

DRAFT DOCUMENT

STATE OF TEXAS

§
§
§
§

**ECONOMIC DEVELOPMENT
GRANT AGREEMENT OF THE
CITY OF SAN ANTONIO**

COUNTY OF BEXAR

This Economic Development Grant Agreement (hereinafter referred to as the "Agreement") is made and entered into by and between the **City of San Antonio**, a municipal corporation of the State of Texas, hereinafter referred to as "City", by and through its City Manager or his designee, and **Toyota Motor Manufacturing, Texas, Inc.** (hereinafter referred to as "Contractor").

WHEREAS, Contractor and certain Related Organizations are mass producers of automobiles and other personal and commercial mobility products ("Business Activities") and Manufacturer currently manufactures, assembles, produces and distributes automobiles on the Property for retail sale; and

WHEREAS, Contractor is engaged in an economic development project consisting of investing approximately \$391,800,000.00 for the purpose, among other purposes, of expanding existing buildings and enhancing current production lines with new technology and related equipment on real property located within the City of San Antonio at 1 Lone Star Pass Rd., San Antonio, TX 78264 ("Project"), legally described in Exhibit A ("Project Site"); and

WHEREAS, pursuant to Chapter 380 of the Texas Local Government Code, City is authorized to grant municipal funds in furtherance of public purposes for economic development projects; and

WHEREAS, in accordance with City of San Antonio City Ordinance No. 100684, City created an economic development program for the purpose of making such grants available; and

WHEREAS, the capital investment and retention of jobs will promote local economic development and stimulate business and commercial activity in the City of San Antonio; and

WHEREAS, Contractor has experienced unexpected and unbudgeted utility fees associated with the construction and improvement of infrastructure related to the provision of utilities to the manufacturing site; and

WHEREAS, City has identified funds available in the form of an economic development grant for Contractor's use to carry out this purpose; and

WHEREAS, the City Council of City authorized the City Manager or designee to enter into this Agreement with Contractor as reflected in Ordinance No. _____, passed and approved on _____, 2019 and City now wishes to engage Contractor to carry out such project; **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

Contractor shall complete the construction of a secondary feed to the existing potable water infrastructure in support of the Project that will result in the investment of \$391,800,000.00 in capital improvements and shall maintain the number of Full-Time Jobs (defined below) contemplated by that certain Tax Abatement

Agreement dated on or about the date hereof between the Parties (the “Tax Abatement Agreement”), which are anticipated to promote local economic development and stimulate business and commercial activity in the City of San Antonio. The City is supporting the Project through an economic development grant to provide funding for the purpose of defraying costs associated with water utility fees for construction at the Project Site as part of a larger incentive package, to include the Tax Abatement Agreement, intended, in part, to attract and retain high-impact companies that support the City’s targeted industries.

City acknowledges that Contractor is relying upon the funds to be generated by this Agreement in deciding to invest substantially in new technology and to enhance current production lines at the Project Site and that these funds are a material part of a comprehensive economic development package, to include a Tax Abatement Agreement for Contractor’s new capital investments, to support Contractor’s significant additional investment.

SECTION 2. PROJECT REQUIREMENTS

A. Both Contractor and City understand and agree that this Agreement is to be executed pursuant to the approval of the City Council of San Antonio by Ordinance Number _____ given on _____, 2019.

B. Contractor, in support of the Project, shall:

- i.) complete the construction of a secondary feed to the existing potable water infrastructure in support of the Project; and
- ii.) maintain the number of employees employed in Full-Time Jobs contemplated by the Tax Abatement Agreement. The term “Full-Time Job” shall have the meaning set forth in the Tax Abatement Agreement; and
- iii.) obtain electricity exclusively from CPS Energy, or its successors or assigns, and water and wastewater service exclusively from San Antonio Water Systems (SAWS), or its successors or assigns for the full term of the Tax Abatement Agreement.

