

ATTACHMENT "B"
DEVELOPMENT AGREEMENT

ESPADA SPECIAL IMPROVEMENT DISTRICT CHAPTER 212 DEVELOPMENT AGREEMENT

This Development Agreement (this “Agreement”) is entered into between the **City of San Antonio**, a Texas home-rule municipal corporation located within Bexar County, Texas (hereinafter, referred to as “City”), **Marmaxx Operating Corp.**, a Virginia Corporation (“Marmaxx”) and **Lennar Homes of Texas Land and Construction, Ltd.**, a Texas limited partnership (“Lennar”). Marmaxx and Lennar shall hereafter be referred to collectively as “Owners”. City and Owners shall hereafter collectively be referred to as “Parties” or in the singular as “Party”.

RECITALS

WHEREAS, on June 12, 2008, by Resolution 2008-06-12-0030R, the City consented to Bexar County’s (the “County”) creation of the Espada Special Improvement District No. 1 (the “District”) and the grant of power to the District to impose an ad valorem tax, sales and use tax, and a hotel occupancy tax pursuant to Chapter 372 of the Texas Local Government Code (the “Code”); and

WHEREAS, on October 21, 2008, the County issued an order creating the District (the “Creation Order;” attached hereto as **Exhibit “A”**), pursuant to the previous Subchapter C of the Texas Local Government Code, now recodified and hereafter referred to as Chapter 382 of the Texas Local Government Code (the “Code”); and

WHEREAS, pursuant to the Creation Order, the District included approximately 471.91-acres of land and was granted the power to impose an ad valorem tax, a sales and use tax, and a hotel occupancy tax, and had a seven (7) member board of directors named to manage the affairs of the District; and

WHEREAS, on October 7, 2009, the County amended the Creation Order (the “First Amended Creation Order;” attached hereto as **Exhibit “B”**) which restated the purpose, powers, and authority granted to the District and amended the District’s boundaries to include approximately 494.976-acres of land (a net increase of approximately 23.066-acres from the District’s original boundaries); and

WHEREAS, on March 18, 2010, the City adopted Ordinance 2010-03-08-0224 which: confirmed the City’s consent to the County’s creation of the District and approved the expansion of the District’s boundaries, the County’s delegation of powers authorized by Article III, Section 52 of the Texas Constitution and road, water, wastewater, and drainage facility powers to the District pursuant to section 382.101 (c) of the Code, and approved an agreement for services in lieu of annexation (the “ASILA”, attached hereto as **Exhibit “C”**) applicable to all property within the boundaries of the District; and

WHEREAS, Section 382.113 of the Code authorizes a district to adopt an order excluding land or adding land to the District, if, among other requirements, the District obtains consent of the county that created the District and the municipality in whose ETJ the district is located by resolution; and

WHEREAS, the District has requested the County and City's consent to amend the boundaries of the District to exclude approximately 68.512 acres of land pursuant to the provisions of Section 382.113 of the Code, reducing the size of the District to approximately 426.794 acres, as more particularly described and depicted in **Exhibit "D"**; and

WHEREAS, on February 21, 2023, the County issued a Resolution of Intent (attached hereto as **Exhibit "E"**) which expressed the County's intent to consider amending the Creation Order and approving the exclusion of land from the District's boundaries; and

WHEREAS, Owners own the property contained within the District and are in support of the District's petition for the city's consent to exclude land from the current boundaries of the District and upon the city's consent to the District's petition, Owners intend to develop the "Project" (as further defined and described herein);

WHEREAS, the Parties acknowledge that the Master Development Plan, attached hereto as **Exhibit "F"**, is subject to change as planning for the Project develops;

WHEREAS, in order to provide for the development of the District property in a manner that promotes uniform, controlled, and sustainable growth and protects the general health, safety, and welfare of persons residing in and adjacent to the City, the Parties desire to enter into this Agreement pursuant to Subchapter G of Chapter 212 of the Code, Section 212.172, et. sec., to reflect that in consideration of Owners execution and compliance with the terms of this Agreement, , City consents to the District's boundary amendment to exclude 68.512 acres of land, thereby reducing the size of the District to approximately 426.794 acres and to confirm the City's consent to the County's delegation to the District the powers authorized by Article III, Section 52 of the Texas Constitution and road, water, wastewater, and drainage facility powers to the District pursuant to section 382.101 (c) of the Code; however, the City's consent to the Owners and to the County does not include the power to exercise eminent domain, annexation, or exclusion of property from the District without further consent of the San Antonio City Council; and

WHEREAS, it is the Parties' intent that the ASILA, currently applicable to all property within the existing boundaries of the District remain intact and applicable to all of the property located within the current boundaries of the District regardless of whether the City's consent to the boundary changes to the District is granted, and this Agreement shall not be construed to terminate, amend or alter the ASILA by execution of this Agreement;

WHEREAS, it is the Parties intent that in the event of a conflict between the terms of the ASILA and this Agreement, and any of the exhibits or attachments that together comprise this Agreement, this Agreement shall control and prevail; and

WHEREAS, it is the Parties' intent that the City and the District will enter into a Strategic Partnership Agreement ("SPA") pursuant to Section 43.0751 of the Code, which, in addition to the terms of this Agreement regarding annexation, will govern the terms of limited and full purpose annexation of the District Property as well as sales and use taxes to be imposed by the City within the District, a percentage of which will be shared with the District according to the terms of the SPA.

NOW, THEREFORE, in consideration of the mutual covenants and agreements and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties now wish to enter into this Agreement and agree as follows:

I. DEFINITIONS

1.1 "Agreement" shall mean this document executed by the City and Owners which may be amended from time to time, pursuant to the provisions contained herein and shall constitute a "contract" for purposes of Chapter 212 of the Local Government Code.

1.2 "Annexation Area" shall mean the area that the City determines in its sole discretion to annex in accordance with this Agreement up to and including the District Property.

1.3 "ASILA" shall mean the Agreement for Services In Lieu of Annexation that was approved by the City through Ordinance 2010-03-08-0224 by and between the City and previous owners of the property (ESA Residential Development, Inc., E-TM Land Investment, Inc., and Terramark Communities, Ltd.) within the existing boundaries of the District, Espada No. 2, and Espada No. 3.

1.4 "City" shall have the meaning specified above.

1.5 "City Code" shall mean the City of San Antonio's Code of Ordinances.

1.6 "City Council" shall mean the City Council of the City of San Antonio, Texas.

1.7 "Code" shall mean the Texas Local Government Code, as amended.

1.8 "County" shall have the meaning specified above.

1.9 "Director" shall mean the Director of the City's Department of Planning.

1.10 "District" shall mean the Espada Special Improvement District No. 1, a Chapter 372, Subchapter C Special Improvement District originally created by the County on October 21, 2008 and most recently amended by the County on October 7, 2009.

1.11 "District Property" shall mean the real property contained within the amended boundaries of the District as more accurately described and depicted in the attached **Exhibit "D"**, attached hereto and incorporated herein for all purposes.

1.12 “Espada No. 2” shall mean the Chapter 372, Subchapter C Special Improvement District originally created by the County on October 21, 2008 and most recently amended by the County on October 7, 2009.

1.13 “Espada No. 3” shall mean the Chapter 372, Subchapter C Special Improvement District originally created by the County on October 21, 2008 and most recently amended by the County on October 7, 2009.

1.14 “ETJ” shall have the meaning specified above.

1.15 “Effective Date” shall mean the effective date of the City of San Antonio’ Ordinance approving this Agreement.

1.16 “First Amended Order” shall mean the October 7, 2009 Bexar County Commissioners Court Orders amending the District.

1.17 “Master Development Plan” (“MDP”) is the proposed plan of development for the Project, as depicted in **Exhibit “F”** attached hereto and incorporated herein for all purposes.

1.18 “Original Creation Order” shall mean the October 21, 2008 Bexar County Commissioners Court Orders creating the District.

1.19 “Owners” shall have the meaning specified above and include any heirs, successors and assigns.

1.20 “Project” shall have the meaning specified in Section 3.1 of this Agreement, which may be amended from time to time in accordance with Section 3.2 of this Agreement.

1.21 “Strategic Partnership Agreement” (“SPA”) is the proposed agreement in substantial form between the City and the District, attached hereto as **Exhibit “G”**, entered into pursuant to Section 43.0751 of the Code which will govern the terms of limited and full purpose annexation of the District Property and as detailed in Section 4.4 of this Agreement.

1.22 “Unified Development Code” (“UDC”) shall mean the City’s Unified Development Code, codified as Chapter 35 of the City Code.

Singular and Plural: Words used herein in the singular, where the context so permits, also includes the plural and vice versa, unless otherwise specified.

II. REPRESENTATIONS AND ACKNOWLEDGEMENTS

2.1 The recitals set forth hereinabove are included here as if set out in full and are part of the conditions of this Agreement and binding on the Parties.

2.2 Owners represent to City that they are the owners of the District Property and have the legal capacity and authority to enter into this Agreement and to perform the requirements of this Agreement.

2.3 Owners acknowledge that any improvements or contributions made to the District Property in anticipation of payment or reimbursement from the District shall not be, nor construed to be, financial obligations of the City and the City is not involved in the creation of the District or is in any other way required or obligated to perform any actions, contribute any funds or resources or otherwise participate in the establishment of the District, except as provided in this Agreement.

2.4 Owners acknowledge that the City's consent, described in Section 4.1 below, is to amend the boundaries of the District to exclude approximately 68.512 acres of land, thereby reducing the size of the District to approximately 426.794 acres, as described and depicted in **Exhibit "D"**.

2.5 Owners acknowledge that they have been provided the Notice Required by Section 212.172 (b-1) of the Code attached hereto as **Exhibit "H"**.

III. THE PROJECT & PUBLIC INFRASTRUCTURE

3.1 The Project consists of certain proposed public infrastructure to be developed on the District Property, as further described in the MDP, attached hereto as **Exhibit "F"**.

3.2 The Project may be amended from time to time through any applicable master development plan ("MDP") process currently outlined in the City's UDC with review and approval by the Director of the Development Services Department who reserves the right to exercise discretion with respect to any MDP review and approvals afforded under the UDC.

IV. CONSIDERATION AND TERMS

4.1 In exchange for the Owner's agreement to be bound by the terms of this Agreement, the City will support and consent to: (1) the District's amendment of the its boundaries to exclude approximately 68.512 acres of land, thereby reducing the size of the District to approximately 426.794 acres; ; and (2) the County's delegation to the District the powers granted by Article III, Section 52 and Article XVI, Section 59 of the Texas Constitution and the powers and duties of a road district, the power to provide water, wastewater, and drainage facilities in accordance with 382.101 of the Code. The City does not support and the City's consent does not include the District's use of the power of eminent domain, annexation or exclusion of property from the District without further consent by the City of San Antonio.

4.2 The Parties agree that Owners shall pay the following in consideration of the City's consent expressed in Section 4.1 hereof:

4.2.1 a PID application fee in the amount of \$7,500.00.

4.2.2 a Special District Operations Assessment (“Assessment”).

4.2.3 The Assessment is due within thirty (30) days of the date of the annual report required in Section 5.4 of this Agreement. The Assessment will be calculated based on the number of residential and multifamily units (“Units”) completed the previous year as reflected in the annual report. Staff may verify the number of Units by using resources such as Bexar County Appraisal District parcel information, field inspections, site inspections, or other available means, for each phase of the Project. The amount of the Assessment may be modified based on the final number of Units that have been completed and verified by staff. The final Assessment will be payable to the City within thirty (30) days of the date the annual report is due, and all Units have been verified by staff.

4.2.4 Owners currently estimate the Assessment for The District will be Three Hundred and Fifty Thousand, Eight Hundred and Seventy-Five and 00/100 (\$350,875.00) U.S. dollars.

4.2.5 The Assessment is based on the amount of One Hundred Seventy-Five and 00/100 (\$175.00) U.S. dollars per Unit.

4.2.6 Owners shall reimburse the City for all costs paid by City for recording of this Agreement and related documents in the Bexar County property records.

4.3 The Parties agree that upon approval of qualified voters in the District, the taxes hereby authorized to be levied and imposed within the District and the rates at which they are authorized to be imposed on all property owners within the District are as follows:

Ad Valorem Tax	Not to exceed the City of San Antonio’s ad valorem tax rate assessed by the City within the City’s municipal boundaries
Hotel Occupancy Tax	9% or not to exceed the City’s Hotel Occupancy Tax assessed within the City’s municipal boundaries
Sales and Use Tax	Not to exceed 2%

4.4 Strategic Partnership Agreement. The Parties agree and acknowledge that Owners will request the District to enter into a SPA with the City for the purpose of providing terms for limited and full purpose annexation and imposing and collecting sales and use taxes within commercial use areas of the District. A copy of the SPA is attached to this Agreement in substantial form as **Exhibit “G”**. In the event the District fails to adopt the SPA within eighteen (18) months of execution of this Agreement, Owners agree that the Owners and/or developer of the District Property will not be entitled to reimbursement by the District for the construction of improvements necessary for the exercise of the District’s powers and duties of a road district and the power to

provide water, wastewater or drainage facilities conferred under Chapter 382 of the Code and the County order creating the District. The Parties agree and acknowledge the eighteen (18) month SPA adoption timeframe outlined above is applicable to the District only, and is satisfied upon the receipt of a resolution adopted by the District approving the SPA within eighteen (18) months of this Agreement's execution.

4.4.1 If the SPA is adopted, Owners agree that the District will reimburse the City for costs associated with the limited purpose annexation ("LPA") and implementing the SPA; including recording the SPA in the Real Property Records of Bexar County, publications of public hearings, annexation ordinance, polling location notices for voters in LPA areas; and plan amendment and zoning fees for annexed land.

4.5 Non-annexation. The Parties agree that in exchange for the Owners agreement to comply with the terms of this Agreement, for the entire term of this Agreement, the City will continue the ETJ status of the District Property and defer annexation of the District Property for the term of this Agreement, which shall not exceed thirty (30) years from the Effective Date of this Agreement.

4.6 Voluntary Petition for Annexation. The Parties agree that this Agreement constitutes a voluntary petition to the City for annexation of the District Property for full purposes under the provisions of Subchapter C-3 of Chapter 43 as well as Subchapter G of Chapter 212 of the Code, which shall be deemed submitted to the City on the Effective Date of this Agreement. Subject to Section 4.5 above, the City may exercise its right to annex the District Property or any portion thereof (the "Annexation Area") in its sole discretion upon default of this Agreement by the Owner, subject to the provisions of Section 7.3 and Section 7.4 of this Agreement, or at the end of the term of this Agreement. The Parties further agree that this Agreement does not obligate the City to annex the entire District Property for limited or full purposes at any time.

4.7 Owners agree that this voluntary petition and consent to annexation of the District Property may not be revoked and is intended to be and shall be binding upon the Owners as well as their successors and assigns in ownership of any right, title or interest in and to the District Property or any part thereof. Owners further agree that the City has the authority to annex the District Property under Chapter 212 of the Code independently of Chapter 43 of the Code and that such authority may be exercised regardless of the procedural requirements of Chapter 43 of the Code.

4.8 Waiver. To the extent authorized by state and local laws, the Parties agree that the City is only obligated to perform those tasks set forth in Subchapter C-3 of Chapter 43 of the Code that are required when annexing property under that subchapter. Owners agree not to oppose any action taken by the City to annex the Annexation Area under this Agreement or under Subchapter C-3 of Chapter 43 of the Code and that any action taken by Owners in opposition of annexation of the District Property, or any portion thereof, shall constitute a violation of this Agreement.

4.9 All covenants, agreements and terms contained herein obligating Owners shall run with the land and shall hereafter bind their successors and assigns and all future owners of

properties located within the District Property contained therein, including all parts of the Annexation Area.

4.10 The following language shall be included in each deed or lease of any real property located within the District Property, or by separate document that is recorded, which is executed after the Effective Date of this Agreement:

“This (conveyance or lease, as applicable) is made and accepted subject to that certain voluntary petition for annexation, provided in Section 4.7 of the Espada Special Improvement District Chapter 212 Development Agreement, executed on _____ and recorded in the Real Property records of Bexar County under Bexar County Document No. [_____] which permits the City of San Antonio to annex the herein described property upon the terms and conditions set forth therein. Acceptance of this conveyance or lease, as applicable, shall evidence your consent and agreement to such annexation by the City and may be relied upon by the City as a beneficiary of your consent and agreement.

Further, this (conveyance or lease, as applicable) is made and accepted subject to the development rules, regulations and ordinances of the City of San Antonio applicable to properties in the City’s extraterritorial jurisdiction as described in the Espada Special Improvement District Chapter 212 Development Agreement. Acceptance of this conveyance or lease, as applicable, shall evidence consent and agreement to such developmental standards, rules and regulations which may be relied upon by the City as a beneficiary of your consent and agreement.”

4.11 Subject to Section 5.1 of this Agreement, or unless provided for otherwise in this Agreement, Owners agree that they will comply with all applicable municipal rules, regulations, orders, ordinances, and other local laws applicable to all properties within the City’s ETJ, during all phases of development and construction of the Project during the term of this Agreement.

4.12 As applicable, and subject to Section 5.3 herein, Owners shall comply with the requirements of Section 382.109 of the Code regarding road projects on the District Property, as described by Section 382.109 of the Code, to the extent such requirements apply to properties located in the City’s ETJ.

4.13 Owners shall provide the City with the proposed language to be placed on the ballot for any election to be held pertaining to the creation or confirmation of the District and the imposition of any taxes to be assessed within the District within ninety (90) days from the date of the election.

4.14 Owners acknowledge and agree that the consent provided by the City pursuant to this Agreement is with respect only to the District and the District Property and does not apply to Espada No. 2 or Espada No. 3, or the any of the property contained therein.

V. DEVELOPMENT STANDARDS

5.1 Owners agree to comply with the development standards on the District Property as follows:

5.1.1 UDC: Except as otherwise provided herein, Owners agree to comply with the provisions of the UDC applicable to properties in the ETJ, excluding any provisions or building standards triggered by the City's zoning regulations, including but not limited to setbacks, buffers, and parking requirements.

5.1.2 Building Permits: Notwithstanding any provision herein to the contrary, the Parties agree and acknowledge that City building permit applications, fees, and inspections shall not be required for any single-family residential lots within the District Property. In the event of a change in law that provides the City with the right to require building permits, fees, and inspections for properties in the City's ETJ, this section shall no longer apply as of the effective date of that change in law.

5.1.3 Connectivity: Single-family residential subdivisions developed within the District Property will comply with the street connectivity ratio as outlined in the UDC.

5.1.4 Solid Waste Infrastructure Standards: Owners agree to construct, as applicable, infrastructure within the District Property pursuant to Chapters 14 and 35 of the City Code, including the City's Solid Waste Management Department standards as stated in Development Services Department Informational Bulletin 576. Subject to the provisions herein in Article VI – Written Agreement Regarding Services pertaining to properties in the Annexation Area, nothing in this Agreement shall require Owners to enter into a contract with the City to provide solid waste collection services.

5.1.5 Major Thoroughfare: As per the UDC, Owners may design/construct (or cause to be designed/constructed) roads and rights-of-way shown on the City's Major Thoroughfare Plan ("MTP"). Owners reserve the right to re-configure, or cause the re-configuration of, roadway alignments as required to develop the District Property, which will be administered through MDP amendment(s) in accordance with Section 3.2 and/or through the City's process for amending the MTP, as applicable.

5.1.6 2010 Tree Ordinance: The requirements of the City's 2010 Tree Ordinance will apply to the development of the District Property.

5.2 Waiver of Vested Right: The Parties agree and acknowledge that this Agreement shall extinguish any vested right acquired prior to the Effective Date of this Agreement, as applicable to the District Property; however, this Agreement shall not adversely affect, alter, or extinguish any vested right that Owners, or Owners' successors and/or assigns, may acquire with respect to the District Property subsequent to the Effective Date of this Agreement, nor shall this Agreement limit the prospective use of any vested right acquired subsequent to the Effective Date of this Agreement.

5.3 Chapter 245 Permit: Notwithstanding any provisions herein to the contrary, and pursuant to Section 5.2, the Parties agree and acknowledge that, in accordance with Section 212.172(g) of the Code, this Development Agreement constitutes a permit under Chapter 245 of the Code.

5.4 Project Annual Update: Owner shall provide annual reports on the progress of the Project no later than January 30th of each year. The updates shall include development activity within the District Property and, if applicable, include the following:

- a. Plat applications for all subdivisions submitted during the previous calendar year;
- b. Development documents and permits required by the UDC;
- c. Build-out percentages for single-family, multifamily, and commercial areas and any recalculations of build-out expectations;
- d. Construction updates (noting percentage completion of infrastructure and improvements);
- e. Number of residential units built to date;
- f. Annual District revenue and expenditures;
- g. All outstanding financial obligations, liabilities and assets.

5.5 Military Protection Areas. For all properties within five (5) miles of a military installation, and if applicable to the District Property as of the Effective Date of this Agreement, Owner shall comply with the UDC regulations for Military Protection Areas.

5.6 If applicable to the District Property as of the Effective Date of this Agreement, Owner shall comply with the uses permitted in the Edwards Aquifer Recharge Zone District as referenced in Chapter 35 of the City Code.

5.7 If applicable to the District Property as of the Effective Date of this Agreement, Owner shall comply with the San Antonio Recommended Plant List - All Suited to Xeriscape Planting Methods of UDC Appendix E.

5.8 If applicable to the District Property as of the Effective Date of this Agreement, Owner shall comply with the park dedication requirements as set out in the UDC.

5.9 If applicable to the District Property as of the Effective Date of this Agreement, Owner shall protect and preserve any existing historical or archeological buildings, structures, sites, features or places.

5.10 Owners shall comply with Chapter 28 of the City Code – Signs.

5.11 If applicable to the District Property as of the Effective Date of this Agreement, Owners shall comply with Chapter 34 of the City Code, Water & Sewers.

5.12 Owners shall comply with the same streetlight standards applicable to all subdivisions within the City that are listed in Section 35-506(i) of the UDC.

5.13 All public infrastructure, improvements and facilities provided by the District shall be constructed, maintained and operated according to City and SAWS, standards, throughout the term of the Agreement and in accordance with applicable utility service agreements.

5.14 If applicable to the District Property as of the Effective Date of this Agreement, Owners shall comply with the Military Lighting Overlay District regulations set forth in the UDC for all property within the District.

5.15 If applicable to the District Property as of the Effective Date of this Agreement, Owners shall comply with the standards set forth in UDC Chapter VI for Historic Preservation.

VI. WRITTEN AGREEMENT REGARDING SERVICES

6.1 In the event the City annexes the Annexation Area pursuant to this Agreement, the Parties agree that this Section VI shall constitute a Written Agreement Regarding Services required under Chapter 43, section 43.0672 of the Code, shall run with the land, and shall govern all municipal services to be provided to the Annexation Area. The City shall be under no further obligation to negotiate services with any subsequent owners of any property located or developed within the Annexation Area other than the services set forth herein, provided that upon annexation of the Annexation Area, if the municipal services have changed or otherwise include additional services not referenced herein, the City will provide all municipal services to the Annexation Area that apply to other properties located within the City limits within no more than three (3) years from the date of annexation. The Agreement Regarding Services shall survive termination of this Agreement only to the extent the City annexes the Annexation Area pursuant to this Agreement.

In general, this Agreement Regarding Services includes three (3) service components: ***(1) Annexation Service Requirements, (2) Additional Services and (3) a Capital Improvement Program.*** Providing services includes having services provided by any method or means by which the City extends municipal services to any other area of the City. This may include causing or allowing private utilities, governmental entities and other public and private non-profit service organizations to provide such services by contract in whole or in part. It may also include separate agreements with associations or similar entities. Services are provided and fees are assessed in accordance with the City's Code of Ordinances, as may be amended.

1. Annexation Service Requirements – The following services will be provided in the Annexation Area commencing on the effective date of the annexation for full purposes, unless otherwise noted.

A. Police Protection – The San Antonio Police Department (SAPD) will provide protection and law enforcement services in the Annexation Area.

These services include:

- Routine patrols and responses;
- Handling of complaints and incident reports;

- Special units, such as traffic enforcement, criminal investigations, covert operations, K-9 Unit, Family Assistance Crisis Teams, Bomb Squad, and Special Weapons and Tactics Team (SWAT); and
- Any other services or programs provided to the citizens of San Antonio at the time of annexation.

The Annexation Area will become part of an existing patrol district based upon factors such as the size of the area, population, and the expected number of calls for service. These factors will also determine the need for hiring additional patrol officers to ensure all patrol districts are adequately staffed 24 hours a day, seven days a week, and to maintain an average response time. SAPD San Antonio Fear Free Environment Unit (SAFFE) officers will be available to meet as requested to discuss police issues.

Police Substations are responsible for a Patrol "Service Area," under the command of a Captain. These Service Areas are divided into Patrol Sections. The Patrol Sections, with supervisory responsibilities assigned to Sergeants, are divided into "Patrol Districts." The "Patrol Districts" are geographically defined areas established for several reasons, including but not limited to:

- Serving as a manpower distribution tool based on call volume, population, area size, and geographic variables;
- Providing a means of establishing primary responsibility to individual officers, during their tour of duty, for various activities within a specific geographic area; and
- Providing an efficient and effective means of assigning, identifying, and locating officers, within a generalized area, using currently available technology.

The Annexation Area will be served by the substation assigned to that geographic area. There is no specific number of officers that can be assigned to a patrol district. Patrol districts are staffed with at least one officer, 24 hours a day, seven days a week. Many times, multiple officers are assigned to single districts.

Police services are initiated by on-sight officer activity, citizen requests, and any other means available. The most common means by which officers receive their assignments is through direct supervisory command and radio/computer transmissions by police dispatchers.

B. Fire Protection and Emergency Medical Service (EMS) – The San Antonio Fire Department (SAFD) will provide fire protection services and EMS service. Service will be provided through the use of fire engines, ladder trucks, full-time and peak period EMS ambulances, Medical Officers and Chief Officers. SAFD will be providing fire protection and EMS from the station assigned to that geographic area.

C. Solid Waste Collection Services – Solid Waste Collection services are provided, and fees are assessed in accordance with Chapter 14 of the City's Code of Ordinances, as may be amended. Fees for services are assessed monthly on CPS Energy Utility bills. If private collection services are used, the City solid waste fees will not be assessed.

Commercial Solid Waste Services – The City's Commercial collection for garbage are

available on a case by case basis for qualifying businesses in a manner similar to residential services. Bulky item, brush and bagged leaf collections are not provided to businesses. If the City-provided commercial service is not desired, businesses may utilize private service providers.

D. Operation and Maintenance of Water and Wastewater Facilities – *Water and Wastewater Service* – if, at the time of annexation, the Annexation Area is not being provided with water and wastewater service, the San Antonio Water System (SAWS) will extend water and wastewater service to the Annexation Area at the request of a resident pursuant to SAWS policies regarding extensions of service. SAWS will provide water and wastewater service in accordance with standard SAWS policies and procedures.

E. Operation and Maintenance of Roads and Streets, including Street Lighting – The City’s Public Works Department (“PWD”) is responsible for the maintenance and repair of streets, bridges, alleys and related infrastructure within the City’s jurisdiction. Curbs, sidewalks, driveway approaches, curb ramps, and other street infrastructures are constructed in accordance with the City and the Americans with Disability Act (ADA) standards. Service requests or community concerns for PWD’s response, such as pothole and base and pavement repairs are initiated through the City’s 311 call center or online services. These services include:

- Emergency Pavement Repair
- Street Base and Pavement Repair
- Preventative Street Maintenance
- Guard Post and Guard Rail Maintenance
- De-icing and Snow Removal Services
- Neighborhood Access and Mobility Program (NAMP)
- Emergency Street Closure Services
- Street Re-striping and Marking Services

Infrastructure Management Program (IMP) is a five-year rolling program which focuses on the maintenance of the City infrastructure. Service needs are identified city-wide and are scheduled for street maintenance, alley maintenance, drainage maintenance, sidewalks, traffic signals, pavement marking and Advance Transportation District (ATD) projects. The IMP provides the City a structured program schedule, potential for additional multiple year contract awards and improved utility coordination. During the budget process for each fiscal year of the City, the IMP is presented to City Council for approval. Amendments may occur throughout the year due to coordination with utilities or unforeseen conditions, such as inclement weather. The goal of the IMP is to provide the best possible maintenance for the City.

Transportation Systems Management & Operations – If necessary, PWD will provide regulatory signage services. Traffic signal stop and all other regulatory studies are conducted in conjunction with growth of traffic volumes. Traffic signs, signals, and markings are installed in conformance with the Texas Manual on Uniform Traffic Control Devices. Faded, vandalized, or missing signs are replaced as needed. "Call back" service is provided 24 hours

a day, 365 days a year for emergency repair of critical regulatory signs. Requests for signage should be called into the City's 311 Call Center.

Storm Water Utility – The Storm Water Utility is housed within the PWD Department. The Storm Water Utility is responsible for drainage services as well as the installation, operation, and maintenance of drainage infrastructure throughout San Antonio.

The Storm Water Utility Fee is intended to cover capital and maintenance expenses associated with drainage projects and fund operational services related to the Municipal Separate Storm Sewer System (MS4) Permit as required by Federal regulations. More information about the storm water rate plan is available at <http://www.sanantonio.gov/TCI/Projects/Storm-Water-Fee>.

The storm water utility fee is billed by SAWS on behalf of the City. Services are currently provided by the SAWS, in accordance with the SAWS's approved business plan and as limited by applicable codes, laws, ordinances and special agreements. Storm Water fees will be assessed for the subject property.

Street lighting – The planning of public streetlights is coordinated by the City's Development Services Department (DSD). CPS Energy will maintain public street lighting in accordance with City's policies. The City assumes the cost of electricity for public streetlights.

F. Operation and Maintenance of Parks, Playgrounds and Swimming Pools – Maintenance responsibilities for municipally owned parks, playgrounds, and swimming pools are the responsibility of the City. Any proposed or existing privately-owned parks, playgrounds, swimming pools, recreational facilities and common spaces in the Annexation Area are the responsibility of the property owner(s).

G. Operation and Maintenance of Any Other Publicly Owned Facility, Building, or Service – Should the City acquire any other facilities, buildings, or services necessary for municipal services for the Annexation Area, an appropriate City department will provide maintenance services for them.

2. Additional Services – Certain services, in addition to the above services, will be provided within the Annexation Area commencing on the effective date of the annexation for full purposes, unless otherwise noted. They are as follows:

A. Code Compliance – The Code Compliance Division of DSD enforces the City codes and regulations to protect the health, safety and general welfare of the community. Current enforcement is provided to the following and is not limited to:

- Vacant dangerous premises and structures,
- Junked vehicles,
- Weeded vacant lots,
- Zoning,
- Property maintenance,
- Minimum housing, including unsanitary premises,
- Front yard parking,

- Alley and right-of-way violations,
- Monthly inspections of salvage/junk yards,
- Monitoring and enforcing materials received at salvage/junk yards, and
- Enforcement of garage sale permits
- The City Code of Ordinances, including the UDC, are enforced by DSD, and are subject to changes by the City Council.

B. Building and Other Permits – Incomplete construction must obtain building permits from DSD in accordance with the City codes. Incomplete construction implies that final inspections have not been conducted and approved. For new commercial construction, incomplete construction indicates approved final inspections for building, mechanical, plumbing, electric, fire, traffic, drainage, sidewalks, irrigation inspections have not been obtained. Other field inspections may be applicable for new commercial construction depending on the specific use and/or location of the project. Any required permits, including, but not limited to, building, trade, and sign permits may be applied for at the Cliff Morton Development and Business Services Center located at 1901 South Alamo Street, San Antonio, TX. In addition, as part of the permitting process, applicant will be required to adhere to the City's Tree and Landscape requirements. A one-stop development service counter has been created to assist the public with any development questions that relate to building, planning and PWD issues.

C. Certificate of Occupancy – New and existing businesses must obtain a Certificate of Occupancy and related inspections required by the City code from DSD and San Antonio Metropolitan Health District. In accordance with the adopted City Building Code, no person may occupy a building or a space without first obtaining a Certificate of Occupancy. Certificates of Occupancy may be applied for at the Cliff Morton Development and Business Services Center located at 1901 South Alamo Street, San Antonio, TX.

D. Library Services – The nearest library services to the Annexation Area can be identified through the web address www.mysapl.org/digital.

The San Antonio Public Library locations provide the following services:

- Library materials for adults, young adults and children including books, periodicals, compact disks, DVD, videos, audio books, and electronic books;
- Programming for adults, young adults and children such as regularly scheduled story time;
- Book discussion groups and other topics of interest to the community; and
- Access to the website, databases and other computer programs, is available seven days a week through the web address www.mysapl.org/digital.

Professional staff is available to assist library customers with reference and reader's advisory questions and public meeting room space are available. More information is available at the San Antonio Public Library Website: www.mysapl.org.

E. Health Department Services – The San Antonio Metropolitan Health District (SAMHD) currently provides certain public health services, including dental screening and treatment, communicable disease control, emergency preparedness and response, and health

education to persons residing in the Annexation Area through an inter-local agreement with Bexar County-University Health Systems. Upon full purpose annexation the following additional services will become available:

- Investigation of public health related complaints including food borne illness, recreational water quality, and public swimming pools and spas, and investigation of toxic exposures;
- Permitting and routine sanitation inspections of food establishments, schools, day cares, swimming pools and mobile living parks;
- Enforcement of the City's smoking ordinance in public places;
- Investigation of reported elevated Blood Lead Levels (BLL) in children;
- Access to community health clinics; and
- Medical Assistance Program benefits.

SAMHD will provide additional services for oversight of day care centers, semi-public swimming pools, air quality permits and livestock issues.

F. Animal Care Services – The Annexation Area will receive the same level of service as within the City Limits of the City. These services include, but may not be limited to, animal enforcement and control, educational and public outreach, low cost animal related resources such as microchips and spay/neuter services, and community cat program services.

G. Other Services – The City Departments with jurisdiction in the Annexation Area will provide services according to City policy and procedures.

3. Capital Improvements Program – The City will initiate the construction of capital improvements as may be necessary for providing municipal services. The timing for the construction of capital projects that may be necessary for the delivery of municipal services will be done in accordance with the requirements of Subchapter C of Chapter 43, Local Government Code.

Each component of the Capital Improvement Program is subject to the City providing the related service directly. In the event that the related service is provided through a contract service provider, the capital improvement may not be constructed or acquired by the City but may be provided by the contract provider. The City may also lease buildings in lieu of construction of any necessary buildings.

A. Police Protection – No capital improvements are necessary at this time to provide police services.

B. Fire Protection – No capital improvements are necessary at this time to provide fire services.

C. Emergency Medical Service – No capital improvements are necessary at this time to provide EMS services.

D. Solid Waste Collection – No capital improvements are necessary at this time to provide solid waste collection services.

E. Roads and Streets – No newly constructed road or street related capital improvements are necessary at this time to provide services. The City will assume maintenance responsibilities for all public streets.

F. Parks, Playgrounds and Swimming Pools – No capital improvements are necessary at this time to provide parks and recreation services.

G. Library Services – No capital improvements are necessary at this time.

H. Capital Improvements Planning – The Annexation Area will be included with other territory within the municipality in connection with planning for new or expanded facilities and/or services. All other capital improvements will be considered through the 6-Year Capital Budget that represents the City's long-range physical infrastructure development and improve plan. Major funding sources are General Obligation Bonds, Certificates of Obligation, Storm Water Revenue Bonds, and Community Development Block Grants as applicable. Capital projects are placed in inventory by the City Council representative through input from community and neighborhood associations, other public processes, and comprehensive planning processes.

I. This Article in no way prohibits the City from amending any or modifying any of the above programs or services in accordance with the police, legislative and regulatory power of the City. Any such changes in services that apply to all properties for which the above services are provided shall apply to all property annexed pursuant to this Agreement.

VII. DEFAULT

7.1 Subject to Section 7.3 and Section 7.4 below, Owners shall be declared in “Default” of this Agreement if Owners violate or cause a violation of any rules, regulations, orders, ordinances, or other laws that are applicable to the District Property, as described herein, during the term of this Agreement.

7.2 Subject to Section 7.3 and Section 7.4 below, a Party shall be declared in “Default” if a material breach occurs of any covenant, obligation, or provisions of this Agreement.

7.3 Notwithstanding any provision to the contrary, no Party shall be declared in Default, under this Agreement and subject to the remedies available to the non-defaulting party, as set forth herein, until written notice of Default has been given to the defaulting Party (which notice shall set forth in reasonable detail the nature of the Default) and until such Party has been given, from and after the receipt of such written notice, ninety (90) calendar days to cure the Default (the “Cure Period”). Additionally, no Party shall be declared in Default, under this Agreement, if, within the Cure Period, the defaulting Party has commenced in a commercially reasonable manner to remove or cure such alleged default, provided that, in the event the alleged default cannot reasonably be removed or cured within the Cure Period, the defaulting Party shall provide the non-defaulting party a commercially reasonable written timeline for removing or curing such alleged default and the Parties shall thereafter enter into a written agreement extending the Cure Period to a timeframe consistent with such timeline; such written agreement shall be

subject to the administrative approval of the City Manager's designee and shall not be unreasonably withheld, conditioned, or delayed by either Party. The Cure Period may be additionally extended by written agreement of the Parties and shall be subject to approval of the City Council.

