MGS/eg
06/04/2015
Item #14

AN ORDINANCE 2015-06-04-0486

AN ORDINANCE AUTHORIZING THE SETTLEMENT OF LITIGATION STYLED NORTHERN HILLS MANAGEMENT COMPANY VS. CITY OF SAN ANTONIO, CAUSE NUMBER 2012-CI-09363 IN THE 166TH JUDICIAL DISTRICT, BEXAR COUNTY, TEXAS FOR A PAYMENT IN THE AMOUNT OF $6,300,000.00, AUTHORIZING THE ACQUISITION OF THE NORTHERN HILLS GOLF COURSE AS A CONDITION OF SETTLEMENT; AUTHORIZING MANAGEMENT AND OPERATION OF THE GOLF COURSE BY THE MUNICIPAL GOLF ASSOCIATION – SAN ANTONIO AND PAYMENT OF ASSOCIATED COSTS TO MGA-SA IN AN AMOUNT NOT TO EXCEED $500,000.00; AND AUTHORIZING THE EXECUTION OF ALL ASSOCIATED DOCUMENTS AND PAYMENT OF ASSOCIATED CLOSING COSTS IN AN AMOUNT NOT TO EXCEED $40,000.00 TO EFFECTUATE THE SETTLEMENT, ACQUISITION AND TRANSFER OF THE PROPERTY.

* * * * *

WHEREAS, in 2012 Northern Hills Management Company brought suit against the City of San Antonio alleging adverse condemnation, which the City has contested.; and

WHEREAS, the parties have agreed to settle the litigation pending City Council approval for the amount of $6,300,000.00, and as a part of this settlement, the City will acquire the Northern Hills Golf Course; and

WHEREAS, City Council desires to authorize City staff to finalize and execute all necessary documents to settle this suit, including all real estate documents, water leases, and settlement agreements; and

WHEREAS, City Council desires that this newly acquired course be managed and operated by the Municipal Golf Association – San Antonio, consistent with other City golf courses, by authorizing the amendment of the management agreement with MGA-SA to include Northern Hills Golf Course; and

WHEREAS, City Council desires to authorize one-time funding to MGA-SA for the purchase and acquisition of equipment related to golf course operations in an amount up to $500,000.00; and

WHEREAS, the parties have reached an agreed settlement of $6,300,000.00 to resolve all outstanding claims, contingent upon Council approval; **NOW THEREFORE:**

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

SECTION 1. The amount of $6,300,000.00 is authorized to be paid, and to be made payable to the Plaintiff, Northern Hills Management Company, et al and its attorneys of record as settlement of Civil Action Number 2012-CI-09363 styled *Northern Hills Management Company v. City of San Antonio, et al.* City staff is authorized to finalize and execute all documents necessary to effectuate the settlement of this suit.

SECTION 2. The City of San Antonio hereby accepts fee simple title from Northern Hills Management Company as a condition of settlement in the suit referenced in Section 1 above. Copies of the respective documents together with subsequent field notes descriptions are attached hereto in substantially final form and incorporated herein as **Attachment I**.

SECTION 3. Copies of all real estate instruments, including but not limited to a general warranty deed, water lease (consistent with the attached template) and an assignment of same to the City or MGA-SA as designated, bill of sale, and all associated settlement documents shall be submitted to the City Attorney for approval under Section 54, Charter of the City of San Antonio. If the City Attorney approves the instruments and documents, then the City of San Antonio may accept fee simple title to the respective property and may close this transaction.

SECTION 4. The City Manager, or her designee, is authorized to pay for costs associated with closing the transaction for property acquisition in an amount not to exceed $40,000.00.

SECTION 5. The City Manager, or her designee, is authorized to execute an amendment to the Management Agreement with MGA-SA, to allow for management and operation of Northern Hills Golf Course by MGA-SA and is further authorized to provide up to $500,000.00 as one-time funding for the acquisition of equipment necessary for the operation of the golf course. A copy of said amendment is attached hereto and incorporated herein as **Attachment II**.

SECTION 6. Funding for all costs, expenses and payments within this ordinance are available from the City's Self-Insurance Liability Fund, Street Maintenance Program, and Capital Fund.

SECTION 7. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

SECTION 8. This ordinance is effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

PASSED AND APPROVED this 4th day of June, 2015.

M A Y O R
Ivy R. Taylor

ATTEST:

Leticia M. Vacek, City Clerk

APPROVED AS TO FORM:

Martha G. Sepeda, Acting City Attorney

Agenda Item:	**14**
Date:	06/04/2015
Time:	09:49:07 AM
Vote Type:	Motion to Approve
Description:	An Ordinance authorizing the settlement of litigation styled Northern Hills Management Company vs. City of San Antonio, Cause Number 2012-CI-09363 in the 166th Judicial District, Bexar County, Texas; authorizing the acquisition and operation of the Northern Hills Golf Course and associated costs; and authorizing the execution of related documents. [Martha G. Sepeda, Acting City Attorney]
Result:	Passed

Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Ivy R. Taylor	Mayor		x				
Roberto C. Trevino	District 1		x				
Alan Warrick	District 2	x					
Rebecca Viagran	District 3	x					
Rey Saldaña	District 4		x				
Shirley Gonzales	District 5	x					
Ray Lopez	District 6		x				
Cris Medina	District 7		x				
Ron Nirenberg	District 8		x			x	
Joe Krier	District 9		x				x
Michael Gallagher	District 10				x		

Notice of Confidentiality Rights: If You Are a Natural Person, You May Remove or Strike Any or All the Following Information from Any Instrument That Transfers an Interest in Real Property Before it Is Filed for Record in the Public Records: Your Social Security Number or Your Driver's License Number.