C. The total amount of funding that may be granted toward the Project is SIX HUNDRED TWENTY THOUSAND FIVE HUNDRED NINETY-FIVE DOLLARS (\$620,595.00), which shall be restricted to defraying costs associated with water utility fees for construction at the Project Site (as described in Exhibit B).

D. The funding provided in Section 2(C) above shall be disbursed to SAWS within thirty (30) days following Contractor’s submission of evidence reasonably satisfactory to City that work on the water utility infrastructure has been completed and all that remains to be done by Contractor in connection with such water utility infrastructure is for the water utility infrastructure improvements fees assessed for construction activities at the Project Site to be paid (as evidenced by an invoice from SAWS therefor).

SECTION 3. AGREEMENT PERIOD

This Agreement shall commence upon full execution of this Agreement and shall terminate upon final acceptance of the last disbursement of funds required for the actual costs associated with the water utility infrastructure improvements permitting fees assessed for construction activities at the Project Site so long as such payments do not exceed a cumulative total of SIX HUNDRED TWENTY THOUSAND FIVE HUNDRED NINETY-FIVE DOLLARS (\$620,595.00) as described in Section 2(C) of this Agreement.

SECTION 4. CONTRACTOR PERFORMANCE

- A. Contractor shall complete the economic development project described in the Tax Abatement Agreement.
- B. Contractor shall comply with all applicable laws and regulations with respect to the construction of the subject water utility infrastructure, and shall perform all activities in accordance with the terms of this Agreement, and with all other terms, provisions, and requirements set forth herein.

SECTION 5. DEPARTMENT OBLIGATIONS

- A. In consideration of full and satisfactory performance of activities required by Section 2(B) of this Agreement, City will disburse grant funds not to exceed SIX HUNDRED TWENTY THOUSAND FIVE HUNDRED NINETY-FIVE DOLLARS (\$620,595.00) as described in Section 2(C) to SAWS in the amounts and at the times specified by Section 3 of this Agreement, and subject to the limitations set forth in this Section 5 and in Sections 14 and 15 below. Notwithstanding any other provision of this Agreement, the total of all grant payments and other obligations incurred by City under this Agreement will not exceed the sum of SIX HUNDRED TWENTY THOUSAND DOLLARS (\$620,000.00).
- B. City will not be liable to Contractor or other entity for any costs incurred by Contractor.
- C. Contractor is only entitled to funds for the costs of actual expenses incurred and not in any amounts exceeding the allocations in Section 2(C) of this Agreement. Allowable costs will be determined in accordance with this Agreement by City's Economic Development Department and are defined as fees for water utility infrastructure construction activities, as described in Exhibit B, at the Project Site. Should City determine after payment that a cost is unallowable under this Agreement Contractor shall reimburse City for such payment not later than 30 days after notification by City.

SECTION 6. RETENTION AND ACCESSIBILITY OF RECORDS

- A. Contractor shall maintain the fiscal records and supporting documentation for all expenditures of funds to be paid on behalf of Contractor under this Agreement in a manner that conforms to this Agreement. Contractor shall retain such records, and any supporting documentation, for the greater of: (1) four [4] years from the end of the Agreement period; or (2) the period required by other applicable laws and regulations.
- B. Contractor shall give the City, its designee, or any of its duly authorized representatives, access to and the right to examine all books, accounts, records, audit reports, reports, files, documents, written or photographic material, videotape and other papers, things, or property belonging to or in use by Contractor pertaining to the funds paid on behalf of Contractor under this Agreement. Such rights to access shall continue as long as the records are retained by Contractor. Failure to provide reasonable access to authorized City representatives shall give the City the right to suspend or terminate the Agreement as provided for in Sections 15 and 16, or any portion thereof, for reason of default. All records and other information shall be retained by Contractor for a period of four (4) 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. Contractor agrees to maintain such records in an accessible location and to provide citizens reasonable access to such records consistent with the Texas Public Information Act. Notwithstanding the foregoing, Contractor shall be deemed to have satisfied the City's requirements under this Section 6(B) upon providing reasonably satisfactory evidence to City that work on the water

utility infrastructure has been completed and a written invoice from SAWS for water utility infrastructure fees in an aggregate amount that is no less than the amount set forth in Section 5(A) of this Agreement.

