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D-U-N-S#	Company	Address, City, State
618359967	THOMPSONS VOLUNTEER FIRE DEPARTMENT	134 OIL FIELD RD, THOMPSONS, TX

- [Start Update Process](#) >
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**CITY ORDINANCE ADOPTING
THE NATIONAL INCIDENT MANAGEMENT SYSTEM (NIMS)**

ORDINANCE NO. 122

AN ORDINANCE ADOPTING THE NATIONAL INCIDENT MANAGEMENT SYSTEM (NIMS)
AS THE STANDARD FOR INCIDENT MANAGEMENT BY THE CITY OF THOMPSONS

WHEREAS, on February 28, 2003, the President issued Homeland Security Presidential Directive (HSPD) – 5 that directed the Department of Homeland Security, in cooperation with representatives of federal, state, and local government, to develop a National Incident Management System (NIMS) to provide a consistent approach to the effective management of situations involving natural disasters, man-made disasters or terrorism; and

WHEREAS, the final NIMS was released on March 1, 2004, and

WHEREAS, the NIMS contains a practice model for the accomplishment of the significant responsibilities associated with prevention, preparedness, response, recovery, and mitigation of all major and national hazards situations, and

WHEREAS, the HSPD-5 requires that state and local governments adopt the NIMS by fiscal year 2005 as a pre-condition to the receipt of federal grants, contract and activities related to the management and preparedness for certain disaster and hazard situations; and


WHEREAS, the City Council for the City of Thompsons
desires to adopt the NIMS as required by HSPD-5.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF THOMPSONS :

Hereby adopts the National Incident Management System dated March 1, 2004.

READ AND APPROVED on first reading this the 21st day of July
2005

READ AND APPROVED AND ADOPTED on second reading this the 18th day of
August, 2005


Freddie Newsome, Jr. Mayor
City of Thompsons, Texas

ATTEST:


Mary Ann Manna, City Secretary

NIMS Compliance Activities to be Achieved during FY 2005:

States and Territories:

- **Incorporate NIMS into existing training programs and exercises;**
- **Ensure that federal preparedness funding supports state, local and tribal NIMS implementation;**
- **Incorporate NIMS into Emergency Operations Plans;**
- **Promote intrastate mutual aid agreements;**
- **Coordinate and provide NIMS technical assistance to local entities; and**
- **Institutionalize the use of the Incident Command System.**

State, Territorial, Local and Tribal Jurisdictions:

- **Complete the NIMS Awareness Course: "National Incident Management System (NIMS), An Introduction" IS 700. This independent study course developed by the Emergency Management Institute (EMI) explains the purpose, principles, key components and benefits of NIMS. The course is available on the EMI web page at: <http://training.fema.gov/EMIWeb/IS/is700.asp>.**
- **Formally recognize the NIMS and adopt NIMS principles and policies. States, territories, tribes and local entities should establish legislation, executive orders, resolutions or ordinances to formally adopt the NIMS. Go to <http://www.fema.gov/nims> and see NIMS Resources for examples.**
- **Determine which NIMS requirements already have been met. Clearly state, territorial, tribal, and local entities have already implemented many of the concepts and protocols identified in the NIMS. As gaps in compliance with the NIMS are identified, States, territories, tribes, and local entities should use existing initiatives such as the Office for Domestic Preparedness (ODP) Homeland Security grant programs, to develop strategies for addressing those gaps.**
- **Develop a strategy and timeframe for full NIMS implementation. States, territories, tribes, and local entities are encouraged to achieve full NIMS implementation during FY 2005. To the extent that full implementation is not possible during FY 2005, federal preparedness assistance must be leveraged to complete NIMS implementation by FY 2006. By FY 2007, federal preparedness assistance will be conditioned by full compliance with the NIMS. States should work with the tribal and local governments to develop a strategy for statewide compliance with the NIMS.**
- **Institutionalize the use of the Incident Command System (ICS). All state, territorial, tribal, and local entities are required to adopt ICS in order to be compliant with the NIMS. See NIMS and the Incident Command System at <http://www.fema.gov/nims> under NIMS Resources.**

FY 2006 and FY 2007 Requirements:

In order to receive FY 2006 preparedness funding, applicants will need to certify as part of their FY 2006 grant applications that they have met the FY 2005 NIMS requirements.

Questions? Ask the NIC at NIMS-Integration-Center@dhs.gov.



FORT BEND COUNTY EMERGENCY MANAGEMENT

Fort Bend County, Texas

(281) 342-6185
Fax (281) 342-4798

July 1, 2005

The Honorable Freddie Newsome, Jr.
Mayor
Town of Thompsons
P.O. Box 29
Thompsons, Texas 77481

Dear Mayor Newsome, Jr.:

Most recently, President Bush issued Homeland Security Presidential Directive-5 (HSPD-5) calling for a nationwide adoption of a National Incident Management System (NIMS). The purpose for universally adopting NIMS is to allow all levels of government, private sector entities, and non-governmental organizations use of the same terminology and organizational processes during domestic incidents.

The Department of Homeland Security (DHS) has outlined specific actions that must be taken during fiscal year 2005 to become compliant with NIMS. Attached to this letter is a list of NIMS compliance activities that need to be achieved during fiscal year 2005. Two critical compliance issues highlighted in this letter are the formal recognition of NIMS and completion of a NIMS awareness course. Compliance with NIMS is mandatory in order to remain eligible for a growing list of federal grants.

Local governments must formally recognize NIMS and adopt NIMS principles and policies by enacting official ordinances. A template provided by the Governor's Division of Emergency Management is also attached for reference.

Additionally, as part of NIMS compliance activities, specified personnel in local level jurisdictions are required to complete a NIMS awareness course, "National Incident Management System: An Introduction" (NIMS IS-700). Fort Bend County Office of Emergency Management encourages your city to have all first responders and personnel who have specific duties during incidents, emergencies, and/or disasters (including executive level decision makers such as the Mayor and City Council, City Manager, City Manager, and Department Heads) complete the NIMS IS-700 course online at: <http://training.fema.gov/EMIWeb/IS/IS700.asp>. The free online course should take each individual between 1-3 hours to complete.

Additional requirements for NIMS compliance will be required for fiscal year 2006. Please be aware that you may be contacted again for future compliance issues. Thank you for supporting Fort Bend County in this endeavor. If you have any additional questions, please contact Kristy Mosolino, Planning Coordinator at (281) 342-6185 or me.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff D. Braun".

Jeff D. Braun
Emergency Management Coordinator

Attachment
File

ORDINANCE NO. 123

AN ORDINANCE OF THE TOWN OF THOMPSONS, TEXAS, DESIGNATING INDUSTRIAL DISTRICTS 1A, 1B AND 1C; APPROVING A PROPOSED INDUSTRIAL DISTRICT AGREEMENT BETWEEN THE TOWN OF THOMPSONS AND TEXAS GENCO II, LP; AUTHORIZING ADDITIONAL INDUSTRIAL DISTRICT AGREEMENTS WITH OWNERS OF PROPERTY IN INDUSTRIAL DISTRICTS 1B AND 1C; AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AND DELIVER AND THE TOWN SECRETARY TO ATTEST SAID INDUSTRIAL DISTRICT AGREEMENTS; REPEALING ALL ORDINANCES IN CONFLICT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Texas Local Government Code, Section 42.044, as amended, provides for the creation of industrial districts within the extraterritorial jurisdictions of cities, towns and villages in the State of Texas; and

WHEREAS, pursuant to such legislative enactment and in the interest of further cooperation with industry and the economic enhancement of the Town of Thompsons, the Board of Aldermen of the Town of Thompsons has heretofore designated a part of the extraterritorial jurisdiction of the Town of Thompsons as an industrial district known as Thompsons Industrial District No. 1; and

WHEREAS, the Board of Aldermen of the Town of Thompsons heretofore authorized the Town of Thompsons to enter into Industrial District Agreements with Houston Lighting and Power Company and its successors and assigns, including renewals and extensions of such agreement with respect to Thompsons Industrial District No. 1; and

WHEREAS, since the creation of Thompsons Industrial District No. 1 and the most recent Industrial District Agreement, there has been a change in ownership of land within Thompsons Industrial District No. 1; and

WHEREAS, Texas Genco II, LP, a Texas limited partnership ("Texas Genco"), which owns property located within Thompsons Industrial District No. 1, has requested the Town to renew and extend the Industrial District Agreement expiring on December 31, 2005 with respect to the land it owns within Thompsons Industrial District No. 1; and

WHEREAS, in accordance with the requirements of Section 42.044, the Town of Thompsons desires to offer the same opportunity to the other owners of land within the Thompsons Industrial District No. 1; and

WHEREAS, the Town of Thompsons desires to divide Thompsons Industrial District No. 1 into Thompsons Industrial Districts 1A, 1B and 1C, corresponding to ownership of land in Thompsons Industrial District No. 1, and to designate that portion of land owned by Texas Genco as Thompsons Industrial District No. 1A; and

WHEREAS, the Town of Thompsons and Texas Genco desire to enter into an industrial district agreement; and

WHEREAS, the Town of Thompsons desires to authorize additional industrial district agreements with the owners of property in Thompsons Industrial Districts 1B and 1C;

NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMAN AND THE TOWN OF THOMPSONS, TEXAS:

Section 1. That the portion of land within Thompsons Industrial District No. 1 owned by Texas Genco, as more particularly described by the metes and bounds attached as Appendix "A" to the industrial district agreement between the Town of Thompsons, Texas and Texas Genco, a copy of which is attached hereto and made a part hereof as Exhibit "A", is hereby designated as Thompsons Industrial District No. 1A.

Section 2. That the portion of land within Thompsons Industrial District No. 1 described by the metes and bounds attached hereto as Exhibit "B" and made a part hereof is hereby designated as Thompsons Industrial District No. 1B.

Section 3. That the portion of land within Thompsons Industrial District No. 1 described by the metes and bounds attached hereto as Exhibit "C" and made a part hereof is hereby designated as Thompsons Industrial District No. 1C.

Section 4. That the proposed industrial district agreement between the Town of Thompsons, Texas and Texas Genco, a copy of which is attached hereto and made a part hereof as Exhibit "A", is hereby approved.

Section 5. The Mayor is hereby authorized and directed to execute and deliver, and the Town Secretary to attest, the above-described industrial district agreement with Texas Genco on behalf of the Town of Thompsons, Texas.

Section 6. That the Mayor is hereby authorized to enter into industrial district agreements with the owners of land in Thompsons Industrial District No. 1B and No. 1C in substantially the same form as the proposed industrial district agreement with Texas Genco attached hereto as Exhibit "A," (except that with respect to Appendix "B" to the industrial district agreement (the industrial district payment schedule), the amount in Appendix "B" shall constitute the total payment to the Town of Thompsons under the industrial district agreements for Thompsons Industrial District No. 1A, No. 1B and No. 1C) and that the Mayor is hereby authorized and directed to execute and deliver and the Town Secretary to attest, said industrial district agreements on behalf of the Town of Thompsons, Texas; provided, however, that if such industrial district agreements are not entered into with the owners of land in Thompsons

Industrial District No. 1B or 1C within 60 days of the effective date of this Ordinance, this Ordinance will expire for all purposes with respect to such owners of land in the boundaries of Thompsons Industrial District No. 1B or 1C, respectively and such land shall no longer be considered a part of an industrial district of the Town of Thompsons.

Section 7. All ordinances or parts of ordinances in conflict herewith are repealed to the extent of their conflict only.

Section 8. It is hereby found, determined and declared by the Board of Aldermen of the Town of Thompsons that (a) Thompsons Industrial District No. 1 has been heretofore authorized and created in all respects in accordance with law, (b) all industrial district agreements heretofore authorized and entered into with respect to Thompsons Industrial District No. 1 were authorized and entered into in full compliance with law, and the existing industrial development agreement with respect to Thompsons Industrial District No. 1 scheduled to expire on December 31, 2005 is in full force and effect and inuring to the benefit of the present owners of land within such district pursuant to Section 8 of such agreement, (c) the Town has offered to each owner of land within Thompsons Industrial District No. 1 the same opportunity to renew or extend the present Industrial District Agreement with respect to Thompsons Industrial District No. 1 for the benefit of the property owned by such owner within such district through the designation of a new industrial district representing that portion of the land in Thompsons Industrial District No. 1 owned by such landowner, in full satisfaction of applicable law, (d) Thompsons Industrial District No. 1A, No. 1B and No. 1C authorized herein have been created in accordance with law, (e) the provisions for payment to the Town of Thompsons in the industrial district agreement with Texas Genco constitute good and valuable consideration for entering into all of the industrial district agreements heretofore authorized and (f) all other

requirements of law, including without limitation, the requirements of Section 42.044, Texas Local Government Code, as amended, have been satisfied.

Section 9. If any provision of this Ordinance shall be held or deemed to be, or shall in fact be, invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Ordinance invalid, inoperative or unenforceable to any extent whatever.

Section 10. This ordinance shall take effect and be in force from and after its passage and approval.

[EXECUTION PAGES FOLLOW]

STATE OF TEXAS

§

COUNTY OF FORT BEND

§

§

I, Mary Ann Manna, the duly appointed, qualified and acting Town Secretary of the Town of Thompsons, Texas, hereby certify that the above and foregoing ordinance of the Town of Thompsons was passed at a [regular/special] meeting of the Board of Aldermen of the Town of Thompsons held on the 17th day of November, 2005; that written notice of the date, hour, place and subject of said meeting was posted for at least 72 hours preceding the scheduled time of said meeting on a bulletin board located in a place in the city hall which is convenient and readily accessible to the general public at all times; that the Mayor and Aldermen

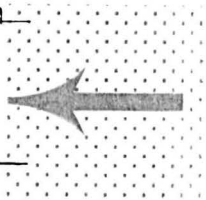
[Signature], Paul M. Buhle

[Signature], and

[Signature] were present at said meeting and acted as the Board throughout; that said ordinance has been approved by the Mayor and is duly attested by the Secretary; and that the same has been duly engrossed and enrolled in the records of the Town of Thompsons, Texas.

EXECUTED under my hand and the official seal of the Town of Thompsons, this 17th day of November, 2005.

Mary Ann Manna
Town Secretary of the Town of Thompsons



(SEAL)

Exhibit "A" to Ordinance

INDUSTRIAL DISTRICT AGREEMENT BETWEEN

TEXAS GENCO II, LP

AND

THE TOWN OF THOMPSONS, TEXAS

This Industrial District Agreement ("Agreement") is made and entered into by and between the TOWN OF THOMPSONS, TEXAS, a municipal corporation in Fort Bend County, Texas ("Thompsons" or the "Town"), and TEXAS GENCO II, LP, a Texas limited partnership ("Texas Genco" or the "Company").

WITNESSETH:

WHEREAS, Thompsons has determined that it is in the best interest of the Town and its citizens to adopt such reasonable measures from time to time as are permitted by law and which will tend to enhance the economic stability, well-being and advancement of its residents, present and future, and growth of the Town and its environs in a reasonable and controlled manner by attracting the location of new residents and industries and the expansion of existing and future industries therein; and

WHEREAS, the Texas Legislature has adopted Texas Local Government Code, Section 42.044, as amended from time to time, which provides for the creation of industrial districts within the extraterritorial jurisdiction of cities, towns and villages in the State of Texas; and

WHEREAS, pursuant to the above-referenced statutory provision and in the interest of enhancing the economic stability and growth of the Town and its environs Thompsons designated a part of its extraterritorial jurisdiction as an industrial district known as Thompsons Industrial District No. 1; and

WHEREAS, the Town entered into a series of industrial district agreements (including renewals and extensions thereof) with Houston Lighting and Power Company, and its successors and assigns, as owner of the land within Thompsons Industrial District No. 1, the most recent extension and renewal of which is scheduled to expire December 31, 2005; and

WHEREAS, pursuant to their terms, the aforesaid industrial district agreements inure to the benefit of the successors in title to Houston Lighting and Power Company as owners of land within Thompsons Industrial District No. 1; and

WHEREAS, the Company and others are successors in title to the land within Thompsons Industrial District No. 1; and

WHEREAS, the Town has offered to every owner of land within Thompsons Industrial District No. 1 the opportunity to renew or extend the current industrial district agreement with respect to its land and, in order to facilitate such renewal and extension, has divided the land within Thompsons Industrial District No. 1 into Thompsons Industrial District Nos. 1A, 1B and 1C with the boundaries of such new districts reflecting the present ownership of land of the different successors in title to Houston Lighting and Power Company; and

WHEREAS, the Town desires to enter into this new industrial district agreement with the Company pursuant to Ordinance No. 123, dated the 17th day of November, 2005, renewing and extending the present industrial district agreement on the terms and conditions provided for herein with respect to the land owned by the Company;

NOW THEREFORE, in consideration of the premises and the mutual agreements of the parties contained herein and pursuant to the authority granted under Section 42.044 of the Texas Local Government Code and the Ordinances of the Town referred to above, the Company and the Town hereby agree as follows:

Section 1. Thompsons hereby covenants, agrees and guarantees that all the land, property and improvements thereon owned, used, occupied, leased, rented or possessed by the Company within the area designated as Thompsons Industrial District No. 1A shall continue and retain (as to all of the above) its extraterritorial status as an industrial district and it (all of the above) shall not be annexed by the Town nor shall the Town attempt to annex, or in any way cause or permit to be annexed any of such property during the term of this Agreement.

The Town further covenants, agrees and guarantees that during the term of this Agreement the Town shall not apply or purport to apply any charter provision, ordinance, by-law, rule or regulation to such property, including, without limitation, any charter provision, ordinance, bylaw, rule or regulation, (a) governing plats and the subdivision of land; (b) prescribing any zoning, building, electrical, plumbing or inspection code or codes; (c) governing drilling for, producing, gathering, storing, or transporting liquid, solid or gaseous hydrocarbon materials; or (d) attempting to exercise in any manner whatsoever control over the conduct of the Company's or its assigns' business thereon. The Town further agrees that during the term of this Agreement, the Town shall not levy or purport to levy any taxes or assessments, against any real, personal or mixed property owned, used, occupied, leased, rented, or possessed by Texas Genco or any of its affiliates within Thompsons Industrial District No. 1A.

Section 2. Except as otherwise agreed by the parties in writing, during the term of this Agreement the Town shall not be required to furnish municipal services to the Company's properties within the area designated as Thompsons Industrial District No. 1A which are ordinarily and customarily supplied by the Town to property owners within its boundaries, including, without limitation, sewer or water service, police protection, road or street repairs, or garbage pickup service; provided, however, the Town shall continue to furnish such fire fighting

services to the area as are ordinarily and customarily supplied by the Town to property owners within its county designated fire district boundaries.

Section 3. (a) In consideration of the Town's actions in dividing Thompsons Industrial District No. 1 into Thompsons Industrial District No. 1A, Thompsons Industrial District No. 1B and Thompsons Industrial District No. 1C and its agreement to offer the same opportunities to each of the owners of property within Thompsons Industrial District No. 1 as required by law, the Company hereby covenants and agrees to pay to Thompsons an obligatory annual industrial district payment as set forth in the schedule attached hereto as Appendix "B."

(b) Should the Town levy or purport to levy any tax or assessment against any real, personal or mixed property owned, used, occupied, leased, rented or possessed by the Company or any of its affiliates within the area described in Appendix A attached hereto and incorporated herein for all purposes, any annual industrial district payment due hereunder shall be reduced by an amount equal to such tax or assessment.

Section 4. This Agreement is effective as of January 1, 2006 and shall continue in effect thereafter until December 31, 2020, unless extended by agreement in writing for an additional period or periods of time upon mutual consent of the Town and the Company as allowed by Section 42.044 of the Texas Local Government Code as it may be then amended. In this connection, the Town and the Company acknowledge and hereby express their belief that industrial district agreements of the kind made herein are conducive to the development of existing and future industry and are in the best interest of all citizens of the Town and the Company and encourage future Boards of Aldermen, upon request of the Company or its assigns, to enter into future industrial district agreements and to extend for additional periods as permitted by law this Agreement under such terms and provisions as may be then agreed upon by the

parties; provided, however, that nothing herein contained shall be deemed to obligate either party hereto to agree to an extension of this Agreement.

Section 5. All payments to the Town provided for herein shall be made to the Town at the City Hall in Thompsons, Fort Bend County, Texas, by regular mail, postage prepaid, on or before the due date.

Section 6. Notwithstanding any provision of this Agreement to the contrary, if during the term of the Agreement, (a) any other municipality should institute proceedings under applicable local, state or federal statutes, rule or regulations to annex any land or property owned, used, occupied, leased, rented or possessed by the Company or any of its affiliates within the area designated as Thompsons Industrial District No. 1A, or (b) the creation of any new municipality should be attempted under applicable local, state or federal statutes, rules or regulations so as to include within its limits such land or property, or (c) any other municipality should institute proceedings under applicable local, state or federal statutes, rules or regulations to include within its extraterritorial jurisdiction such land or property, or (d) any person, corporation or other entity should institute legal or administrative proceedings, including, without limitation, proceedings under applicable local, state or federal statutes, rules or regulations to set aside or otherwise abrogate this Agreement, or (e) the creation of any political subdivision, including but not limited to a municipal utility district, levee improvement district or other conservation and reclamation district one purpose of which is to provide services of a governmental or proprietary nature, should be attempted under applicable local, state or federal statutes, rules or regulations so as to include within its limits such land or property, the Town shall, in the case of the proposed creation of any political subdivision, not consent to the creation of such political subdivision, and in all cases described above, with the cooperation of the

Company and attorneys employed or retained by the Company, seek injunctive relief against any such annexation, incorporation, extension, challenge or creation of political subdivision, and shall take such other legal steps as may be necessary or advisable under the circumstances; provided, however, that nothing herein shall obligate the Company to seek injunctive relief or take any other legal steps if such annexation, incorporation, extension, challenge or creation of political subdivision is in the best interest of the Company. Until judgment setting aside such annexation, incorporation, extension, challenge or creation of political subdivision becomes final beyond further appeal, the Company may, at its option, suspend its annual industrial district payment obligations hereunder; provided, however, should the Company elect to suspend payments such payments shall thereafter bear interest at the prime rate announced from time to time by JPMorgan Chase Bank, National Association, as it changes, until paid; provided, further, the interest on such suspended payments shall be payable to the Town quarterly. At such time as judgment setting aside such annexation, incorporation, extension, challenge or creation of political subdivision becomes final beyond further appeal, the Company shall (a) resume making its annual industrial district payments as provided herein and (b) pay to the Town any payments suspended pursuant to this Section. Should the Town refuse or fail to comply with its obligations under this Section, the Company shall have the right to seek such legal or equitable relief as it deems necessary or advisable in its own name or in the name of the Town and, if necessary, the Company may join the Town as a party to such legal action.

If the Town and the Company are unsuccessful in preventing any such annexation, incorporation, extension, challenge or creation of political subdivision, the Company shall have the right to (a) terminate this Agreement in whole or in part, or (b) continue this Agreement in full force and effect; provided, however, that the Company's right to terminate this Agreement

must be exercised within six (6) months after judgment upholding such annexation, incorporation, extension, challenge or creation of political subdivision becomes final beyond further appeal; provided, further, in the event of such termination the Town shall have no obligation to refund any industrial district payment previously paid and this Agreement shall become void and cease and all parties hereto shall be fully released and acquitted.

Section 7. The benefits accruing to the Company under this Agreement shall also extend to the Company's "affiliates" and to any properties, real, personal or mixed, owned, used, occupied, leased, rented or possessed by said affiliates within the area designated at Thompsons Industrial District No. 1A, and where reference is made herein to land, property and improvements owned, used, occupied, leased, rented or possessed by the Company it shall also include land, property and improvements owned, used, occupied, leased, rented or possessed by its affiliates. The word "affiliates" as used herein shall mean (a) any entity five percent (5%) or more of which is owned or controlled, directly or indirectly, by any person or entity that owns or controls, directly or indirectly, five percent (5%) or more of the Company and (b) any entity five percent (5%) or more of which is owned or controlled, directly or indirectly, by the Company. Any reference in this Agreement to any "land" or "improvements" or "property" of the Company shall mean all land and all other real, personal, or mixed property located thereon now owned, used, occupied, leased, rented or possessed by the Company or any affiliate of the Company within Thompsons Industrial District No. 1A, and all land and other real, personal or mixed property located thereon hereafter owned, used, occupied, leased, rented or possessed by the Company or any affiliate of the Company within Thompsons Industrial District No. 1A.

