and duties necessary to accomplish the purposes for
4 which the district is created.

5 Sec. 3936.102. IMPROVEMENT PROJECTS AND SERVICES. The
6 district may provide, design, construct, acquire, improve,
7 relocate, operate, maintain, or finance an improvement project or
8 service using money available to the district, or contract with a
9 governmental or private entity to provide, design, construct,
10 acquire, improve, relocate, operate, maintain, or finance an
11 improvement project or service authorized under this chapter or
12 Chapter 375, Local Government Code.

13 Sec. 3936.103. LOCATION OF IMPROVEMENT PROJECT. An
14 improvement project described by Section 3936.102 may be located:

15 (1) in the district; or

16 (2) in an area outside but adjacent to the district if
17 the project is for the purpose of extending a public infrastructure
18 improvement beyond the district's boundaries to a logical terminus.

19 Sec. 3936.104. DEVELOPMENT CORPORATION POWERS. The
20 district, using money available to the district, may exercise the
21 powers given to a development corporation under Chapter 505, Local
22 Government Code, including the power to own, operate, acquire,
23 construct, lease, improve, or maintain a project under that
24 chapter.

25 Sec. 3936.105. NONPROFIT CORPORATION. (a) The board by
26 resolution may authorize the creation of a nonprofit corporation to
27 assist and act for the district in implementing a project or

1 providing a service authorized by this chapter.

2 (b) The nonprofit corporation:

3 (1) has each power of and is considered to be a local
4 government corporation created under Subchapter D, Chapter 431,
5 Transportation Code; and

6 (2) may implement any project and provide any service
7 authorized by this chapter.

8 (c) The board shall appoint the board of directors of the
9 nonprofit corporation. The board of directors of the nonprofit
10 corporation shall serve in the same manner as the board of directors
11 of a local government corporation created under Subchapter D,
12 Chapter 431, Transportation Code, except that a board member is not
13 required to reside in the district.

14 Sec. 3936.106. AGREEMENTS; GRANTS. (a) As provided by
15 Chapter 375, Local Government Code, the district may make an
16 agreement with or accept a gift, grant, or loan from any person.

17 (b) The implementation of a project is a governmental
18 function or service for the purposes of Chapter 791, Government
19 Code.

20 Sec. 3936.107. LAW ENFORCEMENT SERVICES. To protect the
21 public interest, the district may contract with a qualified party,
22 including the city or a county, to provide law enforcement services
23 in the district for a fee.

24 Sec. 3936.108. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The
25 district may join and pay dues to a charitable or nonprofit
26 organization that performs a service or provides an activity
27 consistent with the furtherance of a district purpose.

1 Sec. 3936.109. ECONOMIC DEVELOPMENT. (a) The district may
2 engage in activities that accomplish the economic development
3 purposes of the district.

4 (b) The district may establish and provide for the
5 administration of one or more programs to promote state or local
6 economic development and to stimulate business and commercial
7 activity in the district, including programs to:

8 (1) make loans and grants of public money; and

9 (2) provide district personnel and services.

10 (c) The district may create economic development programs
11 and exercise the economic development powers that:

12 (1) Chapter 380, Local Government Code, provides to a
13 municipality; and

14 (2) Subchapter A, Chapter 1509, Government Code,
15 provides to a municipality.

16 Sec. 3936.110. REAL PROPERTY RESTRICTIONS. (a) The
17 district may adopt restrictions on the use of real property in the
18 district.

19 (b) The district may enforce restrictions on the use of real
20 property in the district in the manner provided for a municipal
21 utility district by Section 54.237, Water Code.

22 Sec. 3936.111. MUNICIPAL UTILITY DISTRICT POWERS. The
23 district has the powers granted to a municipal utility district by
24 Subchapter D, Chapter 54, Water Code.

25 Sec. 3936.112. CONCURRENCE ON ADDITIONAL POWERS. If the
26 legislature grants the district a power that is in addition to the
27 powers approved by the initial resolution of the governing body of

1 the city consenting to the creation of the district, the district
2 may not exercise that power unless the governing body of the city
3 consents to that change by resolution.

4 Sec. 3936.113. NO EMINENT DOMAIN POWER. The district may
5 not exercise the power of eminent domain.

6 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

7 Sec. 3936.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The
8 board by resolution shall establish the number of signatures and
9 the procedure required for a disbursement or transfer of the
10 district's money.

11 Sec. 3936.152. MONEY USED FOR IMPROVEMENTS OR SERVICES.
12 The district may acquire, construct, finance, operate, or maintain
13 an improvement project or service authorized under this chapter or
14 Chapter 375, Local Government Code, using any money available to
15 the district.

16 Sec. 3936.153. GENERAL POWERS REGARDING PAYMENT OF DISTRICT
17 BONDS, OBLIGATIONS, OR OTHER COSTS. The district may provide or
18 secure the payment or repayment of any bond, note, or other
19 temporary or permanent obligation or reimbursement or other
20 contract with any person and the costs and expenses of the
21 establishment, administration, and operation of the district and
22 the district's costs or share of the costs or revenue of an
23 improvement project or district contractual obligation or
24 indebtedness by:

25 (1) the imposition of an ad valorem tax or sales and
26 use tax or an assessment, user fee, concession fee, or rental
27 charge; or

1 (2) any other revenue or resources of the district, or
2 other revenue authorized by the city, including revenues from a tax
3 increment reinvestment zone created by the city under applicable
4 law.