SECTION 7. MONITORING

A. City reserves the right to confirm Contractor's compliance with the terms and conditions of this Agreement. City will provide Contractor with a written report of the monitor's findings. If the monitoring report notes deficiencies in Contractor's performances under the terms of this Agreement, the monitoring report shall include a listing of requirements for the correction of such deficiencies by Contractor and a reasonable amount of time in which to attain compliance. Failure by Contractor to take action specified in the monitoring report may be cause for suspension or termination of this Agreement, in accordance with Sections 14 and 15 herein.

B. Contractor shall provide to City a statement with reasonable supporting information evidencing the entities providing electricity and water at the Project Site.

SECTION 8. INDEPENDENT CONTRACTOR

It is expressly understood and agreed by the parties hereto that City is contracting with Contractor as an independent Contractor, and that Contractor, its employees and subcontractors are not employees of the City.

SECTION 9. CONFLICT OF INTEREST

A. Contractor shall ensure that no employee, officer, or agent of Contractor 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 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. Contractor shall comply with Chapter 171, Texas Local Government Code as well as the City's Code of Ethics.

B. Except for eligible administrative costs, no employee, agent, consultant, officer, or elected or appointed official, of either Contractor or of a subcontractor, who exercises or has exercised any functions or responsibilities or is in a position to participate in decision-making or gain inside information in regard to the activities involved in the Project, shall be permitted to have or obtain a financial interest in or benefit from the Project or any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties. This prohibition shall remain in effect for the duration of the prohibited relationship plus one calendar year thereafter.

SECTION 10. NONDISCRIMINATION AND SECTARIAN ACTIVITY

A. Contractor shall ensure that no person shall, on the ground of race, color, religion, national origin, sex, sexual orientation, gender identity, veteran status, age or disability, be excluded from participation in, be denied the benefits of, be subjected to discrimination under, or be denied access to any program or activity funded in whole or in part with funds made available under this Agreement.

B. None of the performances rendered by Contractor under this Agreement shall involve, and no portion of the funds received by Contractor 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. Contractor shall include the substance of this Section 10 in all subgrant agreements.

SECTION 11. 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 will have the right to suspend or terminate this Agreement in accordance with Sections 14 and 15 herein if there is a dispute as to the legal authority, of either Contractor or the person signing this Agreement, to enter into this Agreement, any amendments hereto or failure to render performances hereunder. Contractor 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 11.

SECTION 12. LITIGATION AND CLAIMS

A. Contractor shall give City immediate notice in writing of any action, including any proceeding before an administrative agency, filed against Contractor arising out the performance of any subcontract hereunder. Except as otherwise directed by City, Contractor shall furnish immediately to City copies of all pertinent papers received by Contractor with respect to such action or claim. Contractor shall notify the City immediately of any legal action filed against the Contractor or any subcontractor in connection with the construction of the water utility infrastructure described herein. Contractor shall submit a copy of such notice to City within thirty (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.

B. City and Contractor acknowledge 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. Venue of any court action brought directly or indirectly by reason of this Agreement shall be in Bexar County, Texas.

SECTION 13. CHANGES AND AMENDMENTS

A. Except as specifically provided in Section 13(C) of this Agreement, 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 upon City approval and authorization of Contractor.

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 this date, and the terms and conditions of this Agreement.

SECTION 14. SUSPENSION

A. Notwithstanding the provisions of Chapter 2251 of the Texas Government Code, in the event Contractor fails to comply with the terms of any Agreement with the City, City shall provide Contractor with written notification as to the nature of the non-compliance. City shall grant Contractor 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 Contractor fail to cure any default within this period of time, the City may, upon written Notice of Suspension to Contractor, suspend this Agreement in whole or in part and withhold further payments to Contractor, and prohibit Contractor 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.

B. In the case of default for causes beyond Contractor'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 Contractor shall: (1) immediately upon receipt of Notice of Suspension advise City of Contractor'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 14 may be lifted only at the sole discretion of the City upon a showing of compliance with or written waiver by City of the term(s) in question.

D. With the exception of payment for work in progress or materials ordered prior to receiving a Notice of Suspension, City shall not be liable to Contractor or to Contractor's creditors for costs incurred during any term of suspension of this Agreement.

SECTION 15. TERMINATION

A. 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 specified in Section 4 of this Agreement whenever City determines that Contractor has failed to comply with any term of any Agreement with the City. City will provide Contractor with written notification as to the nature of the non-compliance, and grant Contractor 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 Contractor fail to cure any default within this period of time, the City may, upon issuance to Contractor of a written Notice of Termination, terminate this Agreement in whole or in part and withhold further payments to Contractor, and prohibit Contractor from incurring additional obligations of funds under this Agreement. Such notification shall include: (1) the reasons for such termination; (2) the effective date of such termination; and, (3) in the case of partial termination, the portion of the Agreement to be terminated.

B. In the case of default for causes beyond Contractor'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 Contractor shall: (1) immediately upon receipt of Notice of Termination advise City of Contractor'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. Contractor is liable to City for any money it has received from City or which has been expended by City on behalf of Contractor for performance of the provisions of this Agreement if City rightfully suspends or terminates this Agreement for Contractor's material non-compliance, in whole or in part, at any time before the date of completion.

D. Upon receipt of Notice of Termination for non-compliance under Section 15(A), Contractor shall, to the extent possible under its other contractual obligations, cancel, withdraw or otherwise terminate any outstanding orders or subcontracts related to the performance of this Agreement or the part of this Agreement to be terminated and shall cease to incur costs thereunder. Any other work or materials under or part of this Agreement shall be terminated and City will not be liable to Contractor or to Contractor's creditors for any costs incurred subsequent to receipt of a Notice to Terminate.

E. Notwithstanding any exercise by City of its right of suspension under Section 14 of this Agreement, or of early termination pursuant to this Section 15, Contractor shall not be relieved of any liability to City for damages due to City by virtue of any breach by Contractor of any other Agreement with City. City may withhold payments to Contractor until such time as the exact amount of damages due to City from Contractor is agreed upon or is otherwise determined.

SECTION 16. RESERVED

SECTION 17. SUBAGREEMENTS

A. Contractor shall ensure that the performance rendered under all subcontracts complies with all terms and provisions of this Agreement as if such performance were rendered by Contractor. Contractor shall bear full responsibility for performance by all subcontractors.

B. Contractor, in subcontracting any of the performances hereunder, expressly understands that in entering into such subcontracts, City is in no way liable to Contractor's subcontractor(s).

C. Contractor assures and shall obtain assurances from all of its subcontractors where applicable, that no person shall, on the grounds of race, color, religion, national origin, sex, sexual orientation, gender identity, veteran status, age or disability, be excluded from, be denied the benefit of, or be subjected to discrimination under any program or activity funded in whole or in part under this Agreement.

SECTION 18. DEBARMENT

By signing this Agreement, Contractor certifies that it will not award any funds provided under this Agreement to any party which is debarred, suspended or otherwise excluded from or ineligible for participation in assistance programs.

SECTION 19. RIGHTS UPON DEFAULT

It is expressly understood and agreed by the parties hereto that any right or remedy provided for in this Agreement shall not preclude the exercise of any other right or remedy under any Agreement between Contractor 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 20. NON-ASSIGNMENT

This Agreement is not assignable. Notwithstanding any attempt to assign the Agreement, Contractor shall remain fully liable on this Agreement and shall not be released from performing any of the terms, covenants and conditions herein. Contractor shall be held responsible for all funds received or expended on Contractor's behalf under this Agreement.