GENERAL WARRANTY DEED
(AND ASSIGNMENT OF CLAIMS)

Authorizing Ordinance:	2015-06-04-_____
Parcel:	Northern Hills Golf Club
Grantor:	Northern Hills Management Corporation
Grantor's Mailing Address:	13202 Scarsdale Drive San Antonio, TX 78217-1743 (Bexar County)
Grantee:	City of San Antonio
Grantee's Mailing Address:	P.O. Box 839966, San Antonio, Texas 78283-3966 (Attention: Director, CIMS) (Bexar County)
Consideration:	$10 in hand paid and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged.
Property:	131.394 acres (Tract I - 60.339 acres and Tract II - 71.055 acres), more or less, out of Louis Kneipp Survey Number 11, Abstract Number 391, including part of Lot 2, Block 14. New City Block 15688, Northern Hills Club Subdivision, an addition to the City of San Antonio, Bexar County, Texas, according to map or plat thereof recorded in Volume 7800, Page 196, Deed and Plat Records of Bexar County, Texas, and part of Lot 3, Block 31,New City Block 16738 Northern Hills, Unit 5-A, an addition to the City of San Antonio, Bexar County, Tcxas, according to map or plat thereof recorded in Volume 9516,Page 168,Deed and Plat Records of Bexar County, Texas, and more accurately described in the attached **Exhibit A**, which is incorporated for all

purposes as if fully set forth.

Exceptions to Conveyance and Warranty: All interests represented by recorded and validly existing instruments, other than conveyances of the surface fee estate, that affect the Property.

Grantor, for the consideration and subject to the reservations from and exceptions to conveyance and warranty, **dedicates, grants, and conveys the Property to Grantee**, together with all and singular the rights and appurtenances thereto in anywise belonging;

To Have and To Hold the above described Property to Grantee, and Grantee's successors and assigns forever. Grantor binds Grantor and Grantor's successors to warrant and forever defend all and singular the Property to Grantee and Grantee's successors and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof.

When the context requires, singular nouns and pronouns include the plural and plural ones include the singular.

Grantor warrants that the Property is his sole and separate property.

Assignment of Claims
In addition to the conveyance of real estate addressed above, Grantor hereby assigns to Grantee all choate and inchoate statutory and common-law claims, if any, it may have against its predecessors in title and against any other potentially responsible person for environmental contamination of the Property now known or later found to exist.

----------INTENTIONALLY LEFT BLANK----------

THE PROPERTY IS BEING CONVEYED "AS IS", "WHERE IS", AND "WITH ALL FAULTS", WITHOUT ANY REPRESENTATION OR WARRANTY WHATSOEVER AS TO ITS CONDITION, FITNESS FOR ANY PARTICULAR PURPOSE, MERCHANTABILITY OR ANY OTHER WARRANTY, EXPRESS OR IMPLIED, EXCEPT FOR THE WARRANTY OF TITLE CONTAINED HEREIN.

NORTHERN HILLS MANAGEMENT CORPORATION,
a Texas corporation

By:_____

Printed
Name:_____

Title:_____

Date:_____

ATTACHMENT I – Part 1

THE STATE OF TEXAS ✯

COUNTY OF BEXAR ✯

This instrument was acknowledged before this date, by _____, of Northern Hills Management Corporation, a Texas corporation, in the capacity therein stated and on behalf of that corporation.

Dated:_____

_____
Notary Public, State of Texas

My Commission expires:_____

Approved as to Form:

_____
City Attorney

Exhibit A –

METES AND BOUNDS FOR

TRACT I

60.339 ACRES OF LAND OUT OF THE LOUIS KNEIPP SURVEY No. 11, ABSTRACT No. 391 COUNTY BLOCK 5014, NEW CITY BLOCK 15837, SAN ANTONIO, BEXAR COUNTY, TEXAS.

BEGINNING — At a ½ inch iron pin found in the northwest Right Of Way line of SCARSDALE DRIVE, recorded in plat of NORTHERN HILLS, UNIT 1, in Volume 6500, Pages 151 and 152, said point being the south corner of a 0.189 acre tract, recorded in Volume 5713, Page 1627, Official Public Records of Bexar County, Texas, and being 234.81 feet from the south corner of Lot 1, Block 1, NCB 15895, recorded in plat of said NORTHERN HILLS, UNIT 1, for the east corner of this tract;

THENCE: — S 41°27'01" W 128.25 feet along the northwest ROW line of said SCARSDALE DRIVE to a ½ inch iron pin set at the point of curvature to the right as recorded in said plat of NORTHERN HILLS, UNIT 1;

THENCE: — Along said curve, having a central angle of 23°20'58", radius of 370.00 feet, and a tangent length of 76.45 feet and a chord that bears S 53°07'30" W, 149.74 feet, for a curve length of 150.78 feet to a ½ inch iron pin set at the point of reverse curvature to the left;

THENCE: — Along reverse curve to the left, said curve having a central angle of 1°22'32", a radius of 355.00 feet, and a tangent length of 4.26 feet and a chord that bears S 64°06'43" W, 8.52 feet, for a curve length of 8.52 to a ½ inch iron pin set at the east corner of Lot 15, Block 51, NCB 17192, recorded in plat of PARK GREENE, in Volume 9534, Page 62;

THENCE — Along the common property lines of this tract and of said PARK GREENE, Lot 15, the following bearings and distances:

N 42°14'50" W, 174.41 feet to a ½ inch iron pin found;

S 43°42'18" W, 214.54 feet to a ½ inch iron pin found on the northeast line of Lot 8, Block 51, NCB 17192, recorded in plat of PARK GREENE SUBDIVISION, in Volume 9501, Page 22;

THENCE — Along the common property lines of this tract and of said PARK GREENE SUBDIVISION, Lot 8 the following bearings and distances:

N 48°49'14" W, 698.43 feet to a ½ inch iron pin found;
S 41°01'48" W, 420.93 feet to a ½ inch iron pin found;
S 38°03'33" W, 345.00 feet to a ½ inch iron pin set;
S 41°15'56" W, 410.06 feet to a ½ inch iron pin found;

THENCE — S 69°04'33" W, 282.81 feet to a ½ inch iron pin set, for the south corner of this tract.

THENCE — N 21°52'29" W, 380.62 feet to a ½ inch iron pin set on the southeast line of Lot 6, Block 51, NCB 17192, recorded in plat of COUNTRY OAKS APARTMENTS, in Volume 9500, Page 220, for an angle point;

THENCE: N 39° 57' 10" E. 418.98 feet along the common property lines of this tract and said Lot 8, to a ½ inch iron pin found at the south corner of Lot 119, Block 51, NCB 17192, recorded in plat of BRISTOW BEND TOWNHOUSE SUBDIVISION, a Planned Unit Development in Volume 9561, Pages 46-47, for an angle point.

