

AN ORDINANCE 2014 - 10 - 02 - 0758

AUTHORIZING A CHAPTER 380 ECONOMIC DEVELOPMENT PROGRAM GRANT AGREEMENT WITH CST BRANDS, INC., IN AN AMOUNT NOT TO EXCEED \$500,000.00.

* * * * *

WHEREAS, CST Brands, Inc. (“CST”) is one of the largest independent retailers of motor fuels and convenience merchandise in North America, with over 1900 Corner Stores throughout the United States and 1,200 employees; and

WHEREAS, CST is seeking to consolidate its corporate headquarters and distribution center into a facility located at 19500 Bulverde Rd., San Antonio, TX 78259; and

WHEREAS, upon completion, the consolidated facility would retain 305 full-time jobs in the San Antonio area and create an additional 100 full-time jobs for a cumulative total of 405 full-time jobs, with 280 of those full-time jobs paying no less than \$43,927.00 annually (the “Project”); and

WHEREAS, pursuant to Chapter 380 of the Texas Local Government Code, the City of San Antonio (the “City”) is authorized to establish and provide for the administration of one or more programs, including programs for making grants of public money to promote state or local economic development and to stimulate business and commercial activity in the municipality; and

WHEREAS, in accordance with City Ordinance No. 100684, the City created an Economic Development Program (the “Program”) for the purpose of making grants available for economic development projects that the City finds will accomplish the purpose and goals of Chapter 380; and

WHEREAS, the City finds that the goals of Chapter 380 will be met by assisting CST in undertaking and completing the Project and has identified economic development funds for use in carrying out this purpose; **NOW THEREFORE:**

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

SECTION 1. The City Council approves the terms and conditions of a Chapter 380 Economic Development Program Grant Agreement with CST Brands, Inc.

SECTION 2. The City Manager or her designee is authorized to execute a Chapter 380 Economic Development Program Grant Agreement with CST Brands, Inc. in accordance with the terms and conditions of this Ordinance. A copy of the Agreement, in substantially final form, is set out in **Attachment I**. The final agreement shall be filed with this Ordinance upon execution.

SECTION 3. Funding in the amount of \$500,000.00 for this Ordinance is contingent upon approval of the Fiscal Year 2015's Budget for Fund 29059000, Cost Center 1604010001 and General Ledger 5201040.

SECTION 4. If approved by City Council, payment not to exceed the budgeted amount is authorized CST Brands, Inc. and should be encumbered with a purchase order.

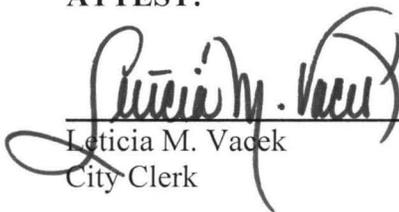
SECTION 5. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance, may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

SECTION 6. This Ordinance shall become effective immediately upon its passage by eight (8) votes or more and upon ten (10) days following its passage if approved by fewer than eight (8) votes.

PASSED AND APPROVED this 2nd day of October, 2014.


M A Y O R
Ivy R. Taylor

ATTEST:



Leticia M. Vacek
City Clerk

APPROVED AS TO FORM:



Robert F. Greenblum
City Attorney

Agenda Item:	34C (in consent vote: 34A, 34B, 34C, 34D)
Date:	10/02/2014
Time:	09:31:03 AM
Vote Type:	Motion to Approve
Description:	An Ordinance approving a \$500,000 EDIF Grant Agreement based on the retention of 280 high wage jobs.
Result:	Passed

Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Ivy R. Taylor	Mayor		x				
Diego Bernal	District 1		x				
Keith Toney	District 2		x				
Rebecca Viagran	District 3		x				
Rey Saldaña	District 4		x				
Shirley Gonzales	District 5		x				
Ray Lopez	District 6		x				x
Mari Aguirre-Rodriguez	District 7		x				
Ron Nirenberg	District 8		x				
Joe Krier	District 9	x					
Michael Gallagher	District 10		x			x	

ATTACHMENT I

**CHAPTER 380 ECONOMIC DEVELOPMENT PROGRAM GRANT AGREEMENT
BETWEEN THE CITY OF SAN ANTONIO AND CST BRANDS, INC.**

THIS CHAPTER 380 ECONOMIC DEVELOPMENT PROGRAM GRANT AGREEMENT (hereinafter referred to as this "Agreement") is made and entered into by and among the City of San Antonio (hereinafter referred to as "GRANTOR"), a municipal corporation of the State of Texas, acting by and through its City Manager or her designee, and CST BRANDS, INC. (hereinafter referred to as "GRANTEE"), a Delaware corporation. Together, GRANTOR and GRANTEE may be referred to herein as the "Parties."

WHEREAS, GRANTEE is one of the largest independent retailers of motor fuels and convenience merchandise in North America; and

WHEREAS, GRANTEE is engaged in an economic development project consisting of the expansion of its corporate headquarters located at 19500 Bulverde Road, San Antonio, Texas 78259, and more specifically described in Exhibit A (the "Project Site"), that will result in the retention of two hundred and eighty (280) High-Wage Full-Time Jobs (the "Project"); and

WHEREAS, GRANTEE has requested economic development incentive funds to assist GRANTEE to defer costs associated with undertaking and completing the Project at the Project Site; and

WHEREAS, pursuant to Chapter 380 of the Texas Local Government Code, GRANTOR is authorized to grant funds to promote state or local economic development and to stimulate business and commercial activity in the municipality and, pursuant to City Ordinance No. 100684, GRANTOR adopted an economic development program which meets the requirements of Chapter 380 of the Texas Local Government Code; and

WHEREAS, GRANTOR has identified funds to be made available to incentivize GRANTEE to undertake and complete the Project at the Project Site; and

WHEREAS, the City Council of GRANTOR has authorized the City Manager or her designee to enter into this Agreement with GRANTEE in accordance with City Ordinance No.2014-_____, passed and approved on October 2, 2014 to grant said funds; **NOW THEREFORE:**

The Parties hereto severally and collectively agree, and by the execution hereof are bound, to the mutual obligations herein contained and to the performance and accomplishment of the tasks hereinafter described:

SECTION 1. AGREEMENT PURPOSE

The purpose of this Agreement is to provide an economic development grant to GRANTEE as an incentive for GRANTEE to undertake the Project at the Project Site. GRANTOR anticipates that if the Project is undertaken at the Project Site, the Project will promote local economic development and stimulate business and commercial activity in the City of San Antonio by retaining two hundred eighty (280) Full-Time High Wage Jobs for the Term of this Agreement. As such, GRANTOR is willing to support the Project through the economic development grants provided in this Agreement to provide funds to be used to defer costs associated with undertaking and completing the Project.

SECTION 2. PROJECT REQUIREMENTS

In consideration of GRANTOR providing the economic development grants provided in Section 3 of this Agreement, GRANTEE will comply with the following obligations:

A. Project Site. GRANTEE will own, hold an interest in or otherwise control the Project Site for the Term of this Agreement, as further defined in Section 5 below. Notwithstanding the foregoing, should GRANTEE fail to own, hold an interest in or otherwise control the Project Site prior to March 1, 2015, this Agreement shall be terminated and neither Party shall be held to any of the terms or conditions herein.