SECTION 21. 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 22. AUTHORIZED RELIEF FROM PERFORMANCE (*Force Majeure*)

City shall grant relief from performance of the Agreement if the Contractor 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 the Contractor. The burden of proof for the need for such relief shall rest upon the Contractor. To obtain release based upon *force majeure*, the Contractor must file a written request with the City.

SECTION 23. SURVIVAL OF CERTAIN AGREEMENT PROVISIONS

The following provisions of the Agreement, concerning Contractor's obligations, shall survive the termination of the Agreement after completion of the Project:

- A. Section 2(B) (Job Creation, Utility Providers, and Capital Investment)
- B. Section 6 (Records Retention and Accessibility of Records)

Signatures to follow on the next page

EXECUTED and AGREED to as of _____, 2019 (the “Effective Date”):

CITY OF SAN ANTONIO,
a Texas Municipal Corporation

TOYOTA MOTOR MANUFACTURING,
TEXAS, INC., a Texas corporation

Erik Walsh
CITY MANAGER

Kevin P. Voelkel
PRESIDENT

ATTEST:

ATTEST:

Leticia Vacek
CITY CLERK

Printed Name: _____

APPROVED AS TO FORM:

CITY ATTORNEY

EXHIBIT A

PROJECT SITE

A tract of land being Lot 1, Block 2 of the TMMTX Subdivision recorded in Volume 9562 Pages 27-39 of the Deed and Plat Records of Bexar County, Texas, SAVE AND EXCEPT THE FOLLOWING TRACTS:

- (i) a 242.103 acre tract, more or less, as recorded in Volume 13276, Page 133 in the Official Public Record of Real Property of Bexar County on December 21, 2007;
- (ii) a 185.326 acre tract and a 219.609 acre tract, more or less, as recorded in Volume 13276, Page 156 in the Official Public Record of Real Property of Bexar County on December 21, 2007;
- (iii) a 3.214 acre tract, more or less, as recorded in Volume 13530, Page 2035 in the Official Public Record of Real Property of Bexar County on June 6, 2008;
- (iv) a 67.560 acre tract of land, more or less, and being more particularly described on Exhibit A-1 attached hereto; and
- (v) a 164.811 acre tract of land, more or less, and being more particularly described on Exhibit A-2 attached hereto.

EXHIBIT A-1

North On-site Supplier Park Area
(67.560 acres)



METES AND BOUNDS DESCRIPTION
FOR
NORTH OSS PARK AREA

A 67.560 acre, or 2,942,907 square feet more or less, North OSS Park Area located on Lot 1, Block 2, TMMTX Subdivision recorded in Volume 9562, Page 27 in the Deed and Plat Records of Bexar County, Texas, in County Block 4297 of the City of San Antonio, Bexar County, Texas. Said 67.560 acre area being more fully described as follows, with bearings based on the Texas Coordinate System established for the South Central Zone from the North American Datum of 1983 NAD 83 (NA2011) epoch 2010.00:

COMMENCING: At a point at the north end of the northeast cutback, at the intersection of Applewhite Road, a variable width public right-of-way, and Lone Star Pass, an improved, but not dedicated street, and an angle point of said Lot 1;

THENCE: N 86°24'02" E, over and across said Lot 1, a distance of 1261.58 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson", at the POINT OF BEGINNING of the herein described area;

THENCE: Continuing over and across said Lot 1, the following bearings and distances:
N 06°59'28" W, a distance of 550.05 feet to a set ½" iron rod with a cap marked "Pape Dawson";

Northwesterly, along a tangent curve to the left, said curve having a radius of 650.00 feet, a central angle of 12°37'38", a chord bearing and distance of N 13°18'17" W, 142.96 feet, for an arc length of 143.25 feet to a set ½" iron rod with a cap marked "Pape Dawson";

