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**PROJECT AGREEMENT**

**BETWEEN**

**THE UNITED STATES OF AMERICA**

**AND**

**THE WOODLANDS DEVELOPMENT CORPORATION**

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*Dated as of August 23, 1972*

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**THE WOODLANDS DEVELOPMENT CORPORATION**

**Development Plan**

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**EXHIBIT G**

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## EXHIBIT G

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## THE WOODLANDS DEVELOPMENT PLAN

### 1. INTRODUCTION

The Project is a program for development of a new community known as "The Woodlands" consisting of approximately 17,000 acres of land located in Montgomery County, Texas. Schedules 1 and 2 show the location and general development plan of The Woodlands.

The purpose of the Development Plan is to assure the Secretary of compliance by the Developer with the Purposes of the Act. The Developer shall further the Purposes of the Act by carrying out its undertakings as set forth in the Development Plan.

### 2. OPERATION OF THE DEVELOPMENT PLAN

The undertakings of the Developer are set forth in long-term, three-year, and one-year time periods and incorporate as appropriate the attached Schedules. During the first year, (defined as that period of time commencing upon the signing of the Project Agreement and ending January 31, 1974) and thereafter in each following one-year plan, the Developer will commit itself to develop land and use its best efforts to dispose of land in specific locations for specific uses and in each one-year plan will commit itself to provide Low and Moderate Income housing, roads, water supply systems, sanitary sewer facilities, storm drainage systems, and Neighborhood commercial and Neighborhood amenities necessary to meet Schedules 12(e) and 7. Such commitment is not intended in any way to limit the right of the Developer to develop additional land during any period if such additional development is consistent with land use ratios otherwise established in Schedule 9. The three-year commitment of the Developer sets forth in general terms the locations and uses of land which the Developer plans to develop within such period. The long-term development plan sets forth the ultimate development objectives of the Developer.

Not later than January 31, 1974, and not later than January 31 of each following year, the Developer will submit an evaluation of the accomplishments of the previous one-year plan, a statement of changed or changing conditions affecting development, and proposed one-year, three-year, and, if major changes have been made, long term plans in each development category contained in this Plan.

If such proposed annual, three-year, or long-term plans, including amendments in accordance with Article VII of the Project Agreement, would result in changes in the Development Plan, which in the reasonable judgment of the Secretary, as evidenced by a notice to the Developer stating the reasons for such judgment, materially affect the achievement of the Purposes of the Act, then such changes are substantial and must be approved by the Secretary. Annual amendments will take into account market performance during the preceding year with regard to adjustments in the respective undertakings.

Subject to non-substantial amendments, the Developer will maintain ratios of land developed, including land developed for the housing mix contemplated by this Plan, as in the original plan so that development of the Project will proceed in a balanced and orderly fashion. The Developer will keep changes contained in the proposed plans in balance over any three-year period according to the land use ratios established in Schedule 7. Should such changes contained in the proposed plans, cumulatively, materially affect the Development Plan, then the Secretary may require the Developer to adjust this balance over a period of years within the broad limits of economic feasibility.

No later than 6 months before development of any part of any Stage of the Project is begun, the Developer will submit a cartoon for such Stage to the Secretary for approval, setting forth detailed uses and phasing of development, prepared in accordance with instructions promulgated from time to time by the Secretary. Such submission for Stage one appears as Schedules 4(a) through 4(c) and Item 83 of the Application.

Biennially the Developer will submit a cartoon setting forth detailed uses and phasing for any Neighborhood in which development is to be undertaken during the following two years, together with a survey of the boundaries of each proposed use, which cartoon and survey will be prepared in accordance with instructions promulgated from time to time by the Secretary.

The Developer will assure that land is used in accordance with this Development Plan as to both time and type of use by inserting appropriate requirements in leases, contracts, or deeds and by putting into effect covenants, restrictions, or other mechanisms satisfactory to the Secretary. Such requirements will not be limited in their applica-

tion only to the initial transferee of land or occupant of a facility, but will extend to all subsequent transferees or occupants. Such requirements will be included in all cases that this Development Plan requires the Developer to take steps to control timing and type of use and variety of services, including but not limited to the selection of commercial tenants in accordance with Section 10.

The Development Plan is set out in the following form:

- a. Objectives (development goals in accordance with the Purposes of the Act);
- b. Mature System (the process or state of physical development to be achieved by the end of the Development Period);
- c. The Long Term Development Activities (activities to be undertaken by the Developer to develop the Project in accordance with the Development Plan);
- d. Three Year Plan (the undertakings of the Developer during a three-year period, including the one-year plan plus the two following years);
- e. One Year Plan (the undertakings of the Developer during a one-year period—for the purpose of the Development Plan, the first one-year period is from the date of the Project Agreement until December 31, 1973);
- f. Schedules (the Schedules appended to this Development Plan).

### 3. DEFINITIONS

The terms defined in Article I of the Project Agreement will have the same meanings for this Development Plan.

The terms defined below shall have the respective meanings stated for all purposes of this Development Plan:

“Cluster” means the smallest community unit in the Project, typically expected to consist of between 6 and 25 single family detached or attached units, access to which will usually be by a public or private cul-de-sac or local loop street connected to a Neighborhood collector street.

“Section” means a community unit in the Project typically expected to consist of between 2 and 8 Clusters, defined by open space or streets

and varying greatly in size and population, in some instances nearly equaling the size of a Neighborhood of which a residential Section typically is only a part.

“Neighborhood” means a community unit in the Project typically expected to consist of between 2 and 20 Sections, defined by local common community recreation, local shopping, and other similar amenities, and of a size corresponding to the student population of the nearby elementary school and generally corresponding to the population density and geographic area within which residents can easily communicate and interact with the other local residents.

“Village” means a community unit consisting of between 2 and 6 Neighborhoods, varying considerably in size and structure, but serving as the major focus of the extended home environment and including major residentially-oriented facilities such as education, leisure, convenience commercial, and other community services.

“Design Review” has the meaning specified in Section 10 hereof.

#### 4. OBJECTIVES OF THE DEVELOPER

The Developer, as set forth in this Development Plan, will provide or will establish the necessary conditions for development of all of the basic activities and facilities normally associated with a city or town, including housing, employment, education, culture, health, transportation, commerce, industry, social services, and recreation in a balanced and harmonious whole, so as to be economically sound and create an attractive environment in which to live, work and play.

The Developer will plan the Project in accordance with the highest possible standards with respect to each specific objective enumerated below in a manner designed to affect favorably the growth and development of the Montgomery County, Texas area by conserving land, encouraging development of an economic and efficient transportation system, developing land for an extensive choice of housing for all persons who choose to live in the Project, promoting economic development, and creating new job opportunities. Specific objectives of the Project in each of the following aspects of a new community are set forth in the Sections 5 through 18.

In order to accomplish such objectives, the Developer has instituted and will maintain a program and organization for planning and devel-

oping the Project until completion. This program will take into account the factors used by the Secretary in evaluating the Application as set forth in Section 32.7(c) of the draft regulations proposed by the Secretary on July 31, 1971, (36 Fed. Reg. 14205-14).

#### 5. HOUSING

*Objectives:* As broad a range of housing types, prices, and amenities as possible will be provided so that as large as possible a variety of prospective residents from within the Houston Standard Metropolitan Statistical Area (SMSA) can find housing in accordance with their needs and integral places will be provided throughout the Project for persons of any age, social, ethnic, racial, and groups, all income levels, and all life styles.

*Mature System:* A wide variety of housing types, prices, densities and styles will be available to prospective residents, including single-family detached houses, town houses, garden apartments, mid-rise and high-rise units, and such housing will be visually and physically integrated and distributed throughout the Project and related within a community system to other different such housing and to other land uses in a manner designed to maximize communication and interaction among all resident.

The housing price in residential Clusters will tend to be homogeneous. Combinations of residential Clusters will provide heterogeneous residential Sections. Neighborhoods will have a complete range of housing prices. Villages will reflect the housing mix within the Project in accordance with Schedules 12(d) through 12(1).

*Long Term Development Activities:* The Developer will use its best efforts to develop and to cause to be built or to sell land or lots and where appropriate undeveloped land, to builders, so as to meet the residential development schedule set forth in Schedule 8, in locations shown in Schedule 2. The Developer will use its best efforts to develop land for 12,495 single-family detached units with an average density of 3.1 units per acre, 14,830 single-family attached units with an average density of 10.9 units per acre, and a total of 20,050 multiple-family dwelling units with an average density of 21 units per acre. The total residential development, as set forth in Schedule 8, includes 47,375 units with an average density of 7.5 units per gross residential acre.

The Developer will plan the geographic size of Neighborhoods on the basis of physical characteristics of the land, the suitable residential types and densities and the relationship of the population size and composition to adequate provision of schools, community services and facilities. The Developer will plan Neighborhoods, each served by a collector street and related to a Neighborhood center containing an elementary school, convenience store, community recreation area, and swimming pool. The Developer will design and develop land for seven Village centers that provide larger educational, shopping, and recreational opportunities and facilities than that planned for Neighborhood centers. Village centers will be fewer in number and larger in size than normally found in a traditional "village" structured community.

The Developer will develop and use its best efforts to market land to provide low and moderate-income housing as set forth in Section 5 of this Development Plan, entitled Housing Mix.

The Developer will provide or require builders to provide pedestrian access from residential Clusters and Neighborhoods to open space areas, commercial centers, and schools. The Developer will sell land for and cause Neighborhood centers to be located so that residents have convenient access to local convenience shopping and elementary schools located therein. The Developer will use its best efforts to encourage the Independent School Districts to adopt an elementary school size appropriate to enable children to walk to school safe from automobile traffic.

The Developer will investigate and encourage use of a variety of financing methods for purchase of single-family detached homes, purchase and lease of apartments, and purchase of cooperatives and condominiums.

