

EAST DOWNTOWN MANAGEMENT DISTRICT

PETITION REQUESTING CERTAIN SERVICES AND IMPROVEMENT PROJECTS FROM THE EAST DOWNTOWN MANAGEMENT DISTRICT

TO THE BOARD OF DIRECTORS OF EAST DOWNTOWN MANAGEMENT DISTRICT:

The undersigned ("Petitioner") who owns property within the East Downtown Management District ("District"), acting pursuant to the provisions of Chapter 3808, Texas Special Districts Local Laws Code (the "Act"), and Chapter 375, Texas Local Government Code (the "Code"), respectfully petitions the Board of Directors of the District (the "Board") to provide certain services and improvement projects and would show the following.

I. PETITIONERS

The Petitioner owns land in the District as reflected by the certified Harris County property tax rolls or the deed conveying such land to Petitioner.

II. SERVICE & IMPROVEMENT PLAN

The Petitioner acknowledges receipt of the District's proposed Five Year Service Plan which received preliminary approval by the Board on January 11, 2011 (the "Service Plan"). Petitioner requests that the Board provide the services and improvements described in the Service Plan. Petitioner acknowledges that the Board may make changes to the Service Plan prior to or in conjunction with the District's public hearing and levy of assessment, and Petitioner agrees to such changes provided that the Service Plan as finally approved does not change the basis or rate of assessment.

III. ASSESSMENTS

Petitioner acknowledges that Petitioner has reviewed the cost of the services and improvements to be provided by the District as shown in the Service Plan. To pay the estimated costs of the proposed services and improvements, Petitioner acknowledges that the District proposes that each non-exempt property within the District be assessed an amount sufficient to provide funding for the Service Plan, with such assessment to be paid in annual installments and subject to the caps set in the Service Plan. Petitioner acknowledges that the District anticipates in the first year of the Service Plan to set the annual payment for each non-exempt property at \$0.125 per \$100 valuation of taxable real property as shown on the latest appraisal rolls of the Harris County Appraisal District at the time at which the assessment is levied. For each year thereafter throughout the term of the Service Plan, Petitioner acknowledges that the District proposes to set the annual assessment payments on the basis of the value of taxable real property as shown by the tax rolls of the Harris County Appraisal District for that taxable year, with the Board having the right to set the rate of assessment each year at an amount not to exceed \$0.125 per \$100 of valuation subject to the caps in the Service Plan, taking into consideration the budget and the costs of providing the services and improvements and operating the District. Petitioner agrees that for (a) property annexed to the

District after January 1, 2011, or (b) new improvements constructed in the District after January 1, 2011, the Board will levy assessments on the value of the property on the tax rolls of the Harris County Appraisal District during the year in which the property is (a) annexed and added to the rolls of the District or (b) added and valued as an improvement on the tax rolls of the Harris County Appraisal District. Petitioners understand that property which has a special use designation for tax purposes on the Harris County Appraisal District rolls as (a) agricultural use, (b) timber land use, or (c) recreational, park or scenic use be assessed by the Board at its designated special use value for so long as it enjoys that special use designation. If property which has a special use designation is converted to another use and loses its special use designation on the Harris County Appraisal District tax roll, Petitioners understand that the Board will assess such property in accordance with the provisions of the Texas Tax Code concerning recapture upon the conversion of such property to another use.

IV. PROPERTY EXEMPT FROM ASSESSMENT

Petitioner understands that the District will exempt from assessment all property exempted by law, as such law may change from time to time. At this time, the following classes of property are exempt from assessment:

(1) Properties exempt under the Code, unless consent of the owner is given are: (a) single-family detached residential property, duplexes, triplexes, and quadraplexes; (b) property of municipalities, counties, other political subdivisions and organizations exempt from federal income tax under § 501(c)(3) of the Internal Revenue Code; and (c) property that comprises three or more acres, separated only by streets or public rights-of-way, that was used primarily for recreational, park, or scenic use during the immediately preceding calendar year and on which money has been spent for landscaping at any time in an amount that is equal to five years of proposed District assessments on the property during the period the property is used primarily for recreational, park, or scenic use; and

(2) Properties exempt under the Act are: (a) residential properties, multiunit residential properties, and condominiums and (b) the property, equipment, or facilities of a person that provides to the public cable television, gas, light, power, telephone, sewage, or water service.

V. FINDING OF BENEFIT

Petitioner believes that: (a) all real property in the District, other than that exempt from assessment by law and as provided herein, will be benefitted 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 the Harris County Appraisal District results in imposing equal shares of the cost on property similarly benefitted 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 benefitted by the services and improvements requested by Petitioners; and (d) each parcel of real property proposed to be assessed will receive special benefits in each year of the Service Plan and over the lift of the Service Plan equal to or greater than the amount proposed to be

assessed.

VI. COLLECTION OF ASSESSMENTS

Petitioner understands that: (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) if an assessment remains delinquent on the 1st day of July following the date of the levy of the assessment, there be imposed an additional penalty at the maximum amount allowable for taxes under the law, which at this time is twenty percent (20%) of the assessment plus the penalties and interest on the assessment, to defray costs of collection if it is necessary for the District to contract with an attorney for the purpose of representing the District in the collection of delinquent assessments.

WHEREFORE, Petitioner requests: (a) that this Petition be heard and (b) that the Board duly pass and approve an order approving the proposed services and improvements as forth in this Petition and the Service Plan.

RESPECTFULLY SUBMITTED this _____ day of _____, 2011.

TYPED/PRINTED NAME OF
RECORD OWNER OF THE PROPERTY: _____

SIGNATURE OF PROPERTY OWNER: _____
(or Property Owner's Representative)

TYPED/PRINTED NAME OF SIGNER: _____

TITLE OF SIGNER (such as President): _____

PROPERTY ADDRESS: _____

TAX ACCOUNT NO. (if available) _____