Section 8. This Agreement shall inure to the benefit of and be binding upon the Company and the Town, and each of them, and upon their respective successors and assigns, and

shall remain in force whether the Company sells, assigns or in any other manner disposes of, either voluntarily or by operation of law, all or any part of the property belonging to it within the territory hereinabove described, provided no disposal by the Company, however accomplished, shall relieve the Company of any prior breach of the terms and conditions hereof and any subsequent owner deriving any right, title or interest therein shall be required to fully assume all of the Company's obligations hereunder, and the agreements herein contained shall be held to be covenants running with the land owned by the Company situated within said territory, for so long as this Agreement or any extension thereof remains in force.

Section 9. If during the term of this Agreement the terms and conditions of this Agreement are rendered ineffective or their effect changed by statutory or regulatory changes (including, without limitation, legislative, administrative or judicial changes, interpretations or reinterpretations, whether involving Texas Genco's participation or not) both parties mutually agree that said Agreement shall be renegotiated to accomplish the intent of this Agreement.

Section 10. In the event the Town enters into an industrial district agreement or renews any industrial district agreement after the effective date hereof and while this Agreement is in effect, which contains terms and conditions materially more favorable than those contained in the Agreement, the Company and its assigns shall have the right to amend this Agreement and the Town agrees to amend same to embrace the more favorable terms of such agreement or renewal agreement.

[EXECUTION PAGES FOLLOW]

EXECUTED IN DUPLICATE ORIGINALS as of the 17th day of November, 2005.

TEXAS GENCO II, LP, a Texas partnership

By: New Genco GP, LLC, its General Partner

ATTEST:

Assistant Secretary

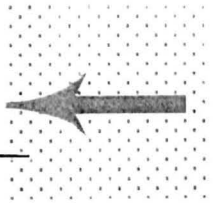
By: _____
Name:
Title:

ATTEST:

TOWN OF THOMPSONS, TEXAS

Mary Ann Manna
Town Secretary

By: [Signature]
Mayor



Appendix "A" to Industrial District Agreement

[Metes and Bounds of Industrial District No. 1A, Texas Genco II, LP Property]

APPENDIX "A"

4,250.403 ACRES
PAGE 1 OF 4

4,250.403 acres out of the H. A. Allsberry League, Abstract 102, Edward Jeffry League, Abstract 38, A. P. George Survey, Abstract 758, Samuel Young Survey, Abstract 348, Lancelot Smithers League, Abstract 87, John Jones League, Abstract 41, Abraham D. Kelker League, Abstract 273 and the Henry Jones League, Abstract 39, Fort Bend County, Texas, and being part of the lands described the deed to Texas Genco Holdings, Inc recorded under File Number 2002094433 of the Fort Bend County Deed Records: Said 4,250.403 acre tract is subject to the rights within the hereinafter-described parcels: PS09-C02 and PS09-C03:

All coordinates and bearings stated herein are referred to the Texas Coordinate System of 1927, South Central Zone, as defined in the Texas Natural Resources Code, section 21.071 et seq. and are based on the position of plant baseline monuments, being concrete monuments with a brass disc: (Plant Coordinates of N=120.00 W=1,199.93) having Grid Coordinates of **Y=614,563.61** and **X=3,070,608.64**; (Plant Coordinates of S=3,274.97 W=1,199.93 and Grid Coordinates of **Y=611,732.85** and **X=3,072,482.02**. Plant Bearing between said monuments is South 00°00'00" East and Grid bearing is South 33°29'47" East per Reliant Energy. All distances shown herein are surface. To convert to grid distance, multiply by the applied scale factor of 0.9998666. Said 4,250.403 acres is described by metes and bounds as follows.

APPENDIX "A"

4,250.403 ACRES
PAGE 2 OF 4

COMMENCING at a found 3/4-inch iron rod having Grid coordinates **X=3,074,481.91; Y=616,165.94**, from which said concrete monument with brass disk for plant baseline monument N120.00 W1,199.93 bears South 67° 31' 33" West, a distance of 4,192.18 feet and a second concrete monument with brass disk found for plant baseline monument S3,274.97 W1,199.93 bears South 24° 16' 53" West, a distance of 4,863.96 feet also being at the intersection of the northerly right-of-way line of Y.U. Jones Road (80-foot wide) with the westerly right-of-way line of Lockwood Road (80-foot wide);

THENCE, North 48°18'57" West, a distance of 717.45 feet to the **POINT OF BEGINNING** of the herein described tract 1A and having Grid coordinates of **X=3,073,946.17; Y=616,643.00**

THENCE, South 04°08'10" East, a distance of 3175.18 feet to a point for corner;

THENCE, South 46°46'10" West, a distance of 2114.58 feet to a point for corner;

THENCE, South 43°00'40" West, a distance of 297.44 feet to a point for corner;

THENCE, South 46°46'06" West, a distance of 1830.92 feet to a point for corner;

THENCE, South 87°20'21" West, a distance of 429.20 feet to a point for corner from which a southerly corner of a called 53.429 acre tract as recorded under File Number 2002094433 of the Fort Bend County Deed Records bears South 24°12'15" East, a distance of 537.55 feet;

THENCE, South 44°15'10" West, a distance of 763.11 feet to a point for corner;

THENCE, South 46°45'36" West, a distance of 283.52 feet crossing into the A. P. George Survey, Abstract 758 to a point for corner;

THENCE, South 88°30'54" West, a distance of 710.79 feet crossing into the H. A. Allsberry League, Abstract 102 to a point for corner;

THENCE, North 33°30'26" West, a distance of 1896.28 feet to a point for corner from which a southerly corner of a called 53.429 acre tract as recorded under File Number 2002094433 of the Fort Bend County Deed Records bears South 26°58'27" West, a distance of 574.58 feet;

APPENDIX "A"

**4,250.403 ACRES
PAGE 3 OF 4**

THENCE, South 87°27'20" West, a distance of 2810.82 feet to a point for corner from which a southerly corner of a called 53.429 acre tract as recorded under File Number 2002094433 of the Fort Bend County Deed Records bears South 16°48'47" West, a distance of 529.96 feet;

THENCE, North 53°49'45" West, a distance of 999.65 feet crossing into the Edward Jeffry League, Abstract 38 then into the Lancelot Smithers League, Abstract 87 to a point for corner;

THENCE, North 16°05'14" East, a distance of 175.68 feet to a point for corner;

THENCE, North 53°49'45" West, a distance of 1687.65 feet to a point for corner;

THENCE, North 53°49'32" West, a distance of 2501.50 feet crossing into the Abraham D. Kelker League, Abstract 273 to a point for corner;

THENCE, North 36°10'30" East, a distance of 159.59 feet to a point for corner;

THENCE, North 53°49'30" West, a distance of 3116.90 feet to a point for corner from which a southerly corner of a called 4688.911 acre tract as recorded under File Number 2002094433 of the Fort Bend County Deed Records bears South 57°39'35" West, a distance of 537.34 feet;

THENCE, North 10°51'20" West, a distance of 3770.49 feet crossing into the John Jones League, Abstract 41 to a point for corner;

THENCE, North 35°40'00" East, a distance of 4077.75 feet to a point for corner;

THENCE, North 69°02'50" East, a distance of 1390.33 feet to the beginning of a non-tangent curve to the right;

THENCE, northeasterly, along said non-tangent curve to the right, having a radius of 100.00 feet, through a delta angle of 34°39'16", the chord bears North 86°21'45" East a distance of 59.57 feet, for a total arc length of 60.48 feet to a point for corner;

THENCE, South 76°19'20" East, a distance of 258.76 feet to the beginning of a curve to the left;

THENCE, southeasterly, along said curve to the left, having a radius of 950.00 feet, through a delta angle of 12°25'42", the chord bears South 82°32'11" East a distance of

APPENDIX "A"

**4,250.403 ACRES
PAGE 4 OF 4**

205.67 feet, for a total arc length of 206.07 feet to a point for corner from which a northerly corner of a called 4688.911 acre tract as recorded under File Number 2002094433 of the Fort Bend County Deed Records bears North 09°54'25" East, a distance of 512.50 feet;

THENCE, South 67°24'43" East, a distance of 4210.83 feet crossing into the Lancelot Smithers League, Abstract 87 to a point for corner;

THENCE, South 67°55'10" East, a distance of 2533.96 feet to a point for corner;

THENCE, South 67°09'40" East, a distance of 1996.75 feet crossing into the Edward Jeffry League, Abstract 38 to a point for corner;

THENCE, South 67°09'40" East, a distance of 1392.05 feet to a point for corner from which a northerly corner of a called 4688.911 acre tract as recorded under File Number 2002094433 of the Fort Bend County Deed Records bears North 27°49'50" West, a distance of 788.90 feet;

THENCE, North 11°29'59" East, a distance of 7528.09 feet crossing into the Henry Jones League, Abstract 39 to a point for corner from which a northerly corner of a called 4688.911 acre tract as recorded under File Number 2002094433 of the Fort Bend County Deed Records bears North 26°01'17" West, a distance of 820.94 feet;

THENCE, South 63°32'34" East, a distance of 3859.93 feet to a point for corner;

THENCE, South 02°28'59" East, a distance of 8867.15 feet crossing into the Edward Jeffry League, Abstract 38 to a point for corner;

THENCE, South 87°30'15" West, a distance of 3039.75 feet to the POINT OF BEGINNING and containing a computed area of 4,250.403 acres of land.

SAVE AND ACCEPT THE ATTACHED EXHIBITS:

**EXHIBIT 1B 5.093 ACRES
EXHIBIT 1C 11.842 ACRES
EXHIBIT 1D 11.702 ACRES
EXHIBIT 1E 142.797 ACRES**

FOR A TOTAL NET ACERAGE OF 4078.969 ACRES



Appendix "B" to Industrial District Agreement

[Industrial District Payment Schedule]

INDUSTRIAL DISTRICT PAYMENT SCHEDULE

1.	Pay on or before December 31, 2006	\$ <u>560,000</u>
2.	Pay on or before December 31, 2007	\$ <u>577,500</u>
3.	Pay on or before December 31, 2008	\$ <u>595,000</u>
4.	Pay on or before December 31, 2009	\$ <u>612,500</u>
5.	Pay on or before December 31, 2010	\$ <u>630,000</u>
6.	Pay on or before December 31, 2011	\$ <u>647,500</u>
7.	Pay on or before December 31, 2012	\$ <u>665,000</u>
8.	Pay on or before December 31, 2013	\$ <u>682,500</u>
9.	Pay on or before December 31, 2014	\$ <u>700,000</u>
10.	Pay on or before December 31, 2015	\$ <u>717,500</u>
11.	Pay on or before December 31, 2016	\$ <u>735,000</u>
12.	Pay on or before December 31, 2017	\$ <u>752,500</u>
13.	Pay on or before December 31, 2018	\$ <u>770,000</u>
14.	Pay on or before December 31, 2019	\$ <u>787,500</u>
15.	Pay on or before December 31, 2020	\$ <u>805,000</u>
	Total	\$ <u>10,237,500</u>

Exhibit "B" to Ordinance

[Metes and Bounds of Industrial District No. 1B, Centerpoint Energy Property]

EXHIBIT "B"

**5.093 ACRES
PAGE 1 OF 2**

5.093 acres out of the Henry Jones League, Abstract 39 and the Edward Jeffrey League, Abstract 38, Fort Bend County, Texas, and being out of a called 118.191 acre tract to Centerpoint Energy as recorded under File Number 2002094433 of the Fort Bend County Deed Records:

All coordinates and bearings stated herein are referred to the Texas Coordinate System of 1927, South Central Zone, as defined in the Texas Natural Resources Code, section 21.071 et seq. and are based on the position of plant baseline monuments, being concrete monuments with a brass disc: (Plant Coordinates of N=120.00 W=1,199.93) having Grid Coordinates of **Y=614,563.61** and **X=3,070,608.64**; (Plant Coordinates of S=3,274.97 W=1,199.93 and Grid Coordinates of **Y=611,732.85** and **X=3,072,482.02**. Plant Bearing between said monuments is South 00°00'00" East and Grid bearing is South 33°29'47" East per Reliant Energy. All distances shown herein are surface. To convert to grid distance, multiply by the applied scale factor of 0.9998666. Said 5.093 acres is described by metes and bounds as follows.

COMMENCING at a found 3/4-inch iron rod having Grid coordinates **X=3,074,481.91**; **Y=616,165.94**, from which said concrete monument with brass disk for plant baseline monument N120.00 W1,199.93 bears South 67° 31' 33" West, a distance of 4,192.18 feet and a second concrete monument with brass disk found for plant baseline monument S3,274.97 W1,199.93 bears South 24° 16' 53" West, a distance of 4,863.96 feet also being at the intersection of the northerly right-of-way line of Y.U. Jones Road (80-foot wide) with the westerly right-of-way line of Lockwood Road (80-foot wide);

THENCE, North 76°10'26" East, a distance of 2,544.95 feet to the **POINT OF BEGINNING** of the herein described tract being in the westerly line of said 118.191 acres and having Grid coordinates of **X=3,076,952.79**; **Y=616,774.04**

EXHIBIT "B"

5.093 ACRES
PAGE 2 OF 2

THENCE, North 02°28'59" West, crossing the Henry Jones League, Abstract 39 and the Edward Jeffry League, Abstract 38, common line and along the westerly line of said 118.191 acre tract, a distance of 8880.97 feet to a point for corner;

THENCE, South 63°32'34" East, departing said westerly line, a distance of 28.57 feet to a point for corner;

THENCE, South 02°28'59" East, crossing the Henry Jones League, Abstract 39 and the Edward Jeffry League, Abstract 38 common line, a distance of 8867.15 feet to a point for corner;

THENCE, South 87°30'15" West, a distance of 25.00 feet to the **POINT OF BEGINNING** and containing a computed area of 5.093 acres of land.



EXHIBIT "B"

**11.842 ACRES
PAGE 1 OF 2**

11.842 acres out of the Samuel Young Survey, Abstract 348 and the Edward Jeffry League, Abstract 38, Fort Bend County, Texas, and being out of a called 15.333 acre tract to Centerpoint Energy as recorded under File Number 2002094433 of the Fort Bend County Deed Records:

All coordinates and bearings stated herein are referred to the Texas Coordinate System of 1927, South Central Zone, as defined in the Texas Natural Resources Code, section 21.071 et seq. and are based on the position of plant baseline monuments, being concrete monuments with a brass disc: (Plant Coordinates of N=120.00 W=1,199.93) having Grid Coordinates of **Y=614,563.61** and **X=3,070,608.64**; (Plant Coordinates of S=3,274.97 W=1,199.93 and Grid Coordinates of **Y=611,732.85** and **X=3,072,482.02**. Plant Bearing between said monuments is South 00°00'00" East and Grid bearing is South 33°29'47" East per Reliant Energy. All distances shown herein are surface. To convert to grid distance, multiply by the applied scale factor of 0.9998666. Said 11.842 acres is described by metes and bounds as follows.

COMMENCING at a found 3/4-inch iron rod having Grid coordinates **X=3,074,481.91**; **Y=616,165.94**, from which said concrete monument with brass disk for plant baseline monument N120.00 W1,199.93 bears South 67° 31' 33" West, a distance of 4,192.18 feet and a second concrete monument with brass disk found for plant baseline monument S3,274.97 W1,199.93 bears South 24° 16' 53" West, a distance of 4,863.96 feet also being at the intersection of the northerly right-of-way line of Y.U. Jones Road (80-foot wide) with the westerly right-of-way line of Lockwood Road (80-foot wide);

THENCE, South 16°06'10" West, a distance of 1,445.36 feet to the **POINT OF BEGINNING** of the herein described tract and having Grid coordinates of **X=3,074,081.08**; **Y=614,777.48**

EXHIBIT "B"

11.842 ACRES
PAGE 2 OF 2

THENCE, South 04°08'10" East, a distance of 866.12 feet to a point for corner;

THENCE, South 56°04'25" West, a distance of 138.19 feet to a point for corner;

THENCE, North 33°32'07" West, a distance of 1199.41 feet to a point for corner;

THENCE, North 56°09'21" East, a distance of 564.01 feet to a point for corner;

THENCE, South 33°27'09" East, a distance of 446.94 feet to the **POINT OF BEGINNING** and containing a computed area of 11.842 acres of land;



Jeromy Alvin Chandler
09/16/05

EXHIBIT "B"

11.702 ACRES
PAGE 1 OF 2

An 11.702 acre tract out of the Edward Jeffry League, Abstract 38, Fort Bend County, Texas, and being all of a called 11.702 acre tract to Centerpoint Energy as recorded under File Number 2002094433 of the Fort Bend County Deed Records:. All coordinates and bearings stated herein are referred to the Texas Coordinate System of 1927, South Central Zone, as defined in the Texas Natural Resources Code, section 21.071 et seq. and are based on the position of plant baseline monuments, being concrete monuments with a brass disc: (Plant Coordinates of N=120.00 W=1,199.93) having Grid Coordinates of **Y=614,563.61** and **X=3,070,608.64**; (Plant Coordinates of S=3,274.97 W=1,199.93 and Grid Coordinates of **Y=611,732.85** and **X=3,072,482.02**. Plant Bearing between said monuments is South 00°00'00" East and Grid bearing is South 33°29'47" East per Reliant Energy. All distances shown herein are surface. To convert to grid distance, multiply by the applied scale factor of 0.9998666. Said 11.702 acre tract is described by metes and bounds as follows:

COMMENCING at a found 3/4-inch iron rod having Grid coordinates **X=3,074,481.91**; **Y=616,165.94**, from which said concrete monument with brass disk for plant baseline monument N120.00 W1,199.93 bears South 67° 31' 33" West, a distance of 4,192.18 feet and a second concrete monument with brass disk found for plant baseline monument S3,274.97 W1,199.93 bears South 24° 16' 53" West, a distance of 4,863.96 feet also

EXHIBIT "B"

11.702 ACRES
PAGE 2 OF 2

being at the intersection of the northerly right-of-way line of Y.U. Jones Road (80-foot wide)
with the westerly right-of-way line of Lockwood Road (80-foot wide);

THENCE South 66° 48' 05" West, a distance of 1,722.75 feet to the **POINT OF BEGINNING** of the herein described tract and having Grid coordinates of **X=3,072,898.67, Y=615,487.41;**

THENCE South 56° 30' 14" West, a distance of 1,436.92 feet to a point for corner;

THENCE North 33° 29' 46" West, a distance of 346.54 feet to a point for corner;

THENCE North 56° 30' 14" East, a distance of 215.47 feet to a point for corner;

THENCE North 33° 29' 46" West, a distance of 49.95 feet to a point for corner;

THENCE North 56° 30' 14" East, a distance of 162.15 feet to a point for corner;

THENCE South 33° 29' 46" East, a distance of 49.95 feet to a point for corner;

THENCE North 56° 30' 14" East, a distance of 271.21 feet to a point for corner;

THENCE North 11° 30' 14" East, a distance of 38.32 feet to a point for corner;

THENCE North 56° 30' 14" East, a distance of 109.49 feet to a point for corner;

THENCE South 78° 29' 46" East, a distance of 38.32 feet to a point for corner;

THENCE North 56° 30' 14" East, a distance of 624.42 feet to a point for corner;

THENCE South 33° 29' 46" East, a distance of 346.54 feet to the **POINT OF BEGINNING**
and containing a computed area of 11.702 acres of land.

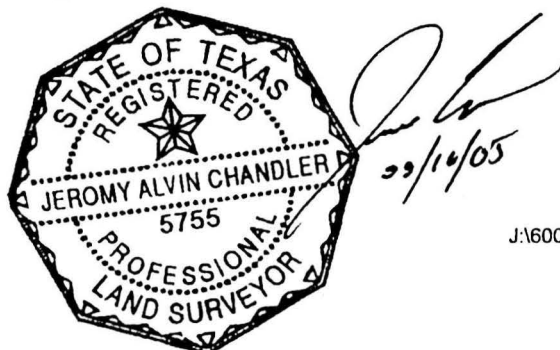


Exhibit "C" to Ordinance

[Metes and Bounds of Industrial District No. 1C, George Foundation Property]

EXHIBIT "C"

142.797 ACRES
PAGE 1 OF 4

142.797 acres out of the John Jones League, Abstract 41 Fort Bend County, Texas, and being out of a called 216.63 acre tract to The George Foundation as recorded under File Number 9608474 of the Fort Bend County Deed Records:

All coordinates and bearings stated herein are referred to the Texas Coordinate System of 1927, South Central Zone, as defined in the Texas Natural Resources Code, section 21.071 et seq. and are based on the position of plant baseline monuments, being concrete monuments with a brass disc: (Plant Coordinates of N=120.00 W=1,199.93) having Grid Coordinates of **Y=614,563.61** and **X=3,070,608.64**; (Plant Coordinates of S=3,274.97 W=1,199.93 and Grid Coordinates of **Y=611,732.85** and **X=3,072,482.02**. Plant Bearing between said monuments is South 00°00'00" East and Grid bearing is South 33°29'47" East per Reliant Energy. All distances shown herein are surface. To convert to grid distance, multiply by the applied scale factor of 0.9998666. Said 142.797 acres is described by metes and bounds as follows.

COMMENCING at a found 3/4-inch iron rod having Grid coordinates **X=3,074,481.91**; **Y=616,165.94**, from which said concrete monument with brass disk for plant baseline monument N120.00 W1,199.93 bears South 67° 31' 33" West, a distance of 4,192.18 feet and a second concrete monument with brass disk found for plant baseline monument S3,274.97 W1,199.93 bears South 24° 16' 53" West, a distance of 4,863.96 feet also being at the intersection of the northerly right-of-way line of Y.U. Jones Road (80-foot wide) with the westerly right-of-way line of Lockwood Road (80-foot wide);

THENCE, North 78°56'21" West, a distance of 16,544.08 feet to the **POINT OF BEGINNING** of the herein described tract and having Grid coordinates of **X=3,058,247.33**; **Y=619,339.55**

THENCE, North 10°51'20" West, a distance of 810.88 feet to a point for corner;

EXHIBIT "C"

142.797 ACRES
PAGE 2 OF 4

THENCE, North 35°40'00" East, a distance of 4077.75 feet to a point for corner;

THENCE, North 69°02'50" East, a distance of 1307.66 feet to a point in the easterly line of said 216.63 acre tract;

THENCE along the easterly line of said 216.63 acres the following courses and distances:

THENCE, South 30°55'07" East, a distance of 39.23 feet to a point for corner;

THENCE, South 09°10'43" West, a distance of 167.57 feet to a point for corner;

THENCE, South 27°27'08" West, a distance of 339.96 feet to a point for corner;

THENCE, South 02°21'29" East, a distance of 130.76 feet to a point for corner;

THENCE, South 21°18'06" West, a distance of 873.58 feet to a point for corner;

THENCE, South 12°37'00" West, a distance of 261.99 feet to a point for corner;

THENCE, South 17°29'59" West, a distance of 256.67 feet to a point for corner;

THENCE, South 46°40'01" West, a distance of 198.49 feet to a point for corner;

THENCE, North 30°53'55" West, a distance of 396.49 feet to a point for corner;

THENCE, North 71°18'30" West, a distance of 382.73 feet to a point for corner;

THENCE, South 57°36'01" West, a distance of 516.92 feet to a point for corner;

THENCE, South 73°53'15" East, a distance of 322.03 feet to a point for corner;

THENCE, South 28°16'57" East, a distance of 313.44 feet to a point for corner;

THENCE, South 16°00'44" West, a distance of 315.98 feet to a point for corner;

THENCE, South 39°23'00" East, a distance of 155.60 feet to a point for corner;

THENCE, South 26°44'41" East, a distance of 228.03 feet to a point for corner;

EXHIBIT "C"

142.797 ACRES

PAGE 3 OF 4

THENCE, South 01°05'44" East, a distance of 265.70 feet to a point for corner;
THENCE, South 02°02'39" West, a distance of 301.38 feet to a point for corner;
THENCE, South 01°45'34" East, a distance of 301.33 feet to a point for corner;
THENCE, North 87°47'26" West, a distance of 307.47 feet to a point for corner;
THENCE, South 41°10'32" West, a distance of 250.51 feet to a point for corner;
THENCE, South 17°28'34" West, a distance of 186.58 feet to a point for corner;
THENCE, North 88°04'59" West, a distance of 288.60 feet to a point for corner;
THENCE, South 52°22'07" West, a distance of 150.19 feet to a point for corner;
THENCE, South 38°04'17" East, a distance of 237.43 feet to a point for corner;
THENCE, South 14°59'33" West, a distance of 104.53 feet to a point for corner;
THENCE, South 59°09'56" West, a distance of 180.95 feet to a point for corner;
THENCE, North 75°02'56" West, a distance of 171.95 feet to a point for corner;
THENCE, South 72°01'29" West, a distance of 320.80 feet to a point for corner;
THENCE, North 28°38'07" West, a distance of 341.18 feet to a point for corner;
THENCE, North 14°04'19" West, a distance of 621.20 feet to a point for corner;
THENCE, South 67°38'15" West, a distance of 163.11 feet to a point for corner;
THENCE, South 11°30'16" West, a distance of 742.59 feet to a point for corner;

EXHIBIT "C"

142.797 ACRES
PAGE 4 OF 4

THENCE, South 73°57'43" West, a distance of 217.18 feet to the **POINT OF BEGINNING** and containing a computed area of 142.797 acres of land.