The Developer will utilize and use its best efforts to encourage the use of a wide variety of financing methods such as varying down-payments and length of mortgages, sales to condominiums and cooperatives, rentals of houses and apartments, and use of governmental or similar housing subsidies and allowances, if available.

The Developer intends to employ advanced and innovative urban planning systems in an effort to make The Woodlands one of the nation's leading new communities. The Developer will employ in the development of the Project such innovative planning systems relating

to housing design and siting, circulation, transportation and transit, health, utility, environmental control, education and learning, communications community safety and security, urban design, solid waste, and utilities.

The Developer will fully explore and use its best efforts to promote the use of innovative housing construction techniques, particularly for low income housing, as set forth in Section 6 and 16 of this Development Plan, including those systems developed and supported by Operation Breakthrough, or otherwise developed, to the extent technically and economically feasible. The Developer will also investigate the use of innovative housing designs to serve a variety of consumer types, such as elderly persons, single individuals and non-family groups. The Developer will report to the Secretary for approval by December 31, 1975, the results of such investigation including a plan and a schedule for implementing the Developer's proposals.

The Developer will use its best efforts to assure that at least 25 percent of housing within the Project will be sales units and at least 25 percent of the units will be rental units.

*Residential Marketing Strategy:* The residential marketing strategy will stress the advantages to the prospective resident of not merely occupying a unit but of living in a complete community which includes wide range of services commensurate with size of the community. Such services will include major recreational facilities, with 23 percent of the land in open space and a wide variety of active and passive recreation uses. The Developer will also stress the availability of cultural facilities, including theaters, music pavilions and sculpture gardens, related to educational activities and facilities. Educational opportunities and facilities will range from pre-school to adult education. The marketing strategy will emphasize that The Woodlands offers a wider range of recreational, cultural, health, and educational benefits and shopping and employment opportunities than are available in conventional subdivisions. All these community amenities will be available within the means of all residents.

During Stage one, the residential marketing strategy will stress that not all of the community facilities and amenities proposed for residents of the Project will be available immediately but are expected

as the population grows and the provision of planned facilities and amenities becomes economically feasible.

*Three Year Plan:* The Developer will develop and use its best efforts to sell land for the units as set forth in Schedule 8 for the first three years in locations shown in Schedule 4(b).

*One Year Plan:* The Developer will develop and use its best efforts to sell land for 1,450 units (364 acres) scheduled during the first year of development in accordance with Schedule 8, in locations shown in Schedule 4(a).

## 6. HOUSING MIX

*Objectives:* Substantial provision will be made within the Project for housing within the means of persons of Low and Moderate Income. Such housing will be integrated within a Project-wide architectural framework which does not distinguish high, middle, or low income residences. All persons who work or attend school full time within the Project will be enabled to live there if they so choose.

*Mature System:* The Project will be planned and implemented to enable and encourage persons of all ages and ethnic, racial, social and economic backgrounds to reside there. Housing for Low and Moderate Income households will be an integral part of the community, with a full range of housing types and prices distributed within each Neighborhood, and a broad range within each Section. Neighborhoods may vary in form and character, so long as the requirements of this section of the Development Plan are met. Location and dispersion of a full range of housing types and prices within every Neighborhood will produce completely integrated residential areas. Full access from all units to all community facilities and services will encourage participation by all residents in community activities. Labelling of units for Low Income households through differences in building design and quality will be minimized. All persons who work or attend school full time within the Project will be enabled to live there if they so choose. The household income profile will match that of the Houston Standard Metropolitan Statistical Area (SMSA) by each quartile of the distribution as set forth in Schedule 12(a).

*Long Term Development Activities:* The Developer will develop and market land for the construction of housing units or use its best



efforts to construct or cause to be constructed housing units for households of Low and Moderate Income as set forth in Schedule 12(c).

For purposes of this Development Plan, housing for Low Income households (or Low Income housing) will mean housing for individuals or families within income ranges making them eligible for assistance under the rent supplement or public housing programs, programs designated as their successor programs by the Secretary, or, if there exist no such programs or successor programs, individuals or families within income ranges to be established by the Secretary. Housing for Moderate Income households (or Moderate Income housing) will mean housing for individuals or families within income ranges making them eligible for assistance under the Section 235 and 236 programs, programs designated as their successor programs by the Secretary, or, if there exist no such programs or successor programs, individuals or families within income ranges to be established by the Secretary.

For purposes of this Development Plan, a rental housing unit will be considered to be within the means of a household if the annual gross rent for such unit is not more than 25% of the household's annual gross income. A sales housing unit will be considered to be within the means of a household if the annual principal, interest, taxes, and insurance (P.I.T.I.) payment is not more than 18% of the household's annual gross income and the cost of such unit (including closing costs) to the household is not more than  $2\frac{1}{2}$  times the household's annual gross income.

Such Low Income and Moderate Income housing will constitute an appropriate portion of housing within each Village and be dispersed therein.

The Developer will use its best efforts to assure that 25% of the housing units in the Project are within the means of the households in the lowest income quartile of the Houston SMSA, as set forth in Schedule 12(a) and that 25% of the housing units in the Project are within the means of the households in the next lowest income quartile of the Houston SMSA, as set forth in Schedule 12(a).

Schedule 12(a) will be updated by the Secretary annually. For purposes of planning future compliance with this Housing Mix Section, the Developer may assume an appropriate rate of household income increase in constant dollars, but the Secretary may require the De-

veloper annually to correct such assumptions if another rate of growth in fact occurs.

The Developer will use its best efforts to assure that housing units are provided in a sufficient variety of sizes, types, styles, and costs so that housing units will be made available to the full range of households within each quartile of the Metropolitan Income Profile during each Stage.

It is the policy of the Secretary to encourage and assist, within budgetary constraints, the building of a substantial number of housing units in Title VII new communities within the means of persons of Low Income and Moderate Income. To that end, the Secretary will take all reasonable steps to assure that the Project receives a proportionate share of federal programs, assistance and funds for Low and Moderate Income housing available for allocation within the Houston metropolitan area.

In addition to its best efforts undertaking with respect to Low and Moderate Income housing as set forth in this Section 5, the Developer undertakes the following specific commitments:

A. If Low and Moderate Income housing units are not provided by others in the quantities set forth in Schedule 12(c), in an effort to alleviate such deficiency, the Developer will:

(i) apply for financial assistance under all available federal, state or local Low and Moderate Income housing programs;

(ii) to the extent of any funds made available to the Developer under any of the programs specified in subparagraph (i) above, provide (or cause others to provide) Low and Moderate Income housing units;

(iii) to the extent Developer determines any such housing to be economically feasible, provide (or cause others to provide) unassisted Low and Moderate Income housing units; and

(iv) to the extent of its obligation to expend Available Funds under Section 5.12 of the Project Agreement, provide (or cause others to provide) Low and Moderate Income housing units.

B. At the end of the first Stage of the Project and annually thereafter, the number of Low and Moderate Income housing units actually produced by the Developer and others will be measured against the number of units specified in Schedule 12(c) for such Stage or year To

the extent that any deficiency in the number of such units is found to exist, the Developer (subject to the conditions and limitations set forth hereafter) will itself expend funds in an effort to relieve such deficiency in such manner, in such amounts and at such times as the Secretary may determine. The obligation imposed by the preceding sentence is limited to an aggregate amount equal to the lesser of (a) 10% of cumulative net earnings of the Developer, or (b) the sum of \$10,500,000. Amounts so expended by the Developer may be contributed to Subsidiaries, Restricted Subsidiaries or other entities.

C. (i) It is the intention of the parties that the \$10,500,000 provided in paragraph B immediately above be in the nature of a revolving fund (i.e., if any portion of such fund expended by the Developer is returned to the Developer, by way of later federal, state or local assistance for, or by way of revenues from a project for which such portion of such sum was expended, the amount so recovered shall be available for reuse) which never exceeds an aggregate of \$10,500,000 outstanding at any time.

(ii) The Developer, in furtherance of its obligation, may expend amounts allocable to that portion of the cumulative net earnings of the Developer which cannot be distributed to shareholders by reason of the restrictions set forth in Section 6.13 of the Project Agreement.

The Developer, by planning, sales policies, insertion of appropriate provisions in contracts for the sale of land, and otherwise, will avoid clustering, clumping or isolation of Low Income and Moderate Income housing units. The Developer will use its best efforts to make available or cause to be made available some units of Section 236 (or successor programs) and other subsidized housing to higher income households. Such households are eligible where they pay the full market rate of interest or otherwise forego subsidies.

Units thus made available will not, however, be counted as units made available in fulfillment of the Developer's commitment under Schedule 12(c).

The Developer will use its best efforts to assure that at least 25% of the housing units in the Project will be rental units and at least 25% will be sales units.

The Developer will not be obligated to build or cause to be built additional units of a given style, size, type, and price category of

housing for Low Income and Moderate Income households if in the judgment of the Secretary (a) a substantial vacancy rate presently exists within the Project for such category of housing, (b) such vacancy rate is due to the absence of current market demand or occupancy potential, and (c) the Developer has made such additional reasonable efforts to explore the market and attract occupants for such housing as the Secretary may direct.

The Developer will investigate and report to the Secretary the results of its investigations together with plans for implementing such feasible results with respect to the following at five-year intervals beginning not later than June 30, 1975:

1. Means to make public housing or its equivalent available in the Project;

2. Financing techniques (such as the use of condominiums, cooperatives, deferred down payments and other means) to broaden the opportunities for homeownership to Low and Moderate Income persons;

3. Potential use of the Project to house households (including the elderly) subject to relocation as a result of projects in the Model Cities area and various urban renewal areas in the Houston SMSA; and

4. Means to reduce housing occupancy costs through innovative land development and construction techniques, including industrialized housing methods and self-help housing, as well as through the use of innovative methods to reduce closing or financing costs, and will report the results of such studies to the Secretary, together with plans and a specific timetable for their actual implementation in the Project.

