

AN ORDINANCE 2012-06-14-0450

APPROVING AN ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT FOR UP TO \$4,427,718 WITH NRP PROPERTIES L.L.C. FOR THE BLUE STAR PHASE II PROJECT; APPROVING A TIRZ BOUNDARY CHANGE TO REMOVE THE PARCELS LOCATED AT 354, 410 AND 415 BLUE STAR, SAN ANTONIO, TEXAS FROM THE INNER CITY TIRZ CONSISTENT WITH TIRZ BOARD APPROVAL; AND APPROVING A SAWS IMPACT FEE WAIVER FOR UP TO \$500,000.

* * * * *

WHEREAS, NRP Properties, L.L.C. (“NRP”) is proposing a \$42,705,845 housing and retail development located on 7 parcels of approximately 7.5 acres at 354, 410 and 415 Blue Star, consisting of 320 market-rate housing units, approximately 6,000 square feet of commercial/retail space, and \$2.2 million in public improvements (the “Project”); and

WHEREAS, this Project is located within the Inner City Reinvestment Infill Policy Target Area (“ICRIP”) which makes it eligible for approximately \$150,000 in City fee waivers and up to \$500,000 in San Antonio Water System (“SAWS”) impact fee waivers; and

WHEREAS, staff is recommending an economic development incentive package for the Project consisting of a 10-year, 100% tax abatement on real property improvements equal to approximately \$2,397,238; an Economic Development Program Grant up to \$750,480 to be disbursed in an annual amount for the five years following the termination of the tax abatement, equal to approximately two-thirds of the property taxes assessed to the Project resulting from the improvements; an Inner City Incentive Fund Grant in the amount of \$1,280,000; and a SAWS fee waiver in an amount up to \$500,000; and

WHEREAS, this Project is located within the Inner City TIRZ, but City staff recommends the removal of the Project property from the Inner City TIRZ boundaries, consistent with the Project Plan and Finance Plan as approved by the TIRZ Board; and

WHEREAS, City Council finds it to be in the best interest of the City of San Antonio to approve the incentive agreement and remove the Project property from the boundaries of the Inner City TIRZ; **NOW THEREFORE:**

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

SECTION 1. City Council approves the Economic Development Incentive Agreement with NRP Properties, L.L.C. for the Blue Star Phase II Project (the “Project”), a copy of which is attached in substantially final form as ATTACHMENT I, and authorizes the City Manager or her designee to execute the Agreement.

SECTION 2. City Council approves a boundary change to the Inner City TIRZ, consistent with Project Plan and Finance Plan approval by the Inner City TIRZ Board, to remove the Project property parcels located on 7 parcels of approximately 7.5 acres at 354, 410 and 415 Blue Star, San Antonio, Bexar County, Texas.

SECTION 3. Funding in the amount of \$1,280,000 for this Ordinance is available in Fund 11001000, Cost Center 7001990059 and General Ledger 5201040, as part of the Fiscal Year 2012 Budget.

SECTION 4. Payment in the amount not to exceed \$1,280,000 is authorized to NRP Properties L.L.C. and shall be encumbered with a purchase order.

SECTION 5. Payment not to exceed the amount of \$750,480 which will be broken out in annual rebate payments up to 5 years is authorized to NRP Properties L.L.C. through Fund 29086018 with Cost Center and General Ledger to be determined by the Office of Budget and Management. Annual payments to NRP Properties L.L.C. shall not exceed the amount equal to two-thirds (2/3) of the previous year's ad valorem taxes remitted to the City for a period not to exceed 5 years after the original 10-year tax abatement expires and at such time that funds are authorized to be encumbered.

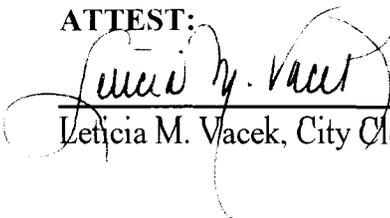
SECTION 6. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance, may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, 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 7. This Ordinance shall be effective immediately upon the receipt of at least eight (8) affirmative votes. If less than eight (8) affirmative votes are received, then this Ordinance shall be effective on the tenth (10th) day after passage.

PASSED AND APPROVED this 14th day of June, 2012.

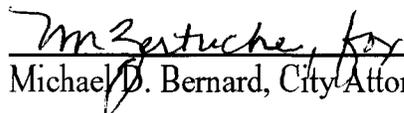

M A Y O R
Julián Castro

ATTEST:

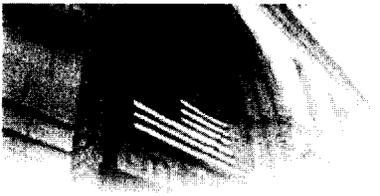


Leticia M. Vacek, City Clerk

APPROVED AS TO FORM:



Michael D. Bernard, City Attorney



Request for
COUNCIL
ACTION

City of San Antonio



Agenda Voting Results - 37B

Name:	37B						
Date:	06/14/2012						
Time:	11:04:58 AM						
Vote Type:	Motion to Approve						
Description:	An Ordinance approving an economic development incentive agreement for up to \$4,427,718.00 with NRP Properties L.L.C. for the Blue Star Phase II, a \$42,705,845 housing development; approving a TIRZ boundary change to remove the parcels located at 354, 410 and 415 Blue Star, San Antonio, Texas from the Inner City TIRZ contingent on TIRZ Board approval; and approving a SAWS Impact Fee waiver for up to \$500,000.00.						
Result:	Passed						
Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Julián Castro	Mayor		x				
Diego Bernal	District 1		x				
Ivy R. Taylor	District 2		x				
Leticia Ozuna	District 3		x				
Rey Saldaña	District 4	x					
David Medina Jr.	District 5		x			x	
Ray Lopez	District 6		x				
Cris Medina	District 7		x				x
W. Reed Williams	District 8		x				
Elisa Chan	District 9			x			
Carlton Soules	District 10			x			

ATTACHMENT I

**ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT OF THE
CITY OF SAN ANTONIO AND NRP PROPERTIES LLC**

This Economic Development Grant Agreement (hereinafter referred to as this "Agreement") is made and entered into by and among the City of San Antonio (the "City"), a municipal corporation of the State of Texas, acting by and through its City Manager or her designee, and NRP Properties L.L.C. (hereinafter referred to as "NRP") and whom together may be referred to as the "Parties", consistent with the Project Plan and Finance Plan and the approval of a Resolution of the Inner City TIRZ Board removing the Property from the boundaries of the Inner City TIRZ.

WHEREAS, Big Tex San Antonio, L.P. is the owner of 7 parcels of approximately 7.5 acres of real property located at 354, 410 and 415 Blue Star, San Antonio, Texas as more particularly described on "Attachment A" attached hereto (the "Property"); and

WHEREAS, NRP is engaged in an economic development project that will be located within the City limits of San Antonio that will consist of a market-rate housing development consisting of 320 market-rate rental housing units, approximately 6,000 square feet of commercial/retail space and \$2.2 million in public improvements to be located at 354, 410 and 415 Blue Star Street (collectively, the "Project") and has requested a tax abatement and grants from the City for the purpose of defraying costs associated with development of the Project; and

WHEREAS, staff recommended to the City Council of the City of San Antonio that the properties be removed from the Inner City Tax Increment Reinvestment Zone (the "TIRZ"), contingent upon TIRZ Board approval, and requested that the property location be designated as a Reinvestment Zone by the City for economic development purposes pursuant to the Property Redevelopment and Tax Abatement Act of 1987, Chapter 312 of the Texas Tax Code, as amended (the "Act"); and

WHEREAS, the City Council recommended to the Inner City TIRZ Board that the Project property be removed from the boundary's of the Inner City TIRZ; and

WHEREAS, the location of the property is eligible to be a Reinvestment Zone and, in accordance with the requirements set out in the Act, notice of the requisite public hearing regarding the proposed designation of the Blue Star Reinvestment Zone was previously published; and

WHEREAS, on June 14, 2012, the City held a public hearing in the Council Chambers at 114 W. Commerce to consider an ordinance designating the Blue Star Reinvestment Zone, and permitted testimony from individuals for or against the designation; and

WHEREAS, City Council found that the Blue Star Reinvestment Zone meets the requirements designated under the Act, in part because it is in an area that is reasonably likely, as a result of the designation, to contribute to the retention or expansion of primary employment or to attract major investment in the area that would be a benefit to the property and that would contribute to the economic development of the City; and

WHEREAS, City Council designated the Blue Star Reinvestment Zone located at 354, 401 and 415 Blue Star; bounded by S. Alamo Street to the north, the Union Pacific railroad to the west and south, and the San Antonio River to the east, but limited to an approximately 7.5 acre tract of land, being in New City Block A-14 and bounded by parcel numbers 100159, 100147, 100153, 100148, 100142, 100143 and 100155 in the City of San Antonio, Bexar County, Texas; and

WHEREAS, the City has identified grant funds to be made available to NRP for use in completing the Project; and

WHEREAS, pursuant to Chapter 380 of the Texas Local Government Code (“Chapter 380”) and Section 312 of the Texas Tax Code, the City is authorized to grant funds and abate ad valorem taxes for property improvements in order to promote state or local economic development and to stimulate business and commercial activity in the municipality and the Blue Star Reinvestment Zone; and

WHEREAS, the City Council passed Resolution No. 89-07-12, dated the 15th day of February 1989, most recently revised by ORDINANCE NO. 2010-12-16-1105 on December 16, 2010, which together established the City of San Antonio Tax Abatement Guidelines, (the “Guidelines”); and

WHEREAS, the City also adopted an Economic Development Program as required by Chapter 380 (the “Chapter 380 Program”), in order to be able to provide loans and other specified incentives for eligible economic development projects, by Ordinance No. 97248 on February 27, 2003; and

WHEREAS, as set forth in Ordinance No. 99308, passed and approved on June 3, 2004, the City’s Chapter 380 Program was modified to permit grants in accordance with the City’s Economic Development Incentive Fund (“EDIF”) Guidelines and which, on April 14, 2005, was further modified to expand the eligibility of projects with regard to grants; and

WHEREAS, the City Council of City has authorized the City Manager or her designee to enter into this Agreement with NRP in accordance with City Ordinance No. 2012-0__-____-_____, passed and approved on _____, 2012 to abate certain taxes and grant funds and, in accordance with the City’s Inner-City Reinvestment Infill Policy, has approved a waiver of certain impact fees otherwise charged by the San Antonio Water System to the Project (the “SAWS Impact Fee Waiver”);

WHEREAS, the City Council, by its approval of this Agreement, hereby finds that the terms of this Agreement, and the property subject to it, generally meet the Guidelines and Chapter 380 Program criteria as adopted by the City Council. The City Council further finds that (a) the approval of this Agreement will not have any substantial long-term adverse effect on the provision of CITY services or the CITY’S tax base; and (b) the planned use of the Property (defined below) inside the Zone by NRP for the uses contemplated herein will not constitute a hazard to public safety, health or morals; **NOW THEREFORE:**

The Parties hereto severally and collectively agree, and by the execution hereof are bound, to the mutual obligations herein contained and to the performance and accomplishment of the tasks hereinafter described:

SECTION 1. AGREEMENT PURPOSE

NRP shall undertake the development, completion and management of the Project and Property Improvements. The Project is anticipated to promote local economic development and to stimulate business and commercial activity in the City of San Antonio and Blue Star Reinvestment Zone. The City is supporting the Project through this Economic Development Program Incentive Agreement to abate certain taxes and provide funds to be used to defer costs associated with the Project.