INDUSTRIAL DISTRICT AGREEMENT BETWEEN
TEXAS GENCO II, LP
AND
THE TOWN OF THOMPSONS, TEXAS

This Industrial District Agreement ("Agreement") is made and entered into by and between the TOWN OF THOMPSONS, TEXAS, a municipal corporation in Fort Bend County, Texas ("Thompsons" or the "Town"), and TEXAS GENCO II, LP, a Texas limited partnership ("Texas Genco" or the "Company").

WITNESSETH:

WHEREAS, Thompsons has determined that it is in the best interest of the Town and its citizens to adopt such reasonable measures from time to time as are permitted by law and which will tend to enhance the economic stability, well-being and advancement of its residents, present and future, and growth of the Town and its environs in a reasonable and controlled manner by attracting the location of new residents and industries and the expansion of existing and future industries therein; and

WHEREAS, the Texas Legislature has adopted Texas Local Government Code, Section 42.044, as amended from time to time, which provides for the creation of industrial districts within the extraterritorial jurisdiction of cities, towns and villages in the State of Texas; and

WHEREAS, pursuant to the above-referenced statutory provision and in the interest of enhancing the economic stability and growth of the Town and its environs Thompsons designated a part of its extraterritorial jurisdiction as an industrial district known as Thompsons Industrial District No. 1; and

WHEREAS, the Town entered into a series of industrial district agreements (including renewals and extensions thereof) with Houston Lighting and Power Company, and its successors and assigns, as owner of the land within Thompsons Industrial District No. 1, the most recent extension and renewal of which is scheduled to expire December 31, 2005; and

WHEREAS, pursuant to their terms, the aforesaid industrial district agreements inure to the benefit of the successors in title to Houston Lighting and Power Company as owners of land within Thompsons Industrial District No. 1; and

WHEREAS, the Company and others are successors in title to the land within Thompsons Industrial District No. 1; and

WHEREAS, the Town has offered to every owner of land within Thompsons Industrial District No. 1 the opportunity to renew or extend the current industrial district agreement with respect to its land and, in order to facilitate such renewal and extension, has divided the land within Thompsons Industrial District No. 1 into Thompsons Industrial District Nos. 1A, 1B and 1C with the boundaries of such new districts reflecting the present ownership of land of the different successors in title to Houston Lighting and Power Company; and

WHEREAS, the Town desires to enter into this new industrial district agreement with the Company pursuant to Ordinance No. 123, dated the 17th day of November, 2005 (the "Ordinance"), renewing and extending the present industrial district agreement on the terms and conditions provided for herein with respect to the land owned by the Company;

NOW THEREFORE, in consideration of the premises and the mutual agreements of the parties contained herein and pursuant to the authority granted under Section 42.044 of the Texas Local Government Code and the Ordinance of the Town referred to above, the Company and the Town hereby agree as follows:

Section 1. Thompsons hereby covenants, agrees and guarantees that all the land, property and improvements thereon owned, used, occupied, leased, rented or possessed by the Company within the area designated as Thompsons Industrial District No. 1A shall continue and retain (as to all of the above) its extraterritorial status as an industrial district and it (all of the above) shall not be annexed by the Town nor shall the Town attempt to annex, or in any way cause or permit to be annexed any of such property during the term of this Agreement.

The Town further covenants, agrees and guarantees that during the term of this Agreement the Town shall not apply or purport to apply any charter provision, ordinance, by-law, rule or regulation to such property, including, without limitation, any charter provision, ordinance, bylaw, rule or regulation, (a) governing plats and the subdivision of land; (b) prescribing any zoning, building, electrical, plumbing or inspection code or codes; (c) governing drilling for, producing, gathering, storing, or transporting liquid, solid or gaseous hydrocarbon materials; or (d) attempting to exercise in any manner whatsoever control over the conduct of the Company's or its assigns' business thereon. The Town further agrees that during the term of this Agreement, the Town shall not levy or purport to levy any taxes or assessments, against any real, personal or mixed property owned, used, occupied, leased, rented, or possessed by Texas Genco or any of its affiliates within Thompsons Industrial District No. 1A.

Section 2. Except as otherwise agreed by the parties in writing, during the term of this Agreement the Town shall not be required to furnish municipal services to the Company's properties within the area designated as Thompsons Industrial District No. 1A which are ordinarily and customarily supplied by the Town to property owners within its boundaries, including, without limitation, sewer or water service, police protection, road or street repairs, or garbage pickup service; provided, however, the Town shall continue to furnish such fire fighting

services to the area as are ordinarily and customarily supplied by the Town to property owners within its county designated fire district boundaries.

Section 3. (a) In consideration of the Town's actions in dividing Thompsons Industrial District No. 1 into Thompsons Industrial District No. 1A, Thompsons Industrial District No. 1B and Thompsons Industrial District No. 1C and its agreement to offer the same opportunities to each of the owners of property within Thompsons Industrial District No. 1 as required by law, the Company hereby covenants and agrees to pay to Thompsons an obligatory annual industrial district payment as set forth in the schedule attached hereto as Appendix "B."

(b) Should the Town levy or purport to levy any tax or assessment against any real, personal or mixed property owned, used, occupied, leased, rented or possessed by the Company or any of its affiliates within the area described in Appendix A attached hereto and incorporated herein for all purposes, any annual industrial district payment due hereunder shall be reduced by an amount equal to such tax or assessment.

Section 4. This Agreement is effective as of January 1, 2006 and shall continue in effect thereafter until December 31, 2020, unless extended by agreement in writing for an additional period or periods of time upon mutual consent of the Town and the Company as allowed by Section 42.044 of the Texas Local Government Code as it may be then amended. In this connection, the Town and the Company acknowledge and hereby express their belief that industrial district agreements of the kind made herein are conducive to the development of existing and future industry and are in the best interest of all citizens of the Town and the Company and encourage future Boards of Aldermen, upon request of the Company or its assigns, to enter into future industrial district agreements and to extend for additional periods as permitted by law this Agreement under such terms and provisions as may be then agreed upon by the

parties; provided, however, that nothing herein contained shall be deemed to obligate either party hereto to agree to an extension of this Agreement.

Section 5. All payments to the Town provided for herein shall be made to the Town at the City Hall in Thompsons, Fort Bend County, Texas, by regular mail, postage prepaid, on or before the due date.

Section 6. Notwithstanding any provision of this Agreement to the contrary, if during the term of the Agreement, (a) any other municipality should institute proceedings under applicable local, state or federal statutes, rule or regulations to annex any land or property owned, used, occupied, leased, rented or possessed by the Company or any of its affiliates within the area designated as Thompsons Industrial District No. 1A, or (b) the creation of any new municipality should be attempted under applicable local, state or federal statutes, rules or regulations so as to include within its limits such land or property, or (c) any other municipality should institute proceedings under applicable local, state or federal statutes, rules or regulations to include within its extraterritorial jurisdiction such land or property, or (d) any person, corporation or other entity should institute legal or administrative proceedings, including, without limitation, proceedings under applicable local, state or federal statutes, rules or regulations to set aside or otherwise abrogate this Agreement, or (e) the creation of any political subdivision, including but not limited to a municipal utility district, levee improvement district or other conservation and reclamation district one purpose of which is to provide services of a governmental or proprietary nature, should be attempted under applicable local, state or federal statutes, rules or regulations so as to include within its limits such land or property, the Town shall, in the case of the proposed creation of any political subdivision, not consent to the creation of such political subdivision, and in all cases described above, with the cooperation of the

Company and attorneys employed or retained by the Company, seek injunctive relief against any such annexation, incorporation, extension, challenge or creation of political subdivision, and shall take such other legal steps as may be necessary or advisable under the circumstances; provided, however, that nothing herein shall obligate the Company to seek injunctive relief or take any other legal steps if such annexation, incorporation, extension, challenge or creation of political subdivision is in the best interest of the Company. Until judgment setting aside such annexation, incorporation, extension, challenge or creation of political subdivision becomes final beyond further appeal, the Company may, at its option, suspend its annual industrial district payment obligations hereunder; provided, however, should the Company elect to suspend payments such payments shall thereafter bear interest at the prime rate announced from time to time by JPMorgan Chase Bank, National Association, as it changes, until paid; provided, further, the interest on such suspended payments shall be payable to the Town quarterly. At such time as judgment setting aside such annexation, incorporation, extension, challenge or creation of political subdivision becomes final beyond further appeal, the Company shall (a) resume making its annual industrial district payments as provided herein and (b) pay to the Town any payments suspended pursuant to this Section. Should the Town refuse or fail to comply with its obligations under this Section, the Company shall have the right to seek such legal or equitable relief as it deems necessary or advisable in its own name or in the name of the Town and, if necessary, the Company may join the Town as a party to such legal action.

If the Town and the Company are unsuccessful in preventing any such annexation, incorporation, extension, challenge or creation of political subdivision, the Company shall have the right to (a) terminate this Agreement in whole or in part, or (b) continue this Agreement in full force and effect; provided, however, that the Company's right to terminate this Agreement

must be exercised within six (6) months after judgment upholding such annexation, incorporation, extension, challenge or creation of political subdivision becomes final beyond further appeal; provided, further, in the event of such termination the Town shall have no obligation to refund any industrial district payment previously paid and this Agreement shall become void and cease and all parties hereto shall be fully released and acquitted.

Section 7. The benefits accruing to the Company under this Agreement shall also extend to the Company's "affiliates" and to any properties, real, personal or mixed, owned, used, occupied, leased, rented or possessed by said affiliates within the area designated at Thompsons Industrial District No. 1A, and where reference is made herein to land, property and improvements owned, used, occupied, leased, rented or possessed by the Company it shall also include land, property and improvements owned, used, occupied, leased, rented or possessed by its affiliates. The word "affiliates" as used herein shall mean (a) any entity five percent (5%) or more of which is owned or controlled, directly or indirectly, by any person or entity that owns or controls, directly or indirectly, five percent (5%) or more of the Company and (b) any entity five percent (5%) or more of which is owned or controlled, directly or indirectly, by the Company. Any reference in this Agreement to any "land" or "improvements" or "property" of the Company shall mean all land and all other real, personal, or mixed property located thereon now owned, used, occupied, leased, rented or possessed by the Company or any affiliate of the Company within Thompsons Industrial District No. 1A, and all land and other real, personal or mixed property located thereon hereafter owned, used, occupied, leased, rented or possessed by the Company or any affiliate of the Company within Thompsons Industrial District No. 1A.

Section 8. This Agreement shall inure to the benefit of and be binding upon the Company and the Town, and each of them, and upon their respective successors and assigns, and

shall remain in force whether the Company sells, assigns or in any other manner disposes of, either voluntarily or by operation of law, all or any part of the property belonging to it within the territory hereinabove described, provided no disposal by the Company, however accomplished, shall relieve the Company of any prior breach of the terms and conditions hereof and any subsequent owner deriving any right, title or interest therein shall be required to fully assume all of the Company's obligations hereunder, and the agreements herein contained shall be held to be covenants running with the land owned by the Company situated within said territory, for so long as this Agreement or any extension thereof remains in force.

Section 9. If during the term of this Agreement the terms and conditions of this Agreement are rendered ineffective or their effect changed by statutory or regulatory changes (including, without limitation, legislative, administrative or judicial changes, interpretations or reinterpretations, whether involving Texas Genco's participation or not) both parties mutually agree that said Agreement shall be renegotiated to accomplish the intent of this Agreement.

Section 10. In the event the Town enters into an industrial district agreement or renews any industrial district agreement after the effective date hereof and while this Agreement is in effect, which contains terms and conditions materially more favorable than those contained in the Agreement, the Company and its assigns shall have the right to amend this Agreement and the Town agrees to amend same to embrace the more favorable terms of such agreement or renewal agreement.

[EXECUTION PAGES FOLLOW]

EXECUTED IN DUPLICATE ORIGINALS as of the 20th day of December, 2005.

TEXAS GENCO II, LP, a Texas partnership

By: New Genco GP, LLC, its General Partner

ATTEST:

Edna Dail
Assistant Secretary

By: William S. Waller, Jr.
Name: William S. Waller, Jr.
Title: VP + Treasurer

ATTEST:

TOWN OF THOMPSONS, TEXAS

Mary Ann Manna
Town Secretary
Mary Ann Manna

By: Freddie Newsome
Mayor Freddie Newsome

Appendix "A" to Industrial District Agreement

Metes and Bounds of Industrial District No. 1A, Texas Genco II, LP Property

APPENDIX "A"

4,250.403 ACRES
PAGE 1 OF 4

4,250.403 acres out of the H. A. Allsberry League, Abstract 102, Edward Jeffrey League, Abstract 38, A. P. George Survey, Abstract 758, Samuel Young Survey, Abstract 348, Lancelot Smithers League, Abstract 87, John Jones League, Abstract 41, Abraham D. Kelker League, Abstract 273 and the Henry Jones League, Abstract 39, Fort Bend County, Texas, and being part of the lands described the deed to Texas Genco Holdings, Inc recorded under File Number 2002094433 of the Fort Bend County Deed Records: Said 4,250.403 acre tract is subject to the rights within the hereinafter-described parcels: PS09-C02 and PS09-C03:

All coordinates and bearings stated herein are referred to the Texas Coordinate System of 1927, South Central Zone, as defined in the Texas Natural Resources Code, section 21.071 et seq. and are based on the position of plant baseline monuments, being concrete monuments with a brass disc: (Plant Coordinates of N=120.00 W=1,199.93) having Grid Coordinates of Y=614,563.61 and X=3,070,608.64; (Plant Coordinates of S=3,274.97 W=1,199.93 and Grid Coordinates of Y=611,732.85 and X=3,072,482.02. Plant Bearing between said monuments is South 00°00'00" East and Grid bearing is South 33°29'47" East per Reliant Energy. All distances shown herein are surface. To convert to grid distance, multiply by the applied scale factor of 0.9998666. Said 4,250.403 acres is described by metes and bounds as follows.

APPENDIX "A"

4,250.403 ACRES
PAGE 2 OF 4

COMMENCING at a found 3/4-inch iron rod having Grid coordinates **X=3,074,481.91; Y=616,165.94**, from which said concrete monument with brass disk for plant baseline monument N120.00 W1,199.93 bears South 67° 31' 33" West, a distance of 4,192.18 feet and a second concrete monument with brass disk found for plant baseline monument S3,274.97 W1,199.93 bears South 24° 16' 53" West, a distance of 4,863.96 feet also being at the intersection of the northerly right-of-way line of Y.U. Jones Road (80-foot wide) with the westerly right-of-way line of Lockwood Road (80-foot wide);

THENCE, North 48°18'57" West, a distance of 717.45 feet to the **POINT OF BEGINNING** of the herein described tract 1A and having Grid coordinates of **X=3,073,946.17; Y=616,643.00**

THENCE, South 04°08'10" East, a distance of 3175.18 feet to a point for corner;

THENCE, South 46°46'10" West, a distance of 2114.58 feet to a point for corner;

THENCE, South 43°00'40" West, a distance of 297.44 feet to a point for corner;

THENCE, South 46°46'06" West, a distance of 1830.92 feet to a point for corner;

THENCE, South 87°20'21" West, a distance of 429.20 feet to a point for corner from which a southerly corner of a called 53.429 acre tract as recorded under File Number 2002094433 of the Fort Bend County Deed Records bears South 24°12'15" East, a distance of 537.55 feet;

THENCE, South 44°15'10" West, a distance of 763.11 feet to a point for corner;

THENCE, South 46°45'36" West, a distance of 283.52 feet crossing into the A. P. George Survey, Abstract 758 to a point for corner;

THENCE, South 88°30'54" West, a distance of 710.79 feet crossing into the H. A. Allsberry League, Abstract 102 to a point for corner;

THENCE, North 33°30'26" West, a distance of 1896.28 feet to a point for corner from which a southerly corner of a called 53.429 acre tract as recorded under File Number 2002094433 of the Fort Bend County Deed Records bears South 26°58'27" West, a distance of 574.58 feet;

APPENDIX "A"

4,250.403 ACRES
PAGE 3 OF 4

THENCE, South 87°27'20" West, a distance of 2810.82 feet to a point for corner from which a southerly corner of a called 53.429 acre tract as recorded under File Number 2002094433 of the Fort Bend County Deed Records bears South 16°48'47" West, a distance of 529.96 feet;

THENCE, North 53°49'45" West, a distance of 999.65 feet crossing into the Edward Jeffrey League, Abstract 38 then into the Lancelot Smithers League, Abstract 87 to a point for corner;

THENCE, North 16°05'14" East, a distance of 175.68 feet to a point for corner;

THENCE, North 53°49'45" West, a distance of 1687.65 feet to a point for corner;

THENCE, North 53°49'32" West, a distance of 2501.50 feet crossing into the Abraham D. Kelker League, Abstract 273 to a point for corner;

THENCE, North 36°10'30" East, a distance of 159.59 feet to a point for corner;

THENCE, North 53°49'30" West, a distance of 3116.90 feet to a point for corner from which a southerly corner of a called 4688.911 acre tract as recorded under File Number 2002094433 of the Fort Bend County Deed Records bears South 57°39'35" West, a distance of 537.34 feet;

THENCE, North 10°51'20" West, a distance of 3770.49 feet crossing into the John Jones League, Abstract 41 to a point for corner;

THENCE, North 35°40'00" East, a distance of 4077.75 feet to a point for corner;

THENCE, North 69°02'50" East, a distance of 1390.33 feet to the beginning of a non-tangent curve to the right;

THENCE, northeasterly, along said non-tangent curve to the right, having a radius of 100.00 feet, through a delta angle of 34°39'16", the chord bears North 86°21'45" East a distance of 59.57 feet, for a total arc length of 60.48 feet to a point for corner;

THENCE, South 76°19'20" East, a distance of 258.76 feet to the beginning of a curve to the left;

THENCE, southeasterly, along said curve to the left, having a radius of 950.00 feet, through a delta angle of 12°25'42", the chord bears South 82°32'11" East a distance of

APPENDIX "A"

**4,250.403 ACRES
PAGE 4 OF 4**

205.67 feet, for a total arc length of 206.07 feet to a point for corner from which a northerly corner of a called 4688.911 acre tract as recorded under File Number 2002094433 of the Fort Bend County Deed Records bears North 09°54'25" East, a distance of 512.50 feet;

THENCE, South 67°24'43" East, a distance of 4210.83 feet crossing into the Lancelot Smithers League, Abstract 87 to a point for corner;

THENCE, South 67°55'10" East, a distance of 2533.96 feet to a point for corner;

THENCE, South 67°09'40" East, a distance of 1996.75 feet crossing into the Edward Jeffry League, Abstract 38 to a point for corner;

THENCE, South 67°09'40" East, a distance of 1392.05 feet to a point for corner from which a northerly corner of a called 4688.911 acre tract as recorded under File Number 2002094433 of the Fort Bend County Deed Records bears North 27°49'50" West, a distance of 788.90 feet;

THENCE, North 11°29'59" East, a distance of 7528.09 feet crossing into the Henry Jones League, Abstract 39 to a point for corner from which a northerly corner of a called 4688.911 acre tract as recorded under File Number 2002094433 of the Fort Bend County Deed Records bears North 26°01'17" West, a distance of 820.94 feet;

THENCE, South 63°32'34" East, a distance of 3859.93 feet to a point for corner;

THENCE, South 02°28'59" East, a distance of 8867.15 feet crossing into the Edward Jeffry League, Abstract 38 to a point for corner;

THENCE, South 87°30'15" West, a distance of 3039.75 feet to the POINT OF BEGINNING and containing a computed area of 4,250.403 acres of land.

SAVE AND ACCEPT THE ATTACHED EXHIBITS:

**EXHIBIT 1B 5.093 ACRES
EXHIBIT 1C 11.842 ACRES
EXHIBIT 1D 11.702 ACRES
EXHIBIT 1E 142.797 ACRES**

FOR A TOTAL NET ACERAGE OF 4078.969 ACRES



Appendix "B" to Industrial District Agreement

Industrial District Payment Schedule

**Pay on or before
December 31**

2006	\$ 551,640
2007	\$ 568,880
2008	\$ 586,120
2009	\$ 603,360
2010	\$ 620,600
2011	\$ 637,840
2012	\$ 655,080
2013	\$ 672,320
2014	\$ 689,560
2015	\$ 706,800
2016	\$ 724,040
2017	\$ 741,280
2018	\$ 758,520
2019	\$ 775,760
2020	\$ <u>793,000</u>
Total:	\$10,084,800

**INDUSTRIAL DISTRICT AGREEMENT BETWEEN
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC**

AND

THE TOWN OF THOMPSONS, TEXAS

This Industrial District Agreement (“Agreement”) is made and entered into by and between the TOWN OF THOMPSONS, TEXAS, a municipal corporation in Fort Bend County, Texas (“Thompsons” or the “Town”), and CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC, a Texas limited liability corporation (“Centerpoint” or the “Company”).

WITNESSETH:

WHEREAS, Thompsons has determined that it is in the best interest of the Town and its citizens to adopt such reasonable measures from time to time as are permitted by law and which will tend to enhance the economic stability, well-being and advancement of its residents, present and future, and growth of the Town and its environs in a reasonable and controlled manner by attracting the location of new residents and industries and the expansion of existing and future industries therein; and

WHEREAS, the Texas Legislature has adopted Texas Local Government Code, Section 42.044, as amended from time to time, which provides for the creation of industrial districts within the extraterritorial jurisdiction of cities, towns and villages in the State of Texas; and

WHEREAS, pursuant to the above-referenced statutory provision and in the interest of enhancing the economic stability and growth of the Town and its environs Thompsons designated a part of its extraterritorial jurisdiction as an industrial district known as Thompsons Industrial District No. 1; and

WHEREAS, the Town entered into a series of industrial district agreements (including renewals and extensions thereof) with Houston Lighting and Power Company, and its successors and assigns, as owner of the land within Thompsons Industrial District No. 1, the most recent extension and renewal of which is scheduled to expire December 31, 2005; and

WHEREAS, pursuant to their terms, the aforesaid industrial district agreements inure to the benefit of the successors in title to Houston Lighting and Power Company as owners of land within Thompsons Industrial District No. 1; and

WHEREAS, the Company and others are successors in title to the land within Thompsons Industrial District No. 1; and

WHEREAS, the Town has offered to every owner of land within Thompsons Industrial District No. 1 the opportunity to renew or extend the current industrial district agreement with respect to its land and, in order to facilitate such renewal and extension, has divided the land within Thompsons Industrial District No. 1 into Thompsons Industrial District Nos. 1A, 1B and 1C with the boundaries of such new districts reflecting the present ownership of land of the different successors in title to Houston Lighting and Power Company; and

WHEREAS, the Town desires to enter into this new industrial district agreement with the Company pursuant to Ordinance No. 123, dated the 17th day of November, 2005 (the "Ordinance"), authorizing this industrial district agreement on the terms and conditions provided for herein with respect to the land owned by the Company;

NOW THEREFORE, in consideration of the premises and the mutual agreements of the parties contained herein and pursuant to the authority granted under Section 42.044 of the Texas Local Government Code and the Ordinance of the Town referred to above, the Company and the Town hereby agree as follows:

Section 1. Thompsons hereby covenants, agrees and guarantees that all the land, property and improvements thereon owned, used, occupied, leased, rented or possessed by the Company within the area designated as Thompsons Industrial District No. 1B shall continue and retain (as to all of the above) its extraterritorial status as an industrial district and it (all of the above) shall not be annexed by the Town nor shall the Town attempt to annex, or in any way cause or permit to be annexed any of such property during the term of this Agreement.

The Town further covenants, agrees and guarantees that during the term of this Agreement the Town shall not apply or purport to apply any charter provision, ordinance, by-law, rule or regulation to such property, including, without limitation, any charter provision, ordinance, bylaw, rule or regulation, (a) governing plats and the subdivision of land; (b) prescribing any zoning, building, electrical, plumbing or inspection code or codes; (c) governing drilling for, producing, gathering, storing, or transporting liquid, solid or gaseous hydrocarbon materials; or (d) attempting to exercise in any manner whatsoever control over the conduct of the Company's or its assigns' business thereon. The Town further agrees that during the term of this Agreement, the Town shall not levy or purport to levy any taxes or assessments, against any real, personal or mixed property owned, used, occupied, leased, rented, or possessed by Centerpoint or any of its affiliates within Thompsons Industrial District No. 1B.