Biennially (beginning in 1974) the Developer will prepare by survey or sample a profile of the Low and Moderate Income residents of the Project (based on family income at time of entry into the Project) to the extent that through reasonable efforts the Developer is able to obtain the appropriate information comparing it with the Houston Metropolitan Area Profile and also analyzing market occupancy potential for Low and Moderate Income housing during the two-year period and the availability of housing for persons employed

in the Project, incorporating such material in a report to the Secretary not later than January 31st of the reporting year. In such report the Developer shall outline methods which it will follow in eliminating inconsistencies between the Project Profile and the Houston Metropolitan Income Profile.

No later than 5 years after the date of this Project Agreement and at least once every 3 years thereafter, the Developer will estimate the proportion of families of Low and Moderate Income actually occupying units constructed for occupancy by persons of Low and Moderate Income in accordance with Schedule 12(c). Such estimate shall be by methods acceptable to the Secretary.

If such estimate reveals that more than 10% cumulatively of such total units are not then occupied by families of Low and Moderate Income, the Developer shall recalculate the distribution of units of Low income, Moderate income, and other as a proportion of total units (as shown in Schedule 12(c)), and increase his commitment in Schedule 10 to provide Low and Moderate Income housing accordingly; provided, however, in no event shall this undertaking require the Developer to provide more than 125% of the number of housing units as shown in Schedule 12(c).

A variation from the Metropolitan Area Profile may be granted at the discretion of the Secretary where the Developer shows that demand factors or the needs of persons employed within the Project or other relevant factors justify such a variation.

#### 7. COMMERCE

*Objectives:* Commercial development will be designed to offer shopping, professional, food service, office and all other commercial facilities necessary to serve the residents of and visitors to the community.

*Mature System:* Retail, office, and community facilities will be provided as necessary to serve the Project. The Metro Center will be a regional urban complex of comparison retail, office, entertainment, hotel, and restricted industrial use. The Town Center will be the Village center serving the university and will be the Project center for community and university oriented commercial, cultural, entertainment, and institutional activities. Complementing the two major centers

will be Village and Neighborhood centers, planned on scales appropriate to the Villages or Neighborhoods which they serve. A Village center would typically contain a supermarket, drug store, specialty shops, a major recreational facility such as a swimming pool or tennis courts, office space and community meeting space and would be related to a high school, junior high school and/or a middle school. A Neighborhood center would typically contain a small grocery store, laundry and dry cleaning facilities and would be related to an elementary or middle school.

*Long Term Development Activities:* The Developer will use its best efforts to develop and market land for those retail, service, office, and community facilities necessary to serve the residents of and visitors to the Project.

The Developer plans to locate Village centers along arterial roads, easily accessible from all areas of the Project. The Developer will develop and use its best efforts to market land for two major centers, the Metro Center and the Town Center, in locations shown on Schedule 2. The Metro Center will be a regional urban complex of comparison retail, office, entertainment, hotel, and restricted industrial use. The Town Center will be planned and developed as the Project center for community and university oriented commercial, cultural, entertainment, and institutional activities.

The Developer will develop and use its best efforts to market land near the University in the Town Center for specialized retail stores, such as book shops, specialty clothing shops, eating, drinking, and entertainment establishments, and convenience services appropriate for an area adjacent to a large urban university. The Town Center will include outdoor space for public gatherings, discussions, socializing, and sidewalk vending.

Adequate complementary facilities and services will be provided to meet residential commercial needs for each stage of the Project. The Developer will plan and use its best efforts to provide for commercial service through a major commercial Metro Center to be located as shown in Schedule 2 and to be developed at a time when demand will support a major regional shopping center in the Project. Development of such a center is presently projected for 1980, but no later than at such time as the population of the Project reaches 50,000.

The Developer will plan the Metro Center and use its best efforts to market land so that the commercial uses of the Metro Center will include (1) professional and business offices, (2) specialty shops and retail and consumer services, (3) hotel facilities, and (4) commercial and public recreation facilities.

The Developer will develop and use its best efforts to sell land for the construction of or cause to be constructed Village and Neighborhood centers in accordance with Schedules 2 and 7 and will plan such centers on scales appropriate to the Villages or Neighborhoods which they serve. A Village center would be typically planned to contain a supermarket, drug store, specialty shops, a major recreational facility such as a swimming pool or tennis courts, office space and community meeting space and be related to a high school, junior high school and/or a middle school. A Neighborhood center would be typically planned to contain a small grocery store, laundry and dry cleaning facilities and be related to an elementary or middle school. Use in accordance with plans will be provided for in accordance with Section 2.

The Developer will develop and use its best efforts to dispose of land for convenience commercial development in residential areas in time to meet the needs of residents in those areas in accordance with Schedule 10. These Neighborhood services may take the form of small grocery stores, beauty salons, laundry and dry cleaning facilities, television and shoe repair shops and similar primary and secondary commercial establishments.

The Developer will develop and use its best efforts to dispose of land for those commercial activities which do not ordinarily locate in planned centers. This includes those activities such as auto dealers, auto repair and parts establishments, garden supply shops, drive-in quick service establishments, lumber yards and building supply dealers, etc. which require freestanding locations because of their extensive space needs or their auto-oriented nature. It also includes those retail trade and service establishments such as repair shops, antique and used furniture stores, arts and crafts sales, reupholstery shops, coffee houses and similar entertainment and gathering establishments, used book stores, photographic studios, tailors, and certain types of office users such as voluntary and non-profit organizations, which have a marginal unit-paying ability and therefore cannot afford well located commercial space.

The Developer will use its best efforts to integrate minority businesses throughout the Project. The Developer will investigate available assistance programs and special funding for a variety of social services, such as day care for children of residents and employees in the Project, and will make available in community commercial centers space for such services as well as space for cultural and community activities and recreation and religious facilities. A report setting forth the results of such investigations together with a plan for implementing the provisions of this paragraph will be submitted to the Secretary for approval not later than March 31, 1974, and every three years thereafter. The Developer will use its best efforts to encourage in the Project competitive conditions among commercial businesses.

*Commercial Marketing Strategy:* In the planning of the Town Center and the Metro Center, the Developer will use its best efforts to attract to the sites those merchants, including minorities, who can become successful in attracting customers from outside as well as inside the Project. The Developer will develop and make available commercial land for all types of commercial use appropriate to serve the community and will use its best efforts to encourage development of educational, cultural, and civic facilities, integrated within commercial centers in such a way as to encourage interaction among the various users of such facilities.

*Three Year Plan:* The Developer will develop and use its best efforts to market land for commercial and office use to responsible builders for development in accordance with Schedule 10 at the locations shown in Schedule 4(b), and otherwise begin to carry out, as appropriate, the long term plan. The Developer anticipates that during the three year period two Village centers and one Neighborhood center will be developed as shown on Schedule 4(b).

The Developer will undertake a study of child day care service at initially developed Village or Neighborhood centers and will include in the above report to the Secretary an initial decision whether a program providing permanent day care service for residents of the Project is feasible and, if so, will include in its report a proposed plan for implementing such service.



*One Year Plan:* The Developer will develop and use its best efforts to market land for a Village center consisting of approximately 100,000 square feet of commercial and office space and a Neighborhood center consisting of approximately 16,000 square feet of commercial and office space in accordance with Schedule 10 at locations set forth in Schedule 4(a). The Developer will include in these commercial developments appropriate and feasible day care centers, recreational, cultural, and educational facilities. The Developer will study and report to the Secretary for approval a plan for integrating minority business into the Project.

#### 8. INDUSTRY

*Objectives:* Industrial sites and buildings will be provided for those industries which will offer diverse employment opportunities for residents of a wide variety of skills and income levels and which will establish a strong economic base for the community.

*Mature System:* Approximately 2,000 acres of industrial land and such appropriate additional land as the Developer may acquire for industrial use will be developed and public services, utilities, roads, and feasible public transit facilities will be provided in phase with industrial development as required to support the variety of expected industrial activities.

*Long Term Development Activities:* The Developer will develop and use its best efforts to sell or lease 2,000 acres of land for industrial uses as set forth in Schedule 10 in locations shown in Schedule 2. The Developer will construct or cause to be constructed adequate storm drainage, sanitary sewer and water facilities and roads for industrial use in phase with industrial development. The Developer will use its best efforts to cause the appropriate utility companies to provide adequate public utilities and services. The Developer will design attractive employment areas with landscaped vistas and well-sited structures, served by a well-designed multi-modal circulation system serving such employment areas internally and connecting them with nearby residential areas. The Developer will develop industrial sites to include incubator space for lease or purchase appropriate for development of small research and light industrial businesses.

The Developer will limit development of the industrial areas within the Project to the types of industries which can comply with the protective covenants and restrictions established for the industrial areas.

*Industrial Marketing Strategy:* If necessary, the Developer will employ innovative marketing techniques designed to make the Project a highly competitive location. The Developer will use its best efforts to cause development of (a) buildings available for industrial use on a quick occupancy basis, (b) recreational and dining facilities available for employees and residents in the Project, (c) safety and security systems to protect industrial property, and (d) landscaping services for the purpose of maintaining landscapes around industrial facilities. The Developer will establish an industrial management and promotion program to encourage nationally-known industries to locate facilities in the Project area.

In addition to its own industrial promotion efforts, the Developer will utilize the services of Houston real estate brokerage firms and will provide these firms appropriate data concerning the Project. The Developer will assist prospective industrial clients to obtain government or private financing for industrial projects. The Developer will use its best efforts to coordinate federal and state resources in promoting industrial land in the Project.

