

NOTICE OF PUBLIC HEARING
THE FREEPORT CITY COUNCIL
WEDNESDAY, MAY 28TH, 2014, 6:00 P.M.
FREEPORT MUNICIPAL COURT ROOM
FREEPORT POLICE DEPARTMENT, 430 NORTH BRAZOSPORT BLVD.
FREEPORT, TEXAS
AGENDA
FORMAL SESSION

1. Call to order.
2. Invocation.
3. Pledge of Allegiance.
4. Consideration of approving the May 19, 2014 Council Minutes. Pg. 631-634
5. Attending citizens and their business.
6. Consideration of approving an Earnest Money Contract and a Development Agreement to finalize the Skymark Development Company, Inc., proposal as awarded on Nov. 18, 2013 to facilitate development initiation on the 13 acre tract located on 1500 West 2nd Street.
7. Consideration of approving Skymark Development Company, Inc. - 380 Agreement on the Urban Renewal tract of 327 acres.

Executive Session:

Section 551.071, Government Code

Consultation with City Attorney concerning pending or contemplated litigation, settlement offers or other matters in which his duty to the City Council under the Texas Disciplinary Rules of professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551, Government Code, to wit:

- Skymark Development Company, Inc.- 380 Agreement on the Urban Renewal tract of 327 acres.

Adjourn

Items not necessary discussed in the order they appear on the agenda. The Council at its discretion may take action on any or all of the items as listed. This notice is posted pursuant to the Texas Open Meeting Act. (Chapter 551, Government Code).

In compliance with the Americans with Disabilities Act, the City of Freeport will provide for reasonable accommodations for persons attending City Council Meetings. Request should be received 48 hours prior to the meeting. Please contact the City Secretary office at 979-233-3526.

I, Delia Munoz City Secretary for the City of Freeport, Texas certify that this agenda was posted on the official bulletin board/glass door of City Hall, facing the rear parking lot of the building, with 24 hours a day public access, 200 West 2nd Street, Freeport Texas, May 23rd,2014, 2014 at or before 5:00 p.m.

Delia Munoz - City Secretary
City of Freeport, Texas

State of Texas

County of Brazoria

City of Freeport

BE IT REMEMBERED, that the Freeport City Council met on May 19th, 2014 at 6:09 p.m. at the Freeport Police Department, Municipal Court Room, 430 North Brazosport Boulevard, Freeport Texas, for the purpose of considering the following agenda items:

City Council: Mayor Norma M. Garcia
Councilwoman Michelle Kent
Councilman Fred Bolton
Councilwoman Sandra Loeza
Councilwoman Sandra Barbree

Staff: Gilbert Arispe, Assistant City Manager
Wallace Shaw, City Attorney
Delia Munoz, City Secretary
Nat Hickey, Property Manager
Brian Davis, Fire Chief
Bob Welch, Finance Director
Larry Fansher, Park Director
Chief Dan Pennington

Visitors: Nicole Mireles Sam Reyna
Lila Lloyd Jerry Meeks
Glenda Fansher Melanie Oldham
Ed Garcia Brenda Laird
Kenny Kouches Tina Rogers
Gloria Millsap Audrey Pena
Larry McDonald Rosa McDonald
Bill Morris Joshua Ramirez
Richardo Loeza Marcos Loeza
Darlene Weir

Call to order.

Mayor Norma M. Garcia called the meeting to order at 6:09 p.m.

Invocation.

Mr. Wallace Shaw offered the invocation.

Pledge of Allegiance.

Police Chief Dan Pennington led the Pledge of Allegiance.

Consideration of approving the May 5, 2014 Council Minutes.

There was an objection from a citizen, Nicole Mireles, 2002 N. Ave. Q stating that her comments from the Work Session were left off. Councilman Bolton also stated that his comments concerning the purchase of the bank building were left off.

The following corrections will be added to the Work Session of May 5th, 2014 minutes.

He asked that the minutes be corrected to read that he opposed the purchase of the bank building downtown. Councilman Bolton stated that the City was not in the business of purchasing buildings.

On a motion by Councilwoman Kent, seconded by Councilwoman Barbree, with all present voting "Aye", Council unanimously approved the minutes of May 5th 2014 with the added corrections.

Attending citizens and their business.

There were none.

Consideration of approving Ordinance No. 2014-2065 canvassing the returns and declaring the results of the 2014 General Annual Election.

On a motion by Councilwoman Kent, seconded by Councilwoman Barbree, with all present voting "Aye", Council unanimously approved Ordinance No. 2014-2065 canvassing the returns and declaring the results of the 2014 General Annual Election.

Consideration of approving Ordinance No. 2014-2066 canvassing the returns and declaring the results of the 2014 Charter Review Election.

On a motion by Councilwoman Barbree, seconded by Councilwoman Kent, with all present voting "Aye", Council unanimously approved Ordinance No. 2014-2066 canvassing the returns and declaring the results of the 2014 Charter Review Election.

Consideration of approving Ordinance No. 2014-2067 canvassing the returns and declaring the results of an election held in and throughout said city on the second Saturday in May 2014, being the 10th day of May 2014, on the question of approving or disapproving the proposed consolidation of Riverside Park with Stephen F. Austin Park and the sale of that portion of Riverside Park located north of a westerly extension of the public street shown on the plat of said Townsite as Ave C to finance the development at such consolidated park as modern sports complex.

Councilman Bolton's concern is that Stephen F. Austin Park is not big enough for a modern sports complex, maybe another location would be better.

Edward Garcia, 1924 North Ave. G. stated that there had been no provision made to the consideration of the Joe Ortiz Field at Riverside Park. He asked Council if they should purchase somewhere else that they reconsider renaming the field "Joe Ortiz".

He organized the Hispanic community baseball league in the East end of Freeport. He also concurred with Councilman Bolton that Stephen F. Austin Park was not big enough for a sports complex.

Administer Oath of Office to duly elect Larry McDonald for Councilman Ward A and the re-election of Councilwoman Sandra Loeza for Ward C.

Mayor Norma Garcia administered the oath to newly elected Larry McDonald for Council Ward A and the re-election of Councilwoman Sandra Loeza for Ward C. They took their seats.

Recognition to Michelle Kent for service as city councilwoman to the City of Freeport

Mayor Norma Garcia presented to Michelle Kent a plaque for service as city councilwoman to the City of Freeport 2010-2014.

The Selection of the Mayor Pro Tem.

On a motion by Councilman McDonald, seconded by Councilwoman Loeza, with all present voting "Aye", Council unanimously approved Councilman Fred Bolton, Ward B according to the 2014 Charter Review Election.

Consideration of approving June 16th, 2014 for a Joint Public Hearing with the Planning Commission to consider a Specific Use Permit to build a new church on portion of the property legally described as Velasco Heights, A0049 A. Calvit Division 14 BCIC, Freeport Lots 2-8 Annex, Acres 1.084.

On a motion by Councilman McDonald, seconded by Councilwoman Barbree, with all present voting "Aye", Council unanimously approved June 16th, 2014 for a Joint Public Hearing with the Planning Commission to consider a Specific Use Permit to build a new church on portion of the property legally described as Velasco Heights, A0049 A. Calvit Division 14 BCIC, Freeport Lots 2-8 Annex, Acres 1.084.

Consideration of approving an Earnest Money Contract and a Development Agreement to finalize the Skymark Development Company, Inc., proposal as awarded on Nov. 18, 2013 to facilitate development initiation.

This item was reagendaed.

Consideration of approving any action to be taken as a result of closed Executive Session.

No action taken.

Work Session:

Regarding Sanitary Sewer Initiative Plan submittal with Veolia Water.

Jerry Meeks of Veolia Water reviewed and discussed the 10 year Sanitary Sewer Initiative Plan; the goal is a 5 year plan. He reviewed the Freeport, Slaughter Road and Bridge Harbor three systems of Freeport. He reviewed some of the history of the lift stations, sewer system, the age of the system and types of material. He discussed not only the sewer main work but also the rehabbing of the lift stations piping, equipment and resurfacing of the stations structure for protection and longer life of the stations.

Councilman Bolton and Councilman McDonald requested Jerry Meeks attend the budget workshops for allocating funds.

Executive Session:

Section 551.071, Government Code

Consultation with City Attorney concerning pending or contemplated litigation, settlement offers or other matters in which his duty to the City Council under the Texas Disciplinary Rules of professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551, Government Code, to wit:

- Skymark Development Company, Inc. - 380 Agreement

Adjourn

On a motion by Councilwoman Barbree, seconded by Councilman McDonald with all present voting "Aye", Mayor Norma Garcia adjourned the meeting at 659 p.m.

Mayor Norma M. Garcia
City of Freeport, Texas

City Secretary – Delia Munoz
City of Freeport, Texas



EQUAL HOUSING OPPORTUNITY

UNIMPROVED PROPERTY CONTRACT
NOTICE: Not For Use For Condominium Transactions

1. PARTIES: The parties to this contract are City of Freeport, Texas (Seller) and Skymark Development Comppany, Inc. (Buyer). Seller agrees to sell and convey to Buyer and Buyer agrees to buy from Seller the Property defined below.

2. PROPERTY: Lot N/A, Block N/A, 13.19 Acres of land more or less, described in Property Description Addendum - Addition, City of Freeport, County of Brazoria, Texas, known as 1500 West Second St., Freeport, TX 77541 (address/zip code), or as described on attached exhibit together with all rights, privileges and appurtenances pertaining thereto, including but not limited to: water rights, claims, permits, strips and gores, easements, and cooperative or association memberships (the Property).

3. SALES PRICE:

- A. Cash portion of Sales Price payable by Buyer at closing \$ 100,000.000
B. Sum of all financing described below (excluding any loan funding fee or mortgage insurance premium) \$ -0-
C. Sales Price (Sum of A and B) \$ 100,000.00

4. FINANCING (Not for use with reverse mortgage financing): The portion of Sales Price not payable in cash will be paid as follows: (Check applicable boxes below)

- A. THIRD PARTY FINANCING: One or more third party mortgage loans in the total amount of \$ (excluding any loan funding fee or mortgage insurance premium).
(1) Property Approval: If the Property does not satisfy the lenders' underwriting requirements for the loan(s) (including, but not limited to appraisal, insurability and lender required repairs), Buyer may terminate this contract by giving notice to Seller prior to closing and the earnest money will be refunded to Buyer.
(2) Credit Approval: (Check one box only)
(a) This contract is subject to Buyer being approved for the financing described in the attached Third Party Financing Addendum for Credit Approval.
(b) This contract is not subject to Buyer being approved for financing and does not involve FHA or VA financing.
B. ASSUMPTION: The assumption of the unpaid principal balance of one or more promissory notes described in the attached TREC Loan Assumption Addendum.
C. SELLER FINANCING: A promissory note from Buyer to Seller of \$, secured by vendor's and deed of trust liens, and containing the terms and conditions described in the attached TREC Seller Financing Addendum. If an owner policy of title insurance is furnished, Buyer shall furnish Seller with a mortgagee policy of title insurance.

5. EARNEST MONEY: Upon execution of contract by all parties, Buyer shall deposit \$ 1,000.00 as earnest money with Stewart Title, as escrow agent, at 2513 North Velasco, Angleton, TX 77515 (address). Buyer (address). Buyer shall deposit additional earnest money of \$ n/a with escrow agent within days after the effective date of this contract. If Buyer fails to deposit the earnest money as required by this contract, Buyer will be in default.

6. TITLE POLICY AND SURVEY:

- A. TITLE POLICY: Seller shall furnish to Buyer at Seller's Buyer's expense an owner's policy of title insurance (Title Policy) issued by Stewart Title (Title Company) in the amount of the Sales Price, dated at or after closing, insuring Buyer against loss under the provisions of the Title Policy, subject to the promulgated exclusions (including existing building and zoning ordinances) and the following exceptions:
(1) Restrictive covenants common to the platted subdivision in which the Property is located.
(2) The standard printed exception for standby fees, taxes and assessments.
(3) Liens created as part of the financing described in Paragraph 4.
(4) Utility easements created by the dedication deed or plat of the subdivision in which the Property is located.
(5) Reservations or exceptions otherwise permitted by this contract or as may be approved by Buyer in writing.
(6) The standard printed exception as to marital rights.
(7) The standard printed exception as to waters, tidelands, beaches, streams, and related matters.
(8) The standard printed exception as to discrepancies, conflicts, shortages in area or boundary lines, encroachments or protrusions, or overlapping improvements: (i) will not be amended or deleted from the title policy; (ii) will be amended to read, "shortages in area" at the expense of Buyer Seller.

B. COMMITMENT: Within 20 days after the Title Company receives a copy of this contract, Seller shall furnish to Buyer a commitment for title insurance (Commitment) and, at Buyer's expense, legible copies of restrictive covenants and documents evidencing exceptions in the Commitment (Exception Documents) other than the standard printed exceptions. Seller authorizes the Title Company to deliver the Commitment and Exception Documents to Buyer at Buyer's address shown in Paragraph 21. If the Commitment and Exception Documents are not delivered to Buyer within the specified time, the time for delivery will be automatically extended up to 15 days or 3 days before the Closing Date, whichever is earlier. If, due to factors beyond Seller's control, the Commitment and Exception Documents are not delivered within the time required, Buyer may terminate this contract and the earnest money will be refunded to Buyer.

C. SURVEY: The survey must be made by a registered professional land surveyor acceptable to the Title Company and Buyer's lender(s). (Check one box only)

(1) Within 15 days after the effective date of this contract, Seller shall furnish to Buyer and Title Company Seller's existing survey of the Property and a Residential Real Property Affidavit promulgated by the Texas Department of Insurance (T-47 Affidavit). **If Seller fails to furnish the existing survey or affidavit within the time prescribed, Buyer shall obtain a new survey at Buyer's expense no later than 3 days prior to Closing Date.** If the existing survey or affidavit is not acceptable to Title Company or Buyer's lender(s), Buyer shall obtain a new survey at Seller Buyer's expense no later than 3 days prior to Closing Date.

(2) Within _____ days after the effective date of this contract, Buyer shall obtain a new survey at Buyer's expense. Buyer is deemed to receive the survey on the date of actual receipt or the date specified in this paragraph, whichever is earlier.

(3) Within _____ days after the effective date of this contract, Seller, at Seller's expense shall furnish a new survey to Buyer.

D. OBJECTIONS: Buyer may object in writing to (i) defects, exceptions, or encumbrances to title: disclosed on the survey other than items 6A(1) through (7) above; or disclosed in the Commitment other than items 6A(1) through (8) above; (ii) any portion of the Property lying in a special flood hazard area (Zone V or A) as shown on the current Federal Emergency Management Agency map; or (iii) any exceptions which prohibit the following use or activity: Single Family or Multifamily Residential. Buyer must object the earlier of (i) the Closing Date or (ii) _____ days after Buyer

receives the Commitment, Exception Documents, and the survey. Buyer's failure to object within the time allowed will constitute a waiver of Buyer's right to object; except that the requirements in Schedule C of the Commitment are not waived. Provided Seller is not obligated to incur any expense, Seller shall cure the timely objections of Buyer or any third party lender within 15 days after Seller receives the objections and the Closing Date will be extended as necessary. If objections are not cured within such 15 day period, this contract will terminate and the earnest money will be refunded to Buyer unless Buyer waives the objections. E. TITLE NOTICES:

(1) ABSTRACT OR TITLE POLICY: Broker advises Buyer to have an abstract of title covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a Title Policy. If a Title Policy is furnished, the Commitment should be promptly reviewed by an attorney of Buyer's choice due to the time limitations on Buyer's right to object.

(2) MEMBERSHIP IN PROPERTY OWNERS ASSOCIATION(S): The Property is is not subject to mandatory membership in a property owners association(s). If the Property is subject to mandatory membership in a property owners association(s), Seller notifies Buyer under §5.012, Texas Property Code, that, as a purchaser of property in the residential community identified in Paragraph 2 in which the Property is located, you are obligated to be a member of the property owners association(s). Restrictive covenants governing the use and occupancy of the Property and all dedicatory instruments governing the establishment, maintenance, and operation of this residential community have been or will be recorded in the Real Property Records of the county in which the Property is located. Copies of the restrictive covenants and dedicatory instruments may be obtained from the county clerk. **You are obligated to pay assessments to the property owners association(s). The amount of the assessments is subject to change. Your failure to pay the assessments could result in enforcement of the association's lien on and the foreclosure of the Property.**

Section 207.003, Property Code, entitles an owner to receive copies of any document that governs the establishment, maintenance, or operation of a subdivision, including, but not limited to, restrictions, bylaws, rules and regulations, and a resale certificate from a property owners' association. A resale certificate contains information including, but not limited to, statements specifying the amount and frequency of regular assessments and the style and cause number of lawsuits to which the property owners' association is a party, other than lawsuits relating to unpaid ad valorem taxes of an individual member of the association. These documents must be made available to you by the property owners' association or the association's agent on your request.

If Buyer is concerned about these matters, the TREC promulgated Addendum for

Property Subject to Mandatory Membership in a Property Owners Association should be used.

- (3) **STATUTORY TAX DISTRICTS:** If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49, Texas Water Code, requires Seller to deliver and Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fee of the district prior to final execution of this contract.
- (4) **TIDE WATERS:** If the Property abuts the tidally influenced waters of the state, §33.135, Texas Natural Resources Code, requires a notice regarding coastal area property to be included in the contract. An addendum containing the notice promulgated by TREC or required by the parties must be used.
- (5) **ANNEXATION:** If the Property is located outside the limits of a municipality, Seller notifies Buyer under §5.011, Texas Property Code, that the Property may now or later be included in the extraterritorial jurisdiction of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and extraterritorial jurisdiction. To determine if the Property is located within a municipality's extraterritorial jurisdiction or is likely to be located within a municipality's extraterritorial jurisdiction, contact all municipalities located in the general proximity of the Property for further information.
- (6) **PROPERTY LOCATED IN A CERTIFICATED SERVICE AREA OF A UTILITY SERVICE PROVIDER:** Notice required by §13.257, Water Code: The real property, described in Paragraph 2, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you will be required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned Buyer hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property described in Paragraph 2 or at closing of purchase of the real property.
- (7) **PUBLIC IMPROVEMENT DISTRICTS:** If the Property is in a public improvement district, §5.014, Property Code, requires Seller to notify Buyer as follows: As a purchaser of this parcel of real property you are obligated to pay an assessment to a municipality or county for an improvement project undertaken by a public improvement district under Chapter 372, Local Government Code. The assessment may be due annually or in periodic installments. More information concerning the amount of the assessment and the due dates of that assessment may be obtained from the municipality or county levying the assessment. The amount of the assessments is subject to change. Your failure to pay the assessments could result in a lien on and the foreclosure of your property.
- (8) **TEXAS AGRICULTURAL DEVELOPMENT DISTRICT:** The Property is is not located in a Texas Agricultural Development District. For additional information, contact the Texas Department of Agriculture.
- (9) **TRANSFER FEES:** If the Property is subject to a private transfer fee obligation, §5.205, Property Code requires Seller to notify Buyer as follows: The private transfer fee obligation may be governed by Chapter 5, Subchapter G of the Texas Property Code.
- (10) **PROPANE GAS SYSTEM SERVICE AREA:** If the Property is located in a propane gas system service area owned by a distribution system retailer, Seller must give Buyer written notice as required by §141.010, Texas Utilities Code. An addendum containing the notice approved by TREC or required by the parties should be used.

7. PROPERTY CONDITION:

A. **ACCESS, INSPECTIONS AND UTILITIES:** Seller shall permit Buyer and Buyer's agents access to the Property at reasonable times. Buyer may have the Property inspected by inspectors selected by Buyer and licensed by TREC or otherwise permitted by law to make inspections. Seller at Seller's expense shall immediately cause existing utilities to be turned on and shall keep the utilities on during the time this contract is in effect.

NOTICE: Buyer should determine the availability of utilities to the Property suitable to satisfy Buyer's needs.

B. **ACCEPTANCE OF PROPERTY CONDITION:** "As Is" means the present condition of the Property with any and all defects and without warranty except for the warranties of title and the warranties in this contract. Buyer's agreement to accept the Property As Is under Paragraph 7B (1) or (2) does not preclude Buyer from inspecting the Property under Paragraph 7A, from negotiating repairs or treatments in a subsequent amendment, or from terminating this contract during the Option Period, if any.

(Check one box only)

(1) Buyer accepts the Property As Is.

(2) Buyer accepts the Property As Is provided Seller, at Seller's expense, shall complete the following specific repairs and treatments: N/A

(Do not insert general phrases, such as "subject to inspections" that do not identify specific repairs and treatments.)

C.COMPLETION OF REPAIRS: Unless otherwise agreed in writing: (i) Seller shall complete all agreed repairs and treatments prior to the Closing Date; and (ii) all required permits must be obtained, and repairs and treatments must be performed by persons who are licensed to provide such repairs or treatments or, if no license is required by law, are commercially engaged in the trade of providing such repairs or treatments. At Buyer's election, any transferable warranties received by Seller with respect to the repairs and treatments will be transferred to Buyer at Buyer's expense. If Seller fails to complete any agreed repairs and treatments prior to the Closing Date, Buyer may exercise remedies under Paragraph 15 or extend the Closing Date up to 5 days, if necessary, for Seller to complete repairs and treatments.

D.ENVIRONMENTAL MATTERS: Buyer is advised that the presence of wetlands, toxic substances, including asbestos and wastes or other environmental hazards, or the presence of a threatened or endangered species or its habitat may affect Buyer's intended use of the Property. If Buyer is concerned about these matters, an addendum promulgated by TREC or required by the parties should be used.

E.SELLER'S DISCLOSURES: Except as otherwise disclosed in this contract, Seller has no knowledge of the following:

- (1) any flooding of the Property which has had a material adverse effect on the use of the Property;
- (2) any pending or threatened litigation, condemnation, or special assessment affecting the Property;
- (3) any environmental hazards that materially and adversely affect the Property;
- (4) any dumpsite, landfill, or underground tanks or containers now or previously located on the Property;
- (5) any wetlands, as defined by federal or state law or regulation, affecting the Property; or
- (6) any threatened or endangered species or their habitat affecting the Property.

8. BROKERS' FEES: All obligations of the parties for payment of brokers' fees are contained in separate written agreements.

9. CLOSING:

A. The closing of the sale will be on or before July 1, 2014, or within 7 days after objections made under Paragraph 6D have been cured or waived, whichever date is later (Closing Date). If either party fails to close the sale by the Closing Date, the non-defaulting party may exercise the remedies contained in Paragraph 15. B. At closing:

- (1) Seller shall execute and deliver a general warranty deed conveying title to the Property to Buyer and showing no additional exceptions to those permitted in Paragraph 6 and furnish tax statements or certificates showing no delinquent taxes on the Property.
- (2) Buyer shall pay the Sales Price in good funds acceptable to the escrow agent.
- (3) Seller and Buyer shall execute and deliver any notices, statements, certificates, affidavits, releases, loan documents and other documents reasonably required for the closing of the sale and the issuance of the Title Policy.
- (4) There will be no liens, assessments, or security interests against the Property which will not be satisfied out of the sales proceeds unless securing the payment of any loans assumed by Buyer and assumed loans will not be in default.

10.POSSESSION:

A. Buyer's Possession: Seller shall deliver to Buyer possession of the Property in its present or required condition upon closing and funding. B. Leases:

- (1) After the Effective Date, Seller may not execute any lease (including but not limited to mineral leases) or convey any interest in the Property without Buyer's written consent.
- (2) If the Property is subject to any lease to which Seller is a party, Seller shall deliver to Buyer copies of the lease(s) and any move-in condition form signed by the tenant within 7 days after the Effective Date of the contract.

SPECIAL PROVISIONS: (Insert only factual statements and business details applicable to the sale. TREC rules prohibit licensees from adding factual statements or business details for which a contract addendum or other form has been promulgated by TREC for mandatory use.)

The Development Agreement between the parties of even date herewith is adopted and made a part hereof by reference. The Deed to be furnished by Seller to Buyer shall be a Special Warranty Deed and will reserve all easements and rights-of-way necessary to provide utility services and roadway access to all dwellings constructed on the premises. No real estate agents are involved on behalf of either party.

12. SETTLEMENT AND OTHER EXPENSES:

- A. The following expenses must be paid at or prior to closing:
- (1) Expenses payable by Seller (Seller's Expenses):
 - (a) Releases of existing liens, including prepayment penalties and recording fees; release of Seller's loan liability; tax statements or certificates; preparation of deed; one-half of escrow fee; and other expenses payable by Seller under this contract.
 - (b) Seller shall also pay an amount not to exceed \$ N/A to be applied in the following order: Buyer's Expenses which Buyer is prohibited from paying by FHA, VA, Texas Veterans Land Board or other governmental loan programs, and then to other Buyer's Expenses as allowed by the lender.
 - (2) Expenses payable by Buyer (Buyer's Expenses): Appraisal fees; loan application fees; adjusted origination charges; credit reports; preparation of loan documents; interest on the notes from date of disbursement to one month prior to dates of first monthly payments; recording fees; copies of easements and restrictions; loan title policy with endorsements required by lender; loan-related inspection fees; photos; amortization schedules; one-half of escrow fee; all prepaid items, including required premiums for flood and hazard insurance, reserve deposits for insurance, ad valorem taxes and special governmental assessments; final compliance inspection; courier fee; repair inspection; underwriting fee; wire transfer fee; expenses incident to any loan; Private Mortgage Insurance Premium (PMI), VA Loan Funding Fee, or FHA Mortgage Insurance Premium (MIP) as required by the lender; and other expenses payable by Buyer under this contract.
- B. If any expense exceeds an amount expressly stated in this contract for such expense to be paid by a party, that party may terminate this contract unless the other party agrees to pay such excess. Buyer may not pay charges and fees expressly prohibited by FHA, VA, Texas Veterans Land Board or other governmental loan program regulations.

13. PRORATIONS AND ROLLBACK TAXES:

- A. PRORATIONS: Taxes for the current year, interest, maintenance fees, assessments, dues and rents will be prorated through the Closing Date. The tax proration may be calculated taking into consideration any change in exemptions that will affect the current year's taxes. If taxes for the current year vary from the amount prorated at closing, the parties shall adjust the prorations when tax statements for the current year are available. If taxes are not paid at or prior to closing, Buyer shall pay taxes for the current year.
- B. ROLLBACK TAXES: If this sale or Buyer's use of the Property after closing results in the assessment of additional taxes, penalties or interest (Assessments) for periods prior to closing, the Assessments will be the obligation of Seller. If Seller's change in use of the Property prior to closing or denial of a special use valuation on the Property claimed by Seller results in Assessments for periods prior to closing, the Assessments will be the obligation of Seller. Obligations imposed by this paragraph will survive closing.

14. CASUALTY LOSS: If any part of the Property is damaged or destroyed by fire or other casualty after the effective date of this contract, Seller shall restore the Property to its previous condition as soon as reasonably possible, but in any event by the Closing Date. If Seller fails to do so due to factors beyond Seller's control, Buyer may (a) terminate this contract and the earnest money will be refunded to Buyer (b) extend the time for performance up to 15 days and the Closing Date will be extended as necessary or (c) accept the Property in its damaged condition with an assignment of insurance proceeds and receive credit from Seller at closing in the amount of the deductible under the insurance policy. Seller's obligations under this paragraph are independent of any other obligations of Seller under this contract.

15. DEFAULT: If Buyer fails to comply with this contract, Buyer will be in default, and Seller may ~~(a) enforce specific performance, seek such other relief as may be provided by law, or both, or (b) terminate this contract and receive the earnest money as liquidated damages, thereby releasing both parties from this contract.~~ If Seller fails to comply with this contract, Seller will be in default and Buyer may (a) enforce specific performance, seek such other relief as may be provided by law, or both, or (b) terminate this contract and receive the earnest money, thereby releasing both parties from this contract.

16. MEDIATION: It is the policy of the State of Texas to encourage resolution of disputes through alternative dispute resolution procedures such as mediation. Any dispute between Seller and Buyer related to this contract which is not resolved through informal discussion will be submitted to a mutually acceptable mediation service or provider. The parties to the mediation shall bear the mediation costs equally. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.

17. ATTORNEY'S FEES: A Buyer, Seller, Listing Broker, Other Broker, or escrow agent who prevails in any legal proceeding related to this contract is entitled to recover reasonable attorney's fees and all costs of such proceeding.

18. ESCROW:

- A. ESCROW: The escrow agent is not (i) a party to this contract and does not have liability for the performance or nonperformance of any party to this contract, (ii) liable for interest on the earnest money and (iii) liable for the loss of any earnest money caused by the failure of any financial institution in which the earnest money has been deposited unless the financial institution is acting as escrow agent.

