

AN ORDINANCE 2014 - 10 - 02 - 0757

**AUTHORIZING AND APPROVING THE TERMS AND CONDITIONS OF
A TAX ABATEMENT AGREEMENT WITH CST BRANDS, INC. TO
EXEMPT EIGHTY-PERCENT (80%) OF AD VALOREM TAXES FOR A
PERIOD OF TEN (10) YEARS ON REAL AND PERSONAL PROPERTY
IMPROVEMENTS WITHIN THE CST BRANDS REINVESTMENT
ZONE.**

* * * * *

WHEREAS, CST Brands, Inc. (hereinafter referred to as "CST"), one of the largest independent retailers of motor fuels and convenience merchandise in the nation, has determined that it will establish its corporate headquarters and distribution facility at 19500 Bulverde Rd., San Antonio, TX 78259 and will invest approximately \$27 million in real and personal property improvements, retain 305 full-time jobs and create an additional 100 full-time jobs within five years; and

WHEREAS, in accordance with the City of San Antonio Tax Phase-In Guidelines (the "Guidelines") property located within a Tax Abatement Reinvestment Zone with a \$27 million investment is eligible for an 80% abatement of ad valorem taxes for a term of up to ten (10) years; and

WHEREAS, the City Council finds that offering CST a Tax Abatement Agreement for its real and personal property improvements is a reasonable incentive to help induce CST to invest in the facility and retain and create a cumulative 405 full-time jobs in San Antonio; and

WHEREAS, the City Council also finds that it is in the best interest of the City to approve a Tax Abatement Agreement with CST to induce the desired and beneficial economic development in the CST Brands Reinvestment Zone; **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 Tax Abatement Agreement with CST granting an eighty-percent (80%), ten (10) year abatement of ad valorem real and personal property taxes within the CST Brands Reinvestment Zone. A copy of the Agreement, in substantially final form, is attached hereto and incorporated herein as **Exhibit "A"**.

SECTION 2. The City Manager or a designated representative is authorized to execute the Tax Abatement Agreement as approved in Section 1 of this Ordinance.

SECTION 3. This Ordinance shall be effective on and after the tenth day after passage hereof.

RR
10/02/14
Item No. 34B

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

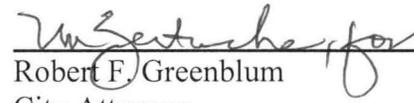

M A Y O R
Ivy R. Taylor

ATTEST:



Leticia M. Vacek
City Clerk

APPROVED AS TO FORM:



Robert F. Greenblum
City Attorney

Agenda Item:	34B (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 10-year, 80% Tax Abatement Agreement based on a capital investment of at least \$27 million in real and personal property improvements and the creation of at least 100 new full-time jobs and the retention of 305 existing full-time 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	

EXHIBIT A

STATE OF TEXAS

COUNTY OF BEXAR

§
§
§
§

**CITY OF SAN ANTONIO
TAX ABATEMENT AGREEMENT
FOR REAL & PERSONAL PROPERTY**

1. PARTIES

THIS CITY OF SAN ANTONIO TAX ABATEMENT AGREEMENT FOR REAL AND PERSONAL PROPERTY (this "Agreement") is entered into on this 2nd day of October 2014, by and among CST BRANDS, INC., a Delaware corporation, and the CITY of SAN ANTONIO, a municipal corporation of the State of Texas (hereinafter referred to as "CITY"), acting by and through its City Manager under the authority of its City Council.

2. AUTHORIZATION AND FINDINGS

A. This Agreement is entered into pursuant to the following authorities:

1. The Texas Property Redevelopment and Tax Abatement Act of 1987, V.A.T.S. Tax Code, Chapter 312, as amended;
2. CITY COUNCIL RESOLUTION No. 89-07-12, dated the 15th day of February 1989, and most recently revised by Ordinance No. 2012-12-13-1014 on November 13, 2012, together which established the City of San Antonio Tax Abatement Guidelines (hereinafter referred to as the "Guidelines and Criteria");
3. CITY COUNCIL ORDINANCE NO. 2014-____-____-____ dated October 2, 2014, which designated the CST REINVESTMENT ZONE (the "Reinvestment Zone"); and
4. CITY COUNCIL ORDINANCE NO. 2014-____-____-____, dated October 2, 2014, which specifically approved this Agreement and authorized execution hereof.

