

ORDER CONDITIONALLY GRANTING PETITION FOR CREATION OF A PUBLIC IMPROVEMENT DISTRICT TO BE NAMED "ESPADA SPECIAL IMPROVEMENT DISTRICT NUMBER 1," 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 ("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 October 21, 2008, whereupon roll was called of the members of 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 Paul Elizondo.

WHEREAS, among other business conducted by Commissioners Court, Commissioner Rodriguez introduced the Order set out below and moved its adoption, which was seconded by Commissioner 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 January 7, 2008, a petition (the "Petition") was filed with the Bexar County Clerk seeking the creation of a Public Improvement District to be named "Espada Special Improvement District Number 1" (the "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. The Petition was 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 ("Owners") and prayed that Commissioners Court grant the Petition.

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, and find the following:

1. On April 22, 2008, 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, 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 Commissioners Court at a public hearing. The Petition met the requirements of law relating thereto and upon due consideration of said Petition, it was set on the agenda for consideration by this Court on this date. Court proceedings began at 11:00 a.m. at the Bexar County Courthouse, San Antonio, Bexar County, Texas and public notice of the hearing was given in accordance with the requirements of Chapter 372 of the Code.

2. Commissioners 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 Local Government 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 XVI, Section 59, Article III, Section 52, and Article III, Section 52a of the Constitution of the State of Texas, and Chapter 372 of the Local Government Code. The powers conditionally granted by this Order shall not be exercised by the District until: (1) the District and the City of San Antonio ("City") enter into an agreement for services in lieu of annexation. Should one of the eight (8) conditions specified in "Section 1" hereinbelow be breached, violated, or fail to occur within the time period specified herein ("Default") and the District fails to cure the Default as provide herein, the powers granted to the District by this Order shall be deemed revoked by order of Commissioners Court stating the same. Within fifteen (15) business days of Commissioners Court becoming aware of such a Default, Commissioners Court shall send written notice of same to the District. Thereafter, the District shall have ninety (90) days within which to cure the Default as set out in the notice. However, if the nature of the Default is such that more than ninety (90) days are reasonably required for its cure, then the District shall not be deemed to be in Default hereunder if the District commences such cure within such ninety (90) day period and thereafter diligently pursues such cure to completion.

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. Commissioners Court, for its authority to undertake action herein, relies upon the law as specifically found in 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 Chapter 372 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. 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 approve the ad valorem tax, hotel occupancy tax, and sales and use tax authorized by this Order.

6. 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 Commissioners Court, including presentation of testimony and evidence at a public hearing as required by Subchapter C, Chapter 372 of the Code, Commissioners Court affirmatively finds that:

- (a) the Petition conforms to the requirements of the Laws and creation of the District under Subchapter C, Chapter 372 of the Code is in the best interests of Bexar County; and
- (b) appointment of directors, and imposition of ad valorem, sales and use, and hotel occupancy taxes at the rates specified in this Order 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, grants and loans proposed for the District in lieu of assessments, through the issuance of bonds or other financing methods; and
- (c) creation of the District will provide for the improvement and construction of transportation infrastructure, creation of single and multifamily housing as well as stimulate business and commercial activity and lead to job creation, and would serve the public purpose of economic development, specifically, providing new jobs, expanding commercial development, attracting retail facilities, construction of residential housing and improvement and construction of an east-west enhanced secondary arterial.

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

Section 1. The Petition for creation of a public improvement district is conditionally granted, and a public improvement district is hereby created, subject to the following conditions:

- 1. the District shall comply with the City's Unified Development Code; and

2. the District shall construct an east-west enhanced secondary arterial in phases and in compliance with the following requirements: 1) construction shall be of a full enhanced secondary arterial section from US Highway 281 to the property line at the San Antonio River (approximately 10,500 - 10,800 feet) with dedication of 120' of right-of-way; 2) a minimum 48' pavement width; a minimum 14' median; 3) a maximum street grade of 5% and minimum street grade of 0.5%; 4) construction of sidewalks (4' if offset, 6' if abutting curb); 5) streetscape design; 6) design to support K-values in accordance with AASHTO for a forty-five (45) mile-per-hour design speed; 7) pavement section must comply with Unified Development Code 35-506(p); and 8) if the District (or Owners) intends to sell the conservation easement to a third party, the District (or Owners) shall require, as a condition of sale, that construction of the remainder of the east-west enhanced secondary arterial be in accordance with the above referenced requirements (such requirements originally set forth in a letter from Bexar County Infrastructure Services Department - Public Works Division dated 4/28/2008, attached as Exhibit "A"); and
3. as each development/phase occurs, the District shall submit plans, or cause plans to be submitted to, and the same must be approved by, Bexar County Infrastructure Services Department - Public Works Division for the east-west enhanced secondary arterial described herein above; and
4. the 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; and
5. the District shall establish a maintenance fund (the "Fund") to ensure the public infrastructure is 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; and