- B. EXPENSES:** At closing, the earnest money must be applied first to any cash down payment, then to Buyer's Expenses and any excess refunded to Buyer. If no closing occurs, escrow agent may: (i) require a written release of liability of the escrow agent from all parties, (ii) require payment of unpaid expenses incurred on behalf of a party, and (iii) only deduct from the earnest money the amount of unpaid expenses incurred on behalf of the party receiving the earnest money.
- C. DEMAND:** Upon termination of this contract, either party or the escrow agent may send a release of earnest money to each party and the parties shall execute counterparts of the release and deliver same to the escrow agent. If either party fails to execute the release, either party may make a written demand to the escrow agent for the earnest money. If only one party makes written demand for the earnest money, escrow agent shall promptly provide a copy of the demand to the other party. If escrow agent does not receive written objection to the demand from the other party within 15 days, escrow agent may disburse the earnest money to the party making demand reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and escrow agent may pay the same to the creditors. If escrow agent complies with the provisions of this paragraph, each party hereby releases escrow agent from all adverse claims related to the disbursement of the earnest money.
- D. DAMAGES:** Any party who wrongfully fails or refuses to sign a release acceptable to the escrow agent within 7 days of receipt of the request will be liable to the other party for liquidated damages in an amount equal to the sum of: (i) three times the amount of the earnest money; (ii) the earnest money; (iii) reasonable attorney's fees; and (iv) all costs of suit.
- E. NOTICES:** Escrow agent's notices will be effective when sent in compliance with Paragraph 21. Notice of objection to the demand will be deemed effective upon receipt by escrow agent.
- 19. REPRESENTATIONS:** All covenants, representations and warranties in this contract survive closing. If any representation of Seller in this contract is untrue on the Closing Date, Seller will be in default. Unless expressly prohibited by written agreement, Seller may continue to show the Property and receive, negotiate and accept back up offers.
- 20. FEDERAL TAX REQUIREMENTS:** If Seller is a "foreign person," as defined by applicable law, or if Seller fails to deliver an affidavit to Buyer that Seller is not a "foreign person," then Buyer shall withhold from the sales proceeds an amount sufficient to comply with applicable tax law and deliver the same to the Internal Revenue Service together with appropriate tax forms. Internal Revenue Service regulations require filing written reports if currency in excess of specified amounts is received in the transaction.
- 21. NOTICES:** All notices from one party to the other must be in writing and are effective when mailed to, hand-delivered at, or transmitted by facsimile or electronic transmission as follows:

To Buyer at: <u>C/O of Michael Haney, P.E.</u>	To Seller at: <u>C/O City Manger</u>
<u>1616 Voss, Suite 618</u>	<u>200 W. Second St.</u>
<u>Houston, TX 77057</u>	<u>Freeport, TX 77541</u>
Telephone: <u>(713) 978-5900</u>	Telephone: <u>(979) 233-3526</u>
Facsimile: () _____	Facsimile: <u>(979) 233-8867</u>
E-mail: _____	E-mail: <u>citymanager@freeport.tx.us</u>

22. AGREEMENT OF PARTIES: This contract contains the entire agreement of the parties and cannot be changed except by their written agreement. Addenda which are a part of this contract are (check all applicable boxes):

- | | |
|---|---|
| <input type="checkbox"/> Third Party Financing Addendum for Credit Approval | <input type="checkbox"/> Addendum for Coastal Area Property Environmental Assessment, Threatened or |
| <input type="checkbox"/> Seller Financing Addendum | <input type="checkbox"/> Endangered Species and Wetlands Addendum |
| <input type="checkbox"/> Addendum for Property Subject to Mandatory Membership in a Property Owners Association | <input type="checkbox"/> Addendum for Property Located Seaward of the Gulf Intracoastal Waterway |
| <input type="checkbox"/> Buyer's Temporary Residential Lease | <input type="checkbox"/> Addendum for Sale of Other Property by Buyer |
| <input type="checkbox"/> Seller's Temporary Residential Lease | |
| <input type="checkbox"/> Addendum for Reservation of Oil, Gas and Minerals | <input type="checkbox"/> Addendum for Property in a Propane Gas System Service Area and Other |
| <input type="checkbox"/> Addendum for "Back-Up" Contract | <input type="checkbox"/> Other (list): <u>property description & 1031 Exchange Notice</u> |

23. TERMINATION OPTION: For nominal consideration, the receipt of which is hereby acknowledged by Seller, and Buyer's agreement to pay Seller \$ n/a (Option Fee) which Seller or Listing Broker must receive within 3 days after the effective date of this contract, Seller grants Buyer the unrestricted right to terminate this contract by giving notice of termination to Seller within n/a days after the effective date of this contract (Option Period). If no dollar amount is stated as the Option Fee or if Buyer fails to pay the Option Fee to Seller within the time prescribed, this paragraph will not be a part of this contract and Buyer shall not have the unrestricted right to terminate this contract. If Buyer gives notice of termination within the time prescribed, the Option Fee will not be refunded; however, any earnest money will be refunded to Buyer. The Option Fee will will not be credited to the Sales Price at closing. **Time is of the essence for this paragraph and strict compliance with the time for performance is required.**

24. CONSULT AN ATTORNEY BEFORE SIGNING : TREC rules prohibit real estate licensees from giving legal advice. READ THIS CONTRACT CAREFULLY.

Buyer's Attorney is: _____

Seller's Attorney is: Wallace Shaw

P.O. Box 3073, Freeport, TX 77541

Telephone: (____) _____

Telephone: (979) 233-2411

Facsimile: (____) _____

Facsimile: (979) 233-4895

E-mail: _____

E-mail: _____

**EXECUTED the _____ day of _____, 20 14 (EFFECTIVE DATE).
 (BROKER: FILL IN THE DATE OF FINAL ACCEPTANCE.)**

Skymark Development Company Inc.
 By _____

City of Freeport, Texas, Seller
 By _____

Buyer
 Its President

Seller
 Its Mayor

Attest: _____

Attest: _____

Buyer
 Its Corporate Secretary

Seller
 Its City Secretary

The form of this contract has been approved by the Texas Real Estate Commission. TREC forms are intended for use only by trained real estate licensees. No representation is made as to the legal validity or adequacy of any provision in any specific transactions. It is not intended for complex transactions. Texas Real Estate Commission, P.O. Box 12188, Austin, TX 78711-2188, (512) 936-3000 (<http://www.trec.texas.gov>) TREC NO. 9-11. This form replaces TREC NO.9-10.

BROKER INFORMATION
(Print name(s) only. Do not sign)

Other Broker Firm _____ License No. _____		Listing Broker Firm _____ License No. _____	
represents <input type="checkbox"/> Buyer only as Buyer's agent <input type="checkbox"/> Seller as Listing Broker's subagent		represents <input type="checkbox"/> Seller and Buyer as an intermediary <input type="checkbox"/> Seller only as Seller's agent	
Name of Associate's Licensed Supervisor _____ Telephone _____		Name of Associate's Licensed Supervisor _____ Telephone _____	
Associate's Name _____ Telephone _____		Listing Associate's Name _____ Telephone _____	
Other Broker's Address _____ Facsimile _____		Listing Broker's Office Address _____ Facsimile _____	
City _____ State _____ Zip _____		City _____ State _____ Zip _____	
Associate's Email Address _____		Listing Associate's Email Address _____	
		Selling Associate's Name _____ Telephone _____	
		Name of Selling Associate's Licensed Supervisor _____ Telephone _____	
		Selling Associate's Office Address _____ Facsimile _____	
		City _____ State _____ Zip _____	
		Selling Associate's Email Address _____	

Listing Broker has agreed to pay Other Broker _____ of the total sales price when the Listing Broker's fee is received. Escrow agent is authorized and directed to pay other Broker from Listing Broker's fee at closing.

OPTION FEE RECEIPT

Receipt of \$ _____ (Option Fee) in the form of _____ is acknowledged.

Seller or Listing Broker Date

CONTRACT AND EARNEST MONEY RECEIPT

Receipt of Contract and \$ _____ Earnest Money in the form of _____ is acknowledged.
Escrow Agent: _____ Date: _____
By: _____
Address _____ Email Address _____
City _____ State _____ Zip _____ Telephone () _____
Facsimile: () _____

DEVELOPMENT AGREEMENT

THE STATE OF TEXAS

COUNTY OF BRAZORIA

KNOW ALL MEN BY THESE PRESENTS:

This agreement (the "Agreement") is made and entered into by and between the City of Freeport, a Texas home rule municipal corporation created and located in Brazoria County, Texas (the "City"), and Skymark Development Company, Inc. (the "Company").

WITNESSETH:

WHEREAS, it is the established policy of the City to adopt such reasonable measures from time to time as are permitted by law to endeavor to attract industry, create and retain primary jobs, expand the growth of the City of Freeport (the "City"), and thereby enhance the economic stability and growth of the City; and

WHEREAS, the City owns a 13.19 acre tract of unimproved land within the City, located in the 1500 West Second Street, Freeport, Texas 77541 (the "Property"). See attached land survey in Exhibit "A", attached hereto and made a part hereof; and

WHEREAS, the Company proposes to construct new residential housing opportunities which may consist of either single family and/or multi-family residential living opportunities on the Property. Exhibit "B" details the proposed development plan for the Property on the hereinafter designated portions of the Property and referred to herein after as the "Project"; and,

WHEREAS, the City affirms and authorizes the Property requirements are suitable for the proposed single family and multi-family residential development; and,

WHEREAS, the Brazoria County Appraisal District (the "BCAD") has determined the value of the unimproved Property for ad valorem taxation is \$ 157,000.00 (Exhibit "C") and,

WHEREAS, the taxable value of the Improvements to be added to the City tax base will be an estimated value of \$8,000,000.00, exclusive of the value of the land (Exhibit "D"); and

WHEREAS, the annual economic benefit to the City upon the completion of construction of the Project will provide an additional \$ 53,600.00 in ad valorem taxes, \$ 34,272.00 in City water and sewer revenues as well as an increase in other sales and use taxes; and more particularly described in Exhibit "E"; and,

WHEREAS, the construction of the developments herein listed will make the City more attractive to business, commerce and industry in the City's competition for new private investment by existing businesses and relocation of new businesses and industries to the City; and,

WHEREAS, the Company's construction will create new jobs in the City and the Company will make reasonable efforts to promote the employment of City residents at the Project; and,

WHEREAS, the Company has agreed, in exchange for sale of the Property to satisfy and comply with certain terms and conditions set forth herein; and

WHEREAS, this agreement is found by the City Council to be suitable for the expansion of the City and the creation and retention of primary jobs in the City through the provision of new residential development to encourage relocation of businesses, industries and population to the City;

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

1. After the City advertised for development proposals (Exhibit "F") the development offer from the Company (Exhibit "I") was received and accepted by the Freeport City Council on _____. (Exhibit "G")
2. The City caused an actual real property appraisal on the Property which detailed an actual appraised land value to be \$ 227,000.00 (Exhibit "H"). In consideration of the appraisal value \$ 227,000.00 (Exhibit "H"), the Brazoria County Assessed Tax Value \$ 157,000.00 (Exhibit "C"), the proposed new estimated development value of the project \$ 8,000,000.00 (Exhibit "D") and the annual estimated increase of the completed new tax and utility usage values upon completion of the project is \$ 87,872.00 (Exhibit "E") the City Council approved the plan and purchase price proposed by the Company from the received development plan (Exhibit "I") from the _____ council meeting (Exhibit "G").
3. The Company covenants and agrees that it will commence construction the Improvements on the Property within a term of not more than 12 months from the effective date of the Agreement. If the Company fails to commence any construction within such term, the City Council may, at its option, terminate this Agreement and, upon receiving notice of such termination and upon receipt by the Company of a refund of the purchase price, the Company agrees to reconvey the Property to the City free and clear of any liens, covenants, restrictions, right-of-ways, easements or other encumbrances not existing and of record on the effective date of this agreement. As used herein, the term "commence construction" shall mean the completion of the engineering design and the awarding of the utility and roadway construction contracts for the initial phase of the development. Furthermore, the Company will comply with all existing covenants, restrictions, right-of-ways, and easements now of record affecting the Property as well as any covenants, restrictions, right-of-ways, easements contained within this Agreement, the Earnest Money Contract (Exhibit "H") wherein the City agrees to convey the Property to the Company or in the Deed provided for in such contract. This Agreement shall be effective upon the signature of the Mayor of the City when authorized by the City Council and attested by the City Secretary. The City agrees to support and use it best efforts to remove the 100' restrictive buffer referenced above. In the event the buffer is not removed, the City recognizes that the proposed plan for the Project will need to be adjusted accordingly.
4. The Company agrees to build or cause to be built upon the Property all infrastructure, roadways, drainage, lighting, sidewalks and all other development amenities to make the approved residential development feasible. All of the aforementioned must comply with all rules and regulations locally that govern such development.
5. The Company agrees to pursue only single family residential homes on any of the Property located within seven hundred (700) feet of Second Street. It is agreed that along the waterway frontage residential density is desired and that multi-family development in the form of a condominium or townhome complex is permissible on any of the Property located more than seven hundred (700) feet from Second Street. In the event the 100' restrictive buffer referenced above is not removed, the line of separation between the land uses will be located at six hundred (600) feet from Second Street. The Company agrees that a typical apartment complex concept is not permitted upon the Property. It is further understood by both parties the actual development will be driven by market demand that best fits the residential market needs of the Property.

Single family residential homes will comply with all applicable City Codes and the following:

- a: Minimum 1,600 sq ft of living improved space
- b: Decorative front structure facade (brick, stone, etc)
- c: Must have a two car garage
- d: Must have a driveway
- e: Exterior front lot landscaping

Multi-family residential homes will comply with all applicable City Codes and the following:

- a: Minimum 1,400 sq ft of living improved space
- b: Decorative front structure facade (brick, stone, etc)
- c: Must have a one car garage at minimum.
- d: Must have a driveway
- e: Exterior front lot landscaping

6. The City agrees to review and approve all construction plans and subdivisions in a timely manner to avoid Project delays.
7. The Company further covenants and agrees that it does not and will not knowingly employ an undocumented worker for the Project. An "undocumented worker" shall mean an individual who, at the time of employment, is not (a) lawfully admitted for permanent residence to the United States, or (b) authorized by law to be employed in that manner in the United States.
8. It is understood and agreed that either person responsible for a default of this Agreement shall reimburse the prevailing party for any and all reasonable attorney's fees as a result of any default hereunder.
9. This Agreement shall inure to the benefit of and be binding upon the City and the Company, and upon the Company's successors and assigns, affiliates, and subsidiaries, and shall remain in force whether the Company sells, assigns, or in any other manner disposes of, either voluntarily or by operation of law, all or any part of the Property and the agreements herein contained shall be held to be covenants running with the Property for as long as this Agreement, or any extension thereof, remains in effect. Any transfer by the Company of its interest shall be subject to the requirements of Paragraph 14 below.
10. Any notice provided or permitted to be given under this Agreement must be in writing and may be served by depositing the same in the United States mail, addressed to the party to be notified, postage prepaid, registered or certified mail, with a return receipt requested.

If to City: City of Freeport
 Attn: City Manager
 200 West Second Street
 Freeport, Texas 77541

If to the Company: Skymark Development Company, Inc.
 Attn: Mr. Clinton Wong
 1616 S. Voss Rd, Suite 618
 Houston, Texas 77057

11. This Agreement shall be performable and enforceable and venue in action brought in connection with this Agreement shall be in a court having jurisdiction located in Brazoria County, Texas and shall be construed in accordance with the laws of the State, **excluding conflict of laws rules if the application of such rules would require the application of the laws of a different state or nation.**

12. Except as otherwise provided in this Agreement, this Agreement shall be subject to change, amendment or modification only in writing, and by the signatures and mutual consent of the parties.
13. The failure of any party to insist in any one or more instances on the performance of any of the terms, covenants or conditions of this Agreement, or to exercise any of its rights, shall not be construed as a waiver or relinquishment of such term, covenant, or condition, or right with respect to further performance.
14. This Agreement shall bind and benefit the respective parties and their legal successors and shall not be assignable, in whole or in part, by any party without first obtaining written consent of the other party, except to a related entity of the Company.
15. In the event of a default by either party of this agreement each party respectfully reserves all rights of remedy afforded by law. Neither party hereto shall be deemed to be in breach or in violation of this Agreement if either is prevented from performing any of its obligations hereunder for any reason beyond its reasonable control, defined as, acts of God, riots, strikes, fires, storms, public disturbances, or any regulation of any federal, state or local government of any agency thereof.
16. In the event any one or more words, phrases, clauses, sentences, paragraphs, sections, or other parts of this Agreement, or the application thereof to any person, firm, corporation, or circumstance, or any court of competent jurisdiction to be invalid or unconstitutional for any reason, then the application, invalidity or unconstitutionality of such words, phrases, clauses, sentences, paragraphs, sections, or other parts of this Agreement shall be deemed to be independent of and severable from the remainder of this Agreement, and the validity of the remaining parts of this Agreement shall not be affected thereby.

IN TESTIMONY OF WHICH, THIS AGREEMENT has been executed by the Parties including the City by its Mayor on this ___ day of _____, 2014 (the "Effective Date")

Skymark Development Company, Inc.