SECTION 2. PROJECT REQUIREMENTS

A. NRP shall make an Investment (as hereafter defined) of approximately FORTY TWO MILLION SEVEN HUNDRED FIVE THOUSAND EIGHT HUNDRED FORTY FIVE DOLLARS AND NO CENTS (\$42,705,845.00) in the Project, which shall include approximately TWO MILLION TWO

HUNDRED THOUSAND DOLLARS AND NO CENTS (\$2,200,000.00) of Public Improvements (as hereafter defined). For the purposes of this Agreement, “Public Improvements” shall include exterior building and site improvements pertaining to development of the Property, as more particularly described in “**Attachment B**” (attached hereto and made part hereof). Notwithstanding any other provision of this Agreement to the contrary, the City agrees that NRP shall not be required to expend the particular amounts described in **Attachment B** so long as the cumulative amount expended for Public Improvements, at a minimum, achieves NRP’s performance obligations under this Subsection. For purposes of this Agreement, “Investment” shall mean all expenditures made by NRP directly or indirectly, without limitation, to develop the Project, including: architectural, engineering and surveying expenses, financing costs and fees, property acquisition, closing and settlement expenses, demolition, construction, site preparation, paving, landscaping, utilities, project marketing, legal expenses, and reasonable fees paid to consultants, contractors and developer.

B. NRP shall commence construction of the Project on or before April 1, 2013 and shall use commercially reasonable efforts to complete construction no later than December 31, 2014, subject to Force Majeure. The commencement date shall be determined by the issuance of a building permit for the Project and City’s receipt of correspondence from the general contractor for Project confirming that construction of the Project has commenced. The completion date shall be determined by the issuance of a Certificate of Occupancy for the Project by City (not to be unreasonably withheld).

C. NRP shall make available to City any Project progress reports generated by NRP during the construction and a first year lease-up phase of the project. In addition, should City request a progress report on the Project from NRP, NRP shall provide such a report within fifteen (15) business days.

D. NRP shall comply with all applicable Federal, State and local laws and regulations, and shall develop and operate the Project in accordance with the terms and conditions of this Agreement.

SECTION 3. TAX ABATEMENT

A. The taxable real property (the “Property”) which is the subject of the Zone of this Agreement is located at 354, 401 and 415 Blue Star; bounded by S. Alamo Street to the north, the Union Pacific railroad to the west and south, and the San Antonio River to the east, in the City of San Antonio, Bexar County, Texas which is recorded in the Deed and Plat Records of Bexar County, Texas at the time of execution of this Agreement as follows:

Parcel ID	Legal Description
100142	NCB A-14 BLK LOT TR C-1
100143	NCB A-14 BLK LOT TRC2
100147	NCB A-14 BLK LOT TR C3
100148	NCB A-14 BLK LOT TR 4 & W 50 X 86.76 FT STRIP N OF TR 4 OUT OF TR B
100153	NCB A-14 BLK LOT TR 3 & E 50X139.9 FT OF STRIP N OF TR 3 OUT OF TR B C7-16401
100155	NCB A-14 BLK LOT E 190 FT OF TR 2 OUT OF TR B
100159	NCB A-14 BLK LOT TR1 AND TR5 OUT OF TRB; W 306.92 FT OF TR2 OUT OF TRB

said parcels being more particularly described in **Attachment A**, attached hereto and incorporated herein.

NRP shall be entitled to an ad valorem tax abatement authorized herein for real property improvements above the Base Year Value (the “Property Improvements”) if NRP undertakes and completes the development of the Project in accordance with the terms of this Agreement in the Zone. NRP understands and agrees that there shall be no abatement of taxes for the land, personal property, inventory or supplies.

B. NRP shall establish an “Improvements Only” tax account for Property Improvements with the Bexar County Appraisal District regarding the Property and provide these tax account numbers to the City.

C. NRP shall obtain a certified copy of the Ordinance authorizing this Agreement from the City Clerk’s Office and file/record the document with the Bexar County Property Records within fifteen (15) days of Ordinance passage. NRP shall be responsible for the payment of fees associated with this recording and shall submit, pursuant to the Notice provisions in Section 25, a copy of the recorded instrument to City within five (5) days thereafter.

D. NRP represents that it has no knowledge that any interest in the Property is presently owned, held or leased by a member of the San Antonio City Council, Zoning Commission, Planning Commission, the City’s Economic Development Department, or any other City officer or employee. NRP further represents that it shall not knowingly sell, lease or otherwise convey such an interest to a member of the San Antonio City Council, the Zoning Commission, the Planning Commission, the City’s Economic Development Department or any other City officer or employee, as long as this Agreement remains in effect. NRP also represents that, to its knowledge, it, its employees and officials are in compliance with the City’s Ethics Code.

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

F. Obligations of NRP. For NRP to receive the tax abatement authorized herein, NRP shall: (1) lease, hold an interest in or otherwise control the Project and Property Improvements; (2) invest approximately FORTY TWO MILLION SEVEN HUNDRED FIVE THOUSAND EIGHT HUNDRED FORTY FIVE DOLLARS (\$42,705,845) in Property Improvements; (2) develop, complete and manage the Project; and (3) invest approximately TWO MILLION TWO HUNDRED THOUSAND DOLLARS (\$2.2 million) in Public Improvements by April 1, 2013, for the Project during the Tax Abatement Term (as defined in Section 3, Paragraph P) of this Agreement; and (3) otherwise comply with all applicable terms of this Agreement.

G. Compliance with Construction Regulation. NRP shall construct any improvements made to the Facility in accordance with all applicable federal, state and local laws including, but not limited to, Texas Commission on Environmental Quality regulations, Bexar County and City of San Antonio laws, Building Codes and ordinances, Historic Preservation and Urban Design ordinances, flood, subdivision, building, electrical, plumbing, fire and life safety codes and regulations, current and as amended in all material respects.

H. Improvements Completion. NRP shall substantially complete the Property Improvements by December 31, 2014. NRP shall be entitled to such additional time to complete said improvements as may be required due to any “Force Majeure” event, contingent upon NRP diligently pursuing said completion of improvements. For purposes of this Section: (i) “Force Majeure” shall be as defined in Section 24 below; and (ii) the City shall have the final determination, to be exercised reasonably and in good faith, whether to grant an extension of time for said completion for reasons of Force Majeure and the length of such extension, if granted. NRP shall notify the City of the completion of the Property Improvements by sending notice to the address listed in Section 25 (Notice) within one (1) month of completion.

I. Maintenance Obligations. NRP covenants and agrees that it shall maintain the Property and the Property Improvements in good repair and condition during the Tax Abatement Term of this Agreement.

Compliance with the maintenance obligations imposed herein shall be presumed if NRP follows its reasonable, normal and customary maintenance and repair procedures and schedules.

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

K. Disclosure to Bexar County Appraisal District. During the Tax Abatement Term of this Agreement, NRP covenants and agrees to furnish, as applicable, by April 30th of each year, the Chief Appraiser of the Bexar County Appraisal District with information outlined in Chapter 22, V.A.T.S. Tax Code, as amended, as may be necessary for the tax abatement and for appraisal purposes.

L. Notification Requirement Regarding Sale/Transfer/Reorganization of NRP or Sale, Transfer or Sub-lease of Property or Property Improvements. NRP covenants and agrees to notify City in writing at least 30 days prior to any reorganization, transfer or sale (whole or partial) of NRP, or sale (whole or partial), transfer or sub-lease of the Property and/or Property Improvements during the Tax Abatement Term of this Agreement. NRP shall request Assignment of this Agreement prior to transfer to any related organization of NRP, new purchaser, transferee or sub-lessor of the Property. City shall not unreasonably withhold, condition or delay approval of any requests for Assignment of this Agreement by NRP, subject to the provisions of Section 22 of this Agreement, and any Assignee to which the provisions of this paragraph apply shall be bound by all terms of this Agreement.

M. Notification Requirement Regarding Suspension or Cessation of Development or Management of Project/Property. NRP covenants and agrees to notify City in writing at least 30 days prior to suspending or ceasing construction development or management of the Project or the Property and/or Property Improvements.

N. Penalty for Default/Termination. If, during the Tax Abatement Term of this Agreement, NRP fails to comply with any of the terms of this Agreement for a period of three (3) or more consecutive months, then the termination and recapture provisions of Section 4 of this Agreement shall apply against NRP.

O. Other Actions Resulting in Default/Termination. If, during the Tax Abatement Term of this Agreement, NRP allows the ad valorem taxes due on the land, real and/or personal property or inventory and supplies related to the Property to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest, or is in default with any loan which has been made by the San Antonio Development Agency, City of San Antonio Industrial Development Authority or any other City-sponsored loan/grant/bond program, or is in default with any other City agreement, then the termination and recapture provisions of Section 4 of this Agreement shall apply.

P. Term. The Tax Abatement Term shall be as follows for the Property Improvements:

1. Ad valorem taxes on Property Improvements will be abated for a period of ten (10) years beginning on the January 1st of the year following substantial completion of the Property Improvements. The **Base Year** for calculating the value of the Property Improvements shall be the year immediately preceding the January 1st upon which ad valorem taxes on Property Improvements are first abated.

2. The “*Base Year Value*” of the Property Improvements shall be the assessed value (determined by the Bexar County Appraisal District), of the Property Improvements as of the Base Year determined in accordance with Section 3, Paragraph P, Subparagraph 1 above.

Q. Pre-Term Taxes. NRP shall pay, or cause to be paid, to the City ad valorem taxes for real property, personal property and inventory and supplies assessed, if any and as applicable, by the City on the Property prior to the commencement of the Tax Abatement Term.

R. Base Year Taxation. NRP understands and agrees that the Base Year Value of the Property and the tax levy based on said Value of the Property in the Zone shall not decrease, but such taxes may increase and that the amount of taxes paid by NRP to the City attributable to the Property during the Tax Abatement Term shall not be less than the amount of taxes attributable to the Property paid to the City for the Base Year tax year, if any, except in the event of casualty or condemnation of the Property in the Zone.

S. Protest Rights. NRP shall have the right to protest appraisals of the Property, or any portion thereof, or the value of any improvements over and above the Base Year Value as applicable.