B. The City Council, by its approval of this Agreement, hereby finds that the terms of this Agreement abide by the Guidelines and Criteria and approving this Agreement will not have any substantial long-term adverse effect on the provision of City services or the City's tax base and the planned use of the Property (defined below) inside the qualifying Reinvestment Zone by CST for the uses contemplated herein will not constitute a hazard to public safety, health or morals.

3. PROPERTY

A. CST has a fee-simple interest in real property located at 19500 Bulverde Road, San Antonio, Texas 78259 (the "Property"), legally described in **Exhibit A**, attached hereto and incorporated herein. The Property is located within a qualifying Reinvestment

Zone for the purposes of the Texas Property Redevelopment and Tax Abatement Act of 1987, V.A.T.S. Tax Code, Chapter 312.

B. CST shall own, hold an interest in or otherwise control the Property and will conduct certain business activities including, but not limited to, those activities typically conducted by the corporate headquarters and logistics center of a large-scale distribution company or the business activities of a Related Organization (as such terms are defined in Article 5, Paragraph I), Successor (as such terms are defined in Article 7, Paragraph F) or contractor so long as such business activities include the business activities of the corporate headquarters and logistics center of a large-scale distribution company or similar activity (all of such activities hereinafter collectively referred to as the "Business Activities").

C. CST is investing a minimum cumulative total of TWENTY-SEVEN MILLION DOLLARS AND 0 CENTS (\$27,000,000.00) in real and personal property improvements (the "Required Capital Investment") consisting of approximately TWENTY-TWO MILLION DOLLARS AND 0 CENTS (\$22,000,000.00) in real property improvements (the "Real Property Improvements") and FIVE MILLION DOLLARS AND 0 CENTS (\$5,000,000.00) in new personal property improvements (the "Personal Property Improvements") to commence, retain and expand its Business Activities within the Reinvestment Zone. The Personal Property Improvements shall not be placed on the Property sooner than the Effective Date of this Agreement.

D. CST shall, promptly following the execution of this Agreement, establish a separate tax account for the Real Property Improvements and Personal Property Improvements with the Bexar Appraisal District and provide these tax account numbers to CITY.

4. **CST' REPRESENTATIONS**

A. CST represents that it has no knowledge that any interest in the Property is presently owned, held or leased by a member of the San Antonio City Council, Zoning Commission, Planning Commission, the City's Economic Development Department, or any other City officer or employee. CST further represents that it shall not knowingly sell, lease or otherwise convey such an interest to a member of the San Antonio City Council, the Zoning Commission, the Planning Commission, the City's Economic Development Department or any other City officer or employee, as long as this Agreement remains in effect.

B. CST represents that there is no litigation pending against CST for any violations under the Occupational Safety and Health Act.

5. **OBLIGATIONS OF CST**

A. In addition to all other obligations and/or duties imposed on CST by any other incentive agreements it has entered into with the State of Texas, Bexar County and/or City, CST shall:

- (1) own, hold an interest in or otherwise control the Property, the Real Property Improvements and the Personal Property Improvements that are the subject of this Agreement; and
- (2) invest, or cause to be invested the Required Capital Investment in Real Property Improvements and Personal Property Improvements by December 31, 2016; and
- (3) use the Property for its Business Activities; and
- (4) retain a minimum cumulative total of THREE HUNDRED FIVE (305) Full-Time Jobs at the Property for the duration of the Term of this Agreement; and
- (5) in addition to the retention of the foregoing THREE HUNDRED FIVE (305) Full-Time Jobs, create and maintain an additional ONE HUNDRED (100) Full-Time Jobs for the duration of the Term of this Agreement in accordance as follows:
 - (i) Create twenty (20) Full-Time Jobs prior to December 31, 2014;
 - (ii) Create an additional twenty (20) Full-Time Jobs prior to December 31, 2015 (for a cumulative total of forty (40) newly created Full-Time Jobs);
 - (iii) Create an additional fifteen (15) Full-Time Jobs prior to December 31, 2016 (for a cumulative total of fifty-five (55) newly created Full-Time Jobs);
 - (iv) Create an additional fifteen (15) Full-Time Jobs prior to December 31, 2017 (for a cumulative total of seventy (70) newly created Full-Time Jobs);
 - (v) Create an additional fifteen (15) Full-Time Jobs prior to December 31, 2018 (for a cumulative total of eighty-five (85) newly created Full-Time Jobs); and
 - (vi) Create an additional fifteen (15) Full-Time Jobs prior to December 31, 2019 (for a cumulative total of one hundred (100) newly created Full-Time Jobs).