THENCE Along the common property lines of this tract and of said BRISTOW BEND TOWNHOUSE SUBDIVISION, Lot 119, the following bearings and distances:

N 40°00'47" E 208.71 feet to a ½ inch iron pin set;
N 12°11'03" E 520.45 feet to a ½ inch iron pin set;
N 41°38'11" E 292.70 feet to a ½ inch iron pin set.

N 35°21'04" E 172.14 feet to a ½ inch iron pin set at the west corner of a 0.434 acre drain easement, conveyed to the City of San Antonio in Volume 8597, Page 302, for an angle point.

THENCE: Along the common property lines of this tract and of said 0.434 acre drain easement tract, the following bearings and distances

S 54° 41' 23" E 70.79 feet to a ½ inch iron pin set;
N 35° 18' 37" E, 249.60 feet to a ½ inch iron pin set;
N 00° 22' 56" E, 87.33 feet to a ½ inch iron pin set on the southeast ROW line of STAHL ROAD;

THENCE Along the common property lines of this tract and the southeast ROW line of said STAHL ROAD:

N 66°44'28" E. 143.66 feet to a ½ inch iron pin set at the point of curvature to the left, at the west corner of a 0.13 acre tract, conveyed to the City of San Antonio in Volume 8597, Page 297;

Along said curve, having a central angle of 1°44'23", radius of 848.68 feet, and a tangent length of 12.89 feet and a chord that bears N 63°07'16" E, 25.77 feet, for a curve length of 25.77 feet, to a ½ inch iron pin set;

N 61°41'03" E, 24.83 feet to a ½ inch iron pin set at the point of curvature to the left;

Along said curve, having a central angle of 6°32'56", radius of 1,462.68 feet, and a tangent length of 83.68 feet and a chord that bears N 58°24'35" E, 167.09 feet, for a curve length of 167.18 feet, to a ½ inch iron pin set at the east corner of said 0.13 acre tract.

N 58° 25' 35" E 82.91 feet to a ½ inch iron pin set;

N 62° 53' 01" E, 57.78 feet to a ½ inch iron pin set at the northwest corner of Lot 1, Block 2, NCB 15837, recorded in plat of STAHL ROAD SUBDIVISION, in Volume 9536, Page 207, for an angle point.

With said curve to the left, having a central angle of 00°57'58", a radius of 2060.58 feet, a tangent length of 17.37 feet, and a chord that bears S 25°29'13" W 34.74 feet, for a curve length of 34.75 feet to a ½ inch iron pin set at the point tangency;
S 25°00'14" W. 260.00 feet to a ½ inch iron pin set at the point of curvature to the right;

THENCE Along the common property lines of this tract and of said NORTHERN HILLS, UNIT 17, and of NORTHERN HILLS, UNIT 15, recorded in Volume 9300 Page 67, with said curve to the right, having a central angle of 38°00'41", a radius of 813.17 feet, a tangent length of 280.09 feet, and a chord that bears S 43°54'22" W, 529.64 feet, for a curve length of 539.48 feet to a ½ inch iron pin set in the north line of Lot 76, Block 38, NCB 16808, of said plat of NORTHERN HILLS, UNIT 15;

THENCE S 62°48'47" W, 958.35 feet along the common property lines of this tract and of said NORTHERN HILLS, UNIT 17, to a ½ inch iron pin set at a point of curvature to the left;

THENCE Along the common property lines of this tract and of said NORTHERN HILLS, UNIT 15, and of NORTHERN HILLS, UNIT 11-B, recorded in Volume 8500, Page 177, with said curve to the left, having a central angle of 15°46'26", a radius of 1200.00 feet, a tangent length of 166.23 feet, and a chord that bears S 54°56'16" W 329.32 feet, for a curve length of 330.37 feet to a ½ inch iron pin set at the point of tangency;

THENCE Along the common property lines of this tract and of said NORTHERN HILLS, UNIT 11-B, the following bearings and distances

S 47°03'35" W, 210.21 feet to the point of curvature to the right;

With said curve to the right, having a central angle of 04°09'30", a radius of 1200.00 feet, a tangent length of 43.56 feet, and a chord that bears S 49°08'20" W. 87.07 feet, for a curve length of 87.09 feet to a ½ inch iron pin set at the point of tangency;

S 51°13'05" W, 444.81 feet to the west corner of Lot 5, Block 38, NCB 16808, of said NORTHERN HILLS, UNIT 11B, said point also being in the north line of Lot 12, Block 19, NCB 16372, recorded in plat of NORTHERN HILLS TOWNHOUSES, a Planned Unit Development, in Volume 7200, Page 215, to a ½ inch iron pin set at the most southerly corner of this tract;

THENCE N 48°58'40" W 428.49 feet, to a ½ inch iron pin found in the southeast Right Of Way line of SCARSDALE DRIVE, recorded in plat of NORTHERN HILLS, UNIT 1, in Volume 6500, Pages 151 and 152, said point being the north corner of Lot 1, Block 19, NCB 16372, of said NORTHERN HILLS TOWNHOUSES;

ATTACHMENT I – Part 1

THENCE Along the common property lines of this tract and of said SCARSDALE DRIVE, the following bearings and distances:

With said curve to the left, having a central angle of 10°29'41", a radius of 1200.00 feet, a tangent length of 110.21 feet, and a chord that bears N 41°11'37" E 219.50 feet, for a curve length of 219.80 feet to a concrete monument found, at a point of reverse curvature to the right;

With said curve to the right, having a central angle of 10°26'46", a radius of 1200.00 feet, a tangent length of 109.70 feet, and a chord that bears N 41°02'23" E 218.48 feet, for a curve length of 218.78 feet, to a ½ inch iron pin found at the point of tangency;

N 41°01'46" E, 35.34 feet to a ½ inch iron pin found at the south corner of the south remaining portion of a 2.323 acre tract, Block 29, NCB 16829, recorded in Volume 5138, Page 1924, for an angle point;

THENCE N 47°06'28" E, 346.06 feet to a ½ inch iron pin set for a point of curvature to the left;

