

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

WHEREAS, the Bexar County Commissioners Court (the "Commissioners Court") met in regular session, open to the public, at the Bexar County Courthouse at 100 Dolorosa Street, Suite 1.20, San Antonio, Texas, on August 1, 2006, whereupon roll was called of the members of the Commissioners Court, to wit:

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

All Commissioners were present, except County Judge.

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

AYE 4 / NO —

THE ORDER THUS ADOPTED IS AS FOLLOWS:

On May 15, 2006, a petition (the "Petition") was filed with the Bexar County Clerk for the Creation of a Public Improvement District to be named Crosswinds at South Lake Special Improvement District (the "District"), appointment of directors, and for imposition of ad valorem, sales and use, and hotel occupancy taxes, each at a specified rate, within the boundaries of the District, and for authority to enter into economic development agreements, grants and loans, signed by the owners of taxable real property representing more than 50 percent (50%) of the appraised value of taxable real property within the boundaries of the District, praying for the Commissioners Court to grant the Petition.

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

1. On June 6, 2006, a Petition, duly signed, praying for the creation of the District, to be operated under Subchapter C, Chapter 372, of the Texas Local Government Code (the

“Code”), appointment of directors, and imposition of ad valorem, sales and use, and hotel occupancy taxes, each at specified rates, within the boundaries of the District; and for authorization to use such tax revenues to finance the District’s economic development program through issuance of economic development agreements, grants and loans, and planned improvements instead of assessments, was considered by the Commissioners Court; that said Petition fully meets the requirements of law relating thereto; and that upon due consideration of said Petition, the same was set down upon the agenda for consideration by this Court on this date, with the Court proceedings to begin at 9:00 a.m. at the Bexar County Courthouse, San Antonio, Bexar County, Texas. Public notice of the hearing was given in accordance with the requirements of Chapter 372 of the Code.

2. This Commissioner Court is authorized to (a) consider the Petition; (b) enter an Order creating the District, designating that its operation shall be pursuant to the provisions of Subchapter C, Chapter 372 of the Code; (c) appoint its board of directors; and, (d) authorize the board of directors of the District to impose ad valorem, sales and use, and hotel occupancy taxes within the District, each at a specified rate, to be used to finance the District’s planned economic development program and improvements and to induce and incentivize economic development projects through the use of economic development agreements, grant and loans. Upon creation, the District will become endowed with the powers granted by Article III, Section 52, and Article III, Section 52a of the Constitution of the State of Texas; Chapters 372, 380, 381 and 383 of the Code. The powers granted by Article III, Section 52 cannot be exercised by the District until the City of San Antonio, Texas (the “City”) consents by resolution for the District to exercise these powers.

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

4. The Commissioners Court for its authority to undertake action herein, relies upon the law as specifically found in Chapter 372 of the Code, and in HB 2120, Acts of the 79th Legislature, Regular Session, amending Chapter 372 of the Code, wherein Subchapter C it is provided that a commissioners court of certain counties with a population of at least 825,000 may create a public improvement district, and authorize such a district to take such actions as are authorized under Chapters 372, 380, 381, and 383 of the Code, including imposition of ad valorem, sales and use, and hotel occupancy taxes, at rates specified by such county, within the boundaries of the public improvement district (collectively the “Laws”) if such taxes are approved by the qualified voters in the District at an election called for that purpose.

5. The Commissioners Court relies upon the authority granted in Chapter 271 of the Texas Election Code authorizing political subdivisions, such as the District, to conduct a joint election, and the request of the Petitioner that Bexar County agree to conduct a joint election with the District upon its creation in order to facilitate the orderly conduct of the election required to confirm the District and approve its powers.

