

HOUSTON DOWNTOWN MANAGEMENT DISTRICT

**PETITION REQUESTING CERTAIN SERVICES AND IMPROVEMENT
PROJECTS FOR THE HOUSTON DOWNTOWN MANAGEMENT DISTRICT**

**TO THE BOARD OF DIRECTORS OF THE HOUSTON DOWNTOWN MANAGEMENT
DISTRICT:**

The undersigned (herein the "Petitioners"), constituting either (1) the owners of a majority of the assessed value of real property in the Houston Downtown Management District (the "District") as determined by the most recent certified Harris County property tax rolls; or (2) at least fifty persons who own property within the District as determined by the most recent certified Harris County property tax rolls, acting pursuant to the provisions of Subchapter D of Chapter 3801, Texas Special Districts Code (the "Act"), and Chapter 375, Texas Local Government Code (the "Code"), respectfully petition the Board of Directors of the District to provide certain services and improvement projects and would show the following:

I.

Each of the Petitioners owns land in the District as determined by the certified Harris County property tax rolls, and collectively represent either (1) the owners of a majority of the assessed value of real property in the District as determined by the most recent certified Harris County property tax rolls; or (2) at least fifty persons who own land within the District as determined by the most recent certified Harris County tax rolls.

II.

Petitioners request the Board of Directors of the District to provide the services and improvements described in the District's Service and Improvement Plan attached hereto as Appendix "A" (the "Plan"). Petitioners request that the assessment for services and improvements be divided

into two major categories. The first category is an assessment for services and minor capital expenses. The second category is an assessment for major capital expenses.

III.

Petitioners presently estimate that the annual cost of the services and improvements to be provided by the District is as shown in the Plan. To pay the estimated costs of the proposed services and improvements, Petitioners propose that each property within the District be assessed an amount sufficient to provide funding for the Plan, with such assessment to be paid in annual installments. Petitioners request the assessment for services and minor capital expenses to be in the annual amount of \$.1065 per \$100 of assessed valuation of land and improvements for a five-year term. The actual amount of the assessment for services and minor capital expenses will be determined by the Board of Directors of the District annually and may be less than but not more than \$.1065 per \$100 of assessed valuation of land and improvements. Petitioners request the assessment for major capital improvements to be in the annual amount of \$.0285 per \$100 of assessed valuation of land and improvements for a five-year term. The actual amount of the assessment for major capital improvements will be determined by the Board of Directors of the District annually and may be less than but not more than \$.0285 per \$100 of assessed valuation of land and improvements.

IV.

Except as provided in this paragraph, Petitioners propose that the District levy assessments for each of the years 2010 through 2014 on the assessed valuation of land and improvements based upon the tax rolls of the Harris County Appraisal District ("HCAD") for the year 2010. Petitioners propose that for (a) land and improvements annexed into the District, or (b) new or substantially rehabilitated improvements under construction on January 1, 2010, or constructed, remodeled, or rehabilitated in the District after January 1, 2010, which increase the valuation of the land and

improvements on the tax roll of HCAD by at least \$1,000,000, the Board of Directors of the District, after conducting a public hearing, will levy assessments on the value of the land and improvements as shown on the tax rolls of HCAD during the year in which the land and improvements are (i) annexed and added to the rolls of the District, or (ii) added and valued as a completed or rehabilitated improvement on the tax rolls of HCAD. (A rehabilitation is substantial if the costs of such rehabilitation equal or exceed 25% of the value of the original improvements). Petitioners propose that land and improvements which have a special use designation for tax purposes on the tax rolls of HCAD for the year 2010 as (a) agricultural use, (b) timber land use, or (c) recreational, park or service use, be assessed by the Board of Directors of the District at its designated special use value for so long as it enjoys that special use designation. If land and improvements which have a special use designation is converted to another use and loses its special use designation on the tax roll of HCAD, Petitioners propose that the Board of Directors of the District thereafter assess such land and improvements at its full value as shown on the tax rolls of HCAD for the year 2010.

V.

The following classes of property are proposed to be excluded from assessment unless consent of the owner is given: (a) land and improvements owned by political subdivisions of the State of Texas and used for public purposes; (b) land and improvements owned by a church or by a strictly religious society which yields no revenue whatever to such church or religious society and which is used as an actual place of religious worship or as a dwelling place for the ministry of such church or religious society; (c) land and improvements used exclusively for school purposes; (d) land and improvements owned by an association engaged in promoting the religious, educational, and physical development of children or young men or young women operating under a state or national organization of like character and used exclusively and necessarily for any such purposes;

(e) land and improvements owned by institutions of purely public charity; (f) land and improvements owned by public or private utilities that are located in public streets or rights-of-way; (g) railroad rights-of-way and improvements located therein; (h) property not assessable as a result of Texas Government Code § 311.025(a); (i) land and improvements owned by the United States of America, or any agency thereof; and (j) land and improvements of the Federal Reserve Bank.

VI.

Petitioners request that exemptions, as set forth in the Plan, for homestead and individuals that are age 65 or older or that are disabled be provided to a resident who on January 1, 2010 owned and occupied a home as a principal residence, and neither the resident nor a spouse claimed these exemptions on any other property in Texas.

VII.

Petitioners represent and believe that (a) all land and improvements in the District, other than that exempt from assessment by law and as provided herein, will be benefited by the services and improvements requested to be provided by the District; (b) the cost of providing the proposed services and improvements on the basis of the value of the property as shown on the tax roll of HCAD results in imposing equal shares of the cost on property similarly benefited, and results in a reasonable classification and formula for the apportionment of costs to the various classes of services and improvements requested by Petitioners; (c) all of the real property in the District which is proposed to be assessed (other than that exempt by law and that proposed to be exempt by Petitioners) will be benefited by the services and improvements requested by Petitioners; and (d) each parcel of land and improvements proposed to be assessed will receive special benefits in each year equal to or greater than the amount proposed to be assessed, and will receive special benefits

during the proposed five year period of assessments equal to or greater than the total amount proposed to be assessed during the proposed five year assessment term.