Section 2. Except as otherwise agreed by the parties in writing, during the term of this Agreement the Town shall not be required to furnish municipal services to the Company's properties within the area designated as Thompsons Industrial District No. 1B which are ordinarily and customarily supplied by the Town to property owners within its boundaries, including, without limitation, sewer or water service, police protection, road or street repairs, or garbage pickup service; provided, however, the Town shall continue to furnish such fire fighting

services to the area as are ordinarily and customarily supplied by the Town to property owners within its county designated fire district boundaries.

Section 3. (a) In consideration of the Town's actions in dividing Thompsons Industrial District No. 1 into Thompsons Industrial District No. 1A, Thompsons Industrial District No. 1B and Thompsons Industrial District No. 1C and its agreement to offer the same opportunities to each of the owners of property within Thompsons Industrial District No. 1 as required by law, the Company hereby covenants and agrees to pay to Thompsons an obligatory annual industrial district payment as set forth in the schedule attached hereto as Appendix "B."

(b) Should the Town levy or purport to levy any tax or assessment against any real, personal or mixed property owned, used, occupied, leased, rented or possessed by the Company or any of its affiliates within the area described in Appendix A attached hereto and incorporated herein for all purposes, any annual industrial district payment due hereunder shall be reduced by an amount equal to such tax or assessment.

Section 4. This Agreement is effective as of January 1, 2006 and shall continue in effect thereafter until December 31, 2020, unless extended by agreement in writing for an additional period or periods of time upon mutual consent of the Town and the Company as allowed by Section 42.044 of the Texas Local Government Code as it may be then amended. In this connection, the Town and the Company acknowledge and hereby express their belief that industrial district agreements of the kind made herein are conducive to the development of existing and future industry and are in the best interest of all citizens of the Town and the Company and encourage future Boards of Aldermen, upon request of the Company or its assigns, to enter into future industrial district agreements and to extend for additional periods as permitted by law this Agreement under such terms and provisions as may be then agreed upon by the

parties; provided, however, that nothing herein contained shall be deemed to obligate either party hereto to agree to an extension of this Agreement.

Section 5. All payments to the Town provided for herein shall be made to the Town at the City Hall in Thompsons, Fort Bend County, Texas, by regular mail, postage prepaid, on or before the due date.

Section 6. Notwithstanding any provision of this Agreement to the contrary, if during the term of the Agreement, (a) any other municipality should institute proceedings under applicable local, state or federal statutes, rule or regulations to annex any land or property owned, used, occupied, leased, rented or possessed by the Company or any of its affiliates within the area designated as Thompsons Industrial District No. 1B, or (b) the creation of any new municipality should be attempted under applicable local, state or federal statutes, rules or regulations so as to include within its limits such land or property, or (c) any other municipality should institute proceedings under applicable local, state or federal statutes, rules or regulations to include within its extraterritorial jurisdiction such land or property, or (d) any person, corporation or other entity should institute legal or administrative proceedings, including, without limitation, proceedings under applicable local, state or federal statutes, rules or regulations to set aside or otherwise abrogate this Agreement, or (e) the creation of any political subdivision, including but not limited to a municipal utility district, levee improvement district or other conservation and reclamation district one purpose of which is to provide services of a governmental or proprietary nature, should be attempted under applicable local, state or federal statutes, rules or regulations so as to include within its limits such land or property, the Town shall, in the case of the proposed creation of any political subdivision, not consent to the creation of such political subdivision, and in all cases described above, with the cooperation of the

Company and attorneys employed or retained by the Company, seek injunctive relief against any such annexation, incorporation, extension, challenge or creation of political subdivision, and shall take such other legal steps as may be necessary or advisable under the circumstances; provided, however, that nothing herein shall obligate the Company to seek injunctive relief or take any other legal steps if such annexation, incorporation, extension, challenge or creation of political subdivision is in the best interest of the Company. Until judgment setting aside such annexation, incorporation, extension, challenge or creation of political subdivision becomes final beyond further appeal, the Company may, at its option, suspend its annual industrial district payment obligations hereunder; provided, however, should the Company elect to suspend payments such payments shall thereafter bear interest at the prime rate announced from time to time by JPMorgan Chase Bank, National Association, as it changes, until paid; provided, further, the interest on such suspended payments shall be payable to the Town quarterly. At such time as judgment setting aside such annexation, incorporation, extension, challenge or creation of political subdivision becomes final beyond further appeal, the Company shall (a) resume making its annual industrial district payments as provided herein and (b) pay to the Town any payments suspended pursuant to this Section. Should the Town refuse or fail to comply with its obligations under this Section, the Company shall have the right to seek such legal or equitable relief as it deems necessary or advisable in its own name or in the name of the Town and, if necessary, the Company may join the Town as a party to such legal action.

If the Town and the Company are unsuccessful in preventing any such annexation, incorporation, extension, challenge or creation of political subdivision, the Company shall have the right to (a) terminate this Agreement in whole or in part, or (b) continue this Agreement in full force and effect; provided, however, that the Company's right to terminate this Agreement

must be exercised within six (6) months after judgment upholding such annexation, incorporation, extension, challenge or creation of political subdivision becomes final beyond further appeal; provided, further, in the event of such termination the Town shall have no obligation to refund any industrial district payment previously paid and this Agreement shall become void and cease and all parties hereto shall be fully released and acquitted.

Section 7. The benefits accruing to the Company under this Agreement shall also extend to the Company's "affiliates" and to any properties, real, personal or mixed, owned, used, occupied, leased, rented or possessed by said affiliates within the area designated at Thompsons Industrial District No. 1B, and where reference is made herein to land, property and improvements owned, used, occupied, leased, rented or possessed by the Company it shall also include land, property and improvements owned, used, occupied, leased, rented or possessed by its affiliates. The word "affiliates" as used herein shall mean (a) any entity five percent (5%) or more of which is owned or controlled, directly or indirectly, by any person or entity that owns or controls, directly or indirectly, five percent (5%) or more of the Company and (b) any entity five percent (5%) or more of which is owned or controlled, directly or indirectly, by the Company. Any reference in this Agreement to any "land" or "improvements" or "property" of the Company shall mean all land and all other real, personal, or mixed property located thereon now owned, used, occupied, leased, rented or possessed by the Company or any affiliate of the Company within Thompsons Industrial District No. 1B, and all land and other real, personal or mixed property located thereon hereafter owned, used, occupied, leased, rented or possessed by the Company or any affiliate of the Company within Thompsons Industrial District No. 1B.

Section 8. This Agreement shall inure to the benefit of and be binding upon the Company and the Town, and each of them, and upon their respective successors and assigns, and

shall remain in force whether the Company sells, assigns or in any other manner disposes of, either voluntarily or by operation of law, all or any part of the property belonging to it within the territory hereinabove described, provided no disposal by the Company, however accomplished, shall relieve the Company of any prior breach of the terms and conditions hereof and any subsequent owner deriving any right, title or interest therein shall be required to fully assume all of the Company's obligations hereunder, and the agreements herein contained shall be held to be covenants running with the land owned by the Company situated within said territory, for so long as this Agreement or any extension thereof remains in force.

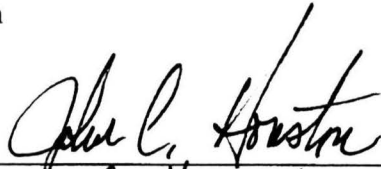
Section 9. If during the term of this Agreement the terms and conditions of this Agreement are rendered ineffective or their effect changed by statutory or regulatory changes (including, without limitation, legislative, administrative or judicial changes, interpretations or reinterpretations, whether involving Centerpoint's participation or not) both parties mutually agree that said Agreement shall be renegotiated to accomplish the intent of this Agreement.


Section 10. In the event the Town enters into an industrial district agreement or renews any industrial district agreement after the effective date hereof and while this Agreement is in effect, which contains terms and conditions materially more favorable than those contained in the Agreement, the Company and its assigns shall have the right to amend this Agreement and the Town agrees to amend same to embrace the more favorable terms of such agreement or renewal agreement.

[EXECUTION PAGES FOLLOW]

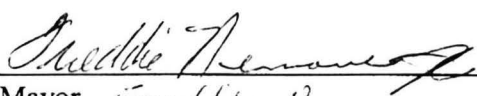
EXECUTED IN DUPLICATE ORIGINALS as of the 20th day of December, 2005.

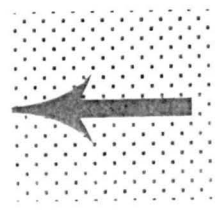
CENTERPOINT ENERGY HOUSTON
ELECTRIC, LLC, a Texas limited liability
corporation


By: 
Name: JOHN C. HOUSTON
Title: DIVISION VICE PRESIDENT

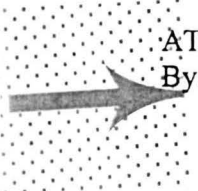
ATTEST: 
By: _____
Name: Richard B. Dauphin
Title: Assistant Secretary

TOWN OF THOMPSONS, TEXAS

By: 
Mayor Freddie Deasome Jr.



ATTEST: _____
By: 
Town Secretary
Mary Ann Manna



Appendix "A" to Industrial District Agreement

Metes and Bounds of Industrial District No. 1B, Centerpoint Property

APPENDIX "A"

5.093 ACRES
PAGE 1 OF 2

5.093 acres out of the Henry Jones League, Abstract 39 and the Edward Jeffrey League, Abstract 38, Fort Bend County, Texas, and being out of a called 118.191 acre tract to Centerpoint Energy as recorded under File Number 2002094433 of the Fort Bend County Deed Records:

All coordinates and bearings stated herein are referred to the Texas Coordinate System of 1927, South Central Zone, as defined in the Texas Natural Resources Code, section 21.071 et seq. and are based on the position of plant baseline monuments, being concrete monuments with a brass disc: (Plant Coordinates of N=120.00 W=1,199.93) having Grid Coordinates of Y=614,563.61 and X=3,070,608.64; (Plant Coordinates of S=3,274.97 W=1,199.93 and Grid Coordinates of Y=611,732.85 and X=3,072,482.02. Plant Bearing between said monuments is South 00°00'00" East and Grid bearing is South 33°29'47" East per Reliant Energy. All distances shown herein are surface. To convert to grid distance, multiply by the applied scale factor of 0.9998666. Said 5.093 acres is described by metes and bounds as follows.

COMMENCING at a found 3/4-inch iron rod having Grid coordinates **X=3,074,481.91; Y=616,165.94**, from which said concrete monument with brass disk for plant baseline monument N120.00 W1,199.93 bears South 67° 31' 33" West, a distance of 4,192.18 feet and a second concrete monument with brass disk found for plant baseline monument S3,274.97 W1,199.93 bears South 24° 16' 53" West, a distance of 4,863.96 feet also being at the intersection of the northerly right-of-way line of Y.U. Jones Road (80-foot wide) with the westerly right-of-way line of Lockwood Road (80-foot wide);

THENCE, North 76°10'26" East, a distance of 2,544.95 feet to the **POINT OF BEGINNING** of the herein described tract being in the westerly line of said 118.191 acres and having Grid coordinates of **X=3,076,952.79; Y=616,774.04**

APPENDIX "A"

5.093 ACRES
PAGE 2 OF 2

THENCE, North 02°28'59" West, crossing the Henry Jones League, Abstract 39 and the Edward Jeffry League, Abstract 38, common line and along the westerly line of said 118.191 acre tract, a distance of 8880.97 feet to a point for corner;

THENCE, South 63°32'34" East, departing said westerly line, a distance of 28.57 feet to a point for corner;

THENCE, South 02°28'59" East, crossing the Henry Jones League, Abstract 39 and the Edward Jeffry League, Abstract 38 common line, a distance of 8867.15 feet to a point for corner;

THENCE, South 87°30'15" West, a distance of 25.00 feet to the **POINT OF BEGINNING** and containing a computed area of 5.093 acres of land.



APPENDIX "A"

**11.842 ACRES
PAGE 1 OF 2**

11.842 acres out of the Samuel Young Survey, Abstract 348 and the Edward Jeffry League, Abstract 38, Fort Bend County, Texas, and being out of a called 15.333 acre tract to Centerpoint Energy as recorded under File Number 2002094433 of the Fort Bend County Deed Records:

All coordinates and bearings stated herein are referred to the Texas Coordinate System of 1927, South Central Zone, as defined in the Texas Natural Resources Code, section 21.071 et seq. and are based on the position of plant baseline monuments, being concrete monuments with a brass disc: (Plant Coordinates of N=120.00 W=1,199.93) having Grid Coordinates of **Y=614,563.61** and **X=3,070,608.64**; (Plant Coordinates of S=3,274.97 W=1,199.93 and Grid Coordinates of **Y=611,732.85** and **X=3,072,482.02**. Plant Bearing between said monuments is South 00°00'00" East and Grid bearing is South 33°29'47" East per Reliant Energy. All distances shown herein are surface. To convert to grid distance, multiply by the applied scale factor of 0.9998666. Said 11.842 acres is described by metes and bounds as follows.

COMMENCING at a found 3/4-inch iron rod having Grid coordinates **X=3,074,481.91**; **Y=616,165.94**, from which said concrete monument with brass disk for plant baseline monument N120.00 W1,199.93 bears South 67° 31' 33" West, a distance of 4,192.18 feet and a second concrete monument with brass disk found for plant baseline monument S3,274.97 W1,199.93 bears South 24° 16' 53" West, a distance of 4,863.96 feet also being at the intersection of the northerly right-of-way line of Y.U. Jones Road (80-foot wide) with the westerly right-of-way line of Lockwood Road (80-foot wide);

THENCE, South 16°06'10" West, a distance of 1,445.36 feet to the **POINT OF BEGINNING** of the herein described tract and having Grid coordinates of **X=3,074,081.08**; **Y=614,777.48**

APPENDIX "A"

11.842 ACRES
PAGE 2 OF 2

THENCE, South 04°08'10" East, a distance of 866.12 feet to a point for corner;

THENCE, South 56°04'25" West, a distance of 138.19 feet to a point for corner;

THENCE, North 33°32'07" West, a distance of 1199.41 feet to a point for corner;

THENCE, North 56°09'21" East, a distance of 564.01 feet to a point for corner;

THENCE, South 33°27'09" East, a distance of 446.94 feet to the **POINT OF BEGINNING** and containing a computed area of 11.842 acres of land;



J. Chandler
09/16/05

APPENDIX "A"

**11.702 ACRES
PAGE 1 OF 2**

An 11.702 acre tract out of the Edward Jeffrey League, Abstract 38, Fort Bend County, Texas, and being all of a called 11.702 acre tract to Centerpoint Energy as recorded under File Number 2002094433 of the Fort Bend County Deed Records:. All coordinates and bearings stated herein are referred to the Texas Coordinate System of 1927, South Central Zone, as defined in the Texas Natural Resources Code, section 21.071 et seq. and are based on the position of plant baseline monuments, being concrete monuments with a brass disc: (Plant Coordinates of N=120.00 W=1,199.93) having Grid Coordinates of **Y=614,563.61** and **X=3,070,608.64**; (Plant Coordinates of S=3,274.97 W=1,199.93 and Grid Coordinates of **Y=611,732.85** and **X=3,072,482.02**. Plant Bearing between said monuments is South 00°00'00" East and Grid bearing is South 33°29'47" East per Reliant Energy. All distances shown herein are surface. To convert to grid distance, multiply by the applied scale factor of 0.9998666. Said 11.702 acre tract is described by metes and bounds as follows:

COMMENCING at a found 3/4-inch iron rod having Grid coordinates **X=3,074,481.91**; **Y=616,165.94**, from which said concrete monument with brass disk for plant baseline monument N120.00 W1,199.93 bears South 67° 31' 33" West, a distance of 4,192.18 feet and a second concrete monument with brass disk found for plant baseline monument S3,274.97 W1,199.93 bears South 24° 16' 53" West, a distance of 4,863.96 feet also

APPENDIX "A"

11.702 ACRES
PAGE 2 OF 2

being at the intersection of the northerly right-of-way line of Y.U. Jones Road (80-foot wide) with the westerly right-of-way line of Lockwood Road (80-foot wide);

THENCE South 66° 48' 05" West, a distance of 1,722.75 feet to the **POINT OF BEGINNING** of the herein described tract and having Grid coordinates of **X=3,072,898.67, Y=615,487.41;**

THENCE South 56° 30' 14" West, a distance of 1,436.92 feet to a point for corner;

THENCE North 33° 29' 46" West, a distance of 346.54 feet to a point for corner;

THENCE North 56° 30' 14" East, a distance of 215.47 feet to a point for corner;

THENCE North 33° 29' 46" West, a distance of 49.95 feet to a point for corner;

THENCE North 56° 30' 14" East, a distance of 162.15 feet to a point for corner;

THENCE South 33° 29' 46" East, a distance of 49.95 feet to a point for corner;

THENCE North 56° 30' 14" East, a distance of 271.21 feet to a point for corner;

THENCE North 11° 30' 14" East, a distance of 38.32 feet to a point for corner;

THENCE North 56° 30' 14" East, a distance of 109.49 feet to a point for corner;

THENCE South 78° 29' 46" East, a distance of 38.32 feet to a point for corner;

THENCE North 56° 30' 14" East, a distance of 624.42 feet to a point for corner;

THENCE South 33° 29' 46" East, a distance of 346.54 feet to the **POINT OF BEGINNING** and containing a computed area of 11.702 acres of land.



Appendix "B" to Industrial District Agreement

Industrial District Payment Schedule

**Pay on or before
December 31**

2006	\$ 8,360
2007	\$ 8,620
2008	\$ 8,880
2009	\$ 9,140
2010	\$ 9,400
2011	\$ 9,660
2012	\$ 9,920
2013	\$ 10,180
2014	\$ 10,440
2015	\$ 10,700
2016	\$ 10,960
2017	\$ 11,220
2018	\$ 11,480
2019	\$ 11,740
2020	<u>\$ 12,000</u>
Total:	\$152,700

Incorporated 1979

Telephone: 281-343-9929

FAX: 281-343-7786

TOWN OF THOMPSONS

P. O. BOX 29

THOMPSONS, TEXAS 77481

MAYOR
FREDDIE NEWSOME, JR

ALDERMEN
RITA M. MILLER
MARION GARCIA
GINA S. TREADGOLD
CAROL M. GUBBELS
SHERRIE K. KNOEPFEL

April 24, 2006

Dianne Wilson
Fort Bend County Clerk
301 Jackson Street
Richmond, Texas 77469

Dear Ms. Wilson:

Please find enclosed the Town of Thompsons Fiscal Budget for May 1, 2006 through April 30, 2007, for your files.

If you have any questions, please do not hesitate to contact me at 281-343-9929.

Sincerely,



Freddie Newsome, Jr.
Mayor

FN/mam

Enclosures

ORDINANCE NO. 124

**ADOPTION OF BUDGET
FISCAL YEAR 5-1-06 THROUGH 4-30-07**

WHEREAS, pursuant to the laws of the State of Texas for General Law cities, the budget covering proposed expenditures for the fiscal year beginning May 1, 2006 and ending April 30, 2007 was filed with the City Secretary and was posted in Herald Coaster and bulletin board outside City Hall as required; and

WHEREAS, a public hearing was held by the City Council of Aldermen of the Town of Thompsons, Texas, on said budget on March 20, 2006, at which time said budget was fully considered, and interested taxpayers were heard by City Council;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUCIL OF ALDERMEN OF THE TOWN OF THOMPSONS, TEXAS:

That the budget estimate of the revenues and expenditures for the Town of Thompsons, Texas as presented by the Mayor and appropriated by the City Council for the fiscal year beginning May 1, 2006 and ending April 30, 2007, be and it is hereby adopted as the budget for such fiscal year:

That the attached "Exhibit A" with written comments of expenditures be declared as necessary for operating expenses for the Town of Thompsons;

That the Ordinance be in full force and effect from and after its adoption.

PASSED AND APPROVED BY THE CITY COUNCIL OF ALDERMEN OF THE TOWN OF THOMPSONS, TEXAS, upon first and final reading at a Regular Council Meeting on the 20th day of April, 2006 by a vote of 3 "AYES", -0- "NAYS" and -0- "ABSTENTIONS".


Freddie Newsome, Jr.-Mayor

TOWN OF THOMPSONS


Gina S. Treadgold-Alderman

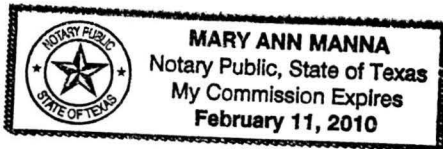

Rita M. Miller- Alderman

Sherrie Knoepfel-Alderman


Carol M. Gubbels-Alderman

Alderman

ATTEST




Mary Ann Manna-City Secretary

I, Mary Ann Manna, City Secretary of the Town of Thompsons, Texas, do hereby certify that the foregoing is a true and correct copy of Ordinance Number 124, finally passed and approved by the Town of Thompsons, following the First and final reading thereof at regular meetings held on the 19th day of January and the 16th day of February.


Mary Ann Manna-City Secretary

	A	B	C	D	E	F	Q	R	S	T	U	V	
1	TOWN OF THOMPSONS, TEXAS						budget fye 4/30/06	for calander year	budget fye 4/30/07				
2	PRELIMINARY BUDGET FYE 4/30/2007						Budget	1/1/05 TO 12/31/05	Budget				
3	Ordinary Income/Expense						for the period	ACTUAL	for the period				
4	Income						5/1/2005 to 4/30/2006	calander 2005	5/1/2006 to 4/30/2007				
	4050 - Grants												
	4100 - Taxes and Assessments												
	4130 - Sales & Use Tax						27,000.00	15,247.48	15,000.00			last calendar year 15,247.48	
8	4140 - Franchise Fees/ Ind Agrmt						673,500.00	553,177.21	694,000.00		B + C	BzVal 134, TexGen 551 Cterpt 8	
9	Total 4100 - Taxes and Assessments						700,500.00	568,424.69	709,000.00		709,000.00		
10	4200 - Interest Income												
11	4201 - CD'S Income						0.00		0.00				
12	4202 - Texpool Interest						2,600.00	6,388.24	6,300.00			same as 2005 actual	
13	4203 - Jones Interest						310,000.00	309,387.83	320,000.00		A	330,356 proj Jones @ 12/2005, less 10K	
14	4200 - Interest Income - Other						100.00	69.78	100.00			same as 2005 actual	
15	Total 4200 - Interest Income						312,700.00	315,845.85	326,400.00		326,400.00		
16	4600 - Other Income												
17	4601 - Summer Park Program						55.00	0.00	0.00				
18	4600 - Other Income - Other						3,500.00	1,129.40	1,129.00		AD	same as 2005 actual	
19	Total 4600 - Other Income						3,555.00	1,129.40	1,129.00		1,129.00		
20	Total Income						1,016,755.00	885,399.94	1,036,529.00		1,036,529.00	TOTAL REVENUE	
21	Expense												
22	5100 - Health and Safety												
23	5200 - Volunteer Fire Department												
24	5201 - Payroll, Fire Secretary						1,575.00	1,730.00	2,601.90		AA		
25	5204 - Other Expenses Fire Departmer						11,000.00	3,016.11	9,530.00		AD		
26	5206 - Maintenance Fire Department						7,680.00	459.69	10,000.00		AD		
27	5207 - Equipment Fire Department						0.00	0.00	0.00				
28	5299 - Equipment, Capital Outlay						0.00	20,000.00	0.00				
29	Total 5200 - Volunteer Fire Department						20,255.00	25,205.80	22,131.90				
30	5300 - Trash Service						11,184.00	9,750.00	12,000.00		\$825	current + 21% fuel cost	
31	Total 5100 - Health and Safety						31,439.00	34,955.80	34,131.90		34,131.90	total health and safety	
32	5400 - Police Department												
33	5401 - Payroll, Police						39,060.00	37,402.82	40,320.00		AA		
34	5405 - Other Expenses, Police D						30,000.00	7,032.82	33,000.00		AE		
35	Total 5400 - Police Department						69,060.00	44,435.64	73,320.00		73,320.00	total police department	
36	5500 - Park Services												
37	5501 - Payroll, Park Department						45,427.00	47,362.35	47,174.40		AA		
38	5503 - Maintenance Park						1,500.00	773.34	16,000.00			new mower for the park	
39	5505 - Other Expenses Park						7,000.00	5,492.68	7,000.00			same budget as last year	
40	5506 - Summer Park Program						21,610.30	11,700.00	19,610.00			12000. YMCA, 7610. Youth 1200 4th July	
41	5507 - Utilities Park						1,750.00	1,706.71	2,800.00			65% increase over 2005 actual	
42	Total 5500 - Park Services						77,287.30	67,035.08	92,584.40		92,584.40	total park service	
	6000 - General Government Expenses												
	6020 - Advertising						200.00	243.40	250.00			same as 2005 actual	
45	6060 - Bank Service Charges						100.00	0.00	100.00			same budget as last year	
46	6170 - Contract Labor						900.00	900.00	900.00			same as 2005 actual	
47	6190 - Continue Education						2,000.00	1,407.00	2,000.00			same budget as last year	
48	6220 - Dues and Subscriptions						1,100.00	1,421.52	1,400.00			same as 2005 actual	
49	6223 - Election Expense						100.00	173.50	175.00			same as 2005 actual	
50	6380 - Insurance						48,777.00	38,054.02	35,278.50		AC		
51	6550 - Office Supplies						2,000.00	15,764.63	2,000.00			same budget as last year	
52	6560 - Payroll Salary Office Staff						29,484.00	27,898.00	41,076.00		AA		
53	6580 - Payroll Taxes All Staff						9,667.28	8,770.46	10,862.68		AA		
54	6590 - Payroll Retirement match employe						2,614.59	2,793.90	3,108.72		AA		
55	6610 - Postage and Delivery						900.00	1,028.00	1,270.00			10% increase over 2005 actual	
56	6620 - Printing and Reproduction						1,100.00	1,152.53	1,100.00			same budget as last year	
57	6640 - Professional Fees						27,700.00	19,893.38	31,200.00		AG		
58	6710 - Repairs												
59	6720 - Building Repairs						5,500.00	365.00	5,500.00			same budget as last year	
60	6740 - Equipment Repairs						150.00	0.00	150.00			same budget as last year	
61	6710 - Repairs - Other						0.00	0.00	0.00				
62	Total 6710 - Repairs						5,650.00	365.00	5,650.00				
63	6880 - Telephone						7,000.00	7,562.36	8,000.00			last year actual plus 5%	
64	6900 - Travel & Expense												
65	6930 - Travel Meal- Mayor/Counc/Emp						3,500.00	1,263.07	3,500.00			same budget as last year	
66	6900 - Travel & Expense - Other												
67	Total 6900 - Travel & Expense						3,500.00	1,263.07	3,500.00				
68	6940 - Utilities - Street Lights						13,000.00	16,071.22	26,500.00			65% increase over 2005 actual	
69	6945 - Capital improvements						552,000.00	0.00	798,000.00			bidg 700K + play eq 40K + Furniture 50K + MLK Road 8K	
70	6950 - Gas and Electric						0.00	0.00	0.00				
71	6970 - Contingency Fund						70,000.00	0.00	50,000.00				
72	Total 6000 - General Government Expenses						777,792.87	16,071.22	1,022,370.90		1,022,370.90	total general government	
73													
74	Total Expense						955,579.17	\$ 291,188.51	1,222,407.20		1,222,407.20	TOTAL EXPENSE	
75													
76	Net Ordinary Income						61,175.83	594,211.43	(185,878.20)		(185,878.20)	SUBTOTAL	
77	Other Expense												
78	Other Expense												
79	6010 - Other Expenses						3,000.00	0.00	3,000.00		3000	Added last year by FN	
80	Total Other Expenses						3,000.00	0.00	3,000.00		3,000.00	OTHER EXPENSES	
	Net Income						58,175.83	594,211.43	(188,878.20)		(188,878.20)	REVENUE OVER EXPENSES	