Upon hiring and meeting each annual Full-Time Job creation requirement, CST shall maintain such jobs for the duration of the Term of the Agreement; and

(6) comply with all other applicable terms of this Agreement.

B. CST covenants and agrees that it shall pay one hundred percent (100%) of its employees located at the Property at least the City's effective prevailing "living" wage as determined by the City Council in the Guidelines and Criteria, which is Eleven Dollars and Thirty-two Cents (\$11.32) per hour. After one year of executing this Agreement, seventy percent (70%) of all employees at the Property must earn at least Fourteen Dollars and Forty-four Cents (\$14.44) per hour.

C. A Full-Time Job, for the purposes of this Agreement, shall be equivalent to two thousand eighty (2,080) straight-time paid hours in a fiscal year.

D. CST covenants and agrees that it shall offer all of its non-temporary, full-time employees employed at the Property substantially similar employee benefits as those employee benefits offered to similarly situated employees of CST as set forth in **Exhibit B** attached hereto and incorporated herein.

E. CST covenants and agrees that it shall comply with all applicable federal and state laws governing the employment relationship between employers and employees.

F. CST also covenants and agrees that it shall conduct its Business Activities (as defined in Article 3, Paragraph B) on the Property in accordance with all applicable federal, state and local laws.

G. Any construction CST performs or causes to perform on the Property shall be in accordance with all applicable federal, state and local laws including, but not limited to, Texas Commission on Environmental Quality regulations, Bexar County and City of San Antonio laws, Building Codes and ordinances, Historic Preservation and Urban Design ordinances, flood, subdivision, building, electrical, plumbing, fire and life safety codes and regulations, current and as amended.

H. Except as provided herein, CST covenants and agrees that it shall use the Property only to conduct its Business Activities. Without additional consent or approval by the City Council, a parent, subsidiary, an entity of which CST is a General Partner, or affiliate organization of CST or new entity created as a result of a merger, acquisition, or other corporate restructure or reorganization of CST, or any component thereof (hereinafter "Related Organization") may occupy and use the Property for such Related Organization's normal business activities, so long as such business activities are those of a corporate headquarters and logistics center of a large-scale distribution company comparable to the Business Activities of CST on the Property. To be eligible for the tax abatements as provided in this Agreement, such Related Organization must agree in writing to fully comply with all applicable terms of this Agreement. Except as authorized

above, CST covenants and agrees not to change the principal use of the Property without prior approval by the City Council, as evidenced in a duly approved ordinance.

I. CST covenants and agrees that it shall maintain the Property and any constructed improvements in compliance with applicable City Codes and Ordinances and in good repair and condition during the Term of this Agreement, normal wear and tear and damage by fire or other casualty not caused as a result of the negligence, intentional act or misconduct of CST excepted. Compliance with the maintenance obligations imposed herein shall be presumed if CST follows its normal and customary maintenance procedures and schedules.

J. Upon five (5) business days' prior notice to CST by CITY, CST covenants and agrees that it shall allow designated representatives of CITY access to the Property during normal business hours for inspection to determine if the terms and conditions of this Agreement are being met. This inspection is independent of CITY'S police powers to inspect for purposes of assuring compliance with applicable City Codes and Ordinances. CITY's access to CST's books and records will be limited to information needed to verify that CST is and has been conducting Business Activities, and to verify the number of full-time employees at the Property. Any information that is not required by law to be made public shall be kept confidential by CITY. Should any good faith dispute or question arise as to the validity of the data provided, CITY reserves the right to require CST to obtain an independent firm to verify the information. This certified statement by an independent firm shall be provided at the sole cost of CST. CITY representatives may be accompanied by CST representatives and such inspections shall be conducted in such a manner as to (a) not unreasonably interfere with the operation of the Property; and (b) comply with CST's reasonable security requirements.