VIII. REMEDIES

8.1 Upon the occurrence of Default by Owners, the defaulting party shall be subject to the enforcement provisions set forth in UDC Section 35-491, as amended, of the City's Code as well as all civil remedies provided by law.

8.2 Upon the occurrence of Default by Owners, the City may exercise its right to annex the District Property as set forth in Section 4.7 of this Agreement.

8.3 Upon the occurrence of Default by a Party, the non-defaulting Party may seek all remedies available to it at law or in equity, including, without limitation, termination, injunctive relief, mandamus, and specific performance. Additionally, upon the occurrence of Default by Owner (subject however to all notice and cure provisions provided herein), the City may proceed with voluntary annexation of the District Property as provided in this Agreement.

8.4 No remedy herein conferred upon or reserved to the Parties is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute.

8.5 The Parties hereto expressly agree that, in the event of litigation, each Party hereby waives its right to payment of attorneys' fees.

IX. NON-WAIVER

9.1 No course of dealing of the Parties nor any failure or delay by the Parties in exercising any right, power, or privilege under this Agreement shall operate as a waiver of any right, power, or privilege owing under this Agreement.

X. ASSIGNMENT

10.1 All covenants and agreements contained herein by the City shall bind its successors and assigns and shall inure to the benefit of Owner and their successors and assigns.

10.2 This Agreement (including the duties, rights and obligations set forth herein) may not be assigned by Owners except for assignments to (a) related entities and subsidiaries of Owners, (b) home builders and their related entities, (c) individual single lot owners, and (d) as described in section 10.3 below, without the prior written consent of City and subject to approval by the City Council, as evidenced by passage of an ordinance. Any subsequent assignment by Owners, except for assignments to related entities and subsidiaries of Owners, home builders,

individual single lot owners, and as described in section 10.3 below, shall only be done with the written consent of the City as evidenced by action of the City Council by ordinance.

10.3 Notwithstanding Section 10.2, after the Project has been completed and the District Property has been developed, without prior written consent of the City and approval by City Council, (a) all rights relating under this Agreement, including (without implied limitation) the right of non-annexation, shall run with the land and any subsequent owner, mortgagee, lessee or other party with an interest therein shall enjoy such rights; (b) if Owners possess or acquire any rights or entitlements with respect to the development of the District Property and the construction of improvements thereon which run with all or a part the land, any subsequent owner, mortgagee, lessee, or other party with an interest therein shall automatically be a beneficiary of such rights and entitlements to the extent of such interest in the District Property or portion thereof; and (c) Owner may collaterally assign their rights and obligations hereunder to any lender to which such party has granted a lien encumbering all or part of the District Property.

XI. ENTIRE AGREEMENT

11.1 This written Agreement embodies the final and entire agreement between the Parties hereto and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the Parties.

11.2 The exhibits attached to this Agreement are incorporated herein and shall be considered a part of this Agreement for the purposes stated herein. Notwithstanding the foregoing however, the exhibits shall not constitute any binding commitment regarding, but not limited to, the final location of boundaries and improvements and infrastructure, such being of approximate location that may be amended from time to time by the Parties.

XII. CONFLICT BETWEEN AGREEMENTS

12.1 The Parties agree and acknowledge that in the event of any inconsistency, ambiguity, or conflict between the terms and provisions of this Agreement and the ASILA, including, but not limited to, terms and provisions related to development standards and non-annexation periods pertaining to the District, Espada No. 2, and Espada No. 3, the terms of this Agreement shall control and supersede any such inconsistency, ambiguity, or conflict.

XIII. AMENDMENTS

13.1 Except where the terms of this Agreement expressly provide otherwise, or as permitted by the San Antonio City Council, any alterations, additions, or deletions to the terms hereof, shall be affected only by amendment, in writing, executed by the Parties, and subject to approval by the City Council, as evidenced by passage of an ordinance.

XIV. SEVERABILITY

14.1 If any clause or provision of this Agreement is held invalid, illegal, or unenforceable under present or future federal, state, or local laws, including but not limited to the

charter, code, or, ordinances of the City, then and in that event it is the intent of Parties hereto that such invalidity, illegality or unenforceability shall not affect any other clause or provision hereof and that the remainder of this Agreement shall be construed as if such invalid, illegal, or unenforceable clause or provision was never contained herein. It is also the intent of Parties hereto that in lieu of each clause or provision of this Agreement that is invalid, illegal, or unenforceable, there be added as a part of this Agreement a clause or provision as similar in terms to such invalid, illegal, or unenforceable clause or provision as may be possible, legal, valid, and enforceable.

XV. INDEPENDENT CONTRACTORS

15.1 Owners covenant and agree that they are independent contractors and are not officers, agents, servants or employees of the City; that Owners shall have exclusive control of and exclusive rights to control the details of the work performed in the Project and all persons performing same, and shall be responsible for the acts and omissions of each party's officers, agents, employees, contractors, subcontractors, and consultants, except as where the City may enforce the provisions of the City's Code of Ordinances; that the doctrine of "respondent superior" shall not apply as between the City and Owners, all officers, agents, employees, contractors, subcontractors, and consultants of Owners, and nothing herein shall be construed as creating the relationship of employer-employee, principal-agent, partners, or joint ventures between the City and Owners. The Parties hereto understand and agree that the City shall not be liable for any claims which may be asserted by any third party occurring in connection with the performance by Owners under this Agreement and that the Owners have no authority to bind the City.

XVI. LEGAL AUTHORITY

16.1 The person(s) executing this Agreement on behalf of the respective Parties, represent, warrant, assure, and guarantee that they have full legal authority to (1) execute this Agreement on behalf of the respective Party, and (2) to bind the respective Party to all of the terms, conditions, provisions, and obligations herein contained.

XVII. VENUE AND GOVERNING LAW

17.1 THIS AGREEMENT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS.

17.2 Any legal action or proceeding brought or maintained, directly or indirectly, as a result of this Agreement shall be heard and determined in Bexar County.

XVIII. PARTIES' REPRESENTATIONS

18.1 This Agreement has been jointly negotiated between the Parties and shall not be construed against a Party because that Party may have primarily assumed responsibility for the drafting of this Agreement.

XIX. NOTICE

19.1 All notices, demands or other communications given in connection with or required under this Agreement must be in writing and delivered to the person to whom it is directed and may be given by (1) overnight delivery using a nationally recognized overnight courier, in which case notice shall be deemed delivered one (1) business day after deposit with such courier; (2) sent by email with a PDF attachment with an original copy thereof transmitted to the recipient by one of the means described in clauses (1), (3) or (4), in which case notice shall be deemed delivered on the date of transmittal of the email with PDF attachment; (3) personal delivery, in which case notice shall be deemed delivered upon receipt or refusal of delivery; or (4) United States certified mail, return receipt requested, postage prepaid, addressed to the addressee, in which case notice shall be deemed delivered three business after deposit of such notice, postage prepaid, in a mailbox under the care, custody or control of the United States Postal Service. All notices, demands, and other communications shall be given to the Parties at the addresses set forth below, or at any other addresses that they have theretofore specified by written notice delivered in accordance herewith:

City: City of San Antonio
Attention: Bridgett White or
Director of the Department of Planning
P.O. Box 839966
San Antonio, Texas 78283-3966

Owners: Marmaxx Operating Corp.
c/o The TJX Companies, Inc.
Attention: Vice President
770 Cochituate Road
Framingham, Massachusetts 01701

Lennar Homes of Texas Land and Construction, Ltd.
Attention: Brian Barron or Division President
100 NE Interstate 410 Loop, Suite 1150
San Antonio, TX 78216

With copies to: Marmaxx Operating Corp.
c/o The TJX Companies, Inc.
Attention: David L. Averill, SVP Corporate Tax and Risk
Director
770 Cochituate Road
Framingham, Massachusetts 01701

Marmaxx Operating Corp.
c/o The TJX Companies, Inc.
Attention: Legal Department, Vice-President, Real Estate
770 Cochituate Road
Framingham, Massachusetts 01701

Ortiz McKnight PLLC
Attention: Daniel Ortiz
112 E. Pecan Suite 1350
San Antonio, Texas 78205

19.2 Each Party may change its address by written notice in accordance with this Article.

XX. CAPTIONS

20.1 All captions used herein are only for the convenience of reference and shall not be construed to have any effect or meaning as to the Agreement between Parties hereto.

XXI. UNINTENDED OMISSION

21.1 If any punctuation, word, clause, sentence, or provisions necessary to give meaning, validity, or effect to any other word, clause, sentence, or provision of this Agreement is omitted, then it is hereby declared that such omission was unintentional and that the omitted punctuation, word, clause, sentence, or provision shall be supplied by inference.

XXII. COUNTERPARTS

22.1 This Agreement may be executed in counterparts. Each of the counterparts shall be deemed an original instrument, but all of the counterparts shall constitute one and the same instrument. This Agreement may be executed in any number of counterparts and by different Parties in separate counterparts, each of which when so executed and delivered, shall be deemed an original, and all of which, when taken together, shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or electronic mail shall be as effective as delivery of a manually executed counterpart of this Agreement, except that any Party delivering an executed counterpart of this Agreement by facsimile or electronic mail also must deliver a manually executed counterpart of this Agreement. Notwithstanding the foregoing, failure to deliver a manually executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement.

XXIII. RECORDATION

23.1 This Agreement shall be recorded in the Real Property Records of the County.

XXIV. TERM

24.1 The term of this Agreement shall commence on the Effective Date and terminate thirty (30) years from the Effective Date. The term may be extended upon mutual consent and written agreement between the Parties and subject to approval by the City Council, as evidenced by passage of an ordinance. The Parties agree to institute best efforts to renegotiate new provisions, as necessary, in the event the Agreement is extended beyond the initial thirty (30) year term..

XXV. FORCE MAJEURE

25.1 If either Party is rendered unable, wholly or in part, by force majeure to carry out any of its obligations under this Agreement, then the obligations of either Party to the extent affected by such force majeure and to the extent that due diligence is being used to resume performance at the earliest practicable time, shall be suspended during the continuance of any inability so caused to the extent provided but for no longer period. Such cause, as far as possible, shall be remedied with all reasonable diligence. The term “force majeure”, as used herein, shall include, without limitation of the generality thereof, acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy (including domestic and foreign terrorism), orders of any kind of the Government of the United States or of the State of Texas or any civil or military authority, insurrections, riots, epidemics, pandemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery pipelines or canals, partial or entire failure of water necessary for operation of the sewer system, or of the District to receive waste, and any other incapacities of either Party, whether similar to those enumerated or otherwise, which are not within the control of either Party, which either Party could not have avoided by the exercise of due diligence and care. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of either Party, and that the above requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demand of the opposing Party or Parties when such settlement is unfavorable to it in the judgment of the affected Party.

-Signatures on the Following Pages-

IN WITNESS THEREOF, the Parties hereto have executed this Agreement to be effective as of the Effective Date.

CITY:

CITY OF SAN ANTONIO, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

APPROVED AS TO LEGAL FORM:

By: _____

Name: _____

Title: Deputy/Assistant City Attorney

Date: _____

ACKNOWLEDGEMENT

STATE OF TEXAS §

§

COUNTY OF BEXAR §

This instrument was acknowledged before me on this ____ day of _____, 2024 by, _____, of the City of San Antonio, a Texas home rule municipality, on behalf of said municipality.


Date: _____

Notary Public State of Texas

My Commission Expires:_____

OWNERS:

MARMAXX OPERATING CORP.
c/o the TJX Companies, Inc.

By: 
Name: Erica Farrell
Title: Vice President/Treasurer

By: 
Name: David L. Averill
Title: Vice President

ACKNOWLEDGEMENT

COMMONWEALTH OF MASSACHUSETTS §
§
COUNTY OF MIDDLESEX §

On the 7th day of February, 2024, before me, the undersigned, personally appeared Erica Farrell, and David L. Averill, respectively, of MARMAXX OPERATING CORP., personally known to me or proved to me on the basis of satisfactory evidence to be the individuals whose names are subscribed to the foregoing instrument and acknowledged to me they executed the same in the capacities and that by their signatures on the instrument, the individuals, or the person upon behalf of which the individuals acted, executed the instrument.





LENNAR HOMES OF TEXAS LAND AND CONSTRUCTION, LTD.
a Texas limited partnership

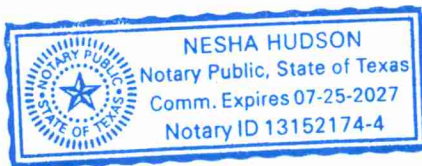
By: Lennar Texas Holding Company,
its General Partner

By: _____
Name: Richard Mott
Title: Executive Vice President

ACKNOWLEDGEMENT

STATE OF TEXAS §
 §
COUNTY OF Bexar §

The foregoing instrument was acknowledged before me on the 16 day of February, 2024, by Richard Mott, on behalf of the Lennar Homes of Texas Land and Construction, Ltd., known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes therein expressed, in the capacity therein stated.



Notary Public State of Texas
Printed Name of Notary: _____
Commission Expiration: _____

[Signature]
7/25/2027

EXHIBIT “A”:
ORIGINAL CREATION ORDER

ORDER CONDITIONALLY GRANTING PETITION FOR CREATION OF A PUBLIC IMPROVEMENT DISTRICT TO BE NAMED "ESPADA SPECIAL IMPROVEMENT DISTRICT NUMBER 1," FOR APPOINTMENT OF DIRECTORS, AND IMPOSITION OF AD VALOREM, SALES AND USE AND HOTEL OCCUPANCY TAXES, EACH AT A SPECIFIED RATE, WITHIN THE BOUNDARIES OF THE DISTRICT, AND FOR AUTHORITY TO ENTER INTO ECONOMIC DEVELOPMENT AGREEMENTS, GRANTS AND LOANS

WHEREAS, the Bexar County Commissioners Court ("Commissioners Court") met in regular session, open to the public, at the Bexar County Courthouse at 100 Dolorosa Street, Suite 1.20, San Antonio, Texas, on October 21, 2008, whereupon roll was called of the members of Commissioners Court, to wit:

Nelson W. Wolff
Sergio "Chico" Rodriguez
Paul Elizondo
Lyle Larson
Tommy Adkisson

County Judge
Commissioner, Precinct 1
Commissioner, Precinct 2
Commissioner, Precinct 3
Commissioner, Precinct 4

All Commissioners were present, except Paul Elizondo.

WHEREAS, among other business conducted by Commissioners Court, Commissioner Rodriguez introduced the Order set out below and moved its adoption, which was seconded by Commissioner Larson, and after a full discussion and the question being before the Court, said motion carried by the following vote:

AYE 4 / NO —

THE ORDER THUS ADOPTED IS AS FOLLOWS:

On January 7, 2008, a petition (the "Petition") was filed with the Bexar County Clerk seeking the creation of a Public Improvement District to be named "Espada Special Improvement District Number 1" (the "District"), for appointment of directors, and imposition of ad valorem, sales and use, and hotel occupancy taxes, each at a specified rate, within the boundaries of the District, and for authority to enter into economic development agreements, grants and loans. The Petition was signed by the owners of taxable real property representing more than 50 percent (50%) of the appraised value of taxable real property within the boundaries of the District ("Owners") and prayed that Commissioners Court grant the Petition.

Commissioners Court conducted a public hearing to consider the Petition and heard the evidence, both oral and documentary, of all persons who appeared and offered evidence with reference thereto, and find the following:

1. On April 22, 2008, a Petition, duly signed, praying for the creation of the District to be operated under Subchapter C, Chapter 372, of the Texas Local Government Code (the "Code"),

appointment of directors, imposition of ad valorem, sales and use, and hotel occupancy taxes, each at specified rates, within the boundaries of the District, and for authorization to use such tax revenues to finance the District's economic development program through issuance of economic development agreements, grants and loans, and planned improvements instead of assessments was considered by Commissioners Court at a public hearing. The Petition met the requirements of law relating thereto and upon due consideration of said Petition, it was set on the agenda for consideration by this Court on this date. Court proceedings began at 11:00 a.m. at the Bexar County Courthouse, San Antonio, Bexar County, Texas and public notice of the hearing was given in accordance with the requirements of Chapter 372 of the Code.

2. Commissioners Court is authorized to (a) consider the Petition; (b) enter an Order creating the District, designating that its operation shall be pursuant to the provisions of Subchapter C, Chapter 372 of the Local Government Code; (c) appoint its board of directors; and, (d) authorize the board of directors of the District to impose ad valorem, sales and use, and hotel occupancy taxes within the District, each at a specified rate, to be used to finance the District's planned economic development program and improvements and to induce and incentivize economic development projects through the use of economic development agreements, grant and loans. Upon creation, the District will become endowed with the powers granted by Article XVI, Section 59, Article III, Section 52, and Article III, Section 52a of the Constitution of the State of Texas, and Chapter 372 of the Local Government Code. The powers conditionally granted by this Order shall not be exercised by the District until: (1) the District and the City of San Antonio ("City") enter into an agreement for services in lieu of annexation. Should one of the eight (8) conditions specified in "Section 1" hereinbelow be breached, violated, or fail to occur within the time period specified herein ("Default") and the District fails to cure the Default as provide herein, the powers granted to the District by this Order shall be deemed revoked by order of Commissioners Court stating the same. Within fifteen (15) business days of Commissioners Court becoming aware of such a Default, Commissioners Court shall send written notice of same to the District. Thereafter, the District shall have ninety (90) days within which to cure the Default as set out in the notice. However, if the nature of the Default is such that more than ninety (90) days are reasonably required for its cure, then the District shall not be deemed to be in Default hereunder if the District commences such cure within such ninety (90) day period and thereafter diligently pursues such cure to completion.

3. The proposed District lies outside the full purpose city limits of any incorporated area and within Bexar County. The area proposed to be included within the District lies entirely within the extra territorial jurisdiction of the City. At the present time, there are fewer than 1,000 inhabitants residing in the proposed District.

4. Commissioners Court, for its authority to undertake action herein, relies upon the law as specifically found in Chapter 372 of the Code, wherein Subchapter C it is provided that a commissioners court of certain counties with a population of at least 825,000 may create a public improvement district, and authorize such a district to take such actions as are authorized under Chapter 372 of the Code, including imposition of ad valorem, sales and use, and hotel occupancy taxes, at rates specified by such county, within the boundaries of the public improvement district

(collectively the "Laws") if such taxes are approved by the qualified voters in the district at an election called for that purpose.

5. Commissioners Court relies upon the authority granted in Chapter 271 of the Texas Election Code authorizing political subdivisions, such as the District, to conduct a joint election, and the request of the Petitioner that Bexar County agree to conduct a joint election with the District upon its creation in order to facilitate the orderly conduct of the election required to approve the ad valorem tax, hotel occupancy tax, and sales and use tax authorized by this Order.

6. Commissioners Court recognizes the prayer in the Petition that the District be created and authorized under Subchapter C, Chapter 372 of the Code, and that the District impose taxes in lieu of assessments, and finds that the District is not required to submit a feasibility report or assessment plan pursuant to the requirements of such statute.

7. After full consideration by Commissioners Court, including presentation of testimony and evidence at a public hearing as required by Subchapter C, Chapter 372 of the Code, Commissioners Court affirmatively finds that:

- (a) the Petition conforms to the requirements of the Laws and creation of the District under Subchapter C, Chapter 372 of the Code is in the best interests of Bexar County; and
- (b) appointment of directors, and imposition of ad valorem, sales and use, and hotel occupancy taxes at the rates specified in this Order is beneficial and advisable to Bexar County in order to finance economic development programs and improvements and induce and incentivize economic development projects through the use of economic development agreements, grants and loans proposed for the District in lieu of assessments, through the issuance of bonds or other financing methods; and
- (c) creation of the District will provide for the improvement and construction of transportation infrastructure, creation of single and multifamily housing as well as stimulate business and commercial activity and lead to job creation, and would serve the public purpose of economic development, specifically, providing new jobs, expanding commercial development, attracting retail facilities, construction of residential housing and improvement and construction of an east-west enhanced secondary arterial.

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED BY THE COMMISSIONERS COURT OF BEXAR COUNTY, TEXAS, THAT:

Section 1. The Petition for creation of a public improvement district is conditionally granted, and a public improvement district is hereby created, subject to the following conditions:

- 1. the District shall comply with the City's Unified Development Code; and

2. the District shall construct an east-west enhanced secondary arterial in phases and in compliance with the following requirements: 1) construction shall be of a full enhanced secondary arterial section from US Highway 281 to the property line at the San Antonio River (approximately 10,500 - 10,800 feet) with dedication of 120' of right-of-way; 2) a minimum 48' pavement width; a minimum 14' median; 3) a maximum street grade of 5% and minimum street grade of 0.5%; 4) construction of sidewalks (4' if offset, 6' if abutting curb); 5) streetscape design; 6) design to support K-values in accordance with AASHTO for a forty-five (45) mile-per-hour design speed; 7) pavement section must comply with Unified Development Code 35-506(p); and 8) if the District (or Owners) intends to sell the conservation easement to a third party, the District (or Owners) shall require, as a condition of sale, that construction of the remainder of the east-west enhanced secondary arterial be in accordance with the above referenced requirements (such requirements originally set forth in a letter from Bexar County Infrastructure Services Department - Public Works Division dated 4/28/2008, attached as Exhibit "A"); and
3. as each development/phase occurs, the District shall submit plans, or cause plans to be submitted to, and the same must be approved by, Bexar County Infrastructure Services Department - Public Works Division for the east-west enhanced secondary arterial described herein above; and
4. the District shall construct and maintain paved roads at the City's minimum rating on the Pavement Condition Index (PCI), currently set at 62, and promptly adjust with any changes to the PCI by the City; and
5. the District shall establish a maintenance fund (the "Fund") to ensure the public infrastructure is maintained at the same level as infrastructure located within the corporate limits of the City. The Fund shall contain amounts sufficient to guarantee that upon annexation, existing infrastructure is equal to, or can be repaired to equal, the City's required level of maintenance. The public infrastructure for which the maintenance fund shall be established shall be limited to those which have been constructed utilizing District funds and shall include public streets, drainage and detention facilities associated with public streets, and any curb, sidewalk or driveway improvements abutting a public street that are necessary to ensure the condition of said improvement is equal to the then-existing City maintenance requirements, whether or not said improvement was conveyed or dedicated to another public entity. Improvements for which the Fund shall not be responsible for shall include but shall not be limited to water and sewer facilities which are conveyed to San Antonio Water Systems ("SAWS"), electrical and gas utilities which are conveyed to City Public Services ("CPS"), signage, parks and open spaces which are conveyed and or dedicated to the City, Bexar County or other public entity and those improvements which include, but shall not be limited to, landscaping and irrigation systems, trails, parks and open space which are conveyed to and managed and maintained by homeowners

association(s) within the District. The District shall, following the confirmation election, incorporate the Fund into its financing plans and pro forma; and

6. the District shall comply with the Government Accounting Standard Board (GASB) for reporting values for general infrastructure assets; and
7. the District shall enter into an agreement for services in lieu of annexation with the City within one year from the effective date of this Order; and
8. the District shall cause a notation detailing the road requirements contained in Exhibit A to be made on the master development plan ("MDP") and/or any subdivision plats effected by the east-west enhanced secondary arterial within seven days from adoption of this Order.

Section 2. The District will be known as the "Espada Special Improvement District Number 1" to be authorized by, and to operate pursuant to, the provisions of Subchapter C, Chapter 372 of the Texas Local Government Code. Directors are hereby appointed and are named in this Order and, subject to the approval of the qualified voters in the District, ad valorem, sales and use, and hotel occupancy taxes are hereby authorized to be imposed within the boundaries of the District, at the rates set forth in this Order, as prayed for in the Petition to finance the District's planned improvements and economic development grants, by the issuance of bonds or other methods. Assessments may not be levied or imposed by the District's board of directors. Except as may be provided for herein, and subject to the conditions contained in Section 1 of this Order, Commissioners Court hereby delegates to the District all of the powers granted in Subchapter C, Chapter 372 of the Texas Local Government Code. In addition, Bexar County hereby grants to the District the powers and duties of a road district, except the power of eminent domain and annexation authority, and the power to provide water, wastewater and drainage facilities, except retail provision of water, wastewater and drainage services, contingent upon consent from the City for such a grant of power. The District, upon approval from Commissioners Court, is authorized to issue bonds for any District purpose secured by any District revenue.

Section 3. Except for calling an election on November 3, 2009, entering into an agreement to conduct a joint election with Bexar County pursuant to Section 8 of this Order, setting the tax rates, contracting for consulting and administrative services and paying ordinary overhead expenses of the District, any powers granted to the District herein shall not be exercised until: (1) an agreement for services in lieu of annexation is entered into with the City. Should one of the eight (8) conditions specified in "Section 1" hereinabove be breached, violated, or fail to occur within the time period specified herein ("Default") and the District fails to cure the Default as provide herein, the powers granted to the District by this Order shall be deemed revoked by order of Commissioners Court stating the same. Within fifteen (15) business days of Commissioners Court becoming aware of such a Default, Commissioners Court shall send written notice of same to the District. Thereafter, the District shall have ninety (90) days within which to cure the Default as set out in the notice. However, if the nature of the Default is such that more than ninety (90) days are reasonably required for its cure, then the District shall not be deemed to be

in Default hereunder if the District commences such cure within such ninety (90) day period and thereafter diligently pursues such cure to completion.

Section 4. The District is required to obtain the approval of Bexar County if it desires to increase the tax rates authorized in this Order. The District may not enter into, and Commissioners Court does not give the District authority to execute, an economic development agreement without first obtaining the approval of the Commissioner Court. The District may not enter into, and Commissioners Court does not give the District authority to execute, any agreements to make a loan or grant of District proceeds without first obtaining the approval of Commissioners Court. In addition, the District may not issue bonds, and Commissioners Court does not give the District authority to issue bonds, without first obtaining Commissioners Court approval.

Section 5. The District is created and organized under the terms and provisions of Article XVI, Section 59, Article III, Section 52, and Article III, Section 52a of the Constitution of the State of Texas, and Chapter 372, 380, 381 and 383 of the Texas Local Government Code, as amended. The District may not exercise the powers granted by Article III, Section 52 unless the City grants approval for the District to exercise these powers.

Section 6. The District is created and organized under the terms and provisions of the "Bexar County Public Improvement District Policies, Procedures, and Program," as adopted by Commissioners Court on August 30, 2005, and such policies, procedures, and program are incorporated herein for all purposes.

Section 7. The District is expressly authorized to impose the taxes listed in this Order and except as conditioned herein, to use tax revenues if, as, and when collected to finance improvements in lieu of assessments, by use of bond issuances or other means, to manage economic development projects, and to make grants and loans of public money to promote state and local economic development and to stimulate investment of private capital, business and commercial activity in the District, and job creation in the District and Bexar County, subject to the approval of the voters within the District.

Section 8. Upon calling for an election by the District, the District will be permitted to negotiate and enter into an agreement to conduct a joint election with Bexar County in order to facilitate the orderly conduct of the District's tax election, which shall be held November 3, 2009. The District's qualified voters shall cast their ballots for or against the District's proposed taxes at a regular Bexar County polling place because no public building will exist within the District at the time of such election. Bexar County agrees to enter into an agreement to conduct a joint election pursuant to Chapter 271 of the Texas Election Code, and will negotiate the terms of such election with the District's Board of Directors.

Section 9. As an additional condition of Commissioners Court to create the District, Commissioners Court shall require the District to prepare a service plan and an annual report to be presented to Commissioners Court on the status of District improvements and services, including the compliance with negotiated terms and conditions in any economic development

agreement. In addition, on the request of Commissioners Court, quarterly reports shall be made to the County's SMWBE Advisory Committee and Program Office regarding all District expenditures to specifically include the efforts made in regards to outreach, solicitation and awards to certified small, minority and women-owned businesses on contracted work opportunities within the District.

Section 10. The Directors nominated in the Petition are hereby appointed, and shall serve staggered two-year terms, as set forth in Chapter 372 of the Texas Local Government Code. The Directors listed below are hereby appointed:

<u>Steven Tilotson</u>
<u>Tom Garcia</u>
<u>Leo Gomez</u>
<u>Bruce Tschoepe</u>
<u>Roberto Vasquez</u>
<u>Donald Vestal</u>
<u>Herman Segovia</u>

The aforementioned Directors shall qualify for office by providing the bond and taking the oath of office provided by law. Thereafter, the Board of Directors shall organize as soon as reasonably possible. The District shall provide for any compensation required under Chapter 372 of the Texas Local Government Code to the Board of Directors from the District's proceeds.

Section 11. Subject to the approval of the qualified voters in the District, the taxes that are hereby authorized to be levied and imposed within the District and the rates at which they are authorized to be imposed are as follows:

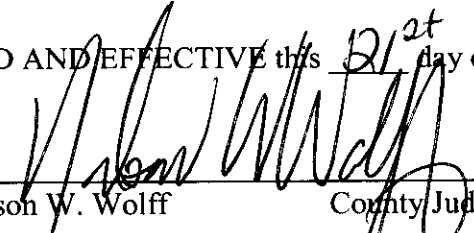
Ad Valorem Tax:	\$.56714 per \$100 valuation
Sales and Use Tax:	\$0.02 per taxable sale subject to the state sales and use tax
Hotel Occupancy Tax:	the greater of nine (9%) percent or the rate imposed by the City.

The levy of an ad valorem tax and the issuance of bonds are subject to the conditions attached as Exhibit "B" and incorporated herein for all purposes.


Section 12. The District's boundaries are described in a metes and bounds legal description attached as Exhibit "C" hereto and incorporated herein for all purposes, and in a conceptual site plan attached as Exhibit "D", designated to be illustrative and not to be relied upon as a legal description.

A certified copy of this Order shall be filed with the County Clerk of Bexar County, Texas, and recorded in a book kept for that purpose, and a certified copy shall be provided to the District. In addition, a certified copy of this Order shall be filed in the Real Property Records of Bexar County.

PASSED, ADOPTED, ORDERED AND EFFECTIVE this 21st day of October, 2008.



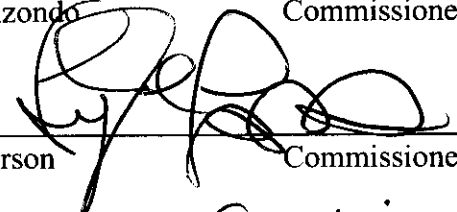
Nelson W. Wolff County Judge



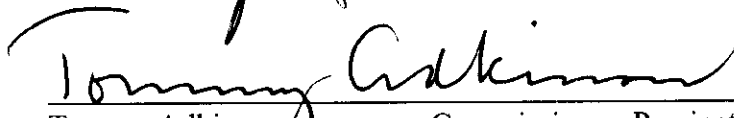
Sergio "Chico" Rodriguez Commissioner, Precinct 1

Absent

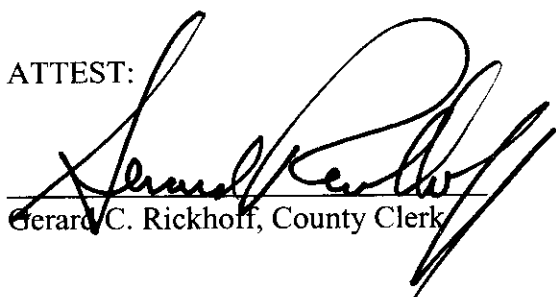
Paul Elizondo Commissioner, Precinct 2



Lyle Larson Commissioner, Precinct 3

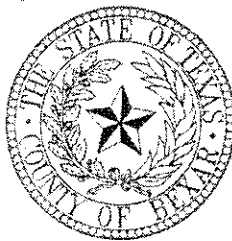


Tommy Adkisson Commissioner, Precinct 4

ATTEST:


Gerard C. Rickhoff, County Clerk

EXHIBIT A



INFRASTRUCTURE SERVICES DEPARTMENT PUBLIC WORKS DIVISION

233 North Pecos La Trinidad, Suite 420
San Antonio, Texas 78207
(210) 335-6700 Office
(210) 335-6713 Fax

VOL 769 PG 125

April 28, 2008

Charlie Turner
Chief Executive Officer
Terramark Communities
322 Julie Rivers Drive
Sugarland, Texas 77478

RE: Espada PID Proposed Primary Arterial Section

Dear Mr. Turner:

Bexar County needs to clarify the issues relating to the proposed primary arterial in the Espada Public Improvement Districts (PID) as well as specifically state the requirements to be included in the order for the creation of the PID and the development agreement. Below are the facts as we understand them:

- The Primary Arterial as proposed will only extend to intersection of "Southern" N-S Collector street and will not extend east beyond that intersection as required by the City of San Antonio (CoSA) Major Thoroughfare plan.
- Your proposed cost model indicates that "6,850' of '1/2 Enhanced Secondary Arterial'" will be funded by the PID at a cost of \$3,552,562.
- Your subsequent letter implies the thoroughfare will only be constructed adjacent to the development within the project and that the PID will only be responsible for 50% of the "County's" regional facility. Your letter further states that the County, City or VIA will be responsible for funding the remainder.
- Voice mail message left by Charlie Turner to Community Investments states the PID "intends to build only what is fully funded".

Based on this information, as well as the cost estimates included in your model, our interpretation is that the PID only intends to fund and therefore only intends to build **25% of the primary arterial road.**

Please note the Unified Development Code (UDC) requires the East-West Primary Arterial be constructed with a full section from US Highway 281 to the property line at the San Antonio River (approximately 10,500 - 10,800 feet). Bexar County estimates the cost of the full section to be approximately \$13.8 million using City of San Antonio unit pricing. UDC Section 35-506(e)(8) states:

Major Thoroughfare Plan Designated Arterial Streets

A. Where a proposed plat abuts a designated thoroughfare shown on the Major Thoroughfare Plan and the proposed street alignment is split or separated by an ownership boundary, the applicant of the proposed plat shall include half (1/2) of the required dedication and construction for plat approval. ***(Your arterial section is included entirely within the proposed PID and not separated by an ownership boundary).***

B. If a plat applicant owns all of the land designated, as a thoroughfare, and the proposed plat abuts or embraces a thoroughfare alignment, the applicant shall be responsible for 100% dedication and construction or

C. A plat applicant may dedicate 100% of the R.O.W and develop an agreement with the owner of the abutting undeveloped tract to equally share the cost and post a guarantee for construction of the full thoroughfare in connection with the approval process.

As previously discussed, one option available to you is to work with CoSA to have this proposed roadway modified or removed from the Major Thoroughfare plan.

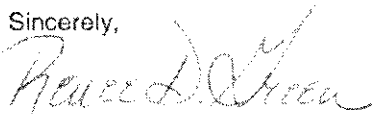
Should this roadway remain on the CoSA's Major Thoroughfare plan; the County will require the following specifications be included the order for the creation of the PID and the development agreement:

- Construction of a full primary arterial section from US Highway 281 to the property line at the San Antonio River (approximately 10,500 - 10,800 feet) with dedication of 120' of Right-of-Way
- Minimum 48' pavement width
- Minimum 14' median
- Maximum street grade of 5% and Minimum street grade of 0.5%
- Construction of Sidewalks (4' if offset, 6' if abutting curb)
- Streetscape design
- Design to support K-values in accordance with AASHTO for a 45 MPH design speed
- Pavement section to comply with UDC 35-506(p)

If the PID intends to sell the conservation easement to a third party, the County will require that construction of the remainder of the primary arterial be in accordance with the above referenced standards and be included as a part of the agreement.

Please contact me if you have any questions or wish to meet regarding this issue.

Sincerely,



Renee D. Green, P.E.
County Engineer

cc: Commissioner Sergio "Chico" Rodriguez, Pct. 1
Joe Aceves, P.E.; Executive Director Infrastructure Services
Aurora M. Sanchez; Executive Director Community Investments

EXHIBIT B
CONDITIONS

- A) A debt pro forma must be submitted to Bexar County for review and approval prior to the issuance of debt.
- B) The debt pro forma must be feasible with the following assumptions:
 - a. Current taxable assessed valuation over the life of bond issue based on a 0% growth assumption;
 - b. Tax collection ratio must be calculated at ninety (90%) percent for initial issues until a history for collections has been established;
 - c. Debt must be a level structure, not ascending; and
 - d. Interest and sinking fund balance projected to be at twenty-five (25%) next year's debt service requirement.