BY:

NAME: Mr. Clinton Wong

TITLE: President

Attest:

CITY OF FREEPORT, TEXAS

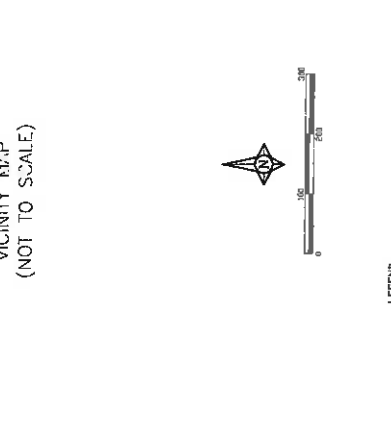
BY: _____

Name: Mayor Norma Moreno Garcia

Attest: _____

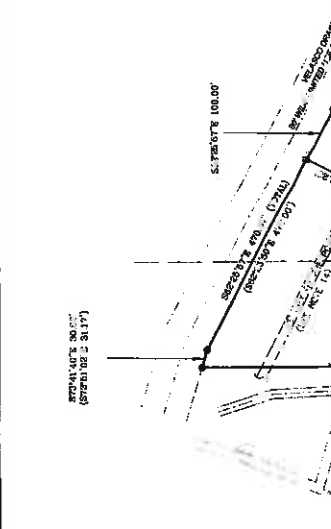
Name: Delia Munoz, City Secretary

EXHIBIT A
Property Survey



ACREAGE SUMMARY TABLE

TOTAL LOT ACRES	13.00 ACRES
TOTAL GREENBELT ACREAGE	10.59 ACRES
TOTAL ACREAGE LESS 20% GREENBELT ACREAGE	2.41 ACRES
TOTAL ACREAGE AT THE 16' U.E. TO NORTH BOUNDARY LINE	0.57 ACRES
GREENBELT ACREAGE ABOVE 16' U.E. TO NORTH BOUNDARY LINE	1.87 ACRES
TOTAL ACREAGE ABOVE 16' U.E. TO SOUTH BOUNDARY LINE	2.39 ACRES
TOTAL ACREAGE BELOW 16' U.E. TO SOUTH BOUNDARY LINE	8.20 ACRES



THIS PLAT WAS PREPARED FOR THE EXCLUSIVE USE OF THE PERSONS, OR ENTITY NAMED IN THE CERTIFICATION HEREON SAID CERTIFICATION DOES NOT EXTEND TO ANY UNNAMED PERSON WITHOUT AN EXPRESS RECERTIFICATION BY THE SURVEYOR NAMING SAID PERSON(S).

THE STATE OF TEXAS
COUNTY OF BRAZORIA

I, Rene Damian, a Registered Professional Land Surveyor of the State of Texas, do hereby certify to the City of Freeport, Texas, that the survey plat is a 13.00-acre tract (undeveloped), being out of a 37.8245-acre tract, being out of the S.E. 1/4 of Section 19, T15N, R18E, E1/2, being out of the M.B. Nichols Labor, Abstract No. 103, City of Freeport, Brazoria County, Texas as recorded in Clerk File (2009) 009046 of the Official Records of Brazoria County, Texas as prepared by Damian & Associates and was surveyed on the ground by Damian & Associates on November 21, 2010.

This underground does hereby certify that this survey was this day, on the 21st day of November, 2010, made and is true and correct to the best of my knowledge and belief, and that there are no discrepancies, conflicts, shortages, in area, boundary line conflicts, encroachments, or overlapping of interests, except as shown hereon, and that said property has access to and from a public roadway (West Second St.).

Witness, my hand, this 24th day of November, 2010.

Rene Damian
Registered Professional Land Surveyor,
Texas Registration Number 5900

CITY OF FREEPORT
REMAINDER OF 37.8245 ACRE TRACT
VOL. 1484 PAGE 575
D.R.B.C.T.
(APPROX. 15.16 ACRES)
CURRENTLY BEING USED BY B.U.S.D. ATHLETICS

LEGEND

- FUNDING
- SETBACK
- POLYLINE
- ANNEXATION
- TRACK
- INTERSECTION
- CENTER POINT
- CIRCLE
- POINT
- POLYLINE
- PARALLEL

PROJECT: P.16 T.15 E.1/2

CITY OF FREEPORT
COUNTY OF BRAZORIA

DATE: 11/21/10

PROJECT: P.16 T.15 E.1/2

PARALLEL

Survey Plat

OF A
13.00-ACRE TRACT (UNDEVELOPED)
BEING OUT OF A 37.8245-ACRE TRACT
BEING OUT OF A 70.29-ACRE TRACT
(COMMONLY KNOWN AS THE FREEPORT GOLF COURSE TRACT
BEING OUT OF THE
S.F. AUSTIN LABOR NO. 9, ABSTRACT NO. 33 AND OUT OF THE
M.B. NICHOLS LABOR, ABSTRACT NO. 103
CITY OF FREEPORT
BRAZORIA COUNTY, TEXAS
AS RECORDED IN CLERK FILE (2009) 009046
OF THE OFFICIAL RECORDS OF BRAZORIA COUNTY, TEXAS

DAMIAN & ASSOCIATES, INC.
ENGINEERING, PLANNING, SURVEYING & MAPPING
1412 N. W. 7

11. There is an in (7) foot wide aerial easement located westerly of and adjoining the 8' utility easement described in Note 10 above. The aerial easement is recorded in Volume 1624 Page 31 of the Deed Records of Brazoria County, Texas.
12. This 16' wide utility easement was dedicated to the public by instrument recorded in Volume 1519 Page 767 of the Deed Records of Brazoria County, Texas.
13. There is a seven (7) foot wide aerial easement located on both sides of and adjoining the 8' utility easement described in Note 10 above.
14. This 15' wide military sewer easement was not found of record; however, it was located on the survey plat by the existing manholes located on the ground and by the 8' aerial location shown on the "Map of the City of Freeport, Brazoria County, Texas,"

11. There is an in (7) foot wide aerial easement located westerly of and adjoining the 8' utility easement described in Note 10 above. The aerial easement is recorded in Volume 1624 Page 31 of the Deed Records of Brazoria County, Texas.
12. This 16' wide utility easement was dedicated to the public by instrument recorded in Volume 1519 Page 767 of the Deed Records of Brazoria County, Texas.
13. There is a seven (7) foot wide aerial easement located on both sides of and adjoining the 8' utility easement described in Note 10 above.
14. This 15' wide military sewer easement was not found of record; however, it was located on the survey plat by the existing manholes located on the ground and by the 8' aerial location shown on the "Map of the City of Freeport, Brazoria County, Texas,"

1. This survey meets the requirements of a Category I B - Standard Land Survey, as defined by the "MANUAL OF PRACTICE FOR LAND SURVEYING IN THE STATE OF TEXAS."
2. This property lies within Flood Zone X, Areas determined to be outside the 500-year flood plain according to FEMA map 48039C0780 (1), Community Name - Freeport, City of; Community Number 485497; Map effective date of June 5, 1989; Map revised 1/17/1993.
3. This survey was performed without the benefit of a title commitment. There may be encumbrances, rights-of-way, or easements that may be discovered in a title commitment that were not discovered by this survey, or during normal research practices.
4. Bearings are relative to the Deed Calls as recorded in Clerk File No. (2009) 009046 of the Official Records of Brazoria County, Texas.
5. The basis of bearing is referenced to the found iron rod for an angle point as the easterly boundary line of this 13.00-acre tract (Clerk File No. 13) and the found iron rod for Lot 17 of the Brazos Landing Subdivision (Clerk File No. 13) and the found iron rod for the center of Lot 22 of the Brazos Landing Subdivision, Section 16, T.15N, R.18E, E.1/2. The bearing was held at the called bearing of S 21 degree 51' minutes 20 seconds.
6. Parallels bearings and distances denote deed bearings and distances.
7. The line represents the south boundary line of the 70.29-acre tract and the easterly right-of-way of West Second St. as recorded in Volume 1021, Page 314 of the Deed Records of Brazoria County, Texas.
8. This line represents the north boundary line of the 37.8245-acre tract as recorded in Volume 1484, Page 575 of the Deed Records of Brazoria County, Texas.
9. This is an (8) foot wide easement in width and was created by the deeds listed in Note 7 and Note 8 above. A step-line describing this gap (or strip of land) was not found of record. According to the deeds listed in Note 7 and Note 8, this gap (strip of land) remains in the ownership of the City of Freeport.

EXHIBIT B

Visual of Development Proposal

EXHIBIT B





GULF GATEWAY DEVELOPMENT

Prepared By:

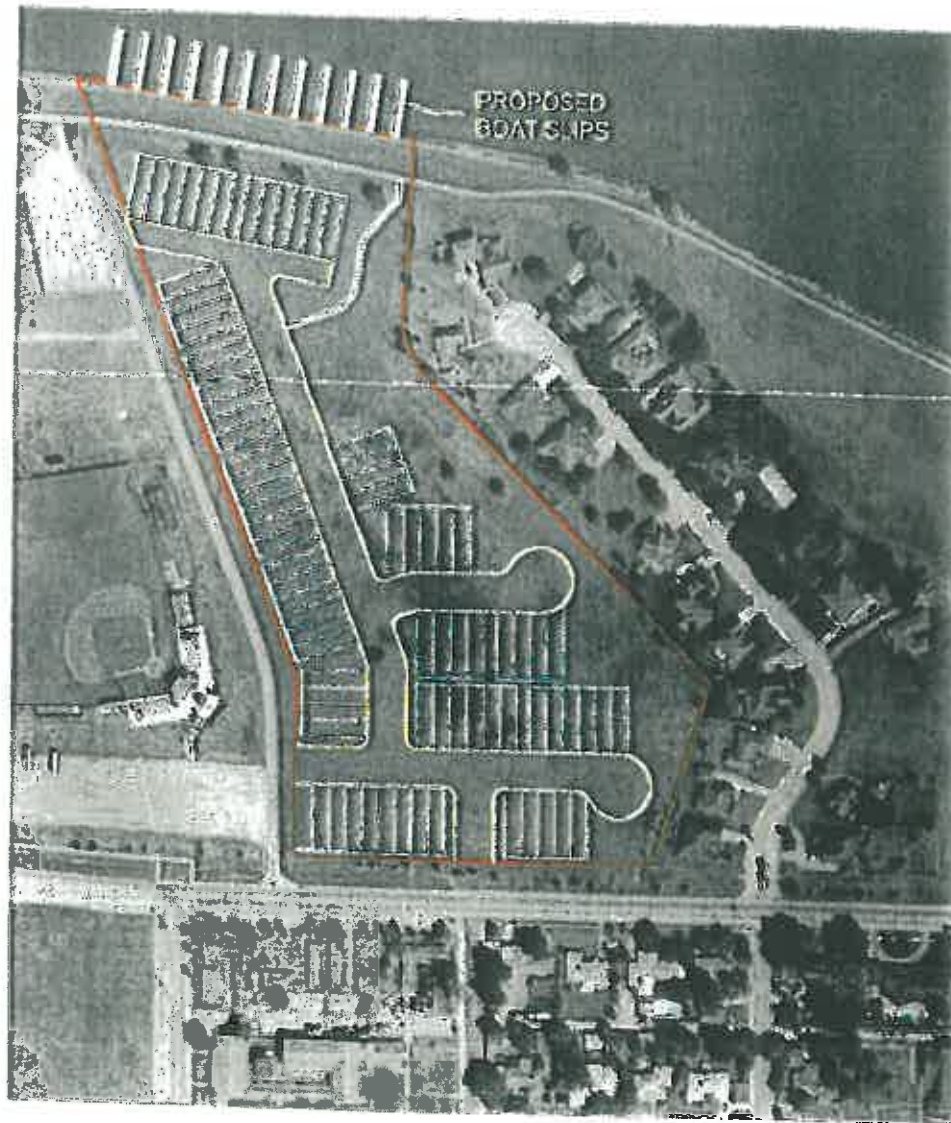
**Skymark Development Co., Inc.
1616 Voss, Suite 618
Houston, Texas 77057
(713) 978-5900**

PROJECT OVERVIEW

The 13 acre tract being offered by the City of Freeport offers a unique opportunity to create a riverfront development and provide a new residential center that can provide a new energy for the City. The proposed Gulf Gateway development will consist of townhome units including a greenbelt buffer between the development and the existing Brazos Landing subdivision and a pedestrian connection to the existing levee trail along the river. The development will provide new residential units to the market and a new housing opportunity not currently in the City.



The proposed development represents a 13 acre tract within the City of Freeport along the south side of the Old Brazos River. It represents one of the largest areas of open land for development along the river. It has access to 2nd Street and is located between Brazosport High School and the Brazos Landing subdivision. City utilities are in place along 2nd Street to provide services to the development.



The conceptual plan for the development consists of 81 townhome lots developed in accordance with City's R2A zoning ordinance.



West 2nd Street

Print Date: 05/06/2014

Image Date: 02/14/2013

Level: Community

EXHIBIT C
BCAD Tax Value

Brazoria CAD

Property Search Results > 158412 CITY OF FREEPORT for Year 2014

Property

Account

Property ID: 158412 Legal Description: A0103 M B NUCHOLS, TRACT 2D, ACRES 5.200
 Geographic ID: 0103-0001-180 Agent Code:
 Type: Real
 Property Use Code:
 Property Use Description:

Location

Address: Mapsco:
 Neighborhood: SBR ABST/STRATA 3 Map ID:
 Neighborhood CD: SBR3

Owner

Name: CITY OF FREEPORT Owner ID: 21410
 Mailing Address: 200 W 2ND ST % Ownership: 100.000000000000%
 FREEPORT, TX 77541-5773
 Exemptions: EX-XV

Values

(+) Improvement Homesite Value:	+	\$0	
(+) Improvement Non-Homesite Value:	+	\$0	
(+) Land Homesite Value:	+	\$0	
(+) Land Non-Homesite Value:	+	\$74,370	Ag / Timber Use Value
(+) Agricultural Market Valuation:	+	\$0	\$0
(+) Timber Market Valuation:	+	\$0	\$0
<hr/>			
(=) Market Value:	=	\$74,370	
(-) Ag or Timber Use Value Reduction:	-	\$0	
<hr/>			
(=) Appraised Value:	=	\$74,370	
(-) HS Cap:	-	\$0	
<hr/>			
(=) Assessed Value:	=	\$74,370	

Taxing Jurisdiction

Owner: CITY OF FREEPORT
 % Ownership: 100.000000000000%
 Total Value: \$74,370

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
CAD	BRAZORIA COUNTY APPRAISAL DISTRICT	0.000000	\$74,370	\$0	\$0.00
CFP	CITY OF FREEPORT	0.675586	\$74,370	\$0	\$0.00
DR2	VELASCO DRAINAGE DISTRICT	0.100226	\$74,370	\$0	\$0.00
GBC	BRAZORIA COUNTY	0.432020	\$74,370	\$0	\$0.00
JBR	BRAZOSPORT COLLEGE	0.267309	\$74,370	\$0	\$0.00
NAV	PORT FREEPORT	0.045000	\$74,370	\$0	\$0.00
RDB	ROAD & BRIDGE FUND	0.060000	\$74,370	\$0	\$0.00
SBR	BRAZOSPORT INDEPENDENT SCHOOL DISTRICT	1.255300	\$74,370	\$0	\$0.00
Total Tax Rate:		2.835441			
Taxes w/Current Exemptions:					\$0.00

Brazoria CAD

Property Search Results > 151756 CITY OF FREEPORT for Year 2014

Property

Account

Property ID: 151756 Legal Description: A0033 S F AUSTIN, TRACT 2A, ACRES 7.800, FREEPORT
 Geographic ID: 0033-0001-190 Agent Code:
 Type: Real
 Property Use Code:
 Property Use Description:

