

AN ORDINANCE 2010-03-18-0224

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

\* \* \* \* \*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

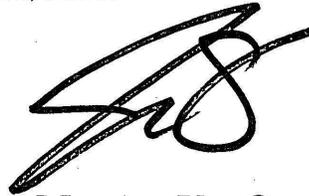
**SECTION 5.** The statements set forth in the recitals of this Ordinance are true and correct, and incorporated as a part of this Ordinance.

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

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

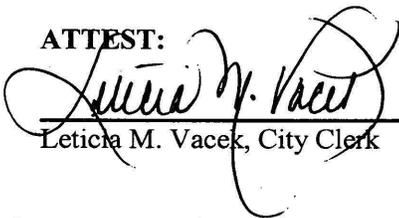
**SECTION 8.** This Ordinance is effective immediately upon the receipt of eight affirmative votes. In the event eight affirmative votes are not received, this Ordinance is effective ten days after passage.

***PASSED AND APPROVED** this 18<sup>th</sup> day of March, 2010.*



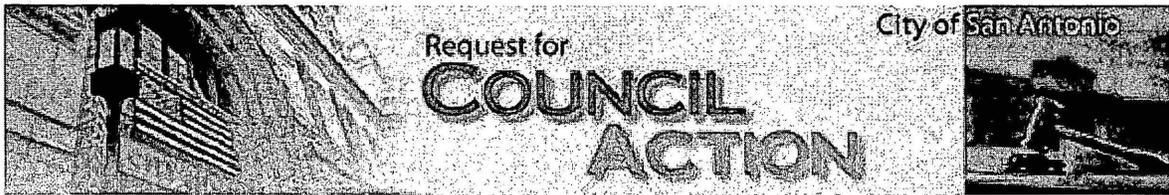
**M A Y O R**  
Julián Castro

**ATTEST:**

  
\_\_\_\_\_  
Leticia M. Vacek, City Clerk

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Michael Bernard, City Attorney



### Agenda Voting Results - 26

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

**ATTACHMENT A**

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

STATE OF TEXAS           §  
                                      §  
COUNTY OF BEXAR       §

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

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

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

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

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

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

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

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

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

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

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

### **SECTION 1: CONSIDERATION, TERM AND ANNEXATION**

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

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

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

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

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

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

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

- 1.2.3 Espada Special Improvement District No. 3** - the earlier of:
- (i) thirty (30) years from the activation date; or
  - (ii) upon annexation by the City, as set out in Section 1.2.4, below.

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

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

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

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

### **1.3 Owners' Consent to Annexation.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**1.6 City’s Representations and Warranties.**

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

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

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

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

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

## **1.7 City's Covenants.**

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

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

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

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

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

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

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

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

## **SECTION II: DEVELOPMENT STANDARDS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### SECTION III: INDEMNIFICATION

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

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

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

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

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

#### **SECTION IV: MISCELLANEOUS**

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

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

4.1.2 The termination of the respective District by Bexar County;

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

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

4.1.4 The insolvency or bankruptcy of a District;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**IF TO THE CITY:**

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

With a copy to:

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

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

**IF TO OWNERS:**

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

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

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

**IF TO CITY SOUTH MANAGEMENT AUTHORITY:**

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

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

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

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

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

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

*(The remainder of this page intentionally left blank)*

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

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

**Terramark Communities, Ltd.**

\_\_\_\_\_  
Sheryl Sculley, City Manager

  
Charles H. Turner, C.E.O.

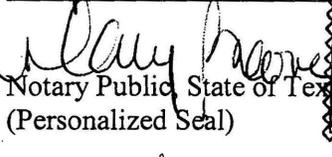
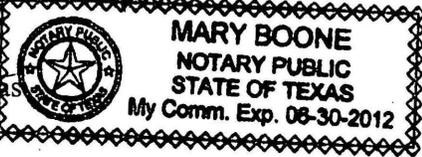
The State of Texas  
County of Bexar

The State of Texas  
County of Bexar

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

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

Notary Public, State of Texas  
(Personalized Seal)

  
Notary Public, State of Texas  
(Personalized Seal) 

\_\_\_\_\_  
(Print name of Notary Public here)

Mary Boone  
(Print name of Notary Public here)

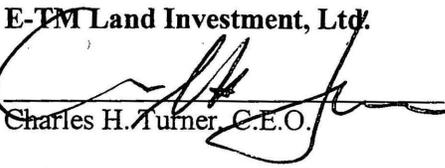
My commission expires the \_\_\_\_\_ day of \_\_\_\_\_ 2010.