EXHIBIT C

December 19, 2007
Job number 60025828
PID No. 1

Meets and Bounds Description

471.971 acres being out of a 0.989 acre tract of a called 1.0 acre tract as conveyed unto W.J. Emick in Volume 5957, Page 1565 of the Official Public Records of Real Property of Bexar County, Texas (O.P.R.R.P.B.C.T.), a 2.00 acre tract as conveyed unto Terramark Communities in Volume 11590, Page 461 of the O.P.R.R.P.B.C.T., a 24.24 acre tract, a 17.49 acre tract, a 11.70 acre tract, a 5.632 acre tract, a 20.01 acre tract, a 6.695 acre tract, a 2.036 acre tract, a 1.905 acre tract, a 11.88 acre tract, a called 21.31 acre tract, a called 15.05 acre tract all being recorded in Volume 12665, Page 222 of the O.P.R.R.P.B.C.T., a 672.567 acre tract conveyed unto E-TM Land Investment, LTD, in Volume 12665, Page 166 of the O.P.R.R.P.B.C.T. and Volume 12665, Page 183 of the O.P.R.R.P.B.C.T., a 439.85 acre tract conveyed unto E-TM Land Investment, LTD, in Volume 11627, Page 304 of the O.P.R.R.P.B.C.T. , the proposed Lot 2, Block 1, N.C.B. 11039 of Marshall Way Subdivision, Plat # 050111, a portion of a 22.30 acre tract conveyed unto Terramark Communities, LTD in Volume 11619, Page 782 of the O.P.R.R.P.B.C.T, and all of that called 15.00 acre tract conveyed unto the Southside Independent School District in Volume 11322, Page 862 of the O.P.R.R.P.B.C.T. and being more particularly described as follows;

BEGINNING at a point on the south line of Chavaneaux Road (a 40 foot right-of-way) at the northwest corner of said 0.989 acre tract and being on the east line of Plat # 050111 Marshall Way (Variable Width Right-Of-Way) of said Marshall Way Subdivision from which a 10" x 10" stone pillar bears South 35° 15' East, 1.2 feet;

Thence South 89° 52' 09" East, departing the east line of said Marshall Way and continuing along the south line of said Chavaneaux Road along the north line of said 0.989 acre tract a distance of 204.96 feet, departing said 0.989 acre tract and crossing said 22.30 acre tract and passing a found 1/2-inch iron rod at the northeast corner of said 22.30 acre tract at a 530.37 feet, crossing said 9.987 acre tract and said 7.042 acre tract and passing a found 1/2-inch iron rod with yellow plastic cap stamped "Pape-Dawson" at 782.15 feet and passing another found 1/2-inch iron rod with yellow plastic cap stamped "Pape-Dawson" at 833.41 feet continuing across said 5.632 acre tract for a total of 1032.49 feet to a point;

Thence South 00° 29' 54" West, 1101.53 feet departing the south line of said Chavaneaux Road and with the east line of said 5.632 acre tract and the west line of a 6.0 acre tract conveyed unto Nathan C. Saucedo in Volume 8298, Page 1014 of the O.P.R.R.P.B.C.T., to a found 1/2-inch iron rod with yellow plastic cap stamped "Pape-Dawson";

Thence South 89° 49' 44" East, 242.57 feet departing the east line of said 5.632 acre tract and with the south line of said 6.0 acre tract to a point;

Thence North 00° 29' 54" East, 1101.53 feet with the east line of said 6.0 acre tract to a found 1/2-inch iron rod with yellow plastic cap stamped "Pape-Dawson" for the northeast corner of said 6.0 acre tract on the south line of said Chavaneaux Road;

Thence South 89° 49' 45" East, continuing along the south line of said Chavaneaux Road passing a 2 inch pipe at 270.16 feet at the northeast corner of said 11.88 acre tract, same being a corner of said 21.31 acre tract and continuing for a total of 500.40 feet to a point from which a fence post bears South 49° 04' West, 6.2 feet and a found 1/2-inch iron rod at the northeast corner of 6.09 acre tract conveyed unto Yarren Investments, LLC in Volume 13140, Page 2287 O.P.R.P.R.B.C.T., same being the northeast corner of tract 5 of the Plat of the Heirs of Rosalino Diaz 18.24 acres as filed in Volume 1993, Page 339 of the Official Public Deed Records of Bexar County, Texas (O.P.D.R.B.C.T.) bears South 89° 50' West, 418.09 feet;

Thence South 00° 08' 32" East, 2269.85 feet departing the south line of said Chavaneaux Road and with the west line of an unrecorded 30-foot private road being bounded on the east by said Rosalino Diaz tract;

Thence North 89° 51' 59" East, departing the west line of said 30- private road and along the north line of said 15.05 acre tract, passing the southwest corner of a called 6.0 acre tract conveyed unto Mariano Rivas and Dolores G. de Rivas in Volume 3233, Page 455 O.P.D.R.B.C.T. same being the west 6.0 acres of a partition of Original Tract 7 partitioned to Nimfa Diaz de Rivas as designated by the Plat of the Heirs of Rosalina Diaz Subdivision No. 1 as recorded in Volume 623, Page 596 of the O.P.D.R.B.C.T. at 30.00 feet, and continuing along the south line of said 6 acre tract passing the southeast corner of said 6 acre tract at 802.32 feet, the southwest corner of a called 9 acre tract conveyed unto Steve and Stella Rivas in Volume 3239, Page 587 being the called east 9 acres of the said Original Tract 7 for a total of 1984.26 feet for the northeast corner of said 15.05 acre tract, the southeast corner of said 9 acre tract, the southwest corner of a called 3.09 acre tract recorded in Volume 6848, Page 645 of the O.P.R.P.R.B.C.T., the northwest corner of a called 8.934 acre tract recorded in Volume 8035, Page 458 of the O.P.D.R.B.C.T.;

Thence departing the south line of said 9 acre tract, the north line of said 15.05 acre tract and along the east line of said 15.05 acre tract, the west line of said 8.394 acre tract the following five (5) courses and distances;

South 10° 52' 19" West, 104.91 feet to a point;

South 12° 19' 19" West, 59.15 feet to a point;

South 05° 30' 39" West, 46.05 feet to a point;

South 08° 14' 59" West, 66.39 feet to a point;

South 15° 04' 41" East, 65.97 feet to a point being the southeast corner of said 15.05 acre tract, the southwest corner of said 8.394 acre tract, the northwest corner of a called 2.539 acre tract recorded in Volume 3219, Page 520 of the O.P.D.R.B.C.T.

Thence South 89° 51' 59" West, departing the east line of said 15.05 acre tract, the west line of said 8.394 acre tract, along the south line of said 15.05 acre tract, the north line of the Original Tract 9 of the said Plat of the Heirs of Rosalino Diaz Subdivision No. 1 passing a found 1/2- inch iron rod at 1153.96 feet at the northeast corner of a 3.0 acre tract being designated as tract 4 of the division of said Original Tract 9 as conveyed unto Manuel V. and Teresa L. Pena in Volume 7989, Page 999 of the O.P.R.R.P.B.C.T. and continuing a distance of 394.06 to a found 1/2-inch iron rod at the northwest corner of said Pena 3.0 acres same being the northwest corner of a called 3 acre tract being designated as tract 5 of the said division of Original Tract 9 as conveyed unto Antonio Ramirez in Volume 5929, Page 1833 of the O.P.R.R.P.B.C.T. and continuing a distance of 376.40 feet to a point for the southwest corner of said Original Tract 9, from which a found 5/8-inch iron rod bears North 81° 03" East, 1.5 feet, and continuing a total distance of 1954.23 feet to a point on the west line of said 30-foot private road for the southwest corner of said 15.05 acre tract;

Thence South 00° 08' 32" East, 954.48 feet continuing along the west line of said 30-foot private road to a point on the north line of said 439.85 acre tract for the southwest corner of said 30-foot private road from which a found 1-inch pipe in a concrete disc bears North 28° 05' West, a distance of 2.4 feet;

Thence North 89° 57' 22" West, 66.81 feet continuing along the north line of said 439.85 acre tract to a point;

Thence South 00° 02' 38" West, 662.07 feet departing the north line of said 439.85 acre tract and crossing said 439.85 acre tract to a point;

Thence South 72° 29' 38" West, 850.44 feet continuing across said 439.85 to a point;

Thence departing said 439.85 acre tract and continuing across said 672.567 acre tract the following three (3) courses and distances;

South 19° 07' 23" East, 550.10 feet to a point at the beginning of a curve to the left;

296.98 feet along said curve to the left having a radius of 665.00, a central angle of 25° 35' 14", and a chord bearing and distance of South 31° 55' 00" East, 294.52 feet to a point;

South 44° 42' 37" East, 530.83 feet to a point on the south line of a 50 foot gas pipeline easement recorded in Volume 3403, Page 338 O.P.R.R.P.B.C.T. to a point;

Thence South 82° 26' 41" West, 2486.80 feet continuing across said 672.567 acre tract and crossing an interior line of said 439.85 acre tract;

Thence departing said 50 foot gas pipeline easement and crossing said 439.85 acre tract the following four (4) courses and distances;

South 65° 01' 33" East, 140.01 feet to a point at the beginning of a curve to the right;

98.73 feet along said curve to the right having a radius of 182.50, a central angle of 30° 59' 50", and a chord bearing and distance of South 49° 31' 38" East, 97.53 feet to a point;

South 34° 01' 43" East, 1541.75 feet to a point at the beginning of a curve to the right;

108.19 feet along said curve to the right having a radius of 182.50, a central angle of 33° 57' 55", and a chord bearing and distance of South 17° 02' 45" East, 106.61 feet to a point;

Thence South 00° 03' 48" East, 1574.00 feet to a point on the south line of said 672.567 acre tract;

Thence North 72° 46' 06" West, 1502.54 feet to a point from which a found 1/2-inch iron rod bears South 57° 16' East, 1.0 foot on the east right-of-way line of South Flores Street (F.M. 1937) an 80 foot right-of-way;

Thence with the east right-of-way line of said South Flores Street the following three (3) courses and distances;

North 13° 47' 10" West, 137.55 feet to a point at the beginning of a curve to the left from which a found Texas Department of Transportation (Tx DOT) Type I monument bears North 31° 45' West, a distance of 0.4 feet;

186.30 feet along said curve to the left having a radius of 5769.69, a central angle of 01° 51' 00", and a chord bearing and distance of North 14° 42' 40" West, 186.28 feet to point;

North 15° 38' 10" West, 2423.4 feet to a point on the east right-of-way line of east right-of-way line of U.S. Highway 281 (a variable width right-of-way) same being the west line of a portion of an 1115.024 acre tract conveyed unto Donald R. Vestal, C/O Royal D. Adams in Volume 5716, Page 396 of the O.P.R.R.P.B.C.T.;

Thence continuing along the east right-of-way line of said U.S. Highway 281 and the west line of said 1115.024 acre tract the following four (4) courses and distances;

North 24° 25' 18" West, 50.60 feet to a point;

North 15° 49' 53" West, passing a found 1/2-inch iron rod with a yellow plastic cap stamped "Pape-Dawson" at the southernmost corner of a 36.66 acre tract being a portion of said 439.85 acre tract at 399.93 feet and continuing a total of 778.48 feet to a point from which a found Tx DOT Type I monument bears South 48° 13' East, a distance of 20.3 feet;

North 13° 07' 40" West, 464.93 feet to a point from which a found Tx DOT Type I monument bears South 73° 46' West, 1.3 feet;

North $16^{\circ} 13' 14''$ West, 299.95 feet to a point from which a found Tx DOT Type I monument bears South $73^{\circ} 46'$ West, 0.9 feet and continuing along the same course for a total of 905.80 feet to a point from which a found Tx DOT Type I monument bears South $33^{\circ} 10'$ East, 0.4 feet;

Thence North $72^{\circ} 56' 55''$ East, 888.03 feet departing the east right-of-way line of said U.S. Highway 281 and the west line of said 1115.024 acre tract and crossing said 1115.024 acre tract to a point on the south line of a 35.80 acre tract recorded in Volume 5079, Page 222 of the O.P.R.P.P.B.C.T. and the north line of said 1115.024 acre tract;

Thence South $89^{\circ} 57' 22''$ East, 1223.99 feet continuing along the north line of said 1115.024 acre tract and the south line of said 35.80 acre tract to a point;

Thence North $00^{\circ} 01' 46''$ East, crossing said 35.80 acre tract and said 22.40 acre tract and passing the southeast corner of a 15.00 acre tract conveyed unto the Southside Independent School District in Volume 11322, Page 862 of the O.P.R.P.P.B.C.T. at 566.43 feet, and continuing a total of 1841.98 feet to a point on the south right-of-way line of said proposed Marshall Way;

Thence with the east right-of-way line of said proposed Marshall Way the following twelve (12) courses and distances;

South $89^{\circ} 58' 14''$ East, 41.70 feet to a found 1/2-inch iron rod for a corner of the said 22.40 acre tract and said 35.80 acre tract;

North $00^{\circ} 21' 24''$ West, 426.79 feet to a point at the beginning of a curve to the right;

4.82 feet along said curve to the right having a radius of 15.00, a central angle of $18^{\circ} 24' 54''$, and a chord bearing and distance of North $80^{\circ} 23' 10''$ East, 4.80 feet to a point;

North $00^{\circ} 23' 26''$ West, 58.00 feet to a point at the beginning of a curve to the right;

4.79 feet along said curve to the right having a radius of 15.00, a central angle of $18^{\circ} 17' 53''$, and a chord bearing and distance of North $81^{\circ} 14' 30''$ West, 4.77 feet to a point;

North $00^{\circ} 21' 24''$ West, 292.89 feet to a point at the beginning of a curve to the right;

196.54 feet along said curve to the right having a radius of 571.00, a central angle of $19^{\circ} 43' 18''$, and a chord bearing and distance of North $20^{\circ} 27' 25''$ East, 195.57 feet to a point;

North $30^{\circ} 19' 05''$ East, 25.23 feet to a point at the beginning of a curve to the right;

15.61 feet along said curve to the right having a radius of 15.00, a central angle of $59^{\circ} 37' 02''$, and a chord bearing and distance of North $60^{\circ} 07' 36''$ East, 14.91 feet to a point;

North $89^{\circ} 56' 07''$ East, 51.59 feet to a point;

North $00^{\circ} 03' 52''$ West, 58.83 feet to a point on the south line of said proposed Lot 2, Block 1, N.C.B. 11039 of Marshall Way Subdivision, to a point at the beginning of a curve to the right;

31.40 feet along said curve to the right having a radius of 15.00, a central angle of $119^{\circ} 57' 17''$, and a chord bearing and distance of North $29^{\circ} 38' 49''$ West, 25.97 feet to a point;

Thence continuing along the east right-of-way line of said proposed Marshall Way, and with the west line of the said proposed Lot 2, Block 1, N.C.B. 11039 of Marshall Way Subdivision, the following two (2) courses and distances;

North $30^{\circ} 19' 49''$ East, 354.63 feet to a point at the beginning of a curve to the left;

146.49 feet along said curve to the left having a radius of 629.00, a central angle of $13^{\circ} 20' 37''$, and a chord bearing and distance of North $23^{\circ} 39' 31''$ East, 146.16 feet to a point;

Thence South $89^{\circ} 49' 01''$ East, 31.95 feet to a found 1/2-inch iron rod on the north line of said proposed Lot 2, Block 1, N.C.B. 11039 of Marshall Way Subdivision, same being the southwest corner of said 0.989 acre tract;

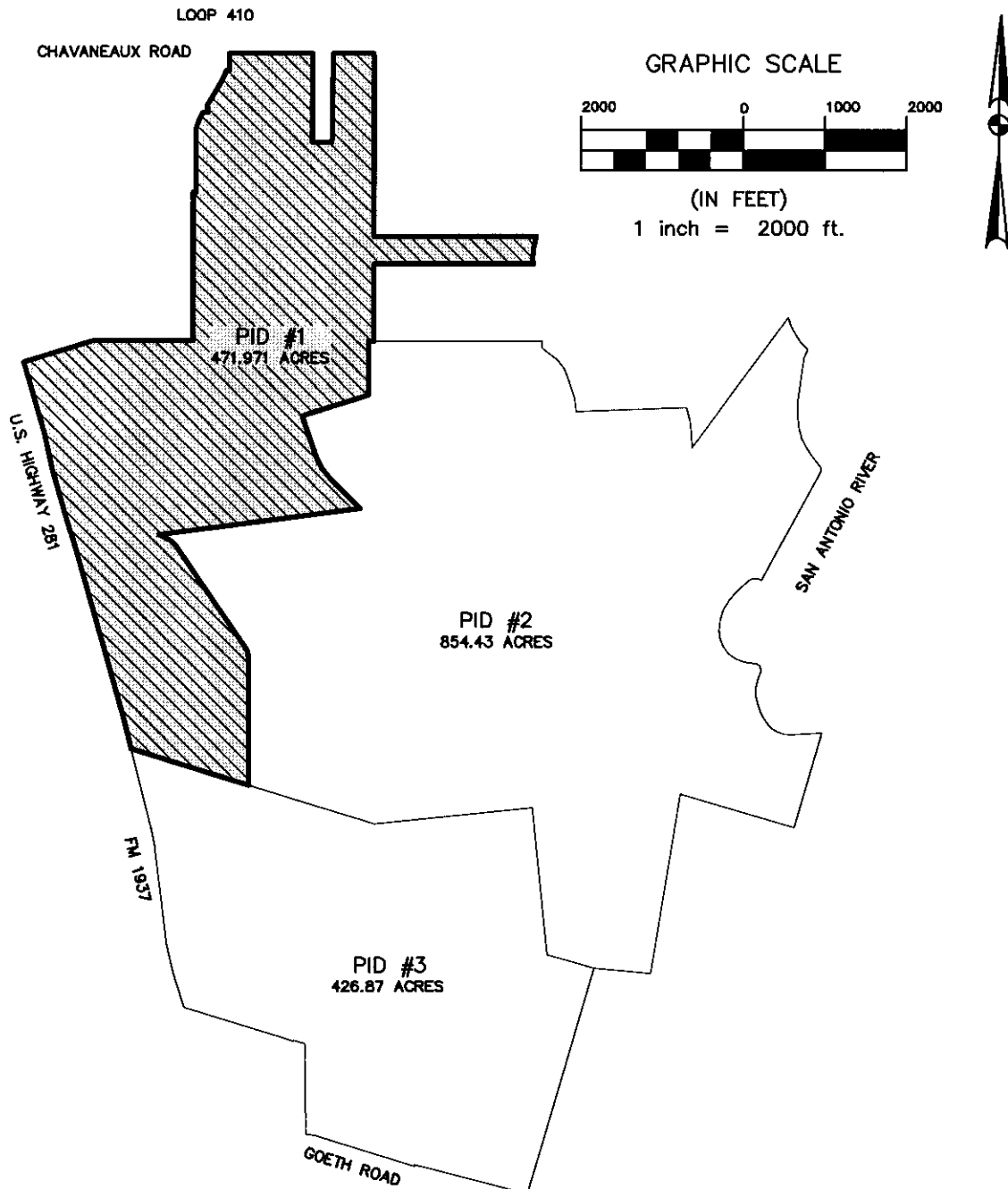
Thence North $00^{\circ} 02' 26''$ East, 208.24 feet along the west line of said 0.989 acre tract to the **POINT OF BEGINNING** and containing a computed area of 471.971 acres.

Bearings Based on Texas State Plane Coordinate system, South Central Zone, US Foot.

Juan E. Galvan
08/20/08



EXHIBIT "A"



VOL 769 PG 134

NOTES:

1. THERE IS A METES AND BOUNDS DESCRIPTION WITH LIKE JOB NUMBER.

PAGE 7 OF 7

REV. 08-18-08
REV. 08-05-08
REV. 12-28-07
REV. RELEASE 3 11-30-07

EXHIBIT OF PID 1 (471.97 ACRES) BEXAR COUNTY, TEXAS



SURVCON INC.
PROFESSIONAL SURVEYORS
SAN ANTONIO, TEXAS 78213
6800 PARK TEN BLVD., SUITE 180-S (210) 296-2000

SCALE: 1" = 2000'	JOB #: 00025828
DATE: 08-28-08	F.B. # N/A
DRAWN BY: PT/TML	CAD DATE: 09-25-07
CHECKED BY: JEG	CAD FILE: 8-5-08.DWG

S:\ESPADA\DWG\PIDMAPREV 8-5-08.DWG 9/18/2008 8:47:06 AM

EXHIBIT D



EXHIBIT “B”:
FIRST AMENDED CREATION ORDER

FIRST AMENDED ORDER CONDITIONALLY GRANTING PETITION FOR CREATION OF A PUBLIC IMPROVEMENT DISTRICT TO BE NAMED "ESPADA SPECIAL IMPROVEMENT DISTRICT NUMBER 1," FOR APPOINTMENT OF DIRECTORS, AND IMPOSITION OF AD VALOREM, SALES AND USE AND HOTEL OCCUPANCY TAXES, EACH AT A SPECIFIED RATE, WITHIN THE BOUNDARIES OF THE DISTRICT, AND FOR AUTHORITY TO ENTER INTO ECONOMIC DEVELOPMENT AGREEMENTS, GRANTS AND LOANS

WHEREAS, the Bexar County Commissioners Court ("Commissioners Court") met in regular session, open to the public, at the Bexar County Courthouse at 100 Dolorosa Street, Suite 1.20, San Antonio, Texas, on October 21, 2008 and adopted an Order Conditionally Granting Petition for Creation of a Public Improvement District to be Named Espada Special Improvement District Number 1, for Appointment of Directors, and Imposition of Ad Valorem, Sales and Use and Hotel Occupancy Taxes, each at a Specific Rate, within the Boundaries of the District, and for Authority to Enter into Economic Development Agreements, Grants And Loans.

WHEREAS, Commissioners Court again met in regular session, open to the public, at the Bexar County Courthouse at 100 Dolorosa Street, Suite 1.20, San Antonio, Texas, on October 7, 2009, whereupon roll was called of the members of the Commissioners Court, to wit:

Nelson W. Wolff	County Judge
Sergio "Chico" Rodriguez	Commissioner, Precinct 1
Paul Elizondo	Commissioner, Precinct 2
Kevin Wolff	Commissioner, Precinct 3
Tommy Adkisson	Commissioner, Precinct 4

All Commissioners were present, except _____.

WHEREAS, among other business conducted by Commissioners Court, Commissioner Rodriguez introduced the First Amended Order set out below and moved its adoption, which was seconded by Commissioner Adkisson, and after a full discussion and the question being before the Court, said motion carried by the following vote:

AYE 5 / NO 1

THE FIRST AMENDED ORDER THUS ADOPTED IS AS FOLLOWS:

On January 7, 2008, a petition (the "Petition") was filed with the Bexar County Clerk seeking the creation of a Public Improvement District to be named "Espada Special Improvement District Number 1" (the "District"), for appointment of directors, and imposition of ad valorem, sales and use, and hotel occupancy taxes, each at a specified rate, within the boundaries of the District, and for authority to enter into economic development agreements, grants and loans. The Petition was signed by the owners of taxable real property representing

more than 50 percent (50%) of the appraised value of taxable real property within the boundaries of the District ("Owners") and prayed that Commissioners Court grant the Petition.

Commissioners Court conducted a public hearing to consider the Petition and heard the evidence, both oral and documentary, of all persons who appeared and offered evidence with reference thereto, and find the following:

1. On April 22, 2008, a Petition, duly signed, praying for the creation of the District to be operated under Subchapter C, Chapter 372, of the Texas Local Government Code (the "Code"), appointment of directors, imposition of ad valorem, sales and use, and hotel occupancy taxes, each at specified rates, within the boundaries of the District, and for authorization to use such tax revenues to finance the District's economic development program through issuance of economic development agreements, grants and loans, and planned improvements instead of assessments was considered by Commissioners Court at a public hearing. The Petition met the requirements of law relating thereto and upon due consideration of said Petition, it was set on the agenda for consideration by this Court on this date. Court proceedings began at 11:00 a.m. at the Bexar County Courthouse, San Antonio, Bexar County, Texas and public notice of the hearing was given in accordance with the requirements of Chapter 372 of the Code.
2. Commissioners Court is authorized to (a) consider the Petition; (b) enter an order creating the District, designating that its operation shall be pursuant to the provisions of Subchapter C, Chapter 372 of the Local Government Code; (c) appoint its board of directors; and, (d) authorize the board of directors of the District to impose ad valorem, sales and use, and hotel occupancy taxes within the District, each at a specified rate, to be used to finance the District's planned economic development program and improvements and to induce and incentivize economic development projects through the use of economic development agreements, grant and loans. Upon creation, the District will become endowed with the powers granted by Article XVI, Section 59, Article III, Section 52, and Article III, Section 52a of the Constitution of the State of Texas, and Chapter 372 of the Local Government Code. The powers conditionally granted by this First Amended Order shall not be exercised by the District until: (1) the District and the City of San Antonio ("City") enter into an agreement for services in lieu of annexation. Should one of the eight (8) conditions specified in "Section 1" hereinbelow be breached, violated, or fail to occur within the time period specified herein ("Default") and the District fails to cure the Default as provide herein, the powers granted to the District by this First Amended Order shall be deemed revoked by order of Commissioners Court stating the same. Within fifteen (15) business days of Commissioners Court becoming aware of such a Default, Commissioners Court shall send written notice of same to the District. Thereafter, the District shall have ninety (90) days within which to cure the Default as set out in the notice. However, if the nature of the Default is such that more than ninety (90) days are reasonably required for its cure, then the District shall not be deemed to be in Default hereunder if the District commences such cure within such ninety (90) day period and thereafter diligently pursues such cure to completion.
3. The proposed District lies outside the full purpose city limits of any incorporated area and within Bexar County. The area proposed to be included within the District lies entirely within

the extra territorial jurisdiction of the City. At the present time, there are fewer than 1,000 inhabitants residing in the proposed District.

4. Commissioners Court, for its authority to undertake action herein, relies upon the law as specifically found in Chapter 372 of the Code, wherein Subchapter C it is provided that a commissioners court of certain counties with a population of at least 825,000 may create a public improvement district, and authorize such a district to take such actions as are authorized under Chapter 372 of the Code, including imposition of ad valorem, sales and use, and hotel occupancy taxes, at rates specified by such county, within the boundaries of the public improvement district (collectively the "Laws") if such taxes are approved by the qualified voters in the district at an election called for that purpose.

5. Commissioners Court relies upon the authority granted in Chapter 271 of the Texas Election Code authorizing political subdivisions, such as the District, to conduct a joint election, and the request of the Petitioner that Bexar County agree to conduct a joint election with the District upon its creation in order to facilitate the orderly conduct of the election required to approve the ad valorem tax, hotel occupancy tax, and sales and use tax authorized by this First Amended Order.

6. Commissioners Court recognizes the prayer in the Petition that the District be created and authorized under Subchapter C, Chapter 372 of the Code, and that the District impose taxes in lieu of assessments, and finds that the District is not required to submit a feasibility report or assessment plan pursuant to the requirements of such statute.

7. After full consideration by Commissioners Court, including presentation of testimony and evidence at a public hearing as required by Subchapter C, Chapter 372 of the Code, Commissioners Court affirmatively finds that:

- (a) the Petition conforms to the requirements of the Laws and creation of the District under Subchapter C, Chapter 372 of the Code is in the best interests of Bexar County; and
- (b) appointment of directors, and imposition of ad valorem, sales and use, and hotel occupancy taxes at the rates specified in this First Amended Order is beneficial and advisable to Bexar County in order to finance economic development programs and improvements and induce and incentivize economic development projects through the use of economic development agreements, grants and loans proposed for the District in lieu of assessments, through the issuance of bonds or other financing methods; and
- (c) creation of the District will provide for the improvement and construction of transportation infrastructure, creation of single and multifamily housing as well as stimulate business and commercial activity and lead to job creation, and would serve the public purpose of economic development, specifically, providing new jobs, expanding commercial development, attracting retail facilities, construction of

residential housing and improvement and construction of an east-west enhanced secondary arterial.

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED BY THE COMMISSIONERS COURT OF BEXAR COUNTY, TEXAS, THAT:

Section 1. The Petition for creation of a public improvement district is conditionally granted, and a public improvement district is hereby created, subject to the following conditions:

1. the District shall comply with the City's Unified Development Code; and
2. the District shall construct an east-west enhanced secondary arterial in phases and in compliance with the following requirements: 1) construction shall be of a full enhanced secondary arterial section from US Highway 281 to the property line at the San Antonio River (approximately 10,500 - 10,800 feet) with dedication of 120' of right-of-way; 2) a minimum 48' pavement width; a minimum 14' median; 3) a maximum street grade of 5% and minimum street grade of 0.5%; 4) construction of sidewalks (4' if offset, 6' if abutting curb); 5) streetscape design; 6) design to support K-values in accordance with AASHTO for a forty-five (45) mile-per-hour design speed; 7) pavement section must comply with Unified Development Code 35-506(p); and 8) if the District (or Owners) intends to sell the conservation easement to a third party, the District (or Owners) shall require, as a condition of sale, that construction of the remainder of the east-west enhanced secondary arterial be in accordance with the above referenced requirements (such requirements originally set forth in a letter from Bexar County Infrastructure Services Department - Public Works Division dated 4/28/2008, attached as Exhibit "A"); and
3. as each development/phase occurs, the District shall submit plans, or cause plans to be submitted to, and the same must be approved by, Bexar County Infrastructure Services Department - Public Works Division for the east-west enhanced secondary arterial described herein above; and
4. the District shall construct and maintain paved roads at the City's minimum rating on the Pavement Condition Index (PCI), currently set at 62, and promptly adjust with any changes to the PCI by the City; and
5. the District shall establish a maintenance fund (the "Fund") to ensure the public infrastructure is maintained at the same level as infrastructure located within the corporate limits of the City. The Fund shall contain amounts sufficient to guarantee that upon annexation, existing infrastructure is equal to, or can be repaired to equal, the City's required level of maintenance. The public infrastructure for which the maintenance fund shall be established shall be limited to those which have been constructed utilizing District funds and shall include public streets, drainage and detention facilities associated with public streets, and

any curb, sidewalk or driveway improvements abutting a public street that are necessary to ensure the condition of said improvement is equal to the then-existing City maintenance requirements, whether or not said improvement was conveyed or dedicated to another public entity. Improvements for which the Fund shall not be responsible for shall include but shall not be limited to water and sewer facilities which are conveyed to San Antonio Water Systems ("SAWS"), electrical and gas utilities which are conveyed to City Public Services ("CPS"), signage, parks and open spaces which are conveyed and or dedicated to the City, Bexar County or other public entity and those improvements which include, but shall not be limited to, landscaping and irrigation systems, trails, parks and open space which are conveyed to and managed and maintained by homeowners association(s) within the District. The District shall, following the confirmation election, incorporate the Fund into its financing plans and pro forma; and

6. the District shall comply with the Government Accounting Standard Board (GASB) for reporting values for general infrastructure assets; and
7. the District shall enter into an agreement for services in lieu of annexation with the City within one year from the effective date of this First Amended Order; and
8. the District shall cause a notation detailing the road requirements contained in Exhibit A to be made on the master development plan ("MDP") and/or any subdivision plats effected by the east-west enhanced secondary arterial within seven days from adoption of this First Amended Order.

Section 2. The District will be known as the "Espada Special Improvement District Number 1" to be authorized by, and to operate pursuant to, the provisions of Subchapter C, Chapter 372 of the Texas Local Government Code. Directors are hereby appointed and are named in this First Amended Order and, subject to the approval of the qualified voters in the District, ad valorem, sales and use, and hotel occupancy taxes are hereby authorized to be imposed within the boundaries of the District, at the rates set forth in this First Amended Order, as prayed for in the Petition to finance the District's planned improvements and economic development grants, by the issuance of bonds or other methods. Assessments may not be levied or imposed by the District's board of directors. Except as may be provided for herein, and subject to the conditions contained in Section 1 of this First Amended Order, Commissioners Court hereby delegates to the District all of the powers granted in Subchapter C, Chapter 372 of the Texas Local Government Code. In addition, Bexar County hereby grants to the District the powers and duties of a road district, except the power of eminent domain and annexation authority, and the power to provide water, wastewater and drainage facilities, except retail provision of water, wastewater and drainage services, contingent upon consent from the City for such a grant of power. The District, upon approval from Commissioners Court, is authorized to issue bonds for any District purpose secured by any District revenue.

Section 3. Except for calling an election on November 3, 2010, entering into an agreement to conduct a joint election with Bexar County pursuant to Section 8 of this First Amended Order,

setting the tax rates, contracting for consulting and administrative services and paying ordinary overhead expenses of the District, any powers granted to the District herein shall not be exercised until: (1) an agreement for services in lieu of annexation is entered into with the City. Should one of the eight (8) conditions specified in "Section 1" hereinabove be breached, violated, or fail to occur within the time period specified herein ("Default") and the District fails to cure the Default as provide herein, the powers granted to the District by this First Amended Order shall be deemed revoked by order of Commissioners Court stating the same. Within fifteen (15) business days of Commissioners Court becoming aware of such a Default, Commissioners Court shall send written notice of same to the District. Thereafter, the District shall have ninety (90) days within which to cure the Default as set out in the notice. However, if the nature of the Default is such that more than ninety (90) days are reasonably required for its cure, then the District shall not be deemed to be in Default hereunder if the District commences such cure within such ninety (90) day period and thereafter diligently pursues such cure to completion.

Section 4. The District is required to obtain the approval of Bexar County if it desires to increase the tax rates authorized in this First Amended Order. The District may not enter into, and Commissioners Court does not give the District authority to execute, an economic development agreement without first obtaining the approval of the Commissioner Court. The District may not enter into, and Commissioners Court does not give the District authority to execute, any agreements to make a loan or grant of District proceeds without first obtaining the approval of Commissioners Court. In addition, the District may not issue bonds, and Commissioners Court does not give the District authority to issue bonds, without first obtaining Commissioners Court approval.

Section 5. The District is created and organized under the terms and provisions of Article XVI, Section 59, Article III, Section 52, and Article III, Section 52a of the Constitution of the State of Texas, and Chapter 372, 380, 381 and 383 of the Texas Local Government Code, as amended. The District may not exercise the powers granted by Article III, Section 52 unless the City grants approval for the District to exercise these powers.

Section 6. The District is created and organized under the terms and provisions of the "Bexar County Public Improvement District Policies, Procedures, and Program," as adopted by Commissioners Court on August 30, 2005, and such policies, procedures, and program are incorporated herein for all purposes.

Section 7. The District is expressly authorized to impose the taxes listed in this First Amended Order and except as conditioned herein, to use tax revenues if, as, and when collected to finance improvements in lieu of assessments, by use of bond issuances or other means, to manage economic development projects, and to make grants and loans of public money to promote state and local economic development and to stimulate investment of private capital, business and commercial activity in the District, and job creation in the District and Bexar County, subject to the approval of the voters within the District.

Section 8. Upon calling for an election by the District, the District will be permitted to negotiate and enter into an agreement to conduct a joint election with Bexar County in order to facilitate the orderly conduct of the District's tax election, which shall be held November 3, 2010. The District's qualified voters shall cast their ballots for or against the District's proposed taxes at a regular Bexar County polling place because no public building will exist within the District at the time of such election. Bexar County agrees to enter into an agreement to conduct a joint election pursuant to Chapter 271 of the Texas Election Code, and will negotiate the terms of such election with the District's Board of Directors.

Section 9. As an additional condition of Commissioners Court to create the District, Commissioners Court shall require the District to prepare a service plan and an annual report to be presented to Commissioners Court on the status of District improvements and services, including the compliance with negotiated terms and conditions in any economic development agreement. In addition, on the request of Commissioners Court, quarterly reports shall be made to the County's SMWBE Advisory Committee and Program Office regarding all District expenditures to specifically include the efforts made in regards to outreach, solicitation and awards to certified small, minority and women-owned businesses on contracted work opportunities within the District.

Section 10. The Directors nominated in the Petition are hereby appointed, and shall serve staggered two-year terms, as set forth in Chapter 372 of the Texas Local Government Code. The Directors listed below are hereby appointed:

- Steven Tilotson
- Tom Garcia
- Leo Gomez
- Bruce Tschoepe
- Roberto Vasquez
- Donald Vestal
- Herman Segovia

The aforementioned Directors shall qualify for office by providing the bond and taking the oath of office provided by law. Thereafter, the Board of Directors shall organize as soon as reasonably possible. The District shall provide for any compensation required under the Code to the Board of Directors from the District's proceeds.

Section 11. Subject to the approval of the qualified voters in the District, the taxes that are hereby authorized to be levied and imposed within the District and the rates at which they are authorized to be imposed are as follows:

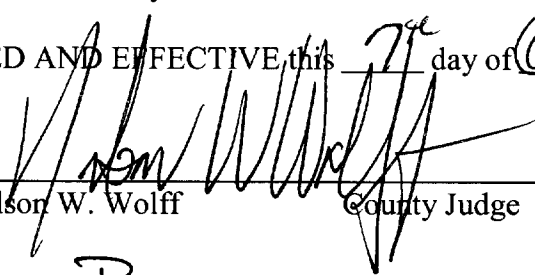
Ad Valorem Tax:	\$.56569 per \$100 valuation
Sales and Use Tax:	\$0.02 per taxable sale subject to the state sales and use tax
Hotel Occupancy Tax:	the greater of nine (9%) percent or the rate imposed by the City.

The levy of an ad valorem tax and the issuance of bonds are subject to the conditions attached as Exhibit "B" and incorporated herein for all purposes.

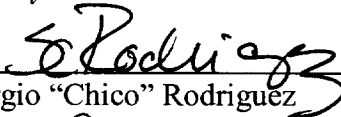
Section 12. The District's boundaries are described in a metes and bounds legal description revised as of the date of this First Amended Order which updates the interior boundaries of the District, all in accordance with the Code. The revised metes and bounds legal description is attached as Exhibit "C" hereto and incorporated herein for all purposes, and in a conceptual site plan attached as Exhibit "D", designated to be illustrative and not to be relied upon as a legal description.