B. Investment. Between the Effective Date of this Agreement (as defined on the signature page) and December 31, 2016, GRANTEE shall invest at least TWENTY-SEVEN MILLION DOLLARS AND 0 CENTS (\$27,000,000.00) in real and personal property improvements at the Project Site (the "Required Capital Investment"). GRANTEE shall retain all pertinent records evidencing GRANTEE's real and personal property expenditures for the Term (as defined in Section 5) of this Agreement. The following shall also apply with regard to the Required Capital Investment:

1. The Parties acknowledge that pursuant to the terms of that certain Tax Abatement Agreement of even date approved by City Ordinance No. 2014-_____-_____-_____ (the "Tax Abatement Agreement"), GRANTEE is entitled to a 10-year, eighty-percent (80%) tax abatement of ad valorem real and personal property taxes on the Project Site provided that GRANTEE make the Required Capital Investment and meet the jobs retention and creation requirements set forth therein. This Agreement does not require additional investment, only compliance with the Required Capital Investment and High Wage Full-Time Jobs requirements set forth herein, and all other obligations contained herein and in the Tax Abatement Agreement.

C. Business Activities. GRANTEE shall conduct, at the Project Site, certain business activities typically conducted by the corporate headquarters by September 30, 2016 and logistics center of a large-scale distribution company (all of such activities hereinafter collectively referred to as the "Business Activities") prior to March 31, 2015, and thereafter operate the same at the Project Site for the Term of this Agreement, except to the extent said Project Site may be rendered unsuitable for such use due to a Force Majeure Event (as defined in Section 17 of this Agreement). Except as provided herein, GRANTEE covenants and agrees that the Business Activities will not be changed without the written consent of GRANTOR, such consent not to be unreasonably withheld, conditioned or delayed. However, such consent shall not be necessary if a Related Organization (being defined as a parent, subsidiary, an entity to which GRANTEE is a General Partner, or affiliate organization of GRANTEE or any entity which succeeds to or receives an assignment of GRANTEE's interest under this Agreement as a result of a merger, acquisition, or other corporate restructure or reorganization of GRANTEE, or any parent, subsidiary or affiliate of such entity) occupies the Project Site and continues to use the premises for the Business Activities consistent with the terms and conditions of this Agreement. To be eligible for the benefits of this Agreement, the Related Organization must agree in writing, to assume all of GRANTEE's obligations hereunder and under the Tax Abatement Agreement and to comply with all applicable terms herein from and after the date it succeeds to GRANTEE's interest in this Agreement, and if requested by GRANTOR, the Related Organization must enter into an amendment to this Agreement evidencing such agreement. In the event of any such transfer to a Related Organization, GRANTEE must notify GRANTOR in writing of same no later than the thirtieth (30th) calendar day following the effective date of such transfer. GRANTEE acknowledges that any change in the principal use of the Project Site from that contemplated herein without the prior written approval of GRANTOR, to the extent the same is required under this Agreement, may result in a loss or recapture of the economic development grants to be provided to GRANTEE under this Agreement.

D. Full-Time Jobs. GRANTEE shall maintain a minimum of two hundred and eighty (280) High-Wage Full-Time Jobs, as defined below, at the Project Site commencing no later than March 1, 2015.

1. For the purposes of this Agreement, a High-Wage Full-Time Job shall be a full-time job retained by GRANTEE at the Project Site that:

(i) is a permanent job;

(ii) will provide at least 2,080 hours of employment a year to a single employee; and

(iii) pays at least FORTY-THREE THOUSAND NINE HUNDRED AND TWENTY-SEVEN DOLLARS AND 0 CENTS (\$43,927.00) annually.

2. Additionally, to qualify as a "Full-Time Job employee" for purposes of this Agreement, each such employee will be offered an opportunity to participate in the employee benefits program of its respective employer which shall be substantially similar to employee benefits offered to similarly situated employees of such employer in other locations. In addition, in order to qualify as a "Full-Time Job employee", said employee shall be offered a health plan which provides coverage for their eligible dependents on terms substantially similar to the coverage provided to the eligible dependents generally of its respective employer's non-temporary full-time employees at other locations.

E. Certification. Within thirty (30) business days of the end of each calendar year during the Term of this Agreement, GRANTEE will provide GRANTOR's Director of Economic Development Department with an annual certification from an officer or representative of GRANTEE attesting to the number of Full-Time Jobs retained at the Project Site during the preceding year, as well as wages paid, the annual average salary for all such employees and GRANTEE's current investment in real and personal property.

SECTION 3. ECONOMIC DEVELOPMENT PROGRAM GRANT

In exchange for GRANTEE undertaking and completing the Project at the Project Site, GRANTOR will provide an economic development incentive grant to GRANTEE as follows:

A. Economic Development Program Grant. GRANTOR will provide GRANTEE with an Economic Development Program Grant in the amount of FIVE HUNDRED THOUSAND DOLLARS AND 0 CENTS (\$500,000.00). The grant shall be payable no sooner than forty-five (45) days following the passage of a duly authorized City ordinance approving this Agreement and upon the submission by GRANTEE of evidence identifying and attesting to two hundred and eighty (280) High-Wage Full-Time Jobs.

SECTION 4. RESERVED.

SECTION 5. TERM PERIOD

The Term referenced in this Agreement shall commence upon the Effective Date and shall continue in effect for a period of sixteen (16) years (the "Term") unless terminated as otherwise provided herein.

SECTION 6. GRANTOR'S OBLIGATIONS

A. Payment. GRANTEE acknowledges that the payment of funds hereunder shall be subject to, and made solely from, annual appropriations of GRANTOR in the budget year in which they are to be paid as may be legally set aside for the implementation of ARTICLE III, Section 52A of the Texas Constitution, Chapter 380 of the Texas Local Government Code, or any other economic development or financing program authorized by statute or home-rule powers of GRANTOR under applicable Texas law, subject to any applicable limitations or procedural requirements. In the event that GRANTOR does not appropriate funds necessary to pay the grants herein provided in any budget year (as reflected in GRANTOR's adopted budget for such year), GRANTOR shall not be liable to GRANTEE for such payments or expenditures unless and until such appropriation of funds is made, provided, however, that, in such event, GRANTEE may, in its sole discretion, terminate this Agreement, in which event GRANTEE and GRANTOR shall have no further obligations under this Agreement including, but not limited to any obligations for the year in respect to which said unappropriated funds relate. In the event GRANTOR does not appropriate funds necessary to pay GRANTEE in a particular budget year, GRANTOR shall use reasonable efforts to appropriate funds the following budget year(s) to pay funds due to GRANTEE. Failure of GRANTOR to appropriate funds in a particular budget year in which they are due and owing to GRANTEE shall not relieve GRANTOR of the obligation to pay GRANTEE such funds in the subsequent year(s) when funds are appropriated.

B. No Liability for Costs. Except as set forth in this Agreement, GRANTOR will not be liable to GRANTEE or any other entity for any costs incurred by GRANTEE in connection with this Agreement.

SECTION 7. RETENTION AND ACCESSIBILITY OF RECORDS

A. Retention. GRANTEE shall maintain the records and supporting documentation (the "Records") relating to: 1) the amount of investment in real and personal property; 2) the creation and maintenance of Full-Time Jobs (including High Wage Full-Time Jobs); and 3) salaries of all full-time employees at the Project Site. GRANTEE shall retain such records and any supporting documentation through the end of the Term of this Agreement.