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

7. After full consideration by the Commissioners Court, including presentation of testimony and evidence at a public hearing as required by Subchapter C, Chapter 372 of the Code, the Commissioners Court affirmatively finds that the Petition conforms to the requirements of the laws and that creation of the District under Subchapter C, Chapter 372 of the Code, appointment of directors, and imposition of ad valorem, sales and use, and hotel occupancy taxes at the rates specified in the Petition is beneficial and advisable to Bexar County in order to finance economic development programs and improvements and induce and incentivize economic development projects through the use of economic development agreements, grant and loans proposed for the District in lieu of assessments, through the issuance of bonds or other financing methods, which will promote and develop new and expanded business enterprises and lead to job creation, and would serve the public purpose of economic development and, specifically, providing new jobs and employment and potentially attracting visitors and tourists to Bexar County.

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

Section 1. Subject to the conditions contained herein, the Petition be and the same is hereby in all things granted, and a public improvement district is hereby created, to be known as the "Crosswinds at South Lake Special Improvement District", to be authorized by and to operate pursuant to the provisions of Subchapter C, Chapter 372 of the Texas Local Government Code; directors are hereby appointed and are named in this Order; and, subject to the approval of the qualified voters in the District, ad valorem, sales and use, and hotel occupancy taxes are hereby authorized to be imposed within the boundaries of the District, at the rates set forth in this Order, as prayed for in the Petition to finance the District's planned improvements and economic development grants, by the issuance of bonds or other methods. Assessments may not be levied or imposed by the District's board of directors. Except as may be provided for herein, the Commissioners Court hereby delegates to the District, all of the powers granted to Bexar County by HB 2120, Acts of the Texas Legislature, Regular Session, 2005 amending Chapter 372 of the Texas Local Government Code. In addition, Bexar County hereby grants to the District the powers and duties of a road district and the power to provide water, wastewater and drainage facilities contingent upon consent from the City for such a grant of Power. The District, upon approval from the Commissioners Court, is authorized to issue bonds for any District purpose secured by any District revenue.

Section 2. The District is required to obtain the approval of Bexar County if it desires to increase the tax rates authorized in this Order. The District may not enter into, and Commissioners Court does not give the District authority to execute, an Economic Development Agreement without first obtaining the approval of the Commissioner Court. The District may not enter into, and Commissioners Court does not give the District authority to execute, any agreements to make a loan or grant of District proceeds without first obtaining the approval of

Commissioners Court. In addition, the District may not issue bonds, and Commissioners Court does not give the District authority to issue bonds, without first obtaining Commissioners Court approval.

Section 3. The District is created and organized under the terms and provisions of Article III, Section 52; and Article III, Section 52a of the Constitution of the State of Texas, and Chapter 372, 380, 381 and 383 of the Texas Local Government Code, as amended. The District may not exercise the powers granted by Article III, Section 52 unless the City grants approval for the District to exercise these powers.

Section 4. The District is created and organized under the terms and provisions of the "Bexar County Public Improvement District Policies, Procedures, and Program", as adopted by the Commissioners Court on August 30, 2005, and such policies, procedures, and program are incorporated herein for all purposes.

Section 5. The District is expressly authorized to impose the taxes listed in this Order and except as conditioned herein, to use tax revenues if, as, and when collected to finance improvements in lieu of assessments, by use of bond issuances or other means, to manage economic development projects, and to make grants and loans of public money to promote state and local economic development and to stimulate investment of private capital, business and commercial activity in the District, and job creation in the District and Bexar County, subject to the approval of the voters within the District.

Section 6. Upon calling for an election by the District, the District will be permitted to negotiate and enter into an agreement to conduct a joint election with Bexar County in order to facilitate the orderly conduct of the District's confirmation, tax and bond election, which shall be held November 7, 2006. The District's qualified voters shall cast their ballots for or against the District and its proposed taxes, economic development agreement authority, and bonds at a regular Bexar County polling place because no public building will exist within the District at the time of such election. Bexar County agrees to enter into an agreement to conduct a joint election pursuant to Chapter 271 of the Texas Election Code, and will negotiate the terms of such election with the District's Board of Directors.