*Three Year Plan:* The Developer will develop and use its best efforts to market approximately 75 acres of land for industrial use as set forth in Schedule 10 and in locations shown in Schedule 4(b) and will otherwise, as appropriate, begin implementation of the long term plan. The Developer will encourage economic development of the area through its own resources and in cooperation with appropriate regional and local promotional efforts. The Developer will use its best efforts to promote, and by December 31, 1974 will submit to the Secretary for approval a report as to how the Developer intends to promote employment opportunities for a wide variety of skills and income levels.

*One Year Plan:* The Developer will develop and use its best efforts to sell 10 acres of the 75 acres planned for industrial development during the first three years in the location shown on Schedule 4(a).

## 9. CIRCULATION AND TRANSPORTATION

*Objectives:* An economic, efficient, convenient, and safe system for movement of people and goods within the Project, which will preserve and enhance the natural surroundings in the Project, will be designed and created. Such a system will incorporate a complementary series of arterial streets, collector streets, neighborhood loop streets, a pedestrian walkway system, and if economically possible, a local mass transit system.

*Mature System:* The Mature System will include a complementary system of expressways, collector and local streets, bicycle paths, pedestrian walkways, and if economically possible, a local mass transit system. The Project will be designed so that it will be supportive of rail mass transit service when available.

Local pedestrian and bicycle paths laid out by the Developer will be grade separated at crossings of collector and arterial streets and expressways so as to separate pedestrian traffic from automobile roadways and to encourage walking and bicycling except where the volume of traffic at such crossings does not justify such grade separation. The circulation system will be designed to separate "local" from "through" traffic, the movement of goods from the movement of people, and vehicular traffic from pedestrian traffic, all or in part by use of grade separation of traffic.

*Long-Term Development Activities: a. Local Road Systems:* The Developer will provide a "structured" system of roadways. This structured system will consist of a hierarchical network including collector streets, loop streets, and cul-de-sacs, related to the type of traffic, traffic volume, distance, and type of Project areas to be connected. The Developer will provide or cause to be provided within the Project connections from this system to the regional transportation network.

The Developer will use its best efforts to control truck traffic in a manner that will protect residential areas and reduce conflicts with local traffic. The Developer will design a road system appropriate to separate pedestrian traffic from vehicular traffic using grade separation and pedestrian walkways as set forth in this Section of the Development Plan. The Developer will encourage the design of the regional road system to move automobiles relatively long distances at relatively high speeds and will design the local road system to provide safe and

convenient automobile access to the various parts of the Project and to the regional road system.

The Developer will design and use its best efforts to construct or cause to be constructed the major roads and interchanges within the Project to provide safe, convenient and adequate passage among the Villages and Neighborhoods and will provide screening and buffers to reduce vehicle noise to the greatest extent feasible. The Developer will design and use its best efforts to construct or cause to be constructed roads and interchanges in sufficient quality and size and in phase with population growth in the Project to provide (1) generally accepted levels of internal transportation speed and convenience, (2) adequate linkages to the existing transportation system, (3) high standards of pedestrian and vehicular safety, and (4) adequate safeguards, satisfactory to the Secretary, to avoid adverse environmental impact on residential and other development. In designing the physical layout of the local road system, the Developer will consider the following: (1) reduction of barriers to pedestrian circulation, (2) topographical and other site conditions, (3) spatial coherence of land use groupings such as Clusters, Neighborhoods, commercial centers, etc., (4) the need for easy accessibility between various land uses, (5) easy navigation within the Project by visitors to it, and (6) visual interest, beauty and variety for drivers and residents.

b. *Regional Mass Transit*: The Developer will investigate and use its best efforts to promote mass transportation on a regional basis and within the Project itself, will report the results of this investigation to the Secretary for approval by December 31, 1976, and will make recommendations to appropriate entities with respect to a mass transit system.

c. *Local Mass Transit*: The Developer expects that existing roadway facilities inside the Project will accommodate initial population increase and expansion of industrial and commercial activity. The Developer will use its best efforts to establish an efficient transportation system within the Project, if economically feasible in the Development Period, to provide convenient public transportation when such facilities are required. The Developer will seek appropriate federal and state assistance in attempting to establish such a system.

The Developer will use its best efforts to initiate, if economically feasible in the Development Period, an intra-community mass transit

system (a) in the Town Center or Metro Center or other high density areas of the Project or (b) designed to connect high density areas with other areas of the Project.

Houston city officials expect that if a rail mass transit system is initiated for the Houston area, the first transit line will parallel Interstate 45 toward the Project. The Project and any intra-Project transit system will be designed so that it will be supportive of such line.

d. *Special Transit Needs:* The Developer will investigate alternate methods of providing transportation to low and moderate income persons living or working in the Project and will report the results of such investigation to the Secretary for approval by December 31, 1977, together with a plan to implement such method if any appears feasible.

e. *Local Pedestrian and Bicycle Paths:* The Developer will design and use its best efforts to construct or cause to be constructed pedestrian and bicycle pathways with grade separated underpasses or overpasses at crossings of collector and arterial streets and expressways except where the volume of traffic does not justify such grade separation, during each Stage of the development of the Project. The Developer will construct or will require developers or builders to install sidewalks on neighborhood cul-de-sacs and loop roads, where appropriate, so as to permit convenient pedestrian access to adjoining houses. The Developer will design adjoining areas so that walkways can connect with open space pathways which lead to the Neighborhood and Village centers and schools.

*Three Year Plan:* In accordance with the long-term development plan, and with the city street standards, the Developer will, in phase with the development of the Project, design and construct the appropriate portions of a safe, efficient, internal circulation and transportation system to serve land to be developed as set forth in Schedule 4(b) and otherwise begin to carry out the long term plan.

The Developer will assist the City of Houston to investigate the possibility of serving the Project with mass transportation and will evaluate alternate methods for providing public transit service within the Project. The Developer will report to the Secretary for approval the results of such investigation, together with any proposed plans and a schedule for implementation, if technically and economically feasible.

*One Year Plan:* The Developer will undertake a comprehensive traffic engineering and transportation analysis in order to prepare a detailed thoroughfare and street plan for the Project and report the results of such study and such plan to the Secretary for approval, including data necessary to calculate the potential magnitude and effects of motor vehicle emissions within the Project.

The Developer will design and construct appropriate portions of the road system for the Project in accordance with applicable standards as approved by public agencies having jurisdiction, in accordance with Schedule 4(a).

The Developer will construct appropriate portions of the pedestrian circulation system connecting residential areas with shopping and employment areas in accordance with Schedule 4(a).

#### 10. ENVIRONMENTAL QUALITY CONTROL AND OPEN SPACE

*Objectives:* A high quality physical environment including natural features, structures, landscaping, open space and recreational areas, will be preserved, created and maintained. Procedures and techniques for land planning, land development, and construction will be established to preserve and enhance the natural surroundings and create a healthful, ecologically sound, and aesthetically pleasing community.

A. NATURAL FEATURES: *Mature System:* The physical environment will be designed to preserve and enhance the existing natural conditions to the greatest extent feasible. Open spaces for conservation of natural beauty and for recreation, accessible to the general public will be permitted. The highest feasible level of pollution control systems for recycling waste products, and systems for management of water resources will be established.

*Long-Term Development Activities:* The Developer will preserve and enhance existing tree cover and preserve to the greatest extent possible ground vegetation essential to erosion and sediment control. The Developer will develop land designed for building purposes and roads so as to minimize disturbance of the surrounding land and natural watershed systems. The Developer will provide proper interception and treatment of storm water runoff so that unacceptable levels of storm water pollution of Lake Houston, its tributaries and surrounding flood plains will not occur and so that potential danger from

flash floods will be eliminated. The Developer will implement a water management system which will minimize the impact of the development on the hydrologic cycle.

The Developer will include stipulations in all agreements with builders and purchasers so that the Developer, by means of the Design Review process, will control siting and construction of physical improvements by builders, prevent indiscriminate destruction of tree cover throughout the Project, restrict practices contributing to pollution, erosion, and mismanagement of water resources, and insure throughout the Project that buildings and improvements are harmoniously related in terms of size, scale, material, color, form and style.

The Developer will establish a Design Review process to assure that industrial development will not adversely affect the environment and that all industrial users will adhere to performance standards regarding pollution control satisfactory to the Secretary.

The Developer will not, without the prior written consent of the Secretary directly or indirectly exercise or transfer mineral rights of any kind, whether arising by contract or by operation of law, which it holds with respect to Project Real Property. In determining whether to grant his consent, the Secretary shall consider whether the exercise or transfer of such mineral rights would in any manner interfere with the Project. The Developer will also use its best efforts to acquire all mineral rights which it does not presently hold and acquisition of which is necessary to control the exercise by any third party of any mineral rights which such third party might hold with respect to any Project Real Property.

The Developer will comply with reasonable standards for environmental quality control that the Secretary may prescribe pursuant to its powers and responsibilities under the National Environmental Policy Act of 1969 (P. L. 91-190).

The Developer will establish and implement planning and design standards prior to development in the form of protective covenants, restrictions, and a Design Review process satisfactory to the Secretary. The Developer will consider alternative actions in the development of the Project to reduce to the greatest extent possible any adverse impact of development on the environment.

The Developer will use its best efforts to work with federal and state agencies, educational institutions and consultants to provide an economically and technically feasible sewage disposal system which will be both effective and non-polluting. The Developer will use its best efforts to explore solid waste disposal and recycling techniques and all reasonable measures to combat air and water pollution in the Project. The Developer will investigate and report to the Secretary for approval the results of its study of pollution control techniques and the methods it intends to employ to minimize adverse environmental effects. The Developer will place controls on use of harmful chemical fertilizers, pesticides and herbicides in the Project. The Developer will protect bounty owls in the Project. A system of water resource management will be designed and implemented which will use techniques including but not limited to artificial discharge and recharge of ground water; control and treatment of surface water run-off, recycling of tertiary-treated effluent, construction of retention ponds and other special devices, use of innovative construction materials such as porous pavements, designing land uses so that peak storm flows from one high intensity urbanized area will avoid meeting the peak flows from another one in the main stream, and erosion and sedimentation prevention measures. Such techniques will be used to avoid harmful flooding, pollution of water resources, damage to soil and plant ecology and harmful disturbance of the hydrologic cycle.