K. During the Term of this Agreement, CST covenants and agrees to furnish each year, as applicable, the Chief Appraiser of Bexar Appraisal District with information outlined in Chapter 22, V.A.T.S. Tax Code, as amended, as may be necessary for the tax abatement and for appraisal purposes.

L. CST covenants and agrees that it shall provide CITY's Director of Economic Development or designated representative with a semi-annual certification from an officer of CST attesting to the number of full-time jobs created at the Property, as well as wages paid to each of the employees, by CST at the Property. CST shall also submit this information to CITY upon request, as deemed necessary at the sole discretion of the CITY, during the Term of this Agreement. The information provided shall be on the form set forth in, or substantially similar to the form labeled "Tax Abatement Form" attached hereto and incorporated herein as **Exhibit "C"**, as the same may be revised by CITY from time to time.

M. CST covenants and agrees it shall hire at least twenty-five percent (25%) of its new employees at the Property from local residents, and that it shall to make a good faith effort to hire additional local employees for its Property to fulfill its requirements under Article 5, Paragraph A. "Local" is defined, for the purposes of this Paragraph, as an

employee whose principal residence is located within the city limits of the City of San Antonio or within the county limits of Bexar County.

N. CST covenants and agrees to notify CITY in writing at least 30 days prior to any sale, transfer or sub-lease of the Property during the Term of this Agreement. CITY shall not unreasonably withhold approval of any requests for Assignment of this Agreement by CST under Article 11 and any new purchaser or transferee requesting Assignment shall be bound by same. Failure to provide the required notification under this Article 5, Paragraph N may render CST subject to the termination and recapture provisions under Article 7 without benefit of the Cure Period (as defined in Article 7, Paragraph E).

O. CST covenants and agrees to notify CITY in writing at least thirty (30) days prior to Relocating or Ceasing its Business Activities (as defined in Article 7, Paragraphs B and C). Failure to provide the required notification under this Article 5, Paragraph O may render CST subject to the termination and recapture provisions under Article 7 without benefit of the Cure Period (as defined in Article 7, Paragraph E).

P. If, during the Term of this Agreement CST fails to retain the three hundred five (305) Full-Time Jobs and create and then retain the one hundred (100) new Full-Time Jobs as and when required under Article 5, Paragraph A (5) of this Agreement for a period of two (2) or more consecutive months, then upon the occurrence of any one the foregoing events, CITY shall have the right to recapture from CST previously abated taxes in accordance with Article 7, Paragraphs D and G of this Agreement. If, during the Term of this Agreement CST fails to pay at least the minimum wages required under Article 5, Paragraph B of this Agreement then the termination and recapture provisions of Article 7 of this Agreement shall apply against CST.

Q. If, during this Agreement, CST allows its ad valorem taxes due on the land, real and personal property or inventory and supplies to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest, then the termination and recapture provisions of Article 7 of this Agreement shall apply against CST.

R. If, during the Term of this Agreement, CST defaults under that certain Chapter 380 Economic Development Program Grant Agreement between CITY and CST of even date, then the termination and recapture provisions of Article 7 of this Agreement shall apply against CST.

6. TAX ABATEMENT

A. The tax abatement period (the "Abatement Term") for the Real Property Improvements and Personal Property Improvements shall be ten (10) years beginning on January 1, 2015. The base year for calculating the value of personal property existing and located upon the Property prior to the Effective Date of this Agreement shall be January 1, 2014 (the "Base Year"). The "Base Year Value" of the real property and personal property not covered by this Agreement shall be its assessed value (determined

by the Bexar Appraisal District), as of the Base Year. This Agreement only provides for the abatement of taxes on Real Property Improvements and Personal Property Improvements made to the Property after the execution of this Agreement.

B. At the commencement of the Term of this Agreement, CST shall own, have an interest in or otherwise control the Property, and shall be conducting its Business Activities by March 1, 2015 and continuously throughout the Term of this Agreement on a daily basis.

C. Provided that CST: 1) invests in both Real Property Improvements and Personal Property Improvements as described in Article 3, Paragraph C of this Agreement by December 31, 2016, 2) hires and retains the number of employees as and when specified in Article 5, Paragraph A (5) of this Agreement, 3) pays at least the minimum wages required under Article 5, Paragraph B of this Agreement, 4) uses the Property for its Business Activities, and 5) is otherwise in compliance with the terms and conditions of this Agreement, then EIGHTY-PERCENT (80%) of the ad valorem taxes for the Real Property Improvements and Personal Property Improvements above the Base Year Value, shall be abated for the Abatement Term. There shall be no abatement of taxes for the underlying land value, inventory or supplies.