Section 7. As a condition of the Commissioners Court to create the District, the Commissioners Court may require the District to prepare an annual report to be presented to the Commissioners Court on the status of District improvements and services, including the compliance with negotiated terms and conditions in any economic development agreement. In addition, on the request of the Commissioners Court, quarterly reports shall be made to the County's SMWBE Advisory Committee and Program Office regarding all District expenditures to specifically include the efforts made in regards to outreach, solicitation and awards to certified small, minority and women-owned businesses on contracted work opportunities within the District.

Section 8. The Directors nominated in the Petition are hereby appointed, and shall serve staggered two-year terms, as set forth in HB 2120, Acts of the 79th Legislature, amending Chapter 372 of the Texas Local Government Code. The directors listed below are hereby appointed:

Mr. Marcus Moreno

Mr. Arturo Fux

Mr. Robert Rodriguez

Mr. Mel Friedman

Mr. Mike Wilkinson

Mr. Jay Vineyard

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

Section 9. Subject to the approval of the qualified voters in the District, the taxes that are hereby authorized to be levied and imposed within the District and the rates at which they are authorized to be imposed are as follows:

Ad Valorem Tax:	\$.578 per \$100 valuation
Sales and Use Tax:	\$0.02 per taxable sale subject to the state sales and use tax
Hotel Occupancy Tax:	9% of the cost of the room as defined in Chapter 352 of the Texas Tax Code

Section 10. The District's boundaries are described in a legal description described in metes and bounds in Exhibit "A" attached hereto and incorporated herein for all purposes, and in a conceptual site plan attached as Exhibit "B", designated to be illustrative and not to be relied upon as a legal description.

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

PASSED, ADOPTED, ORDERED AND EFFECTIVE this 1st day of August, 2006.

acting for: Paul Elizondo
Nelson W. Wolff County Judge

Sergio Rodriguez
Sergio "Chico" Rodriguez Commissioner, Precinct 1

Paul Elizondo Presiding Officer
Paul Elizondo Commissioner, Precinct 2

Lyle Larson
Lyle Larson Commissioner, Precinct 3

Tommy Adkisson
Tommy Adkisson Commissioner, Precinct 4

ATTEST:

Gerry C. Rickhoff
Gerry C. Rickhoff, County Clerk

Exhibit "A"
Property Description
Proposed Crosswinds at South Lake Special Improvement District

FIELD NOTES

FOR

A 532.59 acre, or 23,199,987 square foot more or less, tract of land being all of that 314.189 acre tract recorded in Volume 9950, Pages 1763-1766 of the Official Public Records of Real Property, Bexar County, Texas, all of a 50.457 acre tract recorded in Volume 10384, Pages 107-109 of the Official Public Record of Real Property, Bexar County, Texas, all of a 99.0 acre tract recorded in Volume 10571, Pages 1809-1810 of the Official Public Records of Real Property, Bexar County Texas, all of an 84.129 acre tract recorded in the Deed Records of Bexar County, Texas, and a portion of a 40 acre tract recorded in Volume 7233, Pages 705-707 of the Deed Records of Bexar County, Texas. Said 532.59 acre tract being more fully described as follows:

BEGINNING At a point in the west right of way line of State Highway 16, a variable width right of way, a south corner of a 2.649 acre tract recorded in Volume 10297, Page 2015 of the Official Public Record of Real Property, Bexar County, Texas and a northeast corner of said 532.59 acre tract

THENCE: S 34°07'24"W, a distance of 2010.55 feet to a point;

THENCE: S 45°26'28"W, a distance of 204.18 feet to a point;

THENCE: S 34°08'43"W, a distance of 476.60 feet to a point;

THENCE: Southwesterly, along the arc of a curve to the left, said curve having a radial bearing of S 55°51'17" E, a radius of 5829.65 feet, a central angle of 10°25'00", a chord bearing and distance of S 28°56'13" W, 1058.40 feet, for an arc length of 1059.86 feet to a point;