THENCE With said curve to the left, having a central angle of 95°13'52", a radius of 180.00 feet, a tangent length of 197.23 feet, and a chord that bears N 01°14'52" W 265.91 feet, for a curve length of 299.18 feet to a ½ inch iron pin set for the point of tangency on the north line of Lot 1, Block 29, NCB 16829, recorded in plat of FOSTER ESTATES in Volume 9524, Page 50;

THENCE N 48°49'51" W, 192.91 feet to an iron pin set at the north corner of the north remaining portion of said 2.323 acre tract, said point being on the west line of Lot 7, Block 1, NCB 15688, recorded in plat of STAFFORD HEIGHTS SOUTH, in Volume 9543, Page 223;

THENCE Along the common property lines of this tract and of said STAFFORD HEIGHTS SOUTH, the following bearings and distances:

N 41°08'12" E, 28.00 feet to a ½ inch iron pin found;

N 48°51'48" W, 414.26 feet to a ½ inch iron pin found on the east line of a 4.194 acre tract, Block 51, NCB 15688, recorded in Volume 9206, Page 1571, for an angle point;

THENCE Along the common property lines of this tract and of 4.194 acre tract, the following bearings and distances:

N 41°11'48" E, 174.99 feet to a ½ inch iron pin set;
N 15°01'03" W, 122.04 feet to a ½ inch iron pin set;

N 39°57'34" W, 75.46 feet across Lot 2, Block 51, NCB 15688, recorded in plat of NORTHERN HILLS COUNTRY CLUB, in Volume 7800, Page 196, to a ½ inch iron pin set;

N 47°06'31" W, 178.02 feet to a ½ inch iron pin set on the southeast Right Of Way line of said SCARSDALE DRIVE, for an angle point;

THENCE: Along the common property lines of this tract and of said SCARSDALE DRIVE, the following bearings and distances

With a curve to the left, having a central angle of 8°24'14", a radius of 430.00 feet, a tangent length of 31 59 feet, and a chord that bears N 45°27'31" E 63.01 feet, for a curve length of 63.07 feet to a ½ inch iron pin set in the northwest line of the remaining portion of said Lot 2 of said NORTHERN HILLS COUNTRY CLUB, for the point of tangency;

N 41°30'11" E, 394.12 feet, passing at 170.50 feet the north line of the remaining portion of said Lot 2 of said NORTHERN HILLS COUNTRY CLUB, to a ½ inch iron pin found for a point of curvature to the right;

With said curve to the right, having a central angle of 05°09'38", a radius of 370.00 feet, a tangent length of 16.67 feet, and a chord that bears N 43°25'19" E, 33.31 feet, for a curve length of 33.32 feet to a ½ inch iron pin found, for a point of tangency;

N 46°29'39" E, 43.27 feet to a ½ inch iron pin set at a point of curvature to the right;

With said curve to the right, having a central angle of 84°57'15", a radius of 6.00 feet, a tangent length of 5.49 feet, and a chord that bears N 88°56'37" E, 8.10 feet, for a curve length of 8.90 feet to the POINT OF BEGINNING, and containing 71.055 acres of land.

Job Number 06056
See Attached Survey Plat

Bearing Reference:
The West Right Of Way of BELL DRIVE
Per Volume 8700, Page 234

STATE OF TEXAS
REGISTERED
SIA SAYYADI
5451
PROFESSIONAL
LAND SURVEYOR

Sia Sayyadi
RPLS No 5451
May 12, 2006

BILL OF SALE

Authorizing Ordinance:	2015-06-04-_____
Seller:	Northern Hills Management Corporation
Seller's Mailing Address (including county):	13202 Scarsdale Drive San Antonio, TX 78217-1743 (Bexar County)
Buyer:	City of San Antonio
Buyer's Mailing Address (including county):	P.O. Box 839966, San Antonio, Bexar County, Texas 78283-3966 (Attn: City Attorney)
Consideration:	Portion of $6,300,000.00 (part of mediated settlement agreement to acquire real and personal property)
Personal Property:	All HVAC equipment, fixtures, walk-in freezers, and other tangible personal property attached to the building including, but not limited to, ceiling fans, light fixtures and window treatments, placed or installed on or about the real property described as 131.394 acres (Tract I - 60.339 acres and Tract II - 71.055 acres), more or less, out of Louis Kneipp Survey Number 11, Abstract Number 391, including part of Lot 2, Block 14. New City Block 15688, Northern Hills Club Subdivision, an addition to the City of San Antonio, Bexar County, Texas, according to map or plat thereof recorded in Volume 7800, Page 196, Deed and Plat Records of Bexar County, Texas, and part of Lot 3, Block 31,New City Block 16738 Northern Hills, Unit 5-A, an addition to the City of San Antonio, Bexar County, Texas, according to map or plat thereof recorded in Volume 9516,Page 168, Deed and Plat Records of Bexar County, Texas, and more accurately described in the attached **Exhibit A**, which is incorporated for all purposes as if fully set forth. Specifically excluded herein are all movable items of equipment, furniture, inventory, supplies, golfing equipment and supplies available for sale to the public, and golf carts and golf course maintenance equipment.
Intangible Property:	All intangible property pertaining to the Property, or the use of thereof including, without limitation,

transferable utility contracts, transferable water or maintenance contracts, plans and specifications, engineering plans and studies, floor plans and landscape plans relating to the same or any part thereof.

Predicate Facts

As a part of a mediated settlement agreement agreed to on February 18th, 2015, by both parties, Buyer has acquired the property commonly known as the Northern Hills Golf Club from Seller. Seller understands and agrees that the furnishings, fixtures, equipment, and other tangible personal property that is now affixed to the buildings on the real property is being sold to Buyer as a part of the mediated settlement agreement in conjunction with the conveyance of the real property for the consideration above.

Sale

Now Therefore, the parties agree and act as follows:

1. For the consideration listed hereinabove, the sufficiency and receipt of which are hereby acknowledged, Seller does hereby sell and convey the Personal Property and Intangible Property (collectively referred to as the "Property") to Buyer.