VIII.

Petitioners further propose that, in accordance with the Texas Tax Code: (a) delinquent assessments accrue interest at the rate of one percent (1%) for each month or portion of a month the assessment remains unpaid after it becomes due; (b) delinquent assessments incur a penalty of six percent (6%) of the amount of the assessment for the first calendar month or fraction thereof it is delinquent, plus one percent (1%) for each additional month or fraction thereof the assessment remains unpaid; and (c) there be imposed an additional penalty to defray costs of collection if it is necessary for the District to contract with an attorney for the purposes of representing the District in the collection of delinquent assessments. Petitioners propose that the additional penalty shall be twenty percent (20%) of the assessment plus the penalties and interest on the assessment.

WHEREFORE, Petitioners pray: (a) that this Petition be heard; (b) that the Board of Directors duly pass and approve an order approving the proposed services and improvements set forth in this Petition and the attached Plan; and (c) that the Board of Directors authorize notice of hearing to be held on the proposed services and improvements to be published in a newspaper of general circulation within the County and otherwise give notice of the hearing in accordance with the Act and the Code.

RESPECTFULLY SUBMITTED this ____ day of _____, 2010.

NAME OF PROPERTY OWNER

SIGNATURE OF PROPERTY OWNER OR
REPRESENTATIVE OF PROPERTY OWNER

TYPED NAME OF PROPERTY OWNER OR
REPRESENTATIVE OF PROPERTY OWNER

TITLE OF PROPERTY OWNER OR
REPRESENTATIVE OF PROPERTY OWNER

DATE SIGNED: _____

HCAD Property Account Number(s)	HCAD Owner Name(s)

SEE THE FOLLOWING PAGES FOR CERTIFICATES OF AUTHORITY THAT MUST BE FILLED OUT IF THE PETITIONING PROPERTY OWNER IS NOT AN INDIVIDUAL. NO CERTIFICATE OF AUTHORITY IS NEEDED IF THE PETITIONING PROPERTY OWNER IS AN INDIVIDUAL WHO SIGNS ON HIS OWN BEHALF. IF NEITHER OF THESE CERTIFICATES OF AUTHORITY IS APPROPRIATE FOR THE STRUCTURE OF YOUR PETITIONER, PLEASE CONTACT ANITA J. DICK AT THE HOUSTON DOWNTOWN MANAGEMENT DISTRICT (713-650-3022) WITH INFORMATION ON THE STRUCTURE OF YOUR PETITIONER SO THAT AN APPROPRIATE FORM OF CERTIFICATE OF AUTHORITY CAN BE PROVIDED TO YOU.

***TO BE COMPLETED IF THE PETITIONER IS A CORPORATION (INC. or CORP.)
OR A LIMITED LIABILITY COMPANY (L.L.C.)***

CERTIFICATE OF AUTHORITY

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

I, the undersigned as _____(office held in the corporation), of _____(name of the Petitioner), a _____(state) [CIRCLE THE ONE THAT APPLIES] CORPORATION OR LIMITED LIABILITY COMPANY, hereby certify that _____(name of the person who signed on behalf of the Petitioner) is the _____(office such person holds) of such [CIRCLE THE ONE THAT APPLIES] CORPORATION OR LIMITED LIABILITY COMPANY, and that in such capacity he/she executed the Petition Requesting Certain Services and Improvement Projects for the Houston Downtown Management District, and that execution of said Petition was duly authorized and adopted in conformity with the Articles of Incorporation or Certificate of Formation and By-Laws of the Petitioner.

WITNESS MY HAND AND THE SEAL on this the ____ day of _____, 2010.

[SIGNATURE LINE]

[TYPE OR PRINT]
By: _____

Name: _____

Title: _____

(SEAL)

**TO BE COMPLETED IF THE PETITIONER IS A LIMITED PARTNERSHIP (L.P.)
OR LIMITED LIABILITY PARTNERSHIP (L.L.P.)**

CERTIFICATE OF AUTHORITY

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

I, the undersigned, :

(A) WHEN THE GENERAL/MANAGING PARTNER OR AUTHORIZED PERSON IS A CORPORATION, FILL IN THIS OPTION:

as _____ (OFFICER IN CORPORATION), of _____ (FILL IN THE NAME OF THE CORPORATION), a _____ (STATE OF INCORPORATION) corporation, hereby certify that such corporation is the general/managing partner or authorized person of _____ (FILL IN THE NAME OF THE PETITIONING LIMITED PARTNERSHIP OR LIMITED LIABILITY PARTNERSHIP)

(B) WHEN THE GENERAL/MANAGING PARTNER OR AUTHORIZED PERSON IS AN INDIVIDUAL, FILL IN THIS OPTION:

as a limited partner, hereby certify that _____ (NAME OF THE PERSON WHO SIGNED THE PETITION) is the general/managing partner or authorized person of _____ (FILL IN THE NAME OF THE PETITIONING LIMITED PARTNERSHIP OR LIMITED LIABILITY PARTNERSHIP)

and that in such capacity he/she executed the Petition Requesting Certain Services and Improvement Projects for the Houston Downtown Management District, and that execution of said Petition was duly authorized and adopted in conformity with the Limited Partnership Agreement.

WITNESS MY HAND AND THE SEAL on this the ____ day of _____, 2010.

[SIGNATURE LINE]

[TYPE OR PRINT]

(SEAL)

By: _____

Name: _____

Title: _____