Location

Address: W 2ND ST Mapsco:
 FREEPORT,
 Neighborhood: SBR ABST/STRATA 4 Map ID:
 Neighborhood CD: SBR4

Owner

Name: CITY OF FREEPORT Owner ID: 21410
 Mailing Address: 200 W 2ND ST % Ownership: 100.0000000000%
 FREEPORT, TX 77541-5773
 Exemptions: EX-XV

Values

(+) Improvement Homesite Value:	+	\$0	
(+) Improvement Non-Homesite Value:	+	\$0	
(+) Land Homesite Value:	+	\$0	
(+) Land Non-Homesite Value:	+	\$83,140	Ag / Timber Use Value
(+) Agricultural Market Valuation:	+	\$0	\$0
(+) Timber Market Valuation:	+	\$0	\$0
<hr/>			
(=) Market Value:	=	\$83,140	
(-) Ag or Timber Use Value Reduction:	-	\$0	
<hr/>			
(=) Appraised Value:	=	\$83,140	
(-) HS Cap:	-	\$0	
<hr/>			
(=) Assessed Value:	=	\$83,140	

Taxing Jurisdiction

Owner: CITY OF FREEPORT
 % Ownership: 100.0000000000%
 Total Value: \$83,140

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
CAD	BRAZORIA COUNTY APPRAISAL DISTRICT	0.000000	\$83,140	\$0	\$0.00
CFP	CITY OF FREEPORT	0.675586	\$83,140	\$0	\$0.00
DR2	VELASCO DRAINAGE DISTRICT	0.100226	\$83,140	\$0	\$0.00
GBC	BRAZORIA COUNTY	0.432020	\$83,140	\$0	\$0.00
JBR	BRAZOSPORT COLLEGE	0.267309	\$83,140	\$0	\$0.00
NAV	PORT FREEPORT	0.045000	\$83,140	\$0	\$0.00
RDB	ROAD & BRIDGE FUND	0.060000	\$83,140	\$0	\$0.00
SBR	BRAZOSPORT INDEPENDENT SCHOOL DISTRICT	1.255300	\$83,140	\$0	\$0.00
Total Tax Rate:		2.835441			

EXHIBIT D

Proposed Development Values by Wong

> On May 6, 2014, at 2:30 PM, "Michael Harney" <mharney@skymarkdevelopment.com> wrote:

>

> Jeff:

>

> I would anticipate that the value of the development as outlined below
> will be approximately \$8,000,000.

>

> Michael

>

> -----Original Message-----

> From: Jeff Pynes [<mailto:citymanager@freeport.tx.us>]

> Sent: Tuesday, May 06, 2014 1:02 PM

> To: Michael Harney

> Subject: Re: Freeport - 2nd Avenue

>

> Thank you. What is the proposed development value?

>

> Sent from my iPhone

>

>> On May 6, 2014, at 11:58 AM, "Michael Harney"

>> <mharney@skymarkdevelopment.com> wrote:

>>

>> Jeff:

>>

>> Attached is the last land plan we had for the tract after talking

>> with

> Council Member Bolton. The plan has 42 single-family lots and 26

> townhome lots. This plan included use of the eastern buffer area,

> which I believe at the time it was felt that it could be lifted. If

> that buffer has to remain, then it would dramatically affect the land plan.

>>

>> Michael Harney, P.E.

>> Skymark Development

>> 1616 Voss, Suite 618

>> Houston, Texas 77057

>> 713.978.5900 (o)

>> 713.899.9634 (m)

EXHIBIT E

Projected Tax Value and Utility Consumption Values

EXHIBIT E

Proposed Completed Development Value:

$$\text{\$ } \underline{8,000,000.00} \times \underline{.67 / 100} = \underline{\text{\$ } 53,600.00}$$

(Development Value) (City Tax / 100) (Annual Property Tax)

Utility Consumption Values:

42 Single Family Homes x Average Water Bill \$ 42.00 x 12 months = \$21,168.00
26 Multi-family Homes x Average Water Bill \$ 42.00 x 12 months = \$13,104.00

Projected New Annual Values Generated (excluding sales tax generations)

\$ 87,872.00 Annually

Possible Population Increase based on Census's Medium Household Population 2.6 per home
176.8 possible new residents

EXHIBIT F
**Advertisement for
Development Proposals**

Affidavit of Publication

STATE OF TEXAS }
COUNTY OF BRAZORIA } SS

25/ FREEPORT Legal/ 6x16/ 199

Cindy Cornette, being duly sworn, says:

That he is Advertising Director of the The Facts, a daily newspaper of general circulation, printed and published in Clute, Brazoria County, Texas; that the publication, a copy of which is attached hereto, was published in the said newspaper on the following dates:

October 12, 2013

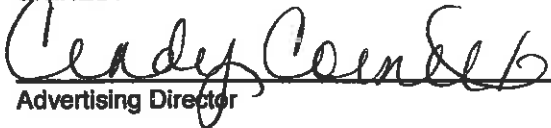
RECEIVED

OCT 29 2013

Per _____

That said newspaper was regularly issued and circulated on those dates.

SIGNED:



Advertising Director

Subscribed to and sworn to me this 19th day of October 2013.



Alexi Meredith Self, Notary, Brazoria County, Texas

My commission expires: August 24, 2015

00000271 00015131

City of Freeport
200 W Second St
FREEPORT, TX 77541



Affidavit of Publication

STATE OF TEXAS }
COUNTY OF BRAZORIA } SS

25/ FREEPORT Legal/ 6x16/ 199

Cindy Cornette, being duly sworn, says:

That he is Advertising Director of the The Facts, a daily newspaper of general circulation, printed and published in Clute, Brazoria County, Texas; that the publication, a copy of which is attached hereto, was published in the said newspaper on the following dates:

October 12, 2013

That said newspaper was regularly issued and circulated on those dates.

SIGNED:

Cindy Cornette
Advertising Director

Subscribed to and sworn to me this 19th day of October 2013.

Alexi Meredith Self
Alexi Meredith Self, Notary, Brazoria County, Texas

My commission expires: August 24, 2015

00000271 00015131

City of Freeport
200 W Second St
FREEPORT, TX 77541

RECEIVED

OCT 29 2013

Per _____

12th
19th



INVITATION TO SUBMIT PROPOSALS

NOTICE IS HEREBY GIVEN that the City of Freeport, Texas, (The City) is interested in determining the interest of prospective residential (R1, R2 or R2A) development proposals related to acquiring, improving and developing a 13 acre tract of City owned land as indicated in the attached or available survey. The site fronts approximately 537 feet on the beautiful old Brazos River on one end and approximately 590 feet on Second Street, which is a four lane major city roadway. The City believes the site offers a unique quality water front housing opportunity upon the old Brazos River, which this section of the old river is a protected body of water secured by a federal levee system and a tidal flood gate that protects the inland waterway. Site proposals could include engineered opportunities to bring an inlet waterway from the old river making the entire residential opportunities waterfront. Note: any submitted proposals must account for and maintain the current levee height physically or by construction should a water inlet be considered. Additionally, on the westerly side of the property where it abuts the Brazos Landing subdivision by deed any development must account for a 100' buffer zone with the adjoining development.

All development proposals should include the following:

1. Visual and written scope of proposed project
2. Economic impact of the proposed project upon the community
3. Proposed investment value by categories: Infrastructure and up-land development
4. Basics of funding components related to the project
5. Detail how in the proposed plan the 13 acres is acquired
6. Tax incentives requested to complete the project
7. The number of jobs created, both temporary and permanent, during all construction phases and the number of estimated population increase
8. Should your project be considered and/or chosen what is the timeline for the proposed project
9. The proposal must provide details on technical, operational and financial ability to complete the proposed project within the proposed parameters.
10. Provide any other documents you feel necessary to detail your ability and or experience to complete the proposed project

Potential available incentives for the project site:

- A. City Tax Abatements**
- B. Chapter 380 agreement with the City of Freeport**
- C. Brazoria County Tax Abatement for qualified projects**

Site Amenities:

- **Located on major roadways: Located on a major city four lane roadway**
- **City water and sewer utilities and electricity, telephone and cable are available at the boundaries of the Project Area**
- **The Project Area is inside the federal levy protection system and the facing waterway is also a protected by the federal system and tidal flood gate**
- **The Project Area is within close walking distance to Brazosport ISD elementary, middle and Brazosport High School**
- **The public transit system route adjoining the Project Area will provide easy access to the City's museum, marina, library and City Hall, medical facilities, and shopping.**
- **The site is in close walking distance to a grocery store, pharmacies, medical facilities, shopping and city parks**
- **Within one mile of the Freeport Municipal Marina**
- **Within two miles of City's Bryan Beach**
- **Within two miles of Port Freeport**
- **Within three miles of the Freeport Municipal Golf Course**

PROPOSALS addressed to the City Manager by any person, firm or corporation desiring to acquire, improve and develop all or any part of the Project Area will be received at the office of the City Manager located at 200 W. 2nd Street, Freeport, Brazoria County, Texas 77541, during normal business hours until 2:00 o'clock, p.m., on the 4 day of November 2013.

This is an invitation for bids and proposals to seek interested developers for only residential uses. The City may accept or deny any proposals for any reason by any prospective developer.

For further information please contact:

Jeff Pynes City Manager E-Mail: citymanager@freeport.tx.us or 979-871-0115

EXHIBIT G

Council Agenda when Proposal was
accepted / Approved Minutes / Signed
Agreement

THE FREEPORT CITY COUNCIL
MONDAY, NOVEMBER 18TH, 2013, 6:00 P.M.
FREEPORT MUNICIPAL COURT ROOM
FREEPORT POLICE DEPARTMENT, 430 NORTH BRAZOSPORT BLVD.
FREEPORT, TEXAS
AGENDA
FORMAL SESSION

1. Call to order.
2. Invocation.
3. Pledge of Allegiance.
4. Consideration of approving the October 21st, 2013 Council Minutes. Pg. 991-993
5. Attending citizens and their business.
6. **Announcement:** 4TH Annual Thanksgiving Superfeast on Thursday, November 28, 2013 River Place, from 11:00 to 2:00 p.m. Pg. 994
7. **Proclamation:** Proclaiming the month of "Alzheimer's Awareness Month." Pg. 995
8. **Public Hearing:** The City Council of the City of Freeport will conduct a public hearing to consider designating the following described real property located within the corporate boundaries of the City as a second reinvestment zone for the purpose of entering an agreement with FREEPORT WELDING & FABRICATING INC., a Texas Corporation, the owner thereof, and granting a tax abatement with respect to such property: Pg. 996

A 26.22 acre tract of land in the Maurice Henry ¼ League, Abstract No. 74, Tract No. 1 and being out of a 500 acre tract, recorded in Volume 506, Page 396 Deed Records of Brazoria County Texas, known as 200 North Navigation, Freeport Texas, 77541
9. Consideration of approving Ordinance No. 2013-2054 designating improvements to land located within the incorporated limits of said City as a reinvestment zone to be known as the Freeport Welding & Fabricating Inc., second reinvestment zone and providing for its initial term and the renewal thereof. Pg. 997-1015
10. Consideration of approving Resolution No. 2013-2427 granting a second Tax Abatement to the Freeport Welding & Fabricating, Inc. a Texas Corporation, 200 North Navigation, Freeport Texas, 77541, and authorizing the Mayor to execute and the City Secretary to Attest a second tax abatement agreement with Freeport Welding & Fabricating, Inc. Pg. 1016-1027
11. Consideration of approving Resolution No. 2013-2428 designating the Asst. City Manager Gilbert Arispe to act for and on behalf of the City of Freeport in dealing with the State of Texas General Land Office for the purpose of applying for state assistance to clean and maintain the public beaches. Pg. 1028

12. Consideration of approving Resolution No. 2013- 2429 casting a vote(s) for candidate(s) for the Board of Directors of the Brazoria County Appraisal District 2014-2015. Pg. 1029-1031
13. Consideration of approving Ordinance No. 2013-2055 enacting and adopting a supplement (S-17) to the Code of Ordinances of the City of Freeport. Pg. 1032-1034
14. Consideration of approving an Investment Grade Audit with Schneider Electric for an energy performance contract utilizing the Region I Education Service Center (ESC) Interlocal Agreement. Pg. 1035-1041
- ✓ 15. Consideration of approving and awarding the bid proposal to Skymark Development Company, Inc. to develop housing on a 13 acre tract of City owned land, located between Brazosport High School's baseball field and the Brazos Landing Subdivision. Pg. 1042-1050
- ✓ 16. Consideration of authorizing the City Manager to work with the City Attorney to develop an earnest money contract between the City of Freeport and Freeport Redevelopment Authority for the purpose of facilitating the sale of the 13 acre tract of City owned land, between Brazosport High School's baseball field and the Brazos Landing Subdivision, for which Skymark Development was the only bidder.
17. Consideration of setting December 16, 2013 for a Joint Public Hearing with the Planning Commission to consider amending Section 155.032 (R-2A District) to add "and condominium" and Section 155.002 to add a definition of condominium and erecting no parking signs on Zapata Street. Pg. 1051
18. Consideration of authorizing the City Manager to expand funds to implement a lighting plan for downtown historical district. Pg. 1052
19. Consideration of taking action on any items discussed in Executive Session.

Work Session:

- A. City of Freeport's Preliminary Audit presentation by Debra Martinez of Schneider Electric. Pg. 1053-1065

Executive Session:

Section 551.071, Government Code

Consultation with City Attorney concerning pending or contemplated litigation, settlement offers or other matter in which his duty to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551, Government Code, to wit:

- Pending Contractual Negotiations – Regarding Land Acquisitions

State of Texas

County of Brazoria

City of Freeport

BE IT REMEMBERED, that the Freeport City Council met on Monday, November 18, 2013 at 6:00 p.m., at the Freeport Municipal Court Room, 430 North Brazosport Boulevard, Freeport Texas for the purpose of considering the following agenda items:

City Council:

Mayor Norma M. Garcia
Councilwoman Michelle Kent
Councilman Fred Bolton
Councilwoman Sandra Loeza
Councilwoman Sandra Barbree

Staff:

\

Jeff Pynes, City Manager
Gilbert Arispe, Asst. City Manager
Wallace Shaw, City Attorney
Delia Munoz, City Secretary
Larry Fansher, Parks Director
Brian Davis, Fire Chief
Dan Pennington, Police Chief
Nat Hickey, Property Manager

Visitors:

Shannon Daughtry	Jerry Meeks
Jim Pirrung	Roy Yates
Kenny Kouches	Reuben Vela
Irene Ocanas	Clinton F. Wong

Call to order.

Mayor Norma M. Garcia called the meeting to order at 6:00 p.m.

Invocation.

Mr. Shaw offered the invocation.

Pledge of Allegiance.

Mayor Norma Garcia led the Pledge of Allegiance.

Consideration of approving the October 21st, 2013 Council Minutes.

On a motion by Councilwoman Kent, seconded by Councilwoman Barbree, with all present voting "aye", Council unanimously approved October 21st. 2013 Council Minutes.

Attending citizens and their business.

There were none.

Announcement: 4TH Annual Thanksgiving Superfeast on Thursday, November 28, 2013
River Place, from 11:00 to 2:00 p.m.

Mayor Norma Garcia announced that everyone is invited to the 4th Annual Thanksgiving Superfeast on Thursday, November 28, 2013 River Place from 11:00 to 2:00 p.m.

Proclamation: Proclaiming the month of “Alzheimer’s Awareness Month.”

Mayor Norma Garcia read the Proclamation proclaiming the month of November as “Alzheimer Awareness Month”.