*One Year Plan:* The Developer has submitted to the Secretary the interim findings of a comprehensive ecological analysis which provides a thorough understanding of the natural processes associated with the Project area. The Developer will provide to the Secretary revised data from additional detailed ecological studies. The Developer will submit to the Secretary for approval a comprehensive ecological analysis and environmental management program, to be updated and refined for each Stage of the Project before such Stage is begun. A Project-wide such analysis and program will be submitted by June 30, 1973; such refined analysis and program for the first Stage will be submitted by February 28, 1973. Such program will establish a system for monitoring changes in natural conditions resulting from development of the Project. During this period the Developer will design criteria and standards satisfactory to the Secretary to guide planning, design, and construction of func-



tional and aesthetically pleasing buildings and open space. The Developer will otherwise, as appropriate, begin implementation of the long term plan.

B. STRUCTURES AND LANDSCAPING: *Mature System*: The Developer, by means of a Design Review Committee, will establish and maintain sound land use standards and high quality urban design and architecture.

*Long-Term Development Activities*: In carrying out land use planning, the Developer, in all cases, will consider fully the potential of the land for the proposed use, including consideration of topographic characteristics, vegetation, soil conditions, and aesthetic values. The Developer will plan buildings and other site improvements so as to preserve the wooded character and natural contour of the land, to promote appropriate site drainage, and to assure good access to the street system, uncluttered views, appropriate landscaping, necessary buffers, screening and the harmonious architectural relationship of all buildings. The Developer will provide appropriate landscaping along existing and proposed roads and facilities and in Neighborhood and Village centers. The Developer will establish appropriate controls to assure sound soil foundations for mid- and high-rise buildings.

The Developer, subject to the approval by the Secretary of its membership, procedures, design standards and criteria, protective covenants, contract provisions and financing, will establish a Design Review Committee to be comprised primarily of appropriately qualified professional members with resident participation. The Developer will use the services of highly qualified urban design specialists to prepare design standards and criteria for use by the Committee. All land sale agreements will stipulate that the Developer, acting through the Design Review Committee, has the absolute right to approve or disapprove any and all proposed site plans and structures to be constructed in the Project.

The Developer will authorize the Committee to review and approve all proposed building and facility exterior and site plans in order to assure that such plans maintain high aesthetic and environmental standards. All such plans will be reviewed by the Committee in terms of: (1) design excellence, (2) applicability to Houston and Montgomery County, Texas, (3) economic feasibility, and (4) legality under subdivi-

sion control. The Committee will emphasize proper siting, landscaping, and respect for trees and terrain and will encourage aesthetic efforts without curbing variety or freedom of expression.

If the Committee finds that plans for a particular project are not compatible with the environment and not consistent with the Development Plan, it will have the power to prohibit construction of such project or require appropriate modification of the plans for such project. When the Committee has determined that the plans are acceptable and compatible with proposed or surrounding development, it will approve the site plans and architectural drawings. The Developer will encourage the appropriate governmental jurisdiction to require this approval prior to issuing building permits. Construction will be consistent with the subdivision and building standards of the appropriate governmental jurisdiction.

The Design Review Committee will have power to review and approve all graphics in the Project, including design of billboards, traffic signs, and of all signs for commercial and office buildings, and industrial, institutional and cultural facilities. The objective of such control will be to enhance attractiveness of the Project. The Design Review Committee will also review and approve or disapprove all proposed external additions to structures.

The Developer will use its best efforts to provide works of art in accessible areas as well as to provide assistance to local performing arts groups. It will investigate the availability of federal assistance in improving the quality of the Project environment.

*One Year Plan:* The Developer will submit to the Secretary for his approval the proposed procedures for the Design Review Committee, including its composition, procedures, design standards and criteria, protective covenants, contract provisions, financing and enforcement powers.

C. OPEN SPACE AND RECREATION: *Mature System:* A network of open space will be developed in phase with residential development providing attractive open space areas. The nature of these permanently reserved areas will vary according to purpose and usage.

Each resident will have several recreational options, including a nearby open space area, a variety of activity areas for tennis, golf,

swimming or organized sports, and a pleasant natural setting offering opportunities for hiking, fishing, or boating. The Developer will provide a convenient, safe and pleasant pathway system, providing residents easy access to the facilities within the Project. The Developer, or others, will provide land for two 18-hole golf courses and boating facilities as well as other related activities on land bordering the lake, an extensive system of riding trails utilizing the greenbelt and pathway systems, and swimming pools in each Neighborhood center. The Developer will provide or cause appropriate agencies including the City of Houston and Montgomery County local community associations, by use of appropriate federal and state and other funds, to provide the public facilities described above.

*Long-Term Development Activities:* The Developer will develop open space areas throughout the Project which will be convenient to all residents, and preserve natural features to the greatest extent possible, in amounts as set forth in Schedule 7, in the general locations as indicated in Schedule 2, and phased in accordance with Schedule 7. The Developer will reserve approximately 3,909 acres or about 23 percent of the land for open space. Open space includes lakes, stream valleys, parks, golf courses, boating facilities, riding trails and walking paths. The Developer will assist Montgomery County to apply for available federal and state open space acquisition and development funds.

The Developer will provide adequate buffers and screening between major roadways and residential areas, will preserve valuable woodlands and wildlife corridors, and will locate park and recreational areas within stream valleys, if compatible with good conservation practices.

The Developer itself or by appropriate agencies will develop and maintain recreation and open space activity areas as permanent natural spaces. The Developer will design the park system to enhance and blend with natural features of the land and to preserve ecologically significant areas.

The Developer will locate many small parks throughout the Project, to take advantage of wooded lots and creeks and drainage ways.

A system of pathways for walking and bike riding will provide access between homes and Neighborhood facilities. These paths through

parks and stream valleys will also serve for recreation and nature walks.

The open space will also include equestrian trails and stables convenient to residents of single-family dwellings and apartments.

The Developer will use its best efforts to assist state and local agencies and residents' associations to assure that adequate maintenance of the various public open space and recreational areas within the Project or on lands controlled by the Developer is provided throughout the Development Period.

The Developer will phase development of open space areas in appropriate balance with residential and commercial developments as shown in Schedule 7.

The Developer will develop a park and 18-hole golf course together with other recreational and open space lands generally as shown in Schedule 7 and in locations shown in Schedule 2. In fulfilling this commitment, the Developer will work with Montgomery County as necessary to apply for appropriate federal and state funds. The Developer will develop Neighborhood recreational and open space areas in phase with residential construction and will provide natural buffer areas and screening between incompatible land uses and along major roadways for aesthetic purposes and to reduce levels of pollution, and otherwise begin to carry out the long term plan.

*One Year Plan:* The Developer will undertake a comprehensive open space plan for the Project and submit this plan to the Secretary for approval. This plan will specifically locate and define the uses of the developed park, pathways, and the open space system.

The Developer will fully investigate and report to the Secretary for approval a plan for establishing a non-profit community association, or other appropriate agency, to assist the Developer in maintaining and operating the open space and recreational facilities as included in the Development Plan. Such a study will include the economic impact of assessments on residents in the Project and the economic viability of the resulting marketing strategy.

**D. HISTORIC PRESERVATION:** The Developer will identify, preserve, and enhance historical features and values related to the Project and will use its best efforts to cooperate with the local historical societies

in this endeavor. Assistance will be sought from federal, state and private sources to help implement a historical preservation program.

#### 11. UTILITIES

*Objectives:* Public services and utilities adequate to serve the ultimate needs of the Project will be provided. All systems, except as otherwise provided in this Section will be installed underground and in phase with the development of the Project. The latest advances of technology will be applied, where feasible, to assure high environmental quality standards for the Project.

*Mature System:* Telephone, electric, gas, CATV, sewer, water and solid waste collection and disposal facilities will serve all residents, and the industrial, commercial and other land use areas; such systems will be operated and maintained by private or public utility companies as municipal systems.

*Long-Term Development Activities:* The Developer will assist and cooperate with local and state governmental units and private utility companies to provide adequate public utilities and services throughout the Development Period. The Developer will cause these utilities and services to be provided and will use its best efforts to assure that these utilities and services are operated and maintained in accordance with the requirements of the state environmental agency. The Developer will plan and coordinate the construction of public utilities and services in the Project, to assure installation in phase with development. The Developer will prohibit use in the Project of overhead utility lines, other than major transmission lines approved by the Secretary, temporary lines erected for a period of not longer than one year, or temporary lines serving non-contiguously developed parcels.

The Developer will use its best efforts to assure that the construction of above-ground facilities, such as water tanks and pumping stations, shall be designed, sited and landscaped to enhance the surrounding development and avoid pollution. The Developer will require location of utility lines and service lines in a manner designed to cause as little damage as possible to existing terrain and natural landscape features.

The Developer will use its best efforts in applying for and encouraging local and state governmental agencies to apply for federal grants relating to the provision of sewer and water facilities. The De-

veloper will plan and coordinate the provision of underground electric, telephone and CATV facilities throughout the Project.

*Three Year Plan:* Subject to such restrictions and regulations as the Secretary may prescribe, the Developer will, or will establish public utility districts to, construct adequate sewer and water facilities and storm drainage systems in phase to accommodate residential, commercial, and industrial development. The Developer will coordinate the timing and location of all other utilities, including adequate provision for treatment and disposal of municipal and industrial waste, so as to provide these services in phase with residential, industrial, and commercial development. The Developer will use its best efforts to obtain and encourage local and state governmental agencies to obtain available federal and state grants to assist in the provision of utility systems and other municipal services.