- 6. the District shall comply with the Government Accounting Standard Board (GASB) for reporting values for general infrastructure assets; and
- 7. the District shall enter into an agreement for services in lieu of annexation with the City within one year from the effective date of this Order; and
- 8. the District shall cause a notation detailing the road requirements contained in Exhibit A to be made on the master development plan ("MDP") and/or any subdivision plats effected by the east-west enhanced secondary arterial within seven days from adoption of this Order.

Section 2. The District will be known as the "Espada Special Improvement District Number 1" 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, and subject to the conditions contained in Section 1 of this Order, Commissioners Court hereby delegates to the District all of the powers granted in Subchapter C, 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, except the power of eminent domain and annexation authority, and the power to provide water, wastewater and drainage facilities, except retail provision of water, wastewater and drainage services, contingent upon consent from the City for such a grant of power. The District, upon approval from Commissioners Court, is authorized to issue bonds for any District purpose secured by any District revenue.

Section 3. Except for calling an election on November 3, 2009, entering into an agreement to conduct a joint election with Bexar County pursuant to Section 8 of this Order, setting the tax rates, contracting for consulting and administrative services and paying ordinary overhead expenses of the District, any powers granted to the District herein shall not be exercised until: (1) an agreement for services in lieu of annexation is entered into with the City. Should one of the eight (8) conditions specified in "Section 1" hereinabove be breached, violated, or fail to occur within the time period specified herein ("Default") and the District fails to cure the Default as provide herein, the powers granted to the District by this Order shall be deemed revoked by order of Commissioners Court stating the same. Within fifteen (15) business days of Commissioners Court becoming aware of such a Default, Commissioners Court shall send written notice of same to the District. Thereafter, the District shall have ninety (90) days within which to cure the Default as set out in the notice. However, if the nature of the Default is such that more than ninety (90) days are reasonably required for its cure, then the District shall not be deemed to be

in Default hereunder if the District commences such cure within such ninety (90) day period and thereafter diligently pursues such cure to completion.

Section 4. 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 5. The District is created and organized under the terms and provisions of Article XVI, Section 59, 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 6. 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 Commissioners Court on August 30, 2005, and such policies, procedures, and program are incorporated herein for all purposes.

Section 7. 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 8. 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 tax election, which shall be held November 3, 2009. The District's qualified voters shall cast their ballots for or against the District's proposed taxes 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 9. As an additional condition of Commissioners Court to create the District, Commissioners Court shall require the District to prepare a service plan and an annual report to be presented to 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 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 10. The Directors nominated in the Petition are hereby appointed, and shall serve staggered two-year terms, as set forth in Chapter 372 of the Texas Local Government Code. The Directors listed below are hereby appointed:

- Steven Tilotson
- Tom Garcia
- Leo Gomez
- Bruce Tschoepe
- Roberto Vasquez
- Donald Vestal
- Herman Segovia

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 11. 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:

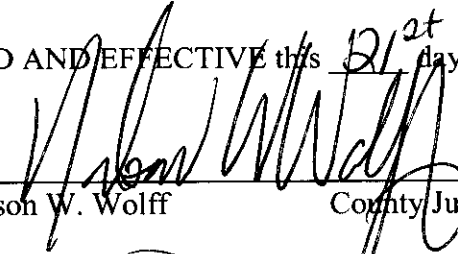
- Ad Valorem Tax: \$.56714 per \$100 valuation
- Sales and Use Tax: \$0.02 per taxable sale subject to the state sales and use tax
- Hotel Occupancy Tax: the greater of nine (9%) percent or the rate imposed by the City.

The levy of an ad valorem tax and the issuance of bonds are subject to the conditions attached as Exhibit "B" and incorporated herein for all purposes.


Section 12. The District's boundaries are described in a metes and bounds legal description attached as Exhibit "C" hereto and incorporated herein for all purposes, and in a conceptual site plan attached as Exhibit "D", 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 21st day of October, 2008.