My commission expires the 30<sup>th</sup> day of June 2010. 2012

**ESA Residential Development Inc.**

**E-TM Land Investment, Ltd.**

  
Charles H. Turner, C.E.O.

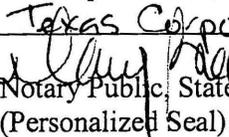
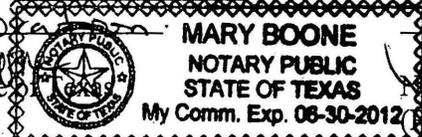
  
Charles H. Turner, C.E.O.

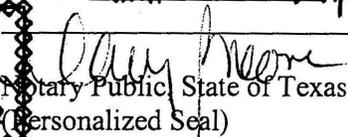
The State of Texas  
County of Bexar

The State of Texas  
County of Bexar

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

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

  
Notary Public, State of Texas  
(Personalized Seal) 

  
Notary Public, State of Texas  
(Personalized Seal) 

Mary Boone  
(Print name of Notary Public here)

Mary Boone  
(Print name of Notary Public here)

My commission expires the 30<sup>th</sup> day of June 2010. 2012

My commission expires the 30<sup>th</sup> day of June 2010. 2012

**Exhibits:**

**A - Property**

**B - Espada Special Improvement District No. 1**

**C - Espada Special Improvement District No. 2**

**D - Espada Special Improvement District No. 3**

Exhibit A - Property



September 21, 2009  
 Job number 60025828  
 PID No. 1

Meets and Bounds  
 Description

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

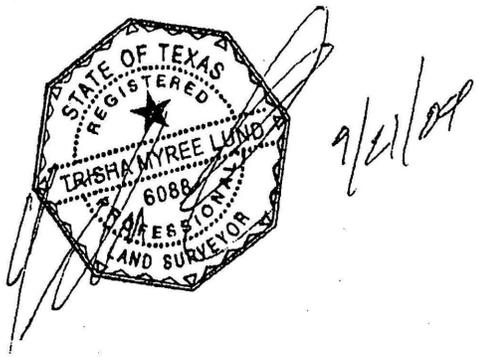
146.49 feet along said curve to the left having a radius of 629.00, a central angle of 13° 20' 37", and a chord bearing and distance of North 23° 39' 31" East, 146.16 feet to a point;

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

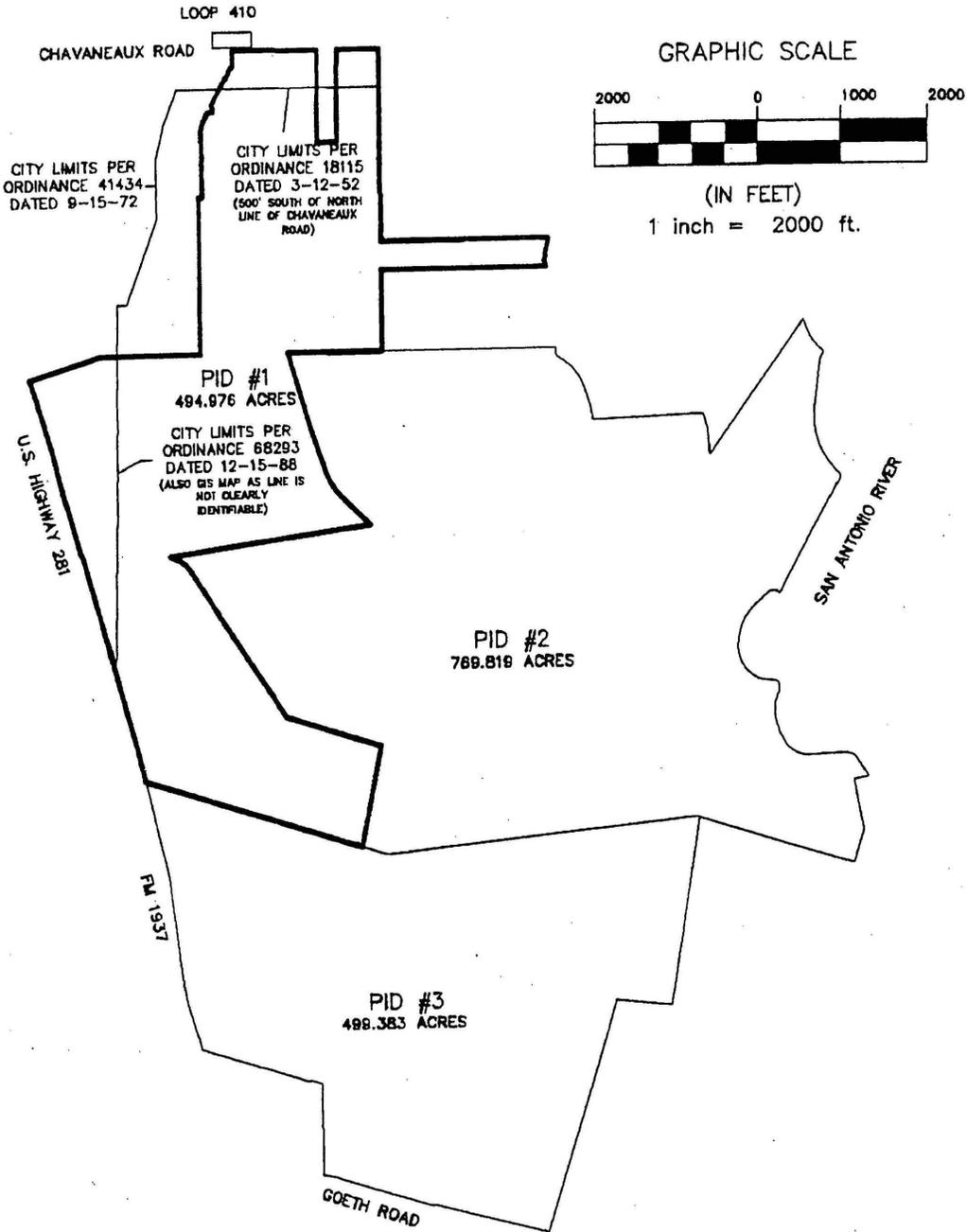
September 21, 2009  
Job number 60025828  
PID No. 1

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

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



# EXHIBIT "A"



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

**NOTES:**

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

REV. 09-19-06  
REV. 08-0-06  
REV. 12-29-07  
REV. RELEASE, 3 11-07  
REV. 8-12-07

<b>AECOM</b>	AECOM USA GROUP, INC 6800 PARK TEN BOULEVARD, SUITE 180 SOUTH SAN ANTONIO, TEXAS 78213 WWW.AECOM.COM
	SCALE: 1" = 2000'
DATE: 08-28-08	JOB #: 60025828
DRAWN BY: PT/DAL	F.B. # N/A
CHECKED BY: JEC	CAD DATE: 08-28-07
	CAD FILE: 8-10-08.DWG

September 21, 2009  
Job number 60025828  
PID No. 2

Metes and Bounds  
Description

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

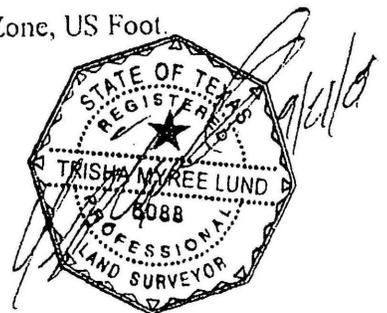
North  $34^{\circ} 01' 48''$  West, 2158.86 feet to a point;