D. CST acknowledges and agrees that the Base Year Value of the Property and the tax levy based on said Base Year Value of the Property in the Reinvestment Zone shall not decrease, but taxes may increase and that the amount of property taxes paid by CST to CITY attributable to the Property during the Term of this Agreement shall not be less than the amount of taxes attributable to the Property paid to CITY for the Base Year tax year, if any, except in the event of casualty or condemnation of the Property in the Reinvestment Zone.

E. Upon written notice to CITY, CST shall have the right to protest appraisals of the Property, real or personal, or any portion thereof, over and above the Base Year Value as applicable, provided, however, any reductions to the appraised value of the Property, real or personal, shall cause a proportional decrease to the taxes abated under this Agreement, and CITY shall be entitled to the payment of such decrease in abated taxes within thirty (30) calendar days from the date CST receives a rebate or return of such overpayment of taxes.

F. The term of this Agreement (herein referred to as the "Term of this Agreement") shall commence on the Effective Date and shall continue in force and effect unless terminated pursuant to the provisions of Article 7 or until the end of the sixth calendar year after the expiration of the Abatement Term.

7. DEFAULT/TERMINATION/RECAPTURE

A. For purposes of this section, "Relocation" or "Relocate" shall mean CST or a Related Organization which has taken the place of CST, transferring Business Activities to a location outside the Reinvestment Zone.

B. Should CST occupy and use the Property for its Business Activities and subsequently Relocates (as defined in Article 7, Paragraph A) during the Term of this Agreement, unless such Relocation is caused by a Force Majeure, as defined in Article 8, then CITY shall have the right to terminate this Agreement. Said termination shall be effective for the calendar year during which the Relocation occurred. Unless CST presents credible evidence to clearly indicate a date of Relocation, CITY's determination shall be final and conclusive.

Upon termination, any and all taxes otherwise abated for that calendar year and all previously abated taxes under this Agreement shall be recaptured by CITY and CITY shall be entitled to the payment of such recaptured taxes within sixty (60) calendar days from the date it notifies CST in writing of the termination.

C. If CST occupies and uses the Property for its Business Activities and subsequently ceases conducting Business Activities (or a substantial portion thereof) at the 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 as defined in Article 8, then CITY shall have the right to terminate this Agreement. Said termination shall be effective for the calendar year during which the Property was no longer used for the required purposes stated herein. Unless CST presents credible evidence to clearly indicate a date of cessation, CITY's determination of a date of cessation shall be final and conclusive.

Upon termination, any and all taxes otherwise abated for that calendar year and all previously abated taxes under this Agreement shall be recaptured by CITY and CITY shall be entitled to the payment of such recaptured taxes within sixty (60) calendar days from the date it notifies CST in writing of the termination.

D. If CST, a Related Organization or CITY-approved assignee fails to hire and retain the minimum number of permanent full-time employees as and when required in Article 5, Paragraph A above, calculated by the averaging of the two most current semi-annual Tax Abatement Forms for such calendar year of noncompliance, then for each such calendar year of noncompliance, the tax abatement shall be reduced in the following tax year by the same percentage as the deficiency in the number of employees. For example, if CST hires and retains ninety percent (90%) of the minimum number of full-time employees in a given year, CST shall be entitled to ninety percent (90%) of the eighty percent (80%) ad valorem personal and real property tax abatement for the Property for that following year. However, should CST fail to hire and retain at least fifty percent (50%) of the minimum number of full-time employees required hereunder during the Abatement Term in a given year then, at the option of CITY, this failure may be grounds for termination of this Agreement. Said termination shall be effective for the calendar year during which the number of permanent full-time employees stated herein have not been hired or retained as required.

Upon termination, any and all taxes otherwise abated for that calendar year and all previously abated taxes under this Agreement shall be recaptured by CITY and CITY

shall be entitled to the payment of such recaptured taxes within sixty (60) calendar days from the date it notifies CST in writing of the termination.