2. **THE PROPERTY IS BEING CONVEYED "AS IS", "WHERE IS", AND "WITH ALL FAULTS", WITHOUT ANY REPRESENTATION OR WARRANTY WHATSOEVER AS TO ITS CONDITION, FITNESS FOR ANY PARTICULAR PURPOSE, MERCHANTABILITY OR ANY OTHER WARRANTY, EXPRESS OR IMPLIED.**

In Witness Whereof, the parties have caused their representatives to set their hands:

SELLER:

NORTHERN HILLS MANAGEMENT CORPORATION, a Texas corporation

By:_____

Printed Name:_____

Title:_____

Date:_____

State of Texas §
County of Bexar §

This instrument was acknowledged before me this date by _____, of Northern Hills Management Corporation, a Texas corporation, in the capacity therein stated and on behalf of that entity.

Date:_____

_____
Notary Public, State of Texas

My Commission expires:_____

Exhibit A –

METES AND BOUNDS FOR

TRACT I

60.339 ACRES OF LAND OUT OF THE LOUIS KNEIPP SURVEY No 11, ABSTRACT No. 391 COUNTY BLOCK 5014, NEW CITY BLOCK 15837, SAN ANTONIO, BEXAR COUNTY, TEXAS

BEGINNING — At a ½ inch iron pin found in the northwest Right Of Way line of SCARSDALE DRIVE, recorded in plat of NORTHERN HILLS, UNIT 1, in Volume 6500, Pages 151 and 152, said point being the south corner of a 0.189 acre tract, recorded in Volume 5713, Page 1627, Official Public Records of Bexar County, Texas, and being 234.81 feet from the south corner of Lot 1, Block 1, NCB 15895, recorded in plat of said NORTHERN HILLS, UNIT 1, for the east corner of this tract;

THENCE: — S 41°27'01" W 128.25 feet along the northwest ROW line of said SCARSDALE DRIVE to a ½ inch iron pin set at the point of curvature to the right as recorded in said plat of NORTHERN HILLS, UNIT 1;

THENCE: — Along said curve, having a central angle of 23°20'58", radius of 370.00 feet, and a tangent length of 76.45 feet and a chord that bears S 53°07'30" W, 149.74 feet, for a curve length of 150.78 feet to a ½ inch iron pin set at the point of reverse curvature to the left;

THENCE: — Along reverse curve to the left, said curve having a central angle of 1°22'32", a radius of 355.00 feet, and a tangent length of 4.26 feet and a chord that bears S 64°06'43" W, 8.52 feet, for a curve length of 8.52 to a ½ inch iron pin set at the east corner of Lot 15, Block 51, NCB 17192, recorded in plat of PARK GREENE, in Volume 9534, Page 62;

THENCE — Along the common property lines of this tract and of said PARK GREENE, Lot 15, the following bearings and distances:

N 42°14'50" W, 174.41 feet to a ½ inch iron pin found;

S 43°42'18" W, 214.54 feet to a ½ inch iron pin found on the northeast line of Lot 8, Block 51, NCB 17192, recorded in plat of PARK GREENE SUBDIVISION, in Volume 9501, Page 22;

THENCE — Along the common property lines of this tract and of said PARK GREENE SUBDIVISION, Lot 8 the following bearings and distances:

N 48°49'14" W, 698.43 feet to a ½ inch iron pin found;
S 41°01'48" W, 420.93 feet to a ½ inch iron pin found;
S 38°03'33" W 345.00 feet to a ½ inch iron pin set;
S 41°15'56" W, 410.06 feet to a ½ inch iron pin found;

THENCE — S 69°04'33" W, 282.81 feet to a ½ inch iron pin set; for the south corner of this tract;

THENCE — N 21°52'29" W, 380.62 feet to a ½ inch iron pin set on the southeast line of Lot 6, Block 51, NCB 17192, recorded in plat of COUNTRY OAKS APARTMENTS, in Volume 9500, Page 220, for an angle point;

THENCE N 39° 57' 10" E. 418.98 feet along the common property lines of this tract and said Lot 8, to a ½ inch iron pin found at the south corner of Lot 119, Block 51, NCB 17192, recorded in plat of BRISTOW BEND TOWNHOUSE SUBDIVISION, a Planned Unit Development in Volume 9561, Pages 46-47, for an angle point.

THENCE Along the common property lines of this tract and of said BRISTOW BEND TOWNHOUSE SUBDIVISION, Lot 119, the following bearings and distances:

N 40°00'47" E 208.71 feet to a ½ inch iron pin set;
N 12°11'03" E 520.45 feet to a ½ inch iron pin set;
N 41°38'11" E 292.70 feet to a ½ inch iron pin set.

N 35°21'04" E 172.14 feet to a ½ inch iron pin set at the west corner of a 0.434 acre drain easement, conveyed to the City of San Antonio in Volume 8597, Page 302, for an angle point.

THENCE: Along the common property lines of this tract and of said 0.434 acre drain easement tract, the following bearings and distances

S 54° 41' 23" E 70.79 feet to a ½ inch iron pin set;
N 35° 18' 37" E, 249.60 feet to a ½ inch iron pin set;
N 00° 22' 56" E, 87.33 feet to a ½ inch iron pin set on the southeast ROW line of STAHL ROAD;

THENCE Along the common property lines of this tract and the southeast ROW line of said STAHL ROAD:

N 66°44'28" E, 143.66 feet to a ½ inch iron pin set at the point of curvature to the left, at the west corner of a 0.13 acre tract, conveyed to the City of San Antonio in Volume 8597, Page 297;

Along said curve, having a central angle of 1°44'23", radius of 848.66 feet, and a tangent length of 12.89 feet and a chord that bears N 63°07'16" E, 25.77 feet, for a curve length of 25.77 feet, to a ½ inch iron pin set;

N 61°41'03" E, 24.83 feet to a ½ inch iron pin set at the point of curvature to the left;

Along said curve, having a central angle of 6°32'56", radius of 1,462.68 feet, and a tangent length of 83.68 feet and a chord that bears N 58°24'35" E, 167.09 feet, for a curve length of 167.18 feet, to a ½ inch iron pin set at the east corner of said 0.13 acre tract,

N 58° 25' 35" E 82.91 feet to a ½ inch iron pin set;

N 62° 53' 01" E, 57.78 feet to a ½ inch iron pin set at the northwest corner of Lot 1, Block 2, NCB 15837, recorded in plat of STAHL ROAD SUBDIVISION, in Volume 9536, Page 207, for an angle point.

