

Exhibit DD

to Development Agreement

Strategic Partnership Agreement

STRATEGIC PARTNERSHIP AGREEMENT

between the

CITY OF NEW BRAUNFELS, TEXAS

and the

COMAL COUNTY WATER IMPROVEMENT DISTRICT NO. 1

STATE OF TEXAS

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COUNTY OF COMAL

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This Strategic Partnership Agreement (this "**Agreement**") is between THE CITY OF NEW BRAUNFELS, TEXAS, a Home Rule municipal corporation ("**City**"), acting by and through its duly authorized Mayor, and the COMAL COUNTY WATER IMPROVEMENT DISTRICT NO. 1, a Texas water control and improvement district ("**District**"), acting by and through its duly authorized Board of Directors, under the authority of Article XVI, Section 59 of the Texas Constitution and Chapters 49 and 51 of the Texas Water Code, as amended.

RECITALS:

- A. Texas Local Government Code, Section 43.0751 authorizes the City and the District to negotiate and enter into a strategic partnership agreement by mutual consent.
- B. The District and the City desire that effective, efficient, and responsible local government be provided to citizens of the District and the City before, during, and after the City annexes the District for full purposes. To that end, the District and the City also desire to avoid any unnecessary duplication of services and taxes, and to provide for the orderly and seamless succession of the District.
- C. By this Agreement, the Parties desire to establish, among other things, (i) terms and conditions of the City's limited purpose annexation of certain lands comprising the commercial portion of the District, as described in this Agreement and in accordance with the Act and (ii) provisions regarding the City's delivery of City Services (hereinafter defined) prior to full purpose annexation of the District, in accordance with the Texas Interlocal Cooperation Act, Chapter 791 of the Texas Government Code.
- D. The District and the City acknowledge that this Agreement does not require the District to provide revenue to the City solely for the purpose of obtaining an agreement with the City to forego annexation of the District.

NOW, THEREFORE, for and in consideration of the mutual agreements, covenants, and conditions contained in this Agreement, and other good and valuable consideration, the District and the City agree as follows:

ARTICLE I FINDINGS

- 1.1 The District is a water control and improvement district created pursuant to Article XVI, Section 59 of the Texas Constitution, and Chapters 49 and 51 of the Texas Water Code.
- 1.2 The District's boundaries include the approximately 2400 acres of land in Comal County shown in the map attached as Exhibit A, that is located outside of the corporate limits of the City and within the extra-territorial jurisdiction ("ETJ") of the City.
- 1.3 The land subject to this Agreement consists of approximately 2400 acres all of which are located within the District and within the ETJ of the City as shown on Exhibit A and described in Exhibit B attached to this Agreement.
- 1.4 The land initially subject to limited purpose annexation includes approximately 200.5 acres of property designated for commercial development as shown in Exhibit C and described in Exhibit D and attached to this Agreement.
- 1.5 The District and the City acknowledge and agree that, in accordance with the requirements of Subsection (p)(2) of the Act, this Agreement provides benefits to the City and the District, including revenue, services, and regulatory benefits which are reasonable and equitable to both the District and the City.
- 1.6 The City and the District desire to enter into this Agreement providing for limited purpose annexation of the Limited Purposes Tract for the purpose of collecting Sales and Use Tax Revenues within the annexed areas in accordance with Subsection (k) of the Act.
- 1.7 The District provided notice of two public hearings concerning the adoption of this Agreement and the proposed limited purpose annexation of the Limited Purposes Tract, in accordance with the procedural requirements of the Act.
- 1.8 The Board of Directors of the District conducted two public hearings regarding this Agreement and the proposed limited purpose annexation of the Limited Purposes Tract on August 17, 2012, at 12:00 p.m. within the District 750 feet east of intersection River Road and Heuco Springs Loop Road, New Braunfels, Texas and on September 7, 2012, at 12:00 p.m. at 177 W. Mill Street, Suite 200, New Braunfels, Texas, at which members of the public who wished to present testimony or evidence regarding this Agreement and the proposed limited

purpose annexation were given the opportunity to do so in accordance with the procedural requirements of the Act.

- 1.9 The Board of Directors of the District approved this Agreement on April 3, 2013, in open session at a meeting held in accordance with Chapter 551 of the Texas Government Code.
- 1.10 The City provided notice of two public hearings concerning the adoption of this Agreement and the proposed limited purpose annexation of the Limited Purposes Tract, in accordance with the procedural requirements of the Act.
- 1.11 The City Council conducted two public hearings regarding this Agreement and the proposed limited purpose annexation of the Limited Purposes Tract on September 10, 2012, at 6:00 p.m. at City Hall, 424 S. Castell Avenue, New Braunfels, Texas and on October 22, 2012, at 6:00 p.m. at City Hall, 424 S. Castell Avenue, New Braunfels, Texas, at which members of the public who wished to present testimony or evidence regarding this Agreement and the proposed limited purpose annexation were given the opportunity to do so in accordance with the procedural requirements of the Act.
- 1.12 The City Council approved this Agreement on 02/25, 2013, in open session at a meeting held in accordance with Chapter 551 of the Texas Government Code, which approval occurred after the Board of Directors of the District approved this Agreement.
- 1.13 All procedural requirements imposed by law for the execution and adoption of this Agreement have been met.

ARTICLE II DEFINITIONS

- 2.1 "Act" means Texas Local Government Code § 43.0751.
- 2.2 "Agreement" means this Strategic Partnership Agreement between the City and the District.
- 2.3 "Board" means the Board of Directors of the District.
- 2.4 "City" means the City of New Braunfels, a Texas Home Rule Municipal Corporation, