

CITY OF TEXAS CITY, TEXAS

ENGINEERING & PLANNING • OFFICE (409) 643-5936



Mayor:
Dedrick Johnson, Sr

Commissioners:
Abel Garza, Jr.
Thelma Bowie
DeAndre' Knoxson
Dorthea Jones Pointer
Felix Herrera
Jami Clark

TO: Planning Board – regular meeting on March 18, 2024

FROM: Kim Golden, P.E., City Engineer 

CC: Doug Kneupper, P.E., Consultant

DATE: March 15, 2024

RE: Vida Costera – Affirmation of PUD and re-zoning to District I – Planned Unit Development.

Background: The City Commission approved the annexation of 248 acres into Galveston County Mud 66 by metes and bounds legal description attached thereto by Resolution 05-130 adopted on 11/2/2005. AT that same meeting the City Commission also approved by Resolution 05-131 a Memorandum of Understanding for the development of the 248 acres which included among other conditions the creation of a Planned Unit Development ("PUD") governing the development of the Property.

Approximately two year later, on 8/15/2007 by Resolution 2007-101 The City Commission approved the execution of a Development Agreement with Highway 66 Partners in connection with the development of the 248 acres annexed into MUD 66 plus additional properties added subsequent thereto which made the total 310 acres. Article 3.01 of the Development Agreement required the Developer to pay a Municipal Facilities fee of \$500 per lot to the City on or before the recordation of the final plat of such lots for the construction of the municipal use facilities to be constructed to serve the area of the City in which the Property is located. Article 4.01 required the Developer to develop or cause any undeveloped Property to be developed in accordance with the latest General Plan approved by the City; and, Article 4.02 required the Project to be developed as a Planned Unit Development (PUD) in accordance with the Zoning Code, and that such PUD should include but not be limited to (1) proposed land uses; (2) maximum number of housing units; (3) number of lots; (4) sizes of the lots; (5) housing types; (6) prospective commercial uses; (7) street and circulation system/arterial plan; (8) development schedule; (9) request for variance to the development code; (10) typical street cross section with proposed landscaping standards; (11) bulk head material; (12) estimated construction value of housing by lot size; (13) proposed amenities plan; (14) utility (water and sewer) plant and sites and truck lane locations; (15) storm water plan; (16) Municipal Utility District boundaries; (17) any likely alternative development scenario; (18) if a municipal services site is dedicated, it must be shown in the PUD Conceptual Plan. Article 6.03 made the agreement binding as to successors and assigns of the Developer.

"QPS – Quality Public Service"

Through the approved MOU and Development Agreement, the entire PUD/Special District (MUD 66) project which includes the area which has been developed as the Vida Costera Subdivision is required to have the amenities, sidewalks, connectivity package per **Exhibit A** attached hereto as presented and represented to the City for the approval that was granted and allowed the project to move forward. The Master Plan presented by Hwy 66 Partners and believed to have been approved by the City as its General Plan is attached as **Exhibit B**. **The Pearlbrook Subdivision was developed in accordance with this approved General Plan.** The Hwy 66 Partners general plan as presented to the City Commission also showed the development of 225 lots, typical 60ft by 115ft in the area which has been developed as the Vida Costera Subdivision.

Applicant, KBHomes, is a successor to Developer Hwy 66 Partners and therefore bound by the Development Agreement. KB Homes is the developer of Vida Costera Subdivision, a subdivision 49.89 acres out of the S.A. & M.G.R.R. Survey, A-189 and John Sellers Survey, A-180, Texas City, Galveston County, TX), being 204 lots of typical width 50ft, in five blocks with 13 reserves totaling 9.7 acres, all of which is situated wholly within the 248 acres annexed into MUD 66 and subject to the conditions of the MOU and Development Agreement which required the development of the property as a PUD.

Although Ordinance No. 09-27 permanently rezoned a portion of the acreage annexed into MUD 66 from District A Single Family Residential to District I – Planned Unit Development, the legal description attached to the ordinance DID NOT include the area which has been developed as the Vida Costera Subdivision.

In October 2020, Developer KBHomes presented a revised Master Plan, **Exhibit C**, and Open Space Plan, **Exhibit D**, which was approved by the Planning Board on November 2, 2020. The 53.1544-acre Master Plan included a 3-acre future commercial tract at the northeast corner, which is not owned or controlled by Developer, KBHomes. Developer proceeded with preliminary and final platting in accordance with said approved Master Plan and Open Space and Amenities Plan. However, no record has been found that the area was ever rezoned from District A Single Family Residential to District I – Planned Unit Development.

Developer KBHomes is nearing completion of construction of the infrastructure for Section 1 in accordance with approved plans and specifications and desires to finalize the formation and permanent rezoning from District A Single Family Residential to District I – Planned Unit Development as required by the Development Agreement.

Requested Action: Developer KBHomes seeks to satisfy the requirements of the Development Agreement to establish a Planned Unit Development (PUD) in accordance with the General Plan approved by the City Commission and to complete the process of rezoning the Vida Costera Subdivision to District I – Planning Unit Development. Developer's request is limited to the 49.89 acres it controls and does not include the 3-acre future commercial tract at the northeast corner shown in the Master Plan approved by the Planning Board in October 2020.

Staff Review and Analysis: The February 20, 2024, PUD Application (2024 Plan) varies from the General Plan approved by the Planning Board in October 2020 because it proposes to develop only 50x120ft lots instead of 60x115ft, but otherwise complies with approved General Plan regarding amenities, sidewalks, and connectivity package. The 2024 Plan is consistent with the preliminary plats previously approved for Sections 1 and 2, and the final plat approved for Section 1.

The Planning Board receives this PUD Application in an unusual posture because the subdivision is already well into development. The PUD Application and attendant re-zoning are intended to complete the processes established by Texas City Ordinances and fulfill the requirements of the MOU and Development Agreement which are attached to the property being developed.

The PUD Application includes an updated Development Schedule, District E which reconciles previous approvals and the Developer's most current intentions regarding development and buildout of the subdivision.

Developer has responded to all comments and Staff offer no object to approval of the PUD Application and recommendation for re-zoning of the subject property from District A – Single Family Residential to District I – Planned Unit Development.

EXHIBIT A



Pearlbrook
Estates



45 South

Mall of Mainland

Palmer Hwy

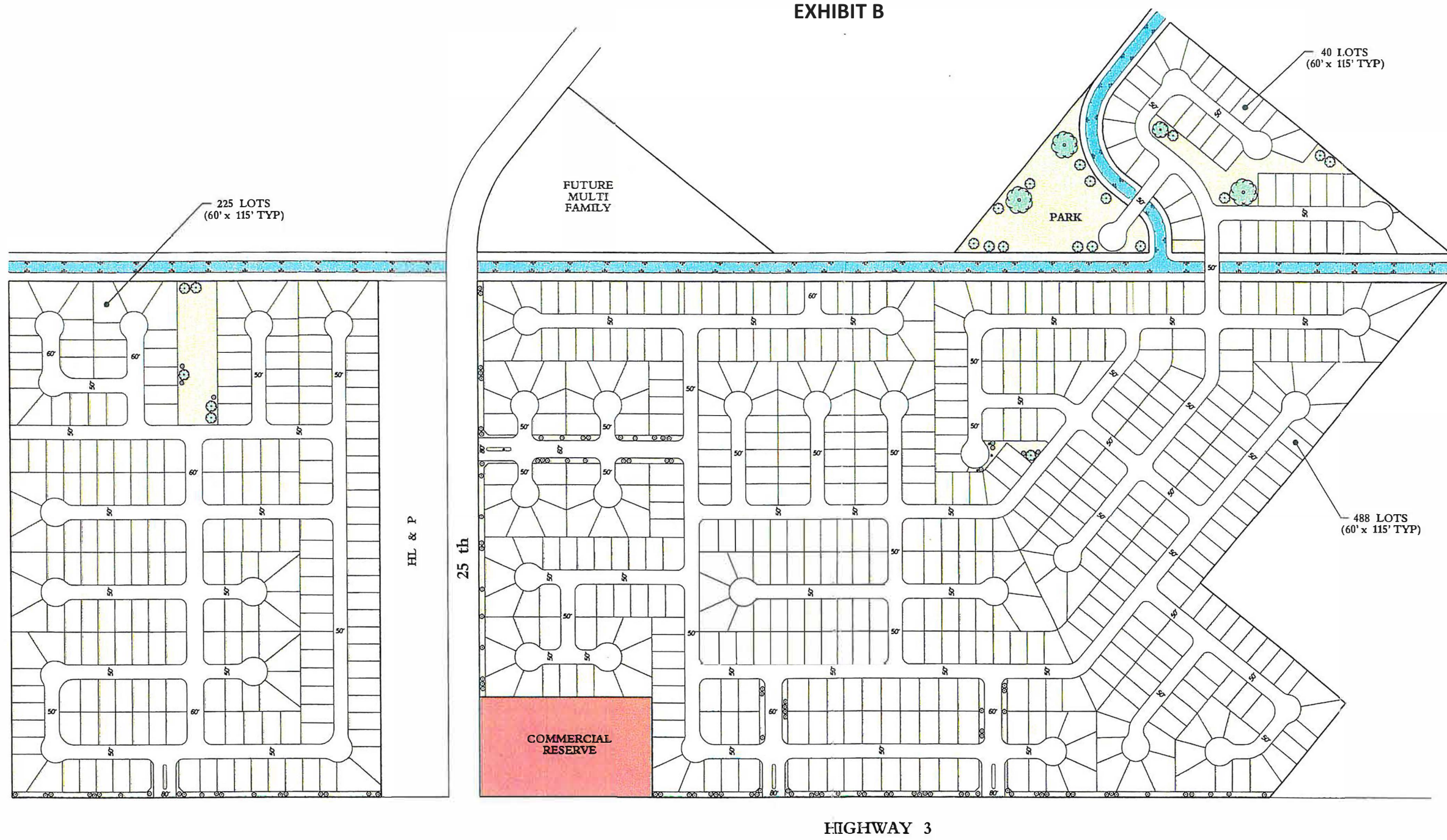
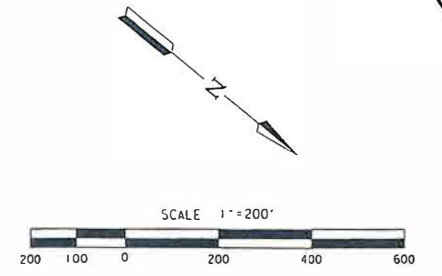
College of Mainland

Mainland
Medical
Center

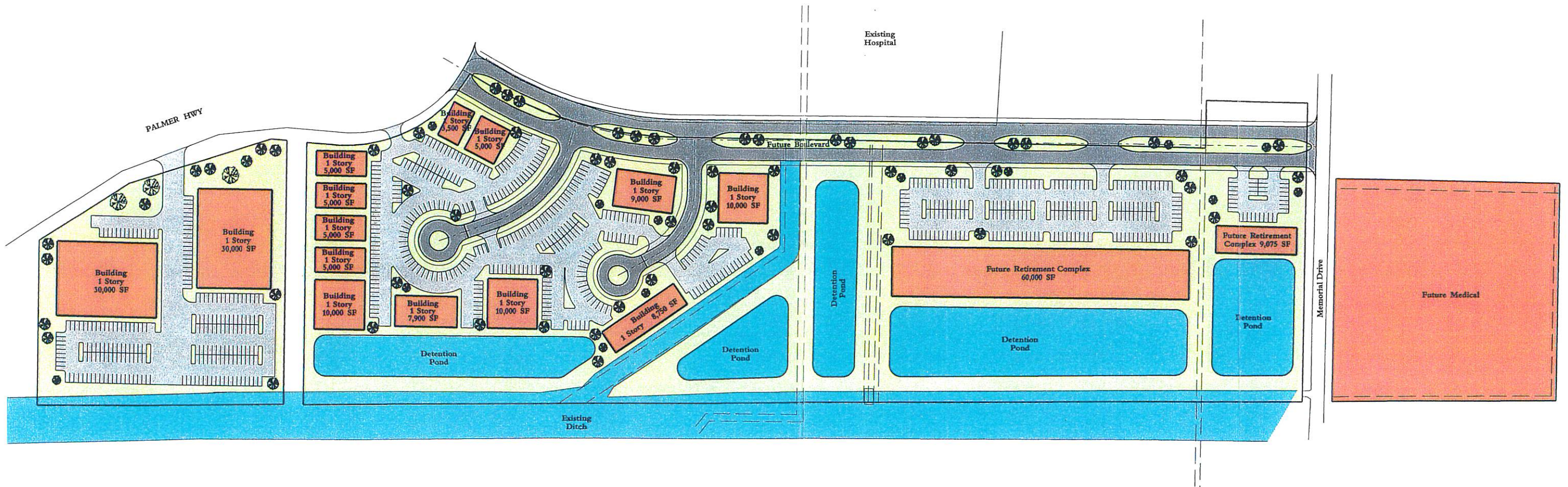
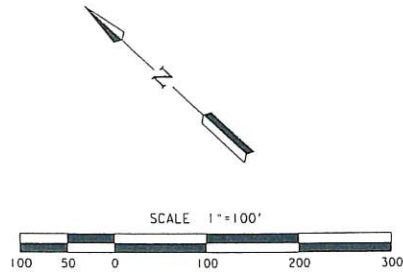
State Hwy 3



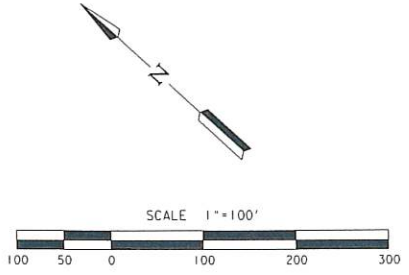
EXHIBIT B



Conceptual Plan
± 202 AC TRACT
TEXAS CITY, TEXAS
prepared for
IMPAC PARTNERS, INC
753 TOTAL LOTS
(60' x 115')

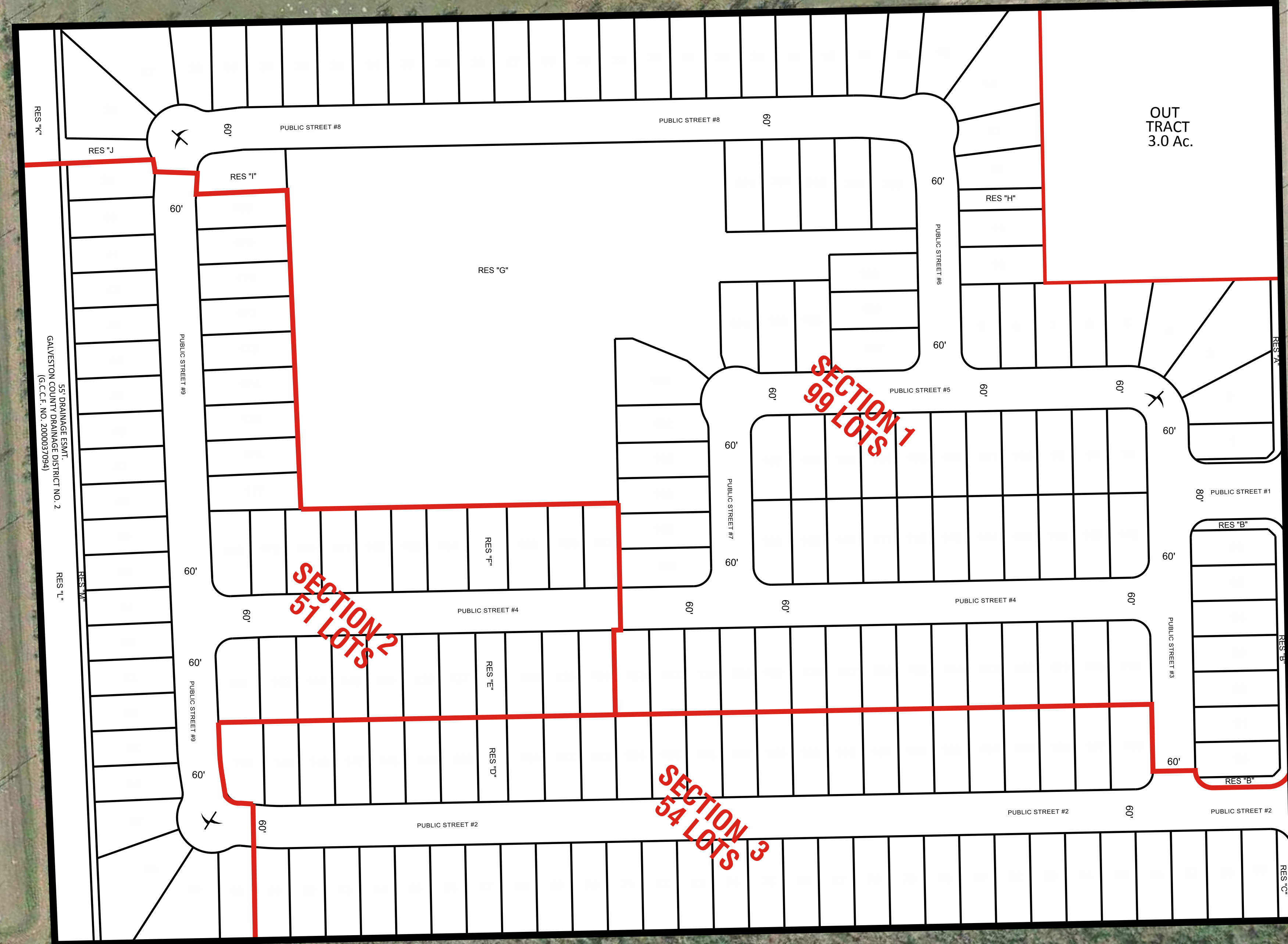


Conceptual Plan
MEDICAL SUBDIVISION
±35.3073 AC TRACT
 TEXAS CITY, TEXAS
 prepared for
IMPAC PARTNERS, INC



Conceptual Plan
PATIO HOMES
± 23.60 AC TRACT
TEXAS CITY, TEXAS
prepared for
IMPAC PARTNERS, INC

EXHIBIT C
25TH AVENUE N
(120' R.O.W.)
(VOL. 3075, PG. 133 G.C.D.R.)
(G.C.C.F. NO. 8648578)



E:\151-141-401\Plan\Plan\SubdivisionMasterPlan_2020-10-15.dwg Oct 29, 2020 3:08pm Edited by: bweitzer

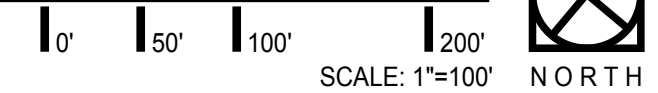
Vida Costra Subdivision Master Plan

A Subdivision of 53.1544 acres out of the S.A. & M.G. R.R. Survey, A-189 and John Sellers Survey, A-180, Texas City, Galveston County, Texas.

204 Lots, 5 Blocks and 13 Reserves Totalling 9.70 Acres

Owner/Developer: KB Home Lone Star Inc., 11314 Richmond Avenue, Houston, TX, 77082. (877)238.4720.

October 15, 2020



10011 MEADOWGLEN LANE
HOUSTON, TEXAS 77042
713.784.4500
EHRAINC.COM
TBPE No. F-726
TBPLS No. 10092300

EHRA JOB NO. 181-014-00
No warranty or representation of intended use, design or proposed improvements are made herein. All Plans for land or facilities are subject to change without notice.

EXHIBIT D

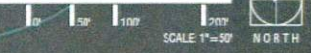
 PARKLAND AREA: 1.89 ACRES



VIDA COSTERA OPEN SPACE AMENITIES PLAN

Conceptual drawing of subdivision located in Galveston County, Texas. Details are subject to change.

October, 2020



EHRA
ENGINEERING THE FUTURE
SINCE 1994

10011 MEADOWGLEN LAKE
HOUSTON, TEXAS 77042
713.784.4500
EHRAMC.COM
TBPE No. F-726
TBPLS No. 18092300

EHRA JOB NO.
181-014-00

No warranty or representation of intended use, status or proposed improvements are made herein. All Plans for each of facilities are subject to change without notice.

**TEXAS CITY PUD APPLICATION
VIDA COSTERA DEVELOPMENT**

Prepared For
KB Home
Lone Star Inc.

**Submitted by
EHRA ENGINEERING, INC.
February 20, 2024**

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Texas City PUD Application

The following application is submitted under Section 160.050 “District I (PUD) Planned Unit Development”.

Project

The following application is submitted under Section 160.050 District I (PUD), Planned Unit Development.

This planned development document was created in accordance with City of Texas City (City) ordinances related to the “District I (PUD) Planned Unit Development”. The purpose of this document is to encourage the development of the subject property and to promote the most compatible land use within the community.

The Vida Costera project is a 49.89-acre tract of land, located southwest of State Highway 3 and southeast of 25th Avenue North (Subject Tract). KB Home Lone Star Inc. (Developer) is the owner of Subject Tract, and it intends to develop the property as a single-family residential community, complete with stormwater detention facilities, parks, and open space. It is a part of Galveston County Municipal Utility District No. 66 (MUD). Exhibit A – “Project Survey” further illustrates the location of Subject Tract.

For a brief background on the Project, the Subject Tract is party to a Development Agreement (Resolution No. 07-101) approved by the City in 2007 (Exhibit J). This Development Agreement stipulated that the Subject Tract be zoned as a PUD District upon development. Since then, the Subject Tract has been conveyed multiple times to different entities until it was finally conveyed to the current Developer in 2019. However, the Developer was not made aware of the requirement for the Subject Tract to be zoned as “District I (PUD) Planned Unit Development”, and it was not enforced until now. Nonetheless, a subdivision master plan, multiple plats, and construction plan sets have been approved by the City. Section 1 of the Project has been constructed, and home construction is now underway. This PUD application is presented to satisfy the zoning requirements of the Development Agreement.

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Project Details

1. Exhibit B – “Conceptual Lotting Plan” depicts the conceptual lotting plan with the proposed land uses for the tract. The 203 single family detached lots are designed at typical dimensions of 50’ in width by 120’ in depth, ranging from 6,000 to 13,500 square feet, with homes that are expected to range in sales price from \$202,995 to \$300,995. The community will incorporate walking/jogging trails as well as +/- 2.6 acres of park/greenspace with a playground, seating areas, and landscaped entry reserves as displayed on Exhibit C – “Open Space Amenities Plan”.
2. The density of the project will be approximately 4.1 units per acre, and there will be no non-residential uses. Homes in the project will be a mix of one or two stories.
3. The property drains into a stormwater detention pond in the center of the project which outfalls into the 55-foot-wide Galveston County Drainage District No. 2 drainage easement adjacent to the southwest boundary of the property. No portion of this tract lies within the floodplain.
4. The project consists of three separate sections of single family lots with typical dimensions of 50’ wide by 120’ deep. A Subdivision Master Plan was approved in November of 2020 (Exhibit F). The +/- 3.0 acre out tract included in the northern corner of the Subdivision Master Plan is not a part of this PUD application because it is not owned by the Developer. The Section 1 final plat (Exhibit G) has been recorded by the City (G.C.M.R. 2023003386). The Section 1 infrastructure has been constructed and it has been accepted by the City into its maintenance period. Several Homes are under construction. The Section 2 final plat was approved by the City Planning Board on January 9, 2023 and will be recorded upon completion of construction. The Section 3 preliminary plat was submitted to the City in August of 2022, but no action has been taken on it.
5. As illustrated on the current Texas City Zoning Map on the City’s website, the project is zoned as “District A Single Family Residential”, permitting a minimum 50’ lot width and a minimum 100’ lot depth with a minimum square footage of 6,000. A portion of the property resides within the Gateway Corridor Overlay District. The existing zoning classifications for the subject property and surrounding properties are further illustrated on Exhibit D – “Zoning Map”.

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Developer Obligations

Upon adoption of the PUD, the Developer will commit to the following:

1. The property will be developed under the general time frame presented in “Exhibit E.”
2. At a minimum, the developer will provide green space/trails as delineated in “Exhibit C”.
3. The Developer has already formed a homeowner’s association (“HOA”) for the community. The HOA will be responsible for all subdivision and common area maintenance other than drainage and detention maintenance which will be maintained by the MUD
4. The Developer will commit that development and buildout will follow all Texas City ordinances and regulations, except as otherwise mentioned herein.
5. Building Regulations – all residential structures shall consist of a minimum of 60% brick, stone or masonry exclusive of doors, windows, window walls and garage doors unless otherwise approved by the Planning Board. For residential structures adjacent to S.H. 3 and within 300 feet of S.H. 3, 100% of the total exterior walls which may be seen from any public thoroughfare shall be constructed of brick, stone, or masonry.

City Obligations

Upon adoption of the PUD, the City will commit to the following:

1. The City shall review and act upon plats in a manner consistent with the provisions of Chapter 212 of the Texas Local Government Code.

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Exhibit 'A-2' - Legal Description

**METES AND BOUNDS DESCRIPTION
49.887 ACRES IN THE
JOHN SELLERS SURVEY, A-180 AND THE
S.A. & M.G. R.R. SURVEY, A-189
GALVESTON COUNTY, TEXAS**

49.887 acres of land situated in the John Sellers Survey, A-180 and the S.A. & M.G. R.R. Survey, A-189, Galveston County, Texas, being out of Lots 18-23 of the Motor Subdivision as recorded in Volume 254-A, Page 13 of the Galveston County Map Records (G.C.M.R.) and being a portion of that certain called 49.887 acre tract of land as conveyed to KB Home Lone Star Inc and described in deed recorded under Galveston County Clerk's File Number (G.C.C.F. No.) 2019051058, and being all of Vida Costera Sec 1 Final Plat as recorded in Instrument No. 2023003386 under the Galveston County Map Records: said 49.887 acre tract of land being more particularly described by metes and bounds as follows: (bearing orientation is based on the Texas Coordinate System of 1983, South Central Zone):

BEGINNING at a 5/8 inch iron rod with cap stamped "EHRA 713-784-4500" found at the southwesterly corner of Lot 24 of said Motor Subdivision, being the northwest corner of said Lot 23, the southwesterly corner of said Vida Costera Sec 1 and being in the northeasterly line of a 40 foot Roadway recorded under Volume 254-A, Page 13 G.C.M.R.;

- (1) **Thence**, N 48°53'25" E, with the common line of Lots 23 and 24 and said Vida Costera Sec 1, a distance of 1,451.97 feet to a 5/8 inch iron rod with cap stamped "EHRA 713-784-4500" found for corner;
- (2) **Thence**, S 41°06'35" E, with the northerly line of said Vida Costera Sec 1, a distance of 390.90 feet to a 5/8 inch iron rod with cap stamped "EHRA 713-784-4500" found for corner;
- (3) **Thence**, N 48°53'25" E, with the northerly line of said Vida Costera Sec 1, a distance of 334.34 feet to a 5/8 inch iron rod with cap stamped "EHRA 713-784-4500" found in the southwesterly right-of-way line of State Highway No. 3 (based on a width of 137 feet) recorded under Volume 254-A, Page 13 of the G.C.M.R. and under G.C.C.F. No.'s 9115089, 9131746 and 9126860;
- (4) **Thence**, S 41°07'07" E, with the southwesterly right-of-way line of said State Highway No. 3, a distance of 910.00 feet to a 5/8 inch iron rod with cap stamped "TEAM" found at the northeasterly corner of that certain called 8 acre tract of land as described in deed and recorded under G.C.C.F. No. 2013003901;
- (5) **Thence**, S 48°52'53" W, with the northwesterly line of said called 8 acres, a distance of 1,755.19 feet to a 5/8 inch iron rod with cap stamped "EHRA 713-784-4500" found in the northeasterly line of said 40 foot Roadway;
- (6) **Thence**, N 42°29'09" W, with the northeasterly line of said 40 foot Roadway, a distance of 1,301.55 feet to the **POINT OF BEGINNING** and containing 49.887 acres of land.

This description accompanies a Exhibit, prepared by Edminster, Hinshaw, Russ and Associates, Inc. d/b/a EHRA and dated February 19, 2024.

EDMINSTER, HINSHAW, RUSS & ASSOCIATES, INC. d/b/a EHRA



Charles Kennedy, Jr., R.P.L.S.
Texas Registration No. 5708
10011 Meadowglen Lane
Houston, Texas 77042
713-784-4500
TBPLS No. 10092300

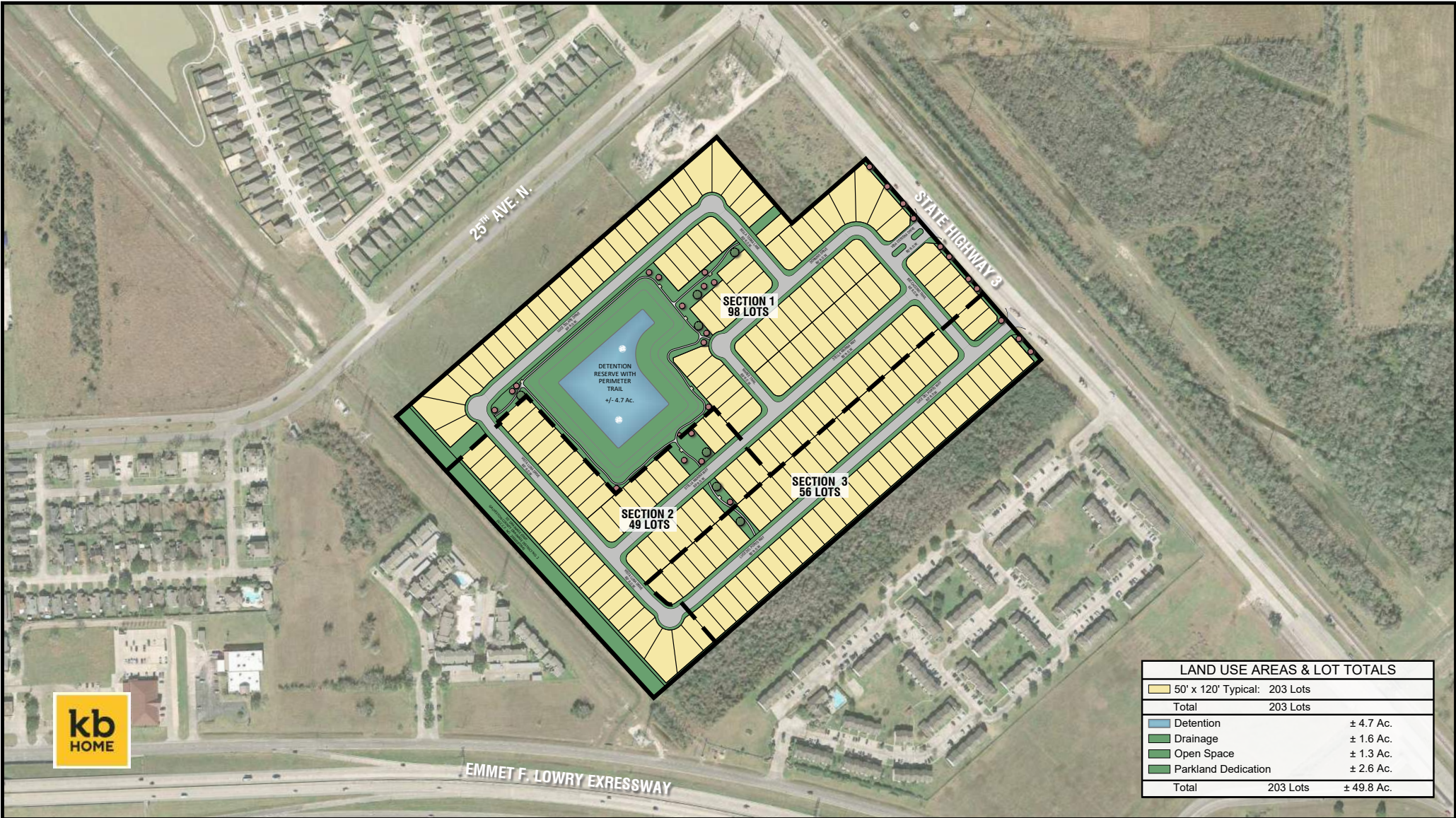


Date: 06/06/2018 (rev 09/04/2019)/updated 02/19/2024

Job No: 181-014-00

File No: R:\2018\181-014-00\Documents\Description\Boundary\18101400-LTS 49.887 AC_updated(2-19-2024).docx

Exhibit 'B' - Conceptual Lotting Plan



LAND USE AREAS & LOT TOTALS		
50' x 120' Typical:	203 Lots	
Total	203 Lots	
Detention		± 4.7 Ac.
Drainage		± 1.6 Ac.
Open Space		± 1.3 Ac.
Parkland Dedication		± 2.6 Ac.
Total	203 Lots	± 49.8 Ac.

Vida Costera: Conceptual Lotting Plan

Texas City, Galveston County, Texas

February 19, 2024

0 75 150 300
SCALE: 1"=300'



EHRA JOB NO.
181-014-00-06
No warranty or representation of intended use, design or proposed improvements are made herein. All plans for land or facilities are subject to change without notice.



10011 MEADOWGLEN LANE
HOUSTON, TEXAS 77042
713.784.4500
EHRATEAM
TBPE No. F-726
TBPLS No. 10092300

Exhibit 'C' - Open Space Amenities Plan



Legend

- 5' Wide Trail
- Seating Area
- Monument Sign
- Upgraded Cedar Fence With Masonry Columns 50' On Center

1. The locations and quantities of the amenities shown hereon are subject to change, provided that a minimum of one playground is provided. Enhanced landscaping shall be provided at bench locations.
2. This open space amenities plan delineates 2.6 acres of park dedication

Existing Monument Sign



Example Playground Equipment



5' Wide Trail



Cedar Fence With Masonry Columns



Typical Bench



Vida Costera: Open Space Amenities Plan

Texas City, Galveston County, Texas

February 16, 2024

0 50 100 200
SCALE: 1"=200'



NORTH

EHRA JOB NO.
181-014-00-06

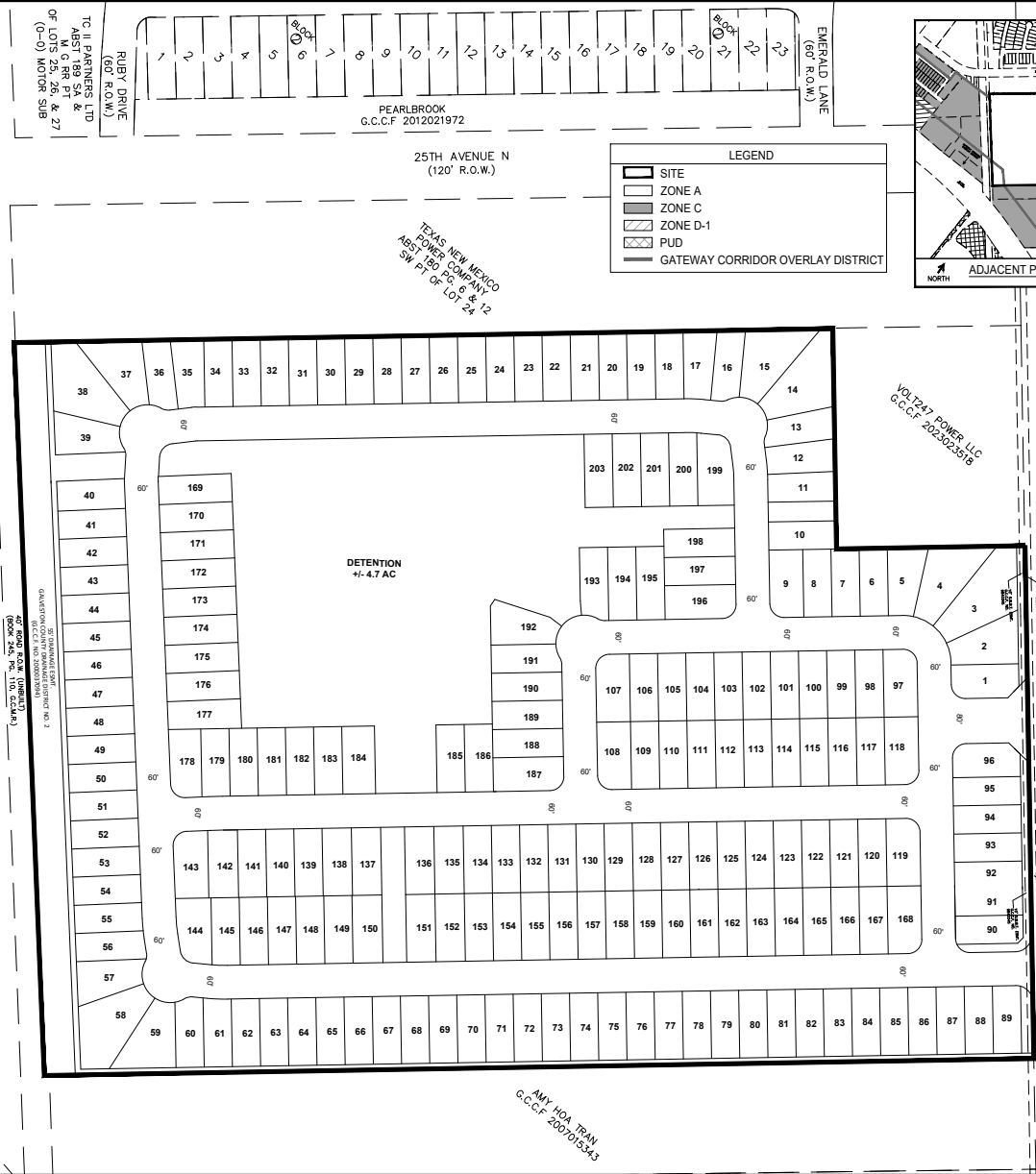
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HOUSTON, TEXAS 77042
713.784.4500
EHRATEAM
TBPE No. F-726
TBPLS No. 10092300

Exhibit 'D' - Zoning Exhibit

- GENERAL NOTES:**
- G.C.C.F. indicates "Galveston County Clerk's File"
G.C.M.R. indicates "Galveston County Map Record"
NO. indicates "Number"
P.C. indicates "Page"
R.O.W. indicates "Right-of-Way"
VOL. indicates "Volume"
% indicates choice in street name
 - The coordinates shown herein are Texas South Central Zone No. 4204 State Plane Grid Coordinates (NAD 83) and may be brought to surface by applying the following combined scale factor: 0.99986751712.
 - All side lot lines are either perpendicular or radial to street frontage unless otherwise noted.
 - Proposed lot sizes include 50' x 120' (Typ.).
 - Proposed zoning: Planned Unit Development
 - Zoning of adjacent property: A (Single Family Residential) and C (Multi-Family Residential)
 - Land use of adjacent property: multi-family dwellings, single-family detached residential dwellings, public parks, and vacant land
 - No portion of this tract lies within the floodplain.
 - The proposed density is 4.1 dwelling units per acre.
 - Parkland required: 1.0 acres
Parkland provided: 2.6 acres



Vida Costera: Zoning Exhibit
 A Subdivision of 49.89 acres out of the S.A. & M.G. R.R. Survey, A-189 and John Sellers Survey, A-180, Texas City, Galveston County, Texas.
 203 Lots and 5 Blocks
 Owner/Developer: KB Home Lone Star Inc., 11314 Richmond Avenue, Houston, TX, 77082. (877)238.4720.

February 19, 2024

SCALE: 1"=100'

EHRA
 ENGINEERING & ARCHITECTURE
 181-014-00-06

18077 WEAVERHOLEN LANE
 HOUSTON, TEXAS 77056
 713.294.0000
 WWW.EHRA-ARCHITECTS.COM
 TYPE No. E-200
 TPLS No. 1000000

EXHIBIT E

Development Timeline

MUD Annexation	September 11, 2006
Development Agreement Approval	August 15, 2007
Subdivision Master Plan Approval	November 2, 2020
Section 1 Final Plat Approval	August 18, 2021
Section 2 Final Plat Approval	January 9, 2023
Section 1 Plat Recordation	January 23, 2023
PUD Application Submission	December 14, 2023
Planning Board Approval	March 4, 2024
Zoning Commission Approval (Anticipated)	March 19, 2024
City Commission Approval (Anticipated)	April 3, 2024
Section 2 Construction Begins (Anticipated)	July 2026
Section 2 Construction Completed (Anticipated)	January 2027
Section 3 Construction Begins (Anticipated)	August 2029
Section 3 Construction Completed (Anticipated)	February 2030
Project Buildout (Anticipated)	January 2033

**The anticipated dates are subject to change due to fluctuating market conditions*

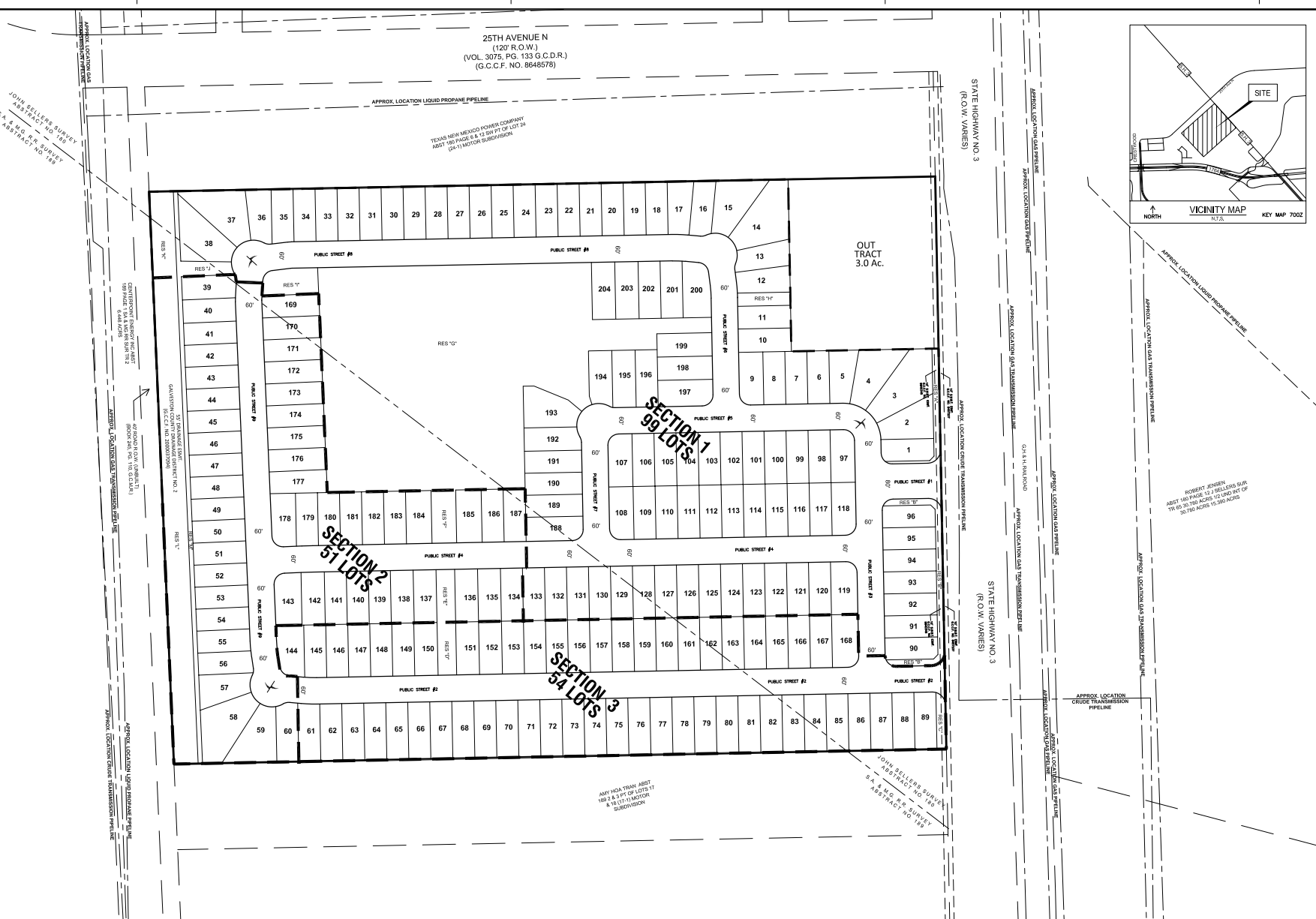
Exhibit 'F' - Approved Subdivision Master Plan

GENERAL NOTES

- B.L. indicates "Building Line"
 E.M.F. indicates "Easement"
 G.C.C.F. indicates "Galveston County Clerk's File"
 G.C.D.R. indicates "Galveston County Deed Records"
 G.C.L.R. indicates "Galveston County Map Records"
 M.O. indicates "Municipal"
 O.P.A.D.C.F. indicates "Official Public Records of Real Property"
 R.O.M. indicates "Right-of-Way"
 Z indicates change in street name
- The coordinates shown herein are Texas South Central Zone No. 4254 State Plane Grid Coordinates (NAD83) and may be brought to surface by applying the following combined scale factor: 0.99992336090.
- All side lot lines are either perpendicular or radial to street frontage unless otherwise noted.
- The square footage totals as shown herein are based on the mathematical closure of the courses and distances reflected on this plan. It does not include the tolerance that may be present due to the positional accuracy of the boundary monumentation.
- This Subdivision Master Plan has not been granted final approval from the City of Texas City Planning Board and may be subject to change.

VIDA COSTERA LOT WIDTH DATA

SECTION	LOT WIDTH
SECTION 1	60'-0"
SECTION 2	60'-0"
SECTION 3	60'-0"
SECTION 4	60'-0"
SECTION 5	60'-0"
SECTION 6	60'-0"
SECTION 7	60'-0"
SECTION 8	60'-0"
SECTION 9	60'-0"
SECTION 10	60'-0"
SECTION 11	60'-0"
SECTION 12	60'-0"
SECTION 13	60'-0"
SECTION 14	60'-0"
SECTION 15	60'-0"
SECTION 16	60'-0"
SECTION 17	60'-0"
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SECTION 53	60'-0"
SECTION 54	60'-0"
SECTION 55	60'-0"
SECTION 56	60'-0"
SECTION 57	60'-0"
SECTION 58	60'-0"
SECTION 59	60'-0"



Vida Costera Subdivision Master Plan

A Subdivision of 53.1544 acres out of the S.A. & M.G. R.R. Survey, A-189 and John Sellers Survey, A-180, Texas City, Galveston County, Texas.

204 Lots, 5 Blocks and 13 Reserves Totalling 9.70 Acres

Owner/Developer: KB Home Lone Star Inc., 11314 Richmond Avenue, Houston, TX, 77082. (877)238.4720.

October 15, 2020

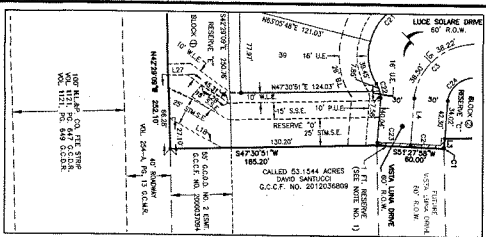


10011 MEADOWLARK LANE
 HOUSTON, TEXAS 77042
 713.784.4500
 EHS@EHRA.COM
 TBPE No. F-726
 TBPLS No. 10022300

EHRA JOB NO. 1814-14-00

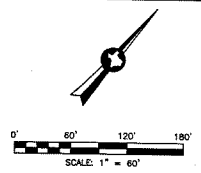
Exhibit 'G' - Recorded Section 1 Plat

70177



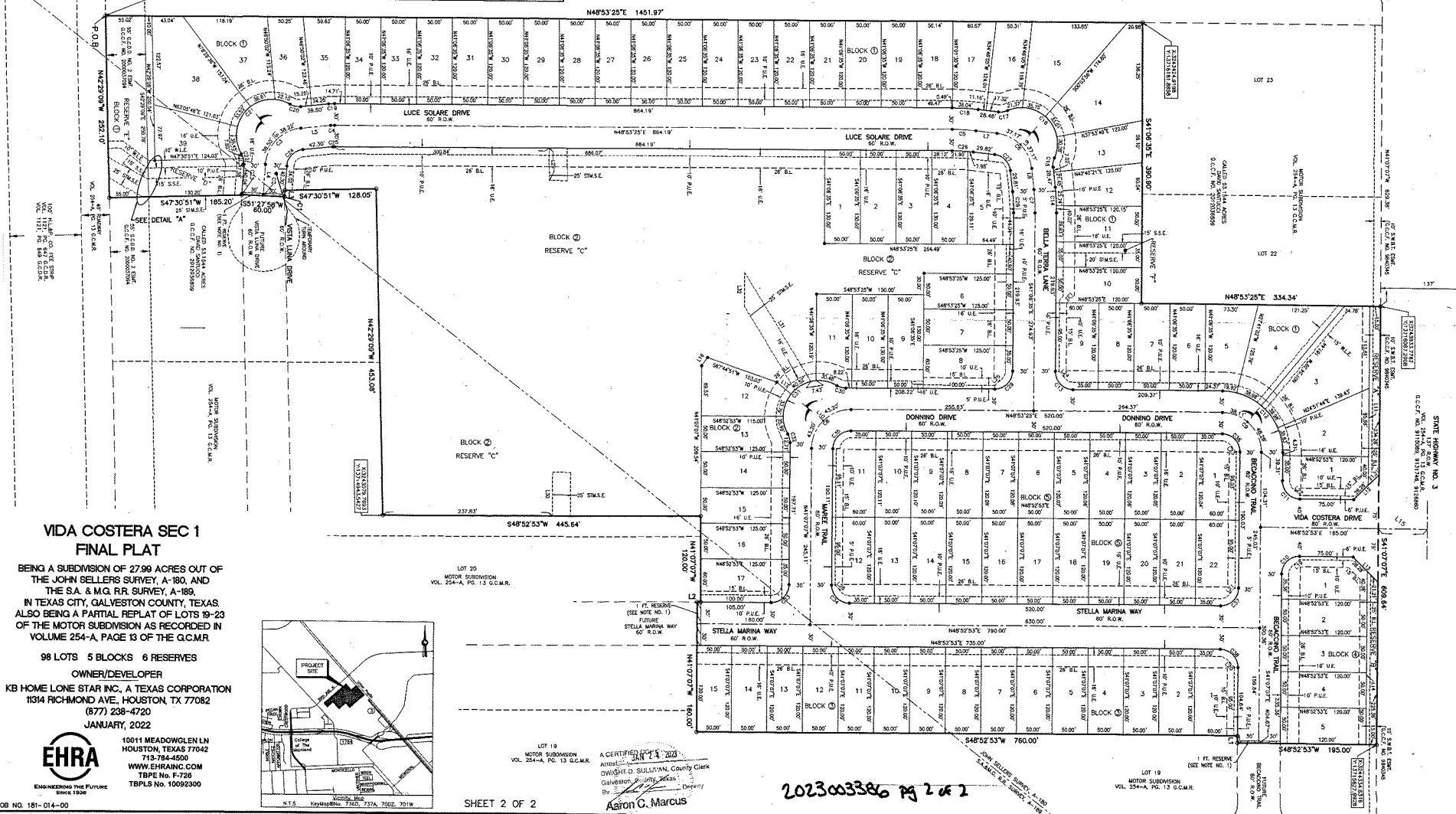
DETAIL "A"
SCALE: 1"=50'

LOT 24
(10 ACRES)
COMMUNITY PUBLIC SERVICE COMPANY
VOL. 1587, PG. 602 G.C.D.R.



25TH AVENUE NORTH
150' R.O.W.
VOL. 2075, PG. 133 G.C.D.R.
VOL. 2544, PG. 13 G.C.M.R.
G.C.C.F. NO. 844570

PLAT 1/2
5567142, 0.50'



VIDA COSTERA SEC 1 FINAL PLAT

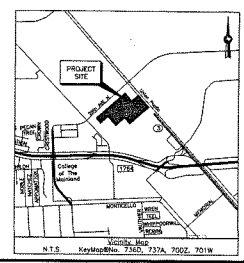
BEING A SUBDIVISION OF 2799 ACRES OUT OF THE JOHN SELLERS SURVEY, A-180, AND THE S.A. & M.G. R.R. SURVEY, A-189, IN TEXAS COUNTY, TEXAS, ALSO BEING A PARTIAL RE-PLAT OF LOTS 19-23 OF THE MOTOR SUBDIVISION AS RECORDED IN VOLUME 254-A, PAGE 13 OF THE G.C.M.R.

98 LOTS 5 BLOCKS 6 RESERVES

OWNER/DEVELOPER
KB HOME LONE STAR INC., A TEXAS CORPORATION
1314 RICHMOND AVE., HOUSTON, TX 77082
(877) 238-4720
JANUARY, 2022



10011 MEADOWGLEN LN
HOUSTON, TEXAS 77042
713-784-6500
WWW.EHRAINC.COM
TBP# No. F-720
TBP#LS No. 10002300



LOT 19
MOTOR SUBDIVISION
VOL. 254-A, PG. 13 G.C.M.R.

A CERTIFIED
AGRICULTURAL
DIVISION D. SULLIVAN, County Clerk
Galveston County, Texas
By: *[Signature]*
Agron C. Marcus

2023003386 pg 2 of 2

Exhibit 'H' - MUD Annexation Document

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



THE STATE OF TEXAS
COUNTY OF TRAVIS
I hereby certify that this is a true and correct copy of a
Texas Commission on Environmental Quality document,
which is filed in the permanent records of the Commission.
Given under my hand and the seal of office on

LaDonna Castanuela SEP 11 2006

LaDonna Castanuela, Chief Clerk
Texas Commission on Environmental Quality

AN ORDER GRANTING THE PETITION FOR CREATION OF GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 66 AND APPOINTING TEMPORARY DIRECTORS

A petition by HWY, 66 Partners, Ltd. (hereafter "Petitioner") was presented to the Executive Director of the Texas Commission on Environmental Quality (hereafter "Commission") for approval of the creation of Galveston County Municipal Utility District No. 66 (hereafter "District") pursuant to Article XVI, Section 59 of the TEXAS CONSTITUTION and TEX. WATER CODE, Chapters 49 and 54.

The Commission has jurisdiction to consider this matter, and the following Findings of Fact and Conclusions of Law are appropriate after examining the application and supporting documentation:

FINDINGS OF FACT

1. On January 23, 2006, a petition for the creation of Galveston County Municipal Utility District No. 66 was filed with the Commission pursuant to TEX. WATER CODE, Chapters 49 and 54.
 - a. The petition for creation of the proposed District was signed by a duly authorized officer of the Applicant, which represents they hold title and are the owner to a majority in value of the land proposed to be included within the proposed District's boundaries in accordance with TEX. WATER CODE § 54.014.
 - b. The application contains information required by TEX. WATER CODE § 54.015 and 30 TEX. ADMIN. CODE § 293.11.
 - c. By petition, the Petitioner represents that there are two lien holders on the land in the proposed District. Evidence of lien holder consent has been provided.
2. Proper notice of this application was given pursuant to TEX. WATER CODE § 49.011 and 30 TEX. ADMIN. CODE § 293.12.
 - a. Proper notice of the application was published on July 28 and August 3 of 2006 in The Houston Chronicle, a newspaper regularly published and generally circulated in Galveston County, Texas, which is the county in which the proposed District is to be located.

b. On July 28, 2006, proper notice of the application was posted on the bulletin board used for posting legal notices in Galveston County, Texas, which is the county in which the proposed District is to be located.

3. The appropriate and necessary deposits and fees associated with the filing of the application for creation of the proposed District have been paid to the Commission.

4. The affidavits of proposed temporary directors of the proposed District have been reviewed. The proposed temporary directors are:

Jeffrey M. Cravey
Renee Dale Koch

Eryn Elliott
Susan White

Joe P. Jameson, Jr.

5. Each of the persons named in Finding of Fact No. 4 is qualified to serve as a temporary director of the proposed District as each: (1) is at least 18 years old; (2) is a resident of the State of Texas; (3) either owns land subject to taxation within the proposed District, or is a qualified voter within the District; and (4) has completed and filed with the Commission an application for consideration of appointment as temporary director in the form and substance required by the Rules of the Commission.

6. The entire proposed District consists of 309.6 acres of land located entirely in Galveston County, Texas, and within the corporate limits of the City of Texas City, and no part of the proposed District will be located within the corporate limits or extraterritorial jurisdiction of any other city, town or village of the State of Texas.

7. The metes and bounds description of the proposed District has been checked by the Commission's staff and was found to form an acceptable closure.

8. By City of Texas City, Texas, Resolution No. 06-08 (amending Resolution No. 05-130), effective January 18, 2006, the City of Texas City, Texas, has consented to the creation of the proposed District, as required by TEX. WATER CODE § 54.016 and TEX. LOC. GOV'T CODE § 42.042.

9. The proposed project as set out in the application is feasible and practicable.

a. There is an ample supply of water available, and the terrain of the area to be included in the proposed District is such that waterworks, wastewater, and drainage and storm sewer systems can be constructed or acquired at reasonable cost.

b. Projected construction cost for the project is reasonable at approximately \$16,295,000.

c. The proposed District's combined projected tax rate of \$0.9452 per \$100 assessed valuation is reasonable and comparable to tax rates in the surrounding area.

d. Projected water and wastewater rates are reasonable.

e. A market study was provided which indicates that there is growth potential to support the proposed District.

10. The creation of the proposed District as set out in the application is necessary and would be a benefit to the land to be included in the proposed District.

11. The creation of the proposed District and its system and subsequent development within the proposed District will not have an unreasonable effect on land elevation, subsidence, groundwater level within the region, recharge capability of a groundwater source, natural run-off rates and drainage, water quality, and total tax assessments on all land located within the proposed District.

CONCLUSIONS OF LAW

1. The Commission has jurisdiction to consider this application and is authorized to make and enter its Findings of Fact, Conclusions of Law, and Orders with respect to the creation of the proposed District.

2. All of the land and property proposed may properly be included within the proposed District.

3. All statutory and regulatory requirements for creation of Galveston County Municipal Utility District No. 66 have been fulfilled in accordance with TEX. WATER CODE § 54.021 and 30 TEX. ADMIN. CODE §§ 293.11-293.13.

NOW THEREFORE, BE IT ORDERED BY THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY THAT:

1. The petition for the creation of Galveston County Municipal Utility District No. 66 is hereby granted.

2. The District is created under the terms and conditions of Article XVI, Section 59 of the TEXAS CONSTITUTION and TEX. WATER CODE, Chapters 49 and 54.

3. The District shall have all of the rights, powers, privileges, authority, and functions conferred and shall be subject to all duties imposed by the Texas Commission on Environmental Quality and the general laws of the State of Texas relating to municipal utility districts.

4. The District shall be composed of an area situated wholly within Galveston County, Texas, described by the metes and bounds in Exhibit "A", attached hereto and incorporated herein for all purposes.

5. The following persons are hereby named and appointed as temporary directors of the District, to serve until their successors are elected or have been appointed in accordance with applicable law:

Jeffrey M. Cravey
Renee Dale Koch

Eryn Elliott
Susan White

Joe P. Jameson, Jr.

6. The foregoing temporary directors shall, as soon as practicable after the date of entry of this Order, execute their official bonds and take their official oaths of office. All such bonds shall be approved by the Board of Directors of the District and each bond and oath shall be filed with the District and retained in its records.

7. This Order shall in no event be construed as an approval of any proposed agreement or of any particular item in any document provided in support of the petition for creation, nor as a commitment or requirement of the Commission in the future to approve or disapprove any particular item or agreement in future applications submitted by the District for Commission consideration.

8. This Order shall not constitute approval or recognition of the validity of any provision in the City of Texas City, Texas, Resolution No. 06-08 (amending Resolution No. 05-130), effective January 18, 2006, nor any other ordinance/resolution incorporated therein by reference to the extent that such provision exceeds the authority granted to the City of Texas City by the laws of the State of Texas.

9. The District is directed to pursue negotiations with the City of Texas City regarding a rebate of City taxes as compensation for District funding of water, wastewater, and drainage facilities.

10. The Chief Clerk of the Commission shall forward a copy of this Order to all affected persons.

11. If any provision, sentence, clause, or phrase of this Order is for any reason held to be invalid, the invalidity of any portion shall not affect the validity of the remaining portions of the Order.

Issue Date: **SEP 06 2006**

TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY


For the Commission

** Northern Portion Tract 1*

*Project # 2
514 - total*

53.1544 Acres of Land
Texas City, Texas
John Sellers League Survey A-180

TRACT 1:

**METES AND BOUNDS DESCRIPTION
53.1544 ACRES OF LAND
JOHN SELLERS LEAGUE SURVEY A-180**

Being 53.1544 acres of land situated in the John Sellers League Survey A-180, Galveston County, Texas, and being a portion of a called N.W. 4 acres of Lot 18 and all of Lots 19-23, Motor Subdivision as recorded under volume 254, page 110 Galveston County Map Records. Said 53.1544 acres of land being more fully described by metes and bounds as follows:

BEGINNING at a 5/8 inch iron rod with plastic cap set for the southwesterly boundary corner of said Lot 24 and the northwesterly boundary corner of said Lot 23 18.1767 acres tract and being in the easterly boundary line of a called 40' foot road way;

THENCE North 47°33'30" East, along the common boundary line between said Lot 23 and Lot 24 for a distance of 1791.94 feet to 5/8 inch iron rod with plastic cap set for corner in the westerly right-of-way line of State Highway 3 based on a width of 150 feet;

THENCE South 42°26'30" East, along the westerly right-of-way line of State Highway 3 passing the common boundary corner between Lot 18 and 19 at a distance of 1204.05 feet and continuing on for a total distance of 1300.89 feet to 5/8 inch iron rod with plastic cap set for corner;

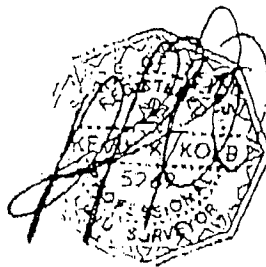
THENCE South 47°34'02" West, over and across said Lot 18 for a distance of 1791.94 feet to 5/8 inch iron rod with plastic cap set for corner in the easterly right-of-way line of said 40' roadway;

THENCE North 42°26'30" West, along the easterly right-of-way line of said 40' roadway for a distance of 1300.61' feet back to the **POINT OF BEGINNING** and containing within these calls 53.1544 acres or 2,315,404 square feet of land

A survey plat has not been prepared in conjunction with this metes and bounds description, by Kevin K. Kolb RPLS 5269.

The square footage totals as shown hereon are based on a mathematical closure of the courses and distances reflected herein. It does not include the tolerances that may be present due to positional accuracy of the boundary monumentation.

Compiled by:
TOTAL SURVEYORS, INC.
4301 Center Street
Deer Park, Texas 77538
281-479-8719



June 14, 2005

"Exhibit A"

Tract 1:

* Northern Portion
Tract 2

METES AND BOUNDS DESCRIPTION
161.9792 ACRES OF LAND
JOHN SELLERS LEAGUE SURVEY A-180

Being 161.9792 acres of land situated in the John Sellers League Survey A-180, Galveston County, Texas, and being all of lots 25-35, Motor Subdivision as recorded under Volume 254, Page 110 Galveston County Map Records. Said 161.9792 acres of land being more fully described by metes and bounds as follows:

BEGINNING at a point for corner in the westerly right-of-way line of called 25th Street based on a width of 120 feet and the southerly most corner of said Lot 25 and the northerly right-of-way line of a called 40-foot roadway;

THENCE North 42°23'17" West, along the westerly boundary line of a called 6.8974 acres tract conveyed to the Galveston County Drainage District as recorded under Galveston County Clerks File No. 2005000731 for a distance of 508.12 feet;

THENCE North 42°26'30" West continuing along the westerly boundary line of said 6.8974 acres tract for a distance of 1752.95 feet, to 5/8 inch iron rod with plastic cap set for corner in the south boundary line of a called 19.853 acres tract conveyed by deed to Richard J. Cano as recorded under Galveston County Clerks File No. 9607095;

THENCE North 47°33'30" East, along the south boundary line of said 6.8974 acres tract for a distance of 20.01 feet to 5/8 inch iron rod with plastic cap set for corner;

THENCE North 42°23'33" West, along the westerly boundary line of said 6.8974 acres for a distance of 1146.00 feet to 5/8 in. iron rod with plastic cap set for corner in the south boundary line of said 19.853-acre tract;

THENCE South 87°23'01" West along the south boundary line of said 19.853 acres tract for a distance of 75.71 feet;

THENCE North 42°29'08" West, a distance of 149.25 feet;

THENCE North 02°45'59" West, a distance of 796.24 feet;

THENCE North 87°23'03" East, a distance of 706.39 feet to a point at the beginning of a non-tangent curve to the left;

THENCE along said curve to the left with a radius of 630 18 feet, with a curve length of 526.31 feet, and a delta angle of 47°51'07" along with chord of North 68°22'50" East and 511 15 feet;

THENCE North 87°23'01" East a distance of 494.98 feet;

THENCE South 41°39'03" East a distance of 596.49 feet;

THENCE North $87^{\circ}23'01''$ East a distance of 39.90 feet to 5/8 inch iron rod with plastic cap set for corner in the westerly right-of-way line of State Highway 3 a called width of 150 feet;

THENCE South $41^{\circ}06'14''$ East, along the westerly right-of-way of said State Highway 3, total distance of 2688.63 feet to 5/8-inch iron rod with plastic cap set for corner in the westerly right-of-way line of said 25th Street;

THENCE South $48^{\circ}54'50''$ West along the westerly right-of-way line of said 25th Street for a distance of 1832.12 feet back to the POINT OF BEGINNING and containing with these calls 161.9792 acres or 7,055,814 square feet of land.

#2

Northern Portion : Tract 3

TRACT 3:

7.5795 Acres of Land
Texas City Texas
John Sellers League Survey A-180

**METES AND BOUNDS DESCRIPTION
7.5795 ACRES OF LAND
JOHN SELLERS LEAGUE SURVEY A-180**

Being 7.5795 acres of land situated in the John Sellers League Survey A-180, Galveston County, Texas, and being a portion of a called 10.184 acres out of Lot 6, Share G, as recorded under Galveston County Clerks File No. 9820737. Said 7.5795 acres of land being more fully described by metes and bounds as follows:

COMMENCING at a 1 inch iron pipe with cap found for the southeasterly boundary corner of said 10.184 acres tract and being in the westerly boundary line of a called 100' feet H.L.&P right-of-way also known as the Old Galveston Houston Electric Railway,

THENCE North 42°28'42" West, along the westerly boundary line of said 100' feet H.L. & P right-of-way, passing the southerly right-of way line of 25th Street (based on a 120 feet width) at a distance of 181.26' feet for a total distance of 301.28' feet to a 5/8 inch iron rod with plastic cap set for the **POINT OF BEGINNING** of herein described tract of land. said corner also being the beginning of a non-tangent curve to the right;

THENCE along the northerly right-of-way line of said 25th Street with said curve to the right, having a radius of 510.70 and curve length of 344.06 feet a delta angle of 38°38'02", with a chord bearing S 68°01'18" W for a distance of 337.59 feet;

THENCE South 87°19'26" West, along the northerly right-of-way line of said 25th Street for a distance of 346.87' feet to a 5/8 inch iron rod with plastic cap set for the southeasterly boundary corner of a called 7.499 acres tract conveyed by deed to Richard J. Cano as recorded under Galveston County Clerks File No. 8424080;

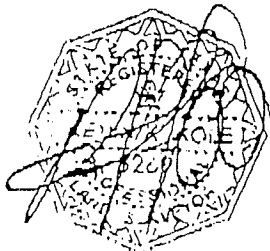
THENCE North 02°49'42" West, along the easterly boundary line of said 7.499 acres tract for a distance of 914.15' feet to a 5/8 inch iron rod with plastic cap set for the northeasterly boundary corner of a called 7.499 acres tract said corner being in the westerly boundary line of said 100' feet H.L. & P right-of-way;

THENCE South 42°26'42" East, along the westerly boundary line of said 100' feet H.L.&P right-of-way for a distance of 1044.12' feet back to the **POINT OF BEGINNING** and containing within these calls 7.5795 acres or 330,163 square feet of land

A survey plat has not been prepared in conjunction with this metes and bounds description, by Kevin K. Kolb, RPLS 5269.

The square footage totals as shown herein are based on a mathematical closure of the courses and distances reflected herein. It does not include the tolerances that may be present due to positional accuracy of the boundary monumentation

Compiled by
TOTAL SURVEYORS, INC.
4301 Center Street
Deer Park, Texas 77536
281-474-8719



June 14, 2005

PROPERTY INFORMATION TITLE COMMERCIAL

Northern Portion Tract 4

TRACT 4: 18.1767 Acres of Land Texas City, Texas John Sellers League Survey A-180

METES AND BOUNDS DESCRIPTION 18.1767 ACRES OF LAND JOHN SELLERS LEAGUE SURVEY A-180

Being 18.1767 acres of land situated in the John Sellers League Survey A-180, Galveston County, Texas, and being a portion of a called 18.178 acres out of Lot B, Share F, conveyed by deed as recorded under Galveston County Clerks File No.9820737. Said 18.1767 acres of land being more fully described by metes and bounds as follows:

BEGINNING at a 5/8 inch iron rod with plastic cap set for the southeasterly boundary corner of said 18.1767 acres tract and being in the westerly boundary line of a called 100' feet H.L.&P right-of-way also known as the Old Galveston Houston Electric Railway;

THENCE South 87°16'52" West, along the southerly boundary line of said 18.1767 acres for a distance of 1146.15 feet to 5/8 inch iron rod with plastic cap set for corner,

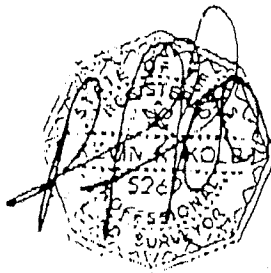
THENCE North 02°52'08" West, along the westerly boundary line of said 18.1767 acres for a distance of 1381.63 feet to 5/8 inch iron rod with plastic cap set for corner in the westerly boundary line of said 100' feet H.L.&P right-of-way;

THENCE South 42°28'08" East, along the westerly boundary line of said 100' feet H.L.&P right-of-way for a distance of 1787.46' feet back to the POINT OF BEGINNING and containing within these calls 18.1767 acres or 791,777 square feet of land.

A survey plat has not been prepared in conjunction with this metes and bounds description, by Kevin K. Kolb, RPLS 5269.

The square footage totals as shown hereon are based on a mathematical closure of the courses and distances reflected herein. It does not include the tolerances that may be present due to positional accuracy of the boundary monumentation.

Compiled by: TOTAL SURVEYORS, INC. 4301 Center Street Deer Park, Texas 77538 281-478-8719



June 14, 2005

#7

Northern Portion: Tract 5

0.5864 Acres of Land

TRACT 5:

Texas City, Texas

John Sellers League Survey A-180

**METES AND BOUNDS DESCRIPTION
0.5864 ACRES OF LAND
JOHN SELLERS LEAGUE SURVEY A-180**

Being 0.5864 acres of land situated in the John Sellers League Survey A-180, Galveston County, Texas, and being a portion of a called 10.184 acres out of Lot 6, Share G, as recorded under Galveston County Clerks File No.9820737. Said 0.5864 acres of land being more fully described by metes and bounds as follows:

BEGINNING at a 1 inch iron pipe with cap found for the southeasterly boundary corner of said 10.184 acres tract and being in the westerly boundary line of a called 100' feet H.L. & P right-of-way also known as the Old Galveston Houston Electric Railway;

THENCE South 87°19'18" West, along the southerly boundary line of said 10.184 acres tract, for a distance of 509.88' feet to a 5/8 inch iron rod with plastic cap set for corner in the southerly right-of-way line of 25th Street (based on a 120 feet width). Said corner also being the beginning of a curve to the left;

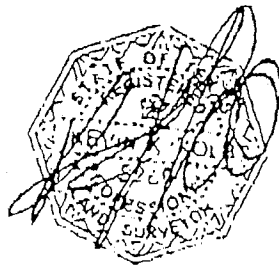
THENCE along the southerly right-of-way line of said 25th Street with said curve to the Left, having a radius of 630.70 and curve length of 425.90 feet a delta angle of 38°41'27", with a chord bearing N 67°50'42" E for a distance 417.85 feet;

THENCE South 42°26'42" East, for a distance of 181.26' feet back to the **POINT OF BEGINNING** and containing within these calls 0.5864 acres or 25,542 square feet of land.

A survey plat has not been prepared in conjunction with this metes and bounds description, by Kevin K. Kolb, RPLS 5269.

The square footage totals as shown hereon are based on a mathematical closure of the courses and distances reflected herein. It does not include the tolerances that may be present due to positional accuracy of the boundary monumentation

Compiled by:
TOTAL SURVEYORS, INC.
4301 Center Street
Deer Park, Texas 77536
281-478-8719



July 12, 2005

Southern Portion : Tract 1

**METES AND BOUNDS DESCRIPTION
33.1485 ACRES OF LAND
SA & MG RR CO. SURVEY A-189**

Being 33 1485 acres of land situated in the SA & MG RR CO. Survey A-189, Galveston County, Texas, and being a portion of Lots 3 through 14 of the Motor Subdivision, as recorded under Book 254-A, Page 13 of the Galveston County Map Records, and a portion of a 40-foot Dedicated Roadway. Said acres of land being more fully described by metes and bounds as follows:

BEGINNING at a TxDOT Monument for corner in the southerly right-of-way line of Farm Road 1764 (variable width) and the southeasterly boundary corner of said Lot 14;

THENCE South $75^{\circ}03'23''$ East, continuing along the southerly right-of-way line of said Farm Road 1764, for a distance of 807.79 feet to a 5/8-inch iron rod with plastic cap set for corner;

THENCE South $59^{\circ}19'02''$ East, continuing along the southerly right-of-way line of said Farm Road 1764, passing the common boundary corner between Lots 11 and 12 at a distance of 74.33 feet and continuing on for a total distance of 304.16 feet;

THENCE South $37^{\circ}03'23''$ East, continuing along the southerly right-of-way of said Farm Road 1764, for a distance of 32.19 feet to a corner in the right-of-way of said 40-foot Dedicated Roadway;

THENCE South $37^{\circ}34'19''$ East, along the southerly right-of-way line of said F.M. 1764, for a distance of 92.04 feet to a 5/8 inch iron rod with plastic cap set for corner, said corner being the beginning of a non-tangent curve to the left;

THENCE along said curve to the left having an arc distance of 329.00 feet, with a radius of 290.00 feet, a delta angle $65^{\circ}00'04''$ and a cord bearing South $69^{\circ}33'25''$ East for a distance of 311.64 feet to a 5/8 inch iron rod with plastic cap set for corner;

THENCE South $12^{\circ}03'23''$ East, a distance of 46.15 feet, to 5/8 inch iron rod with plastic cap set for corner, said corner being the beginning of a non-tangent curve to the left;

THENCE along said curve to the left having an arc distance of 388.74 feet, with a radius of 764.52 feet, a delta angle $29^{\circ}08'01''$ and a cord bearing South $26^{\circ}37'23''$ East for a distance of 384.56 feet to a 5/8 inch iron rod with plastic cap set for corner;

THENCE South $41^{\circ}11'23''$ East, for a distance of 1074.39 feet to a 5/8-inch iron rod with plastic cap set for corner;

THENCE North $48^{\circ}48'37''$ East, for a distance of 95.83 feet to a 5/8- inch iron rod with plastic cap set for corner, said corner being the northwesterly boundary corner of Memorial Professional Center;

THENCE South $41^{\circ}11'23''$ East, along the westerly boundary line of said Memorial Professional Center for a distance of 206.00 feet to a 5/8 inch iron rod with plastic cap set for corner in the northerly right-of-way line of said Memorial Drive;

THENCE South 48°48'37" West, along the northerly right-of-way line of said Memorial Drive for a distance of 603.06 feet to a 5/8 inch iron rod with plastic cap set for corner;

THENCE North 42°31'58" West, continuing along the westerly boundary line of said Motor Subdivision, for a distance of 2,061.26 feet;

THENCE North 42°31'23" West, a distance of 990.46 feet to a found TxDOT Monument far corner in the southerly right-of-way line of said Farm Road 1764;

THENCE North 48°48'37" East along the southerly right-of-way line of said Farm Road 1764 at a distance of 13.05 feet back to the POINT OF BEGINNING and containing within these calls 33.1485 acres or, 1,443,949 square feet of land.

SOUTHERN PORTION, TRACT 2
METES AND BOUNDS DESCRIPTION
30.0097 ACRES OF LAND
SA & MG RR CO SURVEY A-189

Being 30.0097 acres of land situated in the SA & MG RR CO. Survcy A-189, Galveston County, Texas, and being portion of that 100 Roadway known as Vuather Road. Said 30.0097 acres of land being more fully described by metes and bounds as follows;

BEGINNING at a point for corner marking the intersection of the southerly right-of-way line of Farm Road 1764 (variable width), with the easterly right-of-way line of Vuather Road (based on a 100 feet width,), said corner also being in the westerly right-of-way line of 100-foot H.L.&P. Easement also known as (Old Galveston Houston Electric Railway);

THENCE, South 42° 31' 23" East, along the easterly right-of-way line of said Vuather Road and the westerly right-of-way line of said 100-foot H.L.&P. Easement for a distance of 1,779.56 feet to a ½ inch iron rod with plastic cap set for corner, in the northerly right-of-way line of Monticello Drive, based on a 100-foot width;

THENCE, South 87° 15' 15" West, along the northerly right-of-way line of said Monticello Drive for a distance of 1520.30 feet to a ½ inch iron rod with plastic cap set for corner, said corner being the southeast boundary corner of a called 17.0-Acre tract conveyed by deed to Union Junior College District as recorded under Volume 1889 Page 392 of the Map Records of Galveston County Texas,

THENCE, North 02° 06' 22" West, along the easterly boundary line of said 17.0-Acre tract, for distance of 1,456.53 feet to a ½ inch iron rod with plastic cap set for corner in the southerly right-of-way line of said Farm Road 1764, said corner is the beginning of a non-tangent curve to the right;

THENCE along said curve to the right with a radius of 5,559.65 feet with a curve length of 204.17 feet and a delta angle of 02° 06' 15" along with chord of South 79° 59' 56" East 204.16 feet;

THENCE, South 78° 00' 55" East, 171.99 feet to the POINT OF BEGINNING and containing 30.0097 acres of land.

* Southern Part of Tract 3

GF
054076 S

4.6149 Acres of Land
Texas City, Texas
SA & MG RR Co Survey A-189

METES AND BOUNDS DESCRIPTION
- 4.6149 ACRES OF LAND
SA & MG RR CO. SURVEY A-189

Being 4.6149 acres of land situated in the SA & MG RR CO. Survey A-189, Galveston County, Texas, and being a portion of Lots 1 and 2 of the Motor Subdivision, as recorded under Book 254-A, Page 13 of the Galveston County Map Records. Said 25.4416 acres of land being more fully described by metes and bounds as follows

BEGINNING at a 5/8 inch iron rod with plastic cap set for corner in the southerly right-of-way line of Memorial Drive (called 60' wide) and the northwesterly most boundary corner of said Lot 2;

THENCE North 48°48'37" East, along the southerly right-of-way line of said Memorial Drive, for a distance of 449.29' feet to a 5/8 inch iron rod with plastic cap set for corner.

THENCE South 41°13'08" East, for a distance of 452.50' feet to a 5/8 inch iron rod with plastic cap set for corner in the southeasterly boundary line of said Lot 1;

THENCE South 48°46'52" West, along the southeasterly boundary line of said Lot 1, for a distance of 438.99' feet to a 5/8 inch iron rod with plastic cap set for corner in the southeasterly boundary line of said Lot 1, said corner being the southwesterly boundary corner of said Lot 1 and said Motor Subdivision;

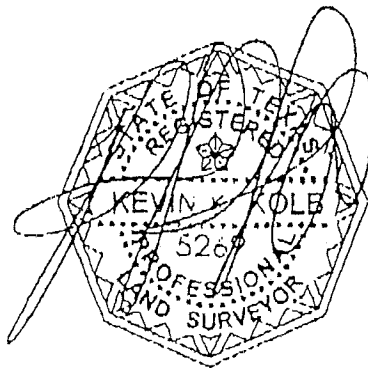
THENCE North 42°31'23" West, along the southwesterly boundary line of said Motor Subdivision for a distance of 452.85' feet back to the **POINT OF BEGINNING** and containing within these calls 4.6149 acres or 201,023 square feet of land.

A survey plat has not been prepared in conjunction with this metes and bounds description, by Kevin K. Kolb, RPLS 5269.

The square footage totals as shown hereon are based on a mathematical closure of the courses and distances reflected herein. It does not include the tolerances that may be present due to positional accuracy of the boundary monumentation.

Compiled by:
TOTAL SURVEYORS, INC.
4301 Center Street
Deer Park, Texas 77536
281-479-8719

April 13, 2005



RESOLUTION NO. 07-101

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A DEVELOPMENT AGREEMENT WITH HIGHWAY 66 PARTNERS, LTD. IN CONNECTION WITH THE DEVELOPMENT OF APPROXIMATELY 310 ACRES OF LAND; PROVIDING THAT THIS RESOLUTION SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, on November 2, 2005, the City Commission adopted Resolution No. 05-130 consenting to the inclusion of 248 acres in a municipal utility district; and

WHEREAS, subsequent to the adoption of Resolution No. 05-130, the owners and developers acquired additional land that they wish to be included in the municipal utility district, making the total 310 acres; and

WHEREAS, City staff and consultants recommend the Developer (Highway 66 Partners, Ltd.) and City enter into a development agreement to provide the terms and conditions that will govern the development of the Property.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF TEXAS CITY, TEXAS:

SECTION 1: That the City Commission of the City of Texas City, Texas, authorizes the Mayor to negotiate and execute a Development Agreement with Highway 66 Partners, Ltd. in substantially the same form as Exhibit "A," attached hereto and made a part hereof for all purposes.

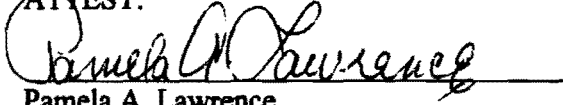
SECTION 2: That this Resolution shall be in full force and effect from and after its passage and adoption.

PASSED AND ADOPTED this 15th day of August, 2007.



Matthew T. Doyle, Mayor
City of Texas City, Texas

ATTEST:



Pamela A. Lawrence
City Secretary

APPROVED AS TO FORM: 

Robert Geryais
City Attorney

DEVELOPMENT AGREEMENT

This **DEVELOPMENT AGREEMENT** (this "Agreement"), is made and entered into as of _____, 2007, by and between the **CITY OF TEXAS CITY, TEXAS**, a home rule municipality located in Galveston County, Texas (the "City"), and **HIGHWAY 66 PARTNERS, LTD.**, a Texas limited partnership (the "Developer").

RECITALS

The Developer owns or has under contract approximately 318 acres of land more fully described in Exhibit A, attached hereto (the "Property"). The Property shall also include any additional land annexed into the District (as defined below) with the City's consent. The Developer proposes to develop the Property as a residential community (the "Project"). The Property is currently located within the corporate limits of the City of Texas City, Texas (the "City").

The Developer determined that the creation of Galveston County Municipal Utility District No. 66 (the "District") over the Property was necessary for the provision of water, sewer, and drainage facilities, canals, and certain road and street improvements necessary to develop the Property.

The City has consented to the creation of the District.

The City and the Developer have determined that they are authorized by the Constitution and laws of the State of Texas to enter into this Agreement and have further determined that the terms, provisions, and conditions hereof are mutually fair and advantageous to each.

AGREEMENT

For and in consideration of these premises and of the mutual promises, obligations, covenants, and benefits contained herein, the City and the Developer contract and agree as follows:

ARTICLE 1 DEFINITIONS

The terms "City," "Developer," "District," "Project," and "Property" shall have the meanings provided for them in the Recitals, above. Except as may be otherwise defined, or the context clearly requires otherwise, capitalized terms and phrases used in this Agreement shall have the meanings as follows:

PUD means the Planned Unit Development for the Property to be adopted pursuant to the City's Zoning Code, Section 40-48 in effect as of the effective date of this Agreement.

Utility Services Agreement means the utility services agreement entered into between the City, the Developer, and the District.

Zoning Code means the City's Revised Zoning Ordinance in effect as of the date of this Agreement.

ARTICLE 2 OBLIGATIONS OF THE CITY

2.01. Acquisition of Easements for Off-Site Utilities. The City will acquire all off-site water and wastewater easements and sites needed to serve the Property using capital recovery fees paid by the Developer and other developers. The City will cooperate with the Developer to insure that all such easements and sites are acquired in a timely manner that supports the completion of the off-site water and sewer facilities in a manner that meets the Developers plan for developing the Property, subject to the requirements of section 4.6 and 4.7 of this Agreement and the terms and conditions of the Utility Services Agreement to be entered into between the City, the District, and the Developer.

ARTICLE 3 OBLIGATIONS OF THE DEVELOPER

3.01. Municipal Use Sites. The Developer agrees to contribute \$500 per lot to the City for the construction of the municipal use facilities (including but not limited to police, fire and EMS, library, satellite office or utility dispatch uses) to be constructed to serve the area of the City in which the Property is located, with such contribution to be paid at the time the final plat for a phase of development on the Property is filed for recordation.

3.02. Property owners' association. The Developer agrees to create one or more property owners' association to serve the Property and to include all of the Property in at least one of such property owners' association. The Developer further agrees to submit to the Mayor of the City or his designee for review and comment prior to recordation all rules of the property owners' association(s) created to serve the Property and all deed restrictions proposed for the Property. The Developer will provide copies of its commercial deed restrictions and commercial development covenants, if any, to the City for review and approval by the Mayor or his designee at least 60 days prior to filing same.

3.03. Maintenance of certain improvements. The Developer agrees to form one or more property owners association, which shall have as one of their stated purposes to permanently maintain through assessments all lakes, ponds, and other detention facilities and open ditches, open drainage channels, canals, and other open stormwater drainage improvements, parks and recreation facilities, landscaping, and monumentation developed as part of the Project (the "Non-City Improvements") to the extent that the District is not responsible for maintaining such Non-City Improvements. The Developer acknowledges and agrees that the Non-City Improvements will be maintained by the District or by the property owners' association or associations serving the Property, as appropriate, and that the City shall never have the responsibility to own, operate or maintain the Non-City Improvements.

3.04. Cost reimbursement. The Developer shall reimburse the City for professional consulting fees, including legal and engineering, reasonably incurred by the City in connection with the creation and organization of the District, including the review and approval of this Agreement, the Utility Services Agreement, Planned Unit Development, and any other agreements between the City, the Developer and the District. To aid in review and evaluation of the proposed development, the City shall engage the services of consultants and legal counsel. The City will enter into engagement letters and/or service agreements with its consultants and legal counsel. The City will be the client for purposes of these consulting and legal engagements. However, the Developer agrees to be responsible, on behalf of the City, for all fees, expenses, and other costs associated with the City's consulting and legal engagements.

The Developer further agrees to counter-sign the engagement letters between the City and its consultants and legal counsel to acknowledge the Developer's financial responsibility thereunder. The City's consultants and legal counsel shall submit invoices for fees, expenses, and other costs incurred on behalf of the City to the Developer (with a copy to the City) on a monthly basis and such invoices will be payable within thirty days of receipt. The Developer agrees that it will provide payment to the City's consultants and legal counsel accordingly on behalf of the City. The Developer's obligation under this section is cumulative with any other cost reimbursement arrangements previously or subsequently entered into between the City and the Developer.

3.06. Dry Utilities. The Developer agrees that all dry utilities, such as electric, gas, telephone and cable, shall be placed underground throughout the Property; provided, however, that "three-phase" power lines may be elevated and may be placed in easements along the perimeter of the Property and within the interior of the Property as may be required by the power provider to serve the Property. Unless otherwise approved by the City and the Developer and unless no reasonable alternative is available to the power provider for the location of said poles, no elevated three-phase power or larger poles may be placed along any major roads or highways. The Developer agrees that public street light poles throughout the Project shall be

galvanized metal or concrete; provided, however, the Developer may use light poles made out of a material that is of a higher quality than concrete, as determined by the Mayor or his designee. Decorative and specialty light poles are acceptable on private property and along private streets; provided, however, that the City shall never be responsible for maintenance of such light poles.

3.06. 25th Avenue Improvements. The Developer will pay for the cost of extending the northern two lanes of 25th Avenue for approximately 300 feet to the southwest side of Highway 3 and installing related storm drainage facilities (the "25th Avenue Paving Project"); provided, however, that (a) the Developer is not responsible for any paving or other road work on the north side of Highway 3, (b) such costs do not include the relocation of any utilities or pipelines, and (c) such costs do not exceed \$150,000.

3.07 Property Values. The Developer recognizes that a significant portion of the City's consideration for entering into this Agreement and consenting to the creation of the District is the Developer's representations that it would achieve an average home value in the District of \$160,000 (the "Target Value"). The Developer agrees to make to the City a payment in lieu of taxes (the "PILOT") to compensate the City for any loss of tax revenue attributable to the Developer's failure to achieve the Target Value on the dwelling units that are used to support the financial feasibility of the District's first bond issue, over the life of the first bond issue. The PILOT shall be calculated by first multiplying the City's then current total tax rate by the difference between the Target Value and the certified appraised value, as determined by the Galveston County Appraisal District, of the average completed home in the District on January 1 of the year in which the District sells its first series of bonds, divided by 100 (the "Estimated Annual Revenue Loss Calculation"). The Estimated Annual Revenue Loss Calculation shall be multiplied by a timing factor (the greater of 20 years or the term of the District's first bond issue) to arrive at the PILOT due from the Developer to the City. A table demonstrating the calculation of the PILOT is shown on Exhibit "B" attached hereto and incorporated herein for all purposes. The PILOT shall be paid within 30 days of the Developer's receipt from the District of its share of proceeds from the District's first bond issue.

ARTICLE 4 LAND AND DEVELOPMENT COVENANTS

4.01. Land Use. Developer shall submit to the City, for its review and approval, the plan for the development of the Property (the "General Plan") in accordance with Section 40-48 of the Zoning Code in effect as of the effective date of this Agreement. Developer shall develop or cause any undeveloped Property to be developed in accordance with the latest General Plan approved by the City.

4.02 Planned Unit Development. (a) Developer agrees that development of the Property shall be in accordance with the Zoning Code and the General Plan, as the General Plan may be amended in accordance with the provisions of the Zoning Code and the terms of the PUD.

(b) The Developer and City recognize that it is in the interest of the Developer and the City that part of the Property be used to further the economic development interests of both the Developer and the citizens of the City, including attracting desirable businesses and industry to provide highly skilled jobs and to maintain an appropriate balance between the City's residential and non-residential tax base. Therefore, the Project shall be developed as a PUD in accordance with the Zoning Code. The Developer agrees to comply with all of the procedures provided for a PUD in the Zoning Code. The PUD shall include but not be limited to: (1) proposed land uses; (2) maximum number of housing units; (3) number of lots; (4) sizes of the lots; (5) housing types; (6) prospective commercial uses; (7) street and circulation system/arterial plan; (8) development schedule; (9) request for variance to the development code; (10) typical street cross section with proposed landscape standards; (11) bulk head material; (12) estimated construction value of housing by lot size; (13) proposed amenities plan; (14) utility (water and sewer) plant and sites and trunk line locations; (15) storm water plan; (16) Municipal Utility District boundaries; (17) any likely alternative development scenario; and (18) if a municipal services site is dedicated, it must be shown in the PUD Conceptual Plan.

4.03 Development Covenants. The Developer agrees to adopt deed restrictions and other restrictive covenants, and promulgate the Developer's guidelines regarding development standards, consistent with the PUD, the Zoning Code and any relevant City ordinances and regulations. The Developer will provide copies of its residential deed restrictions and residential development covenants to the City for review and comment by the Mayor or his designee no later than prior to the approval of the first residential development covenants for review and comment no later than prior to the approval of the PUD. The Developer agrees to require Sub-developers to abide by the Developer's development standards and provide for enforcement mechanisms for restrictive covenants.

4.04. Marketing Cooperation. The Developer will share non-confidential marketing information with the City relating to the marketing of the Project, and will solicit recommendations to assist the marketing of the Project from the City. The City will designate a contact person for this purpose.

4.05 Notice. Developer agrees to provide notice to the Mayor or his designee of any material proposed changes, amendments or revisions to the PUD, the Property, or the Project prior to taking any action on such change.

**ARTICLE 5
TERM AND DEFAULT**

5.01. Term. This Agreement shall be in effect as of the date set forth on the first page hereof, and shall terminate 50 years thereafter, unless terminated earlier as specifically provided herein.

5.02. Default.

a. A party shall be deemed in default under this Agreement (which shall be deemed a breach hereunder) if such party fails to materially perform, observe or comply with any of its covenants, agreements or obligations hereunder or breaches or violates any of its representations contained in this Agreement.

b. Before any failure of any party to perform its obligations under this Agreement shall be deemed to be a breach of this Agreement, the party claiming such failure shall notify, in writing, the party alleged to have failed to perform of the alleged failure and shall demand performance. No breach of this Agreement may be found to have occurred if performance has commenced to the reasonable satisfaction of the complaining party within 30 days of the receipt of such notice. Upon a breach of this Agreement, the non-defaulting Party shall be entitled to specific performance. Regardless of any other provision, neither Party shall be entitled to recover money damages for breach of this Agreement or a tort related to this Agreement. Except as otherwise set forth herein, no action taken by a party pursuant to the provisions of this Section pursuant to the provisions of any other section of this Agreement shall be deemed to constitute an election of remedies and all remedies set forth in this Agreement shall be cumulative and non-exclusive of any other remedy either set forth herein or available to any Party at law or in equity. Each of the parties shall have the affirmative obligation to mitigate its damages in the event of a default by the other party.

**ARTICLE 6
MISCELLANEOUS PROVISIONS**

6.01. Approvals and consents. Approvals or consents required or permitted to be given under this Agreement shall be evidenced by an ordinance, resolution or order adopted by the governing body of the appropriate party or by a certificate executed by a person, firm or entity previously authorized to give such approval or consent on behalf of the party. Approvals and consents shall be effective without regard to whether given before or after the time required for giving such approvals or consents.

6.02. Address and notice. Any notice to be given under this Agreement shall be given in writing, addressed to the party to be notified as set forth below, and may be

given either by depositing the notice in the United States mail postage prepaid, registered or certified mail, with return receipt requested; by messenger delivery; or by telecopy. Notice deposited by mail shall be effective three days after posting. Notice given in any other manner shall be effective upon receipt by the party to be notified. For purposes of notice, the addresses of the parties shall be as follows:

If to the City, to:
Mayor
City of Texas City, Texas
P.O. Box 2608
Texas City, Texas 77592

If to Developer, to:
Hwy 66 Partners, Ltd.
Attn: Phil Newton
1514 3rd Street
Seabrook, Texas, 77586

cc to the District to:
Galveston County Municipal Utility
District No. 66
c/o: McDonald & Sechrist LLP
770 South Post Oak Lane, Suite 410
Houston, Texas 77056
Attn: Terrie L. Sechrist

The parties shall have the right from time to time to change their respective addressees by giving written notice of such change to the other party at least 15 days prior to the effective date of the change.

6.03. Assignability; successors and assigns. All covenants and agreements contained by or on behalf of a party in this Agreement shall bind its successors and assigns and shall inure to the benefit of the other parties, their successors and assigns. The parties may assign their rights and obligations under this Agreement or any interest herein, only with the prior written consent of the other party, which consent shall not be unreasonably withheld, and any assignment without such prior written consent, including an assignment by operation of law, is void and of no effect; provided that, the Developer may make a collateral assignment in favor of a lender without consent. This Section shall not be construed to prevent the Developer from selling lots, parcels or other portions of the Land in the normal course of business. If such assignment of the obligations by the Developer hereunder is effective, the Developer shall be deemed released from such obligations. If any assignment of the obligations by the Developer hereunder is deemed ineffective or invalid, the Developer shall remain liable hereunder.

6.04. No additional waiver implied. The failure of either party to insist upon performance of any provision of this Agreement shall not be construed as a waiver of the future performance of such provision by the other party.

6.05. Reservation of rights. All rights, powers, privileges and authority of the parties hereto not restricted or affected by the express terms and provisions hereof are reserved by the parties and, from time to time, may be exercised and enforced by the parties.

6.06. Parties in interest. This Agreement shall be for the sole and exclusive benefit of the parties hereto and shall not be construed to confer any rights upon any third parties.

6.07. Merger. This Agreement embodies the entire understanding between the parties and there are no representations, warranties, or agreements between the parties covering the subject matter of this Agreement.

6.08. Modification; Exhibits. This Agreement shall be subject to change or modification only with the mutual written consent of the City and the Developer. The exhibits attached to this Agreement are incorporated by this reference for all purposes.

6.09. Captions. The captions of each section of this Agreement are inserted solely for convenience and shall never be given effect in construing the duties, obligations or liabilities of the parties hereto or any provisions hereof, or in ascertaining the intent of either party, with respect to the provisions hereof.

6.10. Interpretations. This Agreement and the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of this Agreement. This agreement, although drafted by the City, shall be construed fairly and reasonably and not more strictly against the City than the Developer because both parties were represented by legal counsel in the negotiation and review of this Agreement.

6.11. Severability. If any provision of this Agreement or the application thereof to any person or circumstances is ever judicially declared invalid, such provision shall be deemed severed from this Agreement and the remaining portions of this Agreement shall remain in effect.

6.12. Authority within City limits. Regardless of any other provision, nothing herein shall impair or restrict any authority, powers or rights of the City within the incorporated limits of the City.

[EXECUTION PAGES FOLLOW]

AGREED AND ACCEPTED as of the date first above written.

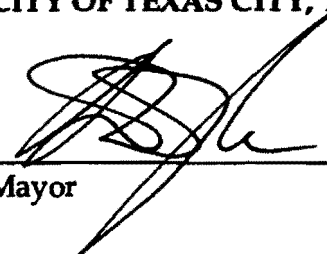
HWY 66 PARTNERS, LTD.,
a Texas limited partnership

By: Jabaz Development Co., Inc.,
a Texas corporation,
its general partner

By: _____
Phil Newton, President

AGREED AND ACCEPTED as of the date first above written.

CITY OF TEXAS CITY, TEXAS



Mayor

ATTEST:

City Secretary

(SEAL)

APPROVED AS TO FORM:

City Attorney

**City of Texas City
Highway 66 Partners
Payment in Lieu of Taxes Calculation**

I. Estimated Annual AV Value Loss Calculation

A.	\$	160,000	Target Value per Dwelling Unit
B.			(-) Average value per dwelling unit (calculated as the total number of A1 properties at the time of the bond sale / total value of all A1 properties as of the time of the bond sale, to be provided by MUD TAC per GCAD records)
C.	\$	160,000	(=) Variance between target value per dwelling unit and average value per dwelling unit
D.	\$	160,000	Variance between target value per dwelling unit and average value per dwelling unit
E.			(*) Total A1 properties at the time of the bond sale to be provided by MUD TAC per GCAD records
F.	\$	-	(=) Estimated AV Loss

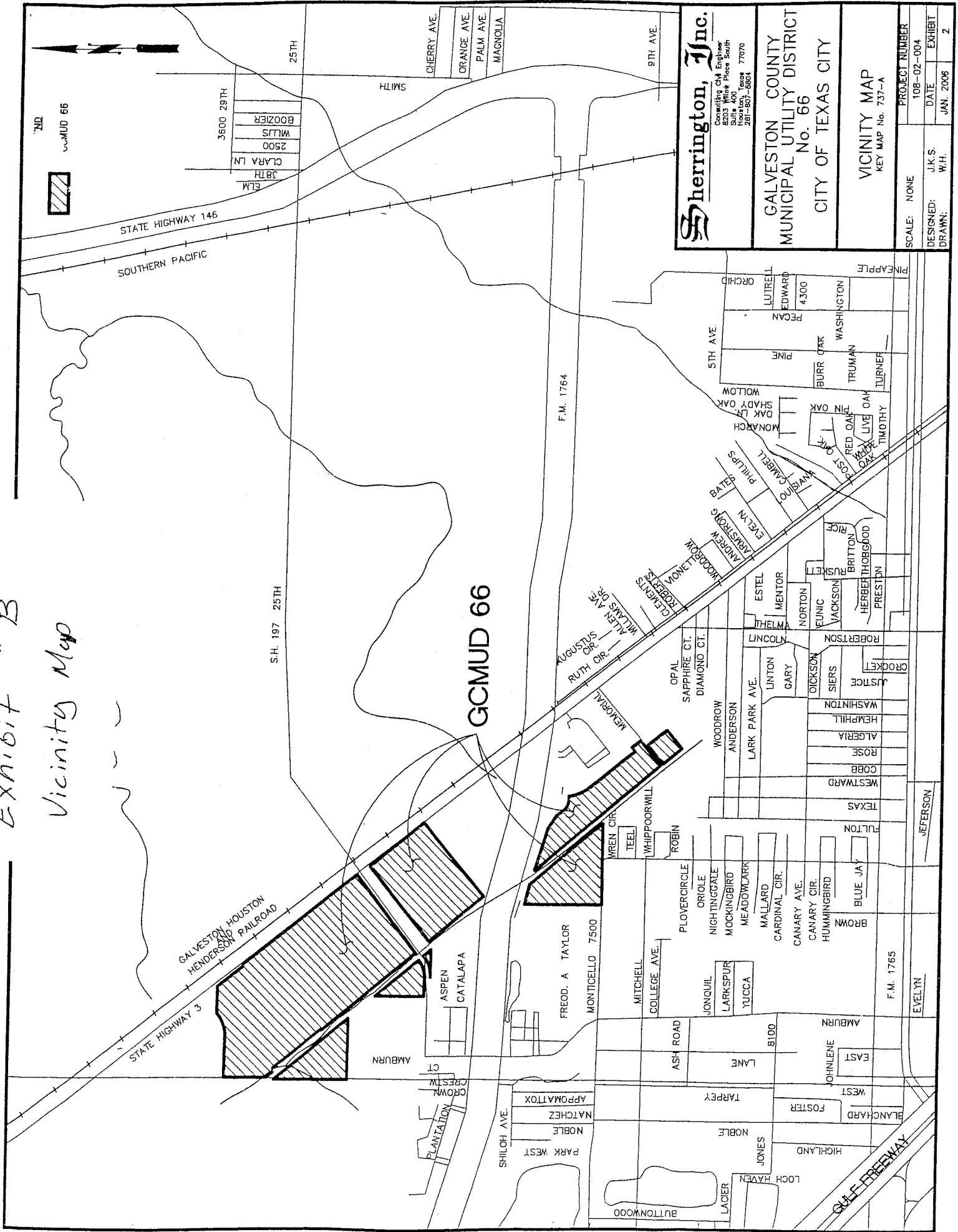
II. Estimated Annual Revenue Loss Calculation

G.	\$	-	Estimated AV Loss
H.	\$	-	(/) 100
I.	\$	0.45624	(*) Texas City Tax Rate (at time of bond sale)
J.	\$	-	(=) Estimated Annual Taxes Lost

III. Payment in Lieu of Taxes Calculation

K.	\$	-	Estimated Annual Taxes Lost
L.			(*) Timing factor (20, or the term of the bonds, whichever is greater)
M.	\$	-	(=) Total Payment at time of sale

Exhibit "B"
Vicinity Map



<p>Sherrington, Inc. Consulting Civil Engineer 3014 West Price South Suite 400 Houston, Texas 77070 281-607-6864</p>	<p>GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT No. 66</p>		<p>VICINITY MAP KEY MAP No. 737-A</p>	<p>PROJECT NUMBER 108-02-004</p>
	<p>CITY OF TEXAS CITY</p>		<p>SCALE: NONE</p>	<p>DESIGNED: J.K.S. DRAWN: W.H.</p>
			<p>DATE: JAN. 2006</p>	<p>EXHIBIT: 2</p>

**Planned Unit District
For
Vida Costera
Development**

Prepared For
KB Home Lone Star Inc.



Planner:
EHRA Engineering



February 20, 2024

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 - D. Open Space Amenities Plan
 - E. School District Zoning
- IV. ZONING
 - A. Existing Zoning
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- V. UTILITIES

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- Exhibit A-2 – Legal Description
- Exhibit B – Conceptual Lotting Plan
- Exhibit C – Open Space Amenities Plan
- Exhibit D – Zoning Map
- Exhibit E – Development Timeline
- Exhibit F – Approved Subdivision Master Plan
- Exhibit G – Recorded Section 1 Plat
- Exhibit H – MUD Annexation Document
- Exhibit I – Development Agreement (Resolution 07-101)

I. INTRODUCTION

The following application is submitted under Section 160.050 "District I (PUD), Planned Unit Development".

This planned development document was created in accordance with City of Texas City (City) ordinances related to the "District I (PUD) Planned Unit Development". The purpose of this document is to encourage the development of the subject property and to promote the most compatible land use within the community.

The Vida Costera project is a 49.89-acre tract of land, located southwest of State Highway 3 and southeast of 25th Avenue North (Subject Tract). KB Home Lone Star Inc. (Developer) is the owner of Subject Tract, and it intends to develop the property as a single-family residential community, complete with stormwater detention facilities, parks, and open space. It is a part of Galveston County Municipal Utility District No. 66 (MUD). Exhibit A – "Project Survey" further illustrates the location of Subject Tract.

For a brief background on the Project, the Subject Tract is party to a Development Agreement (Resolution No. 07-101) approved by the City in 2007 (Exhibit J). This Development Agreement stipulated that the Subject Tract be zoned as a PUD District upon development. Since then, the Subject Tract has been conveyed multiple times to different entities until it was finally conveyed to the current Developer in 2019. However, the Developer was not made aware of the requirement for the Subject Tract to be zoned as "District I (PUD) Planned Unit Development", and it was not enforced until now. Nonetheless, a subdivision master plan, multiple plats, and construction plan sets have been approved by the City. Section 1 of the Project has been constructed, and home construction is now underway. This PUD application is presented to satisfy the zoning requirements of the Development Agreement.

II. SITE INVENTORY ANALYSIS

A. Opportunities and Constraints

Similar to surrounding properties, the Subject Tract is mostly flat with elevations ranging from approximately 11 feet above sea level on the northern side of the tract to 14 feet above sea level on the southern side of the tract. Existing physical constraints affecting development of the property include the following:

- 55' Galveston County Drainage District No. 2 Easement (G.C.C.F. No. 2000037094) adjacent to the southwest boundary of the property
- 10' Southwestern Bell Tower Easement (G.C.C.F. No. 9840345) adjacent to the northeast boundary along State Highway 3

B. Surrounding Land Use

Land uses in proximity to the Subject Tract include single-family residential tracts, institutional tracts, and undeveloped property. The tract is adjacent to State Highway 3, a Texas Department of Transportation (TxDOT) managed 4-lane roadway. A median opening exists at the center of the frontage of the tract which will allow for access to the project. On the east side of the highway there is a Union Pacific owned railroad. The area to the northeast of that remains undeveloped. Immediately north of the project is a Texas New Mexico Power Company power substation. Pearlbrook, a single-family residential community, lies to the north of 25th Avenue North. The area to the southwest, across FM 1764, is the College of the Mainland, a collegiate educational facility. To the southeast lies a multi-family apartment community currently known as "Retreat at Texas City". It is separated from the Subject Tract by a +/- 200' strip of vegetation not owned by the Developer.

III. **PROJECT DESCRIPTION**

A. Land Use

Exhibit B – "Conceptual Lotting Plan" depicts the conceptual lotting plan with the proposed land uses for the tract. The 203 single family detached lots are designed at typical dimensions of 50' in width by 120' in depth, ranging from 6,000 to 13,500 square feet, with homes that are expected to range in sales price from \$202,995 to \$300,995. The community will incorporate walking/jogging trails as well as +/- 2.6 acres of park/greenspace with a playground, seating areas, and landscaped entry reserves as displayed on Exhibit C – "Open Space Amenities Plan".

The density of the project will be approximately 4.1 units per acre, and there will be no non-residential uses. Homes in the project will be a mix of one or two stories.

The property drains into a stormwater detention pond in the center of the project which outfalls into the 55-foot-wide Galveston County Drainage District No. 2 drainage easement adjacent to the southwest boundary of the property. No portion of this tract lies within the floodplain.

Land Use Table

Land Use Category	Acreage	% of Gross Acreage
Single Family	+/- 39.6	80.0%
Detention	+/- 4.7	9.0%
Drainage	+/- 1.6	3.2%
Open space	+/- 1.3	2.6%
Parkland	+/- 2.6	5.2%
Total	+/- 49.8	100%

B. Phasing

The project consists of three separate sections of single family lots with typical dimensions of 50' wide by 120' deep. A Subdivision Master Plan was approved in November of 2020 (Exhibit F). The +/- 3.0 acre out tract included in the northern corner of the Subdivision Master Plan is not a part of this PUD because it is not owned by the Developer. The Section 1 final plat (Exhibit G) has been recorded by the City (G.C.M.R. 2023003386). The Section 1 infrastructure has been constructed and it has been accepted by the city into its maintenance period. Several Homes are under construction. The Section 2 final plat was approved by the City Planning Board on January 9, 2023. The Section 3 preliminary plat was submitted to the City in August of 2022, but no action has been taken on it.

C. Street Circulation Concept

The main point of access to the project will be known as Vida Costera Drive. It is an existing 80' boulevard that connects to State Highway 3, an existing 4-lane roadway maintained by TxDOT. A median opening exists at the center of the frontage of the tract which will allow for access to the project. A second point of access will also be provided in Section 3 that will connect to State Highway 3. Driveway permits for both entries have previously been approved by TxDOT.

D. Open Space Amenity Plan

According to the Texas City code of ordinances, a minimum of one half acre of land must be dedicated for public neighborhood park use for every 100 proposed dwelling units. Based upon the proposed amount of dwelling units illustrated on Exhibit – A “Conceptual Lotting Plan” the developer is required to dedicate +/- 1.02 acres of parkland. In accordance with the parks and open space requirements, the community will incorporate walking/jogging trails as well as +/- 2.6 acres of park/green space with a playground, seating areas, and landscaped entry reserves as displayed on Exhibit C – “Open Space Amenities Plan”. An upgraded cedar fence with masonry columns 50' on center has been constructed along the SH 3 frontage and landscaping has been installed to comply with the City's Gateway Corridor Overlay District.

The Developer has already formed a homeowner's association (“HOA”) for the community. The HOA will be responsible for all subdivision and common area maintenance other than drainage and detention maintenance which will be maintained by the MUD.

C. School District Zoning

The tract is zoned for Dickinson ISD or Texas City ISD, depending on the individual homesite location.

IV. ZONING

A. Existing Zoning

As illustrated on the current Texas City Zoning Map on the City's website, the project is zoned as "District A Single Family Residential", permitting a minimum 50' lot width and a minimum 100' lot depth with a minimum square footage of 6,000. A portion of the property resides within the "Gateway Corridor Overlay District." The existing zoning classifications for the subject property and surrounding properties are further illustrated on Exhibit D – "Zoning Map".

B. Proposed Zoning

The purpose of this document is to redefine the zoning of the Subject Tract to "District I (PUD) Planned Unit Development District". The lot dimensions to be permitted within this PUD shall be a minimum 50' lot width and a minimum 100' lot depth with a minimum square footage of 6,000. The minimum lot depth shall not apply to lots that front cul-de-sacs or knuckles, but the minimum lot width and square footage requirements shall still apply. The Developer will abide by rules and regulations of the Texas City Code of Ordinances other than those being modified herein. This PUD is not meant to remove any requirements associated with the Gateway Corridor Overlay District, and all such requirements shall still apply.

V. UTILITIES

All utilities including the water distribution center, sanitary sewer collection system, and the storm water drainage system will be provided by the Galveston County Municipal Utility District No. 66.

(THIS SPACE INTENTIONALLY LEFT BLANK)

Exhibit 'A-2' - Legal Description

**METES AND BOUNDS DESCRIPTION
49.887 ACRES IN THE
JOHN SELLERS SURVEY, A-180 AND THE
S.A. & M.G. R.R. SURVEY, A-189
GALVESTON COUNTY, TEXAS**

49.887 acres of land situated in the John Sellers Survey, A-180 and the S.A. & M.G. R.R. Survey, A-189, Galveston County, Texas, being out of Lots 18-23 of the Motor Subdivision as recorded in Volume 254-A, Page 13 of the Galveston County Map Records (G.C.M.R.) and being a portion of that certain called 49.887 acre tract of land as conveyed to KB Home Lone Star Inc and described in deed recorded under Galveston County Clerk's File Number (G.C.C.F. No.) 2019051058, and being all of Vida Costera Sec 1 Final Plat as recorded in Instrument No. 2023003386 under the Galveston County Map Records: said 49.887 acre tract of land being more particularly described by metes and bounds as follows: (bearing orientation is based on the Texas Coordinate System of 1983, South Central Zone):

BEGINNING at a 5/8 inch iron rod with cap stamped "EHRA 713-784-4500" found at the southwesterly corner of Lot 24 of said Motor Subdivision, being the northwest corner of said Lot 23, the southwesterly corner of said Vida Costera Sec 1 and being in the northeasterly line of a 40 foot Roadway recorded under Volume 254-A, Page 13 G.C.M.R.;

- (1) **Thence**, N 48°53'25" E, with the common line of Lots 23 and 24 and said Vida Costera Sec 1, a distance of 1,451.97 feet to a 5/8 inch iron rod with cap stamped "EHRA 713-784-4500" found for corner;
- (2) **Thence**, S 41°06'35" E, with the northerly line of said Vida Costera Sec 1, a distance of 390.90 feet to a 5/8 inch iron rod with cap stamped "EHRA 713-784-4500" found for corner;
- (3) **Thence**, N 48°53'25" E, with the northerly line of said Vida Costera Sec 1, a distance of 334.34 feet to a 5/8 inch iron rod with cap stamped "EHRA 713-784-4500" found in the southwesterly right-of-way line of State Highway No. 3 (based on a width of 137 feet) recorded under Volume 254-A, Page 13 of the G.C.M.R. and under G.C.C.F. No.'s 9115089, 9131746 and 9126860;
- (4) **Thence**, S 41°07'07" E, with the southwesterly right-of-way line of said State Highway No. 3, a distance of 910.00 feet to a 5/8 inch iron rod with cap stamped "TEAM" found at the northeasterly corner of that certain called 8 acre tract of land as described in deed and recorded under G.C.C.F. No. 2013003901;
- (5) **Thence**, S 48°52'53" W, with the northwesterly line of said called 8 acres, a distance of 1,755.19 feet to a 5/8 inch iron rod with cap stamped "EHRA 713-784-4500" found in the northeasterly line of said 40 foot Roadway;
- (6) **Thence**, N 42°29'09" W, with the northeasterly line of said 40 foot Roadway, a distance of 1,301.55 feet to the **POINT OF BEGINNING** and containing 49.887 acres of land.

This description accompanies a Exhibit, prepared by Edminster, Hinshaw, Russ and Associates, Inc. d/b/a EHRA and dated February 19, 2024.

EDMINSTER, HINSHAW, RUSS & ASSOCIATES, INC. d/b/a EHRA



Charles Kennedy, Jr., R.P.L.S.
Texas Registration No. 5708
10011 Meadowglen Lane
Houston, Texas 77042
713-784-4500
TBPLS No. 10092300

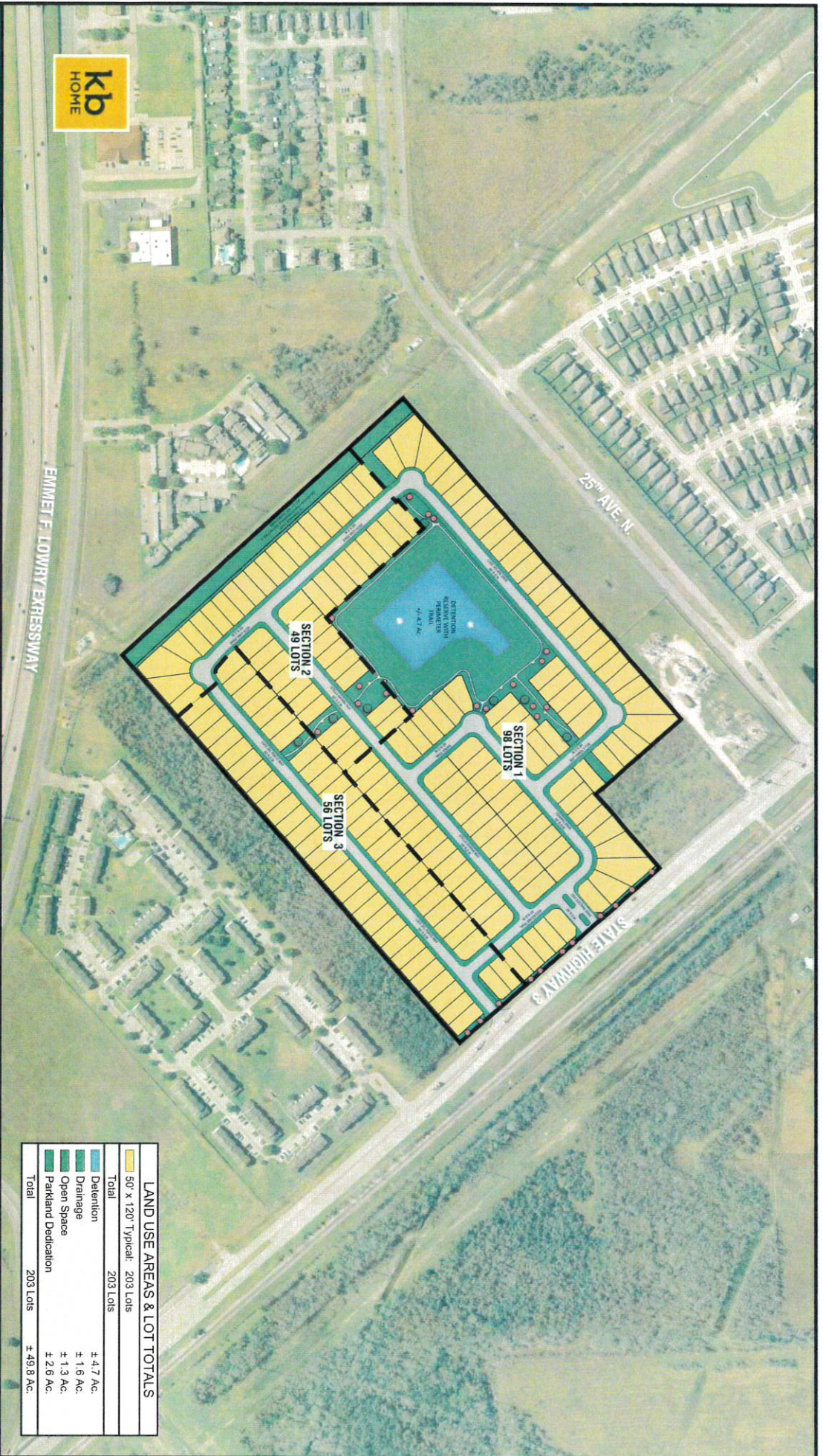


Date: 06/06/2018 (rev 09/04/2019)/updated 02/19/2024

Job No: 181-014-00

File No: R:\2018\181-014-00\Documents\Description\Boundary\18101400-LTS 49.887 AC_updated(2-19-2024).docx

Exhibit 'B' - Conceptual Lotting Plan



Vida Costera: Conceptual Lotting Plan

Texas City, Galveston County, Texas

PROJECT: Vida Costera, 2584259 Hwy. Pkg. 16, 2024-1, Served by 4100010

February 19, 2024
SCALE: 1" = 300'

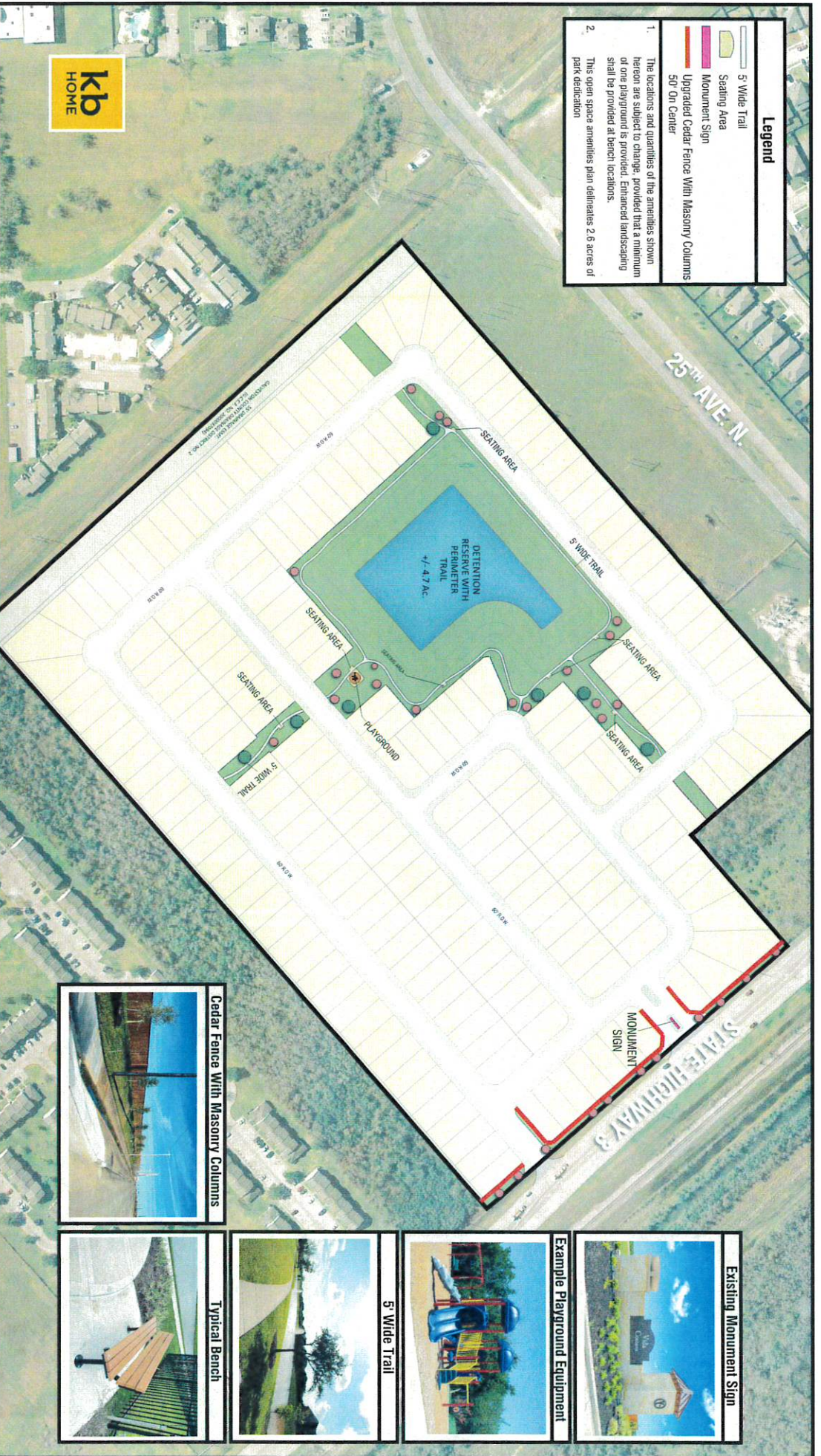


EHRA JOB NO.
181-014-001-06



10011 MEADOWGLEN LANE
HOUSTON, TEXAS 77042
EHRA/FEM1
TBRP No. F-726
TBRPS No. 10092300

Exhibit 'C' - Open Space Amenities Plan



Vida Costera: Open Space Amenities Plan

Texas City, Galveston County, Texas

Project No. 2024-001, 002, 003, 004, 005, 006, 007, 008, 009, 010, 011, 012, 013, 014, 015, 016, 017, 018, 019, 020, 021, 022, 023, 024, 025, 026, 027, 028, 029, 030, 031, 032, 033, 034, 035, 036, 037, 038, 039, 040, 041, 042, 043, 044, 045, 046, 047, 048, 049, 050, 051, 052, 053, 054, 055, 056, 057, 058, 059, 060, 061, 062, 063, 064, 065, 066, 067, 068, 069, 070, 071, 072, 073, 074, 075, 076, 077, 078, 079, 080, 081, 082, 083, 084, 085, 086, 087, 088, 089, 090, 091, 092, 093, 094, 095, 096, 097, 098, 099, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 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997, 998, 999, 1000

February 16, 2024
SCALE: 1" = 200'



EHRA JOB NO. 181-014-001-06



10011 MEADOWGLEN LANE
HOUSTON, TEXAS 77042
713.784.4500
EHRATEAM
TBRF No. F-726
TBRFS No. 10929200



Cedar Fence With Masonry Columns



Typical Bench



5' Wide Trail



Example Playground Equipment

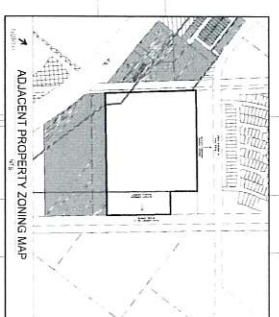
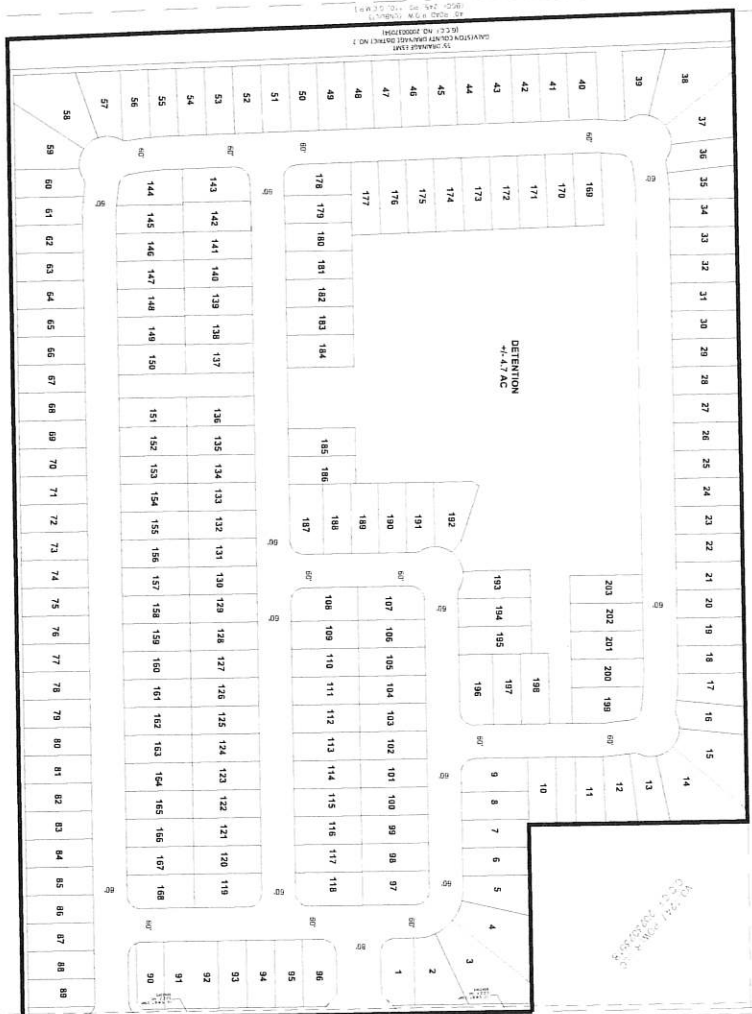


Existing Monument Sign

Exhibit 'D' - Zoning Exhibit

GENERAL NOTES

1. ALL LOT numbers, dimensions, and bearings shall be as shown on the plat.
2. The plat is subject to the provisions of the Texas Property Code, Chapter 63, Subchapter C, and the Texas Rules of Civil Procedure, Chapter 101, Subchapter C.
3. The plat is subject to the provisions of the Texas Property Code, Chapter 63, Subchapter C, and the Texas Rules of Civil Procedure, Chapter 101, Subchapter C.
4. The plat is subject to the provisions of the Texas Property Code, Chapter 63, Subchapter C, and the Texas Rules of Civil Procedure, Chapter 101, Subchapter C.
5. The plat is subject to the provisions of the Texas Property Code, Chapter 63, Subchapter C, and the Texas Rules of Civil Procedure, Chapter 101, Subchapter C.
6. The plat is subject to the provisions of the Texas Property Code, Chapter 63, Subchapter C, and the Texas Rules of Civil Procedure, Chapter 101, Subchapter C.
7. The plat is subject to the provisions of the Texas Property Code, Chapter 63, Subchapter C, and the Texas Rules of Civil Procedure, Chapter 101, Subchapter C.
8. The plat is subject to the provisions of the Texas Property Code, Chapter 63, Subchapter C, and the Texas Rules of Civil Procedure, Chapter 101, Subchapter C.
9. The plat is subject to the provisions of the Texas Property Code, Chapter 63, Subchapter C, and the Texas Rules of Civil Procedure, Chapter 101, Subchapter C.
10. The plat is subject to the provisions of the Texas Property Code, Chapter 63, Subchapter C, and the Texas Rules of Civil Procedure, Chapter 101, Subchapter C.



LOT WIDTH DATA

LOT WIDTH	NUMBER OF LOTS	PERCENTAGE
50'	20	20%
60'	20	20%
70'	20	20%
80'	20	20%
TOTAL	100	100%



Vida Costera: Zoning Exhibit
 A Subdivision of 49.89 acres out of the S.A. & M.G. R.R. Survey, A-189 and John Sellers Survey, A-180, Texas City, Galveston County, Texas.
 203 Lots and 5 Blocks
 Owner/Developer: KB Home Lone Star Inc., 11314 Richmond Avenue, Houston, TX, 77082. (877)238.4720.

February 19, 2024
 SCALE: 1"=100'
 NORTH

Ehira
 ENGINEERING AND ARCHITECTURE
 10011 MEMORIAL LANE
 HOUSTON, TEXAS 77036
 PHONE: 281.460.1000
 FAX: 281.460.1001
 WWW.EHIRA.COM
 TEXAS REG. NO. 0082250

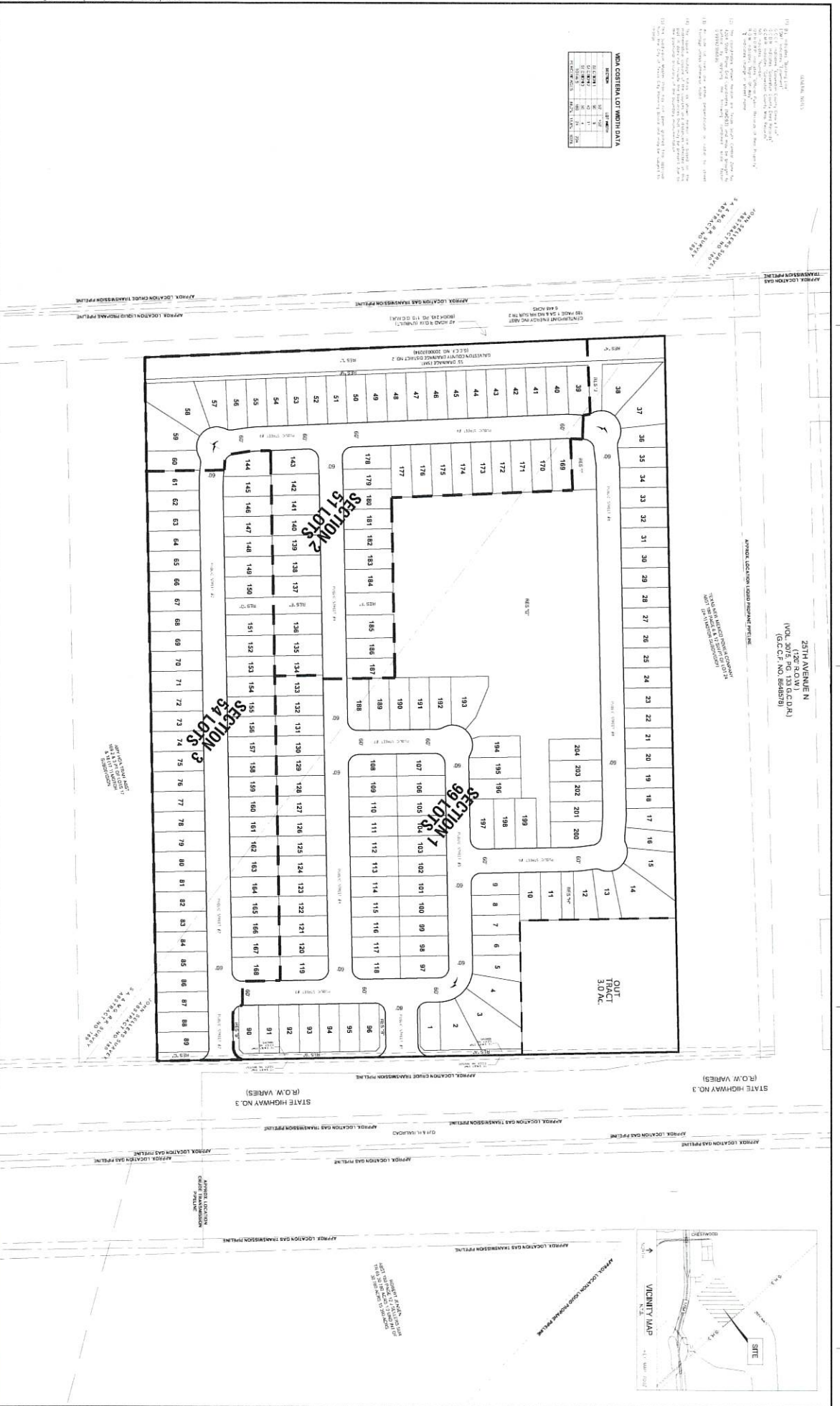
EXHIBIT E

Development Timeline

MUD Annexation	September 11, 2006
Development Agreement Approval	August 15, 2007
Subdivision Master Plan Approval	November 2, 2020
Section 1 Final Plat Approval	August 18, 2021
Section 2 Final Plat Approval	January 9, 2023
Section 1 Plat Recordation	January 23, 2023
PUD Application Submission	December 14, 2023
Planning Board Approval	March 4, 2024
Zoning Commission Approval (Anticipated)	March 19, 2024
City Commission Approval (Anticipated)	April 3, 2024
Section 2 Construction Begins (Anticipated)	July 2026
Section 2 Construction Completed (Anticipated)	January 2027
Section 3 Construction Begins (Anticipated)	August 2029
Section 3 Construction Completed (Anticipated)	February 2030
Project Buildout (Anticipated)	January 2033

**The anticipated dates are subject to change due to fluctuating market conditions*

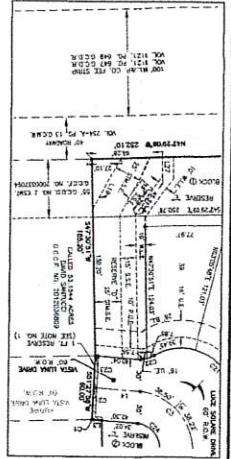
Exhibit 'F' - Approved Subdivision Master Plan



Vida Costera Subdivision Master Plan
 A Subdivision of 53.1544 acres out of the S.A. & M.G. R.R. Survey, A-189 and John Sellers Survey, A-180, Texas City, Galveston County, Texas.
 Owner/Developer: KB Home Lone Star Inc., 11314 Richmond Avenue, Houston, TX, 77082. (877)238.4720.

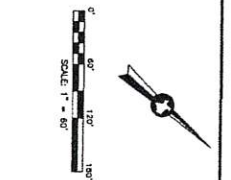
October 15, 2020
 SCALE: 1" = 100'
 NORTH

EHRRA
 ENGINEERING & ARCHITECTURE
 1001 WINDYBUSH BLVD
 HOUSTON, TEXAS 77056
 TEL: 281.485.5550
 FAX: 281.485.5551

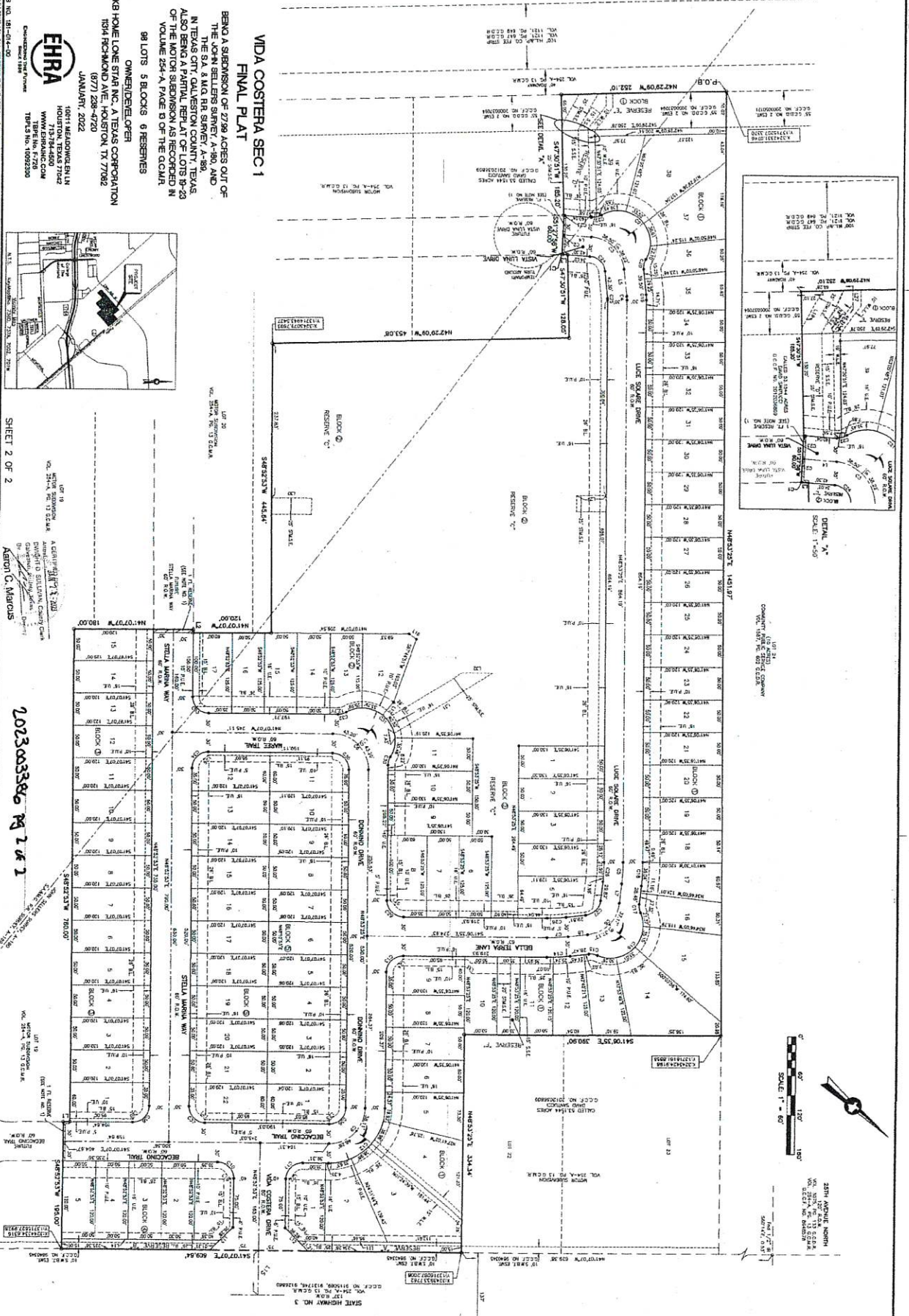


DETAIL "A"
SCALE 1" = 50'

CONTRACT NO. 2023-003386
DATE: 01/27/2023



25th ANNUAL NORTH
COUNTY PLAT
NO. 1000000000
DATE: 01/27/2023



**VIDA COSTERA SEC 1
FINAL PLAT**

BENJO A SUBDIVISION OF 27.98 ACRES OUT OF
THE SA. & M. B.S. SUPER. A. 88-00
IN TARRANT COUNTY, TEXAS
ALSO BEING A PARTIAL REPLAT OF LOTS B-23
OF THE MOTOR SUBDIVISION AS RECORDED IN
VOLUME 254-A, PAGE B OF THE G.O.M.A.

OWNERS/DEVELOPER
KB HOME LOAN STRAT INC. A TEXAS CORPORATION
1034 RICHMOND AVE., HOUSTON, TX 77082
(877) 228-4920
JANUARY, 2022



SHEET 2 OF 2

A CERTIFIED TRUE COPY
OF THE ORIGINAL RECORD COPY
FILED IN DISTRICT CLERK'S OFFICE
BY
AARON C. MARQUIS

2023-003386 P 2 of 1

Exhibit 'H' - MUD Annexation Document

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



THE STATE OF TEXAS
COUNTY OF TRAVIS
I hereby certify that this is a true and correct copy of a
Texas Commission on Environmental Quality document,
which is filed in the permanent records of the Commission.
Given under my hand and the seal of office on

LaDonna Castanuela SEP 11 2006

LaDonna Castanuela, Chief Clerk
Texas Commission on Environmental Quality

AN ORDER GRANTING THE PETITION FOR CREATION OF GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 66 AND APPOINTING TEMPORARY DIRECTORS

A petition by HWY, 66 Partners, Ltd. (hereafter "Petitioner") was presented to the Executive Director of the Texas Commission on Environmental Quality (hereafter "Commission") for approval of the creation of Galveston County Municipal Utility District No. 66 (hereafter "District") pursuant to Article XVI, Section 59 of the TEXAS CONSTITUTION and TEX. WATER CODE, Chapters 49 and 54.

The Commission has jurisdiction to consider this matter, and the following Findings of Fact and Conclusions of Law are appropriate after examining the application and supporting documentation:

FINDINGS OF FACT

1. On January 23, 2006, a petition for the creation of Galveston County Municipal Utility District No. 66 was filed with the Commission pursuant to TEX. WATER CODE, Chapters 49 and 54.
 - a. The petition for creation of the proposed District was signed by a duly authorized officer of the Applicant, which represents they hold title and are the owner to a majority in value of the land proposed to be included within the proposed District's boundaries in accordance with TEX. WATER CODE § 54.014.
 - b. The application contains information required by TEX. WATER CODE § 54.015 and 30 TEX. ADMIN. CODE § 293.11.
 - c. By petition, the Petitioner represents that there are two lien holders on the land in the proposed District. Evidence of lien holder consent has been provided.
2. Proper notice of this application was given pursuant to TEX. WATER CODE § 49.011 and 30 TEX. ADMIN. CODE § 293.12.
 - a. Proper notice of the application was published on July 28 and August 3 of 2006 in The Houston Chronicle, a newspaper regularly published and generally circulated in Galveston County, Texas, which is the county in which the proposed District is to be located.

b. On July 28, 2006, proper notice of the application was posted on the bulletin board used for posting legal notices in Galveston County, Texas, which is the county in which the proposed District is to be located.

3. The appropriate and necessary deposits and fees associated with the filing of the application for creation of the proposed District have been paid to the Commission.

4. The affidavits of proposed temporary directors of the proposed District have been reviewed. The proposed temporary directors are:

Jeffrey M. Cravey
Renee Dale Koch

Eryn Elliott
Susan White

Joe P. Jameson, Jr.

5. Each of the persons named in Finding of Fact No. 4 is qualified to serve as a temporary director of the proposed District as each: (1) is at least 18 years old; (2) is a resident of the State of Texas; (3) either owns land subject to taxation within the proposed District, or is a qualified voter within the District; and (4) has completed and filed with the Commission an application for consideration of appointment as temporary director in the form and substance required by the Rules of the Commission.

6. The entire proposed District consists of 309.6 acres of land located entirely in Galveston County, Texas, and within the corporate limits of the City of Texas City, and no part of the proposed District will be located within the corporate limits or extraterritorial jurisdiction of any other city, town or village of the State of Texas.