With said curve to the left, having a central angle of 00°57'58", a radius of 2060.58 feet, a tangent length of 17.37 feet, and a chord that bears S 25°29'13" W 34.74 feet, for a curve length of 34.75 feet to a ½ inch iron pin set at the point tangency;
S 25°00'14" W 260.00 feet to a ½ inch iron pin set at the point of curvature to the right;

THENCE Along the common property lines of this tract and of said NORTHERN HILLS, UNIT 17, and of NORTHERN HILLS, UNIT 15, recorded in Volume 9300 Page 67, with said curve to the right, having a central angle of 38°00'41", a radius of 813.17 feet, a tangent length of 280.09 feet, and a chord that bears S 43°54'22" W, 529.64 feet, for a curve length of 539.48 feet to a ½ inch iron pin set in the north line of Lot 76, Block 38, NCB 16808, of said plat of NORTHERN HILLS, UNIT 15;

THENCE S 62°48'47" W, 958.35 feet along the common property lines of this tract and of said NORTHERN HILLS, UNIT 17, to a ½ inch iron pin set at a point of curvature to the left;

THENCE Along the common property lines of this tract and of said NORTHERN HILLS, UNIT 15, and of NORTHERN HILLS, UNIT 11-B, recorded in Volume 8500, Page 177, with said curve to the left, having a central angle of 15°46'26", a radius of 1200.00 feet, a tangent length of 166.23 feet, and a chord that bears S 54°56'16" W 329.32 feet, for a curve length of 330.37 feet to a ½ inch iron pin set at the point of tangency;

THENCE Along the common property lines of this tract and of said NORTHERN HILLS, UNIT 11-B, the following bearings and distances:

S 47°03'35" W, 210.21 feet to the point of curvature to the right;

With said curve to the right, having a central angle of 04°09'30", a radius of 1200.00 feet, a tangent length of 43.56 feet, and a chord that bears S 49°08'20" W, 87.07 feet, for a curve length of 87.09 feet to a ½ inch iron pin set at the point of tangency;

S 51°13'05" W, 444.81 feet to the west corner of Lot 5, Block 38, NCB 16808, of said NORTHERN HILLS, UNIT 11B, said point also being in the north line of Lot 12, Block 19, NCB 16372, recorded in plat of NORTHERN HILLS TOWNHOUSES, a Planned Unit Development, in Volume 7200, Page 215, to a ½ inch iron pin set at the most southerly corner of this tract;

THENCE N 48°58'40" W 428.49 feet, to a ½ inch iron pin found in the southeast Right Of Way line of SCARSDALE DRIVE, recorded in plat of NORTHERN HILLS, UNIT 1, in Volume 6500, Pages 151 and 152, said point being the north corner of Lot 1, Block 19, NCB 16372, of said NORTHERN HILLS TOWNHOUSES;

THENCE Along the common property lines of this tract and of said SCARSDALE DRIVE, the following bearings and distances:

With said curve to the left, having a central angle of 10°29'41", a radius of 1200.00 feet, a tangent length of 110.21 feet, and a chord that bears N 41°11'37" E 219.50 feet, for a curve length of 219.80 feet to a concrete monument found, at a point of reverse curvature to the right;

With said curve to the right, having a central angle of 10°26'48", a radius of 1200.00 feet, a tangent length of 109.70 feet, and a chord that bears N 41°02'23" E 218.48 feet, for a curve length of 218.78 feet, to a ½ inch iron pin found at the point of tangency;

N 41°01'46" E, 35.34 feet to a ½ inch iron pin found at the south corner of the south remaining portion of a 2.323 acre tract, Block 29, NCB 16829, recorded in Volume 5138, Page 1924, for an angle point;

THENCE N 47°06'28" E, 346.06 feet to a ½ inch iron pin set for a point of curvature to the left;

THENCE With said curve to the left, having a central angle of 95°13'52", a radius of 180.00 feet, a tangent length of 197.23 feet, and a chord that bears N 01°14'52" W 265.91 feet, for a curve length of 299.18 feet to a ½ inch iron pin set for the point of tangency on the north line of Lot 1, Block 29, NCB 16829, recorded in plat of FOSTER ESTATES, in Volume 9524, Page 50;

THENCE N 48°49'51" W, 192.91 feet to an iron pin set at the north corner of the north remaining portion of said 2.323 acre tract, said point being on the west line of Lot 7, Block 1, NCB 15688, recorded in plat of STAFFORD HEIGHTS SOUTH, in Volume 9543, Page 223;

THENCE Along the common property lines of this tract and of said STAFFORD HEIGHTS SOUTH, the following bearings and distances:

N 41°08'12" E, 26.00 feet to a ½ inch iron pin found;

N 48°51'48" W, 414.26 feet to a ½ inch iron pin found on the east line of a 4.194 acre tract, Block 51, NCB 15688, recorded in Volume 9206, Page 1571, for an angle point;

THENCE Along the common property lines of this tract and of 4.194 acre tract, the following bearings and distances:

N 41°11'48" E, 174.99 feet to a ½ inch iron pin set;
N 15°01'03" W, 122.04 feet to a ½ inch iron pin set;

N 39°57'34" W, 75.46 feet across Lot 2, Block 51, NCB 15688, recorded in plat of NORTHERN HILLS COUNTRY CLUB, in Volume 7800, Page 196, to a ½ inch iron pin set;

N 47°06'31" W, 178.02 feet to a ½ inch iron pin set on the southeast Right Of Way line of said SCARSDALE DRIVE, for an angle point;

THENCE. Along the common property lines of this tract and of said SCARSDALE DRIVE, the following bearings and distances

With a curve to the left, having a central angle of 8°24'14", a radius of 430.00 feet, a tangent length of 31 59 feet, and a chord that bears N 45°27'31" E 63.01 feet, for a curve length of 63.07 feet to a ½ inch iron pin set in the northwest line of the remaining portion of said Lot 2 of said NORTHERN HILLS COUNTRY CLUB, for the point of tangency;

N 41°30'11" E, 394.12 feet, passing at 170.50 feet the north line of the remaining portion of said Lot 2 of said NORTHERN HILLS COUNTRY CLUB, to a ½ inch iron pin found for a point of curvature to the right;

With said curve to the right, having a central angle of 05°09'38", a radius of 370.00 feet, a tangent length of 16.67 feet, and a chord that bears N 43°25'19" E, 33.31 feet, for a curve length of 33.32 feet to a ½ inch iron pin found, for a point of tangency;

N 46°29'39" E, 43.27 feet to a ½ inch iron pin set at a point of curvature to the right;

With said curve to the right, having a central angle of 84°57'15", a radius of 6.00 feet, a tangent length of 5.49 feet, and a chord that bears N 88°56'37" E, 8.10 feet, for a curve length of 8.90 feet to the POINT OF BEGINNING, and containing 71.055 acres of land.