The Developer will, or will establish public utility districts to, secure necessary financing and governmental approvals, and will design and construct the water and sewer utility systems for the Project, including the acquisition of the rights-of-way and sites for construction of the sewage treatment plant and basic collection trunk lines, as well as the smaller service distribution lines normally associated with development.

The Developer will analyze and evaluate the feasibility of utilizing advances in technology for total energy utility systems emphasizing control at the source of emission and effect on the residents, sewage treatment (including the possibility of joint treatment of municipal and industrial waste with the San Jacinto River Authority), water supply and solid waste collection and disposal and report the results of such investigations to the Secretary for approval together with plans for implementation. The Developer will take all steps necessary to prohibit sewage and industrial and commercial waste from being discharged into the storm drainage system without proper treatment.

The Developer will space wells or cause wells to be spaced evenly to allow uniform subsidence and reduce localized drawdown of aquifers and to supply fresh water for the Project. The Developer will use its best efforts to encourage recycling of used water and will adhere to water quality standards established by agencies having jurisdiction. The Developer will otherwise as appropriate begin to carry out the long term plan.

*One Year Plan:* The Developer will cause to be created public utility districts (governmental bodies which are authorized by law to provide water and sanitary sewer facilities and storm drainage systems and which are empowered to sell bonds for such facilities and levy taxes to amortize the bonds) and will prepare the necessary applications for permits for the construction of sewer and water lines to serve the first two Neighborhoods and the first Village center within the utility district. The Developer will provide, as necessary, other utilities to serve initial residential, commercial and industrial development, and use its best efforts to assure prompt performance of any agreements regarding the provision of utility services to the Project. The Developer will study innovative refuse collection and disposal within the Project which will reduce pollution to the greatest extent possible, will explore the feasibility of constructing a refuse plant that reclaims and recycles rather than destroys waste and will determine the appropriate size and composition of the proposed refuse plant. The Developer will report to the Secretary for approval the results of such investigation, together with a proposed plan, program and timetable for implementation.

## 12. HEALTH SERVICES

*Objectives:* Primary and comprehensive health care facilities, development of prepaid service and fee-for-service medical plans, and the coordination of health related programs with educational, environmental, social, and other services available in the community will be planned and provided so that comprehensive health services will be available to all residents of the Project at the lowest possible cost.

*Mature System:* Comprehensive health care will be provided to all residents of the Project by use of care units, family health care and preventive medicine programs, emergency facilities with access to intensive and specialized care facilities, health education programs, short term general hospitals, extended care facilities and special treatment programs, rehabilitation services, and public health programs relating to water purification, sanitation, solid waste management, animal care, immunization, and birth, noise, water and air pollution controls. Location of facilities will permit easy access by all residents. Health care costs to residents will be reduced as much as possible.

*Long Term Development Activities:* The Project is located near the Texas Medical Center in Houston, thereby providing the opportunity to consult and coordinate programs with the leading health institutions at such Center. The Developer will consult with the staff of the University of Texas School of Public Health, Baylor Medical School, the Methodist Hospital, and other units of the Texas Medical Center in Houston to plan appropriate medical facilities and programs for the Project to plan and use its best efforts to establish a comprehensive health system which will take into account heredity, environment and other similar factors related to health.

The Developer will encourage development of tele-communications systems to assist diagnosis of illnesses, health education programs, computer storage and retrieval of medical records and increased communication between the health and other institutions in the Project and those in Houston.

The Developer will use its best efforts to encourage development of appropriate transportation service between the Project and the Texas Medical Center or other medical facilities.

The Developer will make available in each Village center adequate space or land for medical facilities including doctors, advisors, out-patient facilities, and group practice facilities. The Developer will use its best efforts to cause such facilities to be constructed, to locate purchasers or tenants for such medical facilities, and to provide information services to all residents, particularly new residents, concerning doctors, ambulances, drug clinics, and special medical facilities.

The Developer will use its best efforts to assure availability to all residents in the Project of professionally operated health maintenance programs and medical services appropriate to each stage of development.

The Developer will use its best efforts to attract competent professional medical personnel to the area. It will develop, with available local, state, and federal assistance, comprehensive health care and insurance programs and facilities, in order to provide the residents with high standards of medical care within a reasonable distance of their homes. The Developer, with state and federal assistance, will seek to provide a health insurance program available to all residents.



The Developer will use its best efforts to provide a central hospital facility as a foundation for a "preventive" medical program and will investigate innovative methods for the provision of health care services in the Project. It will report the results of such investigation to the Secretary for approval by December 31, 1975, including a plan and program to achieve the foregoing objectives.

*Three Year Plan:* The Developer will fully investigate the availability of federal and other programs to assist in fulfilling its commitment to encourage development of high standards of health care for residents of all ages and income levels which includes development of a health care system which (1) provides flexibility for resident participation and (2) is within the income capability of a maximum number of residents of the community. The Developer will define the service area(s) of the health system (Neighborhood, Village, or metro), methods of service, and persons to be served and determine costs of and funding mechanisms for a health care system. It will evaluate alternate approaches for the provision of out-patient care facilities, emergency care, group practice, and hospital facilities within community multi-service complexes. The Developer will report to the Secretary for approval results of such investigations together with a plan, strategy and timetable for implementing proposals.

In phase with the planning and development of the first Village center the Developer will make available adequate space and use its best efforts to cause to be constructed and to sell or lease space for an ambulatory group practice medical care facility to serve the residents in the Project. The Developer will promote area-wide health planning and will investigate federal and state aid programs to assist in the provision of comprehensive health services. The Developer will investigate and initiate formation of a health council to evaluate the benefits and feasibility of alternative forms of a community-wide plan for the provision of health services, particularly preventive medicine, and report the results of its investigation to the Secretary for approval, together with a proposed feasible plan, and will otherwise begin implementation of the long term plan as appropriate.

*One Year Plan:* The Developer will use its best efforts to coordinate with existing facilities and physicians near the Project and from Conroe and Houston to encourage establishment of health care for new residents of the Project.

### 13. EDUCATION

*Objectives:* An environment will be created in which education, both formal and informal, becomes an integral part of each resident's life and educational opportunities are made available including the development of technical, vocational, and adult education courses and job training facilities increased to the greater extent possible. Advanced teaching methods and school design, to plan multiple use or sharing of school facilities and services with other institutions and community organizations will be employed to achieve excellence and innovation in the planning and design of the educational system and facilities, in cooperation with the independent school districts having jurisdiction and the University of Houston.

*Mature System:* The Project will provide a full range of educational facilities including elementary education, child learning and day care centers, community association activities, secondary public schools, vocational and technical schools, adult education courses, business training seminars, and courses at the University of Houston, North Campus. Location of education facilities will permit easy pedestrian access to such facilities by all residents. Multiple use of facilities will be encouraged.

*Long Term Development Activities:* The Developer will develop and sell, donate, or otherwise reserve for educational purposes, land for public school construction and approximately 400 acres for a university site at locations set forth in Schedule 2 in phase with residential development in accordance with Schedule 8. The plan provides for 20 elementary schools, 6 middle schools, 6 junior high schools, and 3 high schools to be built in Neighborhood and Village centers as shown in Schedule 2 and Schedule 14. The Developer will actively assist the Conroe and Magnolia Independent School Districts, the Texas education agency, and other appropriate public agencies in providing innovation in the design of physical structures, as well as in the development of teaching techniques. The Developer will work with the independent school districts in determining the feasibility and desirability of utilizing modular building techniques in the construction of schools, enabling rapid increase or decrease in pupil capacity as enrollment requirements fluctuate. The results of such efforts and any subsequent findings will be reported to the Secretary for

approval periodically, beginning December 31, 1974. The Developer will use its best efforts to provide day care centers, if economically feasible, coordinated with primary education facilities. The Developer will consult with communications systems experts and learning systems consultants to explore the feasibility and potential applications of closed circuit television communication between individual schools and community colleges and between schools and home. The Developer will explore the feasibility of adopting communications systems which permit sick or other children to participate from home in classroom education and of the possibility of using parents, senior citizens, and selected high school students as part-time specialty teachers or assistants. The Developer will explore the possibility of special programs to be presented in several classrooms simultaneously and of recording lectures or special programs on tape for future classroom use. The Developer will evaluate the feasibility of using closed circuit television to provide new opportunities for additional education in conjunction with school and community college classroom and home study curricula.

The Developer will cooperate with the independent school districts and the state in the development of a feasibility study for a computerized memory bank of the needs, interests and potential of each school student and for construction of individual study programs from this data. The Developer will use its best efforts to cooperate with the appropriate school districts in establishing a comprehensive education system that will provide a wide range of educational opportunities for residents in the Project in phase with residential development. The Developer will use its best efforts to assist the independent school districts and other appropriate agencies to the extent necessary to provide educational facilities from pre-school through high school. The Developer will, to assure the provision of adequate education in the Project, use its best efforts to cooperate with the local public school systems, the University of Houston and other educational institutions.

The Developer will use its best efforts to encourage the independent school districts to permit use of school facilities for community activities during non-school hours and encourage adult education programs.

In order to accommodate the shifting of enrollment that inevitably takes place as the population ages within a given Neighborhood and

Village geographic area, the Developer will use its best efforts to encourage the local school district to adopt a flexible educational facilities program capable to meet growth and changes in population. The Developer will use its best efforts to encourage the independent school districts to adopt an elementary school size appropriate to enable children to walk to school.

The Developer will explore use of communications systems to allow educational institutions to provide educational programs to homes, offices, industries, and community centers and will use its best efforts to encourage the University of Houston to establish a 15,000 student university in the Project.

The Developer will encourage cooperation between the Project school system and the University of Texas School of Public Health and Baylor University Medical School. The Developer will use its best efforts to encourage establishment of adult education courses by public and private institutions using advanced technology, such as closed circuit television or on-site classrooms, to make courses readily available to Project residents. The Developer will propose to appropriate organizations that such organizations institute special training programs in such fields as the visual and performing arts and medical training facilities.