SECTION 4. TAX ABATEMENT DEFAULT/TERMINATION/RECAPTURE

A. Termination and Recapture of Taxes in Event of Suspension or Cessation of Development or Management Activities. If NRP begins development and/or management of the Project or Property and subsequently suspends or ceases to conduct development or management activities for the Project or Property (or a substantial portion thereof) at the site for a continuous period of three (3) months during the Tax Abatement Term for any reason, except if such suspension or cessation is caused by a Force Majeure as defined in Section 24, then the City Council shall have the right to terminate this Agreement. Said termination shall be effective for the calendar year during which the Project or Property Improvements were no longer used for the required purposes stated herein. Upon said termination, all ad valorem taxes on Property Improvements otherwise abated for that calendar year and all previously-abated ad valorem taxes on Property Improvements under this Agreement shall be recaptured (based on the table in Section 4, Paragraph F) and shall be paid to CITY within sixty (60) calendar days from the date of said termination notice to NRP by CITY, pursuant to the Notice provisions of this Agreement.

B. Recapture of Taxes For Construction of Less Than 320 Project Housing Units. In the event that NRP constructs less than 320 market-rate rental housing units at the Project or Property during the Recapture Period, then for each such calendar year of noncompliance, the tax abatement shall be reduced in the following tax year by five percent (5%) for each one percent (1%) deficiency in the number of housing units. For example, if NRP constructs ninety nine percent (99%) of the minimum number of 320 housing units in a given year, NRP shall be entitled to a ninety five percent (95%) abatement of the ad valorem Property Improvement taxes for that following year. Notwithstanding the foregoing, housing unit completion is subject to a floor of ninety percent (90%). If NRP fails to construct at least ninety percent (90%) of the minimum number of housing units in a given year then, at the option of City Council, this failure may be grounds for termination of this Agreement. Said termination shall be effective for the calendar year during which the number of housing units stated herein are not constructed as required. Upon said termination, all ad valorem taxes on Property Improvements otherwise abated for that calendar

year and all previously-abated ad valorem taxes on Property Improvements under this Agreement shall be recaptured (based on the table in Section 4, Paragraph F) and shall be paid to CITY within sixty (60) calendar days from the date of said termination notice to NRP by CITY pursuant to the Notice provisions of this Agreement.

C. Cure Period and Declaration of Default. During the Tax Abatement Term, CITY may declare a default if NRP fails to comply with any of the material terms of this Agreement. Should CITY determine NRP is in default under any of the terms of this Agreement, CITY will notify NRP in writing at the address below in Section 25, and if said default is not cured within sixty (60) calendar days from the date of such notice (hereinafter the “Cure Period”), then City Council shall have the right to terminate this Agreement. CITY may extend the Cure Period if NRP commences the cure within the Cure Period and is diligently pursuing such cure. If the Agreement is terminated as a result of default, all ad valorem taxes on Property Improvements will be due for the tax year during which the termination occurred and shall accrue without further abatement for all tax years thereafter; in addition, CITY shall have the right to recapture (based on the table in Section 4, Paragraph F) from NRP all previously-abated ad valorem taxes on the Property Improvements under this Agreement and said taxes shall be paid by NRP to CITY within sixty (60) calendar days from the date of said termination notice to NRP by CITY pursuant to the Notice provisions of this Agreement.

D. Additional Rights to Terminate. If NRP allows its ad valorem taxes due for the Base Year Value of the Property Improvements to become delinquent and NRP fails to timely and properly follow the legal procedures for their protest and/or contest, or is in default on any loan which has been made by the San Antonio Development Agency, City of San Antonio Industrial Development Authority or any other CITY sponsored loan/grant/bond program or agreement, City Council shall have the right to terminate this Agreement. Ad valorem taxes for the Property Improvements shall then be due for the tax year during which the termination occurred and shall accrue without further abatement for all tax years thereafter. All ad valorem taxes previously-abated by virtue of this Agreement shall be recaptured (based on the table in Section 4, Paragraph F) from NRP and shall be paid to CITY within sixty (60) calendar days from the date of said termination notice to NRP by CITY pursuant to the Notice provisions of this Agreement.

E. Termination in the Event of Taking by Eminent Domain. If any portion of the Property Improvements in the Project is taken by any public or quasi-public authority under the power of eminent domain, condemnation or expropriation, then the abatement of ad valorem taxes on the Property Improvements shall terminate (only as to the portion of the Property Improvements affected by the taking), effective as of the calendar year during which the taking occurs, and there shall be no recapture of taxes. In the event of a partial taking, NRP shall have the right to continue or to terminate this Agreement, for the remaining portion of the Property Improvements without recapture or other penalty.

F. Calculation of Taxes Subject to Recapture. If NRP fails to comply with any of the terms of this or any other City Agreement including, but not limited to, defaults defined in Section 4, Paragraphs A through D, then the City Council shall have the right to recapture from NRP the applicable percentage of the abated ad valorem taxes to Property Improvements based on the following table and a bill for each year will then be sent to NRP:

YEAR OF TAX ABATEMENT TERM OR RECAPTURE PERIOD	TOTAL TAX PREVIOUSLY ABATED SHALL BE MULTIPLIED BY:
<u>Tax Abatement Term</u> 1-10	100%

G. Other Remedies Available. CITY shall have the right to seek any remedy at law to which it may be entitled, in addition to termination and/or recapture, if NRP defaults under the terms of this Agreement. However, such termination and/or recapture shall be subject to any and all lawful offsets, settlements, deductions or credits to which NRP may be entitled.

SECTION 5. ECONOMIC DEVELOPMENT PROGRAM GRANT

A. Economic Development Program Grant. City is providing NRP with two (2) Economic Development Program grants. Such grants shall be apportioned as follows:

1. The City is providing ONE MILLION TWO HUNDRED EIGHTY THOUSAND DOLLARS AND NO CENTS (\$1,280,000.00) from the City's Inner City Incentive Funds.
2. The City is providing an amount equal to two-thirds (2/3rds) of the City's portion of the previous year's taxes paid by NRP on the Property, up to SEVEN HUNDRED FIFTY THOUSAND FOUR HUNDRED EIGHTY DOLLARS AND NO CENTS (\$750,480.00), for up to five (5) years commencing upon the expiration of the Tax Abatement Term.
3. The total cumulative amount of the combined grant is TWO MILLION THIRTY THOUSAND FOUR HUNDRED EIGHTY DOLLARS AND NO CENTS (\$2,030,480.00) (the "Maximum Disbursement Amount"). The grant funds shall be used for the purpose of reimbursing NRP for Investments in costs for the Project.

B. Grant Disbursement. The grant funds will be distributed over the Grant Term of this Agreement, subject to the terms and conditions herein, as follows:

1. **Initial Disbursement (\$1,280,000.00).** The City shall pay to NRP an Economic Development Program Grant from the Inner City Incentive Fund in the total amount of ONE MILLION TWO HUNDRED EIGHTY THOUSAND DOLLARS AND NO CENTS (\$1,280,000.00) ("Initial Disbursement"), to be advanced to NRP in one disbursement within SIXTY (60) business days, following approval of this Agreement by a duly-authorized City Ordinance and the occurrence of all of the following:
 - (a) Receipt of evidence of an approved Resolution of the Inner City TIRZ Board removing the Property from the boundaries of the Inner City TIRZ; and
 - (b) Execution of the Agreement by all Parties; and
 - (c) Receipt of evidence of the issuance of a building permit from the City of San Antonio for the Project's location; and
 - (c) NRP providing to City the following: (i) a letter from a qualified financial institution confirming NRP has funds available on deposit or under an existing credit facility exceeding FORTY TWO MILLION SEVEN HUNDRED FIVE THOUSAND EIGHT HUNDRED FORTY FIVE DOLLARS AND NO CENTS (\$42,705,845.00), which is the estimated cost of constructing the Project; (ii) written confirmation from NRP that it has received the necessary building permits to cause the Commencement of Construction of the Project; and (iii) a letter from NRP's general contractor that Commencement of Construction of the Project has occurred prior to April 1, 2013. City shall determine whether the evidence provided by NRP is sufficient to satisfy the foregoing conditions.

2. **Property Tax Reimbursement (up to \$750,480.00).** Subject to the terms and conditions of this Agreement and the Obligation to Pay Taxes (defined herein), commencing with the tax year following the expiration of the Tax Abatement Term, and then annually for up to four (4) years thereafter (which together, commencing with payment of the Initial Disbursement, shall constitute the Grant Term), the City shall pay to NRP no later than forty-five (45) business days following submission of a tax invoice by NRP indicating full payment of all taxes by NRP on the Property, an amount equal to: (a) two-thirds (2/3) of the actual amount of real property taxes paid by NRP to City with respect to the Property (including land and improvements) for the immediately preceding tax year, *less* (b) the amount of real property taxes paid by NRP to City with respect to the Property for the Base Year (the difference between (a) and (b) being referred to herein as “Annual Property Tax Reimbursement”).
3. **Obligation to Pay Taxes.** NRP shall continue to pay all taxes owed on the Property as required by law. Taxes owed or paid shall be determined by the Bexar County Appraisal District. Prior to City disbursing funds under this Section 5, Paragraph A., Subparagraph 2, NRP must provide to City evidence indicating that all taxes owed on the Property have been paid in full for the tax year for which payment of the Annual Property Tax Reimbursement is sought, subject to NRP’s right to protest taxes as permitted by law.

If, during the Grant Term of this Agreement, NRP allows its ad valorem taxes due on the Property to become delinquent and fails to timely and properly follow the legal procedures for the protest and/or contest of the taxing value, then the termination and recapture provisions of Section 5, Paragraph C of this Agreement shall apply.

4. **Property Tax Reconciliation.** In no case shall disbursements made to NRP under this Agreement exceed the Maximum Disbursement Amount. Should such disbursements exceed the Maximum Disbursement Amount, no further disbursements shall be due to NRP and any excess funds disbursed shall be due and payable by NRP to City within sixty (60) days following written notice from City to NRP.

- C. **Recapture of Initial Disbursement and Annual Property Tax Reimbursement.** Should NRP: (1) receive the Initial Disbursement pursuant to Section 5, Paragraph B, Subparagraph 1 or either: (a) fail to complete the Project by December 31, 2014, subject to extension due to Force Majeure; or (b) fail to complete at least ninety percent (90%) of the 320 market-rate rental housing units for the Project; or (2) allow its ad valorem taxes due on the Property to become delinquent and fails to timely and properly follow the legal procedures for the protest and/or contest of the taxing value, then City shall have the right to terminate this Agreement and recapture all or a portion of the Initial Disbursement and Annual Property Tax Reimbursement in accordance with this Section.

SECTION 6. AGREEMENT PERIOD

This Agreement shall commence upon the Effective Date listed on the signature page of this Agreement and terminate upon the earlier of: (A) the payment of grant funds by City to NRP in the amount of the Maximum Disbursement Amount; or (B) termination of this Agreement as otherwise provided herein.

SECTION 7. CITY OBLIGATIONS

A. In consideration of full and satisfactory performance of compliance with all terms and provisions of this Agreement by NRP, City will provide the abatement of taxes and grant funds to NRP in accordance with Sections 4 and 5 hereinabove.

B. City shall not be liable to NRP or any other entity for any costs incurred by NRP in connection with this Agreement.

SECTION 8. RETENTION AND ACCESSIBILITY OF RECORDS

A. NRP shall maintain the fiscal records and supporting documentation for expenditures of funds associated with this Agreement. NRP shall retain such records and any supporting documentation for the greater of: (1) five [5] years from the end of the Agreement period; or (2) the period required by other applicable laws and regulations.

B. NRP shall, following reasonable advance written notice from the City, give the City, its designee, or any of their duly authorized representatives, access to and the right to examine all material records related to the cost of Project (the "Records"). City's access to the Records will be limited to information needed to verify that NRP is and has been complying with the terms of this Agreement. Any information that is not required by law to be made public shall be kept confidential by the City. NRP shall not be required to disclose to the City any information that by law NRP is required to keep confidential. Should any good faith dispute or question arise as to the validity of the data provided, the City reserves the right to require NRP to obtain an independent firm to verify the information. This certified statement by an independent firm shall be provided at the sole cost of NRP. The rights to access the Records shall continue as long as the Records are retained by NRP. Failure to provide reasonable access to the Records to authorized City representatives shall give the City the right to suspend or terminate this Agreement as provided for herein, or any portion thereof, for reason of default. All Records shall be retained by NRP for a period of five (5) years after all performance requirements are achieved for audit purposes until such audits or other administrative, civil or criminal matters including, but not limited to, investigations, lawsuits, administrative inquiries and open record requests are completed.

SECTION 9. MONITORING

The City reserves the right to confirm NRP's compliance with the terms and conditions of this Agreement. The City will provide NRP with a written report of the monitor's findings. If the monitoring report notes deficiencies in NRP's performances under the terms of this Agreement, the monitoring report shall include a listing of requirements for the correction of such deficiencies by NRP and a reasonable amount of time in which to attain compliance. Failure by NRP to take action specified in the monitoring report within a reasonable amount of time may be cause for suspension or termination of this Agreement, in accordance with Sections 16 and 17 herein.

SECTION 10. CONFLICT OF INTEREST

NRP shall use good faith efforts to ensure that no employee, officer, or individual agent of City shall participate in the selection, award or administration of a subcontract supported by funds provided hereunder if a conflict of interest, real or apparent, would be involved. Such conflict of interest would arise when: (1) the employee, officer, or individual agent; (2) any member of his or her immediate family; (3) his or her partner; or, (4) any organization which employs, or is about to employ, any of the above has a financial or other interest in the firm or person selected to perform the subcontract and the relationship calls for payments to be made to such subcontractor on terms which are greater than those which are customary in the industry for similar services conducted on similar terms. NRP shall comply with Chapter 171, Texas Local Government Code as well as the City's Code of Ethics.

SECTION 11. NONDISCRIMINATION AND SECTARIAN ACTIVITY

A. As a condition of entering into this agreement, NRP represents and warrants that it will comply with the City's Commercial Nondiscrimination Policy, as described under Section III. C. 1. of the SBEDA Ordinance. As part of such compliance, NRP shall not discriminate on the basis of race, color, religion, ancestry or national origin, sex, age, marital status, sexual orientation, or on the basis of disability or other unlawful forms of discrimination in the solicitation, selection, hiring or commercial treatment of subcontractors, vendors, suppliers, or commercial customers funded in whole or in part with funds made available under this Agreement, nor shall NRP retaliate against any person for reporting instances of such discrimination. NRP shall provide equal opportunity for subcontractors, vendors and suppliers to participate in all of its public sector and private sector subcontracting and supply opportunities, provided that nothing contained in this clause shall prohibit or limit otherwise lawful efforts to remedy the effects of marketplace discrimination that have occurred or are occurring in the City's Relevant Marketplace. NRP understands and agrees that a material violation of this clause shall be considered a material breach of this Agreement and may result in termination of this Agreement, disqualification of NRP from participating in City contracts, or other sanctions. This clause is not enforceable by or for the benefit of, and creates no obligation to, any third party.

B. None of the performances rendered by NRP under this Agreement shall involve, and no portion of the funds received by NRP under this Agreement shall be used in support of, any sectarian or religious activity, nor shall any facility used in the performance of this Agreement be used for sectarian instruction or as a place of religious worship.

C. NRP shall, to the best of its knowledge and belief, include the substance of this Section in all agreements entered into by NRP associated with the funds made available through this Agreement.

SECTION 12. LEGAL AUTHORITY

A. Each Party assures and guarantees to the other that they possesses the legal authority to enter into this Agreement, to receive/deliver the funds authorized by this Agreement, and to perform their obligations hereunder.

B. The person or persons signing and executing this Agreement on behalf of each Party or representing themselves as signing and executing this Agreement on behalf of a Party, do hereby guarantee that he, she or they have been duly authorized to execute this Agreement on behalf of that Party and to validly and legally bind that Party to all terms, performances and provisions herein set forth.

C. City shall have the right to suspend or terminate this Agreement in accordance with Sections 16 and 17 herein if there is a dispute as to the legal authority of either NRP, or the person signing this Agreement, to enter into this Agreement, any amendments hereto or failure to render performances hereunder. NRP is liable to City for any money it has received from City for performance of the provisions of this Agreement if City suspends or terminates this Agreement for reasons enumerated in this Section.

SECTION 13. LITIGATION AND CLAIMS

A. NRP shall give City immediate notice in writing of any action, including any proceeding before an administrative agency, filed against NRP arising out of the performance of any activities hereunder. Except as otherwise directed by City, NRP shall furnish immediately to City copies of all pertinent papers received by NRP with respect to such action or claim. NRP shall notify the City immediately of any legal action known to NRP, filed against NRP or any subcontractor thereto, or of any known proceeding filed

under the federal bankruptcy code. NRP shall submit a copy of such notice to City within 30 calendar days after receipt. No funds provided under this Agreement may be used in the payment of any costs incurred from violations or settlements of, or failure to comply with, federal and state regulations. The above notwithstanding, NRP is not required to notify City of claims litigation which arises out of NRP's operations on the Project including, without limitation, landlord tenant disputes, personal injury actions (slip and falls), and other operational activities or relationships.

B. NRP acknowledges that City is a political subdivision of the State of Texas and is subject to, and complies with, the applicable provisions of the Texas Tort Claims Act, as set out in the Civil Practice and Remedies Code, Section 101.001 et seq., and the remedies authorized therein regarding claims and causes of action that may be asserted by third parties for accident, injury or death.

C. This Agreement shall be interpreted according to the Constitution and the laws of the State of Texas. Performance under this Agreement lies in Bexar County, Texas and venue of any court action brought directly or indirectly by reason of this Agreement shall be in Bexar County, Texas.

SECTION 14. ATTORNEY'S FEES

A. In the event that NRP should default under any of the provisions of this Agreement and the City should employ attorneys or incur other expenses for the collection of the payments due under this Agreement or the enforcement of performance or observance of any obligation or agreement on the part of NRP herein contained, NRP agrees to pay the reasonable fees of such attorneys and such other expenses so incurred by the City.

B. In the event City should default under any of the provisions of this Agreement and NRP should employ attorneys or incur other expenses for the collection of the payments due under this Agreement or the enforcement of performance or observance of any obligation or agreement on the part of City herein contained, City agrees to pay to NRP reasonable fees of such attorneys and such other expenses so incurred by the NRP.

SECTION 15. CHANGES AND AMENDMENTS

A. Except as provided below, any alterations, additions or deletions to the terms of this Agreement shall be by amendment hereto in writing and executed by both Parties to this Agreement.

B. It is understood and agreed by the Parties hereto that performances under this Agreement shall be rendered in accordance with the laws and rules governing the Economic Development Program as set forth in Texas Local Government Code Chapter 380, and the terms and conditions of this Agreement.

C. Any alterations, additions or deletions to the terms of this Agreement (other than those terms in Sections 2 through 5 herein) required by changes in state law or regulations are automatically incorporated into this Agreement without written amendment hereto, and shall become effective on the date designated by such law or regulation.

SECTION 16. SUSPENSION

A. Notwithstanding the provisions of Chapter 2251 of the Texas Government Code or anything else in this Agreement to the contrary, in the event NRP fails to comply with the terms of this Agreement, City shall provide NRP with written notification as to the nature of the non-compliance and grant NRP a sixty (60) day period following the date of NRP's receipt of City's written notification to cure any issue of non-compliance. Should NRP fail to cure any default within this period of time, the City may, upon written

Notice of Suspension to NRP, suspend this Agreement in whole or in part and withhold further payments to NRP and prohibit NRP from incurring additional obligations of funds under this Agreement. Such Notice of Suspension shall include: (1) the reasons for such suspension; (2) the effective date of such suspension; and (3) in the case of partial suspension, the portion of the Agreement to be suspended. The Parties agree that any such Suspension shall not delay, preclude or alter the payment of Deferred Amounts Due accrued prior to the date of non-compliance hereunder.

B. In the case of default for causes beyond NRP's reasonable control, which cannot with due diligence be cured within such sixty (60) day period, the City may, in its sole discretion, extend the cure period provided that NRP shall: (1) immediately upon receipt of Notice of Suspension advise City of NRP's intention to institute all steps necessary to cure such default and the associated time frame; and (2) institute and thereafter prosecute to completion with reasonable dispatch all steps necessary to cure same.

C. A suspension under this Section may be lifted only by City upon a showing of NRP's full compliance with, or by written waiver by City of, the term(s) in question.

D. The City shall not be liable to NRP or to NRP's creditors for costs incurred during any term of suspension of this Agreement.

SECTION 17. TERMINATION

A. Should NRP fail to timely commence construction in accordance with Section 2(b) above, this Agreement shall terminate automatically and any and all incentives offered to NRP by City shall extinguish. City shall have the right to terminate this Agreement for non-compliance, in whole or in part, at any time before the date of completion of the Term whenever City determines that NRP has failed to comply with any term of any Agreement with the City. City will provide NRP with written notification as to the nature of the non-compliance, and grant NRP a sixty (60) day period from the date of the City's written notification to cure any issue of non-compliance under such Agreement. Should NRP fail to cure any default within this period of time, City may, upon issuance to NRP of a written Notice of Termination, terminate this Agreement, withhold further payments to NRP and seek repayment of any and all funds disbursed by City.

B. In the case of default for causes that cannot with due diligence be cured within such sixty (60) day period, the 60-day cure period shall be extended for such additional time as may be reasonable under the circumstances, provided that NRP shall: (1) immediately upon receipt of Notice of Termination advise City of NRP's intention to institute all steps necessary to cure such default and the associated time frame; and (2) institute and thereafter prosecute to completion with reasonable dispatch all steps necessary to cure same.

C. Repayment of Initial Grant Disbursement and Property Tax Reimbursement. Provided that City has disbursed the Initial Disbursement to NRP pursuant to the terms and conditions of this Agreement, if NRP does not complete the Project in accordance with this Agreement and City terminates this Agreement as provided in this Section 17, then NRP shall refund the Initial Disbursement and/or Property Tax Reimbursement (if any) to City within sixty (60) calendar days after the date of termination.