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

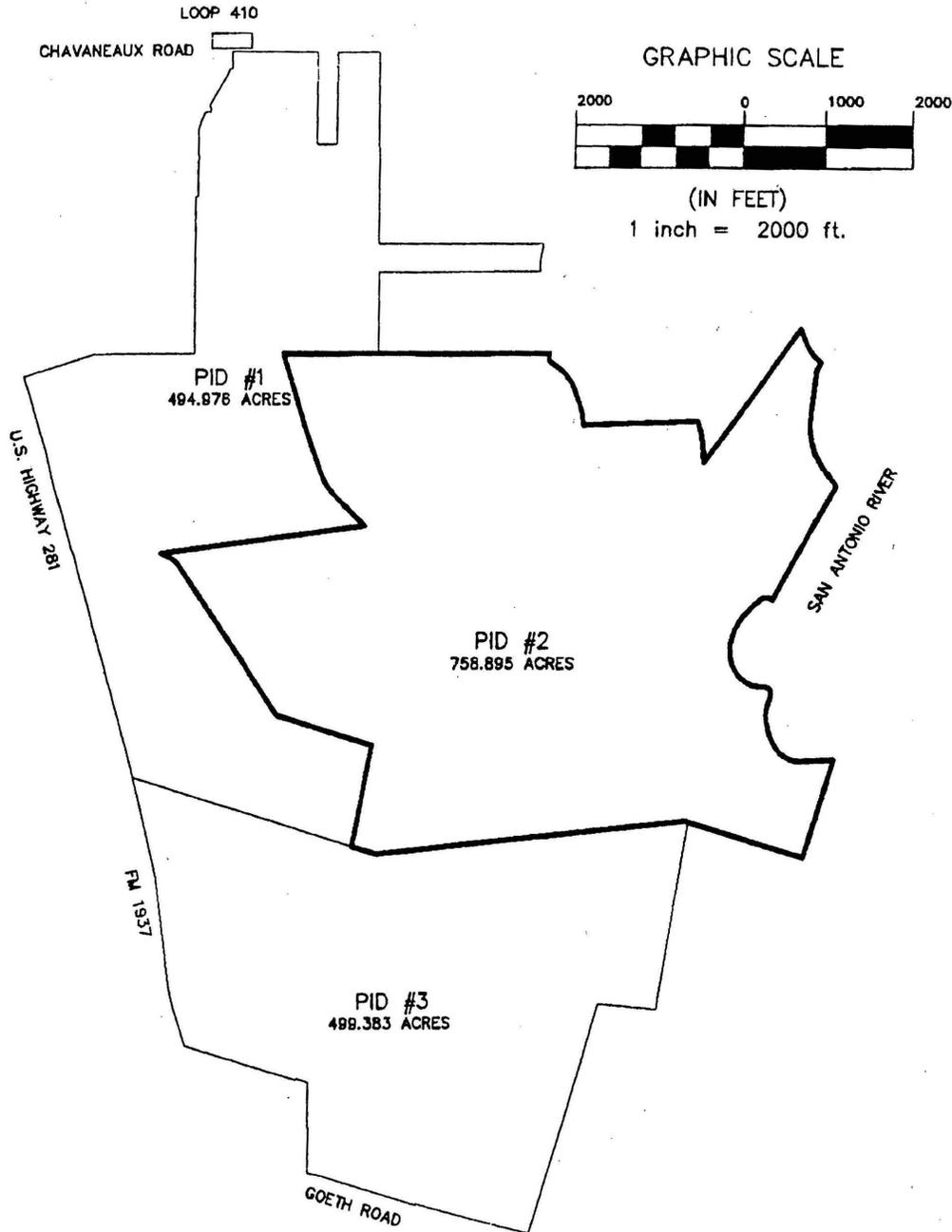
With said curve to the left having a radius of 182.50, an arc length of 98.73 feet, a central angle of  $30^{\circ} 59' 50''$ , and a chord bearing and distance of North  $49^{\circ} 31' 38''$  West, 97.53 feet to a point;

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

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



# EXHIBIT "A"



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

**NOTES:**

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

REV. 09-16-06  
REV. 08-15-06  
REV. 12-29-07  
REV. RELEASE 3 11-30-07  
REV. 8-15-09  
REV. 1-9-01

<b>AECOM</b>	AECOM USA GROUP, INC 6800 PARK TEN BOULEVARD, SUITE 180 SOUTH SAN ANTONIO, TEXAS 78213 WWW.AECOM.COM
	SCALE: 1" = 2000'
DATE: 08-28-08	JOB #: 60025828
DRAWN BY: PT/TML	F.B. # N/A:
CHECKED BY: JEG	CAD DATE: 09-25-07
	DATE PLOTTED: 09-25-07

Exhibit D - Espada Special Improvement District No. 3

FIELD NOTES

FOR

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

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

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

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

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

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

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

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

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

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

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

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