7. The metes and bounds description of the proposed District has been checked by the Commission's staff and was found to form an acceptable closure.

8. By City of Texas City, Texas, Resolution No. 06-08 (amending Resolution No. 05-130), effective January 18, 2006, the City of Texas City, Texas, has consented to the creation of the proposed District, as required by TEX. WATER CODE § 54.016 and TEX. LOC. GOV'T CODE § 42.042.

9. The proposed project as set out in the application is feasible and practicable.

a. There is an ample supply of water available, and the terrain of the area to be included in the proposed District is such that waterworks, wastewater, and drainage and storm sewer systems can be constructed or acquired at reasonable cost.

b. Projected construction cost for the project is reasonable at approximately \$16,295,000.

c. The proposed District's combined projected tax rate of \$0.9452 per \$100 assessed valuation is reasonable and comparable to tax rates in the surrounding area.

d. Projected water and wastewater rates are reasonable.

- e. A market study was provided which indicates that there is growth potential to support the proposed District.

10. The creation of the proposed District as set out in the application is necessary and would be a benefit to the land to be included in the proposed District.

11. The creation of the proposed District and its system and subsequent development within the proposed District will not have an unreasonable effect on land elevation, subsidence, groundwater level within the region, recharge capability of a groundwater source, natural run-off rates and drainage, water quality, and total tax assessments on all land located within the proposed District.

CONCLUSIONS OF LAW

1. The Commission has jurisdiction to consider this application and is authorized to make and enter its Findings of Fact, Conclusions of Law, and Orders with respect to the creation of the proposed District.

2. All of the land and property proposed may properly be included within the proposed District.

3. All statutory and regulatory requirements for creation of Galveston County Municipal Utility District No. 66 have been fulfilled in accordance with TEX. WATER CODE § 54.021 and 30 TEX. ADMIN. CODE §§ 293.11-293.13.

NOW THEREFORE, BE IT ORDERED BY THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY THAT:

1. The petition for the creation of Galveston County Municipal Utility District No. 66 is hereby granted.

2. The District is created under the terms and conditions of Article XVI, Section 59 of the TEXAS CONSTITUTION and TEX. WATER CODE, Chapters 49 and 54.

3. The District shall have all of the rights, powers, privileges, authority, and functions conferred and shall be subject to all duties imposed by the Texas Commission on Environmental Quality and the general laws of the State of Texas relating to municipal utility districts.

4. The District shall be composed of an area situated wholly within Galveston County, Texas, described by the metes and bounds in Exhibit "A", attached hereto and incorporated herein for all purposes.

5. The following persons are hereby named and appointed as temporary directors of the District, to serve until their successors are elected or have been appointed in accordance with applicable law:

Jeffrey M. Cravey
Renee Dale Koch

Eryn Elliott
Susan White

Joe P. Jameson, Jr.

6. The foregoing temporary directors shall, as soon as practicable after the date of entry of this Order, execute their official bonds and take their official oaths of office. All such bonds shall be approved by the Board of Directors of the District and each bond and oath shall be filed with the District and retained in its records.

7. This Order shall in no event be construed as an approval of any proposed agreement or of any particular item in any document provided in support of the petition for creation, nor as a commitment or requirement of the Commission in the future to approve or disapprove any particular item or agreement in future applications submitted by the District for Commission consideration.

8. This Order shall not constitute approval or recognition of the validity of any provision in the City of Texas City, Texas, Resolution No. 06-08 (amending Resolution No. 05-130), effective January 18, 2006, nor any other ordinance/resolution incorporated therein by reference to the extent that such provision exceeds the authority granted to the City of Texas City by the laws of the State of Texas.

9. The District is directed to pursue negotiations with the City of Texas City regarding a rebate of City taxes as compensation for District funding of water, wastewater, and drainage facilities.

10. The Chief Clerk of the Commission shall forward a copy of this Order to all affected persons.

11. If any provision, sentence, clause, or phrase of this Order is for any reason held to be invalid, the invalidity of any portion shall not affect the validity of the remaining portions of the Order.

Issue Date: **SEP 06 2006**

TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY


For the Commission

Northwestern Portion Tract 1

*Project # 2
574 - total*

53.1544 Acres of Land
Texas City, Texas
John Sellers League Survey A-180

TRACT 1:

**METES AND BOUNDS DESCRIPTION
53.1544 ACRES OF LAND
JOHN SELLERS LEAGUE SURVEY A-180**

Being 53.1544 acres of land situated in the John Sellers League Survey A-180, Galveston County, Texas, and being a portion of a called N.W. 4 acres of Lot 18 and all of Lots 19-23, Motor Subdivision as recorded under volume 254, page 110 Galveston County Map Records. Said 53.1544 acres of land being more fully described by metes and bounds as follows:

BEGINNING at a 5/8 inch iron rod with plastic cap set for the southwesterly boundary corner of said Lot 24 and the northwesterly boundary corner of said Lot 23 18.1767 acres (tract and being in the easterly boundary line of a called 40' feet road way;

THENCE North 47°33'30" East, along the common boundary line between said Lot 23 and Lot 24 for a distance of 1791.94 feet to 5/8 inch iron rod with plastic cap set for corner in the westerly right-of-way line of State Highway 3 based on a width of 150 feet;

THENCE South 42°26'30" East, along the westerly right-of-way line of State Highway 3 passing the common boundary corner between Lot 18 and 19 at a distance of 1204.05 feet and continuing on for a total distance of 1300.89 feet to 5/8 inch iron rod with plastic cap set for corner;

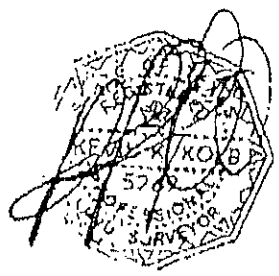
THENCE South 47°34'02" West, over and across said Lot 18 for a distance of 1791.94 feet to 5/8 inch iron rod with plastic cap set for corner in the easterly right-of-way line of said 40' roadway;

THENCE North 42°26'30" West, along the easterly right-of-way line of said 40' roadway for a distance of 1300.61' feet back to the **POINT OF BEGINNING** and containing within these calls 53.1544 acres or 2,315,404 square feet of land

A survey plat has not been prepared in conjunction with this metes and bounds description, by Kevin K. Kolb RPLS 5269

The square footage totals as shown hereon are based on a mathematical closure of the courses and distances reflected herein. It does not include the tolerances that may be present due to positional accuracy of the boundary monumentation

Compiled by:
TOTAL SURVEYORS, INC.
4301 Center Street
Deer Park, Texas 77538
281-478-8719



June 14, 2005

"Exhibit A"

Tract 1:

* Northern Portion
Tract 2

**METES AND BOUNDS DESCRIPTION
161.9792 ACRES OF LAND
JOHN SELLERS LEAGUE SURVEY A-180**

Being 161.9792 acres of land situated in the John Sellers League Survey A-180, Galveston County, Texas, and being all of lots 25-35, Motor Subdivision as recorded under Volume 254, Page 110 Galveston County Map Records. Said 161.9792 acres of land being more fully described by metes and bounds as follows:

BEGINNING at a point for corner in the westerly right-of-way line of called 25th Street based on a width of 120 feet and the southerly most corner of said Lot 25 and the northerly right-of-way line of a called 40-foot roadway;

THENCE North 42°23'17" West, along the westerly boundary line of a called 6.8974 acres tract conveyed to the Galveston County Drainage District as recorded under Galveston County Clerks File No. 2005000731 for a distance of 508.12 feet;

THENCE North 42°26'30" West continuing along the westerly boundary line of said 6.8974 acres tract for a distance of 1752.95 feet, to 5/8 inch iron rod with plastic cap set for corner in the south boundary line of a called 19.853 acres tract conveyed by deed to Richard J. Cano as recorded under Galveston County Clerks File No. 9607095;

THENCE North 47°33'30" East, along the south boundary line of said 6.8974 acres tract for a distance of 20.01 feet to 5/8 inch iron rod with plastic cap set for corner;

THENCE North 42°23'33" West, along the westerly boundary line of said 6.8974 acres for a distance of 1146.00 feet to 5/8 in. iron rod with plastic cap set for corner in the south boundary line of said 19.853-acre tract;

THENCE South 87°23'01" West along the south boundary line of said 19.853 acres tract for a distance of 75.71 feet;

THENCE North 42°29'08" West, a distance of 149.25 feet;

THENCE North 02°45'59" West, a distance of 796.24 feet;

THENCE North 87°23'03" East, a distance of 706.39 feet to a point at the beginning of a non-tangent curve to the left;

THENCE along said curve to the left with a radius of 630 18 feet, with a curve length of 526.31 feet, and a delta angle of 47°51'07" along with chord of North 68°22'50" East and 511 15 feet;

THENCE North 87°23'01" East a distance of 494.98 feet;

THENCE South 41°39'03" East a distance of 596.49 feet;

THENCE North $87^{\circ}23'01''$ East a distance of 39.90 feet to 5/8 inch iron rod with plastic cap set for corner in the westerly right-of-way line of State Highway 3 a called width of 150 feet;

THENCE South $41^{\circ}06'14''$ East, along the westerly right-of-way of said State Highway 3, total distance of 2688.63 feet to 5/8-inch iron rod with plastic cap set for corner in the westerly right-of-way line of said 25th Street;

THENCE South $48^{\circ}54'50''$ West along the westerly right-of-way line of said 25th Street for a distance of 1832.12 feet back to the POINT OF BEGINNING and containing with these calls 161.9792 acres or 7,055,814 square feet of land.

#2

Northern Portion: Tract 3

TRACT 3:

7.5795 Acres of Land
Texas City Texas
John Sellers League Survey A-180

**METES AND BOUNDS DESCRIPTION
7.5795 ACRES OF LAND
JOHN SELLERS LEAGUE SURVEY A-180**

Being 7.5795 acres of land situated in the John Sellers League Survey A-180, Galveston County, Texas, and being a portion of a called 10.184 acres out of Lot 6, Share G, as recorded under Galveston County Clerks File No. 9820737. Said 7.5795 acres of land being more fully described by metes and bounds as follows:

COMMENCING at a 1 inch iron pipe with cap found for the southeasterly boundary corner of said 10.184 acres tract and being in the westerly boundary line of a called 100' feet H.L.&P right-of-way also known as the Old Galveston Houston Electric Railway,

THENCE North 42°28'42" West, along the westerly boundary line of said 100' feet H.L.&P right-of-way, passing the southerly right-of-way line of 25th Street (based on a 120 feet width) at a distance of 181.26' feet for a total distance of 301.28' feet to a 5/8 inch iron rod with plastic cap set for the **POINT OF BEGINNING** of herein described tract of land, said corner also being the beginning of a non-tangent curve to the right;

THENCE along the northerly right-of-way line of said 25th Street with said curve to the right, having a radius of 510.70 and curve length of 344.06 feet a delta angle of 38°36'02", with a chord bearing S 68°01'18" W for a distance of 337.59 feet;

THENCE South 87°19'26" West, along the northerly right-of-way line of said 25th Street for a distance of 346.87' feet to a 5/8 inch iron rod with plastic cap set for the southeasterly boundary corner of a called 7.499 acres tract conveyed by deed to Richard J. Cano as recorded under Galveston County Clerks File No. 8424080;

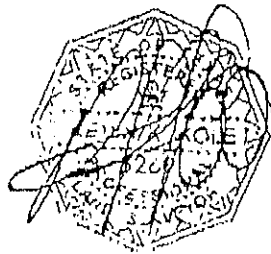
THENCE North 02°49'42" West, along the easterly boundary line of said 7.499 acres tract for a distance of 914.15' feet to a 5/8 inch iron rod with plastic cap set for the northeasterly boundary corner of a called 7.499 acres tract said corner being in the westerly boundary line of said 100' feet H.L.&P right-of-way;

THENCE South 42°26'42" East, along the westerly boundary line of said 100' feet H.L.&P right-of-way for a distance of 1044.12' feet back to the **POINT OF BEGINNING** and containing within these calls 7.5795 acres or 330,163 square feet of land

A survey plat has not been prepared in conjunction with this metes and bounds description, by Kevin K. Kolb, RPLS 5289

The square footage totals as shown herein are based on a mathematical closure of the courses and distances reflected herein. It does not include the tolerances that may be present due to positional accuracy of the boundary monumentation

Compiled by
TOTAL SURVEYORS, INC.
4301 Center Street
Deer Park, Texas 77536
281-474-8719



June 14, 2005

PROPERTY INFORMATION TITLE COMMERCIAL F100000000 F100000000 F100000000 F100000000

Northern Portion Tract 4

TRACT 4:

18.1767 Acres of Land

Texas City, Texas

John Sellers League Survey A-180

**METES AND BOUNDS DESCRIPTION
18.1767 ACRES OF LAND
JOHN SELLERS LEAGUE SURVEY A-180**

Being 18.1767 acres of land situated in the John Sellers League Survey A-180, Galveston County, Texas, and being a portion of a called 18.179 acres out of Lot B, Share F, conveyed by deed as recorded under Galveston County Clerks File No. 9820737. Said 18.1767 acres of land being more fully described by metes and bounds as follows:

BEGINNING at a 5/8 inch iron rod with plastic cap set for the southeasterly boundary corner of said 18.1767 acres tract and being in the westerly boundary line of a called 100' feet H.L.&P right-of-way also known as the Old Galveston Houston Electric Railway;

THENCE South 87°16'52" West, along the southerly boundary line of said 18.1767 acres for a distance of 1146.15 feet to 5/8 inch iron rod with plastic cap set for corner,

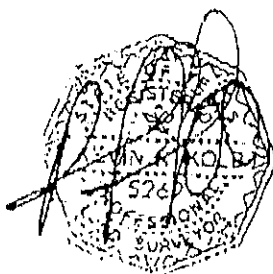
THENCE North 02°52'08" West, along the westerly boundary line of said 18.1767 acres for a distance of 1381.63 feet to 5/8 inch iron rod with plastic cap set for corner in the westerly boundary line of said 100' feet H.L.&P right-of-way;

THENCE South 42°28'08" East, along the westerly boundary line of said 100' feet H.L.&P right-of-way for a distance of 1797.46' feet back to the **POINT OF BEGINNING** and containing within these calls 18.1767 acres or 791,777 square feet of land.

A survey plat has not been prepared in conjunction with this metes and bounds description, by Kevin K. Kolb, RPLS 5269.

The square footage totals as shown hereon are based on a mathematical closure of the courses and distances reflected herein. It does not include the tolerances that may be present due to positional accuracy of the boundary monumentation.

Compiled by:
TOTAL SURVEYORS, INC.
4301 Center Street
Deer Park, Texas 77538
281-479-8719



June 14, 2005

Northern Portion: Tract 5

0.5864 Acres of Land

TRACT 5:

Texas City, Texas

John Sellers League Survey A-180

**METES AND BOUNDS DESCRIPTION
0.5864 ACRES OF LAND
JOHN SELLERS LEAGUE SURVEY A-180**

Being 0.5864 acres of land situated in the John Sellers League Survey A-180, Galveston County, Texas, and being a portion of a called 10.184 acres out of Lot 6, Share G, as recorded under Galveston County Clerks File No.9820737. Said 0.5864 acres of land being more fully described by metes and bounds as follows:

BEGINNING at a 1 inch iron pipe with cap found for the southeasterly boundary corner of said 10.184 acres tract and being in the westerly boundary line of a called 100' feet M.L. & P right-of-way also known as the Old Galveston Houston Electric Railway;

THENCE South 87°19'18" West, along the southerly boundary line of said 10.184 acres tract, for a distance of 509.88' feet to a 5/8 inch iron rod with plastic cap set for corner in the southerly right-of-way line of 25th Street (based on a 120 feet width). Said corner also being the beginning of a curve to the left;

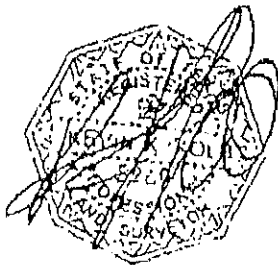
THENCE along the southerly right-of-way line of said 25th Street with said curve to the Left, having a radius of 630.70 and curve length of 425.80 feet a delta angle of 38°41'27", with a chord bearing N 67°50'42" E for a distance 417.85 feet;

THENCE South 42°26'42" East, for a distance of 181.26' feet back to the **POINT OF BEGINNING** and containing within these calls 0.5864 acres or 25,542 square feet of land.

A survey plat has not been prepared in conjunction with this metes and bounds description, by Kevin K. Kolb, RPLS 5269.

The square footage totals as shown hereon are based on a mathematical closure of the courses and distances reflected herein. It does not include the tolerances that may be present due to positional accuracy of the boundary monumentation.

Compiled by:
TOTAL SURVEYORS, INC.
4301 Center Street
Deer Park, Texas 77536
281-478-8719



July 12, 2005

* Southern Portion : Tract 1

**METES AND BOUNDS DESCRIPTION
33.1485 ACRES OF LAND
SA & MG RR CO. SURVEY A-189**

Being 33 1485 acres of land situated in the SA & MG RR CO. Survey A-189, Galveston County, Texas, and being a portion of Lots 3 through 14 of the Motor Subdivision, as recorded under Book 254-A, Page 13 of the Galveston County Map Records, and a portion of a 40-foot Dedicated Roadway. Said acres of land being more fully described by metes and bounds as follows:

BEGINNING at a TxDOT Monument for corner in the southerly right-of-way line of Farm Road 1764 (variable width) and the southeasterly boundary corner of said Lot 14;

THENCE South $75^{\circ}03'23''$ East, continuing along the southerly right-of-way line of said Farm Road 1764, for a distance of 807.79 feet to a 5/8-inch iron rod with plastic cap set for corner;

THENCE South $59^{\circ}19'02''$ East, continuing along the southerly right-of-way line of said Farm Road 1764, passing the common boundary corner between Lots 11 and 12 at a distance of 74.33 feet and continuing on for a total distance of 304.16 feet;

THENCE South $37^{\circ}03'23''$ East, continuing along the southerly right-of-way of said Farm Road 1764, for a distance of 32.19 feet to a corner in the right-of-way of said 40-foot Dedicated Roadway;

THENCE South $37^{\circ}34'19''$ East, along the southerly right-of-way line of said F.M. 1764, for a distance of 92.04 feet to a 5/8 inch iron rod with plastic cap set for corner, said corner being the beginning of a non-tangent curve to the left;

THENCE along said curve to the left having an arc distance of 329.00 feet, with a radius of 290.00 feet, a delta angle $65^{\circ}00'04''$ and a cord bearing South $69^{\circ}33'25''$ East for a distance of 311.64 feet to a 5/8 inch iron rod with plastic cap set for corner;

THENCE South $12^{\circ}03'23''$ East, a distance of 46.15 feet, to 5/8 inch iron rod with plastic cap set for corner, said corner being the beginning of a non-tangent curve to the left;

THENCE along said curve to the left having an arc distance of 388.74 feet, with a radius of 764.52 feet, a delta angle $29^{\circ}08'01''$ and a cord bearing South $26^{\circ}37'23''$ East for a distance of 384.56 feet to a 5/8 inch iron rod with plastic cap set for corner;

THENCE South $41^{\circ}11'23''$ East, for a distance of 1074.39 feet to a 5/8-inch iron rod with plastic cap set for corner;

THENCE North $48^{\circ}48'37''$ East, for a distance of 95.83 feet to a 5/8- inch iron rod with plastic cap set for corner, said corner being the northwesterly boundary corner of Memorial Professional Center;

THENCE South $41^{\circ}11'23''$ East, along the westerly boundary line of said Memorial Professional Center for a distance of 206.00 feet to a 5/8 inch iron rod with plastic cap set for corner in the northerly right-of-way line of said Memorial Drive;

THENCE South 48°48'37" West, along the northerly right-of-way line of said Memorial Drive for a distance of 603.06 feet to a 5/8 inch iron rod with plastic cap set for corner;

THENCE North 42°31'58" West, continuing along the westerly boundary line of said Motor Subdivision, for a distance of 2,061.26 feet;

THENCE North 42°31'23" West, a distance of 990.46 feet to a found TxDOT Monument far corner in the southerly right-of-way line of said Farm Road 1764;

THENCE North 48°48'37" East along the southerly right-of-way line of said Farm Road 1764 at a distance of 13.05 feet back to the POINT OF BEGINNING and containing within these calls 33.1485 acres or, 1,443,949 square feet of land.

SOUTHERN PORTION, TRACT 2
METES AND BOUNDS DESCRIPTION
30 0097 ACRES OF LAND
SA & MG RR CO SURVEY A-189

Being 30.0097 acres of land situated in the SA & MG RR CO. Survey A-189, Galveston County, Texas, and being portion of that 100 Roadway known as Vuather Road. Said 30 0097 acres of land being more fully described by metes and bounds as follows;

BEGINNING at a point for corner marking the intersection of the southerly right-of-way line of Farm Road 1764 (variable width), with the easterly right-of-way line of Vuather Road (based on a 100 feet width,), said corner also being in the westerly right-of-way line of 100-foot H L & P. Easement also known as (Old Galveston Houston Electric Railway);

THENCE, South 42° 31' 23" East, along the easterly right-of-way line of said Vuather Road and the westerly right-of-way line of said 100-foot H L & P. Easement for a distance of 1,779.56 feet to a ¼ inch iron rod with plastic cap set for corner, in the northerly right-of-way line of Monticello Drive, based on a 100-foot width;

THENCE, South 87° 15' 15" West, along the northerly right-of-way line of said Monticello Drive for a distance of 1520.30 feet to a ¼ inch iron rod with plastic cap set for corner, said corner being the southeast boundary corner of a called 17.0-Acre tract conveyed by deed to Union Junior College District as recorded under Volume 1889 Page 392 of the Map Records of Galveston County Texas;

THENCE, North 02° 06' 22" West, along the easterly boundary line of said 17.0-Acre tract, for distance of 1,456.53 feet to a ¼ inch iron rod with plastic cap set for corner in the southerly right-of-way line of said Farm Road 1764, said corner is the beginning of a non-tangent curve to the right;

THENCE along said curve to the right with a radius of 5,559.65 feet with a curve length of 204.17 feet and a delta angle of 02° 06' 15" along with chord of South 79° 59' 56" East 204.16 feet;

THENCE, South 78° 00' 55" East, 171.99 feet to the POINT OF BEGINNING and containing 30 0097 acres of land.

* Southern Part of Tract 3

GF
034076 S

4,6149 Acres of Land
Texas City, Texas
SA & MG RR Co Survey A-189

METES AND BOUNDS DESCRIPTION
4.6149 ACRES OF LAND
SA & MG RR CO. SURVEY A-189

Being 4.6149 acres of land situated in the SA & MG RR CO. Survey A-189, Galveston County, Texas, and being a portion of Lots 1 and 2 of the Motor Subdivision, as recorded under Book 254-A, Page 13 of the Galveston County Map Records Said 25.4416 acres of land being more fully described by metes and bounds as follows

BEGINNING at a 5/8 inch iron rod with plastic cap set for corner in the southerly right-of-way line of Memorial Drive (called 60' wide) and the northwesterly most boundary corner of said Lot 2;

THENCE North 48°48'37" East, along the southerly right-of-way line of said Memorial Drive, for a distance of 449.29' feet to a 5/8 inch iron rod with plastic cap set for corner,

THENCE South 41°13'08" East, for a distance of 452.50' feet to a 5/8 inch iron rod with plastic cap set for corner in the southeasterly boundary line of said Lot 1;

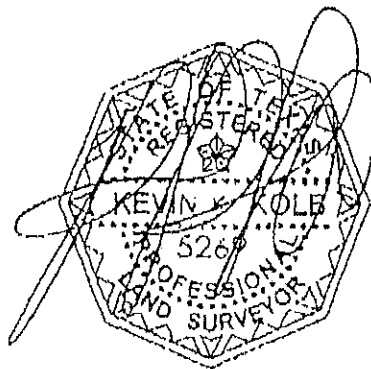
THENCE South 48°46'52" West, along the southeasterly boundary line of said Lot 1, for a distance of 438.99' feet to a 5/8 inch iron rod with plastic cap set for corner in the southeasterly boundary line of said Lot 1, said corner being the southwesterly boundary corner of said Lot 1 and said Motor Subdivision;

THENCE North 42°31'23" West, along the southwesterly boundary line of said Motor Subdivision for a distance of 452.85' feet back to the **POINT OF BEGINNING** and containing within these calls 4.6149 acres or 201,023 square feet of land.

