

STATE OF TEXAS

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**MUTUAL TERMINATION  
AGREEMENT**

COUNTY OF BEXAR

This Mutual Termination Agreement (this “Mutual Termination Agreement”) is entered into by and between the City of San Antonio, a Texas Municipal Corporation (hereinafter referred to as “City”) acting by and through its City Manager or his designee and Halliburton Energy Services, Inc. (hereinafter referred to as “Operator”), both of which may be referred to herein collectively as the “Parties.”

**RECITALS**

**WHEREAS**, Halliburton maintains an office and owns a tract of land located at 4526 S. Loop 1604, San Antonio, Texas within the City’s Extraterritorial Jurisdiction (“ETJ”); which property has been designated an Industrial District by City ordinance (“Property”); and

**WHEREAS**, in 2016 City and Operator entered into a ten year Industrial District Non-Annexation Agreement (the “Agreement”) and a Basic Fire Services Agreement (“FSA”) in connection with the Property as authorized by City Ordinance No. 2016-11-10-0880, passed and approved on November 10, 2016; and

**WHEREAS**, pursuant to the Agreement and the FSA, the City, in consideration for valuable consideration paid by Halliburton, has been providing fire protection and firefighting services to Operator’s facility in the ETJ; and

**WHEREAS**, pursuant to the Agreement, Operator agreed to maintain at least 500 jobs at its offices, made a \$2,000,000 payment into the City’s workforce development fund, and agreed to pay \$1,500,000 annually to City as a payment in lieu of taxes (“PILOT”); and

**WHEREAS**, the Halliburton facility is located within the Emergency Services District #6 (“ESD”); and

**WHEREAS**, in 2017 the ESD began assessing and collecting sales and use tax resulting in Operator’s paying the City’s PILOT and FSA payments and the ESD’s sales and use tax; and

**WHEREAS**, for the reasons listed above it is in each Party’s best interest to agree to mutually terminate the Agreement in accordance with the terms of this Mutual Termination Agreement; and

**WHEREAS**, once the Agreement is terminated, the FSA will automatically terminate; and

**WHEREAS**, the parties desire to refund to Operator a prorated portion of the payments made by Operator to City for 2019 pursuant to the FSA; and

**WHEREAS**, at the request of Operator and as of the Effective Date of the Agreement, the City will commence annexation procedures to place the Property within the taxing jurisdiction of City during the City's Fiscal Year 2019 (ending September 30, 2019); **NOW THEREFORE:**

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

### **AGREEMENT**

1. **Definitions.** All capitalized terms used in this Mutual Termination Agreement without definition herein shall have the meanings assigned to such terms in the Agreement or FSA as applicable.
2. **Termination.** The Agreement is hereby terminated as of the Effective Date of this Mutual Termination Agreement subject to the following:
  - (A) no further payments will be due to City from Operator pursuant to the Agreement or the FSA upon the Effective Date of the termination, including, but not limited to, any payments under Article VII of the Agreement; and
  - (B) City shall reimburse and pay Operator a prorated portion of the Annual Service Fee paid by Operator to City pursuant to the FSA for 2019; and
  - (C) City will commence voluntary annexation procedures to place the Property within the taxing jurisdiction of City; and
  - (D) Operator shall have no further obligations to City under the terms of the Agreement or FSA as of the Effective Date of this Mutual Termination Agreement.
3. **Effective Date.** This Mutual Termination Agreement shall be effective on the first day of the month following the later of City Council approval or the date it is fully executed by both Parties.
4. **Release.** For and in consideration of the release and mutual promises herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, upon the Effective Date of this Mutual Termination Agreement, Operator, and its successors and assigns, shall **RELEASE, ACQUIT AND FOREVER DISCHARGE** the CITY from any and all claims, liabilities, demands or causes of action of any kind whatsoever which Operator has or might have, known or unknown, now existing or that might arise hereafter, directly or indirectly related to the Agreement or the FSA. It is the express intent of the Parties that this Mutual Termination Agreement operate as a bar to any subsequent claims, causes of actions, suits, debts, demands, accounts, claims, liabilities, controversies, damages, judgments, and causes of action arising from or related to the Agreement.

For and in consideration of the release and mutual promises herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, upon the Effective Date of this Mutual Termination Agreement, City shall RELEASE, ACQUIT AND FOREVER DISCHARGE Operator from any and all claims, liabilities, demands or causes of action of any kind whatsoever which City has or might have, known or unknown, now existing or that might arise hereafter, directly or indirectly related to the Agreement or the Basic Fire Services Agreement. It is the express intent of the Parties that this Mutual Termination Agreement operate as a bar to any subsequent claims, causes of actions, suits, debts, demands, accounts, claims, liabilities, controversies, damages, judgments, and causes of action arising from or related to the Agreement.

5. **Breach.** The failure of either Party to comply with the terms and conditions of this Mutual Termination Agreement shall constitute a breach of this Mutual Termination Agreement.

6. **Choice of Law.** This Mutual Termination Agreement shall be construed in accordance with and governed by the laws of the State of Texas and all obligations of the Parties created hereunder are performable in Bexar County, Texas.

7. **Entire Agreement.** This Mutual Termination Agreement supersedes any and all other agreements, either oral or in writing, between the Parties hereto with respect to the said matter and such agreements, including without limitation the Agreements and the Assignment, are hereby terminated and are no longer in force or effect. Each Party to this Mutual Termination Agreement acknowledges that no representatives, inducements, promises, agreements, oral or otherwise have been made by any Party or anyone acting on behalf of any Party which are not embodied herein and that no other agreements, statements, or promises not contained in this Mutual Termination Agreement shall be valid or binding. No modification concerning this instrument shall be of any force or effect, excepting a subsequent amendment in writing signed by the Parties and duly authorized by City Council Ordinance.

8. **Parties Bound.** This Mutual Termination Agreement shall be binding on the parties hereto and their respective successors and assigns.

*Signatures to follow*




IN WITNESS THEREOF, this Mutual Termination Agreement has been executed this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

CITY OF SAN ANTONIO

HALLIBURTON ENERGY SERVICES, Inc.

\_\_\_\_\_  
Erik Walsh

City Manager

  
\_\_\_\_\_

Name: PAUL STEPPARD

Title: SOUTHERN REGION VP

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney