



CITY OF SAN ANTONIO

Via Certified Mail: #7001 0360 0001 4759 4025

July 14, 2011

Mr. Turner Bowman
Bigfish on Five, L.P.
27650 Wild Bloom
San Antonio, TX 78260

Re: Ridge Stone Tax Increment Reinvestment Zone Twenty Two, Development Agreement,
August 30, 2007

Notice of Default – 10.1 of Development Agreement

Request for Reports – 10.4 of Development Agreement

Dear Mr. Turner,

The City of San Antonio (COSA) has written you and met with your legal representatives on several occasions in the last two years: generally asking for missing documentation for the Ridge Stone development and the Developer's invoices. Recently, City Bank of Texas has informed us that they have foreclosed on the Development Agreement (DA) and claim ownership of all the rights and benefits of the DA as of May 16, 2011. See attached letter dated June 27, 2011. They request that the City proceed with approval of the Bank's assignment of the DA to CBT Ridge Stone 22, LLC, a subsidiary of City Bank Texas. COSA has yet to receive a response from you or your attorney on this matter. We need to be advised by you of the developer's position in light of the foreclosure by City Bank. We notified you of this development by email to your legal counsel, David Earl & Associates and Michael Panzarella, but have yet to receive any communication from you, whether directly or through your counsel.

As required by Paragraphs 10.1 and 10.4 of the Development Agreement, COSA is submitting this notice of default and request for submission of Quarterly Status and Compliance Reports. The Developer is in material breach of the DA for the following reasons:

- Failure to perform any other obligation pursuant to the Financing Plan, the Project Plan, or any term of this Agreement (DA Section 10.1)
 - Failure to pay contractors for work complete
 - Failure to provide prevailing wages;

- Failure to maintain sufficient capital to perform all of its obligations under this Agreement when it needs to have said capital (DA Section 2.4);
- Failure to submit Quarterly Status and Compliance Reports as required by DA Paragraphs 5.5, 5.17 and 10.4. Please note that the reports must be submitted to COSA within **30 days** of the date of this correspondence.

As you know, the Ridge Stone TIRZ is scheduled to end September 30, 2024; however, COSA may terminate its participation in the Ridge Stone TIRZ unless Bigfish on Five, L.P. submits the Quarterly Status and Compliance Report requested herein, and submits the following:

- An acceptable plan that allows Bigfish on Five, L.P. to continue to perform under its current Development Agreement ;
- An explanation detailing how issues in the invoices will be resolved; and
- A written agreement resolving the claims of the Bank against the Developer, in order that COSA is not caught between competing claims to TIF monies; and
- A detailed plan outlining when the remaining unfinished lots in Ridge Stone will be complete.

COSA requests that you provide the necessary documentation to the Planning & Community Development Department, attention Adrian Lopez, as soon as possible, but, in any event, by close of business October 17, 2011 though the Quarterly report must be submitted by August 15, 2011. COSA asks for a full disclosure of all pertinent facts and a discussion of all viable options for proceeding with the TIRZ. If you have any questions please contact me at (210) 207-7805. As always, the TIF Unit is available to confer with you on this matter and provide input into and direction on any proposed plans.

Sincerely,



Adrian Lopez
Economic Development Manager

Cc: David Ellison, Interim Director
TC Broadnax, Assistant City Manager
Sergio "Chico" Rodriguez, Bexar County Commissioner Pct.1
Melissa Shannon, Bexar County
Xochil Rodriguez, Assistant City Attorney