Notwithstanding the foregoing, should CST fail to hire and retain at least ninety (90%) percent of the minimum number of full-time employees required hereunder after the expiration of the Abatement Term in a given year then, at the option of CITY, this failure may be grounds for termination of this Agreement. Said termination shall be effective for the calendar year during which the number of permanent full-time employees stated herein have not been hired or retained as required, and any tax abatement recaptured after the expiration of the Abatement Term shall be in accordance with Article 7, Paragraph G of this Agreement, and CITY shall be entitled to the payment of such recaptured taxes within sixty (60) calendar days from the date it notifies CST in writing of the termination.

E. During the Term of this Agreement, CITY may declare a default if CST fails to comply with any of the terms of this Agreement. Should CITY determine CST is in default under any of the terms of this Agreement, CITY will notify CST in writing at the address below in Article 9. If said default is not cured within sixty (60) calendar days from the date of such notice (hereinafter the "Cure Period"), then CITY shall have the right to terminate this Agreement. CITY may, in its sole discretion, extend the Cure Period if CST commences the cure within the Cure Period and CST is diligently pursuing such cure. If this Agreement is terminated as a result of default, all taxes abated shall be due for the tax year during which the termination occurred and shall accrue without further abatements for all tax years thereafter; in addition, CITY shall have the right to recapture from CST all previously abated property taxes under this Agreement and said taxes shall be paid by CST within sixty (60) calendar days of receiving CITY'S written notification of the termination.

F. Other Remedies Available. CITY shall have the right to seek any remedy at law to which it may be entitled, in addition to termination and/or recapture, if CST defaults under the terms of this Agreement. However, such termination and/or recapture shall be subject to any and all lawful offsets, settlements, deductions or credits to which CST may be entitled. The termination and/or recapture of taxes provided in this Article 7 are not applicable to situations involving minor changes to the description of the Property, or changes in ownership or in management thereof, so long as CST, its parent, subsidiary, affiliate or its CITY-approved successor ("Successor") or assignee continues conducting Business Activities or other authorized activities thereon as provided hereinabove.

G. Calculation of Taxes Subject to Recapture. If CST fails to comply with any of the terms of this Agreement including, but not limited to, those pertaining to this Article 7, then CITY shall have the right to recapture from CST a percentage of the abated real and personal property taxes based on the following table:

TERM YEAR	TOTAL TAX PREVIOUSLY ABATED SHALL BE MULTIPLIED BY:
1-10	100%

11	100%
12	80%
13	60%
14	40%
15	20%
16	10%

FORMULA: The recapture formula shall be:

$$\begin{array}{rcccl} & & \text{Applicable Percentage} & & \text{Amount to be} \\ \text{Total Taxes Abated} & \times & & = & \\ & & \text{from above Schedule} & & \text{Recaptured} \end{array}$$

CITY shall recalculate the amount of recapture pertaining to each tax year utilizing the above formula. A bill for each year will then be sent to CST.

8. AUTHORIZED RELIEF FROM PERFORMANCE (Force Majeure)

For purposes of this section, "Force Majeure" is defined as an act of God or natural disaster. It also includes explosion or other casualty or accident, which is not the result of negligence, intentional act or misconduct on the part of CST. In addition to relief expressly granted in this Agreement, CITY may grant relief from performance of this Agreement if CST is prevented from compliance and performance by an event of Force Majeure. The burden of proof for the need for such relief shall rest upon CST. To obtain release based upon this Article 8, CST must file a written request with CITY'S Economic Development Department for processing to City Council for a decision, authorized by a duly approved Ordinance.

9. 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 upon its deposit into the custody of the United States Postal Service or 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 CST:

- (Whether personally delivered or mailed):

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

TO CITY:

- If mailed:

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

- If by personal or overnight delivery:

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

10. **CONDITION**

This Agreement is conditioned entirely upon the approval of the San Antonio City Council, as evidenced by duly approved Ordinance Number 2014-____-____-_____, dated October 2, 2014.