A survey plat has not been prepared in conjunction with this metes and bounds description, by Kevin K. Kolb, RPLS 5269

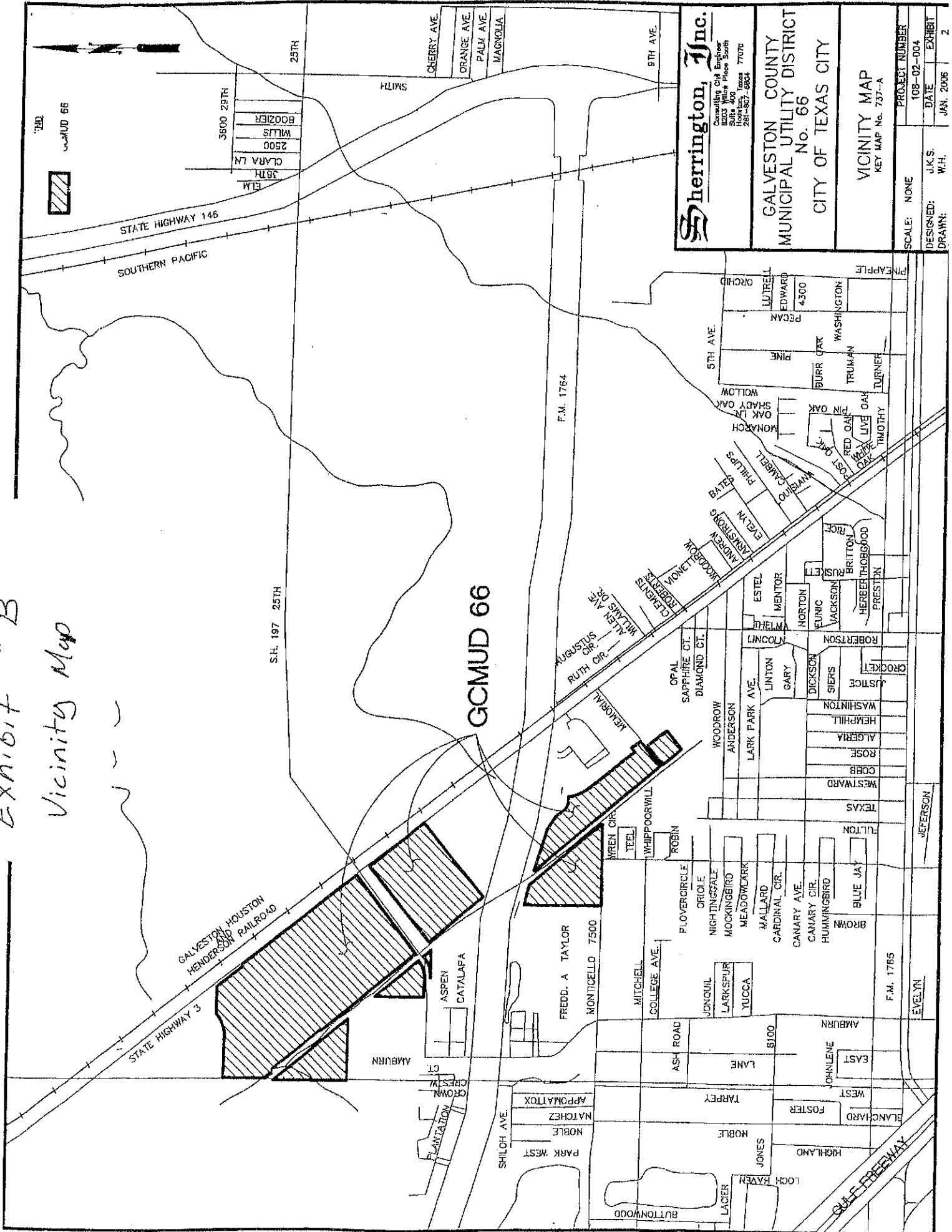
The square footage totals as shown hereon are based on a mathematical closure of the courses and distances reflected herein. It does not include the tolerances that may be present due to positional accuracy of the boundary monumentation.

Compiled by:
TOTAL SURVEYORS, INC.
4301 Center Street
Deer Park, Texas 77536
281-479-8719



April 13, 2005

Exhibit "B"
Vicinity Map



Herrington, Inc.
Consulting Civil Engineer
8200 Wilshire Place South
Houston, Texas 77070
Phone: 281-867-8804

GALVESTON COUNTY
MUNICIPAL UTILITY DISTRICT
No. 66
CITY OF TEXAS CITY

VICINITY MAP
KEY MAP No. 737-A

SCALE:	NONE	PROJECT NUMBER:	108-02-004
DESIGNED:	J.K.S.	DATE:	JAN. 2006
DRAWN:	W.H.	EXHIBIT:	2

Exhibit 'I' - Development Agreement

RESOLUTION NO. 07-101

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A DEVELOPMENT AGREEMENT WITH HIGHWAY 66 PARTNERS, LTD. IN CONNECTION WITH THE DEVELOPMENT OF APPROXIMATELY 310 ACRES OF LAND; PROVIDING THAT THIS RESOLUTION SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, on November 2, 2005, the City Commission adopted Resolution No. 05-130 consenting to the inclusion of 248 acres in a municipal utility district; and

WHEREAS, subsequent to the adoption of Resolution No. 05-130, the owners and developers acquired additional land that they wish to be included in the municipal utility district, making the total 310 acres; and

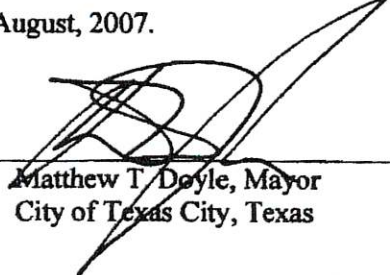
WHEREAS, City staff and consultants recommend the Developer (Highway 66 Partners, Ltd.) and City enter into a development agreement to provide the terms and conditions that will govern the development of the Property.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF TEXAS CITY, TEXAS:

SECTION 1: That the City Commission of the City of Texas City, Texas, authorizes the Mayor to negotiate and execute a Development Agreement with Highway 66 Partners, Ltd. in substantially the same form as Exhibit "A," attached hereto and made a part hereof for all purposes.

SECTION 2: That this Resolution shall be in full force and effect from and after its passage and adoption.

PASSED AND ADOPTED this 15th day of August, 2007.



Matthew T. Doyle, Mayor
City of Texas City, Texas

ATTEST:



Pamela A. Lawrence
City Secretary

APPROVED AS TO FORM: 

Robert Gerynis
City Attorney

DEVELOPMENT AGREEMENT

This DEVELOPMENT AGREEMENT (this "Agreement"), is made and entered into as of _____, 2007, by and between the CITY OF TEXAS CITY, TEXAS, a home rule municipality located in Galveston County, Texas (the "City"), and HIGHWAY 66 PARTNERS, LTD., a Texas limited partnership (the "Developer").

RECITALS

The Developer owns or has under contract approximately 318 acres of land more fully described in Exhibit A, attached hereto (the "Property"). The Property shall also include any additional land annexed into the District (as defined below) with the City's consent. The Developer proposes to develop the Property as a residential community (the "Project"). The Property is currently located within the corporate limits of the City of Texas City, Texas (the "City").

The Developer determined that the creation of Galveston County Municipal Utility District No. 66 (the "District") over the Property was necessary for the provision of water, sewer, and drainage facilities, canals, and certain road and street improvements necessary to develop the Property.

The City has consented to the creation of the District.

The City and the Developer have determined that they are authorized by the Constitution and laws of the State of Texas to enter into this Agreement and have further determined that the terms, provisions, and conditions hereof are mutually fair and advantageous to each.

AGREEMENT

For and in consideration of these premises and of the mutual promises, obligations, covenants, and benefits contained herein, the City and the Developer contract and agree as follows:

ARTICLE 1 DEFINITIONS

The terms "City," "Developer," "District," "Project," and "Property" shall have the meanings provided for them in the Recitals, above. Except as may be otherwise defined, or the context clearly requires otherwise, capitalized terms and phrases used in this Agreement shall have the meanings as follows:

PUD means the Planned Unit Development for the Property to be adopted pursuant to the City's Zoning Code, Section 40-48 in effect as of the effective date of this Agreement.

Utility Services Agreement means the utility services agreement entered into between the City, the Developer, and the District.

Zoning Code means the City's Revised Zoning Ordinance in effect as of the date of this Agreement.

ARTICLE 2 OBLIGATIONS OF THE CITY

2.01. Acquisition of Easements for Off-Site Utilities. The City will acquire all off-site water and wastewater easements and sites needed to serve the Property using capital recovery fees paid by the Developer and other developers. The City will cooperate with the Developer to insure that all such easements and sites are acquired in a timely manner that supports the completion of the off-site water and sewer facilities in a manner that meets the Developers plan for developing the Property, subject to the requirements of section 4.6 and 4.7 of this Agreement and the terms and conditions of the Utility Services Agreement to be entered into between the City, the District, and the Developer.

ARTICLE 3 OBLIGATIONS OF THE DEVELOPER

3.01. Municipal Use Sites. The Developer agrees to contribute \$500 per lot to the City for the construction of the municipal use facilities (including but not limited to police, fire and EMS, library, satellite office or utility dispatch uses) to be constructed to serve the area of the City in which the Property is located, with such contribution to be paid at the time the final plat for a phase of development on the Property is filed for recordation.

3.02. Property owners' association. The Developer agrees to create one or more property owners' association to serve the Property and to include all of the Property in at least one of such property owners' association. The Developer further agrees to submit to the Mayor of the City or his designee for review and comment prior to recordation all rules of the property owners' association(s) created to serve the Property and all deed restrictions proposed for the Property. The Developer will provide copies of its commercial deed restrictions and commercial development covenants, if any, to the City for review and approval by the Mayor or his designee at least 60 days prior to filing same.

3.03. Maintenance of certain improvements. The Developer agrees to form one or more property owners association, which shall have as one of their stated purposes to permanently maintain through assessments all lakes, ponds, and other detention facilities and open ditches, open drainage channels, canals, and other open stormwater drainage improvements, parks and recreation facilities, landscaping, and monumentation developed as part of the Project (the "Non-City Improvements") to the extent that the District is not responsible for maintaining such Non-City Improvements. The Developer acknowledges and agrees that the Non-City Improvements will be maintained by the District or by the property owners' association or associations serving the Property, as appropriate, and that the City shall never have the responsibility to own, operate or maintain the Non-City Improvements.

3.04. Cost reimbursement. The Developer shall reimburse the City for professional consulting fees, including legal and engineering, reasonably incurred by the City in connection with the creation and organization of the District, including the review and approval of this Agreement, the Utility Services Agreement, Planned Unit Development, and any other agreements between the City, the Developer and the District. To aid in review and evaluation of the proposed development, the City shall engage the services of consultants and legal counsel. The City will enter into engagement letters and/or service agreements with its consultants and legal counsel. The City will be the client for purposes of these consulting and legal engagements. However, the Developer agrees to be responsible, on behalf of the City, for all fees, expenses, and other costs associated with the City's consulting and legal engagements.

The Developer further agrees to counter-sign the engagement letters between the City and its consultants and legal counsel to acknowledge the Developer's financial responsibility thereunder. The City's consultants and legal counsel shall submit invoices for fees, expenses, and other costs incurred on behalf of the City to the Developer (with a copy to the City) on a monthly basis and such invoices will be payable within thirty days of receipt. The Developer agrees that it will provide payment to the City's consultants and legal counsel accordingly on behalf of the City. The Developer's obligation under this section is cumulative with any other cost reimbursement arrangements previously or subsequently entered into between the City and the Developer.

3.06. Dry Utilities. The Developer agrees that all dry utilities, such as electric, gas, telephone and cable, shall be placed underground throughout the Property; provided, however, that "three-phase" power lines may be elevated and may be placed in easements along the perimeter of the Property and within the interior of the Property as may be required by the power provider to serve the Property. Unless otherwise approved by the City and the Developer and unless no reasonable alternative is available to the power provider for the location of said poles, no elevated three-phase power or larger poles may be placed along any major roads or highways. The Developer agrees that public street light poles throughout the Project shall be

galvanized metal or concrete; provided, however, the Developer may use light poles made out of a material that is of a higher quality than concrete, as determined by the Mayor or his designee. Decorative and specialty light poles are acceptable on private property and along private streets; provided, however, that the City shall never be responsible for maintenance of such light poles.

3.06. 25th Avenue Improvements. The Developer will pay for the cost of extending the northern two lanes of 25th Avenue for approximately 300 feet to the southwest side of Highway 3 and installing related storm drainage facilities (the "25th Avenue Paving Project"); provided, however, that (a) the Developer is not responsible for any paving or other road work on the north side of Highway 3, (b) such costs do not include the relocation of any utilities or pipelines, and (c) such costs do not exceed \$150,000.

3.07 Property Values. The Developer recognizes that a significant portion of the City's consideration for entering into this Agreement and consenting to the creation of the District is the Developer's representations that it would achieve an average home value in the District of \$160,000 (the "Target Value"). The Developer agrees to make to the City a payment in lieu of taxes (the "PILOT") to compensate the City for any loss of tax revenue attributable to the Developer's failure to achieve the Target Value on the dwelling units that are used to support the financial feasibility of the District's first bond issue, over the life of the first bond issue. The PILOT shall be calculated by first multiplying the City's then current total tax rate by the difference between the Target Value and the certified appraised value, as determined by the Galveston County Appraisal District, of the average completed home in the District on January 1 of the year in which the District sells its first series of bonds, divided by 100 (the "Estimated Annual Revenue Loss Calculation"). The Estimated Annual Revenue Loss Calculation shall be multiplied by a timing factor (the greater of 20 years or the term of the District's first bond issue) to arrive at the PILOT due from the Developer to the City. A table demonstrating the calculation of the PILOT is shown on Exhibit "B" attached hereto and incorporated herein for all purposes. The PILOT shall be paid within 30 days of the Developer's receipt from the District of its share of proceeds from the District's first bond issue.

ARTICLE 4 LAND AND DEVELOPMENT COVENANTS

4.01. Land Use. Developer shall submit to the City, for its review and approval, the plan for the development of the Property (the "General Plan") in accordance with Section 40-48 of the Zoning Code in effect as of the effective date of this Agreement. Developer shall develop or cause any undeveloped Property to be developed in accordance with the latest General Plan approved by the City.

4.02 Planned Unit Development. (a) Developer agrees that development of the Property shall be in accordance with the Zoning Code and the General Plan, as the General Plan may be amended in accordance with the provisions of the Zoning Code and the terms of the PUD.

(b) The Developer and City recognize that it is in the interest of the Developer and the City that part of the Property be used to further the economic development interests of both the Developer and the citizens of the City, including attracting desirable businesses and industry to provide highly skilled jobs and to maintain an appropriate balance between the City's residential and non-residential tax base. Therefore, the Project shall be developed as a PUD in accordance with the Zoning Code. The Developer agrees to comply with all of the procedures provided for a PUD in the Zoning Code. The PUD shall include but not be limited to: (1) proposed land uses; (2) maximum number of housing units; (3) number of lots; (4) sizes of the lots; (5) housing types; (6) prospective commercial uses; (7) street and circulation system/arterial plan; (8) development schedule; (9) request for variance to the development code; (10) typical street cross section with proposed landscape standards; (11) bulk head material; (12) estimated construction value of housing by lot size; (13) proposed amenities plan; (14) utility (water and sewer) plant and sites and trunk line locations; (15) storm water plan; (16) Municipal Utility District boundaries; (17) any likely alternative development scenario; and (18) if a municipal services site is dedicated, it must be shown in the PUD Conceptual Plan.

4.03 Development Covenants. The Developer agrees to adopt deed restrictions and other restrictive covenants, and promulgate the Developer's guidelines regarding development standards, consistent with the PUD, the Zoning Code and any relevant City ordinances and regulations. The Developer will provide copies of its residential deed restrictions and residential development covenants to the City for review and comment by the Mayor or his designee no later than prior to the approval of the first residential development covenants for review and comment no later than prior to the approval of the PUD. The Developer agrees to require Sub-developers to abide by the Developer's development standards and provide for enforcement mechanisms for restrictive covenants.

4.04. Marketing Cooperation. The Developer will share non-confidential marketing information with the City relating to the marketing of the Project, and will solicit recommendations to assist the marketing of the Project from the City. The City will designate a contact person for this purpose.

4.05 Notice. Developer agrees to provide notice to the Mayor or his designee of any material proposed changes, amendments or revisions to the PUD, the Property, or the Project prior to taking any action on such change.

**ARTICLE 5
TERM AND DEFAULT**

5.01. Term. This Agreement shall be in effect as of the date set forth on the first page hereof, and shall terminate 50 years thereafter, unless terminated earlier as specifically provided herein.

5.02. Default.

a. A party shall be deemed in default under this Agreement (which shall be deemed a breach hereunder) if such party fails to materially perform, observe or comply with any of its covenants, agreements or obligations hereunder or breaches or violates any of its representations contained in this Agreement.

b. Before any failure of any party to perform its obligations under this Agreement shall be deemed to be a breach of this Agreement, the party claiming such failure shall notify, in writing, the party alleged to have failed to perform of the alleged failure and shall demand performance. No breach of this Agreement may be found to have occurred if performance has commenced to the reasonable satisfaction of the complaining party within 30 days of the receipt of such notice. Upon a breach of this Agreement, the non-defaulting Party shall be entitled to specific performance. Regardless of any other provision, neither Party shall be entitled to recover money damages for breach of this Agreement or a tort related to this Agreement. Except as otherwise set forth herein, no action taken by a party pursuant to the provisions of this Section pursuant to the provisions of any other section of this Agreement shall be deemed to constitute an election of remedies and all remedies set forth in this Agreement shall be cumulative and non-exclusive of any other remedy either set forth herein or available to any Party at law or in equity. Each of the parties shall have the affirmative obligation to mitigate its damages in the event of a default by the other party.

**ARTICLE 6
MISCELLANEOUS PROVISIONS**

6.01. Approvals and consents. Approvals or consents required or permitted to be given under this Agreement shall be evidenced by an ordinance, resolution or order adopted by the governing body of the appropriate party or by a certificate executed by a person, firm or entity previously authorized to give such approval or consent on behalf of the party. Approvals and consents shall be effective without regard to whether given before or after the time required for giving such approvals or consents.

6.02. Address and notice. Any notice to be given under this Agreement shall be given in writing, addressed to the party to be notified as set forth below, and may be

given either by depositing the notice in the United States mail postage prepaid, registered or certified mail, with return receipt requested; by messenger delivery; or by telecopy. Notice deposited by mail shall be effective three days after posting. Notice given in any other manner shall be effective upon receipt by the party to be notified. For purposes of notice, the addresses of the parties shall be as follows:

If to the City, to:
Mayor
City of Texas City, Texas
P.O. Box 2608
Texas City, Texas 77592

If to Developer, to:
Hwy 66 Partners, Ltd.
Attn: Phil Newton
1514 3rd Street
Seabrook, Texas, 77586

cc to the District to:
Galveston County Municipal Utility
District No. 66
c/o: McDonald & Sechrist LLP
770 South Post Oak Lane, Suite 410
Houston, Texas 77056
Attn: Terrie L. Sechrist

The parties shall have the right from time to time to change their respective addressees by giving written notice of such change to the other party at least 15 days prior to the effective date of the change.

6.03. Assignability; successors and assigns. All covenants and agreements contained by or on behalf of a party in this Agreement shall bind its successors and assigns and shall inure to the benefit of the other parties, their successors and assigns. The parties may assign their rights and obligations under this Agreement or any interest herein, only with the prior written consent of the other party, which consent shall not be unreasonably withheld, and any assignment without such prior written consent, including an assignment by operation of law, is void and of no effect; provided that, the Developer may make a collateral assignment in favor of a lender without consent. This Section shall not be construed to prevent the Developer from selling lots, parcels or other portions of the Land in the normal course of business. If such assignment of the obligations by the Developer hereunder is effective, the Developer shall be deemed released from such obligations. If any assignment of the obligations by the Developer hereunder is deemed ineffective or invalid, the Developer shall remain liable hereunder.

6.04. No additional waiver implied. The failure of either party to insist upon performance of any provision of this Agreement shall not be construed as a waiver of the future performance of such provision by the other party.

6.05. Reservation of rights. All rights, powers, privileges and authority of the parties hereto not restricted or affected by the express terms and provisions hereof are reserved by the parties and, from time to time, may be exercised and enforced by the parties.

6.06. Parties in interest. This Agreement shall be for the sole and exclusive benefit of the parties hereto and shall not be construed to confer any rights upon any third parties.

6.07. Merger. This Agreement embodies the entire understanding between the parties and there are no representations, warranties, or agreements between the parties covering the subject matter of this Agreement.

6.08. Modification; Exhibits. This Agreement shall be subject to change or modification only with the mutual written consent of the City and the Developer. The exhibits attached to this Agreement are incorporated by this reference for all purposes.

6.09. Captions. The captions of each section of this Agreement are inserted solely for convenience and shall never be given effect in construing the duties, obligations or liabilities of the parties hereto or any provisions hereof, or in ascertaining the intent of either party, with respect to the provisions hereof.

6.10. Interpretations. This Agreement and the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of this Agreement. This agreement, although drafted by the City, shall be construed fairly and reasonably and not more strictly against the City than the Developer because both parties were represented by legal counsel in the negotiation and review of this Agreement.

6.11. Severability. If any provision of this Agreement or the application thereof to any person or circumstances is ever judicially declared invalid, such provision shall be deemed severed from this Agreement and the remaining portions of this Agreement shall remain in effect.

6.12. Authority within City limits. Regardless of any other provision, nothing herein shall impair or restrict any authority, powers or rights of the City within the incorporated limits of the City.

[EXECUTION PAGES FOLLOW]

AGREED AND ACCEPTED as of the date first above written.

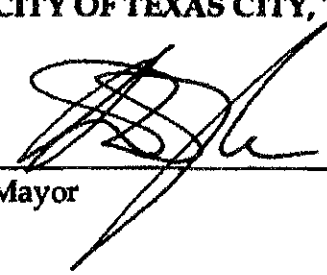
HWY 66 PARTNERS, LTD.,
a Texas limited partnership

By: Jabaz Development Co., Inc.,
a Texas corporation,
its general partner

By: _____
Phil Newton, President

AGREED AND ACCEPTED as of the date first above written.

CITY OF TEXAS CITY, TEXAS



Mayor

ATTEST:

City Secretary

(SEAL)

APPROVED AS TO FORM:

City Attorney

**City of Texas City
Highway 66 Partners
Payment in Lieu of Taxes Calculation**

I. Estimated Annual AV Value Loss Calculation

A.	\$	160,000	Target Value per Dwelling Unit
B.	\$		(-) Average value per dwelling unit (calculated as the total number of A1 properties at the time of the bond sale / total value of all A1 properties as of the time of the bond sale, to be provided by MUD TAC per GCAD records)
C.	\$	160,000	(=) Variance between target value per dwelling unit and average value per dwelling unit
D.	\$	160,000	Variance between target value per dwelling unit and average value per dwelling unit
E.	\$		(*) Total A1 properties at the time of the bond sale to be provided by MUD TAC per GCAD records
F.	\$	-	(=) Estimated AV Loss

II. Estimated Annual Revenue Loss Calculation

G.	\$	-	Estimated AV Loss
H.	\$	-	(/) 100
I.	\$	0.45824	(*) Texas City Tax Rate (at time of bond sale)
J.	\$	-	(=) Estimated Annual Taxes Lost

III. Payment in Lieu of Taxes Calculation

K.	\$	-	Estimated Annual Taxes Lost
L.	\$		(*) Timing factor (20, or the term of the bonds, whichever is greater)
M.	\$	-	(=) Total Payment at time of sale