D. Other Remedies Available. City shall have the right to seek any remedy at law to which it may be entitled, in addition to termination and repayment of funds, if NRP defaults under the material terms of this Agreement and fails to cure such default within the cure period set forth above. However, such termination and repayment shall be subject to any and all lawful offsets, settlements, deductions or credits to which NRP may be entitled.

SECTION 18. SPECIAL CONDITIONS AND TERMS

A. Employment. NRP, in accordance with Chapter 2264 of the Texas Government Code, agrees not to knowingly employ any undocumented workers at the Project during the Term of this Agreement. If NRP is convicted of a violation under 8 U.S.C. Section 1324a (f), then NRP shall repay the City the amounts granted by this Agreement for the tax year(s) covered under this Agreement during which such violation occurred. Such payment shall be made within 120 business days after the date NRP is notified by the City of such violation. The City, in its sole discretion, may extend the period for repayment herein. Additionally, NRP shall pay interest on the amounts due to City at the rate periodically announced by the Wall Street Journal as the prime or base commercial lending rate, or if the Wall Street Journal shall ever cease to exist or cease to announce a prime or base lending rate, then at the annual rate of interest from time to time announced by Citibank, N.A. (or by any other New York money center bank selected by the City) as its prime or base commercial lending rate, from the date of such violation notice until paid.

SECTION 19. SUBCONTRACTING

A. NRP shall use reasonable business efforts to ensure that the performance rendered under subcontracts entered into by NRP complies with all terms and provisions of this Agreement as if such performance were rendered by NRP.

B. NRP, in subcontracting any of the performances hereunder, expressly understands that in entering into such subcontracts, City is not liable to NRP's subcontractor(s).

SECTION 20. DEBARMENT

By signing this Agreement, NRP certifies that it will not award any funds provided under this Agreement to any party which it knows to be debarred, suspended or otherwise excluded from or ineligible for participation in assistance programs by the City.

SECTION 21. RIGHTS UPON DEFAULT

It is expressly understood and agreed by the Parties hereto that, except as otherwise expressly provided herein, any right or remedy provided for in this Agreement shall not preclude the exercise of any other right or remedy under any other agreements between NRP and the City or under any provision of law, nor shall any action taken in the exercise of any right or remedy be deemed a waiver of any other rights or remedies. Failure to exercise any right or remedy hereunder shall not constitute a waiver of the right to exercise that or any other right or remedy at any time.

SECTION 22. ASSIGNMENT

This Agreement is not assignable by any Party without the written consent of the non-assigning Party. Notwithstanding the foregoing, NRP may assign this Agreement to a parent, subsidiary, affiliate entity or newly-created entity resulting from a merger, acquisition or other corporate restructure or reorganization of NRP, or to any entity owned or controlled, or under common control, directly or indirectly by NRP, without the written consent of the City. Following completion of construction of the Project, NRP shall also have the right to assign this Agreement to any party that acquires the Project, subject to City's prior written consent which shall be approved at the sole discretion of the City Manager or designee. In either of such cases, NRP shall give City no less than THIRTY (30) days prior written notice of the proposed assignment or other transfer. Any and all future assignees must be bound by all terms and/or provisions and representations of this Agreement as a condition of assignment. Any attempt to assign the Agreement without the notification and subsequent consent of City shall release City from performing any of the

terms, covenants and conditions herein; provided that a permitted assignment of this Agreement by NRP following completion of construction of the Project shall relieve NRP of any liability hereunder arising following the assignment provided that the assignee has expressly assumed all obligations and liabilities of NRP under this Agreement attributable to the period following the date of such assignment. Any assignment of this Agreement in violation of this Section shall enable City to terminate this Agreement and exercise its rights under Section 17 of this Agreement.

SECTION 23. ORAL AND WRITTEN AGREEMENTS

All oral and written agreements between the Parties to this Agreement relating to the subject matter of this Agreement that were made prior to the execution of this Agreement have been reduced to writing and are contained in this Agreement.

SECTION 24. AUTHORIZED RELIEF FROM PERFORMANCE (*Force Majeure*)

The City may grant temporary relief from any deadline for performance of any term of this Agreement if the NRP is prevented from compliance and performance by an act of war, order of legal authority, act of God, or other unavoidable cause not attributed to the fault or negligence of NRP. The burden of proof for the need for such relief shall rest upon NRP. To obtain an extension based upon Force Majeure, NRP must provide written notice to City of the occurrence of the Force Majeure event within ten (10) days following the date that NRP becomes aware of the event and the fact that it will delay NRP’s performance of its obligations under this Agreement. City will not unreasonably withhold its consent.

SECTION 25. NOTICE

Any notice required or permitted to be given hereunder by one party to the other shall be in writing and the same shall be given and shall be deemed to have been served and given if: (a) delivered in person to the address set forth herein below for the party to whom the notice is given; (b) placed in the United States mail with postage prepaid, return receipt requested, properly addressed to such party at the address hereinafter specified; or (c) deposited, with fees prepaid, into the custody of a nationally recognized overnight delivery service such as FedEx, addressed to such party at the address hereinafter specified. Any notice mailed in the above manner shall be effective two (2) business days following its deposit into the custody of the United States Postal Service or one (1) business day following its deposit into the custody of such nationally recognized delivery service, as applicable; all other notices shall be effective upon receipt. From time to time, either party may designate another address for all purposes under this Agreement by giving the other party no less than ten (10) calendar days advance written notice of such change of address in accordance with the provisions hereof.:

TO CITY: (If mailed):

Center City Development Office
P.O. Box 839966
San Antonio, Texas 78283-3966

TO NRP:

(If mailed):

The NRP Group, LLC
Attn: General Counsel
5309 Transportation Blvd.
Cleveland, OH 44125

(If by personal or overnight delivery):

Center City Development Office
Attn: Director
100 Houston St., 19th Floor
San Antonio, Texas 78205

ATTACHMENTS:

Attachment A – Property

Attachment B – Public Improvements of Project

WITNESS OUR HANDS, EFFECTIVE as of _____, 2012:

Accepted and executed in four duplicate originals on behalf of the City of San Antonio pursuant to Ordinance Number 2012-____-____-_____, dated _____, 2012, and _____ (NRP) pursuant to the authority of its _____.

CITY OF SAN ANTONIO,
a Texas Municipal Corporation

NRP PROPERTIES, L.L.C.:

an Ohio Limited Liability Company

Pat DiGiovanni
DEPUTY CITY MANAGER

Name:
Title:

ATTEST:

ATTEST:

Leticia Vacek
CITY CLERK

Name:
Title:

APPROVED AS TO FORM:

Leslie O. Haby
ASSISTANT CITY ATTORNEY

ATTACHMENT A
Subject Property

THE FOLLOWING COMMITMENT FOR TITLE INSURANCE IS NOT VALID UNLESS YOUR NAME AND THE POLICY AMOUNT ARE SHOWN IN SCHEDULE A, AND OUR AUTHORIZED REPRESENTATIVE HAS COUNTERSIGNED BELOW.

COMMITMENT FOR TITLE INSURANCE
ISSUED BY



We, STEWART TITLE GUARANTY COMPANY, will issue our title insurance policy or policies (the Policy) to You (the proposed insured) upon payment of the premium and other charges due, and compliance with the requirements in Schedule B and Schedule C. Our Policy will be in the form approved by the Texas Department of Insurance at the date of issuance, and will insure your interest in the land described in Schedule A. The estimated premium for our Policy and applicable endorsements is shown on Schedule D. There may be additional charges such as recording fees, and expedited delivery expenses.

This Commitment ends ninety (90) days from the effective date, unless the Policy is issued sooner, or failure to issue the Policy is our fault. Our liability and obligations to you are under the express terms of this Commitment and end when this Commitment expires.

In witness whereof, the Company has caused this commitment to be signed and sealed as of the effective date of commitment as shown in Schedule A, the commitment to become valid and binding only when countersigned by an authorized signatory.

Countersigned by:

A handwritten signature in black ink, appearing to be "John W. [unclear]".

Stewart Title Company



A handwritten signature in black ink, appearing to be "David M. [unclear]".

Senior Chairman of the Board

A handwritten signature in black ink, appearing to be "Malcolm [unclear]".

Chairman of the Board

A handwritten signature in black ink, appearing to be "Michael [unclear]".

President

CONDITIONS AND STIPULATIONS

1. If you have actual knowledge of any matter which may affect the title or mortgage covered by this Commitment, that is not shown in Schedule B, you must notify us in writing,. If you do not notify us in writing, our liability to you is ended or reduced to the extent that your failure to notify us affects our liability. If you do notify us, or we learn of such matter, we may amend Schedule B, but we will not be relieved of liability already incurred.
2. Our liability is only to you, and others who are included in the definition of Insured in the Policy to be issued. Our liability is only for actual loss incurred in your reliance on this Commitment to comply with its requirements or to acquire the interest in the land. Our liability is limited to the amount shown in Schedule A of this commitment and will be subject to the following terms of the Policy: Insuring Provisions, Conditions and Stipulations, and Exclusions.

All notices required to be given the Company and any statement in writing required to be furnished the Company shall be addressed to it at P.O. Box 2029, Houston, Texas 77252.





IMPORTANT INFORMATION

FOR INFORMATION, OR
TO MAKE A COMPLAINT
CALL OUR TOLL-FREE TELE-
PHONE NUMBER

1-800-729-1902

ALSO
YOU MAY CONTACT
THE TEXAS DEPARTMENT
OF INSURANCE AT

1-800-252-3439

to obtain information on:

1. filing a complaint against an insurance company or agent,
2. whether an insurance company or agent is licensed,
3. complaints received against an insurance company or agent.
4. policyholder rights, and
5. a list of consumer publications and services available through the Department.

YOU MAY ALSO WRITE TO
THE TEXAS DEPARTMENT OF
INSURANCE
P.O. BOX 149104
AUSTIN, TEXAS 78714-9104
FAX NO. (512) 475-1771

AVISO IMPORTANTE

PARA INFORMACION, O
PARA SOMETER UNA QUEJA
LLAME AL NUMERO GRATIS

1-800-729-1902

TAMBIEN
PUEDE COMUNICARSE CON
EL DEPARTAMENTO DE SEGUROS
DE TEXAS AL

1-800-252-3439

para obtener informacion sobre:

1. como someter una queja en contra de una compania de seguros o agente de seguros,
2. si una compania de seguros o agente de seguros tiene licencia,
3. quejas recibidas en contra de una compania de seguros o agente de seguros,
4. los derechos del asegurado, y
5. una lista de publicaciones y servicios para consumidores disponibles a traves del Departamento.