A certified copy of this First Amended Order shall be filed with the County Clerk of Bexar County, Texas, and recorded in a book kept for that purpose, and a certified copy shall be provided to the District. In addition, a certified copy of this First Amended Order shall be filed in the Real Property Records of Bexar County.

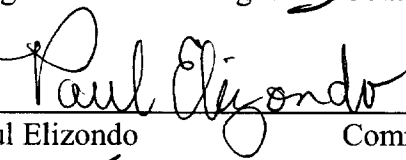
PASSED, ADOPTED, ORDERED AND EFFECTIVE this 7th day of October, 2009.



Nelson W. Wolff County Judge



Sergio "Chico" Rodriguez Commissioner, Precinct 1



Paul Elizondo Commissioner, Precinct 2



Kevin Wolff Commissioner, Precinct 3



Tommy Adkisson Commissioner, Precinct 4

ATTEST:



Gerard C. Rickhoff, County Clerk

EXHIBIT A



INFRASTRUCTURE SERVICES DEPARTMENT PUBLIC WORKS DIVISION

233 North Pecos La Trinidad, Suite 420
San Antonio, Texas 78207
(210) 335-6700 Office
(210) 335-6713 Fax

April 28, 2008

Charlie Turner
Chief Executive Officer
Terramark Communities
322 Julie Rivers Drive
Sugarland, Texas 77478

RE: Espada PID Proposed Primary Arterial Section

Dear Mr. Turner:

Bexar County needs to clarify the issues relating to the proposed primary arterial in the Espada Public Improvement Districts (PID) as well as specifically state the requirements to be included in the order for the creation of the PID and the development agreement. Below are the facts as we understand them:

- The Primary Arterial as proposed will only extend to intersection of "Southern" N-S Collector street and will not extend east beyond that intersection as required by the City of San Antonio (CoSA) Major Thoroughfare plan.
- Your proposed cost model indicates that "6,850' of '1/2 Enhanced Secondary Arterial'" will be funded by the PID at a cost of \$3,552,562.
- Your subsequent letter implies the thoroughfare will only be constructed adjacent to the development within the project and that the PID will only be responsible for 50% of the "County's" regional facility. Your letter further states that the County, City or VIA will be responsible for funding the remainder.
- Voice mail message left by Charlie Turner to Community Investments states the PID "intends to build only what is fully funded".

Based on this information, as well as the cost estimates included in your model, our interpretation is that the PID only intends to fund and therefore only intends to build **25% of the primary arterial road.**

Please note the Unified Development Code (UDC) requires the East-West Primary Arterial be constructed with a full section from US Highway 281 to the property line at the San Antonio River (approximately 10,500 - 10,800 feet). Bexar County estimates the cost of the full section to be approximately \$13.8 million using City of San Antonio unit pricing. UDC Section 35-506(e)(8) states:

VOL 809 Pg 872

Major Thoroughfare Plan Designated Arterial Streets

A. Where a proposed plat abuts a designated thoroughfare shown on the Major Thoroughfare Plan and the proposed street alignment is split or separated by an ownership boundary, the applicant of the proposed plat shall include half (1/2) of the required dedication and construction for plat approval. ***(Your arterial section is included entirely within the proposed PID and not separated by an ownership boundary).***

B. If a plat applicant owns all of the land designated, as a thoroughfare, and the proposed plat abuts or embraces a thoroughfare alignment, the applicant shall be responsible for 100% dedication and construction or

C. A plat applicant may dedicate 100% of the R.O.W and develop an agreement with the owner of the abutting undeveloped tract to equally share the cost and post a guarantee for construction of the full thoroughfare in connection with the approval process.

As previously discussed, one option available to you is to work with CoSA to have this proposed roadway modified or removed from the Major Thoroughfare plan.

Should this roadway remain on the CoSA's Major Thoroughfare plan; the County will require the following specifications be included the order for the creation of the PID and the development agreement:

- Construction of a full primary arterial section from US Highway 281 to the property line at the San Antonio River (approximately 10,500 - 10,800 feet) with dedication of 120' of Right-of-Way
- Minimum 48' pavement width
- Minimum 14' median
- Maximum street grade of 5% and Minimum street grade of 0.5%
- Construction of Sidewalks (4' if offset, 6' if abutting curb)
- Streetscape design
- Design to support K-values in accordance with AASHTO for a 45 MPH design speed
- Pavement section to comply with UDC 35-506(p)

If the PID intends to sell the conservation easement to a third party, the County will require that construction of the remainder of the primary arterial be in accordance with the above referenced standards and be included as a part of the agreement.

Please contact me if you have any questions or wish to meet regarding this issue.

Sincerely,



Renee D. Green, P.E.
County Engineer

cc: Commissioner Sergio "Chico" Rodriguez, Pct. 1
Joe Aceves, P.E.; Executive Director Infrastructure Services
Aurora M. Sanchez; Executive Director Community Investments

EXHIBIT B

CONDITIONS

- A) A debt pro forma must be submitted to Bexar County for review and approval prior to the issuance of debt.
- B) The debt pro forma must be feasible with the following assumptions:
 - a. Current taxable assessed valuation over the life of bond issue based on a 0% growth assumption;
 - b. Tax collection ratio must be calculated at ninety (90%) percent for initial issues until a history for collections has been established;
 - c. Debt must be a level structure, not ascending; and
 - d. Interest and sinking fund balance projected to be at twenty-five (25%) next year's debt service requirement.

EXHIBIT C

September 21, 2009
Job number 60025828
PID No. 1

Meets and Bounds Description

494.976 acres being out of a 0.989 acre tract of a called 1.0 acre tract as conveyed unto W.J. Emick in Volume 5957, Page 1565 of the Official Public Records of Real Property of Bexar County, Texas (O.P.R.R.P.B.C.T.), a 2.00 acre tract as conveyed unto Terramark Communities in Volume 11590, Page 461 of the O.P.R.R.P.B.C.T., a 24.24 acre tract, a 17.49 acre tract, a 11.70 acre tract, a 5.632 acre tract, a 20.01 acre tract, a 6.695 acre tract, a 2.036 acre tract, a 1.905 acre tract, a 11.88 acre tract, a called 21.31 acre tract, a called 15.05 acre tract all being recorded in Volume 12665, Page 222 of the O.P.R.R.P.B.C.T., a 672.567 acre tract conveyed unto E-TM Land Investment, LTD, in Volume 12665, Page 166 of the O.P.R.R.P.B.C.T. and Volume 12665, Page 183 of the O.P.R.R.P.B.C.T., a 439.85 acre tract conveyed unto E-TM Land Investment, LTD, in Volume 11627, Page 304 of the O.P.R.R.P.B.C.T., the proposed Lot 2, Block 1, N.C.B. 11039 of Marshall Way Subdivision, Plat # 050111, a portion of a 22.30 acre tract conveyed unto Terramark Communities, LTD in Volume 11619, Page 782 of the O.P.R.R.P.B.C.T, and all of that called 15.00 acre tract conveyed unto the Southside Independent School District in Volume 11322, Page 862 of the O.P.R.R.P.B.C.T. and being more particularly described as follows;

BEGINNING at a point on the south line of Chavaneaux Road (a 40 foot right-of-way) at the northwest corner of said 0.989 acre tract and being on the east line of Plat # 050111 Marshall Way (Variable Width Right-Of-Way) of said Marshall Way Subdivision from which a 10" x 10" stone pillar bears South 35° 15' East, 1.2 feet;

Thence South 89°52' 09" East, departing the east line of said Marshall Way and continuing along the south line of said Chavaneaux Road along the north line of said 0.989 acre tract a distance of 204.96 feet, departing said 0.989 acre tract and crossing said 22.30 acre tract and passing a found 1/2-inch iron rod at the northeast corner of said 22.30 acre tract at a 530.37 feet, crossing said 9.987 acre tract and said 7.042 acre tract and passing a found 1/2-inch iron rod with yellow plastic cap stamped "Pape-Dawson" at 782.15 feet and passing another found 1/2-inch iron rod with yellow plastic cap stamped "Pape-Dawson" at 833.41 feet continuing across said 5.632 acre tract for a total of 1032.49 feet to a point;

Thence South 00° 29' 54" West, 1101.53 feet departing the south line of said Chavaneaux Road and with the east line of said 5.632 acre tract and the west line of a 6.0 acre tract conveyed unto Nathan C. Saucedo in Volume 8298, Page 1014 of the O.P.R.R.P.B.C.T., to a found 1/2-inch iron rod with yellow plastic cap stamped "Pape-Dawson";

Thence South 89° 49' 44" East, 242.57 feet departing the east line of said 5.632 acre tract and with the south line of said 6.0 acre tract to a point;

Thence North 00° 29' 54" East, 1101.53 feet with the east line of said 6.0 acre tract to a found 1/2-inch iron rod with yellow plastic cap stamped "Pape-Dawson" for the northeast corner of said 6.0 acre tract on the south line of said Chavaneaux Road;

Thence South 89° 49' 45" East, continuing along the south line of said Chavaneaux Road passing a 2 inch pipe at 270.16 feet at the northeast corner of said 11.88 acre tract, same being a corner of said 21.31 acre tract and continuing for a total of 500.40 feet to a point from which a fence post bears South 49° 04' West, 6.2 feet and a found 1/2-inch iron rod at the northeast corner of 6.09 acre tract conveyed unto Yarlen Investments, LLC in Volume 13140, Page 2287 O.P.R.P.R.B.C.T., same being the northeast corner of tract 5 of the Plat of the Heirs of Rosalino Diaz 18.24 acres as filed in Volume 1993, Page 339 of the Official Public Deed Records of Bexar County, Texas (O.P.D.R.B.C.T.) bears South 89° 50' West, 418.09 feet;

Thence South 00° 08' 32" East, 2269.85 feet departing the south line of said Chavaneaux Road and with the west line of an unrecorded 30-foot private road being bounded on the east by said Rosalino Diaz tract;

Thence North 89° 51' 59" East, departing the west line of said 30- private road and along the north line of said 15.05 acre tract, passing the southwest corner of a called 6.0 acre tract conveyed unto Mariano Rivas and Dolores G. de Rivas in Volume 3233, Page 455 O.P.D.R.B.C.T. same being the west 6.0 acres of a partition of Original Tract 7 partitioned to Nimfa Diaz de Rivas as designated by the Plat of the Heirs of Rosalina Diaz Subdivision No. 1 as recorded in Volume 623, Page 596 of the O.P.D.R.B.C.T. at 30.00 feet, and continuing along the south line of said 6 acre tract passing the southeast corner of said 6 acre tract at 802.32 feet, the southwest corner of a called 9 acre tract conveyed unto Steve and Stella Rivas in Volume 3239, Page 587 being the called east 9 acres of the said Original Tract 7 for a total of 1984.26 feet for the northeast corner of said 15.05 acre tract, the southeast corner of said 9 acre tract, the southwest corner of a called 3.09 acre tract recorded in Volume 6848, Page 645 of the O.P.R.P.R.B.C.T., the northwest corner of a called 8.934 acre tract recorded in Volume 8035, Page 458 of the O.P.D.R.B.C.T.;

Thence departing the south line of said 9 acre tract, the north line of said 15.05 acre tract and along the east line of said 15.05 acre tract, the west line of said 8.394 acre tract the following five (5) courses and distances;

South 10° 52' 19" West, 104.91 feet to a point;

South 12° 19' 19" West, 59.15 feet to a point;

South 05° 30' 39" West, 46.05 feet to a point;

South 08° 14' 59" West, 66.39 feet to a point;

South 15° 04' 41" East, 65.97 feet to a point being the southeast corner of said 15.05 acre tract, the southwest corner of said 8.394 acre tract, the northwest corner of a called 2.539 acre tract recorded in Volume 3219, Page 520 of the O.P.D.R.B.C.T.

Thence South 89° 51' 59" West, departing the east line of said 15.05 acre tract, the west line of said 8.394 acre tract, along the south line of said 15.05 acre tract, the north line of the Original Tract 9 of the said Plat of the Heirs of Rosalino Diaz Subdivision No. 1 passing a found 1/2- inch iron rod at 1153.96 feet at the northeast corner of a 3.0 acre tract being designated as tract 4 of the division of said Original Tract 9 as conveyed unto Manuel V. and Teresa L. Pena in Volume 7989, Page 999 of the O.P.R.R.P.B.C.T. and continuing a distance of 394.06 to a found 1/2-inch iron rod at the northwest corner of said Pena 3.0 acres same being the northwest corner of a called 3 acre tract being designated as tract 5 of the said division of Original Tract 9 as conveyed unto Antonio Ramirez in Volume 5929, Page 1833 of the O.P.R.R.P.B.C.T. and continuing a distance of 376.40 feet to a point for the southwest corner of said Original Tract 9, from which a found 5/8-inch iron rod bears North 81° 03" East, 1.5 feet, and continuing a total distance of 1954.23 feet to a point on the west line of said 30-foot private road for the southwest corner of said 15.05 acre tract;

Thence South 00° 08' 32" East, 954.48 feet continuing along the west line of said 30-foot private road to a point on the north line of said 439.85 acre tract for the southwest corner of said 30-foot private road from which a found 1-inch pipe in a concrete disc bears North 28° 05' West, a distance of 2.4 feet;

Thence North 89° 57' 22" West, 1146.77 feet continuing along the north line of said 439.85 acre tract to a point;

Thence South 16° 17' 10" East, 957.12 feet departing the north line of said 439.85 acre tract and crossing said 439.85 acre tract and crossing said 672.567 acre tract to a point;

Thence continuing across said 672.567 acre tract the following three (3) courses and distances;

South 19° 07' 23" East, 550.10 feet to a point at the beginning of a curve to the left;

296.98 feet along said curve to the left having a radius of 665.00, a central angle of 25° 35' 14", and a chord bearing and distance of South 31° 55' 00" East, 294.52 feet to a point;

South 44° 42' 37" East, 530.83 feet to a point on the south line of a 50 foot gas pipeline easement recorded in Volume 3403, Page 338 O.P.R.R.P.B.C.T. to a point;

Thence South $82^{\circ} 26' 41''$ West, 2486.80 feet continuing across said 672.567 acre tract and crossing an interior line of said 439.85 acre tract;

Thence departing said 50 foot gas pipeline easement and crossing said 439.85 acre tract the following two (2) courses and distances;

South $65^{\circ} 01' 33''$ East, 140.01 feet to a point at the beginning of a curve to the right;

98.73 feet along said curve to the right having a radius of 182.50, a central angle of $30^{\circ} 59' 50''$, and a chord bearing and distance of South $49^{\circ} 31' 38''$ East, 97.53 feet to a point;

Thence South $34^{\circ} 01' 48''$ East, 2158.86 feet continuing across said 439.85 acres and crossing said 672.567 acre tract to a point;

Thence South $72^{\circ} 45' 52''$ East, 1210.02 feet continuing across said 439.85 acres and crossing said 672.567 acre tract to a point;

Thence South $10^{\circ} 52' 22''$ West, 1212.16 feet to a point on the south line of said 672.567 acre tract;

Thence North $72^{\circ} 46' 06''$ West, 2800.22 feet to a point from which a found 1/2-inch iron rod bears South $57^{\circ} 16'$ East, 1.0 foot on the east right-of-way line of South Flores Street (F.M. 1937) an 80 foot right-of-way;

Thence with the east right-of-way line of said South Flores Street the following three (3) courses and distances;

North $13^{\circ} 47' 10''$ West, 137.55 feet to a point at the beginning of a curve to the left from which a found Texas Department of Transportation (Tx DOT) Type I monument bears North $31^{\circ} 45'$ West, a distance of 0.4 feet;

186.30 feet along said curve to the left having a radius of 5769.69, a central angle of $01^{\circ} 51' 00''$, and a chord bearing and distance of North $14^{\circ} 42' 40''$ West, 186.28 feet to point;

North $15^{\circ} 38' 10''$ West, 2423.4 feet to a point on the east right-of-way line of east right-of-way line of U.S. Highway 281 (a variable width right-of-way) same being the west line of a portion of an 1115.024 acre tract conveyed unto Donald R. Vestal, C/O Royal D. Adams in Volume 5716, Page 396 of the O.P.R.R.P.B.C.T.;

Thence continuing along the east right-of-way line of said U.S. Highway 281 and the west line of said 1115.024 acre tract the following four (4) courses and distances;

North 24° 25' 18" West, 50.60 feet to a point;

North 15° 49' 53" West, passing a found 1/2-inch iron rod with a yellow plastic cap stamped "Pape-Dawson" at the southernmost corner of a 36.66 acre tract being a portion of said 439.85 acre tract at 399.93 feet and continuing a total of 778.48 feet to a point from which a found Tx DOT Type I monument bears South 48° 13' East, a distance of 20.3 feet;

North 13° 07' 40" West, 464.93 feet to a point from which a found Tx DOT Type I monument bears South 73° 46' West, 1.3 feet;

North 16° 13' 14" West, 299.95 feet to a point from which a found Tx DOT Type I monument bears South 73° 46' West, 0.9 feet and continuing along the same course for a total of 905.80 feet to a point from which a found Tx DOT Type I monument bears South 33° 10' East, 0.4 feet;

Thence North 72° 56' 55" East, 888.03 feet departing the east right-of-way line of said U.S. Highway 281 and the west line of said 1115.024 acre tract and crossing said 1115.024 acre tract to a point on the south line of a 35.80 acre tract recorded in Volume 5079, Page 222 of the O.P.R.P.B.C.T. and the north line of said 1115.024 acre tract;

Thence South 89° 57' 22" East, 1223.99 feet continuing along the north line of said 1115.024 acre tract and the south line of said 35.80 acre tract to a point;

Thence North 00° 01' 46" East, 566.43 feet crossing said 35.80 acre tract and said 22.40 acre tract to the southeast corner of a 15.00 acre tract conveyed unto the said Southside Independent School District in Volume 11322, Page 862, O.P.R.R.P.B.C.T. and continuing 1037.92 feet to the southeast corner of said proposed Marshall Way and continuing along the east line of said proposed Marshall Way a total distance of 1841.98 feet to a point;

Thence with the east right-of-way line of said proposed Marshall Way the following twelve (12) courses and distances;

South 89° 58' 14" East, 41.70 feet to a found 1/2-inch iron rod for a corner of the said 22.40 acre tract and said 35.80 acre tract;

North 00° 21' 24" West, 426.79 feet to a point at the beginning of a curve to the right;

4.82 feet along said curve to the right having a radius of 15.00, a central angle of 18° 24' 54", and a chord bearing and distance of North 80° 23' 10" East, 4.80 feet to a point;

North 00° 23' 26" West, 58.00 feet to a point at the beginning of a curve to the right;

4.79 feet along said curve to the right having a radius of 15.00, a central angle of 18° 17' 53", and a chord bearing and distance of North 81° 14' 30" West, 4.77 feet to a point;

North 00° 21' 24" West, 292.89 feet to a point at the beginning of a curve to the right;

196.54 feet along said curve to the right having a radius of 571.00, a central angle of 19° 43' 18", and a chord bearing and distance of North 20° 27' 25" East, 195.57 feet to a point;

North 30° 19' 05" East, 25.23 feet to a point at the beginning of a curve to the right;

15.61 feet along said curve to the right having a radius of 15.00, a central angle of 59° 37' 02", and a chord bearing and distance of North 60° 07' 36" East, 14.91 feet to a point;

North 89° 56' 07" East, 51.59 feet to a point;

North 00° 03' 52" West, 58.83 feet to a point on the south line of said proposed Lot 2, Block 1, N.C.B. 11039 of Marshall Way Subdivision, to a point at the beginning of a curve to the right;

31.40 feet along said curve to the right having a radius of 15.00, a central angle of 119° 57' 17", and a chord bearing and distance of North 29° 38' 49" West, 25.97 feet to a point;

Thence continuing along the east right-of-way line of said proposed Marshall Way, and with the west line of the said proposed Lot 2, Block 1, N.C.B. 11039 of Marshall Way Subdivision, the following two (2) courses and distances;

North 30° 19' 49" East, 354.63 feet to a point at the beginning of a curve to the left;

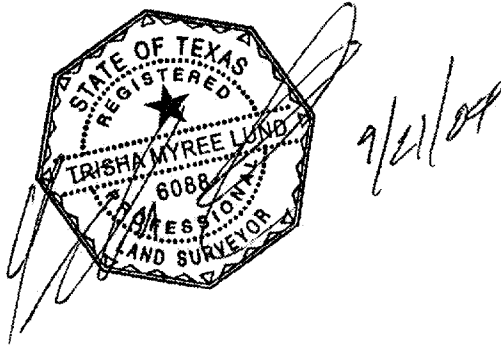
146.49 feet along said curve to the left having a radius of 629.00, a central angle of 13° 20' 37", and a chord bearing and distance of North 23° 39' 31" East, 146.16 feet to a point;

Thence South 89° 49' 01" East, 31.95 feet to a found 1/2-inch iron rod on the north line of said proposed Lot 2, Block 1, N.C.B. 11039 of Marshall Way Subdivision, same being the southwest corner of said 0.989 acre tract;

September 21, 2009
Job number 60025828
PID No. 1

Thence North $00^{\circ} 02' 26''$ East, 208.24 feet along the west line of said 0.989 acre tract to the **POINT OF BEGINNING** and containing a computed area of 494.976 acres.

Bearings Based on Texas State Plane Coordinate system, South Central Zone, US Foot.



VOL 809 PG 881

EXHIBIT "A"

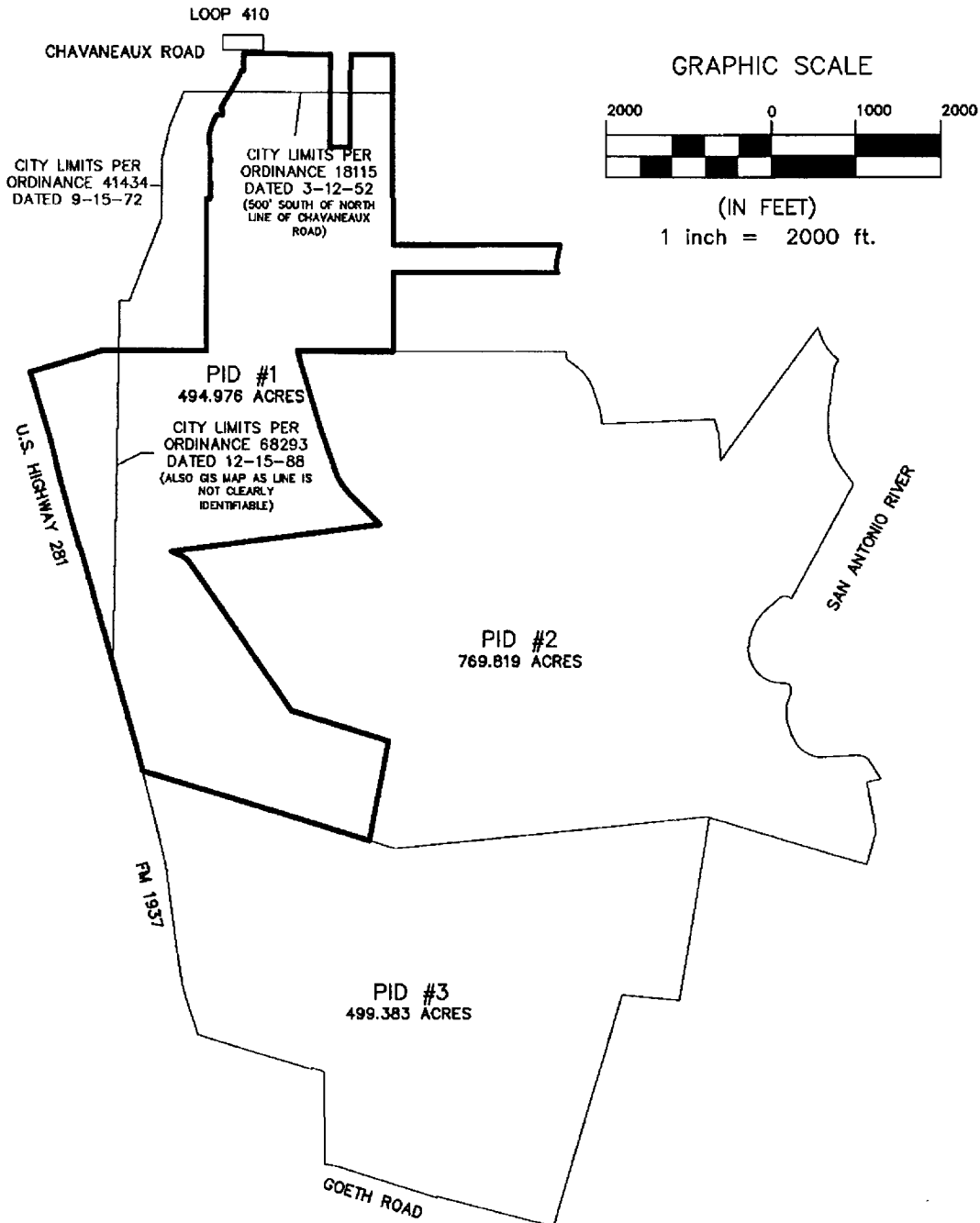


EXHIBIT OF PID 1 (494.976 ACRES) BEXAR COUNTY, TEXAS

NOTES:

1. THERE IS A METES AND BOUNDS DESCRIPTION WITH LIKE JOB NUMBER.

REV. 09-18-08
REV. 08-05-08
REV. 12-28-07
REV. RELEASE 3 11-30-07
REV. 8-12-07

PAGE 8 OF 8

AECOM

AECOM USA GROUP, INC
6800 PARK TEN BOULEVARD,
SUITE 180 SOUTH
SAN ANTONIO, TEXAS 78213
WWW.AECOM.COM

SCALE: 1" = 2000'

DATE: 08-28-08

DRAWN BY: PT/TML

CHECKED BY: JEG

JOB #: 60025828

F.B. # N/A:

CAD DATE: 09-25-07

CAD FILE: 8-10-08.DWG

EXHIBIT D



EXHIBIT “C”:
AGREEMENT FOR SERVICES IN LIEU OF ANNEXATION (“ASILA”)

AN ORDINANCE 2010-03-18-0224

APPROVING AN AGREEMENT FOR SERVICES IN LIEU OF ANNEXATION WITH THE PROPERTY OWNERS OF THE ESPADA SPECIAL IMPROVEMENT DISTRICT NOS. 1, 2 AND 3, ESA RESIDENTIAL DEVELOPMENT, INC., E-TM LAND INVESTMENT, LTD. AND TERRAMARK COMMUNITIES, LTD.; AND REINSTATING THE CITY'S CONDITIONAL CONSENT TO THE CREATION OF EACH SPECIAL IMPROVEMENT DISTRICT.

* * * * *

WHEREAS, on October 1, 2007, a petition for creation of up to three public improvement districts to be named the Espada Special Improvement Districts 1, 2 and 3, the creation of a County Tax Increment Reinvestment Zone and a Road Utility District was submitted to the Commissioners Court of Bexar County, Texas by ESA Residential Development, Inc., a Texas corporation, E-TM Land Investment, LTD., a Texas limited partnership, and Terramark Communities, Ltd., a Texas limited partnership (the "Owners"), on approximately 1,840 acres situated in far southeastern Bexar County and within the City's Extraterritorial Jurisdiction, generally east of State Highway 281, southeast of Loop 410 and west of the San Antonio River; and

WHEREAS, also on October 1, 2007, the City received a copy of the petition and a request from the Owners that the City consent to the creation of the PIDs, and agree not to annex the three PIDs for periods of thirty, thirty-five and forty years, respectively, to release from full-purpose limits 54.89 acres from the full-purpose City limits and for a comprehensive development agreement; and

WHEREAS, on December 13, 2007, the City of San Antonio consented, by Resolution, to the creation by Bexar County of up to three Public Improvement Districts for the Espada Project, with certain conditions for the development of the project, and provided a deadline for the creation of the districts; and

WHEREAS, in June of 2008, the City, at the request of Bexar County and the owners of the property comprising the Espada Project, extended its consent to the creation of the districts, through September 30, 2008; and

WHEREAS, on October 21, 2008, Bexar County created the Espada Special Improvement District Nos. 1, 2 and 3, over 1,753 acres, pursuant to the provisions of Subchapter C, Chapter 372 of the Texas Local Government Code, known as the Public Improvement District Act, for the purposes of financing the costs of public improvements within each Special Improvement District, and in addition to County requirements, required the Owners, ESA Residential Development, Inc., E-TM Land Investment, Ltd. and Terramark Communities, Ltd., to comply with the City's conditions set out in the City's Resolution consenting to Bexar County's creation of each special improvement district, and to enter into a non-annexation agreement with the City as part of the Public Improvement District creation process; and

WHEREAS, the City and Owners have negotiated an Agreement for Services in Lieu of Annexation in accordance with the terms and conditions of Section 43.0563(a)(2) of the Texas Local Government Code, *Contracts for Provision of Services in Lieu of Annexation*, to evidence their agreement concerning the provision of services to the Property and the funding of services to the Property in lieu

of annexation, to establish permissible land uses, to require compliance with certain municipal ordinances in lieu of annexation, and to consent to annexation of the Property upon the termination of this Agreement, as provided below; and

WHEREAS, also in creating the Espada Special Improvement District No. 1, and in accordance with Section 372.113(c) of the Act, the County endowed that District with all powers granted by Article III, Sections 52 and 52a of the Constitution of the State of Texas; Chapters 372, 380, 381 and 383 of the Texas Local Government Code, and the powers of a road district and the powers to provide water, wastewater and drainage facilities; and

WHEREAS, the Act conditions the County's delegation to the Special Improvement District of the powers granted by Article III, Section 52 and the powers of a road district and to provide water, wastewater and drainage facilities on the consent of the City; and

WHEREAS, it is now necessary for the City to reinstate its conditioned consent to the creation of the districts by Bexar County, and to the endowment of the powers listed above to Special Improvement District No. 1; and

WHEREAS, the City's reinstated consent to the delegation of the above powers to Special Improvement District No. 1 does not include the powers of eminent domain and annexation, nor does it include the delegation of water, wastewater and drainage powers other than those necessary for financing the construction of the infrastructure required for the water, wastewater and drainage facilities, and is specifically not a consent to the retail provision of water, wastewater and/or drainage services nor is it a consent to a Certificate of Convenience and Necessity for either water or wastewater services to customers within the area; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City of San Antonio reinstates its consent, subject to the conditions contained in this Ordinance, the conditions stated in Resolution No. 2007-12-13-0026R, and as amended on June 12, 2008, by Resolution No. 2008-06-12-0030R, and to the terms and conditions of the Agreement for Services in Lieu of Annexation, attached to this Agreement.

SECTION 2. The City Manager, or her designee, is authorized to execute the Agreement for Services in Lieu of Annexation, attached as Exhibit A, between the City of San Antonio and owners of approximately 1,753.241 acres of land in far Southern Bexar County, located at the generally east of State Highway 281, south of Loop 410, in the City's extraterritorial jurisdiction, of which approximately 494.976 acres comprises the Espada Special Improvement District No. 1; approximately 758.895 acres comprises the Espada Special Improvement District No. 2; and approximately 499.37 acres comprises Espada Special Improvement District No. 3.

SECTION 3. The City Council of the City of San Antonio resolves that it consents to the delegation by Bexar County to the Espada Special Improvement District No. 1, the powers granted by Article III, Section 52 and the powers of a road district, save and except the powers to exercise eminent domain and annexation, and subject to the limitation of Section 4, below.

SECTION 4. The City's consent to the County's delegation to the PID of water, wastewater and drainage facility powers is solely for the purpose of financing the construction of water, wastewater

and drainage facilities. The City does not consent to the retail provision of water, wastewater and drainage services or to a Certificate of Convenience and Necessity for either water or wastewater services to customers within the area.

SECTION 5. The statements set forth in the recitals of this Ordinance are true and correct, and incorporated as a part of this Ordinance.

SECTION 6. If any provision of this Ordinance or the application of any provision of this Ordinance to any circumstance shall be held to be invalid, the remainder of this Ordinance and the application of the remainder of this Ordinance to other circumstances shall nevertheless be valid, as if such invalid provision had never appeared in this Ordinance, and this Ordinance would have been enacted without such invalid provision.

SECTION 7. The City Clerk shall file a true and correct copy of the executed Agreement for Services in Lieu of Annexation with this Ordinance.

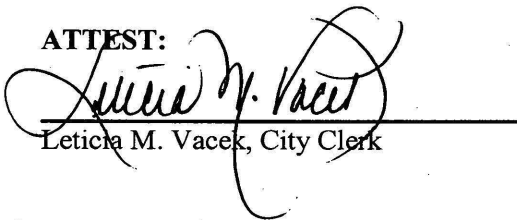
SECTION 8. This Ordinance is effective immediately upon the receipt of eight affirmative votes. In the event eight affirmative votes are not received, this Ordinance is effective ten days after passage.

PASSED AND APPROVED this 18th day of March, 2010.



M A Y O R
Julián Castro

ATTEST:

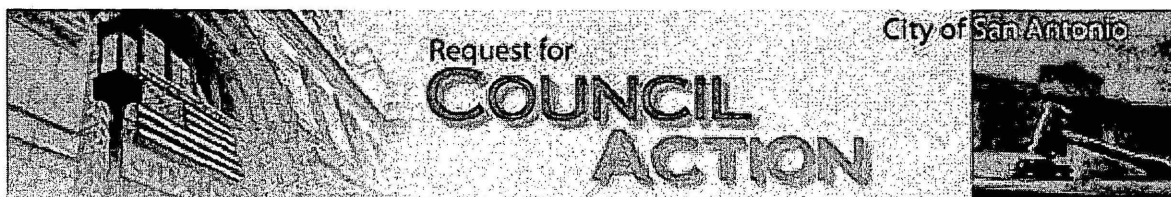


Leticia M. Vacek, City Clerk

APPROVED AS TO FORM:



Michael Bernard, City Attorney



Agenda Voting Results - 26

Name:	7, 8, 9, 12A, 12B, 13, 15, 17A, 17B, 17C, 18, 19, 20, 23, 24, 25, 26, 27, 28A, 28B, 28C, 29, 30						
Date:	03/18/2010						
Time:	10:33:41 AM						
Vote Type:	Motion to Approve						
Description:	An Ordinance approving an Agreement for Services in Lieu of Annexation with the property owners of the Espada Special Improvement Districts Nos. 1, 2 and 3, ESA Residential Development, Inc., E-TM Land Investment, Ltd. and Terramark Communities, Ltd.; and reinstating the City's conditional consent to the creation of each Special Improvement District. [T.C. Broadnax, Assistant City Manager; Roderick Sanchez, Director, Planning and Development Services]						
Result:	Passed						
Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Julián Castro	Mayor		x				
Mary Alice P. Cisneros	District 1	x					
Ivy R. Taylor	District 2		x				
Jennifer V. Ramos	District 3		x			x	
Leticia Cantu	District 4		x				
David Medina Jr.	District 5		x				
Ray Lopez	District 6		x				
Justin Rodriguez	District 7		x				x
W. Reed Williams	District 8		x				
Elisa Chan	District 9		x				
John G. Clamp	District 10		x				

ATTACHMENT A

**AGREEMENT FOR SERVICES IN LIEU OF ANNEXATION
BETWEEN THE CITY OF SAN ANTONIO
AND
ESA RESIDENTIAL DEVELOPMENT, INC., E-TM LAND INVESTMENT, LTD. AND
TERRAMARK COMMUNITIES, LTD.**

STATE OF TEXAS §
 §
COUNTY OF BEXAR §

This Agreement is entered into by and between the City of San Antonio, a Texas home-rule municipality, ("City"), and ESA Residential Development, Inc., E-TM Land Investment, Ltd., and Terramark Communities, Ltd. ("Owners"), to be effective as of the 18th day of March, 2010 (the "Effective Date"), for the purpose of setting forth the terms and obligations between the City and the Owners (collectively, the "Parties"), with respect to the development of approximately 1800 acres owned by Owners within the City's Extraterritorial Jurisdiction (the "Property") as follows:

WHEREAS, the Owners own the Property, generally located in far southeastern Bexar County, Texas and within the City's Extraterritorial Jurisdiction (ETJ), generally east of State Highway 281, south of Loop 410, such Property more specifically described by the field notes attached hereto as **Exhibit "A"** and incorporated in this Agreement by reference;

WHEREAS, the City and Owners desire to establish certainty in the timing of annexation and permitted uses and development of the Property; and

WHEREAS, the Owners have undertaken the development of a mixed-use community in the Property;

WHEREAS, the City and the Owners have agreed to a mechanism whereby the Owners and the City will ensure the Owners' full compliance with certain chapters of the City Code of the City of San Antonio, including but not limited to the Unified Development Code in connection with the permitting, construction, and financing of the Property while preserving the Property's ability to accommodate future market demands; and

WHEREAS, the Owners petitioned Bexar County to create three (3) Public Improvement Districts, named the Espada Special Improvement District No. 1, Espada Special Improvement District No. 2 and Espada Special Improvement District No. 3 under Chapter 372, Subchapter C, of the Texas Local Government Code (collectively, "the Districts", or individually, "the District") for the purposes of financing the costs of public improvements within the Property as described in Exhibits B, C and D respectively; and

WHEREAS, on October 21, 2008, the County created the Espada Special Improvement Districts, and granted powers to District No. 1, and on October 7, 2009, the County approved amendments to each District, including changing the boundaries of each PID within the property; and

WHEREAS, the County requires the Owners to enter into a non-annexation agreement with the City as part of the Public Improvement District creation process; and

WHEREAS, the City and Owners desire to establish an Agreement for Services in Lieu of Annexation in accordance with the terms and conditions of Section 43.0563(a)(2) of the Texas Local Government Code, *Contracts for Provision of Services in Lieu of Annexation*, to evidence their agreement

concerning the provision of services to the Property and the funding of services to the Property in lieu of annexation, to establish permissible land uses, to require compliance with certain municipal ordinances in lieu of annexation, and to consent to annexation of the Property upon the termination of this Agreement, as provided below;

NOW THEREFORE, in consideration of the terms and conditions described herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and the Owners agree as follows:

SECTION 1: CONSIDERATION, TERM AND ANNEXATION

1.1 Consideration. As consideration for City's consent not to annex the Property for the terms described in Section 1.2, the Owners agree to voluntarily comply with various City ordinances and regulations and restrictive covenants that limit and restrict the manner in which the Property will be developed and consent to voluntary annexation of the Property, in accordance with the terms below, unless such termination results from a default by City. The Owners further agree to donate a tract or tracts of land located within the Property, of at least 100 acres in size, for use in recreation and conservation purposes, to a recipient acceptable to the City. The City and Owners agree that the land donation will occur at a later date, and will be governed by a separate legal document, detailing the terms of the donation, size and location of the tract(s) of land, and may also specify a different use for the land.

The present and future benefits to be received by the City by entering into this Agreement and deferring the annexation of the land include the Owners' voluntary compliance with various City ordinances and regulations that would otherwise not be applicable to the Property; the development of the land with greater connectivity, environmental protection and safety considerations; the business and commercial activity and other economic development opportunities resulting from the development of the Property; the development of the Property in an orderly manner to facilitate its future annexation in an appropriate and economical manner; the expected increased future tax base when the Property is annexed; and the Owners' consent to annexation by the City upon termination of this Agreement, pursuant to the Owner's Consent to Annexation.

1.2 Term. For the consideration above, and subject to the terms and conditions of this Agreement, the City agrees to continue the extraterritorial status of the Property and defer annexation of the Property, in accordance with the provisions of Section 43.0563 of the Texas Local Government Code for the following periods:

1.2.1 Espada Special Improvement District No. 1 - the earlier of (i) thirty (30) years from the activation date; or (ii) upon annexation by the City, as set out in Section 1.2.4, below.

In no event shall the term exceed thirty (30) years from the projected activation date of December 31, 2010.

1.2.2 Espada Special Improvement District No. 2 - the earlier of:
(i) thirty (30) years from the activation date; or
(ii) upon annexation by the City, as set out in Section 1.2.4, below.

In no event shall the term exceed thirty (30) years from the projected activation date of December 31, 2015.

1.2.3 Espada Special Improvement District No. 3 - the earlier of:

- (i) thirty (30) years from the activation date; or
- (ii) upon annexation by the City, as set out in Section 1.2.4, below.

In no event shall the term exceed thirty (30) years from the projected activation date of December 31, 2020.

1.2.4 Annexation. The City may terminate the Agreement and annex a PID on or after the date upon which least 95% of the developable acreage of the property within the PID has been developed with water, wastewater treatment, drainage, and road facilities and the Owner has been fully reimbursed for the design and construction of such infrastructure facilities.

1.2.5 For the purpose of this Agreement, the term "activation date" means the projected date of the first election held in each District by or on behalf of each District.

1.2.6 The Failure of a District to activate within two (2) years after the projected activation date is a termination event, and this Agreement may be terminated by the City as to the respective District in accordance with the provisions of Section 4.1, below.

1.3 Owners' Consent to Annexation.

1.3.1. Voluntary petition for annexation. The Owners hereby agree that this Agreement constitutes a voluntary petition to the City, acting in the City's sole discretion, for annexation of the Property for full purposes under the provisions of Section 43.052(h) of the Texas Local Government Code at the times provided in Section 1.2. The City is not obligated to annex the Property for full purposes at any time.

To accomplish such annexation, the City will not need to take the following actions, all of which are waived by the Owners:

- (a) adopt or amend an annexation plan to include the Property;
- (b) give notice to any service providers in the area of the Property;
- (c) compile an inventory of services provided to the area by both public and private entities prior to the City's annexation or make such inventory available for public inspection;
- (d) complete a service plan that provides for the extension of full municipal services to the Property, other than the Service Plan;
- (e) hold any public hearings; and
- (f) undertake any negotiations for provision of services to the Property.

The Owners confirm and agree that, as the Owners are the sole owners of the Property as of the Effective Date, such voluntary petition may not be revoked by the Owners except as provided by this Consent, and is intended to be and shall be binding upon the Owners and their successors in interest in ownership of any right, title or interest in and to the Property or any part thereof.

1.3.2. Waiver. The Owners irrevocably waive any and all legal requirements applicable to annexation of the Property by the City, to the fullest extent permitted by law. The Owners agree to execute any and all documents reasonably requested by the City to evidence such waiver and the consent granted.

1.3.3 City's acceptance. The City accepts the Owners' voluntary petition for annexation of the Property, subject to the terms and conditions of this Agreement.

1.4 Owners' Representations and Warranties. Subject to the terms and conditions of this Agreement, the Owners covenant to and with City, as follows:

1.4.1 Existence. Owners are legally existing entities existing under the laws of the states of Texas, and are qualified to transact business in the State of Texas.

1.4.2 Authorization. Owners are duly and legally authorized to enter into this Agreement and have complied with all laws, rules, regulations, charter provisions and bylaws relating to their corporate existence, and authority to act, and the undersigned representatives are authorized to act on behalf of and bind Owners to the terms of this Agreement. Owners have provided to City, on or prior to the Effective Date, a certified copy of a resolution of their respective Board of Directors, if required by law, authorizing Owners' execution of this Agreement through their representatives, together with documents evidencing Owners' good standing and authority to transact business in the State of Texas. Owners' have all requisite power to perform all of their obligations under this Agreement. The execution of this Agreement by Developer does not require any consent or approval that has not been obtained, including without limitation, the consent or approval of any Governmental Authority.

1.4.3 Enforceable Obligations. Assuming due authorization, execution and delivery by all of the parties to this Agreement, where necessary, all documents executed by Owners pursuant to this Agreement and all obligations of Owners under this Agreement are, to Owners' knowledge and belief, enforceable against Owners in accordance with their terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditor's rights generally and by general equity principles (regardless of whether such enforcement is considered in a proceeding in equity or at law).

1.4.4 No Legal Bar. To Owners' knowledge and belief, the execution and delivery of this Agreement, all documents executed by Owners in accordance with the terms of this Agreement, and all obligations of Owners under this Agreement will not conflict with any provision of any law, regulation or any statute, rule, law, treaty, code, ordinance, regulation, permit, official interpretation, certificate or of any applicable federal, state, county or City governmental entity, authority or agency, court, tribunal, regulatory commission or other body, whether legislative, judicial or executive (or a combination or permutation of the above) with jurisdiction over the land or its inhabitants, or any judgment, decision, decree, injunction, writ, order or like action of any court, arbitrator or other governmental authority listed above.

1.4.5 Litigation. Except such matters which have been disclosed in writing to City or generally known by the public, there are no legal actions or proceedings pending or, to the knowledge of Owners' representatives, threatened against Owners which, if adversely determined, would materially and adversely affect the ability of Owners to fulfill their obligations under this Agreement or the financial condition, business or prospect of Owners.

1.4.6 Documents. All documents made available by Owners to City and/or City's agents or representatives prior to the Effective Date, are true, correct and complete copies of the instruments that they purport to be and accurately depict the subject matter addressed in the documents.

1.4.7 Knowledge. Owners have no knowledge of any facts or circumstances which presently evidence, or with the passage of time would evidence, that any of the representations made by Owners or by City under this Agreement are in any way inaccurate, incomplete or misleading.

1.5 Owners' Covenants. Subject to the terms and conditions of this Agreement, the Owners covenant to and with City, as follows:

1.5.1 Owners shall not oppose any action taken by the City to annex the Property;

1.5.2. Owners shall include the following language in each deed or lease of any part of the Property executed after the Effective Date, executed by or on behalf of the Owners:

"This (conveyance or lease, as applicable) is made and accepted subject to that certain Owners' Consent to Annexation, located in Section 1.3 of the Agreement for Services in Lieu of Annexation, executed by the Owners and the City of San Antonio on January_, 2010, which permits the City of San Antonio to annex the herein described property upon the terms and conditions set forth therein. Acceptance of this (conveyance or lease, as applicable) shall evidence your consent and agreement to such annexation by the City and may be relied upon by the City as a beneficiary of your consent and agreement.

Further, this (conveyance or lease, as applicable) is made and accepted subject to the development standards contained in Section II of the Agreement for Services in Lieu of Annexation. Acceptance of this (conveyance or lease, as applicable) shall evidence your consent and agreement to such developmental standards and may be relied upon by the City as a beneficiary of your consent and agreement."

1.5.3 Waiver of Subrogation. Owners waive any subrogation rights against City with respect to any claims or damages (including, but not limited to, claims for bodily injury and property damage) which are caused by or result from (i) any risks insured against under any valid collectible insurance contract or policy carried by Owners in force at the time of any such injury and/or damage giving rise to such claim or (ii) any risk that would be covered under any insurance required to be obtained and maintained by Owners under or pursuant to this Agreement, even if such required insurance is not in fact obtained and maintained. This waiver of subrogation is not intended to limit the claims of Owners or City to the face amount or coverage of such insurance policies.

1.5.4 Waiver of Consequential Damages. Owners waive all present and future claims for consequential damages against City arising from or related to this Agreement, except for any claim relating to City's affirmative actions which result in a material breach of this Agreement, including, but not limited to, City's annexation of the Property (or any part of the Property) in violation of this Agreement or City's unauthorized imposition of moratoria on building. Such waiver shall survive any termination of this Agreement.

1.5.5 Waiver of Existing Claims. Owners hereby release any and all presently existing claims of any kind or character that Owners have or may have under or pursuant to this Agreement or its subject matter, against City and its elected officials, members, agents, employees, officers, directors, shareholders and representatives, individually and collectively.

1.6 City's Representations and Warranties.

1.6.1 Existence. City is a municipal corporation and Home Rule city of the State of Texas, principally situated in Bexar County.

1.6.2 Power and Authority. City has all requisite municipal corporate power and authority to enter into this Agreement and perform all of its obligations under this Agreement. The execution and performance by City of this Agreement has been duly authorized by City Ordinance, and except for the additional approval of the Owners, no consent or approval of any other person is required, including, without limitation, any governmental authority.

1.6.3 No Legal Bar. To City's knowledge and belief, the execution and performance by City of this Agreement, all documents executed by City pursuant to this Agreement, and all obligations of City under this Agreement do not and will not violate any provisions of any contract, agreement or instrument to which City is a party or is subject.

1.6.4 Litigation. Except such matters that have been disclosed in writing to Owners or generally are known by the public, there are no legal actions or proceedings pending known to the City that, if adversely determined, would materially and adversely affect the ability of the City to fulfill its obligations under this Agreement.

1.6.5 Enforceable Obligations. Assuming due authorization, execution and delivery by all other parties to this Agreement where necessary, this Agreement, all documents executed by the City pursuant to this Agreement and all obligations of the City under this Agreement are, to City's knowledge and belief, enforceable against the City in accordance with their terms.

1.7 City's Covenants.

1.7.1 Waiver of Subrogation. With respect to any policies of insurance which the City may obtain (without any obligation to obtain such policies of insurance), City waives any subrogation rights against the Owners with respect to any claims or damages (including, but not limited to, claims for bodily injury and property damage) which are caused by or result from any risks insured against under any valid collectible insurance contract or policy carried by City in force at the time of any such injury and/or damage giving rise to such claim. This waiver of subrogation is not intended to limit the claims of City to the face amount or coverage of such insurance policies.

1.7.2 Notice of Litigation. City shall deliver notice to the Owners of any legal proceedings brought against City related to this Agreement. Such notice shall be delivered not later than fifteen (15) days after the earlier to occur of City's receipt of service of a claim or City's receipt of actual written notice of a claim, but no any event, prior to any settlement of such claim by City.

1.8 Disclaimer of City. ANY CITY APPROVALS GRANTED PURSUANT TO THIS AGREEMENT DO NOT REFLECT ANY COMMITMENT, APPROVAL, REPRESENTATION, WARRANTY OR OBLIGATION WITH RESPECT TO THE SUFFICIENCY, ACCURACY, COMPLETENESS OR INTEGRITY OF ANY MATTERS SO APPROVED BY CITY, ALL OF WHICH ARE EXPRESSLY DISCLAIMED BY CITY. OWNERS ACKNOWLEDGE THAT, EXCEPT FOR CITY'S REPRESENTATIONS CONTAINED WITHIN THIS AGREEMENT, NEITHER CITY NOR ANY AFFILIATE OF CITY NOR ANY RELATED PARTY OF CITY HAS MADE ANY REPRESENTATION OR WARRANTY WHATSOEVER (WHETHER EXPRESS OR IMPLIED) REGARDING THE DEVELOPMENT, THE SUBJECT MATTER OF THIS AGREEMENT OR ANY EXHIBIT TO THIS AGREEMENT, OTHER THAN THE EXPRESS OBLIGATIONS CONTAINED IN THIS AGREEMENT AND ANY AGREEMENT CONTEMPLATED BY THIS AGREEMENT. OWNERS AGREE THAT NEITHER CITY NOR ANY OF CITY'S AFFILIATES AND RELATED PARTIES WILL HAVE ANY RESPONSIBILITY FOR (AND HAVE MADE NO REPRESENTATIONS OR WARRANTIES WHATSOEVER AS TO) ANY OF THE FOLLOWING:

1.8.1 THE ACCURACY OR COMPLETENESS OF ANY INFORMATION SUPPLIED OR AUTHORIZED FOR INCLUSION BY ANY PERSON OTHER THAN AUTHORIZED CITY STAFF UNDER THIS AGREEMENT;

1.8.2 THE COMPLIANCE OF THE DEVELOPMENT OF THE PROPERTY, DEVELOPMENT PLANS AND ANY PROPOSED IMPROVEMENT WITH ANY GOVERNMENTAL RULE; OR

1.8.3 THE ACCURACY OF ANY FINANCIAL PROJECTIONS, COST ESTIMATES, DEVELOPMENT SCHEDULES OR OTHER MATTERS RELATED TO THE DEVELOPMENT OF THE PROPERTY.

NEITHER CITY NOR ANY OF CITY'S AFFILIATES AND RELATED PARTIES WILL BE LIABLE AS A RESULT OF ANY FAILURE BY ANY PERSON (OTHER THAN CITY, CITY'S AFFILIATES OR RELATED PARTIES) UNDER THIS AGREEMENT (INCLUDING WITHOUT LIMITATION ANY DOCUMENT APPENDED AS AN EXHIBIT TO THIS AGREEMENT) TO PERFORM THEIR RESPECTIVE OBLIGATIONS UNDER THIS AGREEMENT. IT IS UNDERSTOOD AND AGREED BY THE OWNERS (FOR THEMSELVES AND FOR ANY PERSON CLAIMING BY, THROUGH OR UNDER THEM) THAT OWNERS HAVE BEEN AND WILL CONTINUE TO BE SOLELY RESPONSIBLE FOR MAKING THEIR OWN INDEPENDENT APPRAISAL OF AND INVESTIGATION INTO THE PROPERTY, THE DEVELOPMENT OF THE PROPERTY, AND ALL DEVELOPMENT PLANS.

1.9 Reliance. Each signer of this Agreement recognizes and acknowledges that, in entering into this Agreement, (a) all parties to this Agreement are expressly and primarily relying on the truth and accuracy of the foregoing representations, warranties and covenants of each party without any obligation to investigate the accuracy or completeness of such representations and covenants, and notwithstanding any investigation of such representations and covenants by any party to this Agreement, that such reliance exists on the part of each party to this Agreement prior to the Effective Date and thereafter; (b) such representations and covenants are a material inducement to each party in making this Agreement and agreeing to undertake and accept its terms, and (c) each party would not be willing to do so in the absence of any of such representations and covenants, all of which shall survive the termination of this Agreement.

SECTION II: DEVELOPMENT STANDARDS

2.1 Regulatory Controls. All permitting and construction of the Property is required to comply with several chapters of the City Code of the City of San Antonio, including the Unified Development Code (the UDC). The Owners shall include these Development Standards in each sales contract executed for property within the boundaries of each PID. Such provisions require the development of the Property according to, among other things, park and open space requirements; permitted land uses; and block, street, sidewalk, parking and loading, buffer, signage, and other infrastructure requirements.

The Parties agree that the Property shall be developed according to the City Code of the City of San Antonio, Chapter 6 (Building Code), Chapter 10 (Electricity Code), Chapter 11 articles I, II and III (Fire Prevention Code) including the 2006 International Fire Code and Amendments, Chapter 24 (Plumbing) and Chapter 35 (the UDC), except that Chapter 11, article IV, regulating the use of fireworks, shall not apply.

2.2 Inspections. As part of the development (plat) review, the City shall include inspections for streets and drainage as if the area is located within the City. City Fire inspectors shall conduct all reviews for Fire Flows and Hydrant spacing.

2.3 Master Development Plan. Any MDP filed pursuant to this Agreement for any property described in **Exhibit "A"** shall be governed by the provisions of Section 35-412 ("Master Development Plan") of the UDC.

2.4 Plat Review. The City shall be the sole plat reviewing entity for Bexar County and the City South Management Authority, in accordance with the Interlocal Agreement between the County, the City South Management Authority, and the City, as amended.

2.5 Vested Rights. No vested rights, as that term is used in Article VII of the City's UDC, may be requested for projects or properties within the Public Improvement Districts for a vesting date prior to the execution date of this Agreement. Within the boundaries of the Public Improvement District, vested rights shall only be accrued based upon the complete submission of an MDP, subdivision plats, or application building permit. If a complete permit application for a project within the boundaries of the Property was submitted prior to the execution date of this Agreement, the vesting date for the project shall not be the date of the permit application submittal, but shall be the execution date of this Agreement, provided that the project may exercise vested rights only to the extent that the project is consistent with the terms of this Section II.

2.6 Development Fees. All application, plan review, plat review, permit and filing fees applicable to the approval of subdivision plats in the ETJ and all fees (including, without limitation, building fees, impact fees, traffic impact analysis fees, water/wastewater impact fees, general benefit fees, stormwater management fees, and City South Management Authority fees where applicable) assessed with respect to the Property shall be paid to City at the times and in the amounts specified.

2.7 GASB Compliance. Each District shall comply with the Government Accounting Standard Board (GASB) for reporting values for general infrastructure assets.

2.8 Pavement Condition Maintenance. Each District shall construct and maintain paved roads at the City's minimum rating on the Pavement Condition Index (PCI), currently set at 62, and promptly adjust with any changes to the PCI by the City.

2.9 Maintenance Fund. Each District shall establish, annually fund and maintain a maintenance fund (the "Fund") to ensure the public infrastructure is annually maintained at the same level as infrastructure located within the corporate limits of the City. The Fund shall contain amounts sufficient to guarantee that upon annexation, existing infrastructure is equal to, or can be repaired to equal, the City's required level of maintenance. The public infrastructure for which the maintenance fund shall be established shall be limited to those which have been constructed utilizing District funds and shall include public streets, drainage and detention facilities associated with public streets, and any curb, sidewalk or driveway improvements abutting a public street that are necessary to ensure the condition of said improvement is equal to the then-existing City maintenance requirements, whether or not said improvement was conveyed or dedicated to another public entity. Improvements for which the Fund shall not be responsible for shall include but shall not be limited to water and sewer facilities which are conveyed to San Antonio Water Systems ("SAWS"), electrical and gas utilities which are conveyed to City Public Services ("CPS"), signage, parks and open spaces which are conveyed and or dedicated to the City, Bexar County or other public entity and those improvements which include, but shall not be limited to, landscaping and irrigation systems, trails, parks and open space which are conveyed to and

managed and maintained by homeowners association(s) within the District. The District shall, following the confirmation election, incorporate the Fund into its financing plans and pro forma.

2.10. Binding Agreement. The Parties agree that all of the development standards contained in this Agreement constitute an easement that continues in perpetuity and shall run with the land, and that all deeds or leases of any portion of the Property shall reflect this agreement, as required by Section 1.4, above. Any right, title, or interest granted in this Agreement to the Owners passes to each successor and assign of the Owners and each following successor and assign, and the word "Owner" includes all such successors and assigns. This easement survives unity of ownership of the fee and the easement.

2.10 Review Requirement. An executed copy of this Agreement, and any subsequent amendments to this Agreement, shall be attached to every request to the City for plan review, plat review, fee payment, or other documents requiring City staff review and/or approval.

2.11 City South Management Authority. The parties acknowledge that the land comprising the Districts lies within the boundaries of the City South Management Authority, and that as long as the City South Management Authority exists, all zoning is under the jurisdiction of the City South Management Authority. In the event the City South Management Authority is dissolved, the parties agree that all development shall then be under the jurisdiction of the City, in accordance with this Section 2.

SECTION III: INDEMNIFICATION

3.1 EXCEPT AS DESCRIBED OTHERWISE IN THIS AGREEMENT AND IN SECTION 3.2, THE OWNERS COVENANT AND AGREE TO FULLY INDEMNIFY, DEFEND AND HOLD HARMLESS CITY AND THE ELECTED OFFICIALS, MEMBERS, AGENTS, EMPLOYEES, OFFICERS, DIRECTORS AND REPRESENTATIVES OF CITY (INDIVIDUALLY AND COLLECTIVELY, "INDEMNITEE") FROM AND AGAINST ANY AND ALL COSTS, CLAIMS, LIENS, DAMAGES, LOSSES, EXPENSES, FEES, FINES, PENALTIES, PROCEEDINGS, ACTIONS, DEMANDS, CAUSES OF ACTION, LIABILITY AND SUITS OF ANY KIND AND NATURE, INCLUDING BUT NOT LIMITED TO: PERSONAL INJURY, BODILY INJURY, DEATH AND PROPERTY DAMAGE (COLLECTIVELY REFERRED TO AS "CLAIMS"), MADE UPON INDEMNITEE DIRECTLY OR INDIRECTLY ARISING OUT OF, RESULTING FROM OR RELATED TO OWNERS' ACTIVITIES RELATED TO THIS AGREEMENT, INCLUDING ANY ACTS OR OMISSIONS OF OWNERS, COLLECTIVELY AND INDIVIDUALLY, ANY AGENT, OFFICER, REPRESENTATIVE, OWNERS' EMPLOYEE OR PERSONNEL, CONSULTANT, CONTRACTOR OR SUBCONTRACTOR, AND THEIR RESPECTIVE OFFICERS, AGENTS, EMPLOYEES, PERSONNEL, DIRECTORS AND REPRESENTATIVES (INDIVIDUALLY AND COLLECTIVELY, "OWNERS' PARTY"). THE INDEMNITY PROVIDED FOR IN THIS SECTION 3.1 SHALL NOT APPLY TO ANY LIABILITY RESULTING FROM THE NEGLIGENCE OR WILLFUL MISCONDUCT OF AN INDEMNITEE IN INSTANCES WHERE SUCH NEGLIGENCE OR WILLFUL MISCONDUCT CAUSES PERSONAL INJURY, BODILY INJURY, DEATH OR PROPERTY DAMAGE. IF OWNERS AND CITY ARE FOUND JOINTLY LIABLE BY A COURT OF COMPETENT JURISDICTION, LIABILITY SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS FOR THE STATE, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE CITY UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW. OWNERS SHALL PROMPTLY ADVISE CITY IN WRITING OF ANY CLAIM OR DEMAND AGAINST AN INDEMNITEE KNOWN TO THE OWNERS RELATED TO OR ARISING OUT OF OWNERS' ACTIVITIES

RELATED TO THIS AGREEMENT. OWNERS SHALL SEE TO THE INVESTIGATION AND DEFENSE OF SUCH CLAIM OR DEMAND, AT OWNERS' EXPENSE. CITY SHALL HAVE THE RIGHT, AT ITS OPTION, AND AT ITS OWN EXPENSE, TO PARTICIPATE IN SUCH DEFENSE WITHOUT RELIEVING OWNERS OF ANY OF ITS OBLIGATIONS UNDER THIS SECTION 3.1.

3.2 EXCEPTIONS TO INDEMNIFICATION BY OWNER. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN SECTION 3.1, OWNERS SHALL NOT INDEMNIFY, DEFEND AND HOLD HARMLESS ANY INDEMNITEE FROM CLAIMS RESULTING FROM OR RELATED TO:

3.2.1 ANY CHALLENGE TO CITY'S AUTHORITY TO ENTER INTO OR PERFORM UNDER THIS AGREEMENT; OR

3.2.2 CITY'S NEGLIGENCE OR WILLFUL MISCONDUCT IN THE EXERCISE OF ITS GOVERNMENTAL FUNCTIONS.

SECTION IV: MISCELLANEOUS

4.1 Termination. Upon the occurrence of any or all of the following events, and in addition to the termination events contained in Section 1.2 above, the City may, at its option, terminate this Agreement as to one or more of the Districts in compliance with the notice provisions in Section 4.6 below:

4.1.1 The failure of Bexar County to create the respective District;

4.1.2 The termination of the respective District by Bexar County;

4.1.2 If Owners, its heirs or assigns, attempt to withdraw, rescind or nullify the Owners' consent to annexation, contained in Section 1.3 of this Agreement, or to otherwise challenge the enforceability of the consent to annexation by City, except to the extent permitted under such consent to annexation;

4.1.3 The failure of a District to activate within two (2) years of the projected activation date, as indicated in Section 1.2, entitled "Term", above;

4.1.4 The insolvency or bankruptcy of a District;

4.1.5 The payment of 95% of the debts and obligations of an Espada Special Improvement District prior to the respective Agreement Term. In that event, the City may terminate the Agreement with respect to the particular Espada Special Improvement District, and proceed with full-purpose annexation of the Espada Special Improvement District, in accordance with Section 1.3 above, after entering into an agreement to assume liability for the annexed District's pre-existing, county-authorized debts or other obligations, in accordance with the repayment and dissolution provisions of Section 372.134, Texas Local Government Code; or

4.1.6 The failure of Bexar County to impose upon a District the City's requirement that each District create, adequately fund annually, and maintain a maintenance fund for the paving of streets and maintenance of associated infrastructure to the City's PCI, and to automatically adjust the maintenance level if the City changes the PCI; or

4.1.7 The failure of a District to create, adequately fund annually, and maintain the maintenance fund required by Section 2.10; and

4.1.8 The breach by a District of any requirement placed upon a District in the Bexar County Commissioner's Court Order creating each District. Any breach is subject to the cure provisions of the County Order creating said District.

4.2 No liability. Nothing in this Agreement shall be deemed to impose liability on Owners, or the City for actions or omissions of any third party (including, without limitation, any third party contractor or engineer).

4.3 Modifications. Any modifications to this Agreement must be in writing, and signed by each signatory of this Agreement or its successors, or they shall not be binding upon any of the parties of this Agreement.

4.4 Severability. If any covenant, provision, or agreement of this Agreement shall be held illegal, invalid, or unenforceable under present or future laws effective during the term of this Agreement, then and in that event, it is the intention of the parties to this Agreement that the remainder of this Agreement shall not be affected by the illegal, invalid or unenforceable covenant, provision, or agreement, and that this Agreement shall otherwise continue in full force and effect. It is the further intention of the parties that in lieu of each covenant, provision, or agreement of this instrument that is held illegal, invalid, or unenforceable, there be added as a part of this Agreement a clause or provision as similar in terms to such illegal, invalid, or unenforceable clause or provision as may be possible and be legal, valid, and enforceable.

4.5 Recording of this Agreement. This Agreement shall be recorded within thirty (30) days following approval by the City Council, by the Owners in the Real Property Records of Bexar County, Texas as a covenant to title of the parcels more specifically described in **Exhibit "A"**. A copy of the recorded Agreement shall be delivered to the City within ten (10) days of recording. Consequently, the Owners and the City agree that the provisions of this Agreement shall run with the land described in **Exhibit "A"** as long as this Agreement remains in effect, and shall be binding on all parties having any right, title, or interest in the property described in **Exhibit "A"** in whole or in part. The terms of this Agreement shall be binding upon and inure to the benefit of the parties and their respective successors, assigns and legal representatives. No party may, without the prior written consent of the other party hereto, assign any rights, powers, duties, or obligations hereunder. This Agreement shall not inure to the benefit of any party other than the parties to this Agreement and their successors and permitted assignees.

4.6 Breach and Default. A material and substantial breach of this Agreement by either party shall constitute a default and serve as grounds for considering this Agreement null and void.

Before the City deems this Agreement as breached or expired, the City must provide the Owners written notice describing the default. If the default continues for a period of ninety (90) days after such notice is delivered to the Owners, this Agreement shall be considered breached and null and void; provided that if the nature of the default is such that more than ninety (90) days are reasonably required for its cure, then the Owners shall not be deemed to be in default if the Owners commence such cure within such ninety (90) day period and thereafter diligently pursues such cure to completion.

The failure to include in each deed or lease for any part of the Property executed after the Effective Date the development standards of Section II, as required by Section 1.5.2, is a curable event.

Nothing in this Agreement shall be construed to waive the Owners' right to protest a zoning case filed for any property described in **Exhibit "A"**.

4.7 No Partnership. Neither this Agreement nor any part of this Agreement shall be construed as creating a partnership, joint venture, or other business affiliation among the parties or otherwise.

4.8 Entire Agreement. This Agreement and the exhibits to this Agreement supersede any and all other prior or contemporaneous agreements, oral or written, among the parties with respect to the matters addressed in this Agreement.

4.9 Notice. All notices given with respect to this Agreement shall be in writing and deemed delivered upon receipt if hand delivered or sent by confirmed facsimile transmission, and, if mailed, deemed received on the third business day after deposit in the United States mail, postage prepaid, addressed to the parties as shown below:

IF TO THE CITY:

City of San Antonio
Planning and Development Services
Department
Attn: Director
1901 S. Alamo, 2nd Floor
San Antonio, Texas 78204

With a copy to:

City of San Antonio
Office of the City Attorney
Attn: City Attorney
City Hall, 3rd Floor
P.O. Box 839966
San Antonio, Texas 78283-3966

Office of the City Clerk
Attn: City Clerk
City Hall, 2nd Floor
P.O. Box 839966
San Antonio, Texas 78283-3966

IF TO OWNERS:

Terramark Communities
Attn: Charles H. Turner
322 Julie Rivers Drive
Sugar Land, TX 77478

ESA Residential Development, Inc.
Attn: Charles H. Turner
322 Julie Rivers Drive
Sugar Land, TX 77478

E-TM Land Investment, Ltd.
Attn: Charles H. Turner
322 Julie Rivers Drive
Sugar Land, TX 77478

IF TO CITY SOUTH MANAGEMENT AUTHORITY:

City South Management Authority
Attn: Executive Director
P.O. Box 839966
San Antonio, Texas 78283-3966

Each Party may change its address by written notice in accordance with this section. Any communication addressed and mailed in accordance with this section shall be deemed to be given when so mailed, any notice so sent by electronic or facsimile transmission shall be deemed to be given when receipt of such transmission is acknowledged, and any communication so delivered in person shall be deemed to be given when receipted for by, or actually received by, the City or Owners, as the case may be.

4.10 Venue. This Agreement shall be governed by and construed under the laws of the State of Texas. Venue for any legal action arising out of this Agreement shall be exclusively in Bexar County, Texas.

4.11 Further Documents. The Parties agree they will execute such other and further instruments and documents as are or may become reasonably necessary or convenient to effectuate the purposes of this Agreement.

4.12 Attorney's Fees. Each Party to this Agreement shall pay its own attorneys' fees with respect to the drafting, review, and negotiation of this Agreement and all subsequent instruments and agreements related to the Land Use and Development Standards. In the event it should ever become necessary for any Party to retain the services of an attorney to enforce its rights under this Agreement against any other party to this Agreement, then, should such Party prevail, that Party shall be entitled to recover, in addition to any other damages and awards to which it may be entitled, its reasonable attorneys' fees from the defaulting party.

4.13 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute but one and the same instrument.

(The remainder of this page intentionally left blank)

This Agreement for Services in Lieu of Annexation is **EXECUTED** as of the dates set forth beneath the signatures of each party below, to be effective, however, as of the date first set forth above.

**City of San Antonio,
a Texas municipal corporation**

Sheryl Sculley, City Manager

The State of Texas
County of Bexar

This instrument was acknowledged before me on the _____ day of _____, 2010, by _____, City Manager of the City of San Antonio, Texas, a Municipal Corporation.

Notary Public, State of Texas
(Personalized Seal)

(Print name of Notary Public here)

My commission expires the _____ day of _____, 2010.

ESA Residential Development Inc.

Charles H. Turner, C.E.O.

The State of Texas
County of Bexar

This instrument was acknowledged before me on the 17th day of March, 2010, by Charles H. Turner, C.E.O., ESA Residential Development Inc., a

Texas Corporation

Notary Public, State of Texas
(Personalized Seal)

Mary Boone
(Print name of Notary Public here)

My commission expires the 30th day of June, 2010. 2012

Terramark Communities, Ltd.

Charles H. Turner, C.E.O.

The State of Texas
County of Bexar

This instrument was acknowledged before me on the 17th day of March, 2010, by Charles H. Turner, C.E.O., Terramark Communities, Ltd., a Limited Liability Partnership

Notary Public, State of Texas
(Personalized Seal)

Mary Boone
(Print name of Notary Public here)

My commission expires the 30th day of June, 2010. 2012

E-TM Land Investment, Ltd.

Charles H. Turner, C.E.O.