11. **ASSIGNMENT**

Except as otherwise expressly provided herein, this Agreement may be assigned or otherwise transferred only with City Council's prior approval (which approval shall not be unreasonably withheld), as reflected in a duly adopted ordinance. CST must submit a written request to CITY for approval of the proposed assignment or other transfer at least thirty (30) days prior to the effective date of the assignment or transfer of any part of the Property; however, no City Council consent is required for an assignment or transfer to a parent of CST, a subsidiary of CST, an affiliate entity of CST, or to any new entity created as a result of a merger, acquisition or other corporate restructure or reorganization of CST. However, CST shall give CITY prior written notice of all assignments or other transfers that do not require City Council consent, as required under Article 5, Paragraph N. All future assignees shall be bound by all terms and/or provisions and representations of this Agreement.

12. GENERAL PROVISIONS

A. None of the property improvements described in this Agreement are financed by tax increment bonds.

B. This Agreement is entered into subject to the rights of the holders of outstanding bonds of the CITY related to this project, if any. No bonds for which CITY is liable have been used to finance this project.

C. No amendment, modification, or alteration of the terms hereof shall be binding unless in writing dated subsequent to the date of this Agreement and duly authorized by the parties. CST acknowledges that City Council approval is required for any and all of these actions.

13. SEVERABILITY

In the event any section, subsection, paragraph, subparagraph, sentence, phrase or word herein is held invalid, illegal or unenforceable, the balance of this Agreement shall stand, shall be enforceable and shall be read as if the parties intended at all times to delete said invalid section, subsection, paragraph, subparagraph, sentence, phrase or word. In such event there shall be substituted for such deleted provisions a provision as similar as possible in terms and in effect to such deleted provision that is valid, legal and enforceable. This Agreement constitutes the entire Agreement between the parties hereto relating to the subject matter contained herein and supersedes all prior, oral or written agreements, commitments or understandings with respect to the matters provided for herein.

14. ESTOPPEL CERTIFICATE

Any party hereto may request an estoppel certificate related to this project (hereafter referred to as "Certificate") from another party hereto so long as the Certificate is requested in connection with a bona fide business purpose. The Certificate, which if requested, will be addressed to a subsequent purchaser or assignee of CST or other party designated by CST which shall include, but not necessarily be limited to, statements that this Agreement is in full force and effect without default, if such is the case, the remaining Term of this Agreement, the levels of tax abatement in effect, the Abatement Term, and such other matters reasonably requested by the party(ies) requesting the Certificate.

15. OWNER STANDING

CST, as a party to this Agreement, shall be deemed a proper and necessary party in any litigation questioning or challenging the validity of this Agreement or any of the underlying ordinances, resolutions, or City Council actions authorizing the same, and CST shall be entitled to intervene in said litigation.

16. **APPLICABLE LAW**

This Agreement shall be construed under the laws of the State of Texas and is performable in Bexar County, Texas, the location of the Reinvestment Zone.

17. **TRIPPLICATE ORIGINALS**

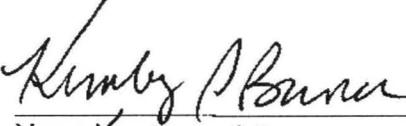
This Agreement shall be executed in triplicate originals, with one original going to CST.

EXECUTED and **AGREED** to as of the 2nd day of October, 2014 (the "Effective Date").

CITY OF SAN ANTONIO,
a Texas Municipal Corporation

CST BRANDS, INC.
a Delaware corporation

Sheryl L. Sculley
CITY MANAGER



Name *Kimberly S Bowers*
Title *CEO & President*

ATTEST:

ATTEST:

Leticia Vacek
CITY CLERK

APPROVED AS TO FORM:

Robert F. Greenblum
CITY ATTORNEY

EXHIBIT A: PROPERTY 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. Lacoya 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 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 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;

PARK-DAWSON ENGINEERS, INC.

655 East Ramsey | San Antonio, Texas 78210 | Phone 210.375.9000 | Fax 210.375.0210 | info@p-d-engineers.com

- 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 1/2" 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 1/2" 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 1/2" 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 1/2" 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, 589.33 feet, and an arc length of 592.52 feet to a found 1/2" iron rod with a yellow cap marked "Pape Dawson", at the end of the curve;

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Page 3 of 4
77.00 Acres

- 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°03'17" 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 991.12 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 "+" 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:\survey\04\4-9200\9132_04\FIELDNOTES3.doc



13 MAY 2004

Pape Dawson

EXHIBIT "A"

FIELD NOTES
FOR
TRACT II



A 13.70 acre (396,900 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 334, County Block 4956 of Bexar County, Texas, now in New City Block (N.C.B.) 34920 to 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°18'34" 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.