**CERTIFICATE
OF
CITY SECRETARY**

I hereby certify that I am the City Secretary of the City of Thompsons and the authority responsible for having the official ballot prepared for the May 13, 2006 election. I further certify that the following candidates are unopposed for election to the office of Mayor and Council members in the May 13, 2006 election:

**Freddie Newsome, Jr. – Mayor
Sherrie Knoepfel - Alderman
Deborah Brown - Alderman**

Mary Ann Manna

**City Secretary
Town of Thompsons
April 20, 2006**

**TOWN OF THOMPSONS
FORT BEND COUNTY, TEXAS**

ORDINANCE NUMBER 125A

AN ORDINANCE DECLEARING EACH UNOPPOSED CANDIDATE ELECTED TO OFFICE:

WHEREAS: under Subchapter C, ("Election of Unopposed Candidate"), Section 2.051-2.054 of the Election Code of the State of Texas:

CHAPTER 2 SUBCHAPTER C VERNON'S TEXAS CODES ANNOTATED
ELECTIONS

ELECTION OF UNOPPOSED CANDIDATE

SECTION 2.051: APPLICABILITY OF SUBCHAPTER. This subchapter applies only to an election for officers of a political subdivision other than a county in which write-in votes may be counted only for names appearing on a list of write in candidates and in which:

- (1) each candidate whose name is to appear on the ballot is unopposed;
- and
- (2) no proposition is to appear on the ballot.

SECTION 2.052: CERTIFICATION OF UNOPPOSED STATUS. (a) The authority responsible for having the official ballot prepared shall certify in writing that a candidate is unopposed for election to an office in:

- (1) only one candidate's name is to be placed on the ballot for that office under Section 52.003; and
- (2) no candidate's name is to be placed on a list of write-in candidates for that office under applicable law.

(b.) The certification shall be delivered to the governing body of the political subdivision as soon as possible after the filing deadline for placement on the ballot and a list of write-in candidates.

SECTION 2.053: ACTION ON CERTIFICATION: (a) On receipt of the certification, the governing body of the political subdivision by order or ordinance may declare each unopposed candidate elected to office.

(b) If a declaration is made under Subsection (a), the election is not held. A copy of the order or ordinance shall be posted on election day at each polling place that would have been used in the election.

© A certificate of election shall be issued to each candidate in the same manner as provided for a candidate elected at the election.

WHEREAS; as certification has been delivered to the governing body of the Town of Thompsons, Fort Bend County, Texas by the City Secretary stating that there are no opposed candidates and that no proposition is to appear on the ballot.

WHEREAS: all criteria have been met under the Texas Election Code, the Mayor and Aldermen of the Town of Thompsons, Fort Bend County, Texas declare the following unopposed candidate are duly elected to the position listed:

Mayor: Freddie Newsome, Jr.
Alderman: Sherrie Knoepfel
Alderman: Deborah Brown

WHEREAS: If any provision, section, subsection, sentence, clause or phrase of this ordinance, or application of same to any person or set of circumstances, is for any reason held to be unconstitutional, void, invalid (or for any reason unenforceable), the validity of the remaining portions of this ordinance or their application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the Board of Aldermen of the Town of Thompsons in adopting this ordinance, that no portion thereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality or invalidity of any portion, provision or regulation, and to this end, all provisions of this ordinance are declared to be severable.

WHEREAS: Any ordinance or parts of ordinances in conflict: herewith, are repealed to the extent of their conflict only.

NOW THEREFORE BE ORDAINED BY THE BOARD OF ALDERMEN OF THE TOWN OF THOMPSONS, FORT BEND COUNTY, TEXAS: the fact in the preamble of this ordinance are hereby found and determined to be true and correct and this Ordinance shall become effective immediately upon its passage and adoption.

The Town Secretary is hereby directed to keep a file of this ordinance with the City files.

This ordinance shall take effect and be in force from and after its passage and approval. Passed and adopted following the first reading hereof this 20th day of April, A.D., 2006.

MAYOR Freddie Newsome, Jr. ALDERMAN Carl M. Zinke

ALDERMAN Sherrie Knoepfel ALDERMAN _____

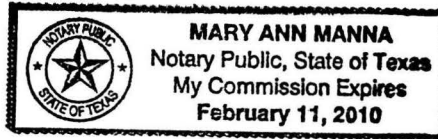
ALDERMAN Deborah Brown ALDERMAN _____

ATTEST

Mary Ann Manna

MARY ANN MANNA, SECRETARY
OF THE TOWN OF THOMPSONS, FORT BEND COUNTY, TEXAS

(SEAL)



I, Mary Ann Manna, City Secretary of the Town of Thompsons, Fort Bend County, Texas do hereby certify that the foregoing is a true and correct copy of Ordinance Number 125A, finally passed and approved by the Town of Thompsons, following the first reading thereof at a regular meeting held the 20th day of April 2006, and the statement is duly attested by the Secretary and that same has been duly engrossed and enrolled in the records of the Town of Thompsons, Fort Bend County, Texas.

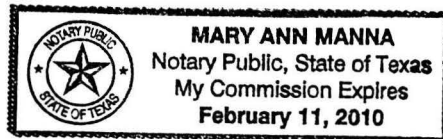
EXECUTED under my hand and official seal of the Town of Thompsons, Fort Bend County, Texas, this the 20th day of April, 2006.

ATTEST:

Mary Ann Manna

SECRETARY
OF THE TOWN OF THOMPSONS, FORT BEND COUNTY, TEXAS

(SEAL)



**PEBLO DE THOMPSONS
FORT BEND COUNTY, TEXAS**

ORDENAZA NUMERO 125B

Una ordenanza declarando cada candidato sin oposicion electado a la oficio:

Mientras que; en Subcapitulo C, ("Eleccion de Candidato Sin Oposicion"), Seccion 2.051-2.054 de el Election Codigo del Estado de Tejas:

CAPITULO 2 SUBCAPITULO C VERNONS TEXAS CODES ANNOTATED
ELECTIONS

ELECCION DE CANDIDATO SIN OPOSICION

SECCION 2.051: APLICABILIDAD DE SUBCAPITULO. Este subcapitulo aplica solamente a una eleccion para oficiales de una subdivision politico otra cosa que un condado en que votos de escrito pueden estar contado solamente para nombres que aparecen en un lista que esta escrito de candidatos y en que:

- (1) Cada candidato que su nombre aparece en la balota es sin oposicion; y
- (2) No proporcion es de aparecer en la balota.

SECCION 2.052: CERTIFICACION DE CONDICION SIN OPOSICION.

- (a) La autoridad responsable de tener labalota preparado oficial para formar certificar en escrito que el candidato es sin oposicion para el eleccion de un oficio en:
 - (1) Solamente uno candidato's nombre estar puesto en la balota por esa oficio en seccion 52.003; y
 - (2) No candidato's nombre es puesto en la lista de candidatos escrito para el oficio aplicable de la ley.
- (b) El certificacion habre estado entregado a la cuerpo de gobernar de un subdivision politico lo mas pronto posible despues del solicitado linea vedada para colocacion en la balota y una lista de candidatos escrito.

SECCION 2.053: ACCION DE CERTIFICACION:

- (a) En ricibo de certificacion, el cuerpo de gobenar de un subdivision de orden o ordenanza puede declarar cada candidato sin oposicion para elegido a la oficio.
- (b) Si una declaracion es inventado en subseccion (a), no hay elecciones. Una copia del orden or ordenanza sera puesto en el dia de eleccion a cada cabina de votar que fue usado en la eleccion.
- (c) Un certificacion de eleccion sera dado para cada candidato en el mismo manera a condicion para un candidato electado a la elecciones.

Mientras que; una certificacion ha entregado al cuerpo de gobernar del Pueblo de Thompsons, Fort Bend County, Texas por el Secretario de la Ciudad diciendo que no hay candidatos de oposicion y que no hay proporcions en la balota.

Mientras que: todo criterio ha encontrado por el Texas Election Code, el Alcalde y Concejal del Pueblo de Thompsons, Fort Bend County, Texas declarar el proximo candidato sin oposicion estan electado a el posicion:

Alcalde: Freddie Newsome, Jr.
Concejal: Sherrie Knoepfel
Concejal: Deborah Brown

Mientras que; Si hay provision, seccion, subseccion, frase, clausula o fase de este ordenanza, o aplicacion de misma persona o circunstancia, es para alguna razon esta inconstitucional, vacio, invalido (o por una razon inejecutable), el valido de la porcions restante de esta ordenanza o de su aplicacion a otras personas o de circunstancia no sera afectado de este modo, es el intento del Consejo de Concejal del Pueblo de Thompsons en adoptando este ordenanza, que no porcion o provision o regulacion contenido hay hecho inoperante o faltar por razon de algun anticonstitucional o invalido de algun porcion, provision o regulacion, y asta el fin, todo provisions de este ordenanza son declarar de estar separado.

Mientras que; Algun ordenanza o partes de ordenanzas en conflicto estan revocando al la extension de su conflicto solamente.

Ahora por eso ordenando por el Consejo de Concejal del Pueblo de Thompsons, Fort Bend County, Texas: el facto en el preambulo de este ordenanza son por estas fundar y determinado estar verda y correcto y esta Ordenanza sera efecto inmediateamente encima de pasaje y adopcion.

La Secretaria del Pueblo esta directado a poner en fila un copia certificado de este ordenanza con la oficina de Secretaria de State Elections Divisions para el State of Texas.

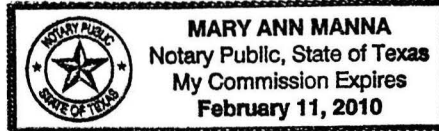
Esta ordenanza sera efecto y hacer cumplir de y despues de pasaje y aprobacion.
Pasado y adoptado despues de primero leyendo este 20th dia de Abril, A.D., 2006.

ALCALDE Freddie Newsome, Jr. CONCEJAL Sherrie Knoepfel
CONCEJAL Deborah Brown CONCEJAL _____
CONCEJAL Carol M. Zupke CONCEJAL _____
CONCEJAL Britany M. Miller CONCEJAL _____

A TESTIGUAR:

Mary Ann Manna

MARY ANN MANNA, SECRETARIA
DEL PUEBLO DE THOMPSONS, FORT BEND COUNTY, TEXAS



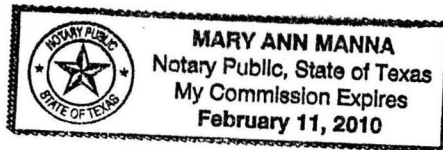
Yo, Mary Ann Manna, Secretaria de la Ciudad del Pueblo de Thompsons, Fort Bend County, Texas ha certificado que todo es verdad y copia correcto de Ordenanza numero 125B, finalmente pasado y aprobado para el Pueblo de Thompsons, despues de primero leyendo en la junta regular el 20th dia de Abril, 2006 y el declaracion es astestiguado por la secretaria y que mismo ha absorbido y alistado en los registardos del Pueblo de Thompsons, Fort Bend County, Texas.

Ejecutado, debajo de mi mano y sello oficial del Pueblo de Thompsons, Fort Bend County, Texas, este 20th, dia de Abril, 2006.

A TESTIGUAR:

Mary Ann Manna

SECRETARIA (SEAL)
DEL PUEBLO DE THOMPSONS, FORT BEND COUNTY, TEXAS





Georgianna E. Nichols
President and Chief Operating Officer
Houston Electric

RE: City of Thompsons
Ordinance No. 126

To the Honorable Mayor and City Council of the City of Thompsons, Texas:

For itself, its successors and assigns, Grantee, CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC, hereby accepts the attached ordinance and agrees to be bound by all its terms, conditions and provisions.

CENTERPOINT ENERGY HOUSTON
ELECTRIC, LLC

By: *Georgianna E. Nichols*
Georgianna E. Nichols
Division President and
Chief Operating Officer

Dated the *10* day of *May*, 2006



CenterPoint Energy
P.O. Box 231
Rosenberg, TX 77471-0231
281 341 4904

April 20, 2006

Mayor Freddie Newsome
City of Thompsons
P. O. Box 24
Thompsons, Texas 77481

Dear Mayor Newsome:

Pursuant to our discussion, we have prepared the proposed extension to the Franchise Agreement and the Rate Case Settlement Document for preview by the City of Thompsons Aldermen.

Once approved please return all to CenterPoint Energy to my attention and I will have it executed on our behalf. Thereafter, we shall return a copy to the City of Thompsons consistent with the provision of the documents.

Thank you in advance for your assistance in this regard. CenterPoint looks forward to a long and beneficial relationship with the City of Thompsons.

Very truly yours,

A handwritten signature in cursive script that reads "Roger P. Garris".

Roger P. Garris
Service Area Manager

RPG/gs

Attachments: 1. Revised Franchise
2. Terms of Settlement

Legal Requirements for the Adoption of Franchise Ordinances

We have received several inquiries regarding the legal requirements for the adoption of franchise ordinances. There are surprisingly few requirements, but they must be fully observed for the ordinance to be valid. It is essential to document the fact that these requirements have been met.

1. Notice of the City Council meeting under the Texas Open Meetings Act

- CNP
HAVE
- a. The Open Meeting Act requires that written notice of the date, hour, and location of every council meeting, together with an agenda describing all of the items to be addressed at the meeting, be posted 72 hours in advance of the meeting on a bulletin board in city hall accessible by the public. If the city council maintains a website, notice of the meeting will also have to be posted on the website.
 - b. The subject matter of the meeting must appear in the notice. It must reference the Franchise. For example:

"The (city council, board of alderman, or other governmental entity) for the (name of municipality), Texas will hold its Regular Meeting on (date) at (time) at (location) for the purpose of considering the following agenda:

Agenda of Meeting

CNP
HAVE

Discussion, consideration and vote on an amended and new franchise ordinance with CenterPoint Energy Houston Electric, LLC".

- c. CenterPoint Energy will need a copy of the meeting notice and agenda, noting where it was posted and when it was posted. It should be sent to the attention of R. Garris. If notice is also posted on a website, please provide a copy of that also.

2. The Form of the Ordinance

Before an ordinance like the Franchise takes effect, it must be placed in the office of the City Secretary. This allows for a record of the proceedings to be entered in the municipal records.

3. Publication

- a. There is no guide addressing when publication needs to take place, however, publication of the ordinance, or a summary thereof, should be made soon after it is adopted by the city council or board of aldermen. This is to give notice to the public that a new ordinance has been passed.
- b. Generally, the Franchise ordinance has to be published in the "official" newspaper of each city for at least two days. In the newspaper is a weekly newspaper, then the ordinance only has to be published in one issue.

While there may be instances where publication is not required, we believe the best course to take to avoid any question about enforceability of the ordinance is to publish the ordinance. The law allows for the publication of a summary of the ordinance but it is recommended that the full text of the ordinance appear in the publication.

4. City Charters

In Texas, there are two types of cities – Home Rule Cities and General Law Cities. The requirements above apply to all cities. However, cities (generally the larger, Home Rule Cities) may have city charters which impose additional requirements on the cities. These additional city charter requirements must be observed. For example, some cities require that an ordinance be read at three council meetings before being passed.

CITY OF THOMPSONS, TEXAS, ORDINANCE NO. 126

AN ORDINANCE GRANTING TO CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC THE RIGHT, PRIVILEGE AND FRANCHISE TO USE THE PUBLIC RIGHTS-OF-WAY AND TO USE, LICENSE, OR EXPLOIT THE COMPANY'S FACILITIES WITHIN THE PUBLIC RIGHTS-OF-WAY TO CONDUCT AN ELECTRIC DELIVERY BUSINESS IN THE CITY AND FOR SUCH OTHER BUSINESS PURPOSES AS THE COMPANY MAY DESIRE FROM TIME TO TIME, SPECIFICALLY INCLUDING, BUT NOT LIMITED TO, THE GRANTING OF ACCESS TO THOSE FACILITIES FOR THE DELIVERY OF BROADBAND OVER POWER LINES OR SIMILAR SERVICE WITHIN THE CITY OF THOMPSONS, TEXAS.

* * * * *

WHEREAS, City of Thompsons, Texas Ordinance dated May 24, 1979 (the "Prior Franchise") granted an electrical lighting and power franchise to Houston Lighting & Power Company, for a term expiring May 24, 2029; and

WHEREAS, Company is the successor to Reliant Energy, Incorporated ("REI"), which was the successor to Houston Lighting & Power Company, by virtue of a corporate restructuring of REI that occurred in August 2002, in which REI was merged with and into an indirect wholly owned subsidiary of CenterPoint Energy, Inc., which was converted into a limited liability company and was renamed CenterPoint Energy Houston Electric, LLC; and

WHEREAS, Company owns and operates an electric delivery business within the corporate limits of the City and Company is willing to continue to provide electric delivery services within the corporate limits of the City; and

WHEREAS, pursuant to that certain letter agreement dated April 20, 2006, between Company and City, Company and the City have reached agreement on the terms and conditions by which they will amend the Prior Franchise and extend the term of the Prior Franchise to December 31, 2046 and

WHEREAS, it is hereby found and determined by the Board of Aldermen of the City of Thompsons that it is in the best interests of the City that the Prior Franchise granting to the Company the right to use the public rights-of-way to conduct an electric delivery business in the city and for such other business purposes as the company may desire from time to time be amended and extended to December 31, 2046, subject to the terms and conditions described in this ordinance; **NOW, THEREFORE,**

BE IT ORDAINED BY THE MAOR AND BOARD OF ALDERMEN OF THE CITY OF THOMPSONS, TEXAS:

Section 1. That the facts contained in the preamble to the Ordinance are determined to be true and correct and are hereby adopted.

Section 2. Definitions.

Annual Adjustment Factor has the meaning set forth in Section 11 below.

Annual Franchise Fee has the meaning set forth in Section 11 below.

Broadband over Power Lines (BPL) or "Access BPL" has the same meaning as that used by the Federal Communications Commission in Section 15.3 of its Rules as reprinted below:

Access Broadband over Power Line (Access BPL). A carrier current system installed and operated on an electric utility service as an unintentional radiator that sends radio frequency energy on frequencies between 1.705 MHz and 80 MHz over medium voltage lines or over low voltage lines to provide broadband communications and is located on the supply side of the utility service's points of interconnection with customer premises. Access BPL does not include power line carrier systems as defined in Section 15.3(t) of this part or In-House BPL as defined in Section 15.3(gg) of this part.

City means the Town of Thompsons, Texas, a municipal corporation of the State of Texas.

Board of Aldermen means the governing body of the City, or its designee.

Company means CenterPoint Energy Houston Electric, LLC, a Texas limited liability company.

Effective Date means July 1, 2006.

First Rate Case has the meaning set forth in Section 14 below.

Force Majeure means forces or conditions not reasonably within the control of a party, including a strike; war or act of war (whether an actual declaration of war is made or not); insurrection; riot; act of public enemy; accident; fire; flood or other act of God; sabotage; shortages in materials, supplies and equipment; governmental regulations, limitations and restrictions as to the use and availability of materials, supplies and equipment and as to the use of services; unforeseen and unusual demands for service; or other events, where the affected party has exercised all due care in the prevention thereof and such causes or other events are without the fault or negligence of the affected party.

Franchise means this Ordinance and the rights and privileges granted by this Ordinance.

Franchise Year has the meaning set forth in Section 11, below.

Franchise Area means the area within the boundaries of the City as of the Effective Date and as same may change from time to time during the term of the Franchise.

Initial Franchise Year shall have the meaning set forth in Section 11, below.

Other Services means any service, exclusive of the transmission and distribution of electricity, provided or allowed to be provided through the use or license of the System for a fee, including but not limited to BPL.

Person means any individual, firm, partnership, association, corporation, company or organization of any kind.

Prior Franchise has the meaning set forth in the first Whereas clause, above.

Public Rights-of-Way means the areas in, under, upon, over, across, and along any and all of the present and future Streets or streams now or hereafter owned or controlled by City.

Public Works Improvement Projects has the meaning set forth in Section 5, below.

PUC means the Public Utility Commission of Texas or its successor agency with equivalent jurisdiction.

Retail Customer means any Person taking delivery of electricity from Company, at a point of delivery within the Franchise Area.

Street means the surface and the space above and below any public street, road, highway, alley, bridge, sidewalk, or other public place or way.

System means the Company's facilities erected, constructed, maintained, operated, used, extended, removed, replaced, and repaired, as necessary, by Company pursuant to this Franchise, including without limitation, all poles, pole lines, towers, transmission lines, wires, guys, conduits, cables, and other desirable instrumentalities and appurtenances (including telegraph and telephone poles and wires for use of Company), necessary and proper for the purpose of transmitting and distributing electricity to the City and the inhabitants of said City or other Persons, for any purpose for which electricity may be used.

Section 3. Subject to the terms, conditions and provisions of this Franchise, City hereby grants to Company the right, privilege and franchise to use City's Public Rights-of-Way to construct, maintain, operate and use Company's System to conduct within the City an electric delivery business and the right to use, license, or exploit the System within the Public Rights-of-Way for Other Services. This Franchise does not restrict City's right to impose reasonable fees upon third parties for the use of the Public Rights-of-Way to provide Other Services, so long as such fees are assessed on a non-

discriminatory basis with those charged to other companies providing services competitive with the Other Services.

Section 4. Upon the filing with City by Company of the acceptance required hereunder, the Prior Franchise shall be amended by replacing the language thereof, in its entirety, with the language of this Franchise; and the term thereof shall be extended, and it shall remain in full force and effect for an additional term and period beginning on May 24, 2029 and continuing until and through December 31, 2046.