Public Hearing: The City Council of the City of Freeport will conduct a public hearing to consider designating the following described real property located within the corporate boundaries of the City as a second reinvestment zone for the purpose of entering an agreement with FREEPORT WELDING & FABRICATING INC., a Texas Corporation, the owner thereof, and granting a tax abatement with respect to such property:

A 26.22 acre tract of land in the Maurice Henry ¼ League, Abstract No. 74, Tract No. 1 and being out of a 500 acre tract, recorded in Volume 506, Page 396 Deed Records of Brazoria County Texas, known as 200 North Navigation, Freeport Texas, 77541

Mayor Garcia opened the Public Hearing at 6:05 p.m. to consider designating the following described real property located within the corporate boundaries of the City as a second reinvestment zone for the purpose of entering an agreement with FREEPORT WELDING & FABRICATING INC., a Texas Corporation, the owner thereof, and granting a tax abatement with respect to such property:

A 26.22 acre tract of land in the Maurice Henry ¼ League, Abstract No. 74, Tract No. 1 and being out of a 500 acre tract, recorded in Volume 506, Page 396 Deed Records of Brazoria County Texas, known as 200 North Navigation, Freeport Texas, 77541.

Mayor Garcia asked for any comments from staff or audience. Mr. Pynes stated that the tract was 1I not Tract 1 as stated in the description of the land.

There being no more comments from staff or audience, Mayor Garcia closed the public hearing at 6:05 p.m.

Consideration of approving Ordinance No. 2013-2054 designating improvements to land located within the incorporated limits of said City as a reinvestment zone to be known as the Freeport Welding & Fabricating Inc., second reinvestment zone and providing for its initial term and the renewal thereof.

On a motion by Councilwoman Kent, seconded by Councilman Bolton, with all present voting "aye", Council unanimously approved Ordinance No. 2013-2054 designating improvements to land located within the incorporated limits of said City as a reinvestment zone to be known as the Freeport Welding & Fabricating Inc., second reinvestment zone and providing for its initial term and the renewal thereof.

Consideration of approving Resolution No. 2013-2427 granting a second Tax Abatement to the Freeport Welding & Fabricating, Inc. a Texas Corporation, 200 North Navigation, Freeport Texas, 77541, and authorizing the Mayor to execute and the City Secretary to Attest a second tax abatement agreement with Freeport Welding & Fabricating, Inc.

On a motion by Councilwoman Kent, seconded by Councilman Bolton, with all present voting "aye", Council unanimously approved Resolution No. 2013-2427 granting a second Tax Abatement to the Freeport Welding & Fabricating, Inc. a Texas Corporation, 200 North Navigation, Freeport Texas, 77541, and authorizing the Mayor to execute and the City Secretary to Attest a second tax abatement agreement with Freeport Welding & Fabricating, Inc.

Consideration of approving Resolution No. 2013-2428 designating the Asst. City Manager Gilbert Arispe to act for and on behalf of the City of Freeport in dealing with the State of Texas General Land Office for the purpose of applying for state assistance to clean and maintain the public beaches.

On a motion by Councilwoman Kent, seconded by Councilwoman Loeza, with all present voting "aye", Council unanimously approved Resolution No. 2013-2428 designating the Asst. City Manager Gilbert Arispe to act for and on behalf of the City of Freeport in dealing with the State of Texas General Land Office for the purpose of applying for state assistance to clean and maintain the public beaches.

Consideration of approving Resolution No. 2013- 2429 casting a vote(s) for candidate(s) for the Board of Directors of the Brazoria County Appraisal District 2014-2015.

On a motion by Councilman Bolton, seconded by Councilwoman Kent, with all present voting "aye", Council unanimously approved to cast 24 votes for Bob Welch for the Board of Directors of the Brazoria County Appraisal District 2014-2015.

Consideration of approving Ordinance No. 2013-2055 enacting and adopting a supplement (S-17) to the Code of Ordinances of the City of Freeport.

On a motion by Councilwoman Kent, seconded by Councilwoman Loeza, with all present voting "aye", Council unanimously approved Ordinance No. 2013-2055 enacting and adopting a supplement (S-17) to the Code of Ordinances of the City of Freeport.

Consideration of approving an Investment Grade Audit with Schneider Electric for an energy performance contract utilizing the Region 1 Education Service Center (ESC) Interlocal Agreement.

Reagendaed

Consideration of approving and awarding the bid proposal to Skymark Development Company, Inc. to develop housing on a 13 acre tract of City owned land, located between Brazosport High School's baseball field and the Brazos Landing Subdivision.

Mr. Clinton Wong of Skymark Development Company proposes development of 81 townhomes units including a greenbelt buffer between the development and the existing Brazos Landing subdivision and a pedestrian connection to the existing levee trail along the river, for a purchase price of \$100,000. 00. The project will be gated with restrictions.

Mayor Garcia asked why townhomes and not single family homes. Mr. Wong said it could be both, providing new residential units to the market and new housing opportunity not currently in the City.

Councilman Bolton supports the project proposal on constructing townhomes. He lives on Brazos Landing Subdivision and it is a beautiful community and his neighbors are concern that the propose project's appearance will look shoddy and look like an apartment complex. He represents his community in Brazos Landing and wants assuredness that it will never be an apartment complex. The property is waterfront and is not comfortable selling the property without an appraisal value.

On a motion by Councilwoman Kent, seconded by Councilwoman Barbree, with all present voting 4 to 1, Council approved awarding the bid proposal to Skymark Development Company Inc. to develop housing on a 13 acre tract of City owned land, located between Brazosport High School's baseball field and the Brazos Landing Subdivision. Councilman Bolton opposed.

Consideration of authorizing the City Manager to work with the City Attorney to develop an earnest money contract between the City of Freeport and Freeport Redevelopment Authority for the purpose of facilitating the sale of the 13 acre tract of City owned land, between Brazosport High School's baseball field and the Brazos Landing Subdivision, for which Skymark Delopment was the only bidder.

On a motion by Councilwoman Kent, seconded by Councilwoman Barbree, with all present voting "aye", Council unanimously approved authorizing the City Manager to work with the City Attorney to develop an earnest money contract between the City of Freeport and Freeport Redevelopment Authority for the purpose of facilitating the sale of the 13 acre tract of City owned land, between Brazosport High School's baseball field and the Brazos Landing Subdivision, for which Skymark Delopment was the only bidder.

Consideration of setting December 16, 2013 for a Joint Public Hearing with the Planning Commission to consider amending Section 155.032 (R-2A District) to add "and condominium" and Section 155.002 to add a definition of condominium and erecting no parking signs on Zapata Street.

On a motion by Councilwoman Kent, seconded by Councilwoman Loeza, with all present voting "aye", Council unanimously approved setting December 16, 2013 for a Joint Public Hearing with the Planning Commission to consider amending Section 155.032 (R-2A District) to add "and condominium" and Section 155.002 to add a definition of condominium and erecting no parking signs on Zapata Street.

Consideration of authorizing the City Manager to expand funds to implement a lighting plan for downtown historical district.

On a motion by Councilwoman Barbree, seconded by Councilwoman Kent, with all present voting "aye", Council unanimously approved the City Manager to expand funds, not to exceed \$30,000 on phase I, a lighting plan for downtown historical district.

Consideration of taking action on any items discussed in Executive Session.

Mayor Garcia opened the Formal Session at 7:30 p.m. to take action on Executive Session Items.

- Pending Contractual Negotiations – Regarding Land Acquisitions

On a motion by Councilwoman Barbree, seconded by Councilwoman Kent, with all present voting 4 to 1, Council approved the Land Acquisitions on Pixie Floyd for \$80,000 and George Earl Jones for \$47,500.00, not to exceed \$127,500. Councilman Bolton opposed.

- The City of Freeport and Freeport Economic Development Corporation

v

Rene Damian and Damian & Associates a/k/a or f/k/a Damian/Galleon Associates,
Cause No. 57663, in the 412th Judicial District Court, Brazoria County, Texas.

On a motion by Councilman Bolton, seconded by Councilwoman Loeza, with all present voting "aye", Council unanimously approved to cease legal action on The City Freeport and Economic Development Corporation v Rene Damian and Damian & Associates a/k/a or f/k/a Damian/Galleon Associates, Cause No. 57663, in the 412th Judicial District Court, Brazoria, County, Tx.

Mayor Norma Garcia closed the meeting at 7:31 p.m.

Work Session:

City of Freeport's Preliminary Audit presentation by Debra Martinez of Schneider Electric.

Reagendaed

Mayor Garcia opened the Executive Session at 6:40 p.m.

Executive Session:

Section 551.071, Government Code

Consultation with City Attorney concerning pending or contemplated litigation, settlement offers or other matter in which his duty to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551, Government Code, to wit:

- Pending Contractual Negotiations – Regarding Land Acquisitions
(Motion made in open session)

- The City of Freeport and Freeport Economic Development Corporation

V

Rene Damian and Damian & Associates a/k/a or f/k/a Damian/Galleon Associates,
Cause No. 57663, in the 412th Judicial District Court, Brazoria County, Texas

(Motion made in open session)

- Industrial Districts Contracts and Negotiations:
Freeport LNG
Phillip 66
(no motion)

Mayor Garcia closed the Executive Session to reconvene the Formal Session at 7:30 p.m.

Adjourn

On a motion by Councilwoman Kent, seconded by Councilwoman Barbree, with all present voting “aye”, Council adjourned at 7:33 p.m.

Mayor Norma M. Garcia
City of Freeport

Delia Munoz – City Secretary
City of Freeport

AGREEMENT

THE STATE OF TEXAS

COUNTY OF BRAZORIA

KNOW ALL MEN BY THESE PRESENTS:

This agreement (the "Agreement") is made and entered into by and between the City of Freeport, a Texas home rule municipal corporation created and located in Brazoria County, Texas (the "City"), and SkyMark Development (the "Company").

WITNESSETH:

WHEREAS, it is the established policy of the City to adopt such reasonable measures from time to time as are permitted by law to endeavor to attract industry, create and retain primary jobs, expand the growth of the City of Freeport (the "City"), and thereby enhance the economic stability and growth of the City; and

WHEREAS, the City owns a 13 acre tract of unimproved land within the City, located at 0000 West Second Street, Freeport, Texas 77541 (the "Property"). See attached land survey in Exhibit "A", attached hereto and made a part hereof; and

WHEREAS, the Company proposes to construct new residential housing opportunities which may consist of either single family and/or multi-family residential living opportunities on the Property. Exhibit "B" details the proposed development plan for the Property; and,

WHEREAS, the City affirms and authorizes the Property requirements are suitable for the proposed single family and multi-family residential development; and,

WHEREAS, the Brazoria County Appraisal District (the "BCAD") has determined the value of the unimproved Property for ad valorem taxation is \$ 157,000.00 (Exhibit "C") and,

WHEREAS, the taxable value of the Improvements to be added to the City tax base will be an estimated value of \$8,000,000.00, exclusive of the value of the land (Exhibit "D"); and

WHEREAS, the annual economic benefit to the City upon the completion of construction of the Project will provide an additional \$ 53,600.00 in ad valorem taxes, \$ 34,272.00 in City water and sewer revenues as well as an increase in other sales and use taxes; and more particularly described in Exhibit "E"; and,

WHEREAS, the construction of the developments herein listed will make the City more attractive to business, commerce and industry in the City's competition for new private investment by existing businesses and relocation of new businesses and industries to the City; and,

WHEREAS, the Company's construction will create new jobs in the City and the Company will make reasonable efforts to promote the employment of City residents at the Project; and,

WHEREAS, the Company has agreed, in exchange for sale of the Property to satisfy and comply with certain terms and conditions set forth herein; and

WHEREAS, this agreement is found by the City Council to be suitable for the expansion of the City and the creation and retention of primary jobs in the City through the provision of new residential development to encourage relocation of businesses, industries and population to the City;

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

1. After the City advertised for development proposals (Exhibit "F") the development offer from SkyMark Development (Exhibit "I") was received and accepted by the Freeport City Council on _____ . (Exhibit "G")
2. The City caused an actual real property appraisal on the Property which detailed an actual appraised land value to be \$ 227,000.000 (Exhibit "H"). In consideration of the appraisal value \$ 227,000.00 (Exhibit "H"), the Brazoria County Assessed Tax Value \$ 157,000.00 (Exhibit "C"), the proposed new development value \$ 8,000,000.00 (Exhibit "D") and the annual increase of the completed new tax and utility usage values upon completion \$ 87,872.00 (Exhibit "E") the City Council approved the plan and purchase price proposed by Skymark Development from the received development plan (Exhibit "I") from the _____ council meeting (Exhibit "G").
3. The Company covenants and agrees that it will commence construction on the Improvements on the Property within a term of not more than 60 days from the effective date of the Agreement. Furthermore, the Company will comply with all covenants, restrictions, right-of-ways, easements of the Property. This Agreement shall be effective upon the signature of the Mayor of the City.
4. The Company agrees to build or cause to be built upon the Property all infrastructure, roadways, drainage, lighting, sidewalks and all other development amenities to make the approved residential development feasible. All of the aforementioned must comply with all rules and regulations locally that govern such development.
5. The Company agrees to pursue single family residential homes in the bulk of the Property from the Second Street frontage towards the river/waterway frontage. It is agreed that along the waterway frontage residential density is desired and such multi-family development in the form of a condominium and townhome complex is permissible in the areas closest to the river/waterway. The Company agrees that a typical apartment complex concept is not permitted upon the Property. It is further understood by both parties the actual development will be driven by market demand that best fits the residential market needs of the Property.
 - Single family residential homes will comply with the following:
 - a: Minimum 1,600 sq ft of living improved space
 - b: Decorative front structure facade (brick, stone, etc)
 - c: Must have a two car garage
 - d: Must have a driveway
 - e: Exterior front lot landscaping
 - Multi-family residential homes will comply with the following:
 - a: Minimum 1,400 sq ft of living improved space
 - b: Decorative front structure facade (brick, stone, etc)
 - c: Must have a two car garage
 - d: Must have a driveway
 - e: Exterior front lot landscaping
6. The Company further covenants and agrees that it does not and will not knowingly employ an undocumented worker. An "undocumented worker" shall mean an individual who, at the time of employment, is not (a) lawfully admitted for permanent residence to the United States, or (b) authorized by law to be employed in that manner in the United States.

7. It is understood and agreed that either person responsible for a default of this Agreement shall reimburse the other party for any and all reasonable attorney's fees and cost incurred by the other party as a result of any default.
8. This Agreement shall inure to the benefit of and be binding upon the City and the Company, and upon the Company's successors and assigns, affiliates, and subsidiaries, and shall remain in force whether the Company sells, assigns, or in any other manner disposes of, either voluntarily or by operation of law, all or any part of the Property and the agreements herein contained shall be held to be covenants running with the Property for as long as this Agreement, or any extension thereof, remains in effect.
9. Any notice provided or permitted to be given under this Agreement must be in writing and may be served by depositing the same in the United States mail, addressed to the party to be notified, postage prepaid, registered or certified mail, with a return receipt requested.