Job Number 06056
See Attached Survey Plat

Bearing Reference:
The West Right Of Way of BELL DRIVE
Per Volume 8700, Page 234

STATE OF TEXAS
REGISTERED
SIA SAYYADI
5451
PROFESSIONAL
LAND SURVEYOR

Sia Sayyadi
RPLS No 5451
May 12, 2006

LEASE OF GROUNDWATER

This Lease of Groundwater ("Lease") is entered into to be effective this _____ day of _____, 2015 the "Effective Date"), by and between Raymond and Carole Bartram (hereinafter referred to as "Lessor" whether one or more) and Northern Hills Management Corp., a Texas corporation, and or assigns (the "Lessee"). Lessor hereby leases to Lessee the following unrestricted, fully transferable Edwards Aquifer water rights and related rights, on the following terms and conditions:

1. Water Rights.

   Lessor leases to Lessee the Lessor's groundwater rights and Lessor's permit rights from the Edwards Aquifer Authority ("EAA") to withdraw 150 acre-feet of unrestricted Edwards Aquifer groundwater per annum, under EAA Initial Regular Permit P 101-241 (ME00445) recorded as Document No. _____ in Volume ___, Page ____ of the Official Public Records of Comal and Bexar County, Texas, and any successor permits (the "Groundwater Withdrawal Permit(s)") (the "Water Rights"). The Water Rights include all property rights to and for the quantity of rights above referenced, including the right to withdraw and/or beneficially use the Water Rights and all real and personal property rights, appurtenances, permits, authorities, licenses, consents and contracts, if any, pertaining to all such property rights.

2. Additional Lease Rights.

   The lease of the Water Rights as defined above shall also expressly include all of Lessor's Groundwater Withdrawal Permit rights pertaining to the Water Rights, all withdrawal or other permits pertaining to the Water Rights, and all modifications, amendments, renewals, extensions or successor or substitute permits relating to any of the above described items, and the right to withdraw and/or beneficially use the Edwards Aquifer water related to or pertaining to the Water Rights.

3. Term.

   The term of this Lease ("Term") shall be—subject to Section 4 herein—for a period of **five (5)** years commencing on January 1, 2016 (the "Commencement Date") and continuing through December 31, 2020 (the "Expiration Date"). Under this Lease, each calendar year that this Lease is in effect, beginning with the calendar year in which the Commencement Date occurs, is a Lease Year.

4. Rent.

   The rent for the Water Rights for the first (1st) lease year shall be ONE HUNDRED FORTYAND NO/100 DOLLARS **($140.00)** per acre-foot, for a total lease payment of TWENTY-ONE THOUSAND AND NO/100 DOLLARS **($21,000.00)** per Lease Year ("Rent"). Rent for each Lease Year is due in one lump-sum payment on or before January 20th of each Lease Year. The rent shall be the same for each year thereafter

UNLESS Lessor notifies Lessee in writing at least sixty (60) days before the current Lease Expiration Date of a change to what Lessor deems to be "market rate" for Water Rights. Upon receipt of the Notice from Lessor, Lessee may accept the New Rent for the following year by notifying Lessor in writing, or contact Lessor in an attempt to negotiate a New Rent for the following year. If Lessor and Lessee are unable to reach an agreement as exhibited by a written modification agreement of this Section 4 setting forth the New Rent, this Lease shall terminate at the expiration date of the then current Lease Term.

5. Reductions and Changes in Designation.

In the event that there is a permanent reduction by the EAA or other governmental authority of the maximum authorized withdrawal amount of the Groundwater Withdrawal Permit(s) ("Permanent Reduction"), Lessor must elect one of the two following options within sixty (60) days of the effective date of such Permanent Reduction: (1) Lessor may elect that the amount of the Water Rights leased by Lessee under this Lease shall be reduced on an equal percentage basis (or such method adopted by the EAA or other governmental authority) as of the effective date of the reduction of each Groundwater Withdrawal Permit under the Permanent Reduction, and the Rent shall be reduced accordingly on the per acre foot basis as described in Section 4 of this Lease for the first Lease Year in which the Permanent Reduction is applicable and each subsequent Lease Year; or (2) if Lessor, after such Permanent Reduction, owns sufficient rights under the Groundwater Withdrawal Permit(s) relating to the Water Rights to provide the full amount of the Water Rights described in Section 1, Lessor may elect that there is no reduction of the Water Rights or the Rent under this Lease. If, as a result of the first election, Lessee has prepaid Rent for a Lease Year in which Rent is reduced, then Lessor shall refund to Lessee the amount of the reduction in the Rent within 30 days of date Lessor makes such an election if the reduction in Rent occurs in the final Lease Year. If it is not the final Lease Year, then Lessor shall refund to Lessee the amount of the reduction in Rent for the Lease Year within 30 days of date Lessee makes such a request. If Lessee does not make such a request, Lessee may set off such refund amount against any Rent due Lessor in subsequent Lease Years. In the event of the second election, the parties agree to execute and deliver any documents which are required by the EAA or any other governmental authority.

This section 5 does not apply to a temporary reduction in the use of any part of the Water Rights due to demand management, critical period or similar rules of the EAA or other government authority.

6. Documents to be Delivered on Effective Date of Lease.

On the Effective Date of this Lease, Lessor shall deliver to Lessee the following documents executed and acknowledged by Lessor: an EAA Application to Transfer and Amend Initial Regular Permit for the Water Rights, including all Exhibits and other forms or documents required by the EAA to approve the transfer of the use of the Water Rights to Lessee.