555 East Ramsey | San Antonio, Texas 78210 | Phone 210.375.9000 | Fax 210.375.9310 | info@pape-dawson.com

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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 1555.00 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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13.70 Acres

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°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 yellow cap marked "Pepe Dawson" at a point of intersection with a non-tangent line, the northwest corner of said Lot 1;

THENCE: S 89°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 1/2" iron rod with a yellow cap marked "Pepe Dawson", the northeast corner of Lot 1, the northwest corner and POINT OF BEGINNING of the herein described tract;

THENCE: S 89°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 1/2" iron rod with a yellow cap marked "Pepe Dawson", the northeast corner of the herein described tract;

THENCE: S 06°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 1/2" iron rod with a yellow cap marked "Pepe Dawson", an angle of said 44.01 acre tract, an angle of the herein described tract;

THENCE: S 39°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 1/2" iron rod with a yellow cap marked "Pepe 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\FINAL\DMO11E52.doc



13 MAY 04

Patricia Ann Armstrong

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 outback 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°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;

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- TIEBCE: 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;
- TIEBCE: 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;
- TIEBCE: N 25°46'53" 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;
- TIEBCE: Northwesteily, 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;
- TIEBCE: 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 1206.92 feet to the beginning of a curve to the right;
- TIEBCE: 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, 787.30 feet and an arc length of 788.14 feet to a found 1/2" iron rod the end of the curve;
- TIEBCE: 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;
- TIEBCE: 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;
- TIEBCE: S 89°23'53" E, departing the east right-of-way line of Bulverde Road, coincident with the south line of said Lot 1, a distance of 471.44 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;

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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\0414-9200\9132-04\FIELD\notes1.doc



13 May 04

Pape Dawson

EXHIBIT B: EMPLOYEE BENEFITS

EMPLOYMENT C: TAX ABATEMENT FORM

City of San Antonio
Economic Development Department
Tax Abatement Reporting Form

Company Name: _____

Reporting Period: _____

Real Property: expenditures associated with real property improvements during reporting period (Verification may include ATA forms, receipts, invoices, request for payment from contractor, etc.)	
1. Improvements occurring during reporting period	\$
2. Improvements existing prior to reporting period	\$
3. Total real property improvements (Attach supporting documents.)	\$
Personal Property: expenditures associated with personal property improvements during reporting period (Verification may include receipts, invoices, requests for payment, etc.)	
4. Improvements occurring during reporting period	\$
5. Improvements existing prior to reporting period	\$
6. Total personal property improvements (Attach supporting documents.)	\$
Inventory/Supplies: (Verification may include receipts, invoices, requests for payment, etc.)	
7. Improvements occurring during reporting period	\$
8. Improvements existing prior to reporting period	\$
9. Total investment on Inventory and Supplies (Attach supporting documents.)	\$
Jobs: full-time (2,000 straight-time paid hours) jobs created during reporting period (Verification: payrolls with total number of employees, dates of hire, hourly wages, etc.)	
7. Jobs created during reporting period	
8. Total number of jobs at the facility (For supporting documents, see above.)	
9. What is the minimum hourly wage paid at the facility (For supporting documents, see above.)	\$
Additional Contractual Obligations	
10. Percent of workforce that is economically disadvantaged (attach information regarding company's good-faith efforts). See Section ___ of agreement.	
11. Percent of workforce that is local. See Section ___ of agreement.	
12. Regarding employee benefits, please attach separate sheet demonstrating compliance with Section 5 D of agreement.	
13. Please attach separate sheet detailing information required under Section ___ of agreement.	
Certification	
I certify, under penalty of perjury, that the information provided in this report and the attached documents is correct, and that the company has complied with all terms and conditions of its agreement with the City of San Antonio.	

Signature: _____

Printed Name: _____

Title: _____

Date: _____

Mail original signed form, with supporting documents, to: Economic Development Department, City of San Antonio, P.O. Box 839966, San Antonio, Texas 78283-3966

For questions regarding this report, please contact Kelly Hinojos, ED Coordinator, at 210/207-6315 or at monitoringandops@sanantonio.gov