The State of Texas
County of Bexar

This instrument was acknowledged before me on the 17th day of March, 2010, by Charles H. Turner, C.E.O., E-TM Land Investment, Ltd., a limited Partnership

Notary Public, State of Texas
(Personalized Seal)

Mary Boone
(Print name of Notary Public here)

My commission expires the 30th day of June, 2010. 2012

Exhibits:

A – Property

B – Espada Special Improvement District No. 1

C - Espada Special Improvement District No. 2

D - Espada Special Improvement District No. 3

Exhibit A - Property



September 21, 2009
Job number 60025828
PID No. 1

Meets and Bounds
Description

494.976 acres being out of a 0.989 acre tract of a called 1.0 acre tract as conveyed unto W.J. Emick in Volume 5957, Page 1565 of the Official Public Records of Real Property of Bexar County, Texas (O.P.R.R.P.B.C.T.), a 2.00 acre tract as conveyed unto Terramark Communities in Volume 11590, Page 461 of the O.P.R.R.P.B.C.T., a 24.24 acre tract, a 17.49 acre tract, a 11.70 acre tract, a 5.632 acre tract, a 20.01 acre tract, a 6.695 acre tract, a 2.036 acre tract, a 1.905 acre tract, a 11.88 acre tract, a called 21.31 acre tract, a called 15.05 acre tract all being recorded in Volume 12665, Page 222 of the O.P.R.R.P.B.C.T., a 672.567 acre tract conveyed unto E-TM Land Investment, LTD, in Volume 12665, Page 166 of the O.P.R.R.P.B.C.T. and Volume 12665, Page 183 of the O.P.R.R.P.B.C.T., a 439.85 acre tract conveyed unto E-TM Land Investment, LTD, in Volume 11627, Page 304 of the O.P.R.R.P.B.C.T., the proposed Lot 2, Block 1, N.C.B. 11039 of Marshall Way Subdivision, Plat # 050111, a portion of a 22.30 acre tract conveyed unto Terramark Communities, LTD in Volume 11619, Page 782 of the O.P.R.R.P.B.C.T, and all of that called 15.00 acre tract conveyed unto the Southside Independent School District in Volume 11322, Page 862 of the O.P.R.R.P.B.C.T. and being more particularly described as follows;

BEGINNING at a point on the south line of Chavaneaux Road (a 40 foot right-of-way) at the northwest corner of said 0.989 acre tract and being on the east line of Plat # 050111 Marshall Way (Variable Width Right-Of-Way) of said Marshall Way Subdivision from which a 10" x 10" stone pillar bears South 35° 15' East, 1.2 feet;

Thence South 89°52' 09" East, departing the east line of said Marshall Way and continuing along the south line of said Chavaneaux Road along the north line of said 0.989 acre tract a distance of 204.96 feet, departing said 0.989 acre tract and crossing said 22.30 acre tract and passing a found 1/2-inch iron rod at the northeast corner of said 22.30 acre tract at a 530.37 feet, crossing said 9.987 acre tract and said 7.042 acre tract and passing a found 1/2-inch iron rod with yellow plastic cap stamped "Pape-Dawson" at 782.15 feet and passing another found 1/2-inch iron rod with yellow plastic cap stamped "Pape-Dawson" at 833.41 feet continuing across said 5.632 acre tract for a total of 1032.49 feet to a point;

Thence South 00° 29' 54" West, 1101.53 feet departing the south line of said Chavaneaux Road and with the east line of said 5.632 acre tract and the west line of a 6.0 acre tract conveyed unto Nathan C. Saucedo in Volume 8298, Page 1014 of the O.P.R.R.P.B.C.T., to a found 1/2-inch iron rod with yellow plastic cap stamped "Pape-Dawson";

Thence South 89° 49' 44" East, 242.57 feet departing the east line of said 5.632 acre tract and with the south line of said 6.0 acre tract to a point;

Thence North 00° 29' 54" East, 1101.53 feet with the east line of said 6.0 acre tract to a found 1/2-inch iron rod with yellow plastic cap stamped "Pape-Dawson" for the northeast corner of said 6.0 acre tract on the south line of said Chavaneaux Road;

Thence South 89° 49' 45" East, continuing along the south line of said Chavaneaux Road passing a 2 inch pipe at 270.16 feet at the northeast corner of said 11.88 acre tract, same being a corner of said 21.31 acre tract and continuing for a total of 500.40 feet to a point from which a fence post bears South 49° 04' West, 6.2 feet and a found 1/2-inch iron rod at the northeast corner of 6.09 acre tract conveyed unto Yarren Investments, LLC in Volume 13140, Page 2287 O.P.R.P.R.B.C.T., same being the northeast corner of tract 5 of the Plat of the Heirs of Rosalino Diaz 18.24 acres as filed in Volume 1993, Page 339 of the Official Public Deed Records of Bexar County, Texas (O.P.D.R.B.C.T.) bears South 89° 50' West, 418.09 feet;

Thence South 00° 08' 32" East, 2269.85 feet departing the south line of said Chavaneaux Road and with the west line of an unrecorded 30-foot private road being bounded on the east by said Rosalino Diaz tract;

Thence North 89° 51' 59" East, departing the west line of said 30- private road and along the north line of said 15.05 acre tract, passing the southwest corner of a called 6.0 acre tract conveyed unto Mariano Rivas and Dolores G. de Rivas in Volume 3233, Page 455 O.P.D.R.B.C.T. same being the west 6.0 acres of a partition of Original Tract 7 partitioned to Nimfa Diaz de Rivas as designated by the Plat of the Heirs of Rosalina Diaz Subdivision No. 1 as recorded in Volume 623, Page 596 of the O.P.D.R.B.C.T. at 30.00 feet, and continuing along the south line of said 6 acre tract passing the southeast corner of said 6 acre tract at 802.32 feet, the southwest corner of a called 9 acre tract conveyed unto Steve and Stella Rivas in Volume 3239, Page 587 being the called east 9 acres of the said Original Tract 7 for a total of 1984.26 feet for the northeast corner of said 15.05 acre tract, the southeast corner of said 9 acre tract, the southwest corner of a called 3.09 acre tract recorded in Volume 6848, Page 645 of the O.P.R.P.R.B.C.T., the northwest corner of a called 8.934 acre tract recorded in Volume 8035, Page 458 of the O.P.D.R.B.C.T.;

Thence departing the south line of said 9 acre tract, the north line of said 15.05 acre tract and along the east line of said 15.05 acre tract, the west line of said 8.394 acre tract the following five (5) courses and distances;

South 10° 52' 19" West, 104.91 feet to a point;

South 12° 19' 19" West, 59.15 feet to a point;

South 05° 30' 39" West, 46.05 feet to a point;

South 08° 14' 59" West, 66.39 feet to a point;

South 15° 04' 41" East, 65.97 feet to a point being the southeast corner of said 15.05 acre tract, the southwest corner of said 8.394 acre tract, the northwest corner of a called 2.539 acre tract recorded in Volume 3219, Page 520 of the O.P.D.R.B.C.T.

Thence South 89° 51' 59" West, departing the east line of said 15.05 acre tract, the west line of said 8.394 acre tract, along the south line of said 15.05 acre tract, the north line of the Original Tract 9 of the said Plat of the Heirs of Rosalino Diaz Subdivision No. 1 passing a found 1/2- inch iron rod at 1153.96 feet at the northeast corner of a 3.0 acre tract being designated as tract 4 of the division of said Original Tract 9 as conveyed unto Manuel V. and Teresa L. Pena in Volume 7989, Page 999 of the O.P.R.R.P.B.C.T. and continuing a distance of 394.06 to a found 1/2-inch iron rod at the northwest corner of said Pena 3.0 acres same being the northwest corner of a called 3 acre tract being designated as tract 5 of the said division of Original Tract 9 as conveyed unto Antonio Ramirez in Volume 5929, Page 1833 of the O.P.R.R.P.B.C.T. and continuing a distance of 376.40 feet to a point for the southwest corner of said Original Tract 9, from which a found 5/8-inch iron rod bears North 81° 03' East, 1.5 feet, and continuing a total distance of 1954.23 feet to a point on the west line of said 30-foot private road for the southwest corner of said 15.05 acre tract;

Thence South 00° 08' 32" East, 954.48 feet continuing along the west line of said 30-foot private road to a point on the north line of said 439.85 acre tract for the southwest corner of said 30-foot private road from which a found 1-inch pipe in a concrete disc bears North 28° 05' West, a distance of 2.4 feet;

Thence North 89° 57' 22" West, 1146.77 feet continuing along the north line of said 439.85 acre tract to a point;

Thence South 16° 17' 10" East, 957.12 feet departing the north line of said 439.85 acre tract and crossing said 439.85 acre tract and crossing said 672.567 acre tract to a point;

Thence continuing across said 672.567 acre tract the following three (3) courses and distances;

South 19° 07' 23" East, 550.10 feet to a point at the beginning of a curve to the left;

296.98 feet along said curve to the left having a radius of 665.00, a central angle of 25° 35' 14", and a chord bearing and distance of South 31° 55' 00" East, 294.52 feet to a point;

South 44° 42' 37" East, 530.83 feet to a point on the south line of a 50 foot gas pipeline easement recorded in Volume 3403, Page 338 O.P.R.R.P.B.C.T. to a point;

Thence South $82^{\circ} 26' 41''$ West, 2486.80 feet continuing across said 672.567 acre tract and crossing an interior line of said 439.85 acre tract;

Thence departing said 50 foot gas pipeline easement and crossing said 439.85 acre tract the following two (2) courses and distances;

South $65^{\circ} 01' 33''$ East, 140.01 feet to a point at the beginning of a curve to the right;

98.73 feet along said curve to the right having a radius of 182.50, a central angle of $30^{\circ} 59' 50''$, and a chord bearing and distance of South $49^{\circ} 31' 38''$ East, 97.53 feet to a point;

Thence South $34^{\circ} 01' 48''$ East, 2158.86 feet continuing across said 439.85 acres and crossing said 672.567 acre tract to a point;

Thence South $72^{\circ} 45' 52''$ East, 1210.02 feet continuing across said 439.85 acres and crossing said 672.567 acre tract to a point;

Thence South $10^{\circ} 52' 22''$ West, 1212.16 feet to a point on the south line of said 672.567 acre tract;

Thence North $72^{\circ} 46' 06''$ West, 2800.22 feet to a point from which a found 1/2-inch iron rod bears South $57^{\circ} 16'$ East, 1.0 foot on the east right-of-way line of South Flores Street (F.M. 1937) an 80 foot right-of-way;

Thence with the east right-of-way line of said South Flores Street the following three (3) courses and distances;

North $13^{\circ} 47' 10''$ West, 137.55 feet to a point at the beginning of a curve to the left from which a found Texas Department of Transportation (Tx DOT) Type I monument bears North $31^{\circ} 45'$ West, a distance of 0.4 feet;

186.30 feet along said curve to the left having a radius of 5769.69, a central angle of $01^{\circ} 51' 00''$, and a chord bearing and distance of North $14^{\circ} 42' 40''$ West, 186.28 feet to point;

North $15^{\circ} 38' 10''$ West, 2423.4 feet to a point on the east right-of-way line of east right-of-way line of U.S. Highway 281 (a variable width right-of-way) same being the west line of a portion of an 1115.024 acre tract conveyed unto Donald R. Vestal, C/O Royal D. Adams in Volume 5716, Page 396 of the O.P.R.R.P.B.C.T.;

Thence continuing along the east right-of-way line of said U.S. Highway 281 and the west line of said 1115.024 acre tract the following four (4) courses and distances;

North 24° 25' 18" West, 50.60 feet to a point;

North 15° 49' 53" West, passing a found 1/2-inch iron rod with a yellow plastic cap stamped "Pape-Dawson" at the southernmost corner of a 36.66 acre tract being a portion of said 439.85 acre tract at 399.93 feet and continuing a total of 778.48 feet to a point from which a found Tx DOT Type I monument bears South 48° 13' East, a distance of 20.3 feet;

North 13° 07' 40" West, 464.93 feet to a point from which a found Tx DOT Type I monument bears South 73° 46' West, 1.3 feet;

North 16° 13' 14" West, 299.95 feet to a point from which a found Tx DOT Type I monument bears South 73° 46' West, 0.9 feet and continuing along the same course for a total of 905.80 feet to a point from which a found Tx DOT Type I monument bears South 33° 10' East, 0.4 feet;

Thence North 72° 56' 55" East, 888.03 feet departing the east right-of-way line of said U.S. Highway 281 and the west line of said 1115.024 acre tract and crossing said 1115.024 acre tract to a point on the south line of a 35.80 acre tract recorded in Volume 5079, Page 222 of the O.P.R.P.B.C.T. and the north line of said 1115.024 acre tract;

Thence South 89° 57' 22" East, 1223.99 feet continuing along the north line of said 1115.024 acre tract and the south line of said 35.80 acre tract to a point;

Thence North 00° 01' 46" East, 566.43 feet crossing said 35.80 acre tract and said 22.40 acre tract to the southeast corner of a 15.00 acre tract conveyed unto the said Southside Independent School District in Volume 11322, Page 862, O.P.R.R.P.B.C.T. and continuing 1037.92 feet to the southeast corner of said proposed Marshall Way and continuing along the east line of said proposed Marshall Way a total distance of 1841.98 feet to a point;

Thence with the east right-of-way line of said proposed Marshall Way the following twelve (12) courses and distances;

South 89° 58' 14" East, 41.70 feet to a found 1/2-inch iron rod for a corner of the said 22.40 acre tract and said 35.80 acre tract;

North 00° 21' 24" West, 426.79 feet to a point at the beginning of a curve to the right;

4.82 feet along said curve to the right having a radius of 15.00, a central angle of 18° 24' 54", and a chord bearing and distance of North 80° 23' 10" East, 4.80 feet to a point;

North 00° 23' 26" West, 58.00 feet to a point at the beginning of a curve to the right;

4.79 feet along said curve to the right having a radius of 15.00, a central angle of 18° 17' 53", and a chord bearing and distance of North 81° 14' 30" West, 4.77 feet to a point;

North 00° 21' 24" West, 292.89 feet to a point at the beginning of a curve to the right;

196.54 feet along said curve to the right having a radius of 571.00, a central angle of 19° 43' 18", and a chord bearing and distance of North 20° 27' 25" East, 195.57 feet to a point;

North 30° 19' 05" East, 25.23 feet to a point at the beginning of a curve to the right;

15.61 feet along said curve to the right having a radius of 15.00, a central angle of 59° 37' 02", and a chord bearing and distance of North 60° 07' 36" East, 14.91 feet to a point;

North 89° 56' 07" East, 51.59 feet to a point;

North 00° 03' 52" West, 58.83 feet to a point on the south line of said proposed Lot 2, Block 1, N.C.B. 11039 of Marshall Way Subdivision, to a point at the beginning of a curve to the right;

31.40 feet along said curve to the right having a radius of 15.00, a central angle of 119° 57' 17", and a chord bearing and distance of North 29° 38' 49" West, 25.97 feet to a point;

Thence continuing along the east right-of-way line of said proposed Marshall Way, and with the west line of the said proposed Lot 2, Block 1, N.C.B. 11039 of Marshall Way Subdivision, the following two (2) courses and distances;

North 30° 19' 49" East, 354.63 feet to a point at the beginning of a curve to the left;

146.49 feet along said curve to the left having a radius of 629.00, a central angle of 13° 20' 37", and a chord bearing and distance of North 23° 39' 31" East, 146.16 feet to a point;

Thence South 89° 49' 01" East, 31.95 feet to a found 1/2-inch iron rod on the north line of said proposed Lot 2, Block 1, N.C.B. 11039 of Marshall Way Subdivision, same being the southwest corner of said 0.989 acre tract;

September 21, 2009
Job number 60025828
PID No. 1

Thence North $00^{\circ} 02' 26''$ East, 208.24 feet along the west line of said 0.989 acre tract to the **POINT OF BEGINNING** and containing a computed area of 494.976 acres.

Bearings Based on Texas State Plane Coordinate system, South Central Zone, US Foot.

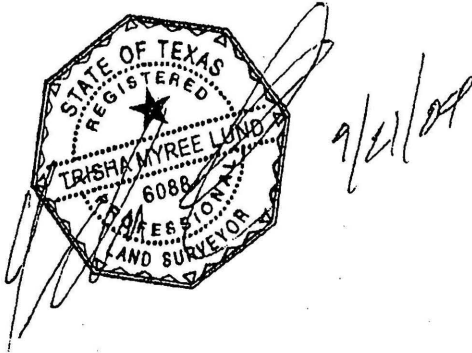


EXHIBIT "A"

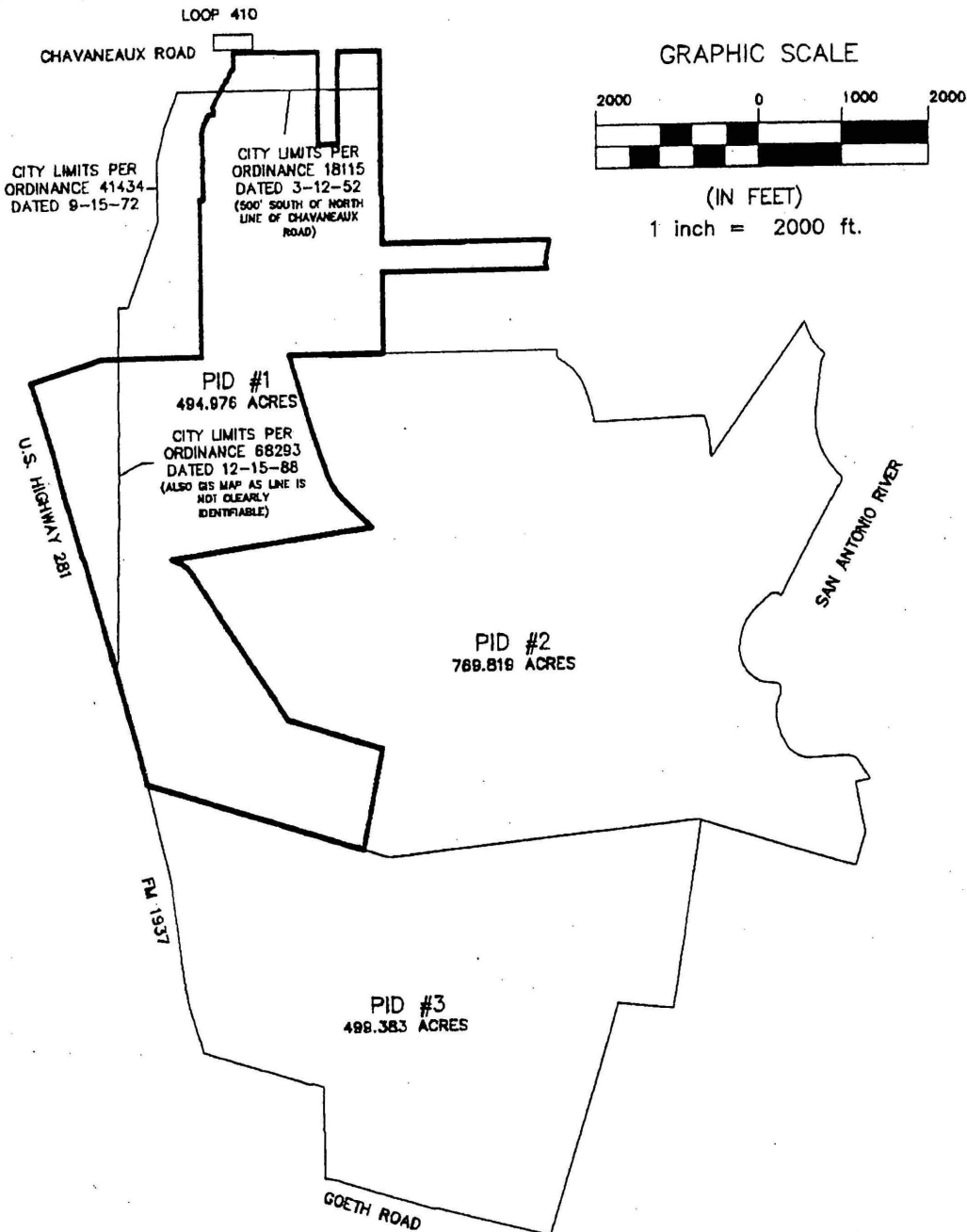


EXHIBIT OF PID 1 (494.976 ACRES) BEXAR COUNTY, TEXAS

NOTES:

1. THERE IS A METES AND BOUNDS DESCRIPTION WITH LIKE JOB NUMBER.

AECOM

AECOM USA GROUP, INC
6800 PARK TEN BOULEVARD,
SUITE 180 SOUTH
SAN ANTONIO, TEXAS 78213
WWW.AECOM.COM

SCALE: 1" = 2000'

JOB #: 60025828

DATE: 08-28-08

F.B. # N/A

DRAWN BY: PT/DAL

CAD DATE: 08-26-07

CHECKED BY: JEC

CAD FILE: 8-10-08.DWG

REV. 09-18-08
REV. 08-0-08
REV. 12-29-07
REV. RELEASE 3 11-07
REV. 8-12-07

September 21, 2009
Job number 60025828
PID No. 2

Metes and Bounds
Description

758.895 acres being a portion of that 499.37 acre tract as conveyed unto E-TM Land Investment, LTD. in Volume 12092, Page 841 of the Official Public Records of Real Property of Bexar County, Texas (O.P.R.R.P.B.C.T.) and being out of the Jose A. De La Garza Survey No. 433, Abstract 3, County Block 4006, all in New City Block (N.C.B.) 15647 of the City of San Antonio, Bexar County, Texas; a portion of that 672.567 acres as conveyed unto E-TM Land Investment, LTD, in Volume 12665, Page 166 of the O.P.R.R.P.B.C.T., and in Volume 12665, Page 183 of the O.P.R.R.P.B.C.T., and being out of the Juan M. Uriegas Survey No. 32, Abstract 769, County Block 4283, N.C.B. 15647; and a portion of that 439.85 acres as conveyed unto E-TM Land Investment, LTD. in Volume 11627, Page 304 of the O.P.R.R.P.B.C.T. and being out of the said Juan M. Uriegas Survey, County Block 4283, N.C.B. 15647, and being more particularly described as follows:

Commencing at a point on the east right-of-way line of South Flores Street (F.M. 1937) an 80 foot right-of-way, and the south line of a 50 foot gas pipeline easement recorded in Volume 3403, Page 338 of the Official Public Deed Records of Bexar County, Texas (O.P.R.R.P.B.C.T.) departing the east line of said South Flores Street and along the south line of said 50 foot gas pipeline easement North 78° 39' 41" East, a distance of 595.40 feet and North 82° 26' 41" East, 438.0 feet to the **POINT OF BEGINNING**;

Thence North 82° 26' 41" East, 2486.80 feet with said 50 foot gas pipeline easement and crossing said 439.85 acre tract and said 672.567 acre tract to a point;

Thence continuing across said 672.567 acre tract the following three (3) courses and distances;

North 44° 42' 37" West, 530.83 feet to a point at the beginning of a curve to the right;

With said curve to the right having a radius of 665.00, an arc length of 296.98 feet, a central angle of 25° 35' 14", and a chord bearing and distance of North 31° 55' 00" West, 294.52 feet to a point;

North 19° 07' 23" West, 550.10 feet to a point;

Thence North 16° 17' 10" West, 957.12 feet to a point on the north line of said 439.85 acre tract;

Thence South 89° 57' 22" East, 3209.27 feet continuing along the north line of said 439.85 acre tract and crossing said 672.567 acre tract to a found 1/2-inch iron rod at a corner of said 672.567 acre tract;

Thence continuing with the east lines of said 672.567 acre tract the following nineteen (19) courses and distances:

South 10° 40' 37" West, 38.15 feet to a point;
South 01° 05' 48" West, 24.86 feet to a point;
South 16° 06' 32" East, 25.66 feet to a point;
South 48° 30' 27" East, 52.88 feet to a point;
South 55° 22' 37" East, 89.57 feet to a point;
South 47° 55' 40" East, 101.62 feet to a point;
South 36° 45' 56" East, 122.29 feet to a point;
South 24° 02' 37" East, 103.76 feet to a point;
South 17° 42' 48" East, 49.95 feet to a point;
South 17° 51' 55" East, 134.65 feet to a point;
South 17° 34' 59" East, 98.58 feet to a point;
South 07° 59' 43" East, 33.00 feet to a point;
South 07° 42' 23" East, 127.74 feet to a found 1/2-inch iron rod;
North 87° 58' 59" East, 1361.87 feet to a found 1/2-inch iron rod;
South 14° 06' 00" East, 169.89 feet to a point;
South 05° 52' 13" East, 130.48 feet to a point;
South 04° 31' 58" East, 164.64 feet to a found 5/8-inch iron rod;
South 00° 03' 10" West, 33.64 feet to a point from which a found 1/2-inch iron rod bears North 20° 30' West, 0.5 feet;
North 36° 19' 57" East, 1985.21 feet to a point;

Thence departing the east line of said 672.567 acre tract, and crossing said 672.567 acre tract the following twenty-three (23) courses and distances:

South 20° 09' 00" East, 108.56 feet to a point at the beginning of a curve to the left;

With said curve to the left having a radius of 663.00, an arc length of 341.14 feet, a central angle of 29° 28' 51", and a chord bearing and distance of South 34° 53' 25" East, 337.39 feet to a point at the beginning of a reverse curve to the right;

With said curve to the right having a radius of 20.00, an arc length of 31.28 feet, a central angle of 89° 36' 01", and a chord bearing and distance of South 04° 49' 50" East, 28.19 feet to a point at the beginning of a reverse curve to the left;

With said curve to the left having a radius of 179.00 feet, an arc length of 101.10 feet, a central angle of 32° 21' 34", and a chord bearing and distance of South 23° 47' 23" West, 99.76 feet to a point;

South 07° 36' 36" West, 512.70 feet to a point at the beginning of a curve to the left;

With said curve to the left having a radius of 1095.00, an arc length of 361.83 feet to a point, a central angle of 18° 55' 58", and a chord bearing and distance of South 01° 51' 23" East, 360.19 feet to a point of compound curvature to the left;

With said curve to the left having a radius of 806.00, an arc length of 365.61 feet, a central angle of 25° 59' 25", and a chord bearing and distance of South 24° 19' 05" East, 362.49 feet, to a point;

South 37° 18' 47" East, 187.24 feet to a point at the beginning of a curve to the right;

With said curve to the right having a radius of 50.00, an arc length of 57.39 feet, a central angle of 65° 45' 54", a chord bearing and distance of South 04° 25' 50" East, 54.29 feet to a point;

South 28° 27' 07" West, 1530.41 feet to a point at the beginning of a curve to the left;

With said curve to the left having a radius of 116.00, an arc length of 166.49 feet, central angle of 82° 14' 03", and a chord bearing and distance of South 89° 02' 50" West, 152.56 feet to a point;

South 47° 55' 49" West, 206.12 feet to a point at the beginning of a curve to the left;

With said curve to the left having a radius of 642.00, an arc length of 541.82 feet, a central angle of 48° 21' 17", and a chord bearing and distance of South 23° 45' 10" West, 525.88 feet, of compound curvature to the left;

With said curve to the left having a radius of 403.00 an arc length of 418.62 feet to a point, a central angle of 59° 31' 00", and a chord bearing and distance of South 30° 10' 58" East, 400.05 feet to a point of compound curvature to the left;

With said curve to the left having a radius of 382.00, an arc length of 175.25 feet, a central angle of 26° 17' 09", and a chord bearing and distance of South 73° 05' 03" East, 173.72 feet to a point;

South 86° 13' 37" East, 88.18 feet to a point at the beginning of a curve to the right;

With said curve to the right having a radius of 54.00, an arc length of 59.06 feet, a central angle of 62° 39' 59", and a chord bearing and distance of South 54° 53' 38" East, 56.16 feet to a point of compound curvature to the right;

With said curve to the right having a radius of 126.00, an arc length of 84.59 feet, a central angle of 38° 27' 58", a chord bearing and distance of South 04° 19' 39" East, 83.01 feet to a point;

South 21° 47' 55" West, 78.74 feet to a point at the beginning of a curve to the left;

With said curve to the left having a radius of 415.00, an arc length of 217.81 feet, a central angle of $30^{\circ} 04' 16''$, and a chord bearing and distance of South $06^{\circ} 45' 47''$ West, 215.32 feet to a point of compound curvature to the left;

With said curve to the left having a radius of 780.00, an arc length of 341.73 feet, a central angle of $25^{\circ} 06' 09''$, a chord bearing and distance of South $20^{\circ} 49' 25''$ East, 339.01 feet to a point of compound curvature to the left;

With said curve to the left having a radius of 352.00, a central angle of $59^{\circ} 32' 04''$, a chord bearing and distance of South $63^{\circ} 08' 32''$ East, 349.52 feet, an arc length of 365.75 feet to a point;

North $87^{\circ} 05' 26''$ East, 371.81 feet to a point at the beginning of a curve to the right;

South $16^{\circ} 23' 29''$ West, 1204.02 feet to point on the south line of said 672.567 acre tract;

Thence with the south line of said 672.567 acre tract the following two (2) courses and distances;

North $73^{\circ} 30' 28''$ West, 1486.18 feet a found 1/2-inch iron rod with yellow plastic cap stamped "Pape-Dawson" for the northeast corner of said 499.337 acre tract;

South $84^{\circ} 13' 34''$ West, 3741.79 feet a found 1/2-inch iron rod with yellow plastic cap stamped "Pape-Dawson";

Thence departing the south line of said 672.567 acre and crossing said 672.567 and said 439.85 acre tract the following five (5) courses and distances:

North $72^{\circ} 46' 06''$ West, 317.10 feet to a point;

North $10^{\circ} 52' 22''$ East, 1212.16 feet to a point;

North $34^{\circ} 01' 48''$ West, 2158.86 feet to a point;

North $72^{\circ} 45' 52''$ West, 1210.02 feet to a point at the beginning of a curve to the left;

With said curve to the left having a radius of 182.50, an arc length of 98.73 feet, a central angle of $30^{\circ} 59' 50''$, and a chord bearing and distance of North $49^{\circ} 31' 38''$ West, 97.53 feet to a point;

Thence North $65^{\circ} 01' 33''$ West, 140.01 feet to the **POINT OF BEGINNING** and containing a computed area of 758.895 acres.

Bearings Based on Texas State Plane Coordinate system, South Central Zone, US Foot.

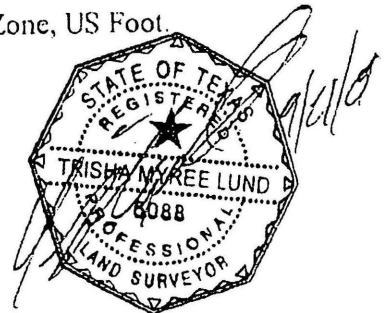


EXHIBIT "A"

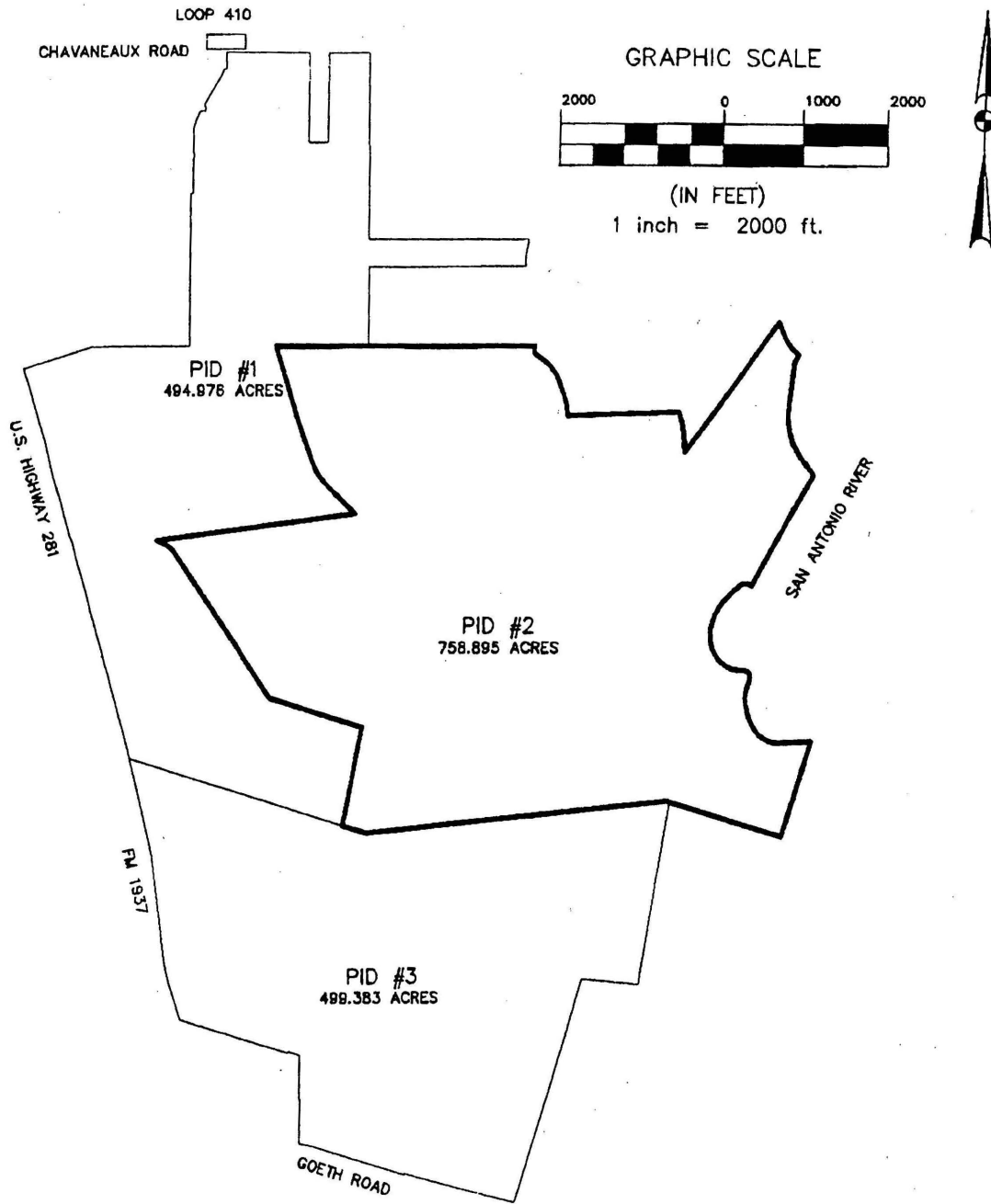


EXHIBIT OF PID 2 (758.895 ACRES) BEXAR COUNTY, TEXAS

NOTES:

1. THERE IS A METES AND BOUNDS DESCRIPTION WITH LIKE JOB NUMBER.

REV. 09-16-06
REV. 08-05-06
REV. 12-28-07
REV. RELEASE 3 11-30-07
REV. 8-15-09
REV. 9-9-09

AECOM

AECOM USA GROUP, INC
6800 PARK TEN BOULEVARD,
SUITE 180 SOUTH
SAN ANTONIO, TEXAS 78213
WWW.AECOM.COM

SCALE: 1" = 2000'	JOB #: 60025828
DATE: 08-25-08	F.B. # N/A:
DRAWN BY: PT/TML	CAD DATE: 09-25-07
CHECKED BY: JEG	CAD FILE: 08-05-08

Exhibit D - Espada Special Improvement District No. 3

FIELD NOTES

FOR

A 499.37 acre, or 21,752,576 square foot more or less, tract of land being out of that remaining portion of a 254 acre tract as recorded and conveyed to Robert Howard Yturri and John Richard Yturri in Warranty Deed recorded in Volume 2773, Page 293-295 of the Deed Records of Bexar County, Texas and out of that 496 acre tract as recorded and conveyed to Robert Howard Yturri and John Richard Yturri in Warranty Deed recorded in Volume 2773, Page 293-295 of the Deed Records of Bexar County, Texas, out of the Jose A. De La Garza Survey No. 433, Abstract 3, County Block 4006 of Bexar County, Texas, and out of the Jose Sandoval Survey No. 1, Abstract 18, County Block 5162 of Bexar County, Texas all in New City Block (N.C.B.) 15647 of the City of San Antonio, Bexar County, Texas. Said 499.37 acre tract being more fully described as follows, bearings are based on the North American Datum of 1983, from State Plane Coordinates established for the Texas South Central Zone:

BEGINNING: At a set ½" iron rod with a yellow cap marked "Pape-Dawson" on the east right-of-way line of South Flores Street (F.M. 1937), a 40-foot right-of-way, the northwest corner of Lot 7 of the Jesus Benavides Partition recorded in Volume 4629, Page 410-417 of the Deed Records of Bexar County, Texas;

THENCE: Along and with the east right-of-way line of said South Flores Street (F.M. 1937), the following calls and distances:

N 17°17'14"W, a distance of 463.34 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

Northwesterly with a curve to the right, said curve having a radius of 1910.08 feet, a central angle of 10°13'30", a chord bearing and distance of N 12°10'29" W, 340.42 feet, for an arc length of 340.87 feet to a found Texas Department of Transportation monument;

N 07°03'44"W, a distance of 1224.08 feet to a found Texas Department of Transportation monument;

Northwesterly with a curve to the left, said curve having a radius of 1432.69 feet, a central angle of 6°42'30", a chord bearing and distance of N 10°24'59" W, 167.65 feet, for an arc length of 167.74 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

N 13°46'14"W, a distance of 1056.13 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson", the southwest corner of a 672.567 acre tract recorded in Volume 7057, Page 1327-1336 of the Official Public Records of Real Property of Bexar County, Texas;

- THENCE: S 72°46'06"E, departing the east right-of-way line of said South Flores Street (F.M. 1937), along and with the south line of said 672.567 acre tract, a distance of 3117.26 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson", the south corner of said 672.567 acre tract;
- THENCE: N 84°13'34"E, a distance of 3741.80 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson" on the south line of said 672.567 acre tract;
- THENCE: S 73°30'59"E, along and with the south line of said 672.567 acre tract, a distance of 32.36 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";
- THENCE: Departing the south line of said 672.567 acre tract, over and across said 496 acre tract, the following calls and distances:
- S 09°26'31"W, a distance of 2242.19 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";
- N 84°53'58"W, a distance of 695.81 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";
- S 16°25'10"W, a distance of 2891.90 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";
- N 75°20'00"W, a distance of 1431.81 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";
- S 01°01'25"E, a distance of 15.86 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson" on the north right-of-way line of Goeth Road, a variable right-of-way;
- THENCE: Along and with the north line of said Goeth Road, the following calls and distances:
- N 72°36'52"W, a distance of 1261.24 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";
- N 81°10'06"W, a distance of 126.16 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson", the southeast corner of said Jesus Benavides Partition;
- THENCE: N 00°37'50"W, along and with east line of said Jesus Benavides Partition, a distance of 1112.97 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson", the northeast corner of said Jesus Benavides Partition;
- THENCE: Along and with the north line of said Jesus Benavides Partition, the following calls and distances:
- N 73°04'42"W, a distance of 146.66 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

499.37 Acres
Job No.: 9298-04
Page 3 of 3

S 17°20'18"W, a distance of 18.20 feet to a found ½" iron rod;
N 72°39'42"W, a distance of 1403.81 feet to the POINT OF BEGINNING, and
containing 499.37 acres in the City of San Antonio, Bexar County, Texas. Said
tract being described in accordance with a survey made on the ground and a
survey map prepared by Pape-Dawson Engineers, Inc.

PREPARED BY: PAPE-DAWSON ENGINEERS INC.
DATE: March 17, 2006
REVISED: April 27, 2006
JOB No.: 9298-04
FILE: N:\Survey04\4-9300\9298-04\499.37ACRES.doc

PAPER-DAWSON ENGINEERS

SIXTH OF PRIZE
UNIVERSITY OF WISCONSIN

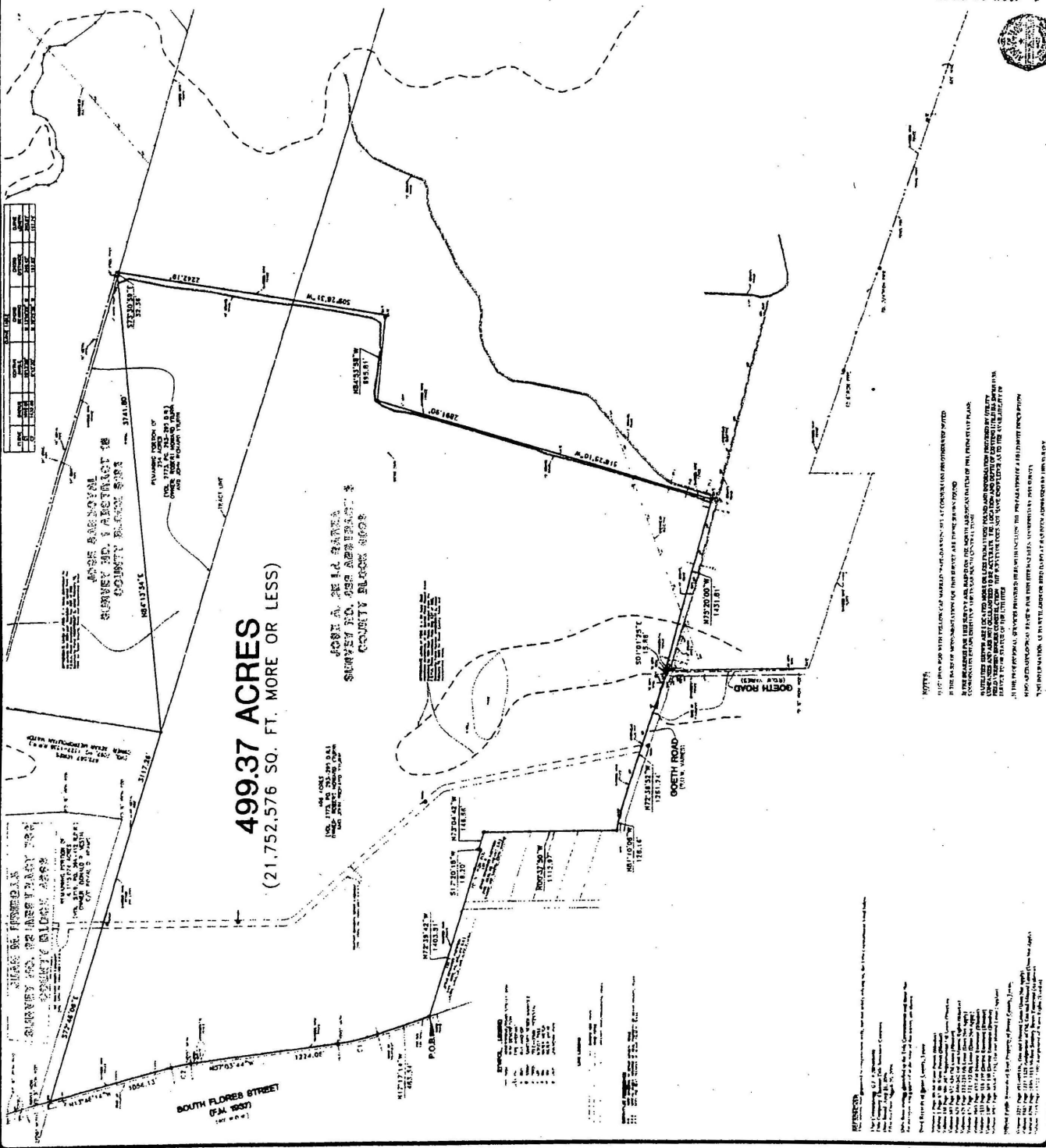
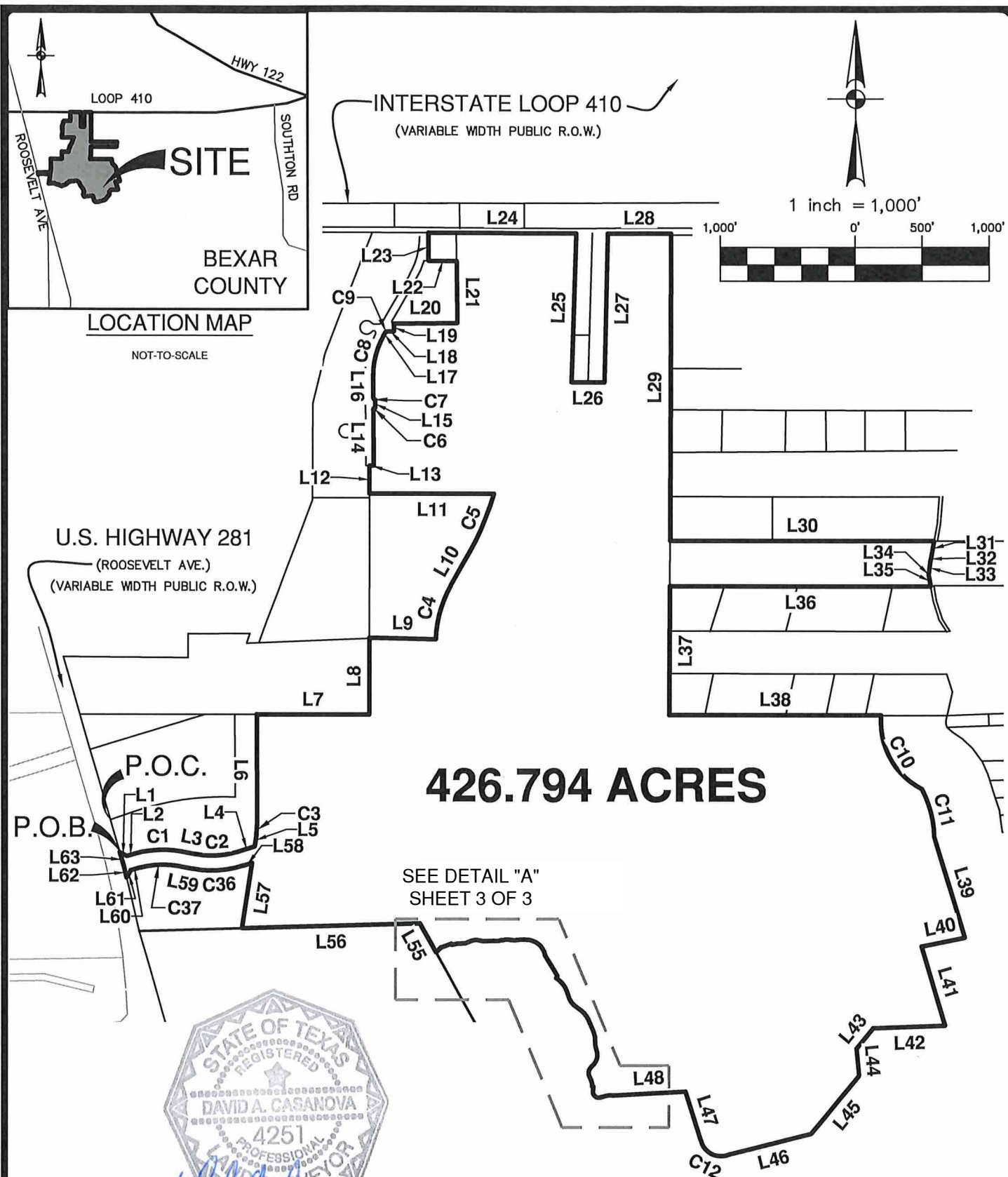
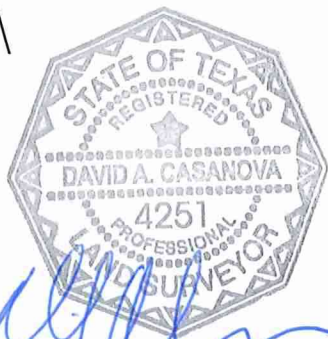


EXHIBIT “D”:
DISTRICT PROPERTY FIELD NOTES AND SURVEY



426.794 ACRES

SEE DETAIL "A"
SHEET 3 OF 3



**PAPE-DAWSON
ENGINEERS**

SAN ANTONIO | AUSTIN | HOUSTON | FORT WORTH | DALLAS
2000 NW LOOP 410 | SAN ANTONIO, TX 78213 | 210.375.9000
TEXAS ENGINEERING FIRM #470 | TEXAS SURVEYING FIRM #10028800

This document was prepared under 22TAC138.95, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared.

JULY 29, 2022; REVISED JAN 17, 2023

SHEET 1 OF 3
JOB No.: 12632-00

LINE TABLE		
LINE	BEARING	LENGTH
L1	S61°07'55"E	56.57'
L2	N73°52'05"E	60.00'
L3	S79°20'35"E	107.73'
L4	N72°14'52"E	124.74'
L5	N08°51'27"E	91.83'
L6	N00°17'28"W	823.76'
L7	S89°57'22"E	841.40'
L8	N00°01'46"E	569.81'
L9	S88°33'04"E	491.70'
L10	N29°33'20"E	283.17'
L11	N89°59'51"W	921.81'
L12	N00°01'46"E	207.58'
L13	S89°58'14"E	31.69'
L14	N00°23'26"W	412.49'
L15	N00°23'26"W	58.00'
L16	N00°23'26"W	169.82'
L17	N30°19'05"E	25.23'
L18	N89°56'07"E	51.59'
L19	N00°03'53"W	58.00'
L20	N89°29'59"E	471.45'
L21	N00°48'52"W	458.68'
L22	N89°44'30"W	208.21'
L23	N00°05'04"E	208.83'
L24	S89°49'45"E	1095.57'
L25	S01°55'35"W	1101.20'
L26	S89°45'58"E	244.88'
L27	N01°23'00"E	1101.20'
L28	S89°49'45"E	468.28'
L29	S00°13'39"W	2269.86'
L30	S89°57'22"E	1962.77'
L31	S10°42'24"W	113.94'
L32	S10°32'15"W	39.06'

LINE TABLE		
LINE	BEARING	LENGTH
L33	S07°44'29"W	91.88'
L34	S02°14'40"E	13.15'
L35	S09°44'28"E	83.22'
L36	N89°57'22"W	1938.01'
L37	S00°13'39"W	954.11'
L38	S89°57'22"E	1574.16'
L39	S16°49'27"E	779.28'
L40	S78°25'51"W	325.55'
L41	S16°36'05"E	610.41'
L42	S88°01'10"W	532.98'
L43	S39°48'30"W	197.69'
L44	S05°22'19"E	200.40'
L45	S39°39'33"W	560.39'
L46	S75°42'06"W	628.58'
L47	N17°28'39"W	375.41'
L48	S86°55'56"W	529.78'
L49	N87°39'38"W	10.00'
L50	N31°36'58"E	18.44'
L51	N31°10'42"W	180.05'
L52	N20°26'47"W	10.00'
L53	S70°00'27"W	84.80'
L54	S43°46'33"W	49.40'
L55	N28°59'12"W	244.22'
L56	S88°24'46"W	1326.55'
L57	N08°51'27"E	489.46'
L58	S72°14'52"W	69.64'
L59	N79°20'35"W	107.73'
L60	S73°52'05"W	60.00'
L61	S28°52'05"W	62.17'
L62	N13°16'45"W	79.53'
L63	N16°07'55"W	114.53'

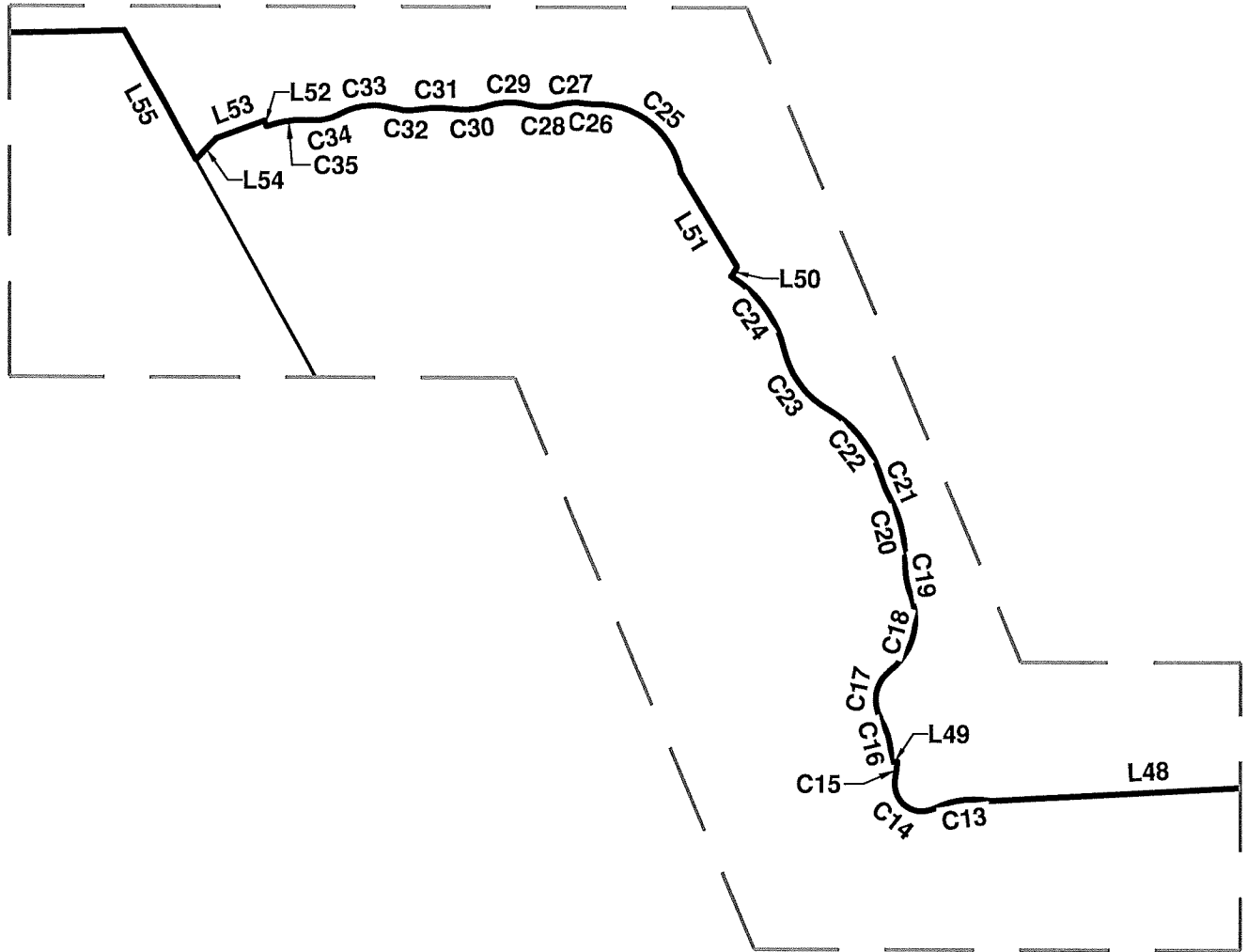
CURVE TABLE					
CURVE	RADIUS	DELTA	CHORD BEARING	CHORD	LENGTH
C1	755.00'	26°47'21"	N87°15'45"E	349.80'	353.01'
C2	645.00'	28°24'33"	N86°27'09"E	316.55'	319.81'
C3	388.05'	9°08'55"	N04°17'00"E	61.90'	61.96'
C4	855.15'	28°07'11"	N15°29'45"E	415.49'	419.69'
C5	2085.84'	12°50'24"	N22°42'59"E	466.46'	467.44'
C6	15.00'	90°00'00"	N44°36'34"E	21.21'	23.56'
C7	15.00'	90°00'00"	N45°23'26"W	21.21'	23.56'
C8	571.00'	30°42'30"	N14°57'49"E	302.39'	306.04'
C9	15.00'	59°37'02"	N60°07'36"E	14.91'	15.61'
C10	560.14'	67°45'06"	S29°07'04"E	624.44'	662.36'
C11	776.82'	27°06'45"	S14°32'44"E	364.17'	367.59'
C12	152.42'	100°56'51"	N62°41'51"W	235.13'	268.54'
C13	150.00'	36°53'43"	S82°20'47"W	94.93'	96.59'
C14	45.53'	129°25'15"	N51°23'28"W	82.34'	102.85'
C15	137.35'	10°58'47"	N07°49'46"E	26.28'	26.32'
C16	127.34'	33°33'44"	N14°26'32"W	73.53'	74.59'
C17	60.20'	84°17'27"	N10°55'18"E	80.79'	88.56'
C18	105.94'	74°15'42"	N15°56'11"E	127.90'	137.31'
C19	155.01'	22°56'39"	N09°43'21"W	61.66'	62.07'
C20	194.99'	31°27'28"	N13°58'45"W	105.72'	107.06'
C21	155.00'	13°11'45"	N23°06'37"W	35.62'	35.70'
C22	194.99'	43°23'07"	N38°12'18"W	144.15'	147.65'
C23	155.00'	46°34'19"	N36°36'42"W	122.55'	125.99'
C24	195.00'	45°03'30"	N35°51'17"W	149.43'	153.35'
C25	140.00'	80°38'42"	N50°50'58"W	181.18'	197.05'
C26	80.00'	10°18'44"	N86°00'57"W	14.38'	14.40'
C27	120.01'	24°57'39"	S86°39'35"W	51.87'	52.28'
C28	79.99'	31°49'19"	N89°54'35"W	43.86'	44.43'
C29	120.01'	34°08'53"	S88°55'38"W	70.47'	71.52'
C30	130.01'	26°17'39"	S85°00'01"W	59.14'	59.66'
C31	169.99'	19°19'25"	S88°29'08"W	57.06'	57.33'
C32	80.00'	27°57'48"	N87°11'40"W	38.66'	39.05'
C33	120.00'	45°59'57"	S83°47'16"W	93.77'	96.34'
C34	80.01'	34°21'51"	S77°58'13"W	47.27'	47.99'
C35	169.99'	25°35'56"	S82°21'11"W	75.32'	75.95'
C36	755.00'	28°24'33"	S86°27'09"W	370.53'	374.36'
C37	645.00'	26°47'21"	S87°15'45"W	298.84'	301.58'



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JULY 29, 2022; REVISED JAN 17, 2023

SHEET 2 OF 3
 JOB No.: 12632-00



DETAIL "A"
1"=300'



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2000 NW LOOP 410 | SAN ANTONIO, TX 78213 | 210.375.9000
TEXAS ENGINEERING FIRM #470 | TEXAS SURVEYING FIRM #10028800

JULY 29, 2022; REVISED JAN 17, 2023

SHEET 3 OF 3
JOB No.: 12632-00

METES AND BOUNDS DESCRIPTION

A 426.794 acre, more or less, tract of land out of that 1296.619 acre tract conveyed to Marmaxx Operating Corp. recorded in Volume 18753. Page 1832 of the Official Public Records of Bexar County, Texas, out of the Juan M. Urriegas Survey 32, Abstract 769, County Block 4283, Bexar County, Texas. Said 426.794 acre tract also includes all of that called 0.989 acre tract of land conveyed to Marmaxx Operating Corp. by deed recorded in Document No. 20220018829 of the Official Public Records of Bexar County, Texas, out of the Juan M. Urriegas Survey 32, Abstract 769, County Block 4283, Bexar County, Texas. Said 426.794 acre tract being more fully described as follows, with bearings based on the Texas Coordinate System established for the South Central Zone from the North American Datum of 1983 NAD 83 (NA2011) epoch 2010.00;

COMMENCING: At a northwest corner of said 1296.619 acre tract, the southwest corner of a 13.250 acre tract conveyed to Girdley Ventures-Espada, LLC by deed recorded in Document No. 20190189970 of the Official Public Records of Bexar County, Texas, on the east right-of-way line of U.S. Highway 281, also known as Roosevelt Avenue, a variable width public right-of-way;

THENCE: S 16°07'55" E, with the east right-of-way line of said U.S. Highway 281, the west line of said 1296.619 acre tract, a distance of 250.00 feet to a northwest corner and POINT OF BEGINNING of the herein described tract;

THENCE: Departing the east right-of-way line of said U.S. Highway 281, over and across said 1296.619 acre tract, the following bearings and distances:

S 61°07'55" E, a distance of 56.57 feet to a point;

N 73°52'05" E, a distance of 60.00 feet to a point;

Northeasterly, along a tangent curve to the right, said curve having a radius of 755.00 feet, a central angle of 26°47'21", a chord bearing and distance of N 87°15'45" E, 349.80 feet, for an arc length of 353.01 feet to a point;

S 79°20'35" E, a distance of 107.73 feet to a point;

Northeasterly, along a tangent curve to the left, said curve having a radius of 645.00 feet, a central angle of 28°24'33", a chord bearing and distance of N 86°27'09" E, 316.55 feet, for an arc length of 319.81 feet to a point;

N 72°14'52" E, a distance of 124.74 feet to a point;

N 08°51'27" E, a distance of 91.83 feet to a point;

Northeasterly, along a tangent curve to the left, said curve having a radius of 388.05 feet, a central angle of 09°08'55", a chord bearing and distance of N 04°17'00" E, 61.90 feet, for an arc length of 61.96 feet to a point;

N 00°17'28" W, a distance of 823.76 feet to a point on a north line of said 1296.619 acre tract, the south line of a 35.80 acre tract described in deed to Johnson Trust Investments, LLC, recorded in Volume 11512, Page 1600 of the Official Public Records of Bexar County, Texas;

THENCE: S 89°57'22" E, with a north line of said 1296.619 acre tract, the south line of said 35.80 acre tract, a distance of 841.40 feet to the southeast corner of said 35.80 acre tract;

THENCE: N 00°01'46" E, with a west line of said 1296.619 tract, the east line of said 35.80 acre tract, and the east line of a 15.00 acre tract described in deed to Southside I.S.D., recorded in Volume 11322, Page 862 of the Official Public Records of Bexar County, Texas, a distance of 569.81 feet to point;

THENCE: Departing the west line of said 1296.619 acre tract, the east line of said 15.00 acre tract, over and across said 1296.619 acre tract the following bearings and distances:

S 88°33'04" E, a distance of 491.70 feet to a point;

Northeasterly, along a non-tangent curve to the right, said curve having a radius of 855.15 feet, a central angle of 28°07'11", a chord bearing and distance of N 15°29'45" E, 415.49 feet, for an arc length of 419.69 feet to a point;

N 29°33'20" E, a distance of 283.17 feet to a point;

Northeasterly, along a non-tangent curve to the left, said curve having a radius of 2085.84 feet, a central angle of 12°50'24", a chord bearing and distance of N 22°42'59" E, 466.46 feet, for an arc length of 467.44 feet to a point;

N 89°59'51" W, a distance of 921.81 feet to point on the west line of said 1296.619 acre tract, the east line of a called 2.012 acre tract conveyed to San Antonio Housing Facility Corporation by deed recorded in Document No. 20190246575 of said Official Public Records;

THENCE: N 00°01'46" E, with a west line of said 1296.619 acre tract, the east line of said called 2.012 acre tract, a distance of 207.58 feet to the south terminus of Marshall Way, a variable width public right-of-way dedicated in Marshall Way Subdivision Plat, recorded in Volume 9594, Page 100 of the Deed and Plat Records of Bexar County, Texas;

THENCE: S 89°58'14" E, with a north line of said 1296.619 acre tract, the south terminus of said Marshall Way, a distance of 31.69 feet to the southeast corner of said Marshall Way;

THENCE: With a west line of said 1296.619 acre tract, the east right-of-way line of said Marshall Way, the following bearings and distances:

N 00°23'26" W, a distance of 412.49 feet to a point;

Northeasterly, along a tangent curve to the right, said curve having a radius of 15.00 feet, a central angle of 90°00'00", a chord bearing and distance of N 44°36'34" E, 21.21 feet, for an arc length of 23.56 feet to a point;

N 00°23'26" W, a distance of 58.00 feet to a point;

Northwesterly, along a non-tangent curve to the right, said curve having a radius of 15.00 feet, a central angle of 90°00'00", a chord bearing and distance of N 45°23'26" W, 21.21 feet, for an arc length of 23.56 feet to a point;

N 00°23'26" W, a distance of 169.82 feet to a point;

Northeasterly, along a tangent curve to the right, said curve having a radius of 571.00 feet, a central angle of 30°42'30", a chord bearing and distance of N 14°57'49" E, 302.39 feet, for an arc length of 306.04 feet to a point;

N 30°19'05" E, a distance of 25.23 feet to a point;

Northeasterly, along a tangent curve to the right, said curve having a radius of 15.00 feet, a central angle of 59°37'02", a chord bearing and distance of N 60°07'36" E, 14.91 feet, for an arc length of 15.61 feet to a point;

N 89°56'07" E, a distance of 51.59 feet to a point;

N 00°03'53" W, a distance of 58.00 feet to a southwest corner of Lot 2, Block 1 of said Marshall Way Subdivision;

- THENCE: N 89°29'59" E, departing the east right-of-way line of said Marshall Way, with a north line of said 1296.619 acre tract, the south line of said Lot 2, a distance of 471.45 feet to the southeast corner of said Lot 2;
- THENCE: N 00°48'52" W, with a west line of said 1296.619 acre tract, the east line of said Lot 2, a distance of 458.68 feet to the northeast corner of said Lot 2, the southeast corner of said called 0.989 acre tract;
- THENCE: N 89°44'30" W, departing the west line of said 1296.619 acre tract, along and with the north line of said Lot 2, the south line of said called 0.989 acre tract, a distance of 208.21 feet to the southwest corner of said called 0.989 acre tract, on the east right-of-way line of said Marshall Way;
- THENCE: N 00°05'04" E, departing the north line of said Lot 2, along and with the west line of said called 0.989 acre tract, the east right-of-way line of said Marshall Way, a distance of 208.83 feet to the northeast corner of said called 0.989 acre tract, at the intersection of the east right-of-way line of said Marshall Way with the south right-of-way line of Chavaneaux Road, a 40-foot public right-of-way;
- THENCE: S 89°49'45" E, with the south right-of-way line of said Chavaneaux Road, the north line of said called 0.989 acre tract and the north line of said 1296.619 acre tract, a distance of 1095.57 feet to the northwest corner of a 2.0 acre tract conveyed to Eduardo and San Juanita Perez by deed recorded in Volume 18442, Page 2390 of said Official Public Records;
- THENCE: S 01°55'35" W, departing the south right-of-way line of said Chavaneaux Road, with an east line of said 1296.619 acre tract, the west line of said 2.0 acre tract, and the west line of a 1.0 acre tract conveyed to Deirdra Anderson by deed recorded in Volume 9108, Page 1703 of said Official Public Records, a distance of 1101.20 feet to the southwest corner of said 1.0 acre tract, a reentrant corner of said 1296.619 acre tract;
- THENCE: S 89°45'58" E, with a north line said 1296.619 acre tract, the south line of said 1.0 acre tract, and the south line of a 3.0 acre tract conveyed to Patricia Saucedo by deed recorded in Volume 8057, Page 528 of said Official Public Records, a distance of 244.88 feet to the southeast corner of said 3.0 acre tract, a reentrant corner of said 1296.619 acre tract;
- THENCE: N 01°23'00" E, with a west line of said 1296.619 acre tract, the east line of said 3.0 acre tract, a distance of 1101.20 feet to a northwest corner of said 1296.619 acre tract, the northeast corner of said 3.0 acre tract, on the south right-of-way line of said Chavaneaux Road;

THENCE: S 89°49'45" E, with the south right-of-way line of said Chavaneaux Road, the north line of said 1296.619 acre tract, a distance of 468.28 feet to a northeast corner of said 1296.619 acre tract, the northwest corner of a 10-foot street dedication described in Mario and Patricia Cavazos – A Subdivision, recorded in Volume 9611, Page 21 of said Deed and Plat Records, from which the northeast corner of said 10-foot street dedication, the northwest corner of a called 1.018 acre tract conveyed to Fiesta Oaks Properties, LLC by deed recorded in Volume 17590, Page 776 of the Official Public Records of Bexar County, Texas bears S 89°49'45" E, a distance of 592.85 feet;

THENCE: S 00°13'39" W, departing the south right-of-way line of said Chavaneaux Road, with the east line of said 1296.619 acre tract, and the west lines of the following tracts: said 10-foot street dedication, Lot 1, Block 2 of said Mario and Patricia Cavazos – A Subdivision, a 14.94 acre tract described in deed to Joseph DeGasperi recorded in Volume 6607, Pages 799-801 of the Deed Records of Bexar County, Texas, a 14.94 acre tract described in deed to Steve M. Rivas, recorded in Volume 4616, Page 398 of said Official Public Records, a 2.622 acre tract described in deed to Betty M. Gatlin and Josephine A. Gilchrist, recorded in Volume 15424, Page 1546 of said Official Public Records, a 14.96 acre tract described in deed to David Rodriguez, recorded in Volume 8189, Page 416 of said Official Public Records, and a tract described in deed to Dolores Rivas Arellano, recorded in Volume 15778, Page 286 of said Official Public Records, a distance of 2269.86 feet to the southwest corner of said Dolores Rivas Arellano tract;

THENCE: S 89°57'22" E, with a north line of said 1296.619 acre tract, the south line of said Dolores Rivas Arellano tract and the south line of a 14.94 acre tract conveyed to Steven M. Rivas by deed recorded in Volume 4616, Page 398 of said Official Public Records, a distance of 1962.77 feet to a point on the west high bank of the Old Espada Ditch;

THENCE: With an east line of said 1296.619 acre tract, the west high bank of said Old Espada Ditch, the following bearings and distances:

S 10°42'24" W, a distance of 113.94 feet to a point;

S 10°32'15" W, a distance of 39.06 feet to a point;

S 07°44'29" W, a distance of 91.88 feet to a point;

S 02°14'40" W, a distance of 13.15 feet to a point;

S 09°44'28" E, a distance of 83.22 feet to the southeast corner of said 1296.619 acre tract, the northeast corner of a 2.98 acre tract conveyed to Jose A. and Carmela Ferrer by deed recorded in Volume 12229, Page 618 of said Official Public Records;

THENCE: N 89°57'22" W, with a south line of said 1296.619 acre tract, the north lines of the following tracts: said 2.98 acre tract, a tract conveyed to Maria Gutierrez by deed recorded in Volume 5330, Page 409 of said Official Public Records, a 3.00 acre tract conveyed to Robert A. and Idrene Maspero by deed recorded in Volume 17973, Page 2122 of said Official Public Records, and a 3.00 acre tract conveyed to Antonio Ramirez Jr., et.al. by deed recorded in Doc. No. 20200033097 of said Official Public Records, a distance of 1938.01 feet to the northwest corner of said Antonio Ramirez Jr., et.al. tract;

THENCE: S 00°13'39" W, with an east line of said 1296.619 acre tract, the west lines of said Antonio Ramirez Jr., et.al. tract, a tract conveyed to Arthur B. Maspero by deed recorded in Volume 18185, Page 2337 of said Official Public Records, and a called 2.303 acre tract conveyed to Joseph Acevedo by deed recorded in Volume 7192, Page 267 of said Official Public Records, a distance of 954.11 feet to the southwest corner of said called 2.303 acre tract, a reentrant corner of said 1296.619 acre tract;

THENCE: S 89°57'22" E, with a north line of said 1296.619 acre tract, the south lines of the following tracts: said 2.303 acre tract, a 4.180 acre tract conveyed to Elena Dewitt Pena by deed recorded in Volume 6749, Page 127 of said Official Public Records, a 2.090 acre tract conveyed to Rodolfo Jimenez by deed recorded in Volume 17104, Page 893 of said Official Public Records, a 2.090 acre tract conveyed to Evy Adams by deed recorded in Document No. 20210156710 of said Official Public Records, and a 4.180 acre tract conveyed to Edward A. Dewitt by deed recorded in Volume 6749, Page 110 of said Official Public Records, a distance of 1574.16 feet to a point on the south line of said 4.180 acre tract;

THENCE: Departing the north line of said 1296.619 acre tract, the south line of said 4.180 acre tract, over and across said 1296.619 acre tract, the following bearings and distances:

Southeasterly, along a non-tangent curve to the left, said curve having a radius of 560.14 feet, a central angle of 67°45'06", a chord bearing and distance of S 29°07'04" E, 624.44 feet, for an arc length of 662.36 feet to a point;

Southeasterly, along a non-tangent curve to the right, said curve having a radius of 776.82 feet, a central angle of 27°06'45", a chord bearing and distance of S 14°32'44" E, 364.17 feet, for an arc length of 367.59 feet to a point;

S 16°49'27" E, a distance of 779.28 feet to a point;

S 78°25'51" W, a distance of 325.55 feet to a point;

S 16°36'05" E, a distance of 610.41 feet to a point;

S 88°01'10" W, a distance of 532.98 feet to a point;

S 39°48'30" W, a distance of 197.69 feet to a point;

S 05°22'19" E, a distance of 200.40 feet to a point;

S 39°39'33" W, a distance of 560.39 feet to a point;

S 75°42'06" W, a distance of 628.58 feet to a point;

Northwesterly, along a non-tangent curve to the right, said curve having a radius of 152.42 feet, a central angle of 100°56'51", a chord bearing and distance of N 62°41'51" W, 235.13 feet, for an arc length of 268.54 feet to a point;

N 17°28'39" W, a distance of 375.41 feet to a point;

S 86°55'56" W, a distance of 529.78 feet to a point on the north line of a variable width Trail Easement recorded in Document No. 20180195188 of the Official Public Records of Bexar County, Texas;

THENCE: Along the northerly line of said Trail Easement, continuing over and across said 1296.619 acre tract, the following bearings and distances:

Southwesterly, along a non-tangent curve to the left, said curve having a radius of 150.00 feet, a central angle of 36°53'43", a chord bearing and distance of S 82°20'47" W, 94.93 feet, for an arc length of 96.59 feet to a point;

Northwesterly, along a non-tangent curve to the right, said curve having a radius of 45.53 feet, a central angle of 129°25'15", a chord bearing and distance of N 51°23'28" W, 82.34 feet, for an arc length of 102.85 feet to a point;

Northeasterly, along a reverse curve to the left, said curve having a radius of 137.35 feet, a central angle of 10°58'47", a chord bearing and distance of N 07°49'46" E, 26.28 feet, for an arc length of 26.32 feet to a point;

N 87°39'38" W, a distance of 10.00 feet to a point;

Northwesterly, along a non-tangent curve to the left, said curve having a radius of 127.34 feet, a central angle of 33°33'44", a chord bearing and distance of N 14°26'32" W, 73.53 feet, for an arc length of 74.59 feet to a point;

Northeasterly, along a non-tangent curve to the right, said curve having a radius of 60.20 feet, a central angle of 84°17'27", a chord bearing and distance of N 10°55'18" E, 80.79 feet, for an arc length of 88.56 feet to a point;

Northeasterly, along a non-tangent curve to the left, said curve having a radius of 105.94 feet, a central angle of 74°15'42", a chord bearing and distance of N 15°56'11" E, 127.90 feet, for an arc length of 137.31 feet to a point;

Northwesterly, along a reverse curve to the right, said curve having a radius of 155.01 feet, a central angle of 22°56'39", a chord bearing and distance of N 09°43'21" W, 61.66 feet, for an arc length of 62.07 feet to a point;

Northwesterly, along a non-tangent curve to the left, said curve having a radius of 194.99 feet, a central angle of 31°27'28", a chord bearing and distance of N 13°58'45" W, 105.72 feet, for an arc length of 107.06 feet to a point;

Northwesterly, along a non-tangent curve to the right, said curve having a radius of 155.00 feet, a central angle of 13°11'45", a chord bearing and distance of N 23°06'37" W, 35.62 feet, for an arc length of 35.70 feet to a point;

Northwesterly, along a reverse curve to the left, said curve having a radius of 194.99 feet, a central angle of 43°23'07", a chord bearing and distance of N 38°12'18" W, 144.15 feet, for an arc length of 147.65 feet to a point;

Northwesterly, along a reverse curve to the right, said curve having a radius of 155.00 feet, a central angle of 46°34'19", a chord bearing and distance of N 36°36'42" W, 122.55 feet, for an arc length of 125.99 feet to a point;

Northwesterly, along a reverse curve to the left, said curve having a radius of 195.00 feet, a central angle of 45°03'30", a chord bearing and distance of N 35°51'17" W, 149.43 feet, for an arc length of 153.35 feet to a point;

N 31°36'58" E, a distance of 18.44 feet to a point;

N 31°10'42" W, a distance of 180.05 feet to a point;

Northwesterly, along a non-tangent curve to the left, said curve having a radius of 140.00 feet, a central angle of 80°38'42", a chord bearing and distance of N 50°50'58" W, 181.18 feet, for an arc length of 197.05 feet to a point;

Northwesterly, along a reverse curve to the right, said curve having a radius of 80.00 feet, a central angle of 10°18'44", a chord bearing and distance of N 86°00'57" W, 14.38 feet, for an arc length of 14.40 feet to a point;

Southwesterly, along a reverse curve to the left, said curve having a radius of 120.01 feet, a central angle of 24°57'39", a chord bearing and distance of S 86°39'35" W, 51.87 feet, for an arc length of 52.28 feet to a point;

Northwesterly, along a non-tangent curve to the right, said curve having a radius of 79.99 feet, a central angle of 31°49'19", a chord bearing and distance of N 89°54'35" W, 43.86 feet, for an arc length of 44.43 feet to a point;

Southwesterly, along a reverse curve to the left, said curve having a radius of 120.01 feet, a central angle of 34°08'53", a chord bearing and distance of S 88°55'38" W, 70.47 feet, for an arc length of 71.52 feet to a point;

Southwesterly, along a reverse curve to the right, said curve having a radius of 130.01 feet, a central angle of 26°17'39", a chord bearing and distance of S 85°00'01" W, 59.14 feet, for an arc length of 59.66 feet to a point;

Southwesterly, along a reverse curve to the left, said curve having a radius of 169.99 feet, a central angle of 19°19'25", a chord bearing and distance of S 88°29'08" W, 57.06 feet, for an arc length of 57.33 feet to a point;

Northwesterly, along a reverse curve to the right, said curve having a radius of 80.00 feet, a central angle of 27°57'48", a chord bearing and distance of N 87°11'40" W, 38.66 feet, for an arc length of 39.05 feet to a point;

Southwesterly, along a reverse curve to the left, said curve having a radius of 120.00 feet, a central angle of 45°59'57", a chord bearing and distance of S 83°47'16" W, 93.77 feet, for an arc length of 96.34 feet to a point;

Southwesterly, along a reverse curve to the right, said curve having a radius of 80.01 feet, a central angle of 34°21'51", a chord bearing and distance of S 77°58'13" W, 47.27 feet, for an arc length of 47.99 feet to a point;

Southwesterly, along a non-tangent curve to the left, said curve having a radius of 169.99 feet, a central angle of $25^{\circ}35'56''$, a chord bearing and distance of $S\ 82^{\circ}21'11''\ W$, 75.32 feet, for an arc length of 75.95 feet to a point;

$N\ 20^{\circ}26'47''\ W$, a distance of 10.00 feet to a point;

$S\ 70^{\circ}00'27''\ W$, a distance of 84.80 feet to a point;

$S\ 43^{\circ}46'33''\ W$, a distance of 49.40 feet to a point on the east line of Lot 1, Block 1, Chariot Subdivision recorded in Volume 20001, Pages 316-319 of the Deed and Plat Records of Bexar County, Texas;

THENCE: $N\ 28^{\circ}59'12''\ W$, along and with the east line of said Lot 1, a distance of 244.22 feet to the northeast corner of said Lot 1;

THENCE: $S\ 88^{\circ}24'46''\ W$, along and with the north line of said Lot 1, a distance of 1326.55 feet to a point;

THENCE: Departing the north line of said Lot 1, over and across said 1296.619 acre tract, the following bearings and distances:

$N\ 08^{\circ}51'27''\ E$, a distance of 489.46 feet to a point;

$S\ 72^{\circ}14'52''\ W$, a distance of 69.64 feet to a point;

Southwesterly, along a tangent curve to the right, said curve having a radius of 755.00 feet, a central angle of $28^{\circ}24'33''$, a chord bearing and distance of $S\ 86^{\circ}27'09''\ W$, 370.53 feet, for an arc length of 374.36 feet to a point;

$N\ 79^{\circ}20'35''\ W$, a distance of 107.73 feet to a point;

Southwesterly, along a tangent curve to the left, said curve having a radius of 645.00 feet, a central angle of $26^{\circ}47'21''$, a chord bearing and distance of $S\ 87^{\circ}15'45''\ W$, 298.84 feet, for an arc length of 301.58 feet to a point;

$S\ 73^{\circ}52'05''\ W$, a distance of 60.00 feet to a point;

$S\ 28^{\circ}52'05''\ W$, a distance of 62.17 feet to a point on a west line of said 1296.619 acre tract, the east right-of-way line of said U.S. Highway 281;

THENCE: N 13°16'45" W, with the west line of said 1296.619 acre tract, the east right-of-way line of said U.S. Highway 281, a distance of 79.53 feet to a point;

THENCE: N 16°07'55" W, continuing with the west line of said 1296.619 acre tract, the east right-of-way line of said U.S. Highway 281, a distance of 114.53 feet to the POINT OF BEGINNING and containing 426.794 acres in Bexar County, Texas. Said tract being described in conjunction with an exhibit prepared under job number 12632-00 by Pape-Dawson Engineers, Inc.