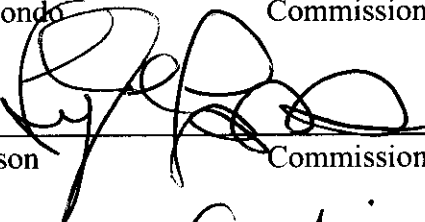
Nelson W. Wolff County Judge



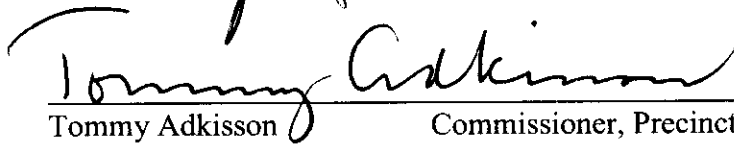
Sergio "Chico" Rodriguez Commissioner, Precinct 1

Absent

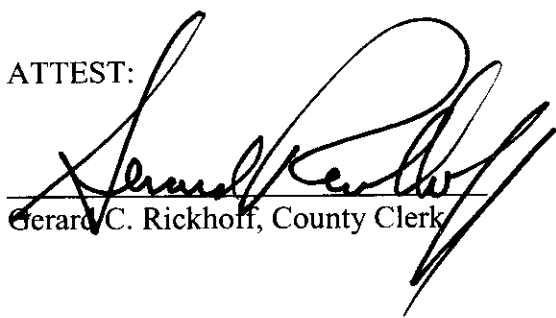
Paul Elizondo Commissioner, Precinct 2



Lyle Larson Commissioner, Precinct 3



Tommy Adkisson Commissioner, Precinct 4

ATTEST:


Gerard C. Rickhoff, County Clerk

EXHIBIT A



**INFRASTRUCTURE SERVICES DEPARTMENT
PUBLIC WORKS DIVISION
233 North Pecos La Trinidad, Suite 420
San Antonio, Texas 78207
(210) 335-6700 Office
(210) 335-6713 Fax**

VOL 769 PG 125

April 28, 2008

Charlie Turner
Chief Executive Officer
Terramark Communities
322 Julie Rivers Drive
Sugarland, Texas 77478

RE: Espada PID Proposed Primary Arterial Section

Dear Mr. Turner:

Bexar County needs to clarify the issues relating to the proposed primary arterial in the Espada Public Improvement Districts (PID) as well as specifically state the requirements to be included in the order for the creation of the PID and the development agreement. Below are the facts as we understand them:

- The Primary Arterial as proposed will only extend to intersection of "Southern" N-S Collector street and will not extend east beyond that intersection as required by the City of San Antonio (CoSA) Major Thoroughfare plan.
- Your proposed cost model indicates that "6,850' of "½ Enhanced Secondary Arterial" will be funded by the PID at a cost of \$3,552,562.
- Your subsequent letter implies the thoroughfare will only be constructed adjacent to the development within the project and that the PID will only be responsible for 50% of the "County's" regional facility. Your letter further states that the County, City or VIA will be responsible for funding the remainder.
- Voice mail message left by Charlie Turner to Community Investments states the PID "intends to build only what is fully funded".

Based on this information, as well as the cost estimates included in your model, our interpretation is that the PID only intends to fund and therefore only intends to build **25% of the primary arterial road.**

Please note the Unified Development Code (UDC) requires the East-West Primary Arterial be constructed with a full section from US Highway 281 to the property line at the San Antonio River (approximately 10,500 - 10,800 feet). Bexar County estimates the cost of the full section to be approximately \$13.8 million using City of San Antonio unit pricing. UDC Section 35-506(e)(8) states:

Major Thoroughfare Plan Designated Arterial Streets

A. Where a proposed plat abuts a designated thoroughfare shown on the Major Thoroughfare Plan and the proposed street alignment is split or separated by an ownership boundary, the applicant of the proposed plat shall include half (1/2) of the required dedication and construction for plat approval. **(Your arterial section is included entirely within the proposed PID and not separated by an ownership boundary).**

B. If a plat applicant owns all of the land designated, as a thoroughfare, and the proposed plat abuts or embraces a thoroughfare alignment, the applicant shall be responsible for 100% dedication and construction or

C. A plat applicant may dedicate 100% of the R.O.W and develop an agreement with the owner of the abutting undeveloped tract to equally share the cost and post a guarantee for construction of the full thoroughfare in connection with the approval process.

As previously discussed, one option available to you is to work with CoSA to have this proposed roadway modified or removed from the Major Thoroughfare plan.