5 Sec. 3936.154. PETITION REQUIRED FOR FINANCING SERVICES AND
6 IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a
7 service or improvement project with assessments under this chapter
8 unless a written petition requesting that service or improvement
9 has been filed with the board.

10 (b) The petition must be signed by the owners of a majority
11 of the assessed value of real property in the district subject to
12 assessment according to the most recent certified tax appraisal
13 roll for the county.

14 Sec. 3936.155. METHOD OF NOTICE FOR HEARING. The district
15 may mail the notice required by Section 375.115(c), Local
16 Government Code, by certified or first class United States mail.
17 The board shall determine the method of notice.

18 Sec. 3936.156. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)
19 The board by resolution may impose and collect an assessment for any
20 purpose authorized by this chapter in all or any part of the
21 district.

22 (b) An assessment, a reassessment, or an assessment
23 resulting from an addition to or correction of the assessment roll
24 by the district, penalties and interest on an assessment or
25 reassessment, an expense of collection, and reasonable attorney's
26 fees incurred by the district:

27 (1) are a first and prior lien against the property

1 assessed;

2 (2) are superior to any other lien or claim other than
3 a lien or claim for county, school district, or municipal ad valorem
4 taxes; and

5 (3) are the personal liability of and a charge against
6 the owners of the property even if the owners are not named in the
7 assessment proceedings.

8 (c) The lien is effective from the date of the board's
9 resolution imposing the assessment until the date the assessment is
10 paid. The board may enforce the lien in the same manner that the
11 board may enforce an ad valorem tax lien against real property.

12 (d) The board may make a correction to or deletion from the
13 assessment roll that does not increase the amount of assessment of
14 any parcel of land without providing notice and holding a hearing in
15 the manner required for additional assessments.

16 Sec. 3936.157. STORM WATER USER CHARGES. The district may
17 establish user charges related to the operation of storm water
18 facilities, including the regulation of storm water for the
19 protection of water quality in the district.

20 Sec. 3936.158. NONPOTABLE WATER USER CHARGES. The district
21 may establish user charges for the use of nonpotable water for
22 irrigation purposes, subject to approval of the governing body of
23 the city.

24 Sec. 3936.159. COSTS FOR IMPROVEMENT PROJECTS. The
25 district may undertake separately or jointly with other persons,
26 including the city or a county, all or part of the cost of an
27 improvement project, including an improvement project:

1 (1) for improving, enhancing, and supporting public
2 safety and security, fire protection and emergency medical
3 services, and law enforcement in or adjacent to the district; or

4 (2) that confers a general benefit on the entire
5 district or a special benefit on a definable part of the district.

6 Sec. 3936.160. TAX AND ASSESSMENT ABATEMENTS. The district
7 may designate reinvestment zones and may grant abatements of a tax
8 or assessment on property in the zones.

9 Sec. 3936.161. POWERS OF MUNICIPAL UTILITY DISTRICT TO
10 ESTABLISH DEFINED AREAS AND DESIGNATED PROPERTY; TAXES; BONDS. The
11 district has the powers of a municipal utility district under
12 Subchapter J, Chapter 54, Water Code, including the power to:

13 (1) implement a plan;

14 (2) issue bonds; and

15 (3) impose a tax in a defined area established under
16 that subchapter.

17 SUBCHAPTER E. TAXES AND BONDS

18 Sec. 3936.201. TAX ABATEMENT. The district may enter into a
19 tax abatement agreement in accordance with the general laws of this
20 state authorizing and applicable to a tax abatement agreement by a
21 municipality.

22 Sec. 3936.202. PROPERTY TAX AUTHORIZED. (a) The district
23 may impose an ad valorem tax on all taxable property in the district
24 to:

25 (1) pay for an improvement project of the types
26 authorized by Section 52(b), Article III, and Section 59, Article
27 XVI, Texas Constitution, and Chapter 54, Water Code; or

1 (2) secure the payment of bonds issued for a purpose
2 described by Subdivision (1).

3 (b) The district may not impose an ad valorem tax to pay for
4 an improvement project under this chapter unless the imposition is
5 approved by the voters of the district voting at an election held
6 for that purpose. The board may call an election to approve the
7 imposition of an ad valorem tax to pay for an improvement project
8 under this chapter only if the board receives a petition requesting
9 the election signed by:

10 (1) more than 51 percent of the record owners of real
11 property in the district subject to taxation; or

12 (2) owners representing more than 51 percent of the
13 appraised value of real property in the district subject to
14 taxation, as determined by the tax rolls of the appraisal district.

15 Sec. 3936.203. SALES AND USE TAX. (a) The district may
16 impose a sales and use tax if authorized by a majority of the voters
17 of the district voting at an election called for that purpose.
18 Revenue from the tax may be used for any purpose for which ad
19 valorem tax revenue of the district may be used.

20 (b) The district may not adopt a sales and use tax if as a
21 result of the adoption of the tax the combined rate of all sales and
22 use taxes imposed by the district and other political subdivisions
23 of this state having territory in the district would exceed two
24 percent at any location in the district.

25 (c) If the voters of the district approve the adoption of
26 the tax at an election held on the same election date on which
27 another political subdivision adopts a sales and use tax or

1 approves an increase in the rate of its sales and use tax and as a
2 result the combined rate of all sales and use taxes imposed by the
3 district and other political subdivisions of this state having
4 territory in the district would exceed two percent at any location
5 in the district, the election to adopt a sales and use tax under
6 this chapter has no effect.

7 Sec. 3936.204. BONDS AND OTHER OBLIGATIONS. (a) The
8 district may issue, by public or private sale, bonds, notes, or
9 other obligations payable wholly or partly from ad valorem taxes,
10 sales and use taxes, or assessments in the manner provided by
11 Subchapter A, Chapter 372, or Subchapter J, Chapter 375, Local
12 Government Code.

13 (b) In exercising the district's borrowing power, the
14 district may issue a bond or other obligation in the form of a bond,
15 note, certificate of participation or other instrument evidencing a
16 proportionate interest in payments to be made by the district, or
17 other type of obligation.

18 (c) In addition to the sources of money described by
19 Subchapter A, Chapter 372, and Subchapter J, Chapter 375, Local
20 Government Code, district bonds may be secured and made payable
21 wholly or partly by a pledge of any part of the money the district
22 receives from improvement revenue or from any other source.

23 Sec. 3936.205. BOND MATURITY. Bonds may mature not more
24 than 40 years from their date of issue.

25 Sec. 3936.206. TAXES FOR BONDS AND OTHER OBLIGATIONS. At
26 the time bonds or other obligations payable wholly or partly from ad
27 valorem taxes are issued:

1 (1) the board shall impose a continuing direct annual
2 ad valorem tax for each year that all or part of the bonds are
3 outstanding; and

4 (2) the district annually shall impose an ad valorem
5 tax on all taxable property in the district in an amount sufficient
6 to:

7 (A) pay the interest on the bonds or other
8 obligations as the interest becomes due; and

9 (B) create a sinking fund for the payment of the
10 principal of the bonds or other obligations when due or the
11 redemption price at any earlier required redemption date.

12 SUBCHAPTER F. DISSOLUTION

13 Sec. 3936.251. DISSOLUTION BY CITY ORDINANCE. (a) The city
14 by ordinance may dissolve the district.

15 (b) The city may not dissolve the district until the
16 district's outstanding debt or contractual obligations that are
17 payable from ad valorem taxes have been repaid or discharged, or the
18 city has affirmatively assumed the obligation to pay the
19 outstanding debt from city revenue.

20 Sec. 3936.252. COLLECTION OF ASSESSMENTS AND OTHER REVENUE.

21 (a) If the dissolved district has bonds or other obligations
22 outstanding secured by and payable from assessments or other
23 revenue, other than ad valorem taxes, the city shall succeed to the
24 rights and obligations of the district regarding enforcement and
25 collection of the assessments or other revenue.

26 (b) The city shall have and exercise all district powers to
27 enforce and collect the assessments or other revenue to pay:

1 (1) the bonds or other obligations when due and
2 payable according to their terms; or

3 (2) special revenue or assessment bonds or other
4 obligations issued by the city to refund the outstanding bonds or
5 obligations.

6 Sec. 3936.253. ASSUMPTION OF ASSETS AND LIABILITIES. (a)
7 After the city dissolves the district, the city assumes, subject to
8 the appropriation and availability of funds, the obligations of the
9 district, including any bonds or other debt payable from
10 assessments or other district revenue.

11 (b) If the city dissolves the district, the board shall
12 transfer ownership of all district property to the city.

13 SECTION 2. The East Lake Houston Management District
14 initially includes all the territory contained in the following
15 area:

16 Tract 1 or East Lake Houston Tract is +/- 137 acres, within the F.
17 Rankin Survey Abstract (No. 57) and situated southwest of
18 intersection Crosby Huffman Road (Farm-to-Market Road 2100) and Old
19 Atascocita Road in northeast Harris County with point of beginning
20 being southeast corner of +/- 137 acre tract (ABST 57 F H RANKIN TRS
21 8A & 8B) and west Right-Of-Way (ROW) of Crosby Huffman Road (FM
22 2100) and north boundary of Spanish Cove Subdivision Section 2;

23 Then generally west along south boundary of said 137 acre tract, and
24 north boundary of Spanish Cove Subdivision Sections 1-2 to east ROW
25 Union Pacific Railway (former BSL&W);

26 Then northeast along the east ROW of Union Pacific Railway (former
27 BSL&W) to a point southeast of northeast corner of 0.2914 acre

1 parcel (ABST 57 F H RANKIN TRS 8B-1 & 8B-2 (LIFT STATION) (PT NM));
2 Then northwest across ROW of Union Pacific Railway and along south
3 boundary of said +/- 137 acre tract to northeast corner of said
4 0.2914 acre parcel;
5 Then west along south boundary of said +/- 137 acre tract and north
6 boundary of said 0.2914 acre parcel to northwest corner of said
7 0.2914 acre parcel;
8 Then south along boundary line of said +/- 137 acre tract and west
9 boundary of said 0.2914 acre parcel to southwest corner of said
10 0.2914 parcel and north boundary of 0.455 acre parcel (SPANISH COVE
11 SEC 1 LT 44 BLK 1);
12 Then west along boundary line of said +/- 137 acre tract and north
13 boundary of said 0.455 acre parcel, and 0.499 acre parcel (SPANISH
14 COVE SEC 1 LT 43 BLK 1) to southwest corner of said +/- 137 acre
15 tract;
16 Then northeast and north along the west boundary of said +/- 137
17 acre tract to northwest corner of said tract and southwest corner of
18 0.73 acre tract (ABST 57 F H RANKIN TRS 1E 1F 1G & 1K);
19 Then east along north boundary of said +/- 137 acre tract, across
20 ROW of Union Pacific Railway to northeast corner of said tract and
21 west ROW of Crosby Huffman Road (FM 2100);
22 Then south along east boundary of said +/- 137 acre tract and west
23 ROW of Crosby Huffman Road (FM 2100) to southeast corner of said +/-
24 137 acre tract and point of beginning of +/-137 acre Tract 1;
25 Tract 2 or Red Wolf Tract is +/- 298 acres (called 296.28 acres), is
26 situated 1.3 miles northeast of intersection of Humble-Crosby Road
27 (Farm-to-Market Road 2100) and Luce Bayou (trib. to Lake Houston)

1 in northeast Harris County and being out of and a part of the JOHN R.
2 RHEA SURVEY, A-62, Harris County, Texas, and being composed of that
3 called 296.28 acre tract referred to as Exhibit A-2 in deed from
4 Donald T. Keller, Jr., and Sanford G. Cohen as Substitute Trustees
5 to LBP Properties, LLC as recorded in Harris County Clerk's File
6 (HCCF) 20100142110 and that called 0.1261 acre tract conveyed to PB
7 Advantage, LLC, a Texas limited liability company by LBP
8 Properties, LLC, as recorded in HCCF 20110468701 and being more
9 particularly described by metes and bounds as follows:

10 The bearings in this description are based on the Texas State Plane
11 Coordinate System, South Central Zone, NAD 83, as determined from
12 GPS observations.

13 BEGINNING at the northeast corner of a called 296.28 acre tract
14 described in Exhibit "A-2" of HCCF 201001412110, said point being a
15 brass disk in concrete, said point also being an interior corner of
16 a called 530.18 acre tract designated Tract 2 Parcel D in that
17 certain deed to Ned Holmes, recorded in HCCF F520006;

18 THENCE along the east line of the called 296.28 acre tract and a
19 westerly line of the said Holmes tract S 03°06'44" E a distance of
20 3,188.97 feet (called S 00°24'06" E 3,186.25 feet) to a 5/8" iron rod
21 found for corner in the southwest line of a Gulf States Utilities
22 150' easement, same being the northeast line of Fairway Crossing At
23 Lake Houston Sec Two, the map of which is recorded in HCCF# 420032;

24 THENCE N 65°09'42" W along the northeast line of said subdivision
25 and the southwest line of said easement a distance of 1,333.90 feet
26 (called N 62°58'31"W 1,333.99 feet) to a 1/2" iron rod found for
27 corner at the intersection of the northeast line of said Fairway

1 Crossing At Lake Houston Sec Two, and the easterly line of that
2 certain called 14.49712 acre tract referred to as Tract C, Exhibit
3 "2-C" as recorded in HCCF 20100142110;
4 THENCE along the easterly line of said called 14.49712 acre tract as
5 follows:
6 N 80°54'19" E 236.13 feet (called N 82°01'21" E 243.56 feet in the
7 called 296.28 acre description and N 83°50'49" E 235.81 feet in the
8 called 14.49712 acre description) to a 1/2" iron rod found for
9 corner;
10 N 14°01'16" W 928.56 feet (called N 11°17'34" W 926.79 feet in the
11 called 296.28 acre description and N 11°01'17" W 926.79 feet in the
12 called 14.49712 acre description) to a 16d nail found for corner;
13 N 25°46'00" E 391.76 feet (called N 28°05'34" E 381.49 feet in the
14 called 296.28 acre description and N 28°30'46" E 392.75 feet in the
15 called 14.49712 acre description) to a 1/2" iron rod found for
16 corner;
17 N 02°01'06" E 308.36 feet (called N 05°11'44" E 307.39 feet in the
18 called 296.28 acre description and N04°58'01"E 308.33 feet in the
19 called 14.49712 acre description) to a 1/2" iron rod found for
20 corner;
21 N 61°46'38" W 210.87 feet (called N 56°09'08" W 213.35 feet in the
22 called 296.28 acre description and N58°49'35" W 210.71 feet in the
23 called 14.49712 acre description) to a 1/2" iron rod found for
24 corner;
25 S 28°09'20" W 152.72 feet (called S 31°20'05" W 163.96 feet in the
26 called 296.28 acre description and S 31°10'25"W 152.63 feet in the
27 called 14.49712 acre description) to a 1/2" iron rod found for

1 corner;
2 S 61°51'40" E 29.90 feet (called S 58°41'04" E 30.00 feet in the
3 called 296.28 acre description and S 58°49'35"E 30.00 feet in the
4 called 14.49712 acre description) to a bent 1/2" iron rod found for
5 corner;
6 S 19°54'48" W 732.14 feet (called S 22°57'53" W 729.79 feet in the
7 called 296.28 acre description and S 22°53'35" W 732.05 feet in the
8 called 14.49712 acre description) to a 1/2" iron rod found for
9 corner;
10 S 24°55'18" E 724.63 feet (called S 21°38'23" E 725.62 feet in the
11 called 296.28 acre description and S 21°57'23"E 724.64 feet in the
12 called 14.49712 acre description) to 1/2" iron rod found for
13 corner;
14 S 80°53'45" W 342.17 feet (called S 84°10'59" W 339.44 feet in the
15 called 296.28 acre description and S 83°50'49"W 342.64 feet in the
16 called 14.49712 acre description) to a 5/8" iron rod with plastic
17 cap set for corner;
18 S 51°55'05" W 75.08 feet (called S 55°24'45" W 77.82 feet in the
19 called 296.28 acre description and S 4°52'09"W 74.46 feet in the
20 called 14.49712 acre description) to a 1/2" iron rod found for
21 corner;
22 S 55°56'57" W 171.23 feet (called S 59°02'06" W 171.45 feet in the
23 called 296.28 acre description and S 58°53'35" W 171.45 feet in the
24 called 14.49712 acre description) to a 5/8" iron rod found for
25 corner;
26 S 35°29'07" W 491.18 feet (called S 38°34'34" W 490.92 feet in the
27 called 296.28 acre description and S 38°26'03" W 490.92 feet in the

1 called 14.49712 acre description) to a bent 1/2" iron rod found for
2 corner;
3 S 31°08'26" W 85.71 feet (called S 34°13'30" W 85.80 feet in the
4 called 296.28 acre description and S34°05'04"W 85.80 feet in the
5 called 14.49712 acre description) to a 5/8" iron rod found for
6 corner at the northermost corner of the above called 0.1261 acre
7 tract; same being the southwesterly corner of the called 14.49712
8 acre tract;
9 THENCE S 50°37'55" E 92.81 feet (called S 48°03'42" E 94.48 feet)
10 along the southerly line of the called 14.49712 acre tract and the
11 northerly line of the called 0.1261 acre tract to a 5/8" iron rod
12 found for corner at the westernmost corner of Lot 1, Block 4 of
13 Fairway Crossing At Lake Houston Sec Two, the map of which is
14 recorded in Film Code 420032, and being the northwest corner of
15 North Fairway Oaks Drive, a 60' wide right of way;
16 THENCE S 33°15'47" W 60.29 feet (plat call S 36°25'22" W 60.28
17 feet)along the west end of North Fairway Oaks Drive and the east
18 line of the called 0.1261 acre tract to a 1/2" iron rod found for
19 corner at the southwest corner of North Fairway Oaks Drive and the
20 northwest corner of Lot 2, Block 5, same being the northeasterly
21 corner of that certain called 12.68949 acre tract referred to as
22 Tract B, Exhibit "2 B" in the aforementioned HCCF 20100142110;
23 THENCE N 50°37'55" W 90.55 feet (called N 48°03'44" W 92.00 feet in
24 the called 12.68949 acre description) along the south line of the
25 called 0.1261 acre tract and the north line of the called 12.68949
26 acre tract to a bent 1/2" iron rod found at the westernmost corner
27 of the called 0.1261 acre tract and the northwest corner of the

1 called 12.68949 acre tract;
2 THENCE along the westerly line of the called 12.68949 acre tract as
3 follows:
4 S 69°35'25"W 128.56 feet (called S 72°46'05" W 128.85 feet in the
5 called 296.28 acre tract and S 72°37'34"W 128.85 feet in the called
6 12.68949 acre tract) to a 1/2" iron rod found for corner;
7 S 75°15'33"W 892.23 feet (called S 78°21'40" W 892.22 feet in the
8 called 296.28 acre tract and S 78°13'09"W 892.22 feet in the called
9 12.68949 acre tract) to a 1/2" iron rod found for corner;
10 S 45°02'53"W 488.53 feet (called S 48°07'53" W 488.36 feet in the
11 called 296.28 acre tract and S 47°59'22"W 488.36 feet in the called
12 12.68949 acre tract) to a 1/2" iron rod found for corner;
13 S 30°53'17"W 259.05 feet (called S 34°03'03" W 258.86 feet in the
14 called 296.28 acre tract and S 33°54'32"W 258.86 feet in the called
15 12.68949 acre tract) to a 1/2" iron rod found for corner;
16 S 14°22'04"W 125.12 feet (called S 16°58'32" W 125.63 feet in the
17 called 296.28 acre tract and S 16°50'01" W 125.63 feet in the called
18 12.68949 acre tract) to a 5/8" iron rod found for corner;
19 S 58°04'53"W 122.13 feet (called S 61°45'16" W 122.45 feet in the
20 called 296.28 acre tract and S 61°36'45" W 122.45 feet in the called
21 12.68949 acre tract) to a bent 1/2" iron rod found for corner;
22 S 20°15'20"W 79.05 feet (called S 23°00'26" W 79.80 feet in the
23 called 296.28 acre tract and S 22°51'55" W 79.81 feet in the called
24 12.68949 acre tract) to a 1/2" iron rod found for the westernmost
25 corner of the called 12.678949 acre tract and the southernmost
26 corner of the called 296.28 acre tract, said point falling in the
27 north line of Golf View Lane, based on a width of 60 feet; access to

1 Golf View Lane is denied based on a 1' buffer reserve per the
2 recorded plat HCFC 619004;
3 THENCE N 70°04'57"W a distance of 405.90 feet (called N 66°59'31" W
4 407.83 feet) along the north line of Golf View Lane to a 3/4" iron
5 rod found for corner at the intersection of the north line of Golf
6 View Lane and the east line of a certain called 45.88444 acre tract
7 referred to as Tract A, Exhibit 2-A, HCCF 20100142110;
8 THENCE along the east line of the called 45.88444 acre tract as
9 follows:
10 N 27°27'07" E 103.92 feet (called N 34°19'47"E 106.12 feet in the
11 called 296.28 acre tract) to a 1/2" iron rod found for corner;
12 N 00°48'38" E 775.41 feet (called N 04°03'47" E 775.14 feet in the
13 called 296.28 acre tract and N 03°55'16" E 775.14 feet in the called
14 45.88444 acre tract) to a 1/2" iron rod found for corner;
15 N 11°47'50" E 278.92 feet (called N 14°55'16" E 279.03 feet in the
16 called 296.28 acre tract and N 14°46'45" E 379.00 feet in the called
17 45.88444 acre tract) to a 1/2" iron rod found for corner;
18 N 15°01'22" E 125.05 feet (called N 18°07'02" E 125.00 feet in the
19 called 296.28 acre tract) to a 5/8" iron rod set for corner at the
20 southwest corner of a called 0.2006 acre tract referred to as Tract
21 H, Exhibit "2-H" in HCCF 20100142110;
22 THENCE leaving the east line of the called 45.88444 acre tract and
23 along the boundary of the called 0.2006 acre tract the following
24 courses and distances:
25 N 80°23'56" E 88.16 feet (called N 83°29'31" E 88.0 feet in the called
26 296.28 acre tract and called N 83°21'00" E 88.00 feet in the called
27 0.2006 acre tract) to a 5/8" iron rod found for corner;

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1 N 08°02'56" E 104.00 feet (called N 11°08'31" E 104.00 feet in the
2 called 296.28 acre tract and called N 11°00'00" E 104.00 feet in the
3 called 0.2006 acre tract) to a 5/8" iron rod found for corner;
4 N 83°20'05" W 68.24 feet (called N 80°14'30" W 68.09 feet in the
5 called 296.28 acre tract and called N 80°23'01" W 68.09 feet in the
6 called 0.2006 acre tract) to a 5/8" iron rod found for corner in the
7 east line of the called 45.88444 acre tract at the northwest corner
8 of the called 0.2006 acre tract;
9 THENCE along the east line of the called 45.88444 acre tract as
10 follows:
11 N 15°01'22"E 374.10 feet (called N 18°07'02" E 374.33 feet) to a 1/2"
12 iron rod found for corner; N 04°42'24"W 268.97 feet (called
13 N01°36'25"W 269.04 feet in the called 296.28 acre tract and
14 N01°44'56"W 269.04 feet in the called 45.88444 acre tract) to a 5/8"
15 iron rod found for corner;
16 N 08°39'46"W 492.91 feet (called N 05°34'11" W 492.91 feet in the
17 called 296.28 acre tract and N05°42'42"W 492.91 feet in the called
18 45.88444 acre tract) to a 1/2" iron rod found for corner;
19 N 27°20'18"W 157.05 feet (called N 24°24'44" W 154.74 feet in the
20 called 296.28 acre tract and N24°33'15"W 154.74 feet in the called
21 45.88444 acre tract) to a 1/2" iron rod found for corner;
22 THENCE N 35°22'31"E 38.49 feet (called N 36°20'10" E 40.09 feet in
23 the called 296.28 acre tract and N36°12'07"E 40.09 feet in the
24 called 45.88444 acre tract) to a 1/2" iron rod found for the
25 northeast corner of the called 45.88444 acre tract;
26 THENCE N 86°36'57"E 126.94 feet (called N 89°43'13" E 126.82 feet in
27 the called 296.28 acre tract) to a 1/2" iron rod found for corner

1 same being the southeast corner of a called 17.75276 acre tract
2 referred to as Tract D, Exhibit "2-D" as recorded in HCCF
3 20100142110;

4 THENCE along the perimeter of the called 17.75276 acre tract as
5 follows:

6 N 43°50'37" E 581.47 feet (called N 46°57'34" E 581.37 feet in the
7 called 296.28 acre tract and N 46°49'03"E 581.37 feet in the called
8 17.75276 acre tract) to a 1/2" iron rod found for corner;

9 N 49°55'28" E 351.83 feet (called N 53°01'09" E 351.94 feet in the
10 called 296.28 acre tract and N 52°52'38"E 351.94 feet in the called
11 17.75276 acre tract) to a 1/2" iron rod found for corner;

12 N 81°25'46" E 316.32 feet (called N 84°30'32" E 315.99 feet in the
13 called 296.28 acre tract and N 84°22'01"E 315.99 feet in the called
14 17.75276 acre tract) to a 1/2" iron rod found for corner;

15 S 28°09'17" E 207.98 feet (called S 24°59'15" E 208.09 feet in the
16 called 296.28 acre tract and S 25°07'54"E 208.29 feet in the called
17 17.75276 acre tract) to a 1/2" iron rod found for corner;

18 S69°24'27" E 688.15 feet (called S 66°21'05" E 688.15 feet in the
19 called 296.28 acre tract and S 66°29'36"E 688.15 feet in the called
20 17.75276 acre tract) to a 1/2" iron rod found for corner;

21 N79°02'26"E 754.79 feet (called N 82°10'03" E 754.71 feet in the
22 called 296.28 acre tract and N 82°01'32"E 754.71 feet in the called
23 17.75276 acre tract) to a 1/2" iron rod found for corner;

24 S61°49'53"E 48.38 feet (called S 58°41'04" E 48.22 feet in the called
25 296.28 acre tract and S 58°49'35"E 48.22 in the called 17.75276 acre
26 tract) to a 5/8" iron rod found for corner;

27 N28°09'20"E 152.63 feet (called N 31°20'05" E 163.98 feet in the

1 called 296.28 acre tract and N 31°10'25"E 152.63 feet in the called
2 17.75276 acre tract) to a 1/2" iron rod found for corner;
3 N61°47'48"W 110.97 feet (called N 59°05'52" W 110.91 feet in the
4 called 296.28 acre tract and N58°49'35"W 110.91 feet in the called
5 17.75276 acre tract) to a 1/2" iron rod found for corner;
6 S85°38'08"W 703.20 feet (called S88°02'49" W 707.15 feet in the
7 called 296.28 acre tract and S88°35'31"W 703.22 feet in the called
8 17.75276 acre tract) to a 1/2" iron rod found for corner;
9 N 66°18'11"W 578.25 feet (called N 63°08'04" W 576.35 feet in the
10 called 296.28 acre tract and N 63°20'34"W 578.20 feet in the called
11 17.75276 acre tract) to a 1/2" iron rod found for corner;
12 N 07°07'29"E 119.96 feet (called N 09°48'52" E 120.00 feet in the
13 called 296.28 acre tract and N 10°05'09"E 120.00 feet in the called
14 17.75276 acre tract) to a 1/2" iron rod found for corner;
15 N 72°30'45"W 254.23 feet (called N 69°30'15" W 254.67 feet in the
16 called 296.28 acre tract and N 69°29'18"W 254.20 feet in the called
17 17.75276 acre tract) to a 1/2" iron rod found for corner;
18 S 77°07'40"W 613.42 feet (called S80°11'27" W 613.36 feet in the
19 called 296.28 acre tract and S 80°02'56"W 613.36 feet in the called
20 17.75276 acre tract) to a 1/2" iron rod found for corner;
21 S 66°31'16"W 74.51 feet (called S 69°48'19" W 74.55 feet in the
22 called 296.28 acre tract and S 69°39'48"W 74.55 feet in the called
23 17.75276 acre tract) to a 1/2" iron rod found for corner;
24 S 41°44'01"W 900.90 feet (called S 44°50'16" W 901.02 feet in the
25 called 296.28 acre tract and S 44°41'45"W 901.02 feet in the called
26 17.75276 acre tract) to a 1/2" iron rod found for corner at the
27 southwest corner of the called 17.75276 acre tract;

1 THENCE S 13°30'17"E 76.76 feet (called S 10°19'13"E 76.41 feet in the
2 called 296.28 acre tract) to a 1/2" iron rod found at the northwest
3 corner of the previously mentioned called 45.88444 acre tract;

4 THENCE continuing along the west line of the called 45.88444 acre
5 tract as follows:

6 S 55°35'24" W 145.50 feet (called S 58°34'17" W 145.44 feet in the
7 called 296.28 acre tract and S 58°25'45"W 145.44 feet in the called
8 45.88444 acre tract) to a 1/2" iron rod found for corner;

9 S 00°34'21" W 338.38 feet (called S 03°41'22" W 338.21 feet in the
10 called 296.28 acre tract and S 03°32'51"W 338.21 feet in the called
11 45.88444 acre tract) to a 1/2" iron rod found for corner;

12 S 12°53'23" E 563.12 feet (called S 09°47'24" E 563.17 feet in the
13 called 296.28 acre tract and S 09°55'55"E 563.17 feet in the called
14 45.88444 acre tract) to a 1/2" iron rod found for corner;

15 S 23°05'47" W 500.11 feet (called S 26°11'56" W 518.43 feet in the
16 called 296.28 acre tract) to the center of Mexican Gully and the
17 northernmost corner of Lot 4, Block 1 of Fairway Crossing At Lake
18 Houston Sec 6, the map of which is recorded in HCCF 619004;

19 THENCE along the centerline of Mexican Gully and the north line of
20 Fairway Crossing At Lake Houston Sec 6 the following courses and
21 distances:

22 S 78°19'25" W 159.62 feet;

23 S 58°33'36" E 50.18 feet;

24 S 56°10'34" W 88.29 feet;

25 S 69°58'30" W 134.39 feet;

26 N 48°59'41" W 200.44 feet;

27 S 68°19'46" W 248.22 feet;

1 S 01°06'53" E 150.83 feet;
2 S 67°24'23" W 245.65 feet;
3 S 47°42'48" W 139.43 feet;
4 S 12°08'51" E 74.49 feet;
5 S 15°19'27" E 121.44 feet to the center of Luce Bayou;
6 THENCE along the center of Luce Bayou as follows:
7 N 86°30'53" W 39.56 feet;
8 S 89°52'33" W 129.23 feet;
9 N 70°38'13" W 178.22 feet;
10 N 58°56'28" W 146.63 feet;
11 N 34°52'28" W 137.27 feet;
12 N 12°26'05" W 211.68 feet;
13 N 23°10'46" E 87.01 feet;
14 N 54°16'47" E 83.54 feet;
15 N 25°54'48" E 133.66 feet;
16 N 55°01'33" E 55.56 feet;
17 N 21°22'10" E 106.67 feet;
18 N 53°49'00" E 86.13 feet;
19 S 65°31'41" E 93.18 feet;
20 S 59°07'21" E 87.78 feet;
21 S 36°39'52" E 78.63 feet;
22 N 54°27'19" E 255.38 feet;
23 N 04°28'28" E 236.87 feet;
24 S 88°02'08" E 373.40 feet;
25 N 21°24'47" E 130.93 feet;
26 N 28°58'59" W 310.88 feet;
27 N 55°56'15" W 276.86 feet;

1 N 16°17'33" W180.44 feet;
2 N 28°42'30" W175.44 feet;
3 N 45°33'12" E324.30 feet;
4 N 19°10'00" E200.32 feet;
5 S 85°37'21" E129.05 feet;
6 S 12°10'03" W162.50 feet;
7 S 66°28'37" E214.05 feet;
8 N 71°24'50" E176.10 feet;
9 N 32°58'25" W471.75 feet;
10 N 23°27'47" E147.60 feet;
11 S 59°20'36" E281.49 feet;
12 N 04°07'09" E75.17 feet;
13 N 20°56'02" W293.88 feet;
14 N 31°07'23" E133.76 feet;
15 N 40°22'47" E236.30 feet;
16 S 52°04'44" E175.06 feet;
17 S 85°46'53" E217.37 feet;
18 N 72°02'52" E142.62 feet;
19 S 64°19'26" E130.86 feet;
20 N 47°10'33" E249.93 feet;
21 N 47°32'27" E 40.03 feet to a point in the north line of the called
22 296.28 acre tract and the south line of the Ned Holmes Tract 2
23 Parcel D Called 530.18 acre tract described in HCCF# F52006;
24 THENCE along the north line of the called 296.28 acre tract and the
25 south line of the Holmes tract N 87°14'06" E (called S 89°55'11" E) at
26 603.11 pass a concrete monument with brass disk, and continuing for
27 a total distance of 3,252.43 feet (called 3,240.28 feet) to the

1 place of BEGINNING of Tract 2, containing 12,983,894 square feet,
2 or 298.069 acres of land, more or less (called 296.28 acres).

3 The meanders along Luce Bayou were determined from aerial
4 photography for the purposes of calculating acreage. The actual
5 boundary along this line is the center of the creek.

6 SECTION 3. (a) The legal notice of the intention to
7 introduce this Act, setting forth the general substance of this
8 Act, has been published as provided by law, and the notice and a
9 copy of this Act have been furnished to all persons, agencies,
10 officials, or entities to which they are required to be furnished
11 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
12 Government Code.

13 (b) The governor, one of the required recipients, has
14 submitted the notice and Act to the Texas Commission on
15 Environmental Quality.

16 (c) The Texas Commission on Environmental Quality has filed
17 its recommendations relating to this Act with the governor,
18 lieutenant governor, and speaker of the house of representatives
19 within the required time.

20 (d) The general law relating to consent by political
21 subdivisions to the creation of districts with conservation,
22 reclamation, and road powers and the inclusion of land in those
23 districts has been complied with.

24 (e) All requirements of the constitution and laws of this
25 state and the rules and procedures of the legislature with respect
26 to the notice, introduction, and passage of this Act have been
27 fulfilled and accomplished.

1 SECTION 4. This Act takes effect immediately if it receives
2 a vote of two-thirds of all the members elected to each house, as
3 provided by Section 39, Article III, Texas Constitution. If this
4 Act does not receive the vote necessary for immediate effect, this
5 Act takes effect September 1, 2017.