B. Access. GRANTEE shall, following at least five (5) business days' advance, written notice from GRANTOR, give GRANTOR, its designee, or any of their duly authorized representatives, access to the Records at the Project Site during normal business hours. GRANTOR's access to the Records will be limited to reviewing information needed to verify that GRANTEE is and has been in compliance with the terms of this Agreement. GRANTOR may not copy or otherwise take control of such Records. Any information that is not required by law to be made public shall be kept confidential by GRANTOR. GRANTEE shall not be required to disclose to GRANTOR any information that by law or by contract GRANTEE is required to keep confidential. Should any good faith dispute or question arise as to the validity of the data provided, GRANTOR reserves the right to require GRANTEE to obtain an independent firm to verify the information. This certified statement by an independent firm shall be provided at the sole cost of GRANTEE. The rights to access the Records shall continue through the Term of this Agreement. Failure to provide reasonable access to the Records to authorized City representatives shall give GRANTOR the right to suspend or terminate this Agreement as provided for herein, or any portion thereof, for reason of default.

SECTION 8. MONITORING

A. GRANTOR reserves the right to confirm GRANTEE's compliance with the terms and conditions of this Agreement. GRANTOR shall consult with GRANTEE and create a monitoring report noting its findings related to GRANTEE'S compliance with the terms and conditions of this Agreement.

GRANTOR will provide GRANTEE with a written report of the monitor's findings within ninety (90) calendar days following completion of the particular report. If the monitoring report notes deficiencies in GRANTEE's performances under the terms of this Agreement, the monitoring report shall include a listing of requirements for the correction of such deficiencies by GRANTEE and a reasonable amount of time in which to attain compliance. Failure by GRANTEE to take action specified in the monitoring report, and failure to cure any deficiency within the applicable Cure Period in accordance with Section 15(A) herein, may be cause for suspension or termination of this Agreement, in accordance with Sections 15 and 16 herein.

B. GRANTEE shall provide to GRANTOR an annual certification with reasonable supporting information evidencing the investment in real and personal property at the Project Site, the creation of and filling of the number of jobs at the Project Site; and compliance with the wage requirements as specified in this Agreement.

SECTION 9. CONFLICT OF INTEREST

If applicable, GRANTEE shall ensure that no employee, officer, or individual agent of GRANTOR shall participate on behalf of GRANTEE in the selection, award or administration of a subcontract supported by funds provided hereunder if a conflict of interest would be involved. Such conflict of interest would arise when: (1) the employee, officer, or individual agent; (2) any member of his or her immediate family; (3) his or her partner; or, (4) any organization which employs, or is about to employ any of the above, has a financial or other interest in the firm or person selected to perform the subcontract and the relationship calls for payments to be made to such subcontractor on terms which are greater than those which are customary in the industry for similar services conducted on similar terms. To the extent GRANTEE hires any former or current employee or official of GRANTOR who would be subject to GRANTOR's ethics policy, as same exists from time to time, GRANTEE shall take reasonable efforts to ensure that such person complies with all applicable requirements of GRANTOR's ethics ordinance in dealings between GRANTOR and GRANTEE.

SECTION 10. SECTARIAN ACTIVITY

A. Sectarian Activity. None of the performances rendered by GRANTEE under this Agreement shall involve, and no portion of the funds received by GRANTEE under this Agreement shall be used in support of, any sectarian or religious activity, nor shall any facility used in the performance of this Agreement be used for sectarian instruction or as a place of religious worship.

SECTION 11. LEGAL AUTHORITY

A. Legal Authority. Each party assures and guarantees to the other that it possess the legal authority to enter into this Agreement, to receive/deliver the funds authorized by this Agreement, and to perform their respective obligations hereunder.

B. Signatories. Each party represents and warrants to the other that the person or persons signing and executing this Agreement on behalf of such party has been duly authorized to execute this Agreement on behalf of that party and to validly and legally bind that party to all terms, performances and provisions herein set forth.

SECTION 12. GOVERNING LAW AND VENUE

A. Notice to GRANTOR. GRANTEE shall give GRANTOR immediate notice in writing of any (i) OSHA complaint filed by an employee of GRANTEE concerning the Project Site, or (ii) notice of any

bankruptcy of GRANTEE, or (iii) any notice given by GRANTEE to its employees at the Project Site required under any applicable laws pertaining to contemplated job reductions at the Project Site. GRANTEE shall submit a copy of each such notice required hereunder to GRANTOR within thirty (30) calendar days after receipt or issuance, as applicable.

B. Texas Torts Claims Act. GRANTEE acknowledges that GRANTOR is a political subdivision of the State of Texas and is subject to, and complies with, the applicable provisions of the Texas Tort Claims Act, as set out in the Civil Practice and Remedies Code, Section 101.001 et. seq., and the remedies authorized therein regarding claims and causes of action that may be asserted by third parties for accident, injury or death.

C. Venue. This Agreement shall be interpreted according to the Constitution and the laws of the State of Texas. Venue of any court action brought directly or indirectly by reason of this Agreement shall be in Bexar County, Texas.

SECTION 13. ATTORNEY'S FEES

In the event GRANTEE or GRANTOR should default under any of the provisions of this Agreement and the other should employ attorneys or incur other expenses for the collection of the payments due under this Agreement or the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees to pay to the reasonable fees of such attorneys and such other expenses so incurred by the non-defaulting party so ordered by a court having jurisdiction over the Parties.

SECTION 14. CHANGES AND AMENDMENTS

A. Amendments in Writing. Except as provided below, any alterations, additions, or deletions to the terms of this Agreement shall be by amendment hereto in writing and executed by the Parties to this Agreement.

B. 380 Program. It is understood and agreed by the Parties hereto that performances under this Agreement shall be rendered in accordance with the laws and rules governing the Economic Development Program as set forth in Texas Local Government Code Chapter 380, and the terms and conditions of this Agreement.

SECTION 15. SUSPENSION

A. Notice and Cure Period. Notwithstanding the provisions of Chapter 2251 of the Texas Government Code, if applicable, or anything else in this Agreement to the contrary, in the event GRANTEE fails to comply with the terms of this Agreement, GRANTOR shall provide GRANTEE with written notification as to the nature of the non-compliance and grant GRANTEE a sixty (60) day period following the date of GRANTEE's receipt of GRANTOR's written notification to cure any issue of non-compliance. Should GRANTEE fail to cure any default within this period of time, or such longer period of time as may be reasonably necessary for GRANTEE to cure the default in question if the same cannot reasonably be cured within such sixty (60) day period, GRANTOR may, upon written notice of suspension to GRANTEE, suspend this Agreement in whole or in part and withhold further payments to GRANTEE until the default is cured. Such notice of suspension shall include: (1) the reasons for such suspension; (2) the effective date of such suspension; and (3) in the case of partial suspension, the portion of this Agreement to be suspended.

B. Lifting of Suspension. A suspension under this Section shall be lifted upon a showing by GRANTEE that the event of default has been cured or by a written waiver of GRANTOR of the term(s) in question.

C. No Liability. GRANTOR shall not be liable to GRANTEE or to GRANTEE's creditors for costs incurred during any term of suspension of this Agreement.

SECTION 16. DEFAULT, TERMINATION AND RECAPTURE, AND OTHER REMEDIES

A. Relocation Defined. For purposes of this section, "Relocation" "Relocated" or "Relocate" shall mean GRANTEE or a Related Organization, or any other permitted transferee of GRANTEE's rights under this Agreement, which has taken the place of GRANTEE, transferring all Business Activities from the Project Site to a location outside of GRANTOR's city limits for reasons other than the inability to conduct the Business Activities at the Project Site due to casualty, condemnation or other reasons beyond the reasonable control of GRANTEE or its subsidiaries or any such Related Organization or other permitted transferee of GRANTEE's rights under this Agreement (any of the foregoing being a "Force Majeure Event" as further defined in Section 17 below).

B. Default of GRANTEE. GRANTEE shall be in default under this Agreement:

1. Relocation. If during the Term of this Agreement, GRANTEE occupies and uses the Project Site for its Business Activities and subsequently Relocates (as defined in Section 16(A)) during the Term, then GRANTOR shall have the right to terminate this Agreement. Said termination shall be effective for the calendar year during which the Relocation is completed. Unless GRANTEE presents credible evidence to clearly indicate a date of Relocation, GRANTOR's determination shall be final and conclusive. Upon termination, GRANTOR shall have the right to recapture from GRANTEE all funds previously disbursed to GRANTEE, and/or for the benefit of GRANTEE, under this Agreement and not previously recaptured by GRANTOR in accordance with the recapture schedule set forth in Section 16(C) below, and GRANTOR shall be entitled to the payment of the amounts to which it is entitled within sixty (60) calendar days from the date it notifies GRANTEE in writing of termination and its election to recapture such amounts.
2. Cessation of Business Activities. If, after the conditions set forth in Section 2(B) of this Agreement are met, GRANTEE occupies and uses the Project Site for its Business Activities and subsequently ceases conducting Business Activities at the Project Site for a continuous period of three (3) months during the Term of this Agreement for any reason, except if such cessation is caused by a Force Majeure Event, then GRANTOR shall have the right to terminate this Agreement. Said termination shall be effective for the calendar year during which the cessation occurred. Unless GRANTEE presents credible evidence to clearly indicate a date of cessation, GRANTOR's determination of a date of cessation shall be final and conclusive. Upon termination, GRANTOR shall have the right to recapture from GRANTEE all funds previously disbursed to GRANTEE, and/or for the benefit of GRANTEE, under this Agreement and not previously recaptured by GRANTOR in accordance with the recapture schedule set forth in Section 16(C) below and GRANTOR shall be entitled to the payment of the amounts to which it is entitled within sixty (60) calendar days from the date it notifies GRANTEE in writing of termination and its election to recapture such amounts.
3. Number of Jobs. If GRANTEE, its affiliates and/or subsidiaries, any Related Organization, and/or other GRANTOR-approved assignee permitted under this Agreement fails to, for any

reason other than a Force Majeure Event, maintain at the Project Site at least two hundred and eighty (280) High Wage Full-Time Jobs, or having done so thereafter fails to maintain at the Project Site at least two hundred and eighty (280) High Wage Full-Time Jobs throughout the Term of this Agreement, GRANTOR may terminate this Agreement. Upon such termination, all funds previously disbursed to GRANTEE, and/or for the benefit of GRANTEE, under this Agreement which have not been previously recaptured by GRANTOR may be recaptured by GRANTOR according to the schedule set forth in Section 16(C) below.

C. In any circumstance where GRANTOR is entitled and elects, to recapture funds disbursed hereunder, the portion subject to recapture shall be as follows:

<u>TERM YEAR IN WHICH RECAPTURE OCCURS</u>	<u>TOTAL PERCENTAGE OF UNRECAPTURED FUNDS TO BE RECAPTURED:</u>
1-10	100%
11-12	80%
13	60%
14	40%
15	20%
16	10%

GRANTOR shall be entitled to the payment of such disbursed funds within sixty (60) calendar days from the date it notifies GRANTEE in writing.

D. Limitation on Recapture. Notwithstanding the foregoing, any such recapture shall be subject to any and all lawful offsets, settlements, deductions or credits to which GRANTEE may be entitled at law or under this Agreement. The termination and/or recapture of grant funds provided in this Section 16 are not applicable to situations involving minor changes to the description of the Project Site, or GRANTOR-approved changes in ownership or in management thereof, so long as GRANTEE, its parent, subsidiary, affiliate or any successor or assignee allowed under the terms of this Agreement, continues conducting Business Activities or other authorized activities thereon as provided hereinabove.

E. Limitation on Remedies. The foregoing termination and recapture rights shall be GRANTOR's sole and exclusive remedies in the event GRANTEE shall default under this Agreement.

SECTION 17. AUTHORIZED RELIEF FROM PERFORMANCE (Force Majeure)

In addition to relief expressly granted in this Agreement, GRANTEE shall be granted relief from performance of this Agreement to the extent GRANTEE is prevented and/or impaired from compliance and performance by any Force Majeure Event. In addition to the events mentioned in Section 16 above, a "Force Majeure Event" shall also include, but not be limited to, an act of war, order of legal authority, act of God, terrorism, social unrest, strike, natural disaster, supply shortage, or other unavoidable cause not attributed to the fault or negligence of GRANTEE. It also includes an explosion or other casualty or accident, which is not the result of negligence, intentional act or misconduct on the part of GRANTEE. The burden of proof for the need for such relief shall rest upon GRANTEE. To obtain relief based upon this Section 17, GRANTEE must file a written notice with GRANTOR's Economic Development Department specifying the Force Majeure Event and the performance under this Agreement that such event is impairing.

SECTION 18. SPECIAL CONDITIONS AND TERMS

GRANTEE, in accordance with Chapter 2264 of the Texas Government Code, agrees not to knowingly employ any worker during the Term of this Agreement who is not lawfully admitted for permanent residence to the United States or who is not authorized under law to be employed in the United States ("Undocumented Workers"). If GRANTEE is convicted of a violation under 8 U.S.C. Section 1324a (f), then GRANTEE shall repay GRANTOR the amounts granted by this Agreement for the tax year(s) covered under this Agreement during which such violation occurred. Such payment shall be made within one-hundred twenty (120) business days after the date GRANTEE is notified by GRANTOR of such violation. GRANTOR, in its sole discretion, may extend the period for repayment herein. Additionally, GRANTEE shall pay interest on the amounts due to GRANTOR under this Section 18 at the rate of five percent (5%) per annum from the date of such violation notice until paid. GRANTEE shall not be liable for a violation of Chapter 2264 by a subsidiary, affiliate or franchisee or by a person with whom GRANTEE contracts.

SECTION 19. TIME IS OF THE ESSENCE & REASONABLENESS

The Parties acknowledge that time is of the essence with respect to their obligations under this Agreement. The Parties further agree to act reasonably and in good faith when acting under the terms of this Agreement.

SECTION 20. NO WAIVER

Failure by either party to exercise any right or remedy hereunder available to it shall not constitute a waiver of the right to exercise that or any other right or remedy at any time in the future, absent a written agreement to the contrary.

SECTION 21. NON-ASSIGNMENT AND DEBARMENT

This Agreement is not assignable by any Party without the written consent of the non-assigning party. GRANTOR shall not unreasonably withhold, condition, or delay its consent to any such assignment by GRANTEE. Notwithstanding the foregoing, GRANTEE may assign this Agreement to a Related Organization, without the written consent of GRANTOR. If GRANTEE so assigns this Agreement to a Related Organization, it will provide notice of such assignment to GRANTOR on or before the ninetieth (90th) calendar day following the date of assignment. Any assignment of this Agreement in violation of this Section shall enable GRANTOR to terminate this Agreement and exercise its rights under this Agreement, subject to Section 15 of this Agreement. Any assignment of this Agreement by GRANTEE shall relieve GRANTEE of all obligations and liabilities under this Agreement. Notwithstanding the foregoing, GRANTEE and/or any successor to GRANTEE's interest in this Agreement may collaterally assign and/or grant a security interest in the payments to be received by GRANTEE hereunder without GRANTOR's consent if required by any lender providing financing to any such entity or any parent, subsidiary, or affiliated company of such entity.

By signing this Agreement, GRANTEE agrees that it will not knowingly award or pay funds provided under this Agreement to any party which is debarred, suspended or otherwise excluded from or ineligible for participation in assistance programs by GRANTOR.

SECTION 22. ORAL AND WRITTEN AGREEMENTS

All oral and written agreements between the Parties to this Agreement relating to the subject matter of this Agreement that were made prior to the execution of this Agreement have been reduced to writing and are contained in this Agreement.

SECTION 23. NOTICE

Any notice required or permitted to be given hereunder by one party to the other shall be in writing and the same shall be given and shall be deemed to have been served and given if: (a) delivered in person to the address set forth herein below for the party to whom the notice is given; (b) placed in the United States mail with postage prepaid, return receipt requested, properly addressed to such party at the address hereinafter specified; or (c) deposited, with fees prepaid, into the custody of a nationally recognized overnight delivery service such as FedEx, addressed to such party at the address hereinafter specified. Any notice mailed in the above manner shall be effective two (2) business days following its deposit into the custody of the United States Postal Service or one (1) business day following its deposit into the custody of such nationally recognized delivery service, as applicable; all other notices shall be effective upon receipt. From time to time, either party may designate another address for all purposes under this Agreement by giving the other party no less than ten (10) calendar days advance written notice of such change of address in accordance with the provisions hereof.

TO GRANTOR:

TO GRANTEE:

(Whether personally delivered or mailed):

City of San Antonio
Attn: Economic Development
P.O. Box 839966
San Antonio, Texas 78283-3966

CST Brands, Inc.
19500 Bulverde
San Antonio, TX 78259
Attn: Internal Audit Department

- If by personal or overnight delivery:

Economic Development
Attn: Director
19th Floor
100 W. Houston Street
San Antonio, Texas 78205

SECTION 24. INCORPORATION OF EXHIBITS

Each of the Exhibits and Attachments listed below is an essential part of the Agreement, which governs the rights and duties of the parties, and shall be interpreted in the order of priority as appears below:

Exhibit A- Project Site Description

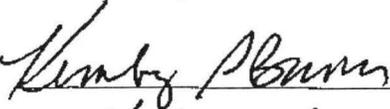
Signatures appear on next page.

WITNESS OUR HANDS, EFFECTIVE as of October 2, 2014 (the "EFFECTIVE DATE");

Accepted and executed in triplicate originals on behalf of the City of San Antonio pursuant to the attached Ordinance Number 2014-____-____-____ and GRANTEE pursuant to its authority.

CITY OF SAN ANTONIO,
a Texas Municipal Corporation

CST BRANDS, INC. (GRANTEE)
a Delaware corporation



Sheryl L. Sculley
CITY MANAGER

Name: *Kimberly S Bowen*
Title: *CEO & President*

ATTEST:

ATTEST:

Leticia Vacek
CITY CLERK

Print Name:

APPROVED AS TO FORM:

Robert F. Greenblum
CITY ATTORNEY

Exhibit A- Project Site Description

EXHIBIT "A"



FIELD NOTES
FOR
TRACT J

A 77.00 acre, (3,354,000 square foot more or less), tract of land being all of Lot 1, Block 1, The Psychological Corporation, recorded in Volume 9548, Pages 157-160 of the Deed and Plat Records of Bexar County, Texas. Said Lot 1 being all of that same called 77.0003 acre tract of land recorded in Volume 10103, Pages 2133-2144 of the Official Public Records of Real Property, Bexar County, Texas, out of the John Fridge Survey No. 91, Abstract 233, County Block 4920, the D. Losoya Survey No. 396, Abstract 450, County Block 4922, the A. Houston Survey No. 341, Abstract 354, County Block 4956 and the C. E. P. I. & M. Co., Survey No. 397, Abstract 924, County Block 4921 of Bexar County, Texas, now in New City Block (N.C.B.) 34920 in the City of San Antonio, Bexar County, Texas and being more particularly described as follows, with the bearings based on the Psychological Corporation Subdivision Plat recorded in Volume 9548, Pages 157-160 of the Deed and Plat Records of Bexar County, Texas:

COMMENCING: At the southeast culbeck of the east right-of-way line of Bulverde Road (a 110 foot right-of-way) and the north right-of-way line of Charles Anderson Loop (Loop 1604);

THENCE: N 40°26'46" W, coincident with the east right-of-way line of said Bulverde Road a distance of 125.00 feet to, an angle point of a 748.034 acre tract recorded in Volume 9140, Pages 964-987 of the Official Public Records of Real Property of Bexar County, Texas;

THENCE: N 23°10'19" W, coincident with the west line of the 748.034 acre tract, the east right-of-way line of said Bulverde Road, widened in condemnation by the 9.17 acre and 6.07 acre tracts described in Volume 4431, Page 1987-1992 of the Official Public Records of Real Property of Bexar County, Texas, now a 110-foot right-of-way, a distance of 45.37 feet to the beginning of a curve to the left;

THENCE: Northerly coincident with the east right-of-way line of said Bulverde Road, the west line of the 748.034 acre tract and with the curve to the left, said curve having a radial bearing of S 85°38'34" W, a radius of 1255.00 feet, a central angle of 08°33'00", a chord bearing and distance of N 08°37'56" W, 187.11 feet, and an arc length of 187.28 feet to the end of the curve;

THENCE: N 12°54'26" W, coincident with the east right-of-way line of said Bulverde Road, a distance of 95.95 feet to the beginning of a curve to the right;

THENCE: Northerly, coincident with the east right-of-way line of said Bulverde Road, the west line of the 748.034 acre tract and with the curve to the right, said curve having a radius of 1445.00 feet, a central angle of 31°06'24", a chord bearing and distance of N 02°38'46" E, 774.91 feet, and an arc length of 784.51 feet to the end of the curve;

PAPER-DAWSON ENGINEERS, INC.

666 East Ramsey | San Antonio, Texas 78216 | Phone 210.376.9000 | Fax 210.376.0010 | info@pape-dawson.com

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77.00 Acres

- THENCE: N 18°11'58" E, coincident with the east right-of-way line of said Bulverde Road, the west line of the 748.034 acre tract, a distance of 18.06 feet to the beginning of a curve to the left;
- THENCE: Northerly, and northwesterly, coincident with the east right-of-way line of said Bulverde Road, the west line of the 748.034 acre tract and with the curve to the left, said curve having a radius of 1555.00 feet, a central angle of 43°58'53", a chord bearing and distance of N 03°47'29" W, 1164.56 feet, and an arc length of 1193.65 feet to the end of the curve;
- THENCE: N 25°46'55" W, coincident with the east right-of-way line of said Bulverde Road, the west line of the 748.034 acre tract, a distance of 713.00 feet to the beginning of a curve to the right;
- THENCE: Northwestealy, and northerly, coincident with the east right-of-way line of said Bulverde Road, the west line of the 748.034 acre tract and with the curve to the right, said curve having a radius of 4945.00 feet, a central angle of 10°37'16", a chord bearing and distance of N 20°28'17" W, 915.36 feet, and an arc length of 916.67 feet to the end of the curve;
- THENCE: N 15°09'39" W, coincident with the east right-of-way line of said Bulverde Road, the west line of the 748.034 acre tract, a distance of 1306.92 feet to the beginning of a curve to the right;
- THENCE: Northerly, coincident with the east right-of-way line of said Bulverde Road and with the curve to the right, said curve having a radius of 4945.00 feet, a central angle of 09°07'55", a chord bearing and distance of N 10°35'42" W, 787.30 feet, and an arc length of 788.14 feet to a found 1/4" iron rod at the end of the curve;
- THENCE: N 06°01'45" W, coincident with the east right-of-way line of said Bulverde Road, at a distance of 1537.10 feet pass a found 1/4" iron rod with a yellow cap marked "Pape Dawson", the most westerly southwest corner of a 1.614 acre tract recorded in Volume 8345, Pages 160-172 of the Official Public Records of Real Property, Bexar County, Texas, continuing a total distance of 1574.63 feet to a found 1/4" iron rod with a yellow cap marked "Pape Dawson" the northwest corner of the 1.614 acre tract, the southwest corner and POINT OF BEGINNING of the herein described tract;
- THENCE: N 06°01'45" W, coincident with the east right-of-way line of said Bulverde Road, a distance of 1316.70 feet to a found 1/4" iron rod, with a yellow cap marked "Pape Dawson", the beginning of a curve to the right;
- THENCE: Northerly, coincident with the east right-of-way line of said Bulverde Road and with the curve to the right, said curve having a radius of 1645.00 feet, a central angle of 20°38'16", a chord bearing and distance of N 04°17'23" E, 589.23 feet, and an arc length of 592.52 feet to a found 1/4" iron rod with a yellow cap marked "Pape Dawson", at the end of the curve;