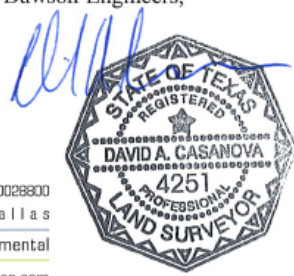
N 04°00'00" W, a distance of 363.81 feet to a set ½" iron rod with a cap marked "Pape Dawson";

N 86°00'00" E, a distance of 2813.06 feet to a set ½" iron rod with a cap marked "Pape Dawson";

S 04°00'00" E, a distance of 1054.19 feet to a set ½" iron rod with a cap marked "Pape Dawson";

S 86°00'00" W, a distance of 2761.25 feet to the POINT OF BEGINNING and containing 67.560 acres in the City of San Antonio, Bexar County, Texas. Said area being described in conjunction with a survey made on the ground and a survey map prepared under job number 9087-19 by Pape-Dawson Engineers, Inc.

PREPARED BY: Pape-Dawson Engineers, Inc.
DATE: May 9, 2019
JOB NO. 9087-19
DOC. ID. N:\Survey19\19-9000\9087-19\Word\9087-19 FN 67.560 AC.docx



Page 1 of 1

TBPE Firm Registration #470 | TBPLS Firm Registration #10028800

San Antonio | Austin | Houston | Fort Worth | Dallas

Transportation | Water Resources | Land Development | Surveying | Environmental

2000 NW Loop 410, San Antonio, TX 78213 T: 210.375.9000 www.Pape-Dawson.com

EXHIBIT A-1
(continued)