THENCE: S 23°43'43"W, a distance of 617.83 feet to a point;

THENCE: Along and with the Medina river the following calls and distances:

 N 73°11'21"W, a distance of 171.65 feet to a point;

 N 51°45'27"W, a distance of 278.86 feet to a point;

 N 61°51'16"W, a distance of 224.56 feet to a point;

 S 59°13'17"W, a distance of 179.38 feet to a point;

 S 33°54'40"W, a distance of 471.18 feet to a point;

S 09°10'33"E, a distance of 463.33 feet to a point;
:
S 08°58'13"E, a distance of 96.30 feet to a point;
S 17°04'03"W, a distance of 236.28 feet to a point;
S 78°19'36"W, a distance of 193.07 feet to a point;
S 24°31'46"W, a distance of 98.32 feet to a point;
S 12°49'50"E, a distance of 176.04 feet to a point;
S 77°14'35"W, a distance of 322.91 feet to a point;
N 42°54'30"W, a distance of 121.89 feet to a point;
S 75°05'24"W, a distance of 286.76 feet to a point;
S 22°48'36"W, a distance of 191.20 feet to a point;
S 32°35'09"E, a distance of 211.08 feet to a point;
S 88°13'05"E, a distance of 110.58 feet to a point;
S 40°25'27"E, a distance of 88.10 feet to a point;
S 01°52'27"W, a distance of 126.07 feet to a point;
S 68°16'28"W, a distance of 327.78 feet to a point;
N 47°47'17"W, a distance of 425.54 feet to a point;
N 32°23'56"W, a distance of 310.34 feet to a point;
N 20°29'02"W, a distance of 425.00 feet to a point;
N 18°56'18"E, a distance of 301.27 feet to a point;
N 61°57'46"W, a distance of 151.81 feet to a point;
N 39°08'05"W, a distance of 158.28 feet to a point;
N 34°44'11"E, a distance of 145.36 feet to a point;
N 02°32'46"E, a distance of 340.55 feet to a point;

N 17°59'59"W, a distance of 108.46 feet to a point;

S 80°45'29"W, a distance of 133.24 feet to a point;

N 00°18'52"W, a distance of 3.73 feet to a point;

N 85°38'48"W, a distance of 212.95 feet to a point;

S 66°57'10"W, a distance of 582.98 feet to a point;

N 26°13'27"W, a distance of 313.00 feet to a point;

THENCE: N 00°02'32"E, leaving said Medina River a distance of 23.57 feet to a point, the southwest corner of a called 84.29 acre tract recorded in Volume 7215, Pages 86-88 of the Deed Records of Bexar County, Texas and the southeast corner of a 100.098 acre tract recorded in Volume 8463, Pages 817-819 of the Official Public Records of Bexar County, Texas;

THENCE: N 00°02'32"E, along and with the west boundary line of said 84.29 acre tract and the east line of said 100.098 acre tract a distance of 4851.53 feet to a point, a point in the south right of way line of said Watson Road;

THENCE: S 81°03'02"E, along and with the south right of way line of said Watson Road a distance of 109.26 feet to a point;

THENCE: S 72°51'57"E, along and with the south right of way line of said Watson Road a distance of 216.55 feet to a point;

THENCE: S 00°03'33"E, departing said south right of way line of said Watson Road, along and with the west boundary line of said 84.29 acre tract and the west line of a 2.934 acre tract recorded Volume 9307, Pages 335-337 of the Official Public Records of Real Property of Bexar County, Texas a distance of 474.32 feet to a point, the southwest corner of said 2.934 acre tract;

THENCE: S 00°07'55"E, along and with the west line of said 84.29 acre tract and the east line of a 15.0 acre tract recorded in Volume 7215, Pages 89-91 of the Deed Records of Bexar County, Texas a distance of 682.69 feet to a point;

THENCE: S 87°13'51"E, along and with the north line of said 84.29 acre tract and the south line of said 15.0 acre tract a distance of 565.02 feet to a point;