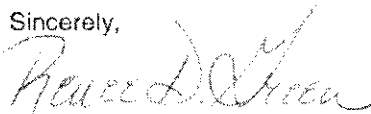
Should this roadway remain on the CoSA's Major Thoroughfare plan; the County will require the following specifications be included the order for the creation of the PID and the development agreement:

- Construction of a full primary arterial section from US Highway 281 to the property line at the San Antonio River (approximately 10,500 - 10,800 feet) with dedication of 120' of Right-of-Way
- Minimum 48' pavement width
- Minimum 14' median
- Maximum street grade of 5% and Minimum street grade of 0.5%
- Construction of Sidewalks (4' if offset, 6' if abutting curb)
- Streetscape design
- Design to support K-values in accordance with AASHTO for a 45 MPH design speed
- Pavement section to comply with UDC 35-506(p)

If the PID intends to sell the conservation easement to a third party, the County will require that construction of the remainder of the primary arterial be in accordance with the above referenced standards and be included as a part of the agreement.

Please contact me if you have any questions or wish to meet regarding this issue.

Sincerely,



Renee D. Green, P.E.
County Engineer

cc: Commissioner Sergio "Chico" Rodriguez, Pct. 1
Joe Aceves, P.E.; Executive Director Infrastructure Services
Aurora M. Sanchez; Executive Director Community Investments

EXHIBIT B
CONDITIONS

- A) A debt pro forma must be submitted to Bexar County for review and approval prior to the issuance of debt.

- B) The debt pro forma must be feasible with the following assumptions:
 - a. Current taxable assessed valuation over the life of bond issue based on a 0% growth assumption;
 - b. Tax collection ratio must be calculated at ninety (90%) percent for initial issues until a history for collections has been established;
 - c. Debt must be a level structure, not ascending; and
 - d. Interest and sinking fund balance projected to be at twenty-five (25%) next year's debt service requirement.

EXHIBIT C

December 19, 2007
Job number 60025828
PID No. 1

VOL 769 PG 128

**Meets and Bounds
Description**

471.971 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.P.R.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.P.R.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 $89^{\circ} 51' 59''$ 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 $81^{\circ} 03''$ 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 $00^{\circ} 08' 32''$ 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 $28^{\circ} 05'$ West, a distance of 2.4 feet;

Thence North $89^{\circ} 57' 22''$ West, 66.81 feet continuing along the north line of said 439.85 acre tract to a point;

Thence South $00^{\circ} 02' 38''$ West, 662.07 feet departing the north line of said 439.85 acre tract and crossing said 439.85 acre tract to a point;

Thence South $72^{\circ} 29' 38''$ West, 850.44 feet continuing across said 439.85 to a point;

Thence departing said 439.85 acre tract and continuing across said 672.567 acre tract the following three (3) courses and distances;

South $19^{\circ} 07' 23''$ 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 $25^{\circ} 35' 14''$, and a chord bearing and distance of South $31^{\circ} 55' 00''$ East, 294.52 feet to a point;

South $44^{\circ} 42' 37''$ 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 four (4) courses and distances;

South 65° 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° 59' 50", and a chord bearing and distance of South 49° 31' 38" East, 97.53 feet to a point;

South 34° 01' 43" East, 1541.75 feet to a point at the beginning of a curve to the right;

108.19 feet along said curve to the right having a radius of 182.50, a central angle of 33° 57' 55", and a chord bearing and distance of South 17° 02' 45" East, 106.61 feet to a point;

Thence South 00° 03' 48" East, 1574.00 feet to a point on the south line of said 672.567 acre tract;

Thence North 72° 46' 06" West, 1502.54 feet to a point from which a found 1/2-inch iron rod bears South 57° 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° 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° 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° 51' 00", and a chord bearing and distance of North 14° 42' 40" West, 186.28 feet to point;

North 15° 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, crossing said 35.80 acre tract and said 22.40 acre tract and passing the southeast corner of a 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. at 566.43 feet, and continuing a total of 1841.98 feet to a point on the south right-of-way line of said proposed Marshall Way;

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;

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

North $89^{\circ} 56' 07''$ East, 51.59 feet to a point;

North $00^{\circ} 03' 52''$ 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 $119^{\circ} 57' 17''$, and a chord bearing and distance of North $29^{\circ} 38' 49''$ 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 $30^{\circ} 19' 49''$ 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 $13^{\circ} 20' 37''$, and a chord bearing and distance of North $23^{\circ} 39' 31''$ East, 146.16 feet to a point;

Thence South $89^{\circ} 49' 01''$ 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;

Thence North $00^{\circ} 02' 26''$ 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 471.971 acres.