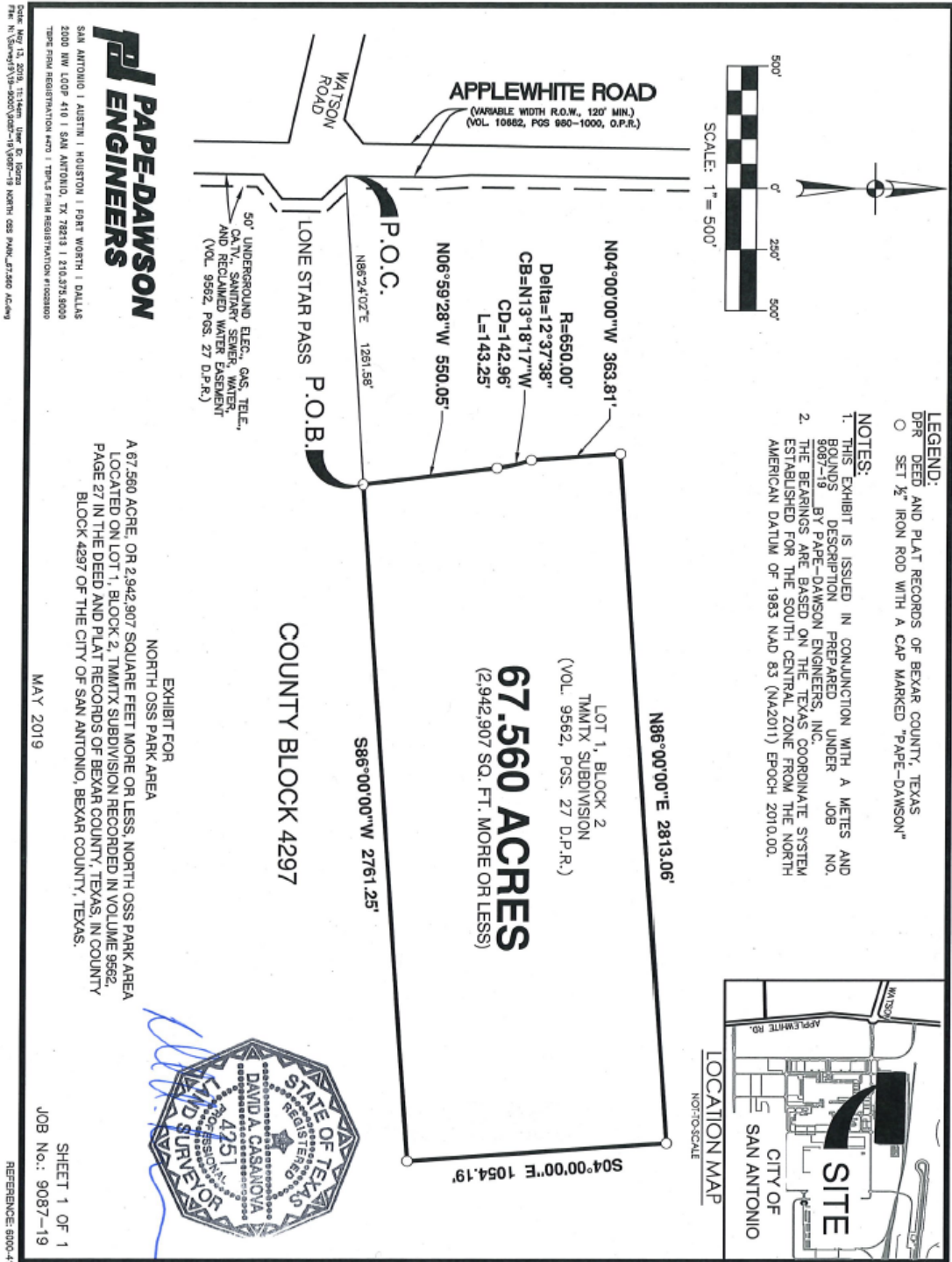


EXHIBIT A-2

South On-site Supplier Park Area
(164.811 acres)



METES AND BOUNDS DESCRIPTION
FOR
SOUTH OSS PARK AREA

A 164.811 acre, or 7,179,183 square feet more or less, South OSS Park Area located on Lot 1, Block 2, TMMTX Subdivision recorded in Volume 9562, Page 27 in the Deed and Plat Records of Bexar County, Texas, in County Block 4297 of the City of San Antonio, Bexar County, Texas. Said 164.811 acre area being more fully described as follows, with bearings based on the Texas Coordinate System established for the South Central Zone from the North American Datum of 1983 NAD 83 (NA2011) epoch 2010.00:

COMMENCING: At a point at the north end of the northeast cutback, at the intersection of Applewhite Road, a variable width public right-of-way, and Lone Star Pass, an improved, but not dedicated street, and an angle point of said Lot 1;

THENCE: S 65°36'29" E, over and across said Lot 1, a distance of 6295.14 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson", at the POINT OF BEGINNING of the herein described area;

THENCE: Continuing over and across said Lot 1, the following bearings and distances:
S 04°00'00" E, a distance of 1664.26 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";
S 86°00'00" W, a distance of 4316.20 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";
N 04°00'00" W, a distance of 1109.10 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";
N 02°28'21" W, a distance of 555.36 feet
N 86°00'00" E, a distance of 4301.40 feet to the POINT OF BEGINNING and containing 164.811 acres in the City of San Antonio, Bexar County, Texas. Said area being described in conjunction with a survey made on the ground and a survey map prepared under job number 9087-19 by Pape-Dawson Engineers, Inc.

PREPARED BY: Pape-Dawson Engineers, Inc.
DATE: May 9, 2019
JOB NO. 9087-19
DOC. ID. N:\Survey19\19-9000\9087-19\Word\9087-19 FN 164.811 AC.docx



EXHIBIT A-2
(continued)