TAMBIEN PUEDE ESCRIBIR AL
DEPARTAMENTO DE SEGUROS DE
TEXAS
P.O. BOX 149104
AUSTIN, TEXAS 78714-9104
FAX NO. (512) 475-1771



TEXAS TITLE INSURANCE INFORMATION

<p>Title insurance insures you against loss resulting from certain risks to your title.</p> <p>The commitment for Title Insurance is the title insurance company's promise to issue the title insurance policy. The commitment is a legal document. You should review it carefully to completely understand it before your closing date.</p>	<p>El seguro de título le asegura en relación a pérdidas resultantes de ciertos riesgos que pueden afectar el título de su propiedad.</p> <p>El Compromiso para Seguro de Título es la promesa de la compañía aseguradora de títulos de emitir la póliza de seguro de título. El Compromiso es un documento legal. Usted debe leerlo cuidadosamente y entenderlo completamente antes de la fecha para finalizar su transacción.</p>
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Your commitment for Title Insurance is a legal contract between you and us. The Commitment is not an opinion or report of your title. It is a contract to issue you a policy subject to the Commitment's terms and requirements.

Before issuing a Commitment for Title Insurance (the Commitment) or a Title Insurance Policy (the Policy), the title insurance Company (the Company) determines whether the title is insurable. This determination has already been made. Part of that determination involves the Company's decision to insure the title except for certain risks that will not be covered by the Policy. Some of these risks are listed in Schedule B of the attached Commitment as Exceptions. Other risks are stated in the Policy as Exclusions. These risks will not be covered by the Policy. The Policy is not an abstract of title nor does a Company have an obligation to determine the ownership of any mineral interest.

MINERALS AND MINERAL RIGHTS may not be covered by the Policy. The Company may be unwilling to insure title unless there is an exclusion or an exception as to Minerals and Mineral Rights in the Policy. Optional endorsements insuring certain risks involving minerals, and the use of improvements (excluding lawns, shrubbery and trees) and permanent buildings may be available for purchase. If the title insurer issues the title policy with an exclusion or exception to the minerals and mineral rights, neither this Policy, nor the optional endorsements, ensure that the purchaser has title to the mineral rights related to the surface estate.

Another part of the determination involves whether the promise to insure is conditioned upon certain requirements being met. Schedule C of the Commitment lists these requirements that must be satisfied or the Company will refuse to cover them. You may want to discuss any matters shown in Schedules B and C of the Commitment with an attorney. These matters will affect your title and your use of the land.

When your Policy is issued, the coverage will be limited by the Policy's Exceptions, Exclusions and Conditions, defined below.

- EXCEPTIONS are title risks that a Policy generally covers but does not cover in a particular instance. Exceptions are shown on Schedule B or discussed in Schedule C of the Commitment. They can also be added if you do not comply with the Conditions section of the Commitment. When the Policy is issued, all Exceptions will be on Schedule B of the Policy.
- EXCLUSIONS are title risks that a Policy generally does not cover. Exclusions are contained in the Policy but not shown or discussed in the Commitment.
- CONDITIONS are additional provisions that qualify or limit your coverage. Conditions include your responsibilities and those of the Company. They are contained in the Policy but not shown or discussed in the Commitment. The Policy Conditions are not the same as the Commitment Conditions.

You can get a copy of the policy form approved by the Texas Department of Insurance by calling the Title Insurance Company at 1-800-729-1902 or by calling the title insurance agent that issued the Commitment. The Texas Department of Insurance may revise the policy form from time to time.

You can also get a brochure that explains the policy from the Texas Department of Insurance by calling 1-800-252-3439.

Before the Policy is issued, you may request changes in the Policy. Some of the changes to consider are:

- Request amendment of the "area and boundary" exception (Schedule B, paragraph 2). To get this amendment, you must furnish a survey and comply with other requirements of the Company. On the Owner Policy, you must pay an additional premium for the amendment. If the survey is acceptable to the Company and if the Company's other requirements are met, your Policy will insure you against loss because of discrepancies or conflicts in boundary lines, encroachments or protrusions, or overlapping of improvements. The Company may then decide not to insure against specific boundary or survey problems by making special exceptions in the Policy. Whether or not you request amendment of the "area and boundary" exception, you should determine whether you want to purchase and review a survey if a survey is not being provided to you.
- Allow the Company to add an exception to "rights of parties in possession". If you refuse this exception, the Company or the title insurance agent may inspect the property. The Company may except to and not insure you against the rights of specific persons, such as renters, adverse owners or easement holders who occupy the land. The Company may charge you for the inspection. If you want to make your own inspection, you must sign a Waiver of Inspection form and allow the Company to add this exception to your Policy.

The entire premium for a Policy must be paid when the Policy is issued. You will not owe any additional premiums unless you want to increase your coverage at a later date and the Company agrees to add an Increased Value Endorsement.

FORM: Commitment for Title Insurance

COMMITMENT FOR TITLE INSURANCE
SCHEDULE A

File No.: 1202934022 / 12330473	Effective Date of Commitment: April 27, 2012

1. The policy or policies to be issued are:

- (a) OWNER'S POLICY OF TITLE INSURANCE (Form T-1)
(Not applicable for improved one-to-four family residential real estate)
Policy Amount:
PROPOSED INSURED: NRP Properties, LLC
- (b) TEXAS RESIDENTIAL OWNER'S POLICY OF TITLE INSURANCE
-ONE-TO-FOUR FAMILY RESIDENCES (Form T-1R)
Policy Amount: \$
PROPOSED INSURED:
- (c) LOAN POLICY OF TITLE INSURANCE (Form T-2)
Policy Amount:
PROPOSED INSURED:
Proposed Borrower:
- (d) TEXAS SHORT FORM RESIDENTIAL LOAN POLICY OF TITLE INSURANCE (Form T-2R)
Policy Amount: \$
PROPOSED INSURED:
Proposed Borrower:
- (e) LOAN TITLE POLICY BINDER ON INTERIM CONSTRUCTION LOAN (Form T-13)
Binder Amount: \$
PROPOSED INSURED:
Proposed Borrower:
- (f) OTHER -
Policy Amount: \$
PROPOSED INSURED:

2. The interest in the land covered by this Commitment is:

Fee Simple

3. Record title to the land on the Effective Date appears to be vested in:

Big Tex San Antonio, L.P.

4. Legal description of the land:

Field notes of a 7.530 acre tract of land situated in the City of San Antonio, Bexar County, Texas and being out of New City Block A-14, City of San Antonio, Texas and being more particularly described by metes and bounds as follows:

Beginning at a 1/2" iron pin found in the southwest line of Blue Star Street, being the northeast line of the Southern Pacific Railroad Right of Way, at the north corner of a 0.77 of an acre tract described in deed recorded in Volume 2701, Page 464, Real Property Records, and being a north corner of this tract, said point being N 50° 59' 52" W, 564.89 feet and N 50° 59' 42" W, 761.51 feet from a 1/2" iron pin found at the south corner of Blue Star Street;

Thence along the southwest line of Blue Star Street, being the northeast line of said 0.77 of an acre tract and a 2.956

acre tract described in deed recorded in Volume 6262, Page 1381, Real Property Records, as follows:

S 50° 59' 42" E. 781.51 feet to a railroad spike found at the east corner of said 0.77 of an acre tract, being a north corner of said 2.956 acre tract;

S 50° 59' 52" E. 564.89 feet to a 1/2" iron pin found at the southeast end of Blue Star Street, being an interior corner of said 2.956 acre tract and this tract;

Thence N 38° 56' 41" E. 50.09 feet along the southeast end of Blue Star Street to a 1/2" iron pin found on the southeast line of a 0.400 of an acre tract described in deed recorded in Volume 3810, Page 956, Real Property Records, at an interior corner of this tract;

Thence N 51° 02' 26" W. 1155.63 feet along the northeast line of Blue Star Street, being the southwest line of said 0.400 of an acre tract, a 0.67 of an acre tract described in deed recorded in Volume 5235, Page 698, Deed Records, a 0.28 of an acre tract described in deed recorded in Volume 2701, Page 461, Real Property Records, and a 0.40 of an acre tract described in deed recorded in Volume 2701, Page 470, Real Property Records, to a 1/2" iron pin found in concrete at the west corner of said 0.40 of an acre tract, also being a west corner of this tract;

Thence N 41° 23' 56" E. 82.69 feet to a 1/2" iron pin found at the north corner of a 0.19 of an acre tract described in deed recorded in Volume 2701, Page 467, Real Property Records;

Thence N 42° 09' 02" E. 4.93 feet to a 1/2" iron pin found in the southwest line of the San Antonio River, at the north corner of a 1.18 acre tract described in deed recorded in Volume 2716, Page 188, Real Property Records, being a north corner of this tract;

Thence along the southwest line of the San Antonio River, being the northeast line of said 1.18 acre tract, a tract conveyed to the July Corporation and described in deed recorded in Volume 6429, Page 969, Deed Records, and said 2.956 acre tract, as follows:

S 80° 56' 04" E. 72.60 feet to a 1/2" iron pin found in concrete,
S 61° 10' 42" E. 59.98 feet to a 1/2" iron pin found at an angle point,
S 75° 02' 12" E. 200.62 feet to a 1/2" iron pin found at an angle point,
N 82° 53' 21" E. 42.32 feet to a 1/2" iron pin found in concrete,
S 52° 11' 29" E. 111.96 feet to a 5/8" iron pin found at an angle point,
S 22° 11' 46" E. 5.92 feet to a 5/8" iron pin found in concrete at the east corner of said 1.18 acre tract, being the north corner of said July Corporation tract,

S 22° 34' 13" E. 30.03 feet to a 1/2" iron pin found at an angle point,
S 35° 21' 57" E. 111.09 feet to a 1/2" iron pin found at an angle point,
S 28° 17' 08" E. 180.01 feet to a 1/2" iron pin found at an angle point,
S 31° 39' 36" E. 64.57 feet to a 1/2" iron pin found at an angle point,
S 38° 43' 43" E. 82.54 feet to a 1/2" iron pin found at an angle point.
S 51° 10' 19" E. 720.34 feet to S.A.R.A. brass disc found in concrete at an angle point,
S 49° 00' 34" E. 190.54 feet to a 1/2" iron pin found at the east corner of said 2.956 acre tract and this tract;

Thence S 21° 43' 44" W. 26.00 feet to a 1/2" iron pin found in the northeast right of way of the Southern Pacific Railroad at the south corner of said 2.956 acre tract and this tract;

Thence along the northeast right of way line of the Southern Pacific Railroad, as follows:

N 68° 16' 14" W. 417.72 feet to a 1/2" iron pin found at a point of curve,
Northwesterly along the arc of said curve to the right whose radius is 603.00 feet and having a central angle of 17° 17' 58", a distance of 182.07 feet (chord bears N 59° 37' 15" W. 181.37 feet) to a 1/2" iron pin found at the end of said curve,
N 50° 58' 16" W. 690.72 feet to a 1/2" iron pin found at the west corner of said 2.956 acre tract,
N 39° 16' 00" E. 4.91 feet to a 1/2" iron pin found at the south corner of said 0.77 of an acre tract,
N 50° 59' 52" W. 392.70 feet to a 1/2" iron pin found at the beginning of a curve,
Northwesterly along the arc of said curve to the right whose radius is 603.12 feet and having a central angle of

15° 26' 00", a distance of 162.46 feet (chord bears N 43° 16' 52" W. 161.97 feet) to a 1/2" iron pin found at the end of said curve,
N 35° 33' 52" W. 82.10 feet to a 1/2" iron pin found at an angle point,
N 45° 49' 52" W. 149.80 feet to the place of beginning and containing 7.530 acres of land, more or less, according to a survey made on the ground.