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- THENCE: N 14°36'31" E, coincident with the east right-of-way line of said Bulverde Road, a distance of 463.29 feet to a found 1/2" iron rod with a yellow cap marked "Pape Dawson", the beginning of a curve to the left;
- THENCE: Northerly, coincident with the east right-of-way line of said Bulverde Road and with the curve to the left, said curve having a radius of 1905.00 feet, a central angle of 07°02'28", a chord bearing and distance of N 11°05'17" E, 233.96 feet, and an arc length of 234.11 feet to a found 1/2" iron rod with a yellow cap marked "Pape Dawson" at the southwest corner of a 17.5 acre tract described in instrument recorded in Volume 9289, Pages 2064-2116 of the Official Public Records of Real Property of Bexar County, Texas, the northwest corner of the herein described tract;
- THENCE: S 89°54'15" E, departing the east right-of-way line of Bulverde Road, a distance of 901.12 feet to a found 1/2" iron rod with a yellow cap marked "Pape Dawson" the northwest corner of a 13.70 acre tract recorded in Volume 10103, Pages 2133-2144 of the Official Public Records of Real Property of Bexar County, Texas, the northeast corner of the herein described tract;
- THENCE: S 06°05'25" E, coincident with the west line of the 13.70 acre tract, a distance of 564.42 feet to a found 1/2" iron rod with a yellow cap marked "Pape Dawson", an angle of the 13.70 acre tract, an angle of the herein described tract;
- THENCE: S 39°04'27" E, coincident with the west line of the 13.70 acre tract, a distance of 464.43 feet to a found 1/2" iron rod with a yellow cap marked "Pape Dawson", an angle of the 13.70 acre tract, an angle of the herein described tract;
- THENCE: S 00°34'07" W, coincident with the west line of the 13.70 acre tract, a distance of 899.76 feet to a found 1/2" iron rod with a yellow cap marked "Pape Dawson", an angle of the 13.70 acre tract, an angle of the herein described tract;
- THENCE: S 14°57'06" W, coincident with the west line of the 13.70 acre tract, a distance of 852.67 feet to a found 1/2" iron rod with a yellow cap marked "Pape Dawson", said point being on the west line of Lot 136, Block 2 of the Roseheart Subdivision Unit 1, recorded in Volume 9555, Pages 184-186 of the Deed and Plat Records of Bexar County, Texas, the south corner of the 13.70 acre tract, a corner of the herein described tract;
- THENCE: S 40°54'54" W, departing the west line of the 13.70 acre tract, coincident with the west line of said Lot 136, a distance of 284.09 feet to a found 1/2" iron rod with a yellow cap marked "Pape Dawson", said point being on the north line of a 2.222 acre tract recorded in Volume 9183, Pages 2018-2035 of the Official Public Records of Bexar County, Texas, the south corner of the herein described tract;

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THENCE: N 57°03'40" W, coincident with the north line of said 2.222 acre tract, at a distance of 161.95 feet pass a found "A" in rock, the east corner of the aforementioned 1.614 acre tract, continuing for a total distance of 518.30 feet to a found 1/2" iron rod with a yellow cap marked "Pape Dawson", an angle of the 1.614 acre tract, an angle of the herein described tract;

THENCE: N 89°25'53" W, coincident with the north line of the 1.614 acre tract, a distance of 471.44 feet to the POINT OF BEGINNING, containing 77.00 acres in the City of San Antonio, Bexar County, Texas. Said tract being described in accordance with a survey prepared by Pape Dawson Engineers Inc

PREPARED BY: Pape-Dawson Engineers, Inc.
DATE: May 13, 2004
JOB No. 9032-04
DOC. ID.: N:\Survey04\4-9200\9132-04\FIELDNOTES3.doc



13 May 2004

Frances Ann Muntz

EXHIBIT "A"

FIELD NOTES

FOR

TRACT II



A 13.70 acre (596,900 square foot more or less), tract of land recorded in Volume 10103, Pages 2133-2144 of the Official Public Records of Real Property, Bexar County, Texas. Said 13.70 acre tract being out of the John Fridge Survey No. 91, Abstract 233, County Block 4920, and the A. Houston Survey No. 341, Abstract 354, County Block 4956 of Bexar County, Texas, now in New City Block (N.C.B.) 34920 in the City of San Antonio, Bexar County, Texas and being more particularly described as follows, with the bearings based on the Psychological Corporation Subdivision Plat recorded in Volume 9548, Pages 157-160 of the Deed and Plat Records of Bexar County, Texas:

COMMENCING: At the southeast cutback of the east right-of-way line of Bulverde Road (a 110-foot right-of-way) and the north right-of-way line of Charles Anderson Loop (Loop 1604);

THENCE: N 40°26'46" W, coincident with the east right-of-way line of said Bulverde Road, the west line of a 748.034 acre tract recorded in Volume 9140, Pages 964-987, a distance of 125.00 feet to, an angle point of said 748.034 acre tract;

THENCE: N 23°30'19" W, coincident with the west line of the 748.034 acre tract, the east right-of-way line of said Bulverde Road, widened in condemnation by the 9.17 acre and 6.07 acre tracts described in Volume 4431, Page 1987-1992 of the Official Public Records of Real Property of Bexar County, Texas, now a 110-foot right-of-way, a distance of 45.37 feet to the beginning of a curve to the left;

THENCE: Northerly coincident with the east right-of-way line of said Bulverde Road, the west line of the 748.034 acre tract and with the curve to the left, said curve having a radial bearing of S 85°38'34" W, a radius of 1255.00 feet, a central angle of 08°33'00", a chord bearing and distance of N 08°37'56" W, 187.11 feet, and an arc length of 187.28 feet to the end of the curve;

THENCE: N 12°54'26" W, coincident with the east right-of-way line of said Bulverde Road, the west line of the 748.034 acre tract, a distance of 95.95 feet to the beginning of a curve to the right;

THENCE: Northerly, coincident with the east right-of-way line of said Bulverde Road, the west line of the 748.034 acre tract and with the curve to the right, said curve having a radius of 1445.00 feet, a central angle of 31°06'24", a chord bearing and distance of N 02°38'46" E, 774.91 feet, and an arc length of 784.51 feet to the end of the curve;

THENCE: N 18°11'58" E, coincident with the east right-of-way line of said Bulverde Road, the west line of the 748.034 acre tract, a distance of 18.06 feet to the beginning of a curve to the left;

PAPE-DAWSON ENGINEERS, INC.