*Three Year Development Plan:* The Developer will cooperate with Conroe School District to complete plans for development of two elementary schools and one middle school during the first three years. Sites will be developed and made available to the independent school districts in accordance with Schedules 2, 4(b), and 14. In addition to the public schools, the Developer will continue planning with the University of Houston for its branch campus to be located in the Project. The Developer will encourage sharing of educational facilities among schools and explore the feasibility and desirability of a vocational and technical training center, and otherwise begin implementation of the long term plan.

*One Year Development Plan:* The Conroe Independent School District completed in 1971 a 1,100 pupil elementary school in the Project area on which the Project will rely. Middle schools, junior high schools and high school facilities are located nearby in Conroe, and the Conroe Independent School District will provide transportation from the Project to such schools until schools of such types are built in the Project.

## 14. CULTURE AND ENTERTAINMENT

*Objectives:* Appreciation of the visual and performing arts will be stimulated by providing to all residents a variety of cultural facilities and by encouraging development and recognition of local community artistic achievement and entertainment.

*Mature System:* The Project will offer substantial cultural opportunities and diversity, including sculpture in open space and other public areas, outdoor performance areas, and local theatrical, art and music organizations to provide opportunities for personal expression and participation in the visual and performing arts. Cultural activity will be integrated within community life at readily accessible facilities and by social programming.

*Long Term Development Activities:* The Developer will develop and use its best efforts to market land for facilities for cultural amenities such as theaters, cinema theaters, libraries, art galleries, exhibit halls, craft shops, and music pavilions or auditoriums in Village and Neighborhood Centers at locations as set forth in Schedule 2. The Developer will encourage some concentration of such amenities in the Town Center so that the Town Center and the University of Houston, North Campus, will be the primary area for cultural activity.

The Developer will plan for the use of schools and community centers as the basis for village oriented cultural activities, including plans for school based instruction in the arts with some displays and performances conducted in association with the professional artistic institutions in Houston and in Conroe, film clubs and media learning centers, shared public and school libraries, exhibits, sculptures, and murals, and community center instruction programs in arts and crafts.

The Developer will assist cultural groups in the Project area by developing and using its best efforts to market land to such groups for cultural activities, by selling or leasing land to such groups at less than market rates or by donating funds, and by assisting such groups and the community association to plan for the provision of appropriate cultural activities. The Developer will encourage existing cultural and entertainment organizations to relocate in the Project and will plan for sharing of facilities by various groups.

The Developer will study and report to the Secretary for approval whether the Project can participate in programs of the National

Council on the Arts and the National Endowment for the Arts. The Developer will use its best efforts creatively to encourage use of such programs and endowments in the Project as an example for other new community development programs.

*Three Year Development Plan:* The Developer anticipates development of few cultural and entertainment facilities during the first three years. During such time the Project will rely to a great extent on existing facilities in Houston. Within this period, the Developer will encourage a citizen participation program in the fine arts, particularly in the elementary schools or neighborhood community centers or both. The Developer expects that during such time community cultural groups will begin to form, and the Developer will assist such groups to locate appropriate facilities and to find leadership for activities. The Developer by January 31, 1975 will submit to the Secretary for approval a schedule showing planned development of cultural amenities such as theaters, cinema theaters, libraries, art galleries, exhibit halls, craft shops, and music pavilions or auditoriums.

*One Year Development Plan:* The Developer will meet with cultural and entertainment leaders in Houston for the purpose of planning long term facilities and will explore the fine arts participation programs available in Houston. Among the Developer's objectives will be to stimulate and to assist the community residents, with the support of initial elementary schools, churches, and the community association, to develop cultural facilities appropriate to the Project.

#### 15. MUNICIPAL GOVERNMENT AND RESIDENT INVOLVEMENT

*Objectives:* Quasi-governmental organizations and community associations will be established to encourage expression of all opinions and will provide to the greatest extent possible opportunities for participation by all residents in community organizations and activities, including development of a mechanism to enable residents and the Developer to meet the social needs of the residents. Community associations and citizen's non-profit civic organizations will be established to enable residents to participate in the determinations of governmental bodies or public institutions and local governments in carrying out their responsibilities with respect to the Project and the orderly development of the lands adjacent to the Project.

*Mature System:* The Mature System envisions a series of complementary governmental and quasi-governmental entities with differing authorities and responsibilities.

The Project is largely within the extra territorial jurisdiction of the City of Houston, Texas. Other governmental agencies concerned with area-wide planning in the Project are Montgomery County, the State of Texas, particularly the Governor's Division of Planning, the Texas Highway Department, and the State Health Department.

Maximum resident involvement in planning Project programs will complement participation in the public processes of municipal government.

*Long Term Development Activities:* The Developer will create quasi-governmental entities such as a community association and form non-profit civic associations of residents home owners and renters, to provide to residents an adequate voice and appropriate level of control in these associations to aid, benefit and promote plans and recommendations for submission to any public authority, civic group or association which relate to the physical, social or cultural development of the Project, to aid and complement resident participation in the public processes of the Municipal Government. Such associations may assume responsibility for functions or services of a more specific nature and of a higher service level than can be provided by the existing governmental entities. The Developer will provide to the greatest extent possible for resident participation in planning Project programs to complement resident participation in the public processes of the municipal government.

The Developer may assist, if necessary, with such public expenditures as may be permissible under local, state and federal laws and, if necessary to provide public facilities, may finance the local share of public facilities on a long-term loan basis at reasonable interest rates acceptable to the Secretary. If police, fire, and other essential municipal services or facilities are not available through the city or other appropriate agency, the Developer will organize an entity, subject to the Secretary's approval, to provide essential community-related functions at such time as they may be required. To the extent federal assistance is available, such an organization would apply for and utilize such assistance. The Developer will cooperate throughout the Development Period with adjacent municipalities, the San Jacinto River Authority and the Houston-Galveston Area Council of Governments with respect to the jurisdiction and responsibilities of such agencies to the Project.

The Developer will develop a management organization for the Project that will be responsive to the needs of the residents and that will conduct relations with outside groups throughout the Development Period.

The Project is planned to develop as a balanced community—with the Developer fostering interaction and participation among its residents. The Developer will encourage social interaction by designing the Project so as to encourage daily contact among residents. The Developer will encourage as much community-scale activity as possible, yet not attempt to dictate structure or end results of independent action.

The Developer will provide various means of communication with the residents of the Project on a continuing basis, including orientation meetings, planning discussion meetings, and monthly newsletters. At least twice each year the Developer will offer a briefing to all residents in the Project concerning general development plans and will consider and incorporate where feasible their comments and suggestions. The Developer will use its best efforts to work with residents of the Project in finding solutions to community problems, to encourage resident groups to act in an advisory capacity, and to be responsive to such groups.

*Three Year Plan:* The Developer will use its best efforts to secure governmental approvals necessary to carry out the first three years of development.

The Developer will maintain a development team and use its best efforts to secure citizens representation and participation. The Developer will identify and evaluate proposals and social innovations from other localities that would improve the design and structure of the Project programs including conducting opinion surveys on a cross section of the Houston SMSA so that the Project may be responsive to the present and future needs of residents.

The Developer will investigate the feasibility of alternative forms of structure for residents' associations within the Project and report the results of such investigation to the Secretary for approval. The Developer will establish a program for obtaining suggestions from residents relating to commercial tenants in the Project and obtaining suggestions from college students residing in the Project relating to design of the Project programs and will submit such programs to the Secretary for approval.



The Developer will begin, as appropriate, otherwise to carry out the long term plan.

*One Year Plan:* The Developer will use its best efforts to secure governmental approvals necessary to carry out the first year of development.

The Developer will establish one or more residents' associations and a community association. The structure, financing, and procedures of all such shall be submitted for approval to the Secretary no later than September 1, 1973.

The Developer will investigate and report to the Secretary for approval alternative methods of financing the construction and operation of community facilities. It will also provide a plan to assure that all residents will have equal access to and may fully participate in the recreational and social amenities of the community. All sources of financial assistance in constructing and maintaining these facilities will be investigated, including federal, state and private.

#### 16. INNOVATION

*Objectives:* Advances in design and technology will be employed with respect to land use, materials and methods of construction, the provision of community facilities and services, accurate collection of data for management decisions, comprehensive education, learning and health care programs, efficient and effective communication, security and transit systems, use of industrialized building systems, the analysis and development of sound ecological planning, sound and varied urban design, and cultural activities.

*Mature System:* The Mature System envisions the overall coordination of the most technically advanced urban systems available. The future residents of the Project will benefit from the use of advanced technology and from the overall coordination process which the Developer will employ in developing the Project.

*Long Term Development Activities:* The Developer will, as stated in various sections of this Development Plan, investigate and evaluate the desirability and economic feasibility of alternative methods of employing innovative systems for education and learning, health care, transportation and transit, modular and industrialized building, urban design, cultural opportunities and facilities, and ecological planning. It

will report the results of such investigation to the Secretary together with a plan, program and timetable for implementing proposals, which may include, among other things, a provision for seeking federal assistance for implementing such a plan. A description of these systems follows in this Section. Although the Developer is, in any event, committed to a stated level of innovation acceptable to the Secretary in each of these areas, it is anticipated that it will seek federal assistance where available. This section is not to be construed to modify or remove the Developer's commitments with respect to the implementation of innovative urban systems as required in other sections of this Development Plan. Furthermore, nothing in this Development Plan is to be construed to disqualify the Developer or appropriate public agency from seeking assistance for detailed planning and execution of innovative systems which prove to be desirable and feasible.