NOTE: The Company is prohibited from insuring the area or quantity of the land described herein. Any statement in the above legal description of the area or quantity of land is not a representation that such area or quantity is correct, but is made only for informational and/or identification purposes and does not override Item 2 of Schedule B hereof.

**STEWART TITLE GUARANTY COMPANY
SCHEDULE B**

File No. 1202934022 / 12330473

In addition to the Exclusions and Conditions and Stipulations, your Policy will not cover loss, costs, attorney's fees, and expenses resulting from:

1. ~~The following restrictive covenants of record itemized below (We must either insert specific recording data or delete this exception):~~
2. Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments or protrusions, or any overlapping of improvements.
3. Homestead or community property or survivorship rights, if any of any spouse of any insured. **(Applies to the Owner's Policy only.)**
4. Any titles or rights asserted by anyone, including, but not limited to, persons, the public, corporations, governments or other entities,
 - A. to tidelands, or land comprising the shores or beds of navigable or perennial rivers and streams, lakes, bays gulfs or oceans, or
 - B. to lands beyond the line of the harbor or bulkhead lines as established or changed by any government, or
 - C. to filled-in lands, or artificial islands, or
 - D. to statutory water rights, including riparian rights, or
 - E. to the area extending from the line of mean low tide to the line of vegetation, or the rights of access to that area or easement along and across that area. **(Applies to the Owner's Policy only.)**
5. Standby fees, taxes and assessments by any taxing authority for the year 2012 and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership, but not those taxes or assessments for prior years because of an exemption granted to a previous owner of the property under Section 11.13, Texas Tax Code, or because of improvements not assessed for a previous tax year. **(If Texas Short Form Residential Loan Policy of Title Insurance (T-2R) is issued, that policy will substitute "which become due and payable subsequent to Date of Policy" in lieu of "for the year 2012 and subsequent years."**
6. The terms and conditions of the documents creating your interest in the land.
7. Materials furnished or labor performed in connection with planned construction before signing and delivering the lien document described in Schedule A, if the land is part of the homestead of the owner. **(Applies to the Loan Title Policy Binder on Interim Construction Loan only, and may be deleted if satisfactory evidence to us before a binder is issued.)**
8. Liens and leases that affect the title to the land, but that are subordinate to the lien of the insured mortgage. **(Applies to Loan Policy T2 only.)**
9. The Exceptions from Coverage and Express Insurance in Schedule B of the Texas Short Form Residential Loan Policy of Title Insurance (T-2R). **(Applies to Texas Short Form Residential Loan Policy of Title Insurance (T-2R) only).** Separate exceptions 1 through 8 of this Schedule B do not apply to the Texas Short Form Residential Loan Policy of Title Insurance (T-2R).
10. The following matters and all terms of the documents creating or offering evidence of the matters (We must insert matters or delete this exception.):
 - A. Rights of parties in possession. **(Owner Title Policy only)**
 - B. Mineral reservation as set out in Volume 3131, Page 38, Deed Records of Bexar County, Texas.
 - C. Mineral reservation as set out in Volume 3791, Page 575, Deed Records of Bexar County, Texas.
 - D. Mineral reservation as set out in Volume 5661, Page 552, Deed Records of Bexar County, Texas.
 - E. Mineral reservation as set out in Volume 7151, Page 629, Deed Records of Bexar County, Texas.
 - F. Mineral reservation as set out in Volume 6282, Page 1381, Real Property Records of Bexar County, Texas.

**STEWART TITLE GUARANTY COMPANY
SCHEDULE B**

File No. 1202934022 / 12330473

- G. Terms and conditions of that railroad spur easement, as set out in Volume 3139, Page 74, Deed Records of Bexar County, Texas.
- H. Terms and conditions of that encroachment easement as set out in Volume 3201, Page 77, Deed Records of Bexar County, Texas.
- I. Terms and conditions of that Electric and Gas Lines Right-of-Way Agreement as set out in Volume 5660, Page 1267, as affected by that Partial Release of Easement recorded in Volume 10711, Page 410, all in the Real Property Records of Bexar County, Texas.
- J. Terms and conditions of that Public Easement Dedication as set out in Volume 14083, Page 1571, Deed Records of Bexar County, Texas.
- K. Subject to any easements, rights-of-way, roadways, encroachments, etc., which a survey or physical inspection of the premises might disclose.

**STEWART TITLE GUARANTY COMPANY
SCHEDULE C**

File No. 1202934022 / 12330473

Your Policy will not cover loss, costs, attorneys' fees, and expenses resulting from the following requirements that will appear as Exceptions in Schedule B of the Policy, unless you dispose of these matters to our satisfaction, before the date the Policy is issued:

1. Documents creating your title or interest must be approved by us and must be signed, notarized and filed for record.
2. Satisfactory evidence must be provided that:
 - a. no person occupying the land claims any interest in that land against the persons named in paragraph 3 of Schedule A,
 - b. all standby fees, taxes, assessments and charges against the property have been paid,
 - c. all improvements or repairs to the property are completed and accepted by the owner, and that all contractors, subcontractors, laborers and suppliers have been fully paid, and that no mechanic's, laborer's or materialman's liens have attached to the property,
 - d. there is legal right of access to and from the land,
 - e. **(on a Loan Policy only)** restrictions have not been and will not be violated that affect the validity and priority of the insured mortgage.
3. You must pay the seller or borrower the agreed amount for your property or interest.
4. Any defect, lien or other matter that may affect title to the land or interest insured, that arises or is filed after the effective date of this Commitment.
5. Note: Procedural Rule P-27 as provided for in Article 9.39 A of the Texas Insurance Code requires that "Good Funds" be received and deposited before a Title Agency may disburse from its Trust Fund Account.
6. The Company requires a copy of the limited partnership agreement, and all amendments thereto for Big Tex San Antonio, L. P., and a Certificate of Limited Partnership from the Secretary of State. Further, the Company requires the joinder of all general partners and evidence of the consent of all of the limited partners to the closing of this transaction.
7. **NOTICE TO CLOSING AGENT:** This Commitment is issued solely for the purpose of furnishing title evidence in connection with issuance of a directly-issued ("Home Office Issue") Policy. Notwithstanding any provision hereof to the contrary, neither the issuing agent nor the title insurance company named herein will have any obligation to issue a Policy pursuant to this Commitment. As a condition for such use, Stewart Title Company San Antonio Division requires compliance with Procedural Rule P-24, Basic Manual of Rules, Rates and Forms (Texas Department of Insurance). If this Commitment is used for such purpose, a legible complete copy of each directly-issued Policy must be furnished to the above-mentioned title insurance agent no later than thirty (30) days after the date of the Policy, as required by TEX. INS.CODE Sec. 2704.003 and Procedural Rule P-26, Basic Manual.
8. This file should be downdated prior to closing and/or recording.

**STEWART TITLE GUARANTY COMPANY
SCHEDULE D**

File No.: 1202934022 / 12330473

The information contained in this Schedule (D) does not affect title to or the lien upon the land described in Schedule A hereof, to be insured in any policy(ies) of title insurance to be issued in accordance with this Commitment.

As to Stewart Title Guaranty Company, the Underwriter herein, the following disclosures are made:

A-1. Shareholders owning, controlling or holding, either personally or beneficially, 10% or more of the shares of Stewart Title Guaranty Company as of the last day of the year preceding the date hereinabove set forth are as follows:

Stewart Information Services Corporation -100%

A-2. The members of the Board of Directors of Stewart Title Guaranty Company as of the last day of the year preceding the date hereinabove set forth are as follows: Bruce Belin, Malcolm Morris, Charles F. Howard, Michael B. Skalka, Matthew Morris, Stewart Morris, Stewart Morris, Jr.

A-3. The ten designated officers of Stewart Title Guaranty Company as of the last day of the year preceding the date hereinabove set forth are as follows: Stewart Morris, Jr., Senior Chairman of the Board & Assistant Secretary, Malcolm Morris, Chairman of the Board, Chief Executive Officer & Assistant Secretary, Michael B. Skalka, President and Director of Global Underwriting Services, Matthew Morris, Senior Executive Vice President, J. Allen Berryman, Executive Vice President, Chief Financial Officer and Assistant Secretary-Treasurer, George Houghton, Executive Vice President-Agency Services, John L. Killea, Executive Vice President-General Counsel, Paul Sands, Executive Vice President-National Title Services Director, Mark Winter, Executive Vice President-Public Policy, Richard Black, Senior Vice President-Underwriting Counsel.

As to **Stewart Title Company**, (Title Insurance Agent), the following disclosures are made:

B-1: If Agent is a corporation, the shareholders owning or controlling, directly or indirectly 1% or more of the shares of Agent as of the last day of the year preceding the date hereinabove set forth are as follows (or owning or controlling 10% or more of an entity that owns 1% or more of Agent)

Stewart Title Guaranty Company 100%

B-2: Individuals, firms, partnerships, associations, corporations, trusts or other entities owning 10% or more of those entities referred to in item no. B-1 hereinabove as of the last day of the year preceding the date hereinabove set forth are as follows.

Stewart Information Services Corporation 100%

B-3: If Undersigned Agent is a corporation, the following is a list of the members of the Board of Directors, as of the last day of the year preceding the date hereinabove set forth.

Glenn Clements, Malcolm S. Morris, Stewart Morris, Stewart Morris, Jr., Jason Nadeau, Bob Oakland, Pat Vaden, Rand Zimmerman

B-4: If Agent is a corporation, the names of any directors, president, executive or senior vice president, secretary and treasurer if any of the Title Insurance Agent are as follows:

President:	Stewart Morris, Jr.
Chairman:	Malcolm S. Morris
Sr. Executive Vice President:	Matthew W. Morris
Secretary:	J. Denise Carraux
Treasurer:	Ken Anderson, Jr.

C-1. You are entitled to receive advance disclosure of settlement charges in connection with the proposed transaction to which this commitment relates. Upon your request, such disclosure will be made to you. Additionally, the name of any person, firm or corporation receiving a portion of the premium from the settlement of this transaction will be disclosed on the closing or settlement statement.

You are further advised that the estimated title premium* is:

Owner's Policy	
Loan Policy	
Endorsement Charges	
Other	
Total	\$0.00

Of this total amount 15% will be paid to Stewart Title Guaranty Company; 50% net will be retained by Title Insurance Agent; and any remainder of the estimated premium will be paid to other parties as follows:

Amount	To Whom	For Services
(or %) 50.00	Stewart Title Guaranty National Title Services	Closing, Issuing
(or %)		
(or %)		

*The estimated premium is based upon information furnished to us as of the date of this Commitment for Title Insurance. Final determination of the amount of the premium will be made at closing in accordance with the Rules and Regulations adopted by the Commissioner of Insurance.