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13.70 Acres

- THENCE: Northerly, and northwesterly, coincident with the east right-of-way line of said Bulverde Road, the west line of the 748.034 acre tract and with the curve to the left, said curve having a radius of 1355.00 feet, a central angle of $43^{\circ}58'53''$, a chord bearing and distance of $N 03^{\circ}47'29'' W$, 1164.56 feet, and an arc length of 1193.65 feet to the end of the curve;
- THENCE: $N 25^{\circ}46'55'' W$, coincident with the east right-of-way line of said Bulverde Road, the west line of the 748.034 acre tract, a distance of 713.00 feet to the beginning of a curve to the right;
- THENCE: Northwesterly, and northerly, coincident with the east right-of-way line of said Bulverde Road, the west line of the 748.034 acre tract and with the curve to the right, said curve having a radius of 4945.00 feet, a central angle of $10^{\circ}37'16''$, a chord bearing and distance of $N 20^{\circ}28'17'' W$, 915.36 feet, and an arc length of 916.67 feet to the end of the curve;
- THENCE: $N 15^{\circ}09'39'' W$, coincident with the east right-of-way line of said Bulverde Road, the west line of the 748.034 acre tract, a distance of 1306.92 feet to the beginning of a curve to the right;
- THENCE: Northerly, coincident with the east right-of-way line of said Bulverde Road, the west line of the 748.034 acre tract and with the curve to the right, said curve having a radius of 4945.00 feet, a central angle of $09^{\circ}07'55''$, a chord bearing and distance of $N 10^{\circ}35'42'' W$, 787.30 feet, and an arc length of 788.14 feet to a found $\frac{1}{4}''$ iron rod, the end of the curve;
- THENCE: $N 06^{\circ}01'45'' W$, coincident with the east right-of-way line of said Bulverde Road, at 1537.10 feet pass the southwest corner of a 1.614 acre tract of land recorded in Volume 8345, Pages 160-172 of the Official Public Records of Real Property, Bexar County, Texas, at 1574.63 feet pass the southwest corner of Lot 1, Block 1, The Psychological Corporation recorded in Volume 9548, Pages 157-160 of the Deed and Plat Records of Bexar County, Texas, continuing a total distance of 2891.33 feet to a found $\frac{1}{4}''$ iron rod with a yellow cap marked "Pape Dawson", the beginning of a curve to the right;
- THENCE: Northerly, coincident with the east right-of-way line of said Bulverde Road the west line of said Lot 1, and with the curve to the right, said curve having a radius of 1645.00 feet, a central angle of $20^{\circ}38'16''$, a chord bearing and distance of $N 04^{\circ}17'23'' E$, 589.33 feet, and an arc length of 592.52 feet to a found $\frac{1}{4}''$ iron rod with a yellow cap marked "Pape Dawson", the end of the curve;
- THENCE: $N 14^{\circ}36'31'' E$, coincident with the east right-of-way line of said Bulverde Road, the west line of said Lot 1, a distance of 463.29 feet, to a found $\frac{1}{4}''$ iron rod with a yellow cap marked "Pape Dawson", the beginning of a curve to the right;

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- THENCE: Northerly, coincident with the east right-of-way line of said Bulverde Road, the west line of said Lot 1, and with the curve to the left, said curve having a radius of 1905.00 feet, a central angle of $07^{\circ}02'28''$, a chord bearing and distance of $N 11^{\circ}05'17'' E$, 233.96 feet, and an arc length of 234.11 feet to a found $\frac{1}{4}$ " iron rod with yellow cap, marked "Pape Dawson" at a point of intersection with a non-tangent line, the northwest corner of said Lot 1;
- THENCE: $S 89^{\circ}54'15'' E$, departing the east right-of-way line of said Bulverde Road, coincident with the north line of said Lot 1, a distance of 901.12 feet to a found $\frac{1}{4}$ " iron rod with a yellow cap marked "Pape Dawson", the northeast corner of Lot 1, the northwest corner and POINT OF BEGINNING of the herein described tract;
- THENCE: $S 89^{\circ}54'15'' E$, passing the southwest corner of a 4.439 acre tract described in instrument recorded in Volume 9242, Pages 2323-2344 of the Official Public Records of Real Property of Bexar County, Texas, at a distance of 68.27 feet and continuing coincident with the south line of said 4.439 acre tract for a total distance of 220.23 feet to a set $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape Dawson", the northeast corner of the herein described tract;
- THENCE: $S 06^{\circ}05'25'' E$, coincident with a west line of said 4.439 acre tract, passing through the south corner of said 4.439 acre tract, the southwest corner of a 44.01 acre tract described in instrument recorded in Volume 9240, Pages 1345-1352 of the Official Public Records of Real Property of Bexar County, Texas, at a distance of 182.79 feet and continuing coincident with the west line of said 44.01 acre tract for a total distance of 475.87 feet to a found $\frac{1}{4}$ " iron rod with a yellow cap marked "Pape Dawson", an angle of said 44.01 acre tract, an angle of the herein described tract;
- THENCE: $S 39^{\circ}04'27'' E$, coincident with a west line of said 44.01 acre tract, passing through south corner of said 44.01 acre tract, the west corner of a 6.168 acre tract described in instrument recorded in Volume 9240, Pages 1353-1366 of the Official Public Records of Real Property of Bexar County, Texas, at a distance of 123.18 feet, and continuing along and with the west line of said 6.168 acre tract, passing through the south corner of said 6.168 acre tract, the west corner of a 30.452 acre tract described in instrument recorded in Volume 9242, Pages 2323-2344, at a distance of 323.44 feet, and continuing coincident with the west line of said 30.452 acre tract for a total distance of 530.57 feet to a found $\frac{1}{4}$ " iron rod with a yellow cap marked "Pape Dawson", an angle of said 30.452 acre tract, an angle of the herein described tract;

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13.70 Acres

- THENCE: S 00°34'07" W, coincident with the west line of said 30.452 acre tract, passing through the southwest corner of said 30.452 acre tract, the northwest corner of a 10.32 acre tract recorded in Volume 9183, Pages 2018-2035 of the Official Public Records of Bexar County, Texas, at a distance of 76.53 feet, and continuing coincident with the west line of said 10.32 acre tract passing through the southwest corner of said 10.32 acre tract, the northwest corner of the remainder of a 103.6 acre tract recorded in Volume 9183, Pages 2008-2017 of the Official Public Records of Bexar County, Texas, at a distance of 303.17 feet, continuing coincident with the west line of said 103.6 acre tract for a total distance of 836.76 feet to a found 1/2" iron rod with a yellow cap marked "Pape Dawson", an angle of the said 103.6 acre tract, an angle of Lot 136 Block 2 of the Roseheart Subdivision Unit 1, recorded in Volume 9555, Pages 184-186 of the Deed and Plat Records of Bexar County, Texas, an angle of the herein described tract;
- THENCE: S 14°57'06" W, coincident with the west line of the said Lot 136, a distance of 564.31 feet to a found 1/2" iron rod with a yellow cap marked "Pape Dawson", an angle of the said 103.6 acre tract, and an angle of the herein described tract;
- THENCE: S 40°54'54" W, coincident with the west line of the said 103.6 acre tract, a distance of 500.12 feet to a found 1/2" iron rod with a yellow cap marked "Pape Dawson", a corner of the aforementioned Lot 1, the south corner of the herein described tract;
- THENCE: N 14°57'06" E, departing the west line of said 103.6 acre tract, coincident with the east line of said Lot 1, a distance of 852.67 feet to a found 1/2" iron rod with a yellow cap marked "Pape Dawson", an angle of Lot 1, an angle of the herein described tract;
- THENCE: N 00°34'07" E, coincident with the east line of said Lot 1, a distance of 899.76 feet to a found 1/2" iron rod with a yellow cap marked "Pape Dawson", an angle of Lot 1, an angle of the herein described tract;
- THENCE: N 39°04'27" W, coincident with the east line of said Lot 1, a distance of 464.43 feet to a found 1/2" iron rod with a yellow cap marked "Pape Dawson", an angle of Lot 1, an angle of the herein described tract;
- THENCE: N 06°05'25" W, a distance of 564.42 feet to the POINT OF BEGINNING, containing 13.70 acres in the City of San Antonio, Bexar County, Texas. Said tract being described in accordance with a survey prepared by Pape Dawson Engineers Inc;