7. Assignability.

Lessor and Lessee shall have the right without recourse to freely assign this Lease or any rights hereunder. Lessee may freely sublease all or any portion of the Water Rights.

8. Notices.

Any notices to be given hereunder shall be given by placing the notice in the United States mail, certified or registered, properly stamped and addressed to the address shown below or such other addresses as the respective party may direct in writing to the other, by overnight delivery service, or by personal delivery to such address. Notice shall be deemed effective upon such placing in the mails, on the next business day following delivery and acceptance for next day delivery by any overnight delivery service, or upon actual delivery if by personal delivery:

Lessor: Mr. Raymond Bartram
Mrs. Carole Bartram
437 Ogden Lane
New Braunfels, Texas 78130

Lessee: Northern Hills Management Corp.
Attn: Pete Peterson
13202 Scarsdale Drive
San Antonio, Texas 78217

9. Fees.

Lessee will pay the EAA transfer application fees and county recordation fees necessary to transfer the Water Rights to Lessee. Lessee will also pay EAA Aquifer Management Fees associated with the Water Rights for each Lease Year, or if Lessor has paid some or all of the EAA Aquifer Management Fees for the initial Lease Year prior to the Effective Date of this Lease, Lessee shall reimburse Lessor for such payment. Lessee shall not be liable for any fees, taxes or assessments on the Real Property, or for any EAA fees assessed on or related to water or permit rights not leased to Lessee under this Lease.

10. Governing Law.

This Lease shall be governed by the laws of the State of Texas and is performable in Bexar County, Texas.

11. Binding Effect.

The Lease shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

12. Authority.

Each of the persons signing on behalf of Lessor and Lessee hereby represent and warrant that they have the authority to execute this Lease on behalf of the party indicated by their signature and have the authority to bind such party thereto.

13. Further Assurances.

Lessor and Lessee shall take all further actions and shall execute and deliver to the other any other document or instrument which is necessary or useful to fully carry out the transactions evidenced by this Lease, including any amendments to the Permit Rights carried out in conformance with applicable EAA regulations or any documentation required by the EAA in order to evidence the termination of Lessee's interest in the Water Rights upon the termination of this Lease. In addition, the parties agree to amend this Lease in any manner necessary to cause this Lease to be in compliance with EAA rules and regulations. Lessee shall have the authority to file a Memorandum of Lease of Groundwater of public record to reflect its interest in the Water Rights as set out under the terms of this Lease. Lessor agrees to execute any such form of Memorandum of Lease of Groundwater or any amendment of such Memorandum of Lease of Groundwater provided by Lessee.

14. Entire Agreement.

This Lease contains all agreements between the parties hereto and any agreement not contained herein shall not be recognized by the parties. The captions used herein are for convenience only and shall not be used to construe this Lease. Words of gender shall be construed to include any other gender, and words in the singular number shall include the plural and vice versa unless the context requires otherwise.

15. Counterparts.

This lease may be executed by the parties in any number of counterparts, each of which when so executed and delivered shall be deemed an original instrument, but all such counterparts together shall constitute but one and the same instrument.

REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.

SIGNATURE PAGE FOLLOWS.

LESSOR:

_____
Raymond Bartram

LESSOR:

_____
Carole Bartram

LESSEE:

Northern Hills Management Corp.

By: _____
Pete Peterson

Title: _____

ATTACHMENT II

STATE OF TEXAS §
§
COUNTY OF BEXAR §

SECOND AMENDMENT TO MANAGEMENT AGREEMENT

This SECOND AMENDMENT TO GOLF COURSE MANAGEMENT AGREEMENT ("Amendment") is hereby made and entered into by and between the CITY OF SAN ANTONIO (hereinafter referred to as "CITY"), a Texas municipal corporation, acting by and through its City Manager pursuant to Ordinance No. 2015-_____ dated _____, 2015, and the Municipal Golf Association-San Antonio (hereinafter referred to as "MGA-SA"), a Texas non-profit corporation, acting by and through its President, hereto duly authorized.

WHEREAS, CITY and MGA-SA entered into a Golf Course Management Agreement ("Agreement") for the Management of the Municipal Golf Facilities ("Facilities") facility pursuant to Ordinance No. 2007-05-03-0479, passed and approved by the City Council of the City of San Antonio on May 3, 2007; and

WHEREAS, the Parties entered into an Amendment to the Agreement pursuant to Ordinance No. 2012-06-21-0499 dated June 21, 2012;

WHEREAS, the Parties now wish to enter into a Second Amendment to the Agreement in order to incorporate another golf facility currently know as Northern Hills into the operations of MGA-SA; and

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein the parties hereby agree to amend the Management Agreement as follows:

1. *Article 2*: Article 2 is amended to reflect that MGA-SA will assume management of the Northern Hills Golf Club at 13202 Scarsdale St., San Antonio, Texas immediately upon the final purchase of the property by the CITY. MGA-SA shall use its best efforts to minimize the interruption of services to the public by beginning golf course and banqueting operations at the Northern Hills Golf Club as soon as practicable after the closing of the real estate transaction.

2. *One Time $500,000 Grant:* CITY shall pay MGA-SA up to five hundred thousand dollars ($500,000) upon MGA-SA taking possession of and beginning the operation of Northern Hills Golf Club. Such funds shall be transferred to MGA-SA upon request for the purchase of the personal property, equipment and fixtures necessary for the continued and uninterrupted operation of the golf course and banquet facility. MGA-SA shall provide to the City documentary evidence of all such purchases and in no case shall CITY pay MGA-SA more than the total of $500,000.

3. Except as modified herein, all terms and conditions contained in the Agreement, as previously amended, shall remain in full force and effect.

EXECUTED IN DUPLICATE ORIGINALS, each of which shall have the full force and effect of an original this the ___ day of _____, 2015.

CITY OF SAN ANTONIO

By: _____
Sheryl Sculley
City Manager

MUNICIPAL GOLF ASSOCIATION-SA

By: _____

ATTEST: _____
CITY CLERK

APPROVED AS TO FORM:

_____
CITY ATTORNEY