Section 5. All poles erected by Company pursuant to the authority herein granted shall be of sound material and reasonably straight, and shall be so set that they shall not interfere with the flow of water in any gutter or drain, and so that the same shall interfere as little as practicable with the ordinary travel, on the Streets or other Public Rights-of-Way. Within the Streets or other Public Rights-of-Way of City, the location and route of all poles, stubs, guys, anchors, lines, conduits and cables placed and constructed and to be placed and constructed by Company in the construction and maintenance of Company's System in the City, shall be subject to the reasonable and proper regulation, control and direction of City, or of any City official to whom such duties have or may be duly delegated, which regulation and control shall include, but not by way of limitation, the right to require in writing, to the extent provided in Section 10, the relocation of Company's System at Company's cost within the Streets or other Public Rights-of-Way whenever such shall be reasonably necessary to accommodate improvement projects within such Streets or Public Rights-of-Way by the city department with primary responsibility for public works projects ("Public Works Improvement Projects").

Section 6. In consideration for the compensation set forth in Sections 11 and 15, City agrees that if City sells, conveys, or surrenders possession of any portion of the Public Right-of-Way that is being used by Company pursuant to this Franchise, City, to the maximum extent of its right to do so, shall first grant Company an easement for such use; and the sale, conveyance, or surrender of possession of the Public Right-of-Way shall be subject to the right and continued use of Company.

Section 7. Following completion of work in Public Rights-of-Way, Company shall repair the affected Public Rights-of-Way as soon as possible, but in all cases shall comply with all valid City ordinances governing time periods and standards relating to excavating in the Public Rights-of-Way. No Street or other Public Right-of-Way shall be encumbered by construction, maintenance or removal work by Company for a longer period than shall be necessary to execute such work.

Section 8. The service furnished hereunder to City and its inhabitants shall be first-class in all respects, considering all circumstances, and Company shall furnish the grade of service to Retail Customers as provided by its rate schedules and shall maintain its System in reasonable operating condition during the continuance of this Franchise. Company's tariffs shall govern the rates, access to service, terms and quality of electric delivery services provided by Company. An exception to this requirement is automatically in effect when due to Force Majeure. In any Force Majeure

event, Company shall do all things reasonably within its power to restore normal service.

Section 9. Company, on the written request of any person, shall remove or raise or lower its wires temporarily to permit construction work in the vicinity thereof or to permit the moving of vessels, houses or other bulky structures. The expense of such temporary removal, raising or lowering of wires shall be paid by the benefited party or parties, and Company may require such payment in advance, being without obligation to remove, raise, or lower its wires until such payment has been made. Company shall be given adequate, and in no event less than forty-eight (48) hours, advance notice to arrange for such temporary wire changes.

Section 10. Company shall construct, operate, and maintain its transmission and distribution facilities in substantial accordance with Company's own Service Standards and the National Electrical Safety Code ("NESC"). Company shall determine the specific location and the method of construction and types of materials used in building, maintaining, and operating Company's transmission and distribution facilities. City shall require its employees and contractors performing work for the benefit of City to comply with all applicable laws, statutes, codes and standards (including, without limitation, Section 752 of the Texas Health and Safety Code, as the same may be amended or replaced, and the NESC) when working near Company's System and to report as soon as practicable any damage done to Company's System. Company also agrees to require its employees and contractors performing work for the benefit of City to comply with all applicable laws, statutes, codes and standards (including, without limitation, Section 752 of the Texas Health and Safety Code, as the same may be amended or replaced, and the NESC) when working near City's facilities and to report as soon as practicable any damage done to City's facilities. Company shall relocate facilities within Public Rights-of-Way at Company's own expense, exclusive of street lighting and facilities installed for service directly to City, to accommodate Public Works Improvement Projects, including, but not limited to street widening, change of grade, water, sewer, or drainage upgrades, construction or reconstruction projects and minor relocation of traffic lanes. City shall bear the costs of all relocations of street lighting and facilities installed for service directly to City and of any relocation of other facilities requested by City for reasons other than Public Works Improvement Projects. Except in the event of an emergency, City shall give Company at least seventy-two (72) hours notice when City or City's contractor is requesting the bracing of Company's poles. Company shall pay for the bracing to accommodate Public Works Improvement Projects, including but not limited to street widening, change of grade, water, sewer, or drainage upgrades, construction or reconstruction projects and minor relocation of traffic lanes.

Section 11. In consideration for the rights and privileges herein granted, Company agrees to pay to City, beginning on the Effective Date and continuing throughout the remaining term of the Prior Franchise and the additional thirty (30) year term of this Franchise provided for in Section 4, above, an annual franchise fee (referred to herein as "Annual Franchise Fee"), subject to an Annual Adjustment Factor as set forth below. Except as set forth in Section 15, payment of the Annual Franchise

Fee shall be the total compensation payable to City in consideration for the right, privilege and franchise herein conferred for Company's use of the Public Rights-of-Way to construct, operate, use and maintain its System for the provision of electric transmission and distribution service and its right to use, license, or exploit its System for Other Services.

The Annual Franchise Fee shall be calculated as follows:

1. The "Annual Franchise Fee," for the twelve-month period beginning on the Effective Date (the "Initial Franchise Year"), shall \$11,203.48.
2. The Annual Franchise Fee for each succeeding twelve-month period (each a "Franchise Year"), including the Franchise Year beginning July 1, 2007, shall be adjusted by multiplying \$11,203.48 by the Annual Adjustment Factor. The "Annual Adjustment Factor" for any given year shall be a fraction, the numerator of which shall be the kWh delivered by Company within the Franchise Area (inclusive of street lighting) in the previous calendar year and the denominator of which shall be the kWh delivered by Company within the Franchise Area (inclusive of street lighting) in 2005, said amount being 2,626,855 kWh. (Example: The Annual Franchise Fee for the Franchise Year beginning July 1, 2010 =(\$11,203.48) x 2009 kWh/2,626,855 kWh).

In no case, however, shall the Annual Franchise Fee be less than the Annual Franchise Fee established in (1), above, for the Initial Franchise Year.

In calculating the amount to be paid each year, Company shall offset its Annual Franchise Fee payments with the amount of the Municipal Account Franchise Credits and Municipal Franchise Fee Credits provided in Company's tariffs and applicable to City in the prior calendar year. The Annual Franchise Fee shall be payable in equal monthly installments due the first day of each calendar month. Company shall calculate the new franchise fee to be payable for each Franchise Year beginning July 1st and shall provide the same along with the basis for such calculation to City for its review no later than April 1st of each year. If Company does not receive an objection from City by May 31st, Company shall implement the adjusted Annual Franchise Fee payment on July 1st. If the additional thirty (30) year term of this Franchise provided for in Section 4, above, ends on any day other than the last day of the last Franchise Year, then the Annual Franchise Fee for the final Franchise Year shall first be calculated pursuant to this Section 11 and then pro rated accordingly.

Section 12. The parties agree that the franchise payments due under this Franchise are reasonable and necessary and that the parties shall use their best efforts to enable Company to recover these payments through its electric rates.

Section 13. Except as provided in Section 15, the Annual Franchise Fee payable hereunder shall be the total compensation payable by Company to City for Company's use of the Public Rights-of-Way for the conduct of its business under the

Franchise. City shall not charge any additional license, charge, fee, street or alley rental, or other character of charge or levy for the use or occupancy of the Public Rights-of-Way in City, or any pole tax or inspection fee tax. If City does charge Company any additional license, charge, fee, street or alley rental, or other character of charge or levy, then Company may deduct the amount charged from the next succeeding franchise payment or payments until fully reimbursed. The Franchise shall constitute a permit to perform all work on Company's System within the Public Rights-of-Way and to park vehicles in the Streets and other Public Rights-of-Way when necessary for the installation, removal, operation or maintenance of Company's System. Company and contractors performing work for Company shall not be required to obtain any permits in addition to the Franchise or to pay any fee in addition to the Annual Franchise Fee in order to perform work on Company's System or to park within the Streets and other Public Rights-of-Way. Company shall cooperate with City to avoid unnecessary disruption, and Company shall comply with all valid City ordinances governing time periods and standards relating to excavating in the Public Rights-of-Way.

Section 14. In the first rate case to review Company's base rates following the Effective Date (the "First Rate Case"), City shall support Company's request to include in Company's base rates the entire then-effective Annual Franchise Fee. If, as a result of the First Rate Case, or any subsequent rate case, Company's entire then-effective Annual Franchise Fee is not included in Company's base rates, then Company shall be required to pay only so much in franchise fees as the amount of franchise fees used by the PUC to calculate Company's then-effective rates.

Section 15. In addition to the considerations set forth in Section 11, Company shall furnish, free of charge, subject to the use of City, such pole and/or duct space as may be required from time to time for the installation of City-owned traffic, police and fire alarm system conductors; provided such conductor space does not exceed the available capacity on any one existing pole or in one existing interior duct. Company shall allow for the expanded use of existing energized conductors by City for the purposes of providing traffic signal communication interconnectivity with prior written approval from Company. The specific location for these traffic, police and fire alarm conductors on Company poles or ducts shall be determined by Company and shall be allotted at the time specific applications for space are received from City. All City traffic, police and fire alarm circuits on Company poles and ducts shall be designed and installed, operated and maintained in compliance with the applicable provisions of the NESC and other laws, statutes, codes and ordinances applicable to private parties and so as to create no interference, corrosion, harm, damage or hazard with, to or from Company's System or Company's business. All plans for such city traffic, police and fire alarm circuits must be submitted for Company's written approval prior to installation. Any modifications to Company's System necessary to accommodate such installation shall be paid by City. If, after installation, City's equipment is found to interfere with Company's System or business, Company and City shall work together to address the problem and, if deemed practical by Company, preserve City's access. Where main underground duct lines are located between manholes, Company shall permit free of charge the installation in one interior duct by City of its traffic, police or fire alarm signal

cables; provided space is available in an interior duct not suitable for power circuits without interference with Company's system neutral conductors. All cables installed by City in Company ducts shall be of the non-metallic sheath type to prevent corrosive or electrolytic action between City and Company owned cables. A request for duct assignment shall in each instance be submitted to Company and a sketch showing duct allocation shall be received from Company prior to the installation of City cables in Company-owned duct lines. All City-owned conductors and cables, whether on poles or in duct lines, shall be constructed, maintained and operated in such manner as to not interfere with or create a hazard in the operation of Company's System or Company's business. If after installation, City's equipment is found to interfere with Company's System or business, Company and City shall work together to address the problem and, if deemed practical by Company, preserve City's access.

In addition to the consideration set forth in Section 11, Company shall permit City to use, free of charge, extra space on its street light poles to install City-owned traffic control signs and decorative banners, with prior written approval from Company and provided that such use is consistent with the NESC and other applicable engineering and operational codes and standards.

Notwithstanding any other provision in this Franchise,, it is further agreed that Company shall not be responsible to any party or parties whatsoever for any claims, demands, losses, suits, judgments for damages or injuries to Persons or property by reason of the construction, maintenance, inspection or use of the traffic signal light systems, police and fire alarm systems, traffic control signs, or decorative banners belonging to City and constructed upon Company's poles or street light poles or in its ducts, and City shall indemnify and hold Company harmless against all such claims, losses, demands, suits and judgments, to the extent permitted by the Texas Tort Claims Act, but City does not, by this agreement, admit primary liability to any third party by reason of City's operation and use of such traffic signal light systems, police and fire alarm systems, traffic control signs, or decorative banners, such being a function of government.

Section 16. City may conduct an audit or other inquiry, or may pursue a cause of action in relation to the payment of the Annual Franchise Fee only if such audit, inquiry, or pursuit of a cause of action concerns a payment made less than two (2) years before commencement of such audit, inquiry, or pursuit of a cause of action. City shall bear the costs of any such audit or inquiry. All books and records related to Company's operations under this Franchise shall be available to City. Upon receipt of a written request from City, such documents shall be made available for inspection and copying no later than thirty (30) days from the receipt of such request. Amounts due to City for past underpayments or amounts due Company for past overpayments shall include interest calculated using the annual interest rates for overcharges as set by the Texas Public Utility Commission. Said interest shall be payable on such sum from the date the initial payment was due until it is paid.

Section 17. The parties agree to waive any and all claims, asserted or unasserted, arising out of prior franchise agreements including, without limitation, the Prior Franchise, except those claims relating to Company's obligations as determined in an audit underway as of March 1, 2006.

Section 18. Nothing contained in this Franchise shall ever be construed as conferring upon Company any exclusive rights or privileges of any nature whatsoever.

Section 19. It shall be Company's obligation as provided in Section 8 hereof to furnish efficient electrical service to the public at reasonable rates and to maintain its property in good repair and working order except when prevented from so doing by forces and conditions not reasonably within the control of Company. Should Company fail or refuse to maintain its System in good order and furnish efficient service at all times throughout the life of this grant, except only when prevented from so doing by Force Majeure, or should Company fail or refuse to furnish efficient service at reasonable rates, lawfully determined by City, throughout the life of this grant, excepting only during such periods as Company shall in good faith and diligently contest the reasonableness of the rates in question, then it shall forfeit and pay to City the sum of Twenty Five Dollars (\$25) for each day it shall so fail or refuse after reasonable notice thereof and a hearing thereon by City. Any suit to recover such penalty shall be filed within one year from the date the penalty accrues.

Section 20. If any term or other provision of the Franchise is determined by a nonappealable decision by a court, administrative agency, or arbitrator to be invalid, illegal, or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of the Franchise shall nevertheless remain in full force and effect so long as the economic or legal substance is not affected in any manner materially adverse to either party. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the parties shall negotiate in good faith to modify the Franchise so as to effect the original intent of the parties as closely as possible.

SECTION 21. *Subject to Section 15, Company, its successors and assigns, shall protect and hold City harmless against all claims for damages or demands for damages to any Person or property by reason of the construction and maintenance of its electricity transmission and distribution System, or in any way growing out of the granting of this Franchise, either directly or indirectly, or by reason of any act, negligence, or nonfeasance of the contractors, agents or employees of Company, its successors or assigns, and shall refund to City all sums which it may be adjudged to pay on any such claim, or which may arise or grow out of the exercise of the rights and privileges hereby granted, or by the abuse thereof, and Company, its successors and assigns, shall indemnify and hold City harmless from and on account of all damages, costs, expenses, actions, and causes of action, to the extent permitted by the Texas Tort Claims Act, that may accrue to or be brought by any Person, Persons,*

company or companies at any time hereafter by reason of the exercise of the rights and privileges hereby granted, or of the abuse thereof.

Section 22. In granting this Franchise, it is understood that the lawful power vested by law in City to regulate all public utilities within City, and to regulate the local rates of public utilities within City within the limits of the Constitution and laws, and to require all persons or corporations to discharge the duties and undertakings, for the performance of which this Franchise was made, is reserved; and this grant is made subject to all lawful rights, powers and authorities, either of regulation or otherwise, reserved to City by its Charter or by the general laws of this State.

Section 23. This Franchise amends the Prior Franchise, and extends the term of the Prior Franchise to December 31, 2046 and replaces all other former franchise agreements with Company, or its predecessors, which are hereby repealed.

Section 24. City by the granting of this Franchise does not surrender or to any extent lose, waive, impair or lessen the lawful powers and rights, now or hereafter vested in City under the Constitution and statutes of the State of Texas and under the Charter of City to regulate the rates and services of Company; and Company by its acceptance of this Franchise agrees that all such lawful regulatory powers and rights as the same may be from time to time vested in City shall be in full force and effect and subject to the exercise thereof by City at any time and from time to time.

Section 25. Within 30 days following the final passage and approval of this ordinance, the Company shall file with the City Secretary, accompanied by appropriate authorized corporate resolutions in a form acceptable to the City Attorney, a written statement in the following form signed in its name and behalf:

"To the Honorable Mayor and the Board of Aldermen of the City of Thompsons, Texas:

For itself, its successors and assigns, Grantee, CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC, hereby accepts the attached ordinance and agrees to be bound by all of its terms, conditions and provisions."

CENTERPOINT ENERGY HOUSTON
ELECTRIC, LLC

By: _____

Name: _____

Title: _____

"Dated this the _____ day of _____, 2006."

Section 26. This Franchise, having been published as required by the City Charter of the Town of Thompsons shall take effect and be in force from and after ten (10) days following its final passage and approval, and receipt by the City of Company's acceptance filed pursuant to Section 25. In compliance with the provisions of the City Charter, the Company shall pay the cost of those publications and any costs associated with any elections held regarding this Franchise required by such City Charter..

Section 27. Every notice, order, petition, document, or other direction or communication to be served upon the City or the Company shall be deemed sufficiently given if sent by registered or certified mail, return receipt requested. Every such communication to the Company shall be sent to:

**Vice President, Regulatory Relations
CenterPoint Energy, Inc.
1111 Louisiana Street
Houston, Texas 77002**

Unless and until changed by written notice given in accordance with this section, every such communication to the City or the Board of Aldermen shall be sent to the

MAYOR, TOWN OF THOMPSONS, THOMPSONS, TEXAS

and, as applicable, to the

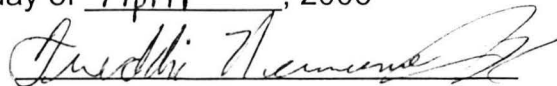
**BOARD OF ALDERMEN, TOWN OF THOMPSONS, THOMPSONS,
TEXAS**

The mailing of such notice, direction, or order shall be equivalent to direct personal notice and shall be deemed to have been given the earlier of receipt or two business days after it was mailed.

Section 28. The rights and remedies provided herein are cumulative and not exclusive of any remedies provided by law, and nothing contained in this Franchise shall impair any of the rights of the City or the Company under applicable law, subject in each case to the terms and conditions of this Franchise.

Section 29. This ordinance shall take effect and be in force from and after final passage and approval, and upon acceptance by the Company, the term of this franchise shall begin and continue in accordance with Section 4 hereof.

Passed and approved this the 20th day of April, 2006



MAYOR

Freddie Newsome Jr

Alderman

Carol M. Gubbels

Alderman

Rita M. Miller

Alderman

Gina S. Tredgold

Alderman

Alderman

Attest:

Mary Ann Manna

Secretary

(SEAL)



THE STATE OF TEXAS

COUNTY OF FORT BEND

I, Mary Ann Manna, the duly appointed, qualified, acting Secretary of the Town of Thompsons, Texas, hereby certify that the above and foregoing ordinance of the Town of Thompsons was passed at a regular meeting of the Board of Aldermen of the Town of Thompsons held on 20th day of April, 2006, that written notice of the date, hour, place and subject of said meeting was posted 72 hours preceding the scheduled time of said meeting on a bulletin board located in a place in the City Hall which is convenient and readily accessible to the general public at all times, that the Mayor; Freddie Newsome Jr. and Aldermen Carol M. Gubbels, Rita M. Miller, _____, _____, and Gina S. Tredgold were present at said meeting and acted as the Board throughout; that said ordinance has been approved by the Mayor and is duly attested by the Secretary; and that same has been duly engrossed and enrolled in the records of the Town of Thompsons, Texas.

Executed under my hand and the official seal of the Town of Thompsons, Texas
this 20th day of April, 2006.

Mary Ann Manna

Secretary of the Town of


Thompsons, Texas

April 20, 2006


The City of Thompsons enters into an agreement with CenterPoint Energy Houston Electric, LLC ("CenterPoint Houston") effective this 20th day of April, 2006. This agreement recognizes that on December 16, 2005, the Public Utility Commission of Texas issued an order in Docket No. 32093 requiring CenterPoint Houston to file a transmission and distribution rate filing package on or before April 15, 2006. The City of Thompsons desires to resolve all issues related to Docket No. 32093; to continue existing base rates; and to establish certain procedures to be applied to CenterPoint Houston for the calendar years 2006 through 2009, consistent with the attached Term Sheet for Settlement of CenterPoint Houston Electric Rate Case.

The City of Thompsons recognizes that this agreement requires the acceptance and approval of various parties to Docket No. 32093 and the Public Utility Commission of Texas (PUCT) in order to be implemented. The City of Thompsons by its signature requests the PUCT to approve this agreement.

CenterPoint Energy Houston Electric LLC
Terry D. Finley
Vice President, Western Region


Date: 5/3/06

City of Thompsons


Date: 4-20-06

Attachment: Term Sheet for Settlement of CenterPoint Energy Houston Electric (CEHE) Rate Case (pages 1 through 7)

**TERM SHEET FOR SETTLEMENT OF
CENTERPOINT ENERGY HOUSTON ELECTRIC (CEHE) RATE CASE**

- 1) Provide a system wide annual benefit of \$70 million (\$50 million plus \$20 million for renegotiated City of Houston franchise) for each of the years 2006-2009*

	<u>Dollars in Millions</u>
	<u>System</u>
	<u>Wide</u>
a. Conservation/Energy efficiency programs**	\$15
b. Public use to promote health, safety, welfare of citizens and rate credits	\$26
c. Franchise payments to non-Houston cities	\$ 4
d. Renegotiated franchise payment to City of Houston	\$20
e. Storm reserve	<u>\$ 5</u>
Totals in millions	\$70

- 2) Current CEHE base rates will not change.
- 3) The Company will continue to be able to file for the following:
- a. Updates to Transmission Cost Recovery Factors
 - b. Updates to Transmission Cost Of Service
 - c. Surcharges for advance metering as approved by the PUC (parties may intervene)
 - d. Tariffs/riders to comply with the retail market's new terms and conditions
- 4) Beginning with the reporting year 2006, CEHE agrees to file an Annual Settlement Report providing a calculation based on the PUC's current annual Earnings Monitoring Report. The expenditures associated with paragraph 1 above shall be included in the report and considered reasonable and necessary expenses for purposes of calculating CEHE's earned returns on equity (ROE) and overall cost of capital. There will be a ROE range of 10% to 11%. In the event that the calculated ROE is above the 11%, an additional amount equal to one-half of those excess revenues above that point will be provided as an additional benefit prorated between conservation/energy efficiency programs and public use in the calendar year following the year monitored by the Annual Settlement Report. In the event that the calculated ROE falls below the 10%, then one-half of the revenue shortfall will reduce the annual benefit prorated between conservation/energy efficiency programs and public use. In the event that the ROE exceeds 12%, the settlement agreement may be reopened. See Appendix A

- 5) CEHE agrees to file a system wide rate case in June 2010, based on a 2009 test year, unless the Cities and the Company mutually agree that such a filing is unnecessary.
- 6) Rates can be adjusted for force majeure (including but not limited to regulatory/legislative changes, tax law changes, accounting changes or terrorism).

* Assumes agreement by all coalition cities.

** The annual benefit associated with conservation/energy efficiency programs is in addition to the \$13 million currently in base rates.

ALLOCATION OF BENEFITS

Recommendation for the proposed allocation of the annual benefit of \$50 million is as follows:

1. Franchise agreements for cities other than Houston will be extended for 30 years or until 2046, whichever is sooner, contingent on an approved settlement agreement. The franchise payments for these cities will be based on the average of the two highest years from 1998-2005, but in no case will it be less than the highest annual payment received since deregulation. This is consistent with the mechanism used in the City of Houston's new franchise agreement. Re-negotiated franchises are not reflected in current base rates and will be taken into account under paragraph 4 of the term sheet. The City of Houston annual franchise payment increased by approximately \$20 million.
2. Storm reserve in the amount of \$5 million is an estimated annual amount to build the reserve to handle costs associated with a catastrophic event and will be applied on a system-wide basis only.
3. Additional Conservation/Energy Efficiency measures above those included in current base rates are projected to be approximately \$15 million a year. The projected funding will be allocated between the City of Houston (40%) and all remaining areas (60%). The 40% allocation approximates the revenues received from meters located within the City of Houston.
4. Any remaining dollars that have not been used to achieve the \$50 million annual benefit will be allocated to Public use to promote health, safety & welfare of citizens and provide rate credits. These amounts will be allocated based on a ratio of kwh delivered in each city to the kwh delivered on the total system.

Based on above, the following allocations were determined:

Total system wide annual benefit \$50 million

1) Houston total *	\$16 million
Conservation/Energy Efficiency	\$ 6 million
Public Use	\$10 million
2) Non Houston total	\$29 million
Franchise	\$ 4 million
Conservation/Energy Efficiency	\$ 9 million
Public Use	\$16 million
3) Storm Reserve	\$ 5 million

* Increases to \$36 million when renegotiated Franchise payment of \$20 million is added.