THENCE: N 00°01'47"E, along and with the east line of said 15.0 acre tract and a 99.00 acre tract recorded in Volume 10571, Pages 1809-1810 of the Official Public Records of Real Property of Bexar County, Texas a distance of 383.32 feet to a point;

- THENCE: S 80°59'59"E, along and with a north line of said 99.00 acre tract and the south line of a 3.0 acre tract recorded in Volume 4552, Page 881 of the Official Public Records of Real Property of Bexar County, Texas a distance of 299.43 feet to a point, a point in the south line of said State Highway 16;
- THENCE: N 00°33'25"E, along and with the south line of said Watson Road and the north line of said 99.00 acre tract a distance of 728.10 feet to a point;
- THENCE: S 81°38'54"E, along and with the south line of said Watson Road and the north line of said 99.00 acre tract a distance of 806.52 feet to a point, a northeast corner of said 99.00 acre tract and the northwest corner of a 40 acre tract recorded in Volume 7233, Pages 705-707 of the Deed Records of Bexar County, Texas;
- THENCE: S 78°47'58"E, along and with the south line of said Watson Road and the north line of said 40 acre tract a distance of 546.69 feet to a point;
- THENCE: S 00°07'31"W, departing said south line of said Watson Road, along and with an east line of said 40.0 acre tract and the west line of a 2.00 acre tract recorded in Volume 11107, Pages 7-8 recorded in the Official Public Records of Bexar County, Texas a distance of 298.88 feet to a point;
- THENCE: S 80°52'29"E, along and with a north line of said 40.0 acre tract and the south line of said 2.00 acre tract a distance of 295.19 feet to a point;
- THENCE: N 00°07'31"E, along and with a west line of said 40.0 acre tract and the east line of said 2.00 acre tract a distance of 298.88 feet to a point, a point in the south right of way line of said Watson Road;
- THENCE: S 80°50'30"E, along and with the south line of said Watson Road and a north line said 40.0 acre tract of a distance of 279.85 feet to a point;
- THENCE: S 80°48'34"E, along and with the south line of said Watson Road a distance of 1723.87 feet to a point;
- THENCE: S 76°10'33"E, along and with the south line of said Watson Road a distance of 422.33 feet to a point;
- THENCE: S 69°36'27"E, along and with the south line of said Watson Road a distance of 405.06 feet to a point;
- THENCE: S 72°00'39"E, along and with the south line of said Watson Road a distance of 365.51 feet to a point;
- THENCE: S 18°57'11"E, a distance of 120.19 feet to the point of beginning, containing 532.59 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: September 6, 2005
JOB No.: 9198-05
DOC.ID: N:\Survey05\5-9200\9198-05\DOC\919805FN doc

SOUTH LAKE LAND USE SUMMARY

(C) COMMERCIAL

area in acres - 73.1 ac.
% of project - 14%
F.A.R. - -

(M) HIGH TO MODERATE INTENSITY USE

area in acres - 103.2 ac.
% of project - 19%
of units - 820 d.u.
(MF @ 25 ac. x 21 du/ac.) - (525 d.u.)
(TH/Cluster/Single Family
@ 78.2 ac. x 4 du/ac.) - (313 d.u.)
838 d.u.

(L) MODERATE TO LOW INTENSITY USE

area in acres - 138.9 ac.
% of project - 26%
of units - 722 d.u.
(Single Family @ 138.9 ac. x 5.2 du/ac.) - (722 d.u.)

SCHOOL

area in acres - 11.0 ac.
% of project - 2%

SOUTH LAKE PARK/ CONSERVATION BUFFER/ GREENBELT / OPEN SPACE

area in acres - 166.3 ac.
% of project - 31%

MAJOR ROADS

area in acres - 37.5 ac.
% of project - 7%

TOTAL

area in acres - 530 ac.
of units - 1,560 d.u.