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

Juan E. Galvan
08/20/08

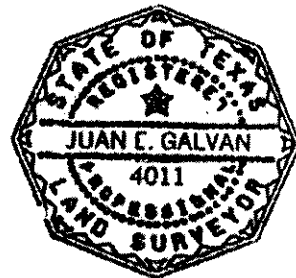
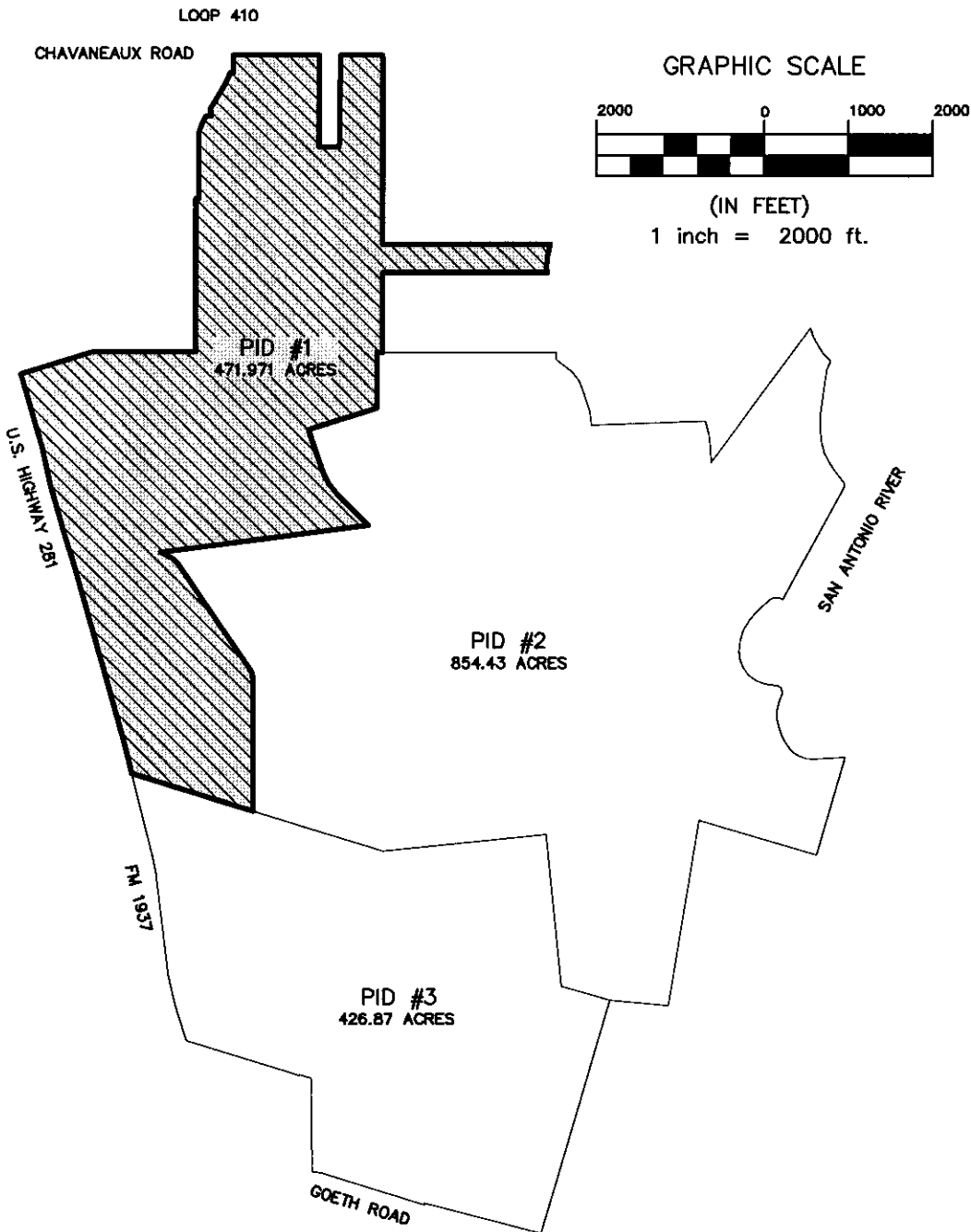


EXHIBIT "A"




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EXHIBIT OF PID 1 (471.97 ACRES) BEXAR COUNTY, TEXAS

NOTES:

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

 SURVCON INC. PROFESSIONAL SURVEYORS SAN ANTONIO, TEXAS 78213 6800 PARK TEN BLVD., SUITE 180-S (210) 296-2000	
SCALE: 1" = 2000'	JOB #: 00025828
DATE: 08-28-08	F.B. # N/A
DRAWN BY: PT/TML	CAD DATE: 09-25-07
CHECKED BY: JEG	CAD FILE: 8-5-08.DWG

REV. 08-18-08
 REV. 08-3-08
 REV. 12-20-07
 REV. RELEASE 3 11-30-07

S:\ESPADA\DWG\PIDMAPREV 8-5-08.DWG 9/18/2008 8:47:06 AM

EXHIBIT D