CenterPoint Energy Houston Electric - Energy Conservation Expansion Plan

Program	Program Type	Current Spending	Projected Additional Spending
Community Weatherization	Low Income - Existing	\$0.4	\$1.6
Hard-to-Reach Std. Offer	Low Income - Existing	1.9	1.0
Multi-Family Water/Space Htg	Low Income - Existing	0.5	0.5
Energy Star Affordable Homes	Low Income - Existing	0.1	0.5
Appliance Recycling/Replacement	Low Income/Residential - New		1.0
Community Agency Outreach	Low Income - New		1.0
Multi-Family Energy Efficiency	Multi-Family Res. - New		1.0
Energy Star New Home	Residential - Existing	3.0	1.0
Trees for Efficiency	Res./Low Income – Existing Pilot	0.1	0.2
Energy Outreach/Education	Residential - New		1.0
Residential / Sm Commercial Std. Offer	Res./Sm.Commercial – Existing	0.8	1.0
Load Management	Res./Commercial - New	0.1	0.5
Green Building / LEED Program	Commercial - New		0.5
Commercial/Industrial Std. Offer	Commercial/Industrial Existing	4.6	2.0
Building Commissioning	Commercial/Industrial Existing	1.6	0.5
Smart Schools	Institutional - Existing Pilot	0.3	0.7
Municipal Efficiency Program	Municipal - New		1.0
Total		\$13.4	\$15.0

(1) All spending values in million \$

(2) Projected additional spending is incremental over current spending.

Criteria/Rationale for Selecting Programs

- Emphasize Residential and low income but not exclusively
- Scale-up existing programs based on current demand for them
- Select programs with fast start-up
- Add new programs which we have implemented in past or which have been implemented by other utilities
- Select programs that are sustainable and can transform energy efficiency markets
- Leverage and expand the Pleasantville weatherization initiative
- Integrate the TDHCA weatherization program into low-income weatherization program
- Utilize local community action and development agencies as an energy conservation delivery channel
- Initiate a strong bilingual consumer outreach and education program that gives consumers useable tools and information to control and manage energy bills
- Programs are implemented through the competitive market by energy efficiency service providers to maximum extent

Program Descriptions

Community Weatherization – Expansion of the Pleasantville weatherization project to other communities and multi-family dwellings. Integrates TDHCA Weatherization Program.

Hard-to-Reach Standard Offer – Incentives for energy efficiency measures targeting customers below 200% of federal poverty guidelines.

Multi-Family Water and Space Heating – Incentives to developers for installation of gas water and space heating in apartments, primarily low-income.

Energy Star Affordable Homes – Promotion of Energy Star efficiency standards in affordable new home market.

Appliance Recycling/Replacement – Removal of old refrigerator and replacement with new energy efficient model for low income customers. Also includes window A/C upgrades plus insulation addition.

Community Agency Outreach – Incentive program for efficiency upgrades to new and existing homes through area community development and action agencies such as Sheltering Arms, Urban League, Habitat for Humanity, Rebuild Houston Together, etc.

Multi-Family Energy Efficiency – Incentives to builders/developers who build apartments to Energy Star standards.

Energy Star New Home - Promotion of energy efficient new home construction through incentives, training, Energy Star certification.

Trees for Efficiency – Promotion of tree planting to promote shading and reduced A/C energy use. Includes low income component involving City of Houston/Houston HOPE organization.

Energy Outreach/Education – Area-wide dissemination of educational materials and kits to give customers tools to reduce energy use.

Residential/Small Commercial Standard Offer - Incentives for a variety of residential and small commercial efficiency measures.

Load Management – Payments to customers for shifting electric load from peak to off-peak periods. The City of Houston plus other cities have participated in this type of program in the past.

Green Building/LEED Program – Incentives to commercial developers/building owners for construction of green/LEED (Leadership in Energy and Environmental Design) qualified buildings.

Commercial/Industrial Standard Offer – Incentive program for installation of efficiency measures in large commercial and industrial facilities.

Building Commissioning – Energy audit and building tune-up for commercial and industrial facilities.

Smart Schools – District-wide energy management program for local school districts.

Municipal Efficiency Program – Incentives for energy efficiency projects at municipal facilities including office buildings, water/wastewater facilities, traffic light upgrades to LED's.

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC

CERTIFIED COPY OF RESOLUTIONS

I, Richard B. Dauphin, Assistant Secretary of **CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC** (the "Company"), a Texas limited liability company, **HEREBY CERTIFY** that the following is a true, correct and accurate copy of resolutions adopted by the sole manager of said Company by unanimous written consent as of July 13, 2005:

Franchise Agreements

WHEREAS, the Company wishes to enter into agreements with municipalities in order to use the public rights-of-way to conduct its business; and

WHEREAS, the sole Manager of the Company (the "Manager") deems it advisable and in the best interest of the Company that the Company enter into such agreements;

NOW, THEREFORE, BE IT:

RESOLVED, that the Manager of the Company hereby authorizes the Chairman, the President, the Chief Financial Officer, any Executive Vice President or the Treasurer of the Company (each a "Senior Officer") to negotiate and approve agreements, including franchise agreements and franchise ordinances, between the Company and any municipality for the use of such municipality's public rights-of-way to conduct the Company's business (the "Franchise Agreements"); and

RESOLVED, that the execution and delivery of Franchise Agreements by any Senior Officer prior to the date of these resolutions is hereby ratified, confirmed and approved as the authorized act and deed of the Company; and

Miscellaneous

RESOLVED, that the Senior Officers are each hereby authorized and empowered from time to time to take such actions and to execute and deliver such certificates, agreements, instruments, notices and other documents, or to effect such filings with any and all appropriate regulatory authorities, state and federal, as may be required or as such officer may deem necessary or advisable in order to carry out the transactions contemplated by, and the purposes and intents of, the foregoing resolutions; all such actions to be performed in such manner, and all such certificates, agreements, instruments, notices and other documents to be executed and delivered in such form, as the officer performing or executing the same shall approve, the performance or execution thereof by such officer to be conclusive evidence of the approval thereof by such officer and by the Company; and

RESOLVED, that the Secretary or any Assistant Secretary of the Company are each hereby authorized and empowered to certify and attest any documents which he or she may deem necessary or advisable to consummate the transactions contemplated by the documents heretofore authorized, provided that such attestation shall not be required for the due authorization, execution and delivery or validity of the particular document; and

RESOLVED, that the authority granted to the Senior Officers under the foregoing resolutions shall be deemed to include, in the case of each such resolution, the authority to perform such further acts and deeds as may be necessary or advisable, in the judgment of such officers, to carry out the transactions contemplated thereby, and all acts and deeds previously performed by the officers or counsel for the Company and agents of the Company prior to the date of these resolutions that are within the authority conferred hereby, are ratified, confirmed and approved as the authorized acts and deeds of the Company; and

RESOLVED, that the foregoing powers and authorizations shall continue in full force and effect until revoked in writing by the Company;

I FURTHER CERTIFY that the foregoing resolutions have not been altered, modified, revoked or rescinded, and that the same remain in full force and effect on the date hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the Company as of April 21, 2006.



Richard B. Dauphin
Assistant Secretary
CenterPoint Energy Houston Electric, LLC

CenterPoint Energy Houston Electric

Settlement Term Sheet – Supplement Information

City of Thompsons

Franchise Agreement

Expiration date of current franchise is May 24, 2029

Proposal to extend franchise agreement until December 31, 2046

Franchise Payment - \$11,203.48

Base amount defined as the higher of (1) average of two highest payments during 1998-2005 or, (2) the highest payment since deregulation (one-payment made between 2002 and 2005)

Average of two highest payments

\$11,039.74

Highest payment since deregulation

\$11,203.48

Public use dollars \$1,000.00

The City of Thompsons used 2,626,855 kwh including street lights in 2005 equal to 0.0035% of total kwh system wide for CNP Electric

$\$26,000,000 \times 0.0035\% = \$1,000.00$

ORDINANCE #127

ESTABLISHING REGULATIONS REGARDING THE LOCATIONS OF ESTABLISHMENTS THAT SELL ALCOHOLIC BEVERAGES WITHIN THE TOWN OF THOMPSONS, TEXAS

AN ORDINANCE ESTABLISHING REGULATIONS REGARDING THE LOCATIONS OF ESTABLISHMENTS THAT SELL ALCOHOLIC BEVERAGES WITHIN THE TOWN OF THOMPSONS, TEXAS; SETTING FORTH OTHER PROVISIONS RELATED THERETO; PROVIDING A PENALTY IN AN AMOUNT NOT TO EXCEED \$500 FOR VIOLATION OF ANY PROVISION HEREOF; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES INCONSISTENT OR IN CONFLICT HEREWITH; AND PROVIDING FOR SEVERABILITY.

* * * * *

WHEREAS, pursuant to *109.33, Texas Alcoholic Beverage Code, municipalities may regulate the locations of establishments that sell alcoholic beverages within the municipality; and

WHEREAS, to promote the health, safety and welfare of its citizens, the Board of Aldermen of the Town of Thompsons desires to expand its regulatory authority as provided in the Texas Alcoholic Beverage Code; now, therefore,

BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE TOWN OF THOMPSONS, TEXAS:

Section 1. The facts and matters set forth in the preamble of this Ordinance are hereby found to be true and correct.

Section 2. Sale of alcoholic beverages near schools, churches, hospitals, dwellings, and day-care/child-care facilities.

(a) Except as provided in this subsection, it shall be unlawful for any dealer, as that term is defined in Chapter 109 of the Texas Alcoholic Beverage Code, to sell alcoholic beverages within the corporate limits of the Town of Thompsons where the place of business of such dealer is within 300 feet of a church, public or private school, or public hospital. "Private school" shall have the meaning set forth in Section 109.33 of the Texas Alcoholic Beverage Code. This subsection shall not apply to the holder of (i) a license or permit who also holds a food and beverage certificate covering a premise that is located within 300 feet of a private school; or (ii) a license or permit covering a premise where minors are prohibited from entering under Section 109.53 of the Texas Alcoholic Beverage Code and that is located within 300 feet of a private school.

(b) Except as provided in this subsection, it shall be unlawful for any dealer, as that term is defined in Chapter 109, Texas Alcoholic Beverage Code, to sell alcoholic beverages within the corporate limits of the Town of Thompsons in any area designated as an "alcohol-free school zone" pursuant to this subsection. Following receipt of a

written request from the governing body of a private school for the designation of an alcohol-free school zone, the Board of Aldermen may designate areas within 1,000 feet of the private school as an alcohol-free school zone. Requests for designation shall be filed with the Town Secretary and shall be presented to Board of Aldermen as soon as practicable following their filing. Designations under this subsection may be made by Board of Aldermen motion. The prohibition set forth in this subsection shall not apply to the holder of: (i) a retail on-premises consumption permit or license if less than 50 percent of the gross receipts for the premises is from the sale or service of alcoholic beverages; (ii) a retail off-premises consumption permit or license if less than 50 percent of the gross receipts for the premises, excluding the sale of items subject to the motor fuels tax, is from the sale or service of alcoholic beverages; or (iii) a wholesaler's, distributor's, brewer's, distiller's and rectifier's, winery, wine bottler's or manufacturer's permit or license, or any other license or permit held by a wholesaler or manufacturer as those words are ordinarily used and understood in Chapter 102 of the Texas Alcoholic Beverage Code. Furthermore, an alcohol-free school zone designated upon request of the governing body of a private school shall have no application to a holder of (i) a license or permit issued under Chapter 27, 31, or 72 of the Texas Alcoholic Beverage Code who is operating on the premises of a private school; or (ii) a license or permit covering a premise where minors are prohibited from entering under Section 109.53 of the Texas Alcoholic Beverage Code and that is located within 1,000 feet of a private school.

© This subsection establishes additional criteria regarding the sale of alcoholic beverages and shall apply only to a holder of a permit or license issued under the following chapters of the Texas Alcoholic Beverage Code who does not hold a food and beverage certificate: Chapter 25 (Wine and Beer Retailer's Permit), Chapter 28 (Mixed Beverage Permit), Chapter 32 (Private Club Registration Permit), Chapter 69 (Retail Dealer's On-Premise License) or Chapter 74 (Brewpub License). Except as provided in this subsection, it shall be unlawful for any dealer specified in this subsection to sell alcoholic beverages within the corporate limits of the Town where the place of business is within 300 feet of a day-care center or child-care facility. For purposes of this section, "day-care center" and "child-care facility" shall have the meanings set forth in Section 42.002 of the Human Resources Code. This subsection shall not apply to a permit or license holder who sells alcoholic beverages if: (i) the permit or license holder and the day-care center or child-care facility are located on different stories of a multistory building; or (ii) the permit or license holder and the day-care center or child-care facility are located in separate buildings and either the permit or license holder or the day-care center or child-care facility is located on the second story or higher of a multistory building.

(d) Notwithstanding the provisions of subsection (a) hereof, it shall be unlawful for a bar to locate within 500 feet of a dwelling, church, public or private school, public hospital, day-care center or child-care facility. For purposes of this subsection, "bar" shall mean an establishment that derives 75 percent or more of the establishment's gross revenues from the on-premise sale of alcoholic beverages. "Dwelling" shall mean a house, duplex, apartment, townhouse, condominium, manufactured home, or any other building used for residential purposes. Any person applying for a certificate of occupancy for a bar must file an affidavit with the building

official stating whether the establishment will derive 75 percent or more of its gross quarterly (three-month) revenue from the sale of alcoholic beverages for on-premise consumption. Any person owning or operating an establishment that sells or serves alcoholic beverages shall, upon request, supply the Town's building official with any records needed to document the percentage of gross revenue on a quarterly (three-month) basis derived from the sale of alcoholic beverages.

(e) Except as provided in subsection (f) below, for purposes of subsection (a) the measurement of the distance between the place of business where alcoholic beverages are sold and the church or public hospital shall be along the property lines of the street fronts and from front door to front door and in direct line across intersections. Except as provided in subsection (f) below, for purposes of subsections (a) and (b) hereof, the measurement of the distance between the place of business where alcoholic beverages are sold and the public school, private school, day-care center, or child-care facility shall be (i) in a direct line from the property line of the public school, private school day-care center, or child-care facility to the property line of the place of business, and in a direct line across intersections; or (ii) if the permit or license holder is located on or above the fifth story of a multistory building, in a direct line from the property line of the public school, private school, day-care center, or child-care facility to the property line of the place of business, in a direct line across intersections, and vertically up the building at the property line to the base of the floor on which the permit or license holder is located. For purposes of subsection (d) hereof, the measurement of the distance between the bar and the dwelling, church, public, or private school, public hospital, day-care center or child-care facility shall be in a direct line from the property line of the bar to the property line of the dwelling, church, public or private school, public hospital, day-care center or child-care facility.

(f) As to any dealer who held a license or permit on September 1, 1983, in a location where a regulation under Section 109.33 of the Texas Alcoholic Beverage Code was in effect on that date, for purposes of subsections (a), (b), (c) and (d) hereof, the measurement of the distance between the place of business of the dealer and a public or private school shall be along the property lines of the street fronts and from front door to front door, and in direct line across intersections.

(g) This Section 2 shall be administered in a manner consistent with the Texas Alcoholic Beverage Code. Furthermore, nothing in this Section shall be construed to allow or authorize that which is prohibited by the Texas Alcoholic Beverage Code or any other law."


Section 3. Cancellation of state license or permit. If a state license or permit is issued that allows the sale of an alcoholic beverage at a location prohibited by this article or other code provision, the Town shall forthwith give notice of such violation to the Texas Alcoholic Beverage Commission and request cancellation of such license/permit.

Section 4. Penalty. Any person who shall violate any provision of this Ordinance shall be deemed guilty of a misdemeanor and, upon conviction, shall be fined in an amount not to exceed \$500.00. Each day of violation shall constitute a separate offense.

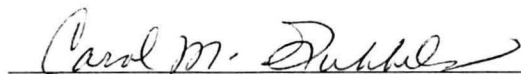
Section 5. Repealer. All ordinances or parts of ordinances inconsistent or in conflict herewith are, to the extent of such inconsistency or conflict, hereby repealed.

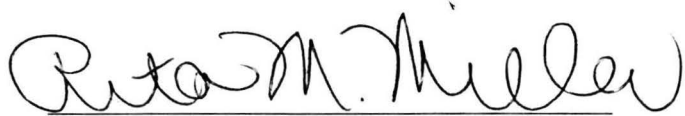
Section 6. Severability. In the event any clause, phrase, provision, sentence, or part of this Ordinance or the application of the same to any person or circumstances shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Ordinance as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional; and the Board of Aldermen of the Town of Thompsons, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.


PASSED, APPROVED, AND ADOPTED this 19th day of October, 2006.


Freddie Newsome, Jr.-Mayor
City of Thompsons


ALDERMEN:


Carol M. Gubbels

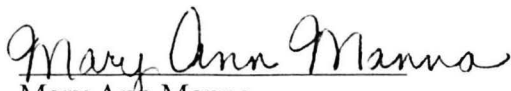

Rita M. Miller

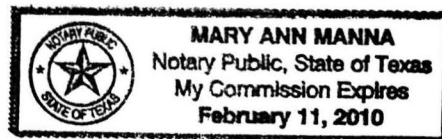

Gina S. Treadgold

Sherrie Knoepfel


Deborah Brown

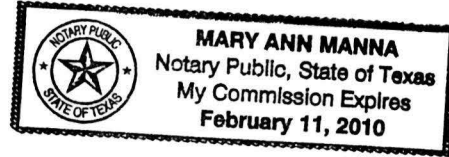
ATTEST:


Mary Ann Manna
City Secretary



I, Mary Ann Manna, City Secretary of the Town of Thompsons, Texas, do hereby certify that the foregoing is a true and correct copy of Ordinance Number 127, finally passed and approved by the Town of Thompsons, following the first reading thereof at a regular meeting held on the 19th day of October, 2006.

Mary Ann Manna
City Secretary



Incorporated 1979

Telephone: 281-343-9929

FAX: 281-343-7786

TOWN OF THOMPSONS

P. O. BOX 29

THOMPSONS, TEXAS 77481

MAYOR

FREDDIE NEWSOME, JR

ALDERMEN

RITA M. MILLER

DEBORAH BROWN

GINA S. TREADGOLD

CAROL M. GUBBELS

SHERRIE K. KNOEPFEL

April 20, 2007

Dianne Wilson
Fort Bend County Clerk
301 Jackson Street
Richmond, Texas 77469

Dear Ms. Wilson:

Please find enclosed the Town of Thompsons Fiscal Budget for May 1, 2007 through April 30, 2008, for your files.

If you have any questions, please do not hesitate to contact me at 281-343-9929.

Sincerely,



Freddie Newsome, Jr.
Mayor

FN/mam

Enclosures

ORDINANCE NO. 128

**ADOPTION OF BUDGET
FISCAL YEAR 5-1-07 THROUGH 4-30-08**

WHEREAS, pursuant to the laws of the State of Texas for General Law cities, the budget covering proposed expenditures for the fiscal year beginning May 1, 2007 and ending April 30, 2008 was filed with the City Secretary and was posted in Herald Coaster and bulletin board outside City Hall as required; and

WHEREAS, a public hearing was held by the City Council of Aldermen of the Town of Thompsons, Texas, on said budget on March 15, 2007, at which time said budget was fully considered, and interested taxpayers were heard by City Council;

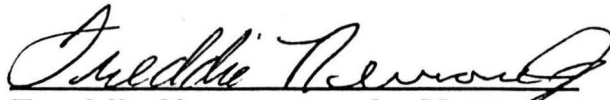
NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUCIL OF ALDERMEN OF THE TOWN OF THOMPSONS, TEXAS:

That the budget estimate of the revenues and expenditures for the Town of Thompsons, Texas as presented by the Mayor and appropriated by the City Council for the fiscal year beginning May 1, 2007 and ending April 30, 2008, be and it is hereby adopted as the budget for such fiscal year:

That the attached "Exhibit A" with written comments of expenditures be declared as necessary for operating expenses for the Town of Thompsons;

That the Ordinance be in full force and effect from and after its adoption.

PASSED AND APPROVED BY THE CITY COUNCIL OF ALDERMEN OF THE TOWN OF THOMPSONS, TEXAS, upon first and final reading at a Regular Council Meeting on the 19th day of April, 2007 by a vote of 5 "AYES", -0- "NAYS" and -0- "ABSTENTIONS".


Freddie Newsome, Jr.-Mayor


TOWN OF THOMPSONS


Gina S. Treadgold-Alderman

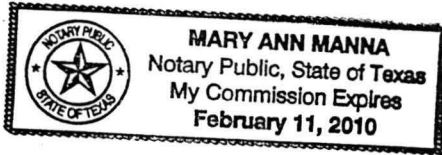

Rita M. Miller- Alderman

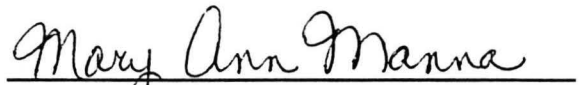

Sherrie Knoepfel-Alderman


Carol M. Gubbels-Alderman


Deborah Brown-Alderman

ATTEST




Mary Ann Manna-City Secretary

I, Mary Ann Manna, City Secretary of the Town of Thompsons, Texas, do hereby certify that the foregoing is a true and correct copy of Ordinance Number 128, finally passed and approved by the Town of Thompsons, following the First and final reading thereof at regular meetings held on the 18th day of January and the 15th day of February.


Mary Ann Manna-City Secretary

	ABCD	E	P	Q	R	S	T
1	TOWN OF THOMPSONS, TEXAS		budget fye 4/30/07	for calander year	budget fye 4/30/08		
2	PRELIMINARY BUDGET FYE 4/30/20		Budget	1/1/06 TO 12/31/06	Budget		
3	Ordinary Income/Expense		for the period	ACTUAL	for the period		
4	Income		5/1/2006 to 4/30/2007	calander 2006	5/1/2007 to 4/30/2008		
5	4060 - Grants :						
6	4100 - Taxes and Assessments :						
7	4130 - Sales & Use Tax		15,000.00	20,722.89	21,000.00		last calendar year 20,722.89
8	4140 - Franchise Fees/ Ind Agrmt		694,000.00	697,174.34	714,420.00	A	BzVal 137, TexGen 569 Clerpt 8
9	Total 4100 - Taxes and Assessments		709,000.00	717,897.23	735,420.00	735,420.00	
10	4200 - Interest Income						
11	4201 - CD'S Income		0.00		0.00		
12	4202 - Texpool Interest		6,300.00	10,337.46	10,000.00		last year actual
13	4203 - Jones Interest		320,000.00	351,205.53	370,000.00	B	382,461 proj Jones @ 12/2006, less 12K
14	4200 - Interest Income - Other		100.00	41.22	50.00		last year actual
15	Total 4200 - Interest Income		326,400.00	361,584.21	380,050.00	380,050.00	
16	4600 - Other Income						
17	4601 - Summer Park Program		0.00	0.00	0.00		
18	4600 - Other Income - Other		1,129.00	2,430.20	2,400.00		last year actual
19	Total 4600 - Other Income		1,129.00	2,430.20	2,400.00	2,400.00	
20	Total Income		1,036,529.00	1,081,911.64	1,117,870.00	1,117,870.00	TOTAL REVENUE
21	Expense						
22	5100 - Health and Safety						
23	5200 - Volunteer Fire Department						
24	5201 - Payroll, Fire Secretary		2,601.90	1,822.50	2,625.00	AA	
25	5204 - Other Expenses Fire Department		9,530.00	8,578.84	8,500.00	EE	
26	5206 - Maintenance Fire Department		10,000.00	4,692.63	15,000.00	EE	
27	5207 - Equipment Fire Department		0.00	0.00	0.00		
28	5299 - Equipment, Capital Outlay		0.00	0.00	0.00		
29	Total 5200 - Volunteer Fire Department		22,131.90	15,093.97	26,125.00		
30	5300 - Trash Service		12,000.00	9,350.00	11,000.00		\$862.50 /Mo current + fuel cost
31	Total 5100 - Health and Safety		34,131.90	24,443.97	37,125.00	37,125.00	total health and safety
32	5400 - Police Department						
33	5401 - Payroll, Police		40,320.00	39,207.53	41,580.00	AA	
34	5405 - Other Expenses, Police D		33,000.00	9,893.74	31,500.00	DD	
35	Total 5400 - Police Department		73,320.00	49,101.27	73,080.00	73,080.00	total police department
36	5500 - Park Services						
37	5501 - Payroll, Park Department		47,174.40	45,174.27	48,921.60	AA	add 1K, 1/18/07
38	5503 - Maintenance Park		16,000.00	6,552.20	13,000.00		Mosquito Control 12K + 2K total
39	5505 - Other Expenses Park		7,000.00	4,895.11	5,000.00		last year actual
40	5506 - Summer Park Program		19,610.00	12,748.82	18,200.00		12000. YMCA, 1200 4th July. + 5000 kids work program
41	5507 - Utilities Park		2,800.00	1,921.35	2,113.00		110% of last year actual
42	Total 5500 - Park Services		92,584.40	71,291.75	87,234.60	87,234.60	total park service
43	6000 - General Government Expenses						
44	6020 - Advertising		250.00	247.95	250.00		last year actual includes purchase Police vehicle
45	6050 - Automobile Expense		0.00	8,214.27	2,200.00		last year actual adj 2500. repairs to Police vehicle 3531.
46	6060 - Bank Service Charges		100.00	33.00	33.00		last year actual
47	6170 - Contract Labor		900.00	950.00	1,200.00		cleaning lady \$100.00 month
48	6190 - Continue Education		2,000.00	487.00	2,000.00		same budget as last year
49	6220 - Dues and Subscriptions		1,400.00	1,626.03	1,600.00		last year actual add 3000. for rental of voting machines per Mayor Newsome 2/12/2007
50	6223 - Election Expense		175.00	242.43	4,500.00		estm contract with county, voting machines
51	6380 - Insurance		35,278.50	33,391.65	33,346.60	BB	
52	6550 - Office Supplies		2,000.00	4,412.20	4,500.00		last year actual 3839.00+50.00+339.37+183.83=4412.
53	6560 - Payroll Salary Office Staff		41,076.00	32,819.29	45,360.00	AA	
54	6580 - Payroll Taxes All Staff		10,862.68	7,710.54	11,749.22	AA	
55	6590 - Payroll Retirement match employe		3,108.72	3,326.46	3,253.78	AA	
56	6610 - Postage and Delivery		1,270.00	963.50	1,100.00		10% increase over 2006 actual
57	6620 - Printing and Reproduction		1,100.00	460.34	500.00		last year actual
58	6640 - Professional Fees		31,200.00	29,378.50	31,615.00	CC	
59	6710 - Repairs						
60	6720 - Building Repairs		5,500.00	2,007.50	2,000.00		last year actual
61	6740 - Equipment Repairs		150.00	36.69	150.00		same as last year budget
62	6710 - Repairs - Other & Street		0.00	8,138.77	0.00		assume no street repairs this budget
63	Total 6710 - Repairs		5,650.00	10,182.96	2,150.00		
64	6880 - Telephone		8,000.00	7,603.14	8,000.00		last year actual plus 5%
65	6900 - Travel & Expense						
66	6930 - Travel Meal- Mayor/Counc/Empl		3,500.00	3,810.30	4,000.00		last year actual total building cost is \$818K plus about \$50K to furnish it, some will be paid in 4/30/07 budget
67	6900 - Travel & Expense - Other			884.20	1,000.00		last year actual year and rest will be paid in 4/30/08 budget
68	Total 6900 - Travel & Expense		3,500.00	4,694.50	5,000.00		last year actual year, this is best guess, add \$100,000.00 per Mayor Newsome 2/12/2007
69	6940 - Utilities - Street Lights		26,500.00	20,482.47	21,500.00		last year actual + 5%
70	6945 - Capital improvements		798,000.00	41,549.25	477,000.00		bidg 818K, 60% done by 5/1/07 reman = 327K + Furniture 50K
71	6950 - Gas and Electric		0.00	0.00	0.00		
72	6970 - Contingency Fund		50,000.00	0.00	50,000.00		same as last year budget
73	Total 6000 - General Government Expense		1,022,370.90	62,031.72	706,857.60	706,857.60	total general government
74							
75	Total Expense		1,222,407.20	\$ 353,612.47	904,297.20	904,297.20	TOTAL EXPENSE
76							
77	Ordinary Income		(185,878.20)	728,299.17	213,572.80	213,572.80	SUBTOTAL
78	Other Expense						
79	Other Expense						
80	8010 - Other Expenses		3,000.00	0.00	3,000.00		3000. Added last year by FN
81	Total Other Expenses		3,000.00	0.00	3,000.00	3,000.00	OTHER EXPENSES
82	Not Income		(188,878.20)	728,299.17	210,572.80	210,572.80	REVENUE OVER EXPENSES