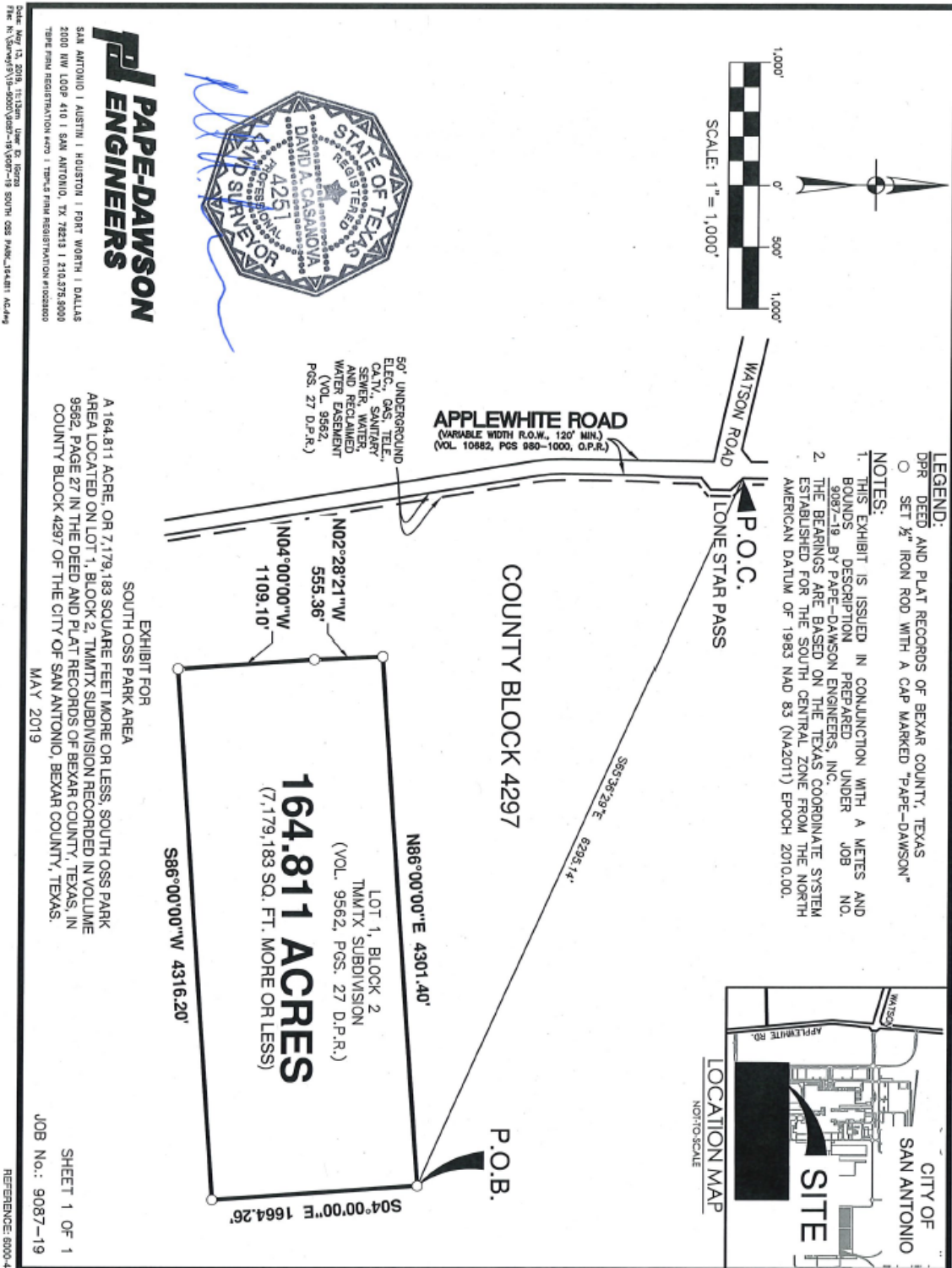


EXHIBIT B

CONSTRUCTION COSTS

SAWS water impact fees associated with Contractor's installation of an 8-inch service line and 8-inch meter at the Project Site, including, without limitation, flow impact fees, system development impact fees, and water supply impact fees.

DRAFT