If to City: City of Freeport
 Attn: City Manager
 200 West Second Street
 Freeport, Texas 77541

If to the Company: SkyMark Development
 Attn: Mr. Clinton Wong
 1616 S. Voss Rd
 Houston, Texas 77057

10. This Agreement shall be performable and enforceable in Brazoria County, Texas and shall be construed in accordance with the laws of the State of Texas.
11. Except as otherwise provided in this Agreement, this Agreement shall be subject to change, amendment or modification only in writing, and by the signatures and mutual consent of the parties.
12. The failure of any party to insist in any one or more instances on the performance of any of the terms, covenants or conditions of this Agreement, or to exercise any of its rights, shall not be construed as a waiver or relinquishment of such term, covenant, or condition, or right with respect to further performance.
13. This Agreement shall bind and benefit the respective parties and their legal successors and shall not be assignable, in whole or in part, by any party without first obtaining written consent of the other party.
14. THE COMPANY SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS THE CITY, ITS AGENTS AND EMPLOYEES FROM ALL SUITS, ACTIONS, OR CLAIMS OF ANY CHARACTER, TYPE, OR DESCRIPTION BROUGHT OR MADE FOR OR ON ACCOUNT OF ANY INJURY OR DAMAGES RECEIVED OR SUSTAINED BY ANY PERSON OR PERSONS OR PROPERTY, ARISING OUT OF, OR OCCASIONED BY, THE ACTS OF COMPANY OR ITS AGENTS OR EMPLOYEES. THE COMPANY SHALL PROVIDE A DEFENSE OF SUCH CLAIMS AT ITS OWN EXPENSE WITH LEGAL COUNSEL WHO SHALL REPORT TO, AND BE APPROVED BY THE CITY.
15. In the event of a default by either party of this agreement each party respectfully reserves all rights of remedy afforded by law.
16. In the event any one or more words, phrases, clauses, sentences, paragraphs, sections, or other parts of this Agreement, or the application thereof to any person, firm, corporation, or circumstance, or any

court of competent jurisdiction to be invalid or unconstitutional for any reason, then the application, invalidity or unconstitutionality of such words, phrases, clauses, sentences, paragraphs, sections, or other parts of this Agreement shall be deemed to be independent of and severable from the remainder of this Agreement, and the validity of the remaining parts of this Agreement shall not be affected thereby.

IN TESTIMONY OF WHICH, THIS AGREEMENT has been executed by the Parties including the City by its Mayor on this ___ day of _____, 2014 (the "Effective Date")

SkyMark Development

BY:

NAME: Mr. Clinton Wong

TITLE: President

Attest:

CITY OF FREEPORT, TEXAS

BY:

Name: Mayor Norma Moreno Garcia

Attest:

EXHIBIT H
Appraisal Report

PO 110449

BRAZOS LANDING

APPRAISAL OF REAL PROPERTY

LOCATED AT:

W. 2nd Street
of Freeport 37.8245 acre tract, out of City of Freeport 70.29 acre tract
Freeport, Tx 77541

FOR:

City of Freeport
200 West 2nd Street
Freeport, Tx 77541

AS OF:

December 3, 2013

BY:

Joseph A. Fischer
Joseph A. Fischer & Co., Inc.
54 White Oak Ct.
Lake Jackson, Texas 77566

Copy to the owner
12-5-13

Gilbert
5-6-2014

Summary Appraisal Report

File No. 9208

Borrower N/A Census Tract 6643.00 Map Reference KM 911 T
 Property Address W. 2nd Street
 City Freeport County Brazoria State Tx Zip Code 77541
 Legal Description 13 acres out of City of Freeport 37.8245 acre tract, out of City of Freeport 70.29 acre tract, Abstracts 33 & 103
 Sale Price \$ N/A Date of Sale N/A Loan Term N/A yrs. Property Rights Appraised Fee Leasehold De Minimis PUD
 Actual Real Estate Taxes \$ N/A (yr) Loan charges to be paid by seller \$ N/A Other sales concessions N/A
 Lender/Client City of Freeport Address 200 West 2nd Street, Freeport, Tx 77541
 Occupant N/A Appraiser Joseph A. Fischer Instructions to Appraiser _____

Location	<input checked="" type="checkbox"/> Urban	<input type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Good	Avg.	Fair	Poor
Built Up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25% to 75%	<input type="checkbox"/> Under 25%	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Growth Rate	<input checked="" type="checkbox"/> Fully Dev.	<input type="checkbox"/> Rapid	<input type="checkbox"/> Steady	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Property Values	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Demand/Supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Oversupply	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marketing Time	<input type="checkbox"/> Under 3 Mos.	<input checked="" type="checkbox"/> 4-6 Mos.	<input type="checkbox"/> Over 6 Mos.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Present Land Use	<input type="checkbox"/> 80% 1 Family	<input type="checkbox"/> 3% 2-4 Family	<input type="checkbox"/> 2% Apts.	<input type="checkbox"/> 0% Condo	<input type="checkbox"/> 6% Commercial	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/> 0% Industrial	<input type="checkbox"/> 9% Vacant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Change in Present Land Use	<input checked="" type="checkbox"/> Not Likely	<input type="checkbox"/> Likely (*)	<input type="checkbox"/> Taking Place (*)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	(*) From _____ To _____			<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Predominant Occupancy	<input checked="" type="checkbox"/> Owner	<input type="checkbox"/> Tenant	<input type="checkbox"/> 10 % Vacant	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Single Family Price Range	\$ <u>10,000</u> to \$ <u>150,000</u>		Predominant Value \$ <u>40,000</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Single Family Age	<u>30</u> yrs. to <u>75</u> yrs.		Predominant Age <u>50</u> yrs.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise): Freeport is one of four small towns (population 13,000) making up the "Brazosport" area 60 miles south of Houston. The immediate neighborhood is residential with commercial uses on the major thoroughfares. Employment centers, shopping and all levels of public schools are within ten miles.

Dimensions 501' x 1178' x 501' x 235' x 185' x 560' x 306' = 13.0 Sq. Ft. or Acres Corner Lot
 Zoning classification PUD Present Improvements do do not conform to zoning regulations
 Highest and best use Present use Other (specify) _____
 Etc. Public Other (Describe) _____
 Gas _____
 Water _____
 San. Sewer _____
 Underground Elect. & Tel. _____
 OFF SITE IMPROVEMENTS
 Street Access Public Private
 Surface Concrete
 Maintenance Public Private
 Storm Sewer Curb/Gutter
 Sidewalk Street Lights
 Topo Level
 Size Above average
 Shape Irregular
 View Residential/River
 Drainage Appears adequate
 Is the property located in a HUD identified Special Flood Hazard Area? No Yes
 Comments (favorable or unfavorable including any apparent adverse easements, encroachments, or other adverse conditions): See attached addenda.

The undersigned has recited three recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to or more favorable than the subject property, a minus (-) adjustment is made thus reducing the indicated value of subject; if a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject.

ITEM	SUBJECT PROPERTY	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Address	<u>W. 2nd Street Freeport</u>	<u>FM 2004 Richwood</u>	<u>Texian Trail Angleton</u>	<u>Garland Lake Jackson</u>
Proximity to Subject		<u>8.34 miles NW</u>	<u>15.80 miles N</u>	<u>5.37 miles NW</u>
Sales Price	\$ <u>N/A</u>	\$ <u>421,379</u>	\$ <u>100,000</u>	\$ <u>82,500</u>
Price/Acre		\$ <u>17,025</u>	\$ <u>13,631</u>	\$ <u>19,186</u>
Data Source	<u>Field Review/Surve</u>	<u>MLS #C35710C</u>	<u>MLS #L36755C</u>	<u>MLS #A37479C</u>
Date of Sale and Time Adjustment	<u>12/13</u>	<u>07/07</u>	<u>10/07</u>	<u>01/09</u>
Location	<u>Urban</u>	<u>Urban</u>	<u>Urban</u>	<u>Urban</u>
Site/View	<u>13.0 acres</u>	<u>24.75 acres</u>	<u>7.336 acres</u>	<u>4.3 acres</u>
Features	<u>Levee/River</u>	<u>None</u>	<u>None</u>	<u>None</u>
		<u>+1,000</u>	<u>-1,000</u>	<u>-1,000</u>
		<u>+3,000</u>	<u>+3,000</u>	<u>+3,000</u>
Sales or Financing Concessions	<u>N/A</u>	<u>Cash to seller</u>	<u>Cash to seller</u>	<u>Cash to seller</u>
Net Adj. (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ <u>4,000</u>	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ <u>2,000</u>	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ <u>2,000</u>
Indicated Value of Subject		Net % \$ <u>21,025</u>	Net % \$ <u>15,631</u>	Net % \$ <u>21,186</u>

Comments on Market Data: See attached addenda.

Comments and Conditions of Appraisal: _____

Final Reconciliation: See attached addenda.

I ESTIMATE THE MARKET VALUE, AS DEFINED OF SUBJECT PROPERTY AS OF December 3 2013 to be \$ 227,000

Joseph A. Fischer  Appraiser(s) Did Did Not Physically Inspect Property
 Review Appraiser (if applicable) _____

ITEM	SUBJECT PROPERTY	COMPARABLE NO. 4		COMPARABLE NO. 5		COMPARABLE NO. 6	
Address	W. 2nd Street Freeport	2471 FM 523 Rd Oyster Creek, TX 77541		2200 S Highway 288B Richwood, TX 77515		1806 S Highway 288B Richwood, TX 77515	
Proximity to Subject		3.39 miles NE		8.27 miles NW		7.47 miles NW	
Sales Price	\$ N/A	\$ 108,000		\$ 146,500		\$ 219,500	
Price Acre	\$	\$ 22,642		\$ 12,885		\$ 17,560	
Data Source	Field Review/Surve	MLS #C52384C		MLS #C35711C		MLS #C47053C	
Date of sale and Time Adjustment	DESCRIPTION	DESCRIPTION	+(-)\$ Adjust	DESCRIPTION	+(-)\$ Adjust	DESCRIPTION	+(-)\$ Adjust
	12/13	04/12		04/12		10/12	
Location	Urban	Urban		Urban		Urban	
Site/View	13.0 acres	4.77 acres	-1,000	11.37 acres		12.5 acres	
Features	Levee/River	Oyster Creek	-3,000	None	+3,000	None	+3,000
Sales or Financing Concessions	N/A	Cash to seller		Cash to seller		Cash to seller	
Net Adj. (Total)		<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ -4,000	<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 3,000	<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 3,000
Indicated Value of Subject		Net	% \$ 18,642	Net	% \$ 15,885	Net	% \$ 20,560

Comments:

ITEM	SUBJECT PROPERTY	COMPARABLE NO. 7	COMPARABLE NO. 8	COMPARABLE NO. 9
Address	W. 2nd Street Freeport	Skinner & Ave. J Freeport		
Proximity to Subject		1.10 miles N		
Sales Price	\$ N/A	\$ 24,500	\$	\$
Price/Acre		\$ 15,123	\$	\$
Data Source	Field Review/Surve	MLS #C45320C		
Date of sale and Time Adjustment	DESCRIPTION 12/13	DESCRIPTION 10/09	+(-)\$ Adjust.	DESCRIPTION +(-)\$ Adjust.
Localities	Urban	Urban		
Site/Area	13.0 acres	1.62 acres	-2,000	
Features	Levee/River	None	+3,000	
Sales or Financing Concessions	N/A	Cash to seller		
Net Adj. (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> - : \$ 1,000	<input type="checkbox"/> + <input type="checkbox"/> - : \$	<input type="checkbox"/> + <input type="checkbox"/> - : \$
Indicated Value of Subject		Net % \$ 16,123	Net % \$	Net % \$
Comments:				

Lender/Client	City of Freeport			
Property Address	W. 2nd Street			
City	Freeport	County	Brazoria	State Tx Zip Code 77541
Lender	City of Freeport			

• Land : Site Comments

The tract has two easements traversing the site from east to west. One is a 15' wide easement to the City of Freeport. The second is a 16' wide utility easement. Neither easement is expected to hamper development of the site. There is a 100' wide greenbelt easement along the east property line containing a total of 2.93 acres.

The north end of the tract is adjacent to an 80' levee and the Old Brazos River. The subject tract is adjacent to the most recent and highest priced residential subdivision in Freeport. While frontage on the major thoroughfare of W. 2nd Street suggests a commercial use. The surrounding land uses are residential and the local high schools facility. A more profitable use of the site would be a residential use taking advantage of the adjacent subdivision development and the river view from the northern most lots. A residential use also conforms to the current zoning.

Hence, the highest and best use of the site is residential development.

• Land : Market Data

The market was researched for sales of acreage tracts within the city limits of the various towns in south Brazoria County. Such sales are few, especially so since the recession of 2008-2009.

The northern portion of the subject tract is adjacent to a levee with the Old Brazos River on the opposite side. A view of the river could be obtained from a second floor window or balcony. The close proximity to the river adds value to the tract. Each sale is adjusted accordingly except sale 4. Sale 4 fronts Oyster Creek and offers a direct view of the waterway giving it superior water frontage. Sale 4 is adjusted downward accordingly.

The indicated value range for the subject tract is \$15,631 per acre to \$21,186 per acre. The median indicated value is \$18,642 per acre. The average indicated value is \$18,436 per acre. The weighted average based on the amount of adjustment to each sale is \$18,448 per acre. The most reliance is given to the most recent sales, Sales 4, 5 and 6.


The subject tract has 2.93 acres of greenbelt easement. Whether the easement can be removed is not known. Therefore, it is assumed the easement will remain in place limiting the useable portion of the subject tract. The unit value of this sector of the subject site is discounted 25%.

The estimated market value for the subject property is \$18,500 or per acre for 10.07 acres outside the greenbelt easement and or \$14,000 per acre (\$18,500 less 25% rounded) for the 2.93 acres within the greenbelt easement. Hence, the total indicated value for the subject tract is

10.07 acres @ \$18,500 per acre = \$186,295

2.93 acres @ \$14,000 per acre = 41,020

\$227,315 rounded to \$227,000.

Lender/Client	City of Freeport	File No.	9208
Property Address	W. 2nd Street		
City	Freeport	County	Brazoria
		State	Tx
		Zip Code	77541
Lender	City of Freeport		
Purpose			
The purpose of this appraisal is to estimate market value for a potential sale.			
Scope of Work			
A field review of the subject property was made December 3, 2013 for the purpose of gathering information relevant to the property's value. The field review was limited to readily observable components only. Physical characteristics of the lot was obtained from a survey and legal description. Research for comparable sales included the appraiser's files and MLS. The compiled data was analyzed using the traditional direct sale comparison approach to value. Since the property is vacant land, the cost and income approaches were not applicable.			
Intended Use / Intended User			
Intended Use: Possible sale.			
Intendal User(s): City of Freeport.			
History of Property			
Current listing information: None.			
Prior sale: Research did not reveal a sale of the subject property or prior sale of any comparable within the past three years.			
Exposure Time / Marketing Time			
See comments below.			
Personal (non-realty) Transfers			
None.			
Additional Comments			
Exposure Time/Marketing Time - The period of time necessary to sell a property is referred to as the marketing time and occurs after the effective date of the appraisal. Exposure time occurs prior to the effective date of the appraisal and is the estimated time the subject property would have been exposed to the market prior to the hypothetical sale of the property on the effective date. Reasonable exposure time for the subject property is the same as the typical marketing time for the defined subject neighborhood on page 1 unless otherwise noted and assumes the property is properly priced and marketed in a professional manner.			
A look back time frame is used to research market conditions, comparable sales, rents, etc. Value is estimated by establishing the trend of the past and forecasting how, or if, that trend will continue in the immediate future. In this case, the market was researched for comparables over the past ten years.			
Certification Supplement			
<ol style="list-style-type: none"> 1. This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or an approval of a loan. 2. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result or the occurrence of a subsequent event. 3. I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three year period immediately preceding acceptance of this assignment. 			
Appraiser:	 Joseph A. Fischer	Supervisory Appraiser:	
Signed Date:	December 5, 2013	Signed Date:	
Certification or License #:	1320173-G	Certification or License #:	
Certification or License State:	Tx	Expires:	03/31/2015
Effective Date of Appraisal:		Inspection of Subject:	<input type="checkbox"/> Did Not <input type="checkbox"/> Exterior Only <input type="checkbox"/> Interior and Exterior

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

* Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party Institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgement.

STATEMENT OF LIMITING CONDITIONS AND APPRAISER'S CERTIFICATION

CONTINGENT AND LIMITING CONDITIONS: The appraiser's certification that appears in the appraisal report is subject to the following conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
5. The appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
6. The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
7. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
8. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
9. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.
10. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower; the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.


APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to, or more favorable than, the subject property, I have made a negative adjustment to reduce the adjusted sales price of the comparable and, if a significant item in a comparable property is inferior to, or less favorable than the subject property, I have made a positive adjustment to increase the adjusted sales price of the comparable.
2. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withheld any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.
3. I stated in the appraisal report only my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the contingent and limiting conditions specified in this form.
4. I have no present or prospective interest in the property that is the subject to this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or the estimate of market value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property.
5. I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.
6. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.
7. I performed this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place as of the effective date of this appraisal, with the exception of the departure provision of those Standards, which does not apply. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report, unless I have otherwise stated in the reconciliation section.
8. I have personally inspected the interior and exterior areas of the subject property and the exterior of all properties listed as comparables in the appraisal report. I further certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject site, or on any site within the immediate vicinity of the subject property of which I am aware and have made adjustments for these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them. I have also commented about the effect of the adverse conditions on the marketability of the subject property.
9. I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. If I relied on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, I have named such individual(s) and disclosed the specific tasks performed by them in the reconciliation section of this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in the report; therefore, if an unauthorized change is made to the appraisal report, I will take no responsibility for it.

SUPERVISORY APPRAISER'S CERTIFICATION: If a supervisory appraiser signed the appraisal report, he or she certifies and agrees that: I directly supervise the appraiser who prepared the appraisal report, have reviewed the appraisal report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certifications numbered 4 through 7 above, and am taking full responsibility for the appraisal and the appraisal report.

ADDRESS OF PROPERTY APPRAISED: W. 2nd Street, Freeport, Tx 77541

APPRAISER:

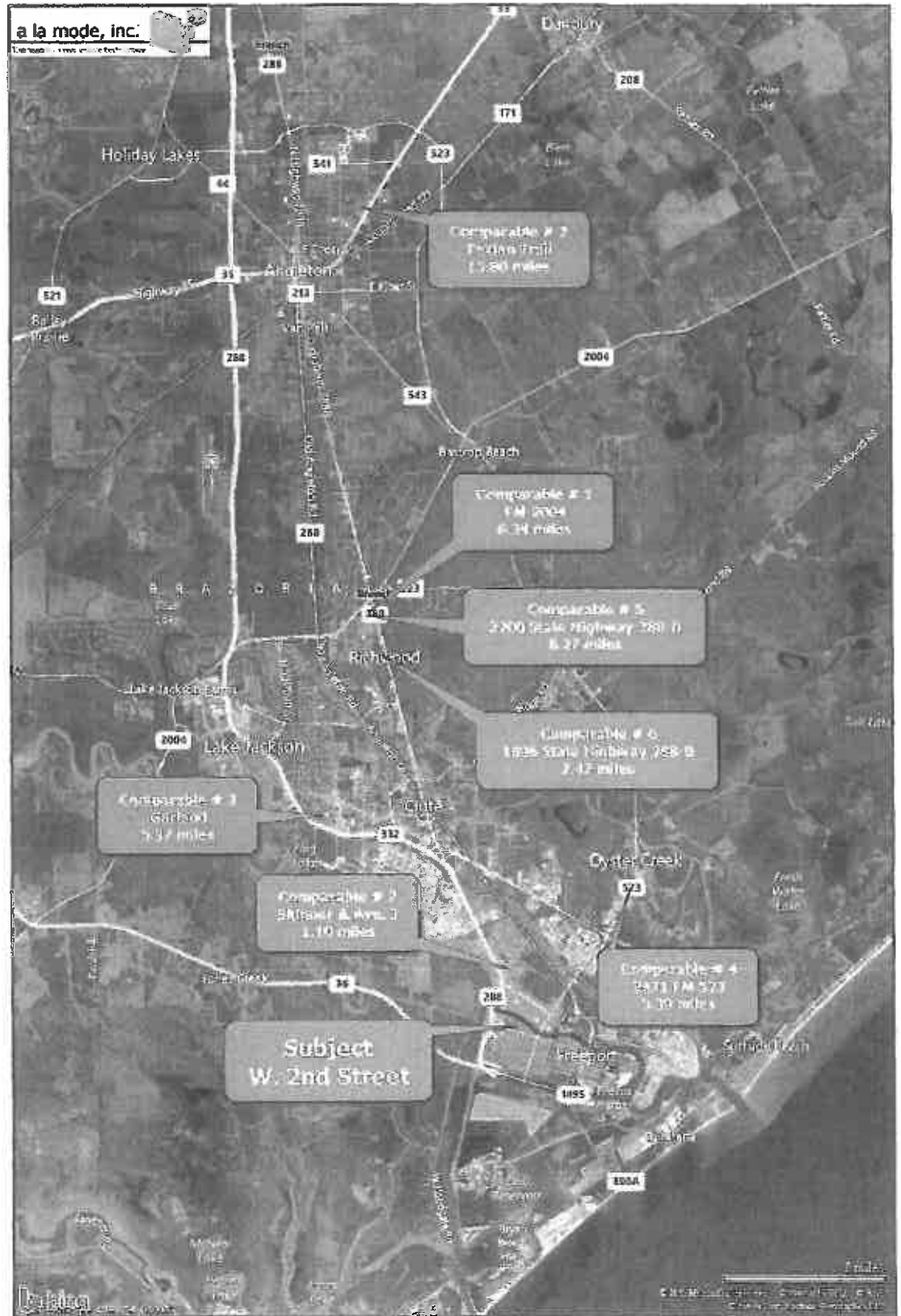
Signature: 
Name: Joseph A. Fischer
Date Signed: December 5, 2013
State Certification #: 1320173-G
or State License #: _____
State: Tx
Expiration Date of Certification or License: 03/31/2015

SUPERVISORY APPRAISER (only if required):

Signature: _____
Name: _____
Date Signed: _____
State Certification #: _____
or State License #: _____
State: _____
Expiration Date of Certification or License: _____

Did Did Not Inspect Property

Lender/Client	City of Freeport						
Property Address	W. 2nd Street						
City	Freeport	County	Brazoria	State	Tx	Zip Code	77541
Lender	City of Freeport						



Lender/Client	City of Freeport		
Property Address	W. 2nd Street		
City	Freeport	County Brazoria	State Tx Zip Code 77541
Lender	City of Freeport		



Subject Front
W. 2nd Street
Sales Price N/A
Gross Living Area
Total Rooms
Total Bedrooms
Total Bathrooms
Location Urban
View 13.0 acres
Site
Quality
Age



River



Subject Street

EXHIBIT I

Submitted Development
Proposal by Skymark



SKYMARK DEVELOPMENT COMPANY, INC.

1616 Voss, Suite 618

Houston, Texas 77057

Phone: (713) 978-5900

Fax: (713) 978-5944

November 4, 2013

Mr. Jeff Pynes, City Manager
City of Freeport
200 W. 2nd Street
Freeport, Texas 77541

Re: City offer of 13 Acres on 2nd Street
Development Proposal

Dear Mr. Pynes:

Please find attached a development proposal submitted as an answer to the request for proposals for the City owned 13 acre tract on 2nd Street. We hope that the City will find the proposal acceptable and look forward to working with the City of Freeport on the development of the tract. We feel that this townhome project will serve as a gateway to the Gulf.

Please do not hesitate to contact our office should you have any questions or comments regarding this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Clinton F. Wong".

Clinton F. Wong
President

Attach



GULF GATEWAY DEVELOPMENT

Prepared By:

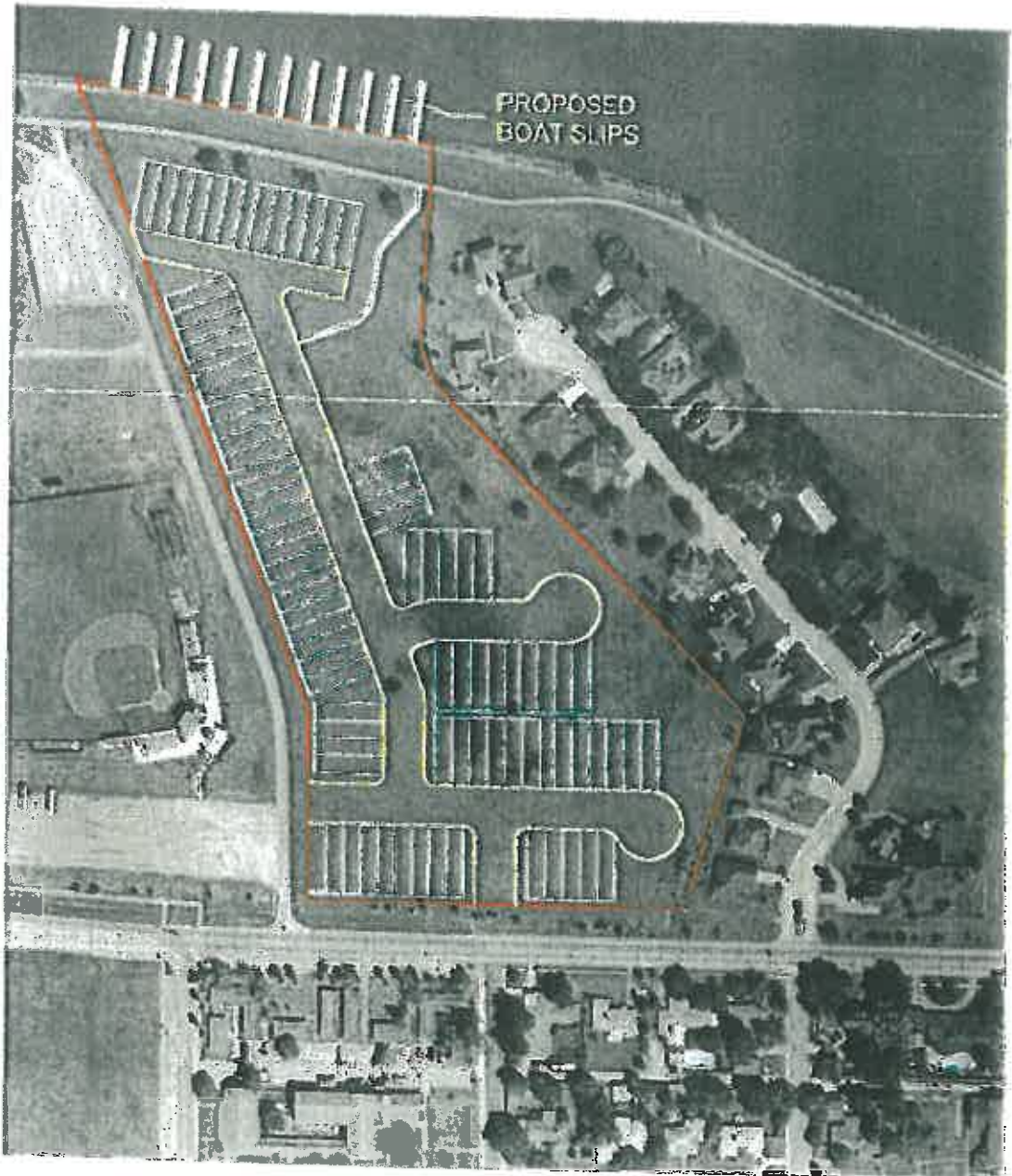
**Skymark Development Co., Inc.
1616 Voss, Suite 618
Houston, Texas 77057
(713) 978-5900**

PROJECT OVERVIEW

The 13 acre tract being offered by the City of Freeport offers a unique opportunity to create a riverfront development and provide a new residential center that can provide a new energy for the City. The proposed Gulf Gateway development will consist of townhome units including a greenbelt buffer between the development and the existing Brazos Landing subdivision and a pedestrian connection to the existing levee trail along the river. The development will provide new residential units to the market and a new housing opportunity not currently in the City.



The proposed development represents a 13 acre tract within the City of Freeport along the south side of the Old Brazos River. It represents one of the largest areas of open land for development along the river. It has access to 2nd Street and is located between Brazosport High School and the Brazos Landing subdivision. City utilities are in place along 2nd Street to provide services to the development.



The conceptual plan for the development consists of 81 townhome lots developed in accordance with City's R2A zoning ordinance.

PROJECT BENEFITS

The proposed project will produce approximately 60 direct and indirect jobs during construction. Based on a proposed yield of 81 townhome units, the estimated increase of property value is approximately \$10 million.

MARKET IMPACT

As the project is developed and the units are absorbed into the market, Skymark Development will continue to evaluate the local market to identify other properties to continue residential and commercial development opportunities. Establishment of this component of the housing market will fill an existing demand within the City and create a driving growth within the market.

PROJECT DEVELOPMENT

Skymark Development proposes to construct the infrastructure necessary to support the development of the project and the final townhome units. The project will require a significant investment for the development of the site infrastructure. The items include:

- Coordinate environmental studies for clearances to develop the property
- Sanitary sewer collection system and water distribution system
- Grade site, including possibly importing material, to prepare the site for development
- Stormwater collection system for the development
- New internal roadways for the development
- Coordinate electrical, gas, cable, phone and cable systems.
- Construct entrance monuments to establish presence of the development
- Construct individual townhome units.

The project timeline for the development will vary based on the demands from the market, but it is estimated that the first phase of the infrastructure construction could be completed within twelve months of the purchase of the property.

TRANSACTION PROPOSAL

Skymark Development Co., Inc. proposes to purchase directly the land from the City and its related entities. A feasibility period to allow the typical due diligence examination of the property would be needed. Upon the completion of the feasibility of the period, a purchase price of \$100,000 is proposed.

SKYMARK DEVELOPMENT BACKGROUND

Headquartered in Houston, Texas and operating through various corporations and partnerships, Skymark Development Co. has been actively developing property since 1978. Originally formed to develop single family homes and subdivisions, Skymark has grown through a driving commitment to versatility and innovation. Its entities are currently developing light industrial, commercial, mixed-use and numerous single family residential projects for several national and local home builders in the Houston, Texas metropolitan area and surrounding counties.

The versatility and imagination that Skymark brings to the market place has allowed them to serve a wide array of clients, from commercial builders and individual investors to local specialty home builders or large national builders. Such quality homebuilders include the likes of Ashton Woods, D.R. Horton, Ryland Homes, Centex Real Estate Corporation, Choice Homes, K. Hovnanian Homes, KB Homes, Kendall Homes, Lennar Homes, Legend Homes, Legacy/Meritage Homes, Beazer Homes of Texas, Perry Homes, Plantation Homes, Pulte Homes, and J. Patrick Homes. The Developer has been able to provide the right development and product for each specific need with over 20,000 single family lots and over 18,000 acres of land development experience.

In performing its role as a multi-faceted real estate developer and management company, it has formulated a long-standing policy and commitment to create companies that can identify uses and potential marketing approaches for virtually any real estate project in today's ever changing market place.