**CERTIFICATION
OF
CITY SECRETARY**

I hereby certify that I am the City Secretary of the City of Thompsons and the authority responsible for having the official ballot prepared for the May 12, 2007 election. I further certify that the following candidates are unopposed for election to the office of Mayor and Council Members in the May 12, 2007 election:

**Rita M. Miller - Alderman
Gina S. Treadgold-Alderman
Carol M. Gubbels- Alderman**

Mary Ann Manna
**City Secretary
Town of Thompsons**

April 19, 2007

**TOWN OF THOMPSONS
FORT BEND COUNTY, TEXAS**

ORDINANCE NUMBER 129A

AN ORDINANCE DECLARING EACH UNOPPOSED CANDIDATE ELECTED TO OFFICE:

WHEREAS: under Subchapter C, ("Election of Unopposed Candidate"), Section 2.051-2.054 of the Election Code of the State of Texas:

CHAPTER 2 SUBCHAPTER C VERNON'S TEXAS CODES ANNOTATED
ELECTIONS

ELECTION OF UNOPPOSED CANDIDATE

SECTION 2.051: APPLICABILITY OF SUBCHAPTER. This subchapter applies only to an election for officers of a political subdivision other than a county in which write-in votes may be counted only for names appearing on a list of write in candidates and in which:

- (1) each candidate whose name is to appear on the ballot is unopposed;
and
- (2) no proposition is to appear on the ballot.

SECTION 2.052: CERTIFICATION OF UNOPPOSED STATUS. (a) The authority responsible for having the official ballot prepared shall certify in writing that a candidate is unopposed for election to an office in:

- (1) only one candidate's name is to be placed on the ballot for that office under Section 52.003; and
- (2) no candidate's name is to be placed on a list of write-in candidates for that office under applicable law.

(b.) The certification shall be delivered to the governing body of the political subdivision as soon as possible after the filing deadline for placement on the ballot and a list of write-in candidates.

SECTION 2.053: ACTION ON CERTIFICATION: (a) On receipt of the certification, the governing body of the political subdivision by order or ordinance may declare each unopposed candidate elected to office.

(b) If a declaration is made under Subsection (a), the election is not held. A copy of the order or ordinance shall be posted on election day at each polling place that would have been used in the election.

© A certificate of election shall be issued to each candidate in the same manner as provided for a candidate elected at the election.

WHEREAS; as certification has been delivered to the governing body of the Town of Thompsons, Fort Bend County, Texas by the City Secretary stating that there are no opposed candidates and that no proposition is to appear on the ballot.

WHEREAS: all criteria have been met under the Texas Election Code, the Mayor and Aldermen of the Town of Thompsons, Fort Bend County, Texas declare the following unopposed candidate are duly elected to the position listed:

- Alderman: Rita M. Miller
- Alderman: Gina S. Treadgold
- Alderman: Carol M. Gubbels

WHEREAS: If any provision, section, subsection, sentence, clause or phrase of this ordinance, or application of same to any person or set of circumstances, is for any reason held to be unconstitutional, void, invalid (or for any reason unenforceable), the validity of the remaining portions of this ordinance or their application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the Board of Aldermen of the Town of Thompsons in adopting this ordinance, that no portion thereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality or invalidity of any portion, provision or regulation, and to this end, all provisions of this ordinance are declared to be severable.

WHEREAS: Any ordinance or parts of ordinances in conflict: herewith, are repealed to the extent of their conflict only.

NOW THEREFORE BE ORDAINED BY THE BOARD OF ALDERMEN OF THE TOWN OF THOMPSONS, FORT BEND COUNTY, TEXAS: the fact in the preamble of this ordinance are hereby found and determined to be true and correct and this Ordinance shall become effective immediately upon its passage and adoption.

The Town Secretary is hereby directed to keep a file of this ordinance with the City files.

This ordinance shall take effect and be in force from and after its passage and approval. Passed and adopted following the first reading hereof this 19th day of April, A.D., 2007.

MAYOR *Arvidi Hernandez* ALDERMAN *Gina Treadgold*
ALDERMAN *Carol Gubbels* ALDERMAN *[Signature]*
ALDERMAN *[Signature]* ALDERMAN _____

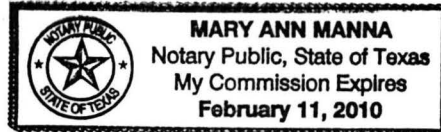
ATTEST

Mary Ann Manna

MARY ANN MANNA, SECRETARY

OF THE TOWN OF THOMPSONS, FORT BEND COUNTY, TEXAS

(SEAL)



I, Mary Ann Manna, City Secretary of the Town of Thompsons, Fort Bend County, Texas do hereby certify that the foregoing is a true and correct copy of Ordinance Number 129A, finally passed and approved by the Town of Thompsons, following the first reading thereof at a regular meeting held the 19th day of April 2007, and the statement is duly attested by the Secretary and that same has been duly engrossed and enrolled in the records of the Town of Thompsons, Fort Bend County, Texas.

EXECUTED under my hand and official seal of the Town of Thompsons, Fort Bend County, Texas, this the 19th day of April, 2007.

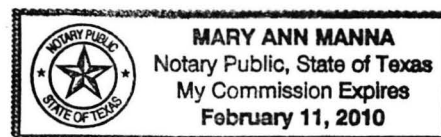
ATTEST:

Mary Ann Manna

SECRETARY

OF THE TOWN OF THOMPSONS, FORT BEND COUNTY, TEXAS

(SEAL)



**PEBLO DE THOMPSONS
FORT BEND COUNTY, TEXAS**

ORDENAZA NUMERO 129B

Una ordenanza declarando cada candidato sin oposicion electado a la oficio:

Mientras que; en Subcapitulo C, ("Eleccion de Candidato Sin Oposicion"), Seccion 2.051-2.054 de el Election Codigo del Estado de Tejas:

CAPITULO 2 SUBCAPITULO C VERNONS TEXAS CODES ANNOTATED
ELECTIONS

ELECCION DE CANDIDATO SIN OPOSICION

SECCION 2.051: APLICABILIDAD DE SUBCAPITULO. Este subcapitulo aplica solamente a una eleccion para oficiales de una subdivision politico otra cosa que un condado en que votos de escrito pueden estar contado solamente para nombres que aparecen en un lista que esta escrito de candidatos y en que:

- (1) Cada candidato que su nombre aparece en la balota es sin oposicion; y
- (2) No porporcion es de aparecer en la balota.

SECCION 2.052: CERTIFICACION DE CONDICION SIN OPOSICION.

- (a) La autoridad responsable de tener labalota preparado oficial para formar certificar en escrito que el candidato es sin oposicion para el eleccion de un oficio en:
 - (1) Solamente uno candidato's nombre estar puesto en la balota por esa oficio en seccion 52.003; y
 - (2) No candidato's nombre es puesto en la lista de candidatos escrito para el oficio aplicable de la ley.
- (b) El certificacion habre estado entregado a la cuerpo de gobernar de un subdivision politico lo mas pronto posible despues del solicitado linea vedada para colocacion en la balota y una lista de candidatos escrito.

SECCION 2.053: ACCION DE CERTIFICACION:

- (a) En ricibo de certificacion, el cuerpo de gobenar de un subdivision de orden o ordenanza puede declarar cada candidato sin oposicion para elegido a la oficio.
- (b) Si una declaracion es inventado en subseccion (a), no hay elecciones. Una copia del orden or ordenanza sera puesto en el dia de eleccion a cada cabina de votar que fue usado en la eleccion.
- (c) Un certificacion de eleccion sera dado para cada candidato en el mismo manera a condicion para un candidato electado a la elecciones.

Mientras que; una certificacion ha entregado al cuerpo de gobernar del Pueblo de Thompsons, Fort Bend County, Texas por el Secretario de la Ciudad diciendo que no hay candidatos de oposicion y que no hay proporcions en la balota.

Mientras que: todo criterio ha encontrado por el Texas Election Code, el Alcalde y Concejal del Pueblo de Thompsons, Fort Bend County, Texas declarar el proximo candidato sin oposicion estan electado a el posicion:

Concejal: Rita M. Miller
Concejal: Gina S. Treadgold
Concejal: Carol M. Gubbels

Mientras que; Si hay provision, seccion, subseccion, frase, clausula o fase de este ordenanza, o aplicacion de misma persona o circunstancia, es para alguna razon esta inconstitucional, vacio, invalido (o por una razon inejecutable), el valido de la porcions restante de esta ordenanza o de su aplicacion a otras personas o de circunstancia no sera afectado de este modo, es el intento del Consejo de Concejal del Pueblo de Thompsons en adoptando este ordenanza, que no porcion o provision o regulacion contenido hay hecho inoperante o faltar por razon de algun anticonstitucional o invalido de algun porcion, provision o regulacion, y asta el fin, todo provisions de este ordenanza son declarar de estar separado.

Mientras que; Algun ordenanza o partes de ordenanzas en conflicto estan revocando al la extension de su conflicto solamente.

Ahora por eso ordenando por el Consejo de Concejal del Pueblo de Thompsons, Fort Bend County, Texas: el facto en el preambulo de este ordenanza son por estas fundar y determinado estar verda y correcto y esta Ordenanza sera efecto inmediatamente encima de pasaje y adopcion.

La Secretaria del Pueblo esta directado a poner en fila un copia certificado de este ordenanza con la oficina de Secretaria de State Elections Divisions para el State of Texas.

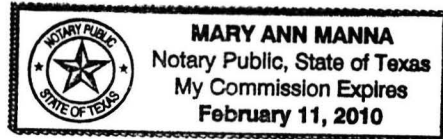
Esta ordenanza sera efecto y hacer cumplir de y despues de pasaje y aprobacion. Pasado y adoptado despunes de primero leyendo este 19th dia de Abril, A.D., 2007.

ALCALDE *Wesley* CONCEJAL *Gina Treadgold*
CONCEJAL *Carol Gubbels* CONCEJAL *[Signature]*
CONCEJAL *[Signature]* CONCEJAL *[Signature]*

ATESTIGUAR:

Mary Ann Manna

MARY ANN MANNA, SECRETARIA
DEL PUEBLO DE THOMPSONS, FORT BEND COUNTY, TEXAS



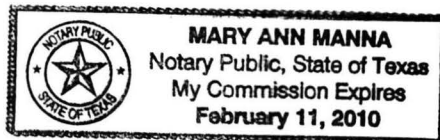
Yo, Mary Ann Manna, Secretaria de la Ciudad del Pueblo de Thompsons, Fort Bend County, Texas ha certificado que todo es verdad y copia correcto de Ordenanza numero 129B, finalmente pasado y aprobado para el Pueblo de Thompsons, despues de primero leyendo en la junta regular el 19th dia de Abril, 2007 y el declaracion es astestiguado por la secretaria y que mismo ha absorbido y alistado en los registardos del Pueblo de Thompsons, Fort Bend County, Texas.

Ejecutado, debajo de mi mano y sello oficial del Pueblo de Thompsons, Fort Bend County, Texas, este 19th, dia de Abril, 2007.

ATESTIGUAR:

Mary Ann Manna

SECRETARIA (SEAL)
DEL PUEBLO DE THOMPSONS, FORT BEND COUNTY, TEXAS



ORDINANCE NO. 130

ORDINANCE OF THE TOWN OF THOMPSONS, TEXAS, EXTENDING AND EXPANDING THE TOWN'S EXTRATERRITORIAL JURISDICTION UPON THE REQUEST OF OWNER OF TERRITORY.

WHEREAS, pursuant to the provisions of the Texas Local Government Code, Section 42.022 (b) (formerly Subsection C of Section 3 of the Municipal Annexation Act, Article 970a, Vernon's Texas Civil Statutes, as amended), the owners of all the territory described in Exhibit "A" attached hereto, which owner is the George Foundation, said owner being hereinafter referred to as "Petitioner" has presented to the Town of Thompsons, Texas (the "Town") a petition requesting that the Town extend and expand its extraterritorial jurisdiction to include all of the territory described in Exhibit "A" attached hereto and incorporated herein for all purposes; and

WHEREAS, the Town has reviewed said petition and has determined that the facts therein stated are true and correct; that Petitioner is the owner of the territory described in Exhibit "A" hereto, and that said territory is wholly contiguous to the existing extraterritorial jurisdiction of the Town; and

WHEREAS, the Town has determined that it will be in the best interests of the Town and the territory described in Exhibit "A" attached hereto if the Town extends and expands its extraterritorial jurisdiction to include such territory;

NOW, THEREFORE,

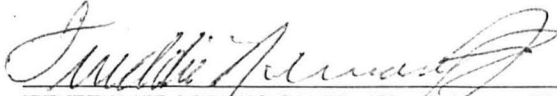
BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE TOWN OF THOMPSONS, TEXAS:

Section 1. The facts and recitals set forth in the preamble of this ordinance are hereby found and determined to be true and correct.

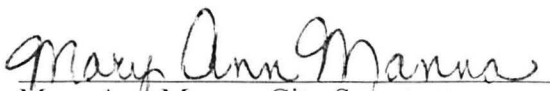
Section 2. The Town of Thompsons, Texas, hereby extends and expands its extraterritorial jurisdiction to include all of the territory described in Exhibit "A" hereto, which exhibit is incorporated herein and made a part hereof for all purposes.

Section 3. This ordinance shall become effective immediately upon its passage and adoption.

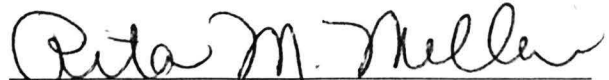
PASSED AND ADOPTED on this 21st day of June, 2007.


FREDDIE NEWSOME, JR., Mayor, Town
of Thompsons, Texas

ATTEST:

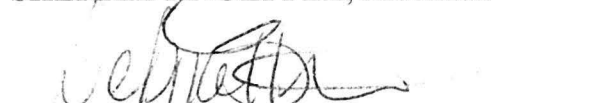

Mary Ann Manna, City Secretary
Town of Thompsons, Texas

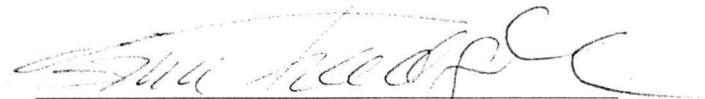
TOWN OF THOMPSONS, TEXAS,
BOARD OF ALDERMEN:


RITA M. MILLER, Alderman


CAROL M. GUBBELS, Alderman


SHERRIE KNOEPFEL, Alderman


DEBORAH BROWN, Alderman


GINA TREADGOLD, Alderman

HENRY STEINKAMP, INC.
Land Boundary & Topographic Surveying
909 Fifth Street
Rosenberg, Texas 77471
Telephone/Fax 281.342.2241
email: schodek@yahoo.com

Franklin R. Schodek
Registered Professional Land Surveyor

James L. Syptak, Sr.
Registered Professional Land Surveyor

May 31, 2007

TRACT 5.

To be Annexed into Town of Thompsons E.T.J.

A Field Note Description of 172.58 Acres of Land, more or less, in the Michael Young League, Abstract 99, Fort Bend County, Texas.

For Connection Begin at the East corner of the Michael Young League, Abstract 99; said corner being in the intersection of the centerline of Ricefield Road and Gless-Big Creek Road; THENCE, North 45deg. West, 3720.5 feet to the East corner of and **place of beginning** for this tract;

THENCE, South 45deg. West, 2265.04 feet, more or less, to the East corner of the Daniel C. Lenderman 1.3 Acre Tract (FBC 2001088287);

THENCE, North 45deg. West, 1381.5 feet, more or less, to the North corner of the Max E. Wade 1.0 Acre Tract (FBC 2005103374);

THENCE, South 45deg. West, 756.96 feet, more or less, to the West corner of the Harrel H. Knight 1.5 Acre Tract (FBC 2003145038);

THENCE, North 45deg. West, 1501.5 feet, more or less, to the West corner of the George Foundation 100.005 Acre Tract (FBC 2003046352);

THENCE, North 45deg. East, 3022.0 feet, more or less, to the North corner of said George Foundation 100.005 Acre Tract;

THENCE, South 45deg. East, 1441.5 feet to the East corner of said George Foundation 100.005 Acre Tract;

THENCE, South 45deg. West, 608.38 feet, more or less, to corner;

THENCE, South 45deg. East, 358.0 feet, more or less, to corner;

Page 2.

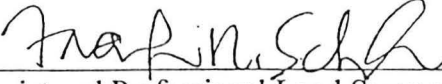
172.58 Acres

Michael Young League, Ab. 99

Fort Bend County, Texas.

THENCE, North 45deg. East, 608.38 feet, more or less, to corner;

THENCE, South 45deg. East, 1083.5 feet, more or less, to the place of beginning and containing 172.58 Acres of Land, more or less.

Signed: 
Registered Professional Land Surveyor No. 1535

NOTE; Not a field survey, prepared from available information

**PETITION REQUESTING EXPANSION AND EXTENSION
OF EXTRATERRITORIAL JURISDICTION**

TO THE HONORABLE MAYOR AND THE BOARD OF ALDERMEN OF THE TOWN OF THOMPSONS, TEXAS:

The undersigned owner (herein the "Petitioner"), owner of all of the territory described in Exhibit "A" attached hereto and incorporated herein for all purposes (the "Territory"), hereby petitions and requests the Town of Thompsons, Texas (the "Town"), to expand and extend the Town's extraterritorial jurisdiction to include all of the Territory, and would show the following:

I.

Petitioner is the owner of title to all of the land within the Territory, which land is shown on a map or plat submitted with this Petition. The map or plat shows the tract of land within the Territory which is owned by Petitioner, calculated to be 172.58 acres of land, more or less.

II.

The Territory is wholly contiguous to the existing extraterritorial jurisdiction of the Town.

III.

Petitioner believes that none of the Territory is located within any other city's existing extraterritorial jurisdiction or city limits; however, if Petitioner is incorrect, Petitioner requests that the boundaries of the Territory be revised and reformed so that none of the Territory to be included within the Town's extraterritorial jurisdiction shall be located within any other city's existing extraterritorial jurisdiction or city limits.

IV.

If any portion of this Petition is invalid or unenforceable for any reason, including but not limited to because parts of the Territory are ineligible for inclusion in the extraterritorial jurisdiction of the Town, such invalidity or unenforceability shall not affect any other provision hereof or any part of the Territory which is eligible for inclusion in the extraterritorial jurisdiction of the Town, and this Petition shall be construed as if such invalid or unenforceable provision had never been contained herein.

V.

This Petition and request is made pursuant to the provisions of the Texas Local Government Code, § 42.022(b).

VI.

Petitioner believes that it will be in the best interests of Petitioner, the Territory, and the Town if the Town extends and expands its extraterritorial jurisdiction to include all of the Territory.

VII.

If this Petition is challenged prior to action being taken thereon by the Town, Petitioner agrees to either: (a) pay or reimburse the Town for all costs, including legal expenses, incurred by it in addressing such challenge; or, (b) withdraw the Petition. If the ordinance requested by the Petition to extend the Town's extraterritorial jurisdiction to include the Territory is adopted by the Town, and thereafter such ordinance is challenged in whole or in part, Petitioner agrees to either: (a) pay or reimburse the Town for all costs, including legal expenses, incurred by it in defending the ordinance against such challenge; or, (b) give written notice to the Town that Petitioner does not desire to pay such expenses in which case Town may revoke the ordinance or take such other action as is necessary to release the Territory or portion thereof being challenged from the Town's extraterritorial jurisdiction.

WHEREFORE, Petitioner prays that this petition be heard and that the Town of Thompsons, Texas duly pass and adopt an ordinance extending and expanding the Town's extraterritorial jurisdiction to include all of the Territory described in Exhibit "A" hereto.

RESPECTFULLY EXECUTED on the respective dates appearing hereinafter opposite the name and signature of Petitioner.

THE GEORGE FOUNDATION, a Texas Charitable Trust

Date: JUNE 21, 2007

By: 
ROLAND C. ADAMSON, Executive Director

HENRY STEINKAMP, INC.
Land Boundary & Topographic Surveying
909 Fifth Street
Rosenberg, Texas 77471
Telephone/Fax 281.342.2241
email: schodek@yahoo.com

Franklin R. Schodek
Registered Professional Land Surveyor

James L. Syptak, Sr.
Registered Professional Land Surveyor

May 31, 2007

TRACT 5.

To be Annexed into Town of Thompsons E.T.J.

A Field Note Description of 172.58 Acres of Land, more or less, in the Michael Young League, Abstract 99, Fort Bend County, Texas.

For Connection Begin at the East corner of the Michael Young League, Abstract 99; said corner being in the intersection of the centerline of Ricefield Road and Gless-Big Creek Road; THENCE, North 45deg. West, 3720.5 feet to the East corner of and **place of beginning** for this tract;

THENCE, South 45deg. West, 2265.04 feet, more or less, to the East corner of the Daniel C. Lenderman 1.3 Acre Tract (FBC 2001088287);

THENCE, North 45deg. West, 1381.5 feet, more or less, to the North corner of the Max E. Wade 1.0 Acre Tract (FBC 2005103374);

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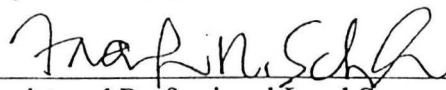
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