PREPARED BY: Pape Dawson Engineers, Inc.
DATE: May 13, 2004
JOB No. 9182-04
DOC ID: N:\Survey\044 9200\9132-04\FIRLONOTES2.doc



13 MAY 04
Patricia Ann Manfredo

EXHIBIT "A"



FIELD NOTES FOR TRACT III

A 1.614 acre, (70,290 square foot more or less), tract of land recorded in Volume 10103, Pages 2133-2144 of the Official Public Records of Real Property, Bexar County, Texas. Said 1.614 acre tract being out of the D. Losoya Survey No. 396, Abstract 450, County Block 4922, and the A. Houston Survey No. 341, Abstract 354, County Block 4956 of Bexar County, Texas, now in New City Block (N.C.B.) 34956 in the City of San Antonio, Bexar County, Texas, said 1.614 acre tract being all of that 1.614 acres conveyed to ISAT Limited Partnership in Special Warranty Deed recorded in Volume 9325, Pages 2201-2211 of the Official Public Records of Real Property of Bexar County, Texas and being more particularly described as follows, with the bearings based on the Psychological Corporation Subdivision Plat recorded in Volume 9548, Pages 157-160 of the Deed and Plat Records of Bexar County, Texas:

COMMENCING: At the southeast cutback of the east right-of-way line of Bulverde Road (a 110 foot right-of-way) and the north right-of-way line of Charles Anderson Loop (Loop 1604);

THENCE: N 40°26'46" W, coincident with the east right-of-way line of said Bulverde Road a distance of 125.00 feet to, an angle point of a 748.034 acre tract recorded in Volume 9140 Pages 964-987 of the Official Public Records of Real Property of Bexar County, Texas;

THENCE: N 23°30'19" W, coincident with the west line of the 748.034 acre tract, the east right-of-way line of Bulverde Road, widened in condemnation by the 9.17 acre and 6.07 acres tract described in Volume 4431, Page 1987-1992 of the Official Public Records of Real Property of Bexar County, Texas, now a 110-foot right-of-way, a distance of 45.37 feet to the beginning of a curve to the left;

THENCE: Northerly coincident with the east right-of-way line of said Bulverde Road, the west line of the 748.034 acre tract and with the curve to the left, said curve having a radial bearing of S 85°38'34" W, a radius of 1255.00 feet, a central angle of 08°33'00", a chord bearing and distance of N 08°37'56" W, 187.11 feet, and an arc length of 187.28 feet to the end of the curve;

THENCE: N 12°34'26" W, coincident with the east right-of-way line of said Bulverde Road, the west line of the 748.034 acre tract, a distance of 95.95 feet to the beginning of a curve to the right;

THENCE: Northerly, coincident with the east right-of-way line of said Bulverde Road, the west line of the 748.034 acre tract and with the curve to the right, said curve having a radius of 1445.00 feet, a central angle of 31°06'24", a chord bearing and distance of N 02°38'46" E, 774.91 feet, and an arc length of 784.51 feet to the end of the curve;

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- THENCE: N 18°11'58" E, coincident with the east right-of-way line of said Bulverde Road, the west line of the 748.034 acre tract, a distance of 18.06 feet to the beginning of a curve to the left;
- THENCE: Northerly, and northwesterly, coincident with the east right-of-way line of said Bulverde Road, the west line of the 748.034 acre tract, a distance of 1555.00 feet to the left, said curve having a radius of 1555.00 feet, a central angle of 43°58'53", a chord bearing and distance of N 02°47'00" W, 1164.36 feet, and an arc length of 1193.63 feet to the end of the curve;
- THENCE: N 25°46'55" W, coincident with the east right-of-way line of said Bulverde Road, the west line of the 748.034 acre tract, a distance of 13.00 feet to the beginning of a curve to the right;
- THENCE: Northwestery, and northerly, coincident with the east right-of-way line of said Bulverde Road, the west line of the 748.034 acre tract, a distance of 915.36 feet to the beginning of a curve to the right, said curve having a radius of 494.00 feet, a central angle of 10°37'16", a chord bearing and distance of N 7°28'10" W, 915.36 feet, and an arc length of 916.67 feet to the end of the curve;
- THENCE: N 15°09'39" W, coincident with the east right-of-way line of said Bulverde Road, the west line of the 748.034 acre tract, a distance of 1306.92 feet to the beginning of a curve to the right;
- THENCE: Northerly, coincident with the east right-of-way line of said Bulverde Road, the west line of the 748.034 acre tract and with the curve to the right, said curve having a radius of 4945.00 feet, a central angle of 09°07'55", a chord bearing and distance of N 10°35'42" W, 787.00 feet and an arc length of 788.14 feet to a found 1/4" iron rod the end of the curve;
- THENCE: N 06°01'45" W, coincident with the east right-of-way line of said Bulverde Road, the west line of the 748.034 acre tract, a distance of 1537.10 feet to a found 1/2" iron rod with a yellow cap marked "Pape Dawson", the southwest corner and POINT OF BEGINNING of the herein described tract;
- THENCE: N 06°01'45" W, coincident with the east line of Bulverde Road, a distance of 37.53 feet to a found 1/2" iron rod with a yellow cap marked "Pape Dawson", the southwest corner of Lot 1, Block 1, The Psychological Corporation recorded in Volume 9548, Pages 157-160 of the Deed and Plat Records of Bexar County, Texas, the northwest corner of the herein described tract;
- THENCE: S 89°23'53" E, departing the east right-of-way line of Bulverde Road, a distance of 471.44 feet to a found 1/2" iron rod with a yellow cap marked "Pape Dawson", an angle of the herein described

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1.614 Acres

- THENCE: S 57°03'40" E, coincident with the south line of said Lot 1, a distance of 356.35 feet to a found "x" in rock, an angle of Lot 1, the east corner of the herein described tract;
- THENCE: S 89°48'05" W, departing the south line of said Lot 1, coincident with the north line of a 2.222 acre tract recorded in Volume 9183, Pages 2018-2035 of the Official Public Records of Bexar County, Texas a distance of 362.99 feet to a found 1/2" iron rod with a yellow cap marked "Pape Dawson", a corner of the herein described tract;
- THENCE: N 34°23'23" W, coincident with the north line of said 2.222 acre tract, a distance of 152.43 feet to a found 1/2" iron rod with a yellow cap marked "Pape Dawson", a corner of the herein described tract;
- THENCE: N 83°25'28" W, coincident with the north line of said 2.222 acre tract, a distance of 319.56 feet to the POINT OF BEGINNING, containing 1.614 acres in the City of San Antonio, Bexar County, Texas. Said tract being described in accordance with a survey prepared by Pape Dawson Engineers, Inc.

PREPARED BY: Pape-Dawson Engineers, Inc.
DATE: May 13, 2004
JOB No. 9132-04
DOC. ID: N:\Survey\044-6200\9132-04\FIELDNOTES1.doc



13 MAY 04

Pitnera Ann Martell