This document was prepared under 22TAC138.95, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared.

PREPARED BY: Pape-Dawson Engineers, Inc.
DATE: July 29, 2022
JOB NO. 12632-00
DOC. ID. N:\CIVIL\12632-00\Word\12632-00 FN_426.794 AC_PID.docx



EXHIBIT “E”:
BEXAR COUNTY RESOLUTION OF INTENT



RESOLUTION OF BEXAR COUNTY COMMISSIONERS COURT EXPRESSING ITS INTENT, SUBJECT TO THE CONDITIONS SPECIFIED HEREIN, TO CONSIDER THE FUTURE AMENDMENTS OF PUBLIC IMPROVEMENT DISTRICTS NAMED THE ESPADA SPECIAL IMPROVEMENT DISTRICT NO. 1 AND ESPADA SPECIAL IMPROVEMENT DISTRICT NO. 2 AND TO REVISE THE BOUNDARIES OF SAID DISTRICTS

WHEREAS, the Espada Special Improvement District No. 1 (“ESID No. 1”) and Espada Special Improvement District No. 2 (“ESID No. 2”) are located within the extraterritorial jurisdiction (the “ETJ”) of the City of San Antonio (the “City”), Bexar County (the “County”), Texas; and

WHEREAS, ESID No. 1 currently contains approximately 494.976 acres of land and ESID No. 2 contains approximately 758.895 acres of land; and

WHEREAS, on October 21, 2008, the County, pursuant to Chapter 372, Subchapter C¹ of the Texas Local Government Code, as amended (the “Code”), acting by and through the Commissioners Court, approved separate orders creating ESID No. 1 and ESID No. 2 (the “Original Creation Orders;” attached hereto as **Exhibit “A”** and incorporated herein for all purposes), which described ESID No. 1 and ESID No. 2’s purpose, powers, and authority; and

WHEREAS, on October 7, 2009, the County approved separate amendments to the Original Creation Orders (the “Amended Creation Orders;” attached hereto as **Exhibit “B”** and incorporated herein for all purposes), which restated the purpose, powers, and authority granted to each district and moreover amended the boundaries of ESID No. 1 and ESID No. 2; and

WHEREAS, pursuant to Section 382.113 of the Code, a petition (“Petition”) was filed with, and an application was submitted to, Bexar County, Texas (the “County”) to further amend the boundaries of ESID No. 1 and ESID No. 2; and

WHEREAS, the boundaries of ESID No. 1 are proposed to be revised to encompass approximately 426.794 acres of land (the “Subject Property”), the boundaries of which are more particularly described in **Exhibit “C”** and **Exhibit “D”** attached hereto and incorporated herein

¹ Now codified as Chapter 382 of the Texas Local Government Code.
Espada Special Improvement District Resolution of Intent

for all purposes; and

WHEREAS, none of the Subject Property is within the corporate boundaries of any municipality and all of the Subject Property is in the ETJ of the City and in the County; and

WHEREAS, a portion of the Subject Property is located within ESID No. 2; and

WHEREAS, upon the County's amendment of ESID No. 1 to encompass the boundaries of the Subject Property, and amendment to ESID No. 2 to remove that portion of the Subject Property from within the boundaries of ESID No. 2, a developer intends to help develop certain proposed onsite public improvements for a single-family residential and commercial development; and

WHEREAS, those certain proposed onsite public improvements are further described in a preliminary summary, which may be subject to revisions and amendments, attached hereto as **Exhibit "E"** and incorporated herein for all purposes; and

WHEREAS, the Subject Property is mostly undeveloped and, as such, the inclusion of the Subject Property in ESID No. 1 is necessary to pay for, or finance, public improvements and economic development within and that benefit ESID No. 1 and the County; and

WHEREAS, Section 382.113 of the Code authorizes a district to adopt an order excluding land from the district and moreover permits a district to adopt an order adding land to the district if, among other requirements, the district obtains consent of the county that created the district, which consent may be by a resolution of the county commissioners court;

WHEREAS, the Commissioners Court has considered this matter and deems it in the public interest to authorize this resolution.

NOW, THEREFORE BE IT RESOLVED BY THE COMMISSIONERS COURT OF BEXAR COUNTY:

SECTION I

The Creation Order for ESID No. 1 is proposed to be amended and restated to revise the district boundaries to include the Subject Property and to encompass approximately 426.794 acres of property, generally located at the southeast intersection of Roosevelt Avenue and Loop 410, as more particularly described in **Exhibit "C"** and **Exhibit "D"**. Moreover, a resolution to amend the boundaries of ESID No. 2 to remove that portion of the Subject Property within ESID No. 2's boundaries is proposed.

SECTION II

Upon an affirmative finding that the proposed amendment to ESID No. 1's Creation Order is in the best interest of the County and beneficial and advisable, Commissioners Court hereby expresses its intent, subject to Section III of this resolution, to consider: (1) an order amending ESID No. 1's Creation Order at a future date and revise the boundaries of ESID No. 1 to include the Subject Property, on terms and conditions Commissioners Court, in its sole discretion, deem advisable and (2) a resolution amending the boundaries of ESID No. 2 to remove that portion of the Subject Property within ESID No. 2's boundaries.

SECTION III


Consideration for the future amendment to ESID No. 1's Creation Order and revision of boundaries to include the Subject Property and resolution removing that portion of the Subject Property from the boundaries of ESID No. 2 will be subject to the following:

- A. Submission of documents and information for the proposed amendment to ESID No. 1, including, but not limited to, financial projections, exhibits, and any additional information or documents considered necessary and appropriate in order for County staff to make a recommendation to Commissioners Court that revision of ESID No. 1's boundaries to include the Subject Property is in the best interest of the County, as required by the Code.
- B. Submission of documents and information for the proposed public improvements described in **Exhibit "E"**, including, but not limited to, public improvement descriptions, infrastructure costs, and any additional information or documents considered necessary and appropriate in order for County staff to make a recommendation to Commissioners Court that revision of ESID No. 1's boundaries to include the Subject Property is in the best interest of the County, as required by the Code.
- C. Consultation with Precinct 4 Commissioner's Office related to proposed single-family residential lot layout within the District.
- D. Consent of the City of San Antonio, by resolution or ordinance, authorizing revision of ESID No. 1's boundaries to include the Subject Property and the revision of ESID No. 2 to remove that portion of the Subject Property which is presently located within its ESID No. 2's boundaries.

SECTION IV

This Resolution of Intent shall be effective immediately upon its passage and adoption.

Passed and Approved this 21 day of February, 2023.



Peter Sakai

County Judge



Rebeca Clay Flores

Commissioner, Precinct 1



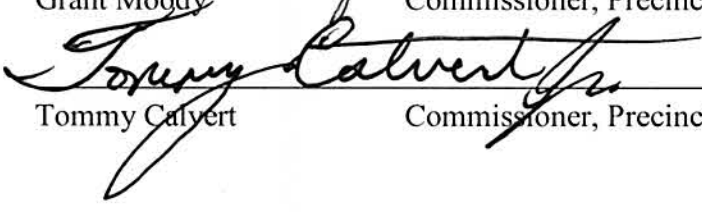
Justin Rodriguez

Commissioner, Precinct 2



Grant Moody

Commissioner, Precinct 3



Tommy Calvert

Commissioner, Precinct 4

EXHIBIT “F”:
MASTER DEVELOPMENT PLAN (“MDP”)

THIS DOCUMENT HAS BEEN PRODUCED FROM MATERIAL THAT WAS STORED AND/OR TRANSMITTED ELECTRONICALLY AND MAY HAVE BEEN INADVERTENTLY ALTERED. RELY ONLY ON FINAL HARDCOPY MATERIALS BEARING THE CONSULTANT'S ORIGINAL SIGNATURE AND SEAL. AERIAL IMAGERY PROVIDED BY GOOGLE © UNLESS OTHERWISE NOTED. Imagery © 2010, CAPCOG, Digital Globe, Texas Orthoregistry Program, USDA Farm Service Agency

EXHIBIT “G”:
DISTRICT STRATEGIC PARTNERSHIP AGREEMENT

STRATEGIC PARTNERSHIP AGREEMENT
BETWEEN THE CITY OF SAN ANTONIO, TEXAS AND
THE ESPADA SPECIAL IMPROVEMENT DISTRICT NO 1.

STATE OF TEXAS §
 §
COUNTY OF BEXAR §

The Strategic Partnership Agreement (this “Agreement”) is entered into by and between the City of San Antonio, Texas (the “City”) and the Espada Special Improvement District No. 1(the “District”).

RECITALS

WHEREAS, the City is a home-rule municipal corporation created and existing under the laws of the State of Texas and situated primarily in Bexar County, Texas; and

WHEREAS, the District is a public improvement district created under and subject to the authority, conditions, and restrictions of Section 52, Article III, and Section 59, Article XVI, of the Texas Constitution and Chapter 382 of the Texas Local Government Code, as amended, and operating under Chapter 49 of the Texas Water Code, as amended; and

WHEREAS, the City and the District are individually referred to as a “Party” and collectively as the “Parties”; and

WHEREAS, Section 43.0751 of the Texas Local Government Code (the “Act”) authorizes the City and the District to negotiate and enter this Agreement; and

WHEREAS, the District encompasses approximately 426.794 acres, more or less, located within the extraterritorial jurisdiction of the City as depicted on **Exhibit A** and more fully described on **Exhibit B** attached to this Agreement (the “Development”); and

WHEREAS, the City and the District are authorized and desire to enter into this Agreement to establish the terms and conditions upon which (i) the City will annex the land within the District for limited and full purposes, and (ii) limitations on the District’s ability to incur debt, liabilities, or obligations without prior approval of the municipality; and

WHEREAS, certain areas within the Development may be developed for commercial uses; and

WHEREAS, the City desires to annex the commercial use areas of the Development for the purpose of imposing and collecting sales and use taxes within such areas; and

WHEREAS, subject to the terms and conditions of this Agreement, the District consents to the City’s limited purpose annexation of the commercial use areas of the Development for the purpose of imposing and collecting sales and use taxes within such areas and to the full purpose annexation as provided in this Agreement; and

WHEREAS, the District provided notice of two public hearings in accordance with all applicable laws; and

WHEREAS, the board of directors of the District (the “Board”) conducted two public hearings in accordance with all applicable laws at which members of the public who wished to present testimony or evidence regarding this Agreement were given the opportunity to do so; and

WHEREAS, the Board has obtained all necessary consent required from Bexar County to allow the District to adopt this Agreement; and

WHEREAS, the Board approved and adopted this Agreement on _____, 20____, in open session at a meeting held in accordance with all applicable laws; and

WHEREAS, the City provided notice of two public hearings in accordance with all applicable laws; including Section 43.0751 and Section 43.9051(c) of the Texas Local Government Code.

WHEREAS, the City Council of the City (the “City Council”) conducted two public hearings in accordance with all applicable laws at which members of the public who wished to present testimony or evidence were given the opportunity to do so; and

WHEREAS, the City Council approved and adopted this Agreement on _____, 20 __, in open session in accordance with all applicable laws, which approval and adoption occurred after the Board approved and adopted this Agreement; and

WHEREAS, all notices, hearings and other procedural requirements imposed by law for the adoption of this Agreement have been met; and

WHEREAS, in accordance with the requirements of Subsection (p)(1) of the Act, this Agreement does not require the District to provide revenue to the City solely for the purpose of obtaining an agreement with the City to forego annexation of the District; and

NOW THEREFORE, for and in consideration of the mutual agreements contained in this Agreement, and for the good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the District and the City agree as follows:

ARTICLE I. RECITALS AND DEFINITIONS

Section 1.1 The recitals set forth above are true and correct and are incorporated herein and made a part hereof as findings for all purposes;

Section 1.2 In addition to the terms defined elsewhere in this Agreement, when used in this Agreement, each of the following terms will have the meaning indicated below:

Agreement means this Strategic Partnership Agreement between the City and the District.

Board means the Board of Directors of the District.

City Council means the City Council of the City.

City Manager means the City Manager of the City or designee

Conversion Date means the date upon which the City Council adopts an ordinance that includes the Land within the full-purpose boundary limits of the City.

Director means the City's Director of Planning or successor.

District means the Espada Special Improvement District.

Drainage Facilities means any drainage improvements designed and constructed to serve the Project, or that naturally receive and convey drainage through the Project, including water quality and flood mitigation facilities, storm drain systems, drainage ditches, open waterways, and other related facilities that convey or receive drainage.

Effective Date means the date the City ordinance approving this Agreement is effective, which date is _____, 202__.

Full Purpose Annexation Date means the Conversion Date.

Land means the land within the District's boundaries, as those boundaries may be modified from time to time with the consent of the City.

Limited Purpose Annexation means annexation by the City for the limited purposes of planning and zoning, and for the purpose of imposing and collecting sales and use taxes within such areas in accordance with the Act.

Original Limited Purpose Property means that Land designated as commercial on the Preliminary Master Development Plan as depicted on **Exhibit C** and more fully described on **Exhibit D** attached to this Agreement or any Land located within the District that is designated or developed for commercial use throughout the term of this Agreement.

Service Plan means the service plan attached as **Exhibit E** which specifies the municipal services to be provided by the City after the City's full annexation of land within the District.

ARTICLE II.

ADOPTION OF AGREEMENT AND LIMITED PURPOSE ANNEXATION OF PROPERTY

Section 2.1 Public Hearings. The Parties acknowledge and agree that prior to the execution of this Agreement, the Board and the City Council conducted public hearings to consider the adoption of this Agreement and that such hearings were noticed and conducted in accordance with all applicable laws.

Section 2.2 Effective Date. The effective date of this Agreement (the “Effective Date”) is the date it is approved and adopted by the City Council.

Section 2.3 Filing in Property Records. This Agreement shall be filed in the Real Property Records of Bexar County, Texas.

Section 2.4 Limited Purpose Annexation of Original Limited Purpose Property. The Parties agree that the City may annex the Original Limited Purpose Property for the sole and limited purpose of collecting sales and use taxes authorized by Chapter 321 of the Texas Tax Code (the “Tax Code”) to be imposed by the City on sales consummated within the Original Limited Purpose Property. The District acknowledges and agrees that the City Council may adopt a limited purpose annexation ordinance applicable to the Original Limited Purpose Property at a meeting conducted in accordance with Chapter 551 of the Texas Government Code and that no further notices, hearings, or other procedures shall be required to adopt such limited purpose annexation ordinance. The City may commence limited purpose annexation of the Original Limited Purpose Property following the first plat application for property within the area identified as commercial on **Exhibit C**. The District shall notify the City within 10 days of filing the first plat application for commercial property.

Section 2.5 Limited Purpose Annexation of Additional Commercial Property. If in the future any non-commercial land within the District as of the Effective Date is converted to any commercial use that contains eligible commercial activities for purposes of imposing sales and use taxes as allowed by the Tax Code, the Parties agree that the City may annex such additional commercial land (the “Additional Limited Purpose Property”) for the sole and exclusive purpose of imposing sales and use taxes pursuant to the Agreement. The District acknowledges and agrees that the City Council may adopt a limited purpose annexation ordinance applicable to the Additional Limited Purpose Property at a meeting conducted in accordance with Chapter 551 of the Texas Government Code and that no further notices, hearings, or other procedures shall be required to adopt such limited purpose annexation ordinance. The District shall notify the Director within 10 days of amending **Exhibit C**.

Section 2.6 Limited Purpose Property and Sales and Use Tax Revenues. For purposes of this Agreement, the Original Limited Purpose Property and Additional Limited Purpose Property, shall collectively be referred to as the “Limited Purpose Property”; and the sales and use taxes collected within the Limited Purpose Property shall be referred to as the “Sales and Use Tax Revenues”.

Section 2.7 Consent to Limited Purpose Annexation. The District hereby requests that the City annex the Limited Purpose Property solely for the purposes provided in this agreement. The District consents to such annexations, from time to time, and to the collection of sales and use tax revenues by the City within the Limited Purpose Property. Such consent shall bind the District.

Section 2.8 Voting. Pursuant to Section 43.130(a) of the Texas Local Government Code, the qualified voters of an area annexed for limited purposes are entitled to vote in municipal elections regarding the election or recall of members of the governing body of the municipality,

the election or recall of the controller, if the office of controller is an elective position of the municipality, and the amendment of the municipal charter. The voters may not vote in any municipal bond election.

ARTICLE III. TAXATION

Section 3.1 Collection of Sales and Use Tax Revenues. The City may impose a sales and use tax within the Limited Purpose Property pursuant to Subsection (k) of the Act. The sales and use tax may be imposed on all eligible commercial activities at the rate allowed under the Tax Code. Collection of Sales and Use Tax Revenues shall take effect on the date described in Section 321.102 of the Tax Code. The District agrees not to impose a sales and use tax within the Limited Purpose Property.

Section 3.2 Payment of Sales and Use Tax. The City shall pay to the District an amount equal to 25% of the Sales and Use Tax Revenues collected within the Limited Purpose Property (the “District Share”) commencing upon the effective date of the limited purpose annexation of the Limited Purpose Property and terminating upon the full purpose annexation or disannexation of the Limited Purpose Property. The City shall pay the District Share within 30 days after the City receives the sales tax report reflecting such revenues from the Comptroller of Public Accounts of the State of Texas (the “Comptroller”). Any payment of the District Share not made within such 30-day period shall bear interest calculated in accordance with Section 2251.025 of the Texas Government Code. The City shall retain all Sales and Use Tax Revenues that do not constitute the District Share (the “City Share”).

Section 3.3 Use of the Sales and Use Tax Revenues. The District may use the District Share for the following purposes and in the following order of priority: (i) FIRST, to pay for police, fire, and EMS services within the District; (ii) SECOND, to reimburse owners and developers of land within the District for the cost to design and construct improvements that are otherwise eligible for reimbursement through the issuance of District bonds (“Infrastructure”); (iii) THIRD, to pay for the operation, maintenance, repair, and replacement of Infrastructure; and (iv) LAST, for the retirement of District bonds after the 10th anniversary of issuance. The City may use the City share for any lawful purpose.

Section 3.4 Delivery of Sales Tax Reports to District. The City shall include with each payment of the District Share a condensed version of each sales tax report provided by the Comptroller relating to Sales and Use Tax Revenues within 30 days of the City’s receipt of such sales tax report.

Section 3.5 Notification of Comptroller. The City shall send notice of this Agreement, together with other required documentation, to the Comptroller in the manner provided by Tax Code, Section 321.102, after the City Council annexes the Limited Purpose Property for limited purposes.

Section 3.6 Termination of Sales and Use Tax Sharing. Upon termination of this Agreement, the City shall have no further financial obligation to the District pursuant to this Agreement, and all Sales and Use Tax Revenues shall be retained by the City.

Section 3.7 City Records and District Audit Rights. The District may audit the Sales and Use Tax Revenues to determine whether the District Share has been paid in accordance with this Agreement. The City shall provide reasonable accommodations for the District to perform the audit. Any audit shall be made at the District's sole cost and expense and may be performed at any time during the City's regular business hours on 30 days Notice. For purposes of any such audits, the City shall maintain and make available to the District's representatives all books, records, documents and other evidence of accounting procedures or practices to reflect the amount of Sales and Use Tax Revenues received by the City from within the Limited Purpose Property.

ARTICLE IV. FULL PURPOSE ANNEXATION

Section 4.1 The City agrees that it will not annex or attempt to annex the District property for full purposes until on or after December 31, 2054. When the land located within the District is annexed for full purpose annexation status in accordance with this Agreement and as provided by 43.0751 of the Texas Local Government Code, the conversion may be effected by City Council adoption of an ordinance incorporating the Land within full purpose city limits. Except as set out in this Agreement, no additional procedural or substantive requirements of State or local annexation law will apply to such annexation or to the annexation ordinance.

Section 4.2 The District acknowledges that the City may annex the District property for full purposes on or after the Full Purpose Annexation Date pursuant to the terms of the Agreement without the need for further action by the governing body of the municipality, including the procedures prescribed by Subchapters C-3, C-4, and C-5 of Chapter 43 of the Texas Local Government Code.

Section 4.3 The District consents to noncontiguous annexation of the District property by the City.

Section 4.4 Conversion Date-Full Purpose Annexation. Pursuant to Subsection (h) of the Act, the Limited Purpose Property shall be deemed to be within the full-purpose boundary limits of the City upon the Conversion Date without any further action by the City Council. For purposes of this Section 4.4, the Conversion Date is the date upon which the City Council adopts an ordinance that annexes for full purpose the Land within the District, including the Limited Purpose Property. The City may exercise its right to annex the District Property or any portion thereof (the "Annexation Area") in its sole discretion upon default of this Agreement or at the end of the term of this Agreement. The Parties further agree that this Agreement does not obligate the City to annex the entire or any part of the District Property or Annexation Area for limited or full purposes at any time.

Section 4.5 Service Plan. Following the Conversion Date, the City will provide additional municipal services within the District in accordance with the Service Plan attached in

Exhibit E which will be the Service Plan for the District. The District affirms that the Service Plan is sufficient, and no further negotiations or public hearings are required for the adoption of the Service Plan. The District agrees that it will not contest the Service Plan.

Section 4.6 Authority of the City Upon Full Purpose Annexation. Upon the Conversion Date, the City will have all of the authority and power within the Land that the City has in all other areas within the City's incorporated city limits, including the power to levy and collect ad valorem property taxes and sales taxes.

Section 4.7 Rights of District Residents upon Full Purpose Annexation. Following the Conversion Date, the residents of the Land will be citizens of the City for all purposes and will have all of the rights, privileges, and responsibilities accorded to citizens residing in all other areas within the City's incorporated city limits.

ARTICLE V. TERM

Section 5.1 This Agreement commences and binds the Parties on the Effective Date and continues until such time the City has annexed the Land for full purposes and the District is dissolved in accordance with Section 382.201(b) of the Local Government Code; or the City may unilaterally terminate this Agreement for convenience, with 90 days' notice to the District.

Section 5.2 On the Effective Date, the City will record this Agreement in the Official Public Records of Bexar County, Texas, and the terms of this Agreement will constitute covenants running with the land and will become binding on each current and future owner of any real property included within the Land. If, in the future, additional property is annexed to the District, then, upon the effective date of such annexation, the terms of this Agreement will become applicable to that additional property in the same manner and to the same extent as if the additional property had originally been included within the Land.

ARTICLE VI. DISTRICT ASSETS, LIABILITIES, AND OBLIGATIONS

Section 6.1. Upon the Conversion Date the City shall assume all of the District's assets, but the City will not be liable for the District's debt or other obligations pursuant to Section 382.201(a) of the Texas Local Government Code.

Section 6. 2. Transfer of Certain Easements and Real Property to City. Within 90 days after the Conversion Date, the District will convey to the City, at no cost to the City, any real property and/or easements owned or held by the District. All conveyances will be by appropriate instrument, acceptable in form and substance to the City and the District. If any necessary transfer of title is not accomplished, for any reason, by the Conversion Date, the District agrees that the City will be authorized to finalize such conveyances as the District's successor-in-interest.

Section 6.3 Limitation on Debt. The District may not incur any debt, liability, or other

obligation that extends past December 31, 2049, or sell or otherwise transfer property, without the prior approval of the City.

ARTICLE VII. BREACH, NOTICE AND REMEDIES

Section 7.1 Notification of Breach. If either Party commits a breach of this Agreement, the non-breaching Party shall give Notice, as detailed in Section 8.1 of this Agreement, to the breaching Party that describes the breach in reasonable detail.

Section 7.2 Cure of Breach. The breaching Party shall commence curing the breach within 15 calendar days after receipt of the Notice of the breach and shall complete the cure within 30 days from the date of commencement of the cure; however, if the breach is not reasonably susceptible to cure within such 30-day period, the non-breaching Party shall not bring any action so long as the breaching Party has commenced to cure within such 30-day period and diligently completes the work within a reasonable time without unreasonable cessation.

Section 7.3 Remedies for Breach. If the breaching Party does not substantially cure the breach within the stated period of time, the non-breaching Party may, in its sole discretion, and without prejudice to any other right under this Agreement, law, or equity, seek any relief available at law or in equity, including, but not limited to, an action under the Uniform Declaratory Judgment Act, specific performance, mandamus and injunctive relief; provided, however, that the non-breaching Party shall not be entitled to terminate this Agreement. Damages, if any, to which any non-breaching Party may be entitled shall be limited to actual damages and shall not include special or consequential damages.

ARTICLE VIII. ADDITIONAL PROVISIONS

Section 8.1 Notices. Any notices, certifications, approvals, or other communications (a "Notice") required to be given by one Party to another under this Agreement shall be given in writing addressed to the Party to be notified at the address set forth below and shall be deemed given: (i) when the Notice is delivered in person to the person to whose attention the Notice is addressed; (ii) 10 business days after the Notice is deposited in the United States Mail, certified or registered mail, return receipt requested, postage prepaid; (iii) when the Notice is delivered by Federal Express, UPS, or another nationally recognized courier service with evidence of delivery signed by any person at the delivery address; or (iv) 10 business days after the Notice is sent by FAX (with electronic confirmation by the sending FAX machine) with a confirming copy sent by United States mail within 48 hours after the FAX is sent. If any date or period provided in this Agreement ends on a Saturday, Sunday, or legal holiday, the applicable period for calculating the Notice shall be extended to the first business day following the Saturday, Sunday, or legal holiday. For the purpose of giving any Notice, the addresses of the Parties are set forth below. The Parties may change the information set forth below by sending Notice of such change to the other Party as provided in this Section 8.1.

To the City: City of San Antonio
Attn: Director of the Department of Planning
P.O. Box 839966
San Antonio, Texas 78283-3966

To the District: _____
Attn: _____

Section 8.2 No Waiver. Any failure by a Party to insist upon strict performance by the other Party of any provision of this Agreement shall not be deemed a waiver thereof, and the Party shall have the right at any time thereafter to insist upon strict performance of any and all of the provisions of this Agreement. No provision of this Agreement may be waived except by writing signed by the Party waiving such provision. Any waiver shall be limited to the specific purpose for which it is given. No waiver by any Party of any term or condition of this Agreement shall be deemed or construed to be a waiver of any other term or condition or subsequent waiver of the same term or condition.

Section 8.3 Governing Law and Venue. This Agreement shall be construed and enforced in accordance with the laws of the State of Texas, as they apply to contracts performed within the State of Texas and without regard to any choice of law rules or principles to the contrary. The Parties acknowledge that this Agreement is performable in Bexar County, Texas and hereby submit to the jurisdiction of the courts of Bexar County, Texas and hereby agree that any such court shall be a proper forum for the determination of any dispute arising hereunder.

Section 8.4 Authority to Execute. The City represents and warrants to the District that the execution of this Agreement has been duly authorized by the City Council and that the person executing this Agreement on behalf of the City has been duly authorized to do so by the City Council. The District represents and warrants to the City that the execution of this Agreement has been duly authorized by the Board and that the person executing this Agreement on behalf of the District has been duly authorized to do so by the Board.

Section 8.5 Severability. The provisions of this Agreement are severable and, in the event any word, phrase, clause, sentence, paragraph, section, or other provision of this Agreement, or the application thereof to any person or circumstance, shall ever be held or determined to be invalid, illegal, or unenforceable for any reason, and the extent of such invalidity or unenforceability does not cause substantial deviation from the underlying intent of the Parties as expressed in this Agreement, then such provision shall be deemed severed from this Agreement with respect to such person, entity or circumstance, without invalidating the remainder of this Agreement or the application of such provision to other persons, entities or circumstances, and a new provision shall be deemed substituted in lieu of the provision so severed which new provision shall, to the extent possible, accomplish the intent of the Parties as evidenced by the provision so severed.

Section 8.6 Changes in State or Federal Laws. If any state or federal law changes so as to make it impossible for the City or the District to perform its obligations under this Agreement,

the parties will cooperate to amend this Agreement in such a manner that is most consistent with the original intent of this Agreement as legally possible.

Section 8.7 Additional Documents and Acts. The Parties agree that at any time after execution of this Agreement, they will, upon request of the other Party, execute and/or exchange any other documents necessary to effectuate the terms of this Agreement and perform any further acts or things as the other Party may reasonably request to effectuate the terms of this Agreement.

Section 8.8 Assignment. This Agreement shall not be assignable without the other Party's written consent. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective representatives, successors, and assigns as permitted by this Agreement.

Section 8.9 Amendment. This Agreement may be amended only with the written consent of the Parties and with approval of the governing bodies of the City and the District.

Section 8.10 Interpretation. This Agreement has been negotiated by the Parties, each of which has been represented by counsel; consequently, the rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

Section 8.11 No Third Party Beneficiaries. This Agreement is solely for the benefit of the City and the District, and neither the City nor the District intends by any provision of this Agreement to create any rights in any third-party beneficiaries or to confer any benefit or enforceable rights under this Agreement or otherwise upon anyone other than the City and the District.

Section 8.12 Governmental Powers. Neither Party waives or surrenders any of its respective governmental powers, immunities or rights, except as specifically waived pursuant in this Section 8.12. Each Party waives its respective governmental immunity from suit and liability only as to any action brought by the other party to pursue the remedies available under this Agreement. Nothing in this Section 8.12 shall waive any claims, defenses, or immunities that either Party has with respect to suits against them by persons or entities not a party to this Agreement.

Section 8.13 Incorporation of Exhibits by References. All exhibits attached to this Agreement are incorporated into this Agreement by reference for the purposes set forth herein, as follows:

Exhibit A	Depiction of the Development
Exhibit B	Legal Description of the Development
Exhibit C	Depiction of the Limited Purpose Property
Exhibit D	Legal Description of the Limited Purpose Property
Exhibit E	Service Plan

Section 8.14 Counterpart Originals. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original.

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APPROVED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF THE CITY
OF SAN ANTONIO ON _____, 20__.

ATTEST:

CITY OF SAN ANTONIO

City Clerk

By: _____

Printed Name: _____

Title: _____

**APPROVED AS TO FORM AND
LEGALITY:**

City Attorney

STATE OF TEXAS §

§

COUNTY OF BEXAR §

This instrument was acknowledged before me on _____, 20__, by
_____, the _____ of the City of _____, Texas on behalf of the
city.

Notary Public, State of Texas

APPROVED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE ESPADA
SPECIAL IMPROVEMENT DISTRICT ON _____, 20__.

ESPADA SPECIAL IMPROVEMENT
DISTRICT

By: _____

Printed Name: _____

Title: President, Espada Special
Improvement District Board of
Directors

STATE OF TEXAS §

§

COUNTY OF BEXAR §

This instrument was acknowledged before me on _____, 20__, by
_____, the President, Board of Directors of the Espada Special Improvement District
on behalf of the District.

Notary Public, State of Texas

Exhibit A to Strategic Partnership Agreement

Depiction of the Development

Exhibit B to Strategic Partnership Agreement

Legal Description of the Development

Exhibit C to Strategic Partnership Agreement

Depiction of the Limited Purpose Property

Exhibit C to Strategic Partnership Agreement Depiction of the Limited and Full Purpose
Property– Page 1

Exhibit D to Strategic Partnership Agreement
Legal Description of the Limited Purpose Property

Exhibit D to Strategic Partnership Agreement Legal Description of the
Limited Purpose Property– Page 1

Exhibit E to Strategic Partnership Agreement

Service Plan

EXHIBIT “H”:
NOTICE REQUIRED BY TEXAS LOCAL GOVERNMENT CODE, SECTION 212.172(b-1)

**NOTICE REQUIRED BY TEXAS LOCAL GOVERNMENT CODE, SECTION
212.172 (b-1)**

1. Owners are not required to enter into this Agreement
2. At the termination of this Agreement or in the event of a default of the Agreement by Owners, the City may annex the Property within the District pursuant to section 212.172 of the Texas Local Government Code, as amended, and the terms provided in this Agreement.
3. The Property may also be annexed for limited or full purposes by the City pursuant to a Strategic Partnership Agreement (SPA) entered into between the City and the District in accordance with the terms of the SPA and the authority under section 43.0751 of the Local Government Code, as amended.
4. In the event of annexation of the Property by the City, the procedures for the annexation shall be as follows:
 - a. The City will notify the Owners and/or the District's Board of Directors that the City is exercising its rights under the Agreement and/or the SPA to annex the Property.
 - b. The City will schedule a public hearing on the City's annexation of the Property.
 - c. The City will adopt an ordinance annexing the Property and set an effective date for the annexation.
 - d. Services to be provided within the areas annexed by the City shall be in accordance with the terms of the Agreement and SPA.
5. The authority to annex the Property and the procedures for the annexation shall be deemed to be with the consent of the Owners, District and individual lot owners within the District, pursuant to the terms of the Agreement and SPA. The City will not be required or obligated to obtain further consent of the Owners, District or individual lot owners within the District in order to annex the Property.
6. Pursuant to section 212.172 (i) of the Local Government Code, the City's immunity from suit is waived for the purpose of adjudicating a claim for breach of contract with respect to the Agreement.