STG Privacy Notice 1 (Rev 01/26/09) Stewart Title Companies

WHAT DO THE STEWART TITLE COMPANIES DO WITH YOUR PERSONAL INFORMATION?

Federal and applicable state law and regulations give consumers the right to limit some but not all sharing. Federal and applicable state law regulations also require us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand how we use your personal information. This privacy notice is distributed on behalf of the Stewart Title Guaranty Company and its affiliates (the Stewart Title Companies), pursuant to Title V of the Gramm-Leach-Bliley Act (GLBA).

The types of personal information we collect and share depend on the product or service that you have sought through us. This information can include social security numbers and driver's license number.

All financial companies, such as the Stewart Title Companies, need to share customers' personal information to run their everyday business—to process transactions and maintain customer accounts. In the section below, we list the reasons that we can share customers' personal information; the reasons that we choose to share; and whether you can limit this sharing.

Reasons we can share your personal information	Do we share?	Can you limit this sharing?
For our everyday business purposes — to process your transactions and maintain your account. This may include running the business and managing customer accounts, such as processing transactions, mailing, and auditing services, and responding to court orders and legal investigations.	Yes	No
For our marketing purposes — to offer our products and services to you.	Yes	No
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes — information about your transactions and experiences. Affiliates are companies related by common ownership or control. They can be financial and non-financial companies. <i>Our affiliates may include companies with a Stewart name; financial companies, such as Stewart Title Company</i>	Yes	No
For our affiliates' everyday business purposes — information about your creditworthiness.	No	We don't share
For our affiliates to market to you	Yes	No
For non-affiliates to market to you. Non-affiliates are companies not related by common ownership or control. They can be financial and non-financial companies.	No	We don't share

We may disclose your personal information to our affiliates or to non-affiliates as permitted by law. If you request a transaction with a non-affiliate, such as a third party insurance company, we will disclose your personal information to that non-affiliate. [We do not control their subsequent use of information, and suggest you refer to their privacy notices.]

Sharing practices

How often do the Stewart Title Companies notify me about their practices?	We must notify you about our sharing practices when you request a transaction.
How do the Stewart Title Companies protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal and state law. These measures include computer, file, and building safeguards.
How do the Stewart Title Companies collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> ▪ request insurance-related services ▪ provide such information to us <p>We also collect your personal information from others, such as the real estate agent or lender involved in your transaction, credit reporting agencies, affiliates or other companies.</p>
What sharing can I limit?	Although federal and state law give you the right to limit sharing (e.g., opt out) in certain instances, we do not share your personal information in those instances.

Contact Us

If you have any questions about this privacy notice, please contact us at: Stewart Title Guaranty Company, 1980 Post Oak Blvd., Privacy Officer, Houston, Texas 77056



DELETION OF ARBITRATION PROVISION

(Not applicable to the Texas Residential Owner Policy)

ARBITRATION is a common form of alternative dispute resolution. It can be a quicker and cheaper means to settle a dispute with your Title Insurance Company. However, if you agree to arbitrate, you give up your right to take the Title Company to court and your rights to discovery of evidence may be limited in the arbitration process. In addition, you cannot usually appeal an arbitrator's award.

Your policy contains an arbitration provision (shown below). It allows you or the Company to require arbitration if the amount of insurance is \$2,000,000 or less. If you want to retain your right to sue the Company in case of a dispute over a claim, you must request deletion of the arbitration provision before the policy is issued. You can do this by signing this form and returning it to the Company at or before the closing of your real estate transaction or by writing to the Company.

The arbitration provision in the Policy is as follows:

"Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured, unless the Insured is an individual person (as distinguished from an Entity). All arbitrable matters when the Amount of Insurance is in excess of \$2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction."

SIGNATURE

DATE

Bexar CAD

Property Search Results > Property ID 100159 BIG TEX SAN ANTONIO LP for Year 2012

Property Details	
Account	Property ID: 100159
	Geo. ID: 00014-000-0074
Type:	Real
Legal Description:	NCB A-14 BLK LOT TR1 AND TR5 OUT OF TRB; W 306.92 FT OF TR2 OUT OF TRB
Location	Address: 354 BLUE STAR TX
	Neighborhood: NEHD code 10092
	Mapsc: 616E8
Jurisdictions:	06 08 09 10 11 21 57 CAD SA011
Owner	Name: BIG TEX SAN ANTONIO LP
	Address: 213 W TRAVIS ST SAN ANTONIO, TX 78205-1421
Property	Appraised Value: N/A
Map Layers	
Radius Search	

Website version: 1.2.2.0

Database last updated on: 1/30/2012 2:03 AM
This site only supports Internet Explorer 6+, Netscape 7+ and Firefox 1.5+.

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Bexar CAD

Property Search Results > Property ID 100147 BIG TEX SAN ANTONIO LP for Year 2012

Property Details	
Account	
Property ID:	100147
Geo ID:	00014-000-0032
Type:	Real
Legal Description:	N/CB A-14 BLK LOT TR C3
Location	
Address:	401 BLUE STAR TX
Neighborhood:	NBHD code10092
Mapsc0:	616E8
Jurisdictions:	06 08 09 10 11 21 57 CAD SA011
Owner	
Name:	BIG TEX SAN ANTONIO LP
Address:	215 W TRAVIS ST SAN ANTONIO, TX 78205-1421
Property	
Appraised Value:	N/A
Map Layers	
Radius Search	

Website version: 1.2.2.0

Database last updated on: 1/30/2012 2:03 AM
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Property Search Results > Property ID 100153 BIG TEX SAN ANTONIO LP for Year 2012

Property Details

Account
 Property ID: 100153
 Geo. ID: 00014-000.0060
 Type: Real
 NCB A-14
 BLK LOT
 TR. 3 & E
 50X139.9
 FT OF
 STRIP N
 OF TR 3
 OUT OF
 TR. B C7-
 16401

Location
 Address: 401 BLUE STAR TX
 Neighborhood: N8HD code10092
 Mapsco: 616E8
 Jurisdictions: 06, 08, 09, 16, 11, 21, 57, CAD, SADO11

Owner
 Name: BIG TEX SAN ANTONIO LP
 Address: 215 W TRAVIS ST SAN ANTONIO, TX 78205-1421

Property
 Appraised Value: N/A
 Map Layers
 Radius Search

Website version: 1.2.2.0

Database last updated on: 1/30/2012 2:03 AM
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Bexar CAD

Property Search Results > Property ID 100148 BIG TEX SAN ANTONIO LP for Year 2012

Property Details

Account

Property ID: 100148

Geo ID: 00014-000-0040

Type: Real

Legal Description: NCB A-14 BLK LOT TR 4 & W 50 X 86.76 FT STRIP N OF TR 4 CUT OF TR B

Location

Address: 401 BLUE STAR TX

Neighborhood: NBHD code10092

Mapsc: 616E8

Jurisdictions: 08, 09, 09, 10, 11, 21, 57 CAD SA011

Owner

Name: BIG TEX SAN ANTONIO LP

Address: 215 W TRAVIS ST SAN ANTONIO, TX 78205-1421

Property

Appraised Value: N/A

Map Layers

Radius Search

1:

Website version: 1.2.2.0

Database last updated on: 1/30/2012 2:03 AM
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Bexar CAD

Property Search Results > Property ID 100142 BIG TEX SAN ANTONIO LP for Year 2012

Property Details	
Account Property ID: 100142 Geo. ID: 00014-000-0027 Type: Rreal Legal Description: NCB A-14 BLK LOT TR C-1	
Location Address: 415 BLUE STAR TX Neighborhood: NRHD code 10092 Mapsco: 616E8 Jurisdictions: 06_08_09, 10_11_21, 27 CAD, SA011	
Owner Name: BIG TEX SAN ANTONIO LP Address: 215 W TRAVIS ST SAN ANTONIO, TX 78205-1421	
Property Appraised Value: N/A	
<input type="checkbox"/> Map Layers <input type="checkbox"/> Radius Search	

Website version: 1.2.2.0

Database last updated on: 1/30/2012 2:03 AM
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Bexar CAD

Property Search Results > Property ID 100143 BIG TEX SAN ANTONIO LP for Year 2012

Property Details	
Account	
Property ID:	100143
Geo. ID:	00014-000-0028
Type:	Real
Legal Description:	NCB A-14 BLK LOT TRC2
Location	
Address:	415 BLUE STAR TX
Neighborhood:	NEHD code10092
Mapscod:	610E8
Jurisdictions:	08 08 09 10 11 21 27 CAD SA011
Owner	
Name:	BIG TEX SAN ANTONIO LP
Address:	215 W TRAVIS ST SAN ANTONIO, TX 78205-1421
Property	
Appraised Value:	N/A
<input type="checkbox"/> Map Layers	
<input checked="" type="checkbox"/> Radius Search	

Website version: 1 2 2 0

Database last updated on: 1/30/2012 2:03 AM
This site only supports Internet Explorer 6+, Netscape 7+ and Firefox 1.5+.

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Bexar CAD

Property Search Results > Property ID 100155 BIG TEX SAN ANTONIO LP for Year 2012

Property Details

Account
 Property ID: 100155
 Geo. ID: 00014-000-0070
 Type: Real
 Legal Description: NCB A-14 BLK LOT E 190 FT OF TR 2 OUT OF TR B
 Location
 Address: 314 BLUE STAR TX
 Neighborhood: NBHD code10092
 Mapsco: 616E8
 Jurisdictions: 06, 08, 09, 10, 11, 21, 27, CAD, SA011
 Owner
 Name: BIG TEX SAN ANTONIO LP
 Address: 215 W TRAVIS ST SAN ANTONIO, TX 78205-1421

Property
 Appraised Value: N/A
 Map Layers
 Radius Search

Website version: 1.2.2.0

Database last updated on: 1/30/2012 2:03 AM
This site only supports Internet Explorer 6+, Netscape 7+ and Firefox 1.5+.

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ATTACHMENT B
Public Improvements

PUBLIC IMPROVEMENTS

Total Site:

Public Street Improvements to Blue Star Way running the length of the property, including paving, sidewalks, fire, streetlights, landscaping Utilities along Blue Star Way and service extensions to reach the property, including under the railroad to Probandt Street Planned Sewer lift station necessary to connect to sewer on Probandt Riverfront improvements extending the trail after the bridge and landscaping of the trail Public art within the development

Contribution, including legal, design, and infrastructure, to the Museum Pad Site:

All platting necessary to legally convey the pad site.

All utilities stubbed to the pad site.

A brand new street, sidewalks and street lighting providing access to the pad site.

Riverwalk sidewalk and landscape improvements to the pad site.

Temporary landscaping of the pad site.