In addition to the basic innovative systems discussed above, the Developer will seek federal or other assistance to (a) analyze innovative management information systems, (b) telecommunications systems, (c) safety and security systems, and (d) detailed feasibility studies for external mass transit, more thoroughly described below.

*Three Year and One Year Plan:* The Developer will fulfill its commitments with respect to each of the various systems to the extent described in the various sections contained in this Development Plan, in the following paragraphs and in accordance with the timetable established and as reflected in a schedule to be submitted to the Secretary for approval no later than February 1, 1973.

A. **MANAGEMENT INFORMATION SYSTEMS:** The Developer will seek available federal assistance to develop a modern computerized information system to plan, schedule and program the public services necessary for the Project.

B. **EDUCATION AND LEARNING SYSTEMS:** The Developer, together with the Independent School Districts, and appropriate learning systems consultants, will formulate an education planning process which provides innovative alternatives for decisions regarding future investments in facilities, curricula, and personnel programming. The Developer will investigate and evaluate alternative methods and plans and, in conjunction with the Independent School District or other appropriate

institutions, establish a comprehensive educational system planning process, and a plan and program for implementation. This will include plans for a university, technical and vocational learning centers, adult education and job-training programs, as well as a superior elementary and secondary school system.

C. **HEALTH CARE:** The Developer will plan for community health care programs emphasizing preventative medicine and ambulatory care for all citizens designed to improve health care of residents and to assist in marketing the Project.

The Project will be served by the most advanced technology available in health care, to the extent economically and technically feasible. Acting through major corporations and universities, the Developer will employ extensive experience in 1) facilities planning, 2) organization and staffing, 3) medical systems applicable to all phases of large-scale development, and 4) evaluating the most advanced technology, services, and equipment.

In order to develop advanced health care, the Developer will analyze studies of inpatient-outpatient care and patient-oriented management methods for improved patient care, education, research, and community service. The Developer will investigate and evaluate new techniques to determine necessary hospital resources, alternative methods for providing health care systems to utilize modern communications such as closed circuit television, and methods for bringing specialists generally available only in large cities or university hospitals to the Project. The Developer will investigate and evaluate health maintenance organizations to determine the scope and level of health care benefits that might be extended to the Project and surrounding com-Project. The Developer will investigate and evaluate health maintenance major medical universities located in the area.

D. **TELECOMMUNICATION SYSTEMS:**

The Developer will seek federal assistance to retain a telecommunications' consultant to investigate and evaluate the feasibility and extent to which the Project can utilize telecommunication devices for:

1. Education and health programs, as described in previous sections;

2. Public utilities in monitoring utility meters so as to reduce labor and overhead costs;
3. Banks and other high-security-risk areas for robbery, burglary prevention and criminal detection;
4. Traffic control for monitoring traffic systems;
5. Transit systems, for monitoring purposes;
6. Housewives for shopping so as to reduce automobile travel and congestion and the need for second or third family automobiles;
7. Reduction of TV interference from airplanes;
8. Specialized programming of local news, sports, educational, cultural and other activities.

E. **SAFETY AND SECURITY:** The Developer will examine alternatives for the provision of adequate safety and security for commercial, industrial and residential properties. The Developer will attempt to utilize advanced technology to provide security so as to enhance the competitive position of the Project in attracting business and industry, particularly those dealing with valuable products. With available federal assistance, the Developer will employ plans and programs to design an economically feasible system to make the Project a more secure place in which to live, and to increase police efficiency. This analysis will determine the feasibility of employing advanced intrusion detecting methods in security sensitive areas and modern fire detection systems for protecting industrial, commercial, residential, and park properties.

F. **TRANSIT AND TRANSPORTATION SYSTEMS:**

1. *Transit*

Because of the continued expansion of the Houston Intercontinental Airport and the need for a regional transit system, the Project is in a location for which transit service will eventually be desirable to reduce air pollution and traffic demands on highways during peak commuter periods.

The Developer will work with the appropriate local, regional, and federal agencies and will analyze the technical and economic feasibility of: (1) adaptation of the Houston transit plan for external mass transit service for the Project, and (2) **a pollution-free internal transit system.**

If such systems appear to be appropriate, the necessary in-Project rights-of-way will be reserved early in the planning program. The Developer will insure that the studies investigate and evaluate the feasibility of electric buses and moving sidewalks or other devices designed to serve high density commercial and residential areas.

## 2. *Transportation*

The Developer will investigate and evaluate alternative internal transportation systems and plans and will coordinate this analysis closely with the City of Houston, Montgomery County, and the Texas Highway Department to produce the most efficient and desirable system. The Developer will report to the Secretary by December 31, 1975 the results of such investigation. Such analysis will include an evaluation of the appropriate means adequately to screen and buffer roadways to reduce the impact of vehicular noise on uses adjacent to highways and major thoroughfares, to achieve pedestrian and vehicular safety, and to project vehicular traffic volumes, vehicular emissions for environmental impact purposes.

Further, the Developer will use its best efforts to encourage the City of Houston, Montgomery County, and the Texas Highway Department to investigate and evaluate alternative off-site transportation systems and plans to produce the most efficient and desirable overall system.

## 3. *Summary—Transit and Transportation Systems*

The objectives of such transit and transportation systems will be (a) to provide residents in the Project with a wide-range of transportation options, (b) the reduction and ultimate control of air pollution related to the use of the internal combustion engine and (c) reduction of peak traffic loads on major thoroughfares within the Project as well as on the regional highways.

G. MODULAR AND INDUSTRIALIZED BUILDING METHODS: In order to reduce the cost of housing, in particular low income housing, the Developer will analyze several industrialized building methods and encourage use of such methods in the construction of residential properties in the Project.

The Developer will consider use of the innovations developed in conjunction with Operation Breakthrough.

Because of the large-scale market and the volume of production required to justify the cost of building an industrialized housing factory or other types of mechanized production facilities, the Project can, if properly planned, provide a particularly favorable market for industrialized methods.

H. ECOLOGICAL PLANNING: The Developer will undertake ecological and environmental planning to analyze the land and its natural processes, and to plan so as to enhance and preserve the natural landscape. Ecological planning will preserve to the greatest possible extent visual qualities of the landscape and natural processes.

The Developer will retain a staff or consultant ecologist, adequately trained to carry out the above stated objectives.

The Development Plan is already based on ecological studies to determine land most appropriate for development and for preservation.

The Developer will undertake a four-point ecological planning analysis:

- (1) Comprehensive ecological analysis;
- (2) Ecological analysis of Stage one development;
- (3) Analysis and design of the Town Center area; and
- (4) Analysis and design of lakeshore development.

I. URBAN DESIGN: Urban design includes the study of structures, site planning, architectural control, and landscape standards. The Developer will establish an effective design and development review process.

The Developer will investigate and evaluate the use of alternative urban design and control plans and enforcement methods prior to use in the Project.

The Urban design process will include a continuing analysis of marketing, ecology, education, health, recreation, security, communications and governmental aspects of the Project.

J. **CULTURE:** The Developer will seek to achieve high standards of cultural as well as design excellence by assisting the residents to provide cultural programs for the Project.

The Developer will plan opportunities and facilities for theater, fine music, sculpture gardens and art galleries. The Developer will encourage establishment of a repertory theatre group, music groups, such as string quartets and jazz groups, art centers for painters and sculptors. The Developer will encourage cooperation between the Project and such organizations as the Houston Symphony and the Museum of Fine Arts.

Although the Developer is committed to a stated level of innovation and performance acceptable to the Secretary with respect to cultural systems the Developer anticipates seeking federal assistance to establish cultural programs in the Project.

#### 17. PARTICIPATION BY LOCAL AND SMALL CONTRACTORS

*Objectives:* The Developer will use its best efforts to encourage broad participation in the Project by local and small builders and contractors.

*Long-Term Development Activities:* The Developer will use its best efforts to provide development and construction opportunities for local and small builders and contractors. Groups of small numbers of lots will be sold at competitive prices and terms to responsible builders who wish to participate in the Project on a continuing but limited basis. The Developer will require that all builders and contractors perform in accordance with established quality, design and timetable standards. The overall administration of the building program will encourage a diversified local home-building industry, including both small and large producers and minority contractors, by making available a supply of building sites at reasonable costs.

*Three Year Plan:* The Developer will present to the Houston Home Builders Association and to interested real estate and contracting firms the development plans and goals for the Project emphasizing the Developer's desire to utilize local and regional construction talent. The Developer will design this presentation to encourage participation by local contractors, including minority contractors, and to afford opportunities for local real estate agents to participate in the Project.

18. PROJECT MANAGEMENT

*Objectives:* The Developer will establish and maintain a management strategy, plan and organization capable of developing the Project and implementing its responsibilities as set forth in the Indenture and Project Agreement, of which this Development Plan is a part.

*Long-Term Development Activities:* The Developer will maintain an organization of professionally qualified personnel including but not limited to a social development team, capable of responding expeditiously to require adjustments in the development process during the Development Period. In addition, the Developer will retain professionally qualified consultants as required effectively to implement the various aspects of the development process as stated in this Development Plan. The Developer will establish a reporting, management and control system for effective and economical monitoring of performance and devise a program and procedure for early problem identification, analysis and solution. The Developer will review and revise such policies and procedures as necessary to carry out the Development Plan. The Developer will prepare development performance and financial reports regarding various aspects of the Project, to be made to the Secretary in forms and on a schedule to be determined by the Secretary and made generally applicable to new communities assisted under the Act.

The Developer will survey or sample yearly the income mix of residents and compensation of employees within the Project. The Developer will maintain its capability of research and development with respect to the implementations of the Project.

The Developer will report to the Secretary yearly a study of the income mix of residents and pay of jobs within the Project and will maintain an in-house research and development capability.

*One Year Plan:* The Developer will establish a work program for completing various investigations and reports as detailed in the Development Plan. The Developer will submit to the Secretary for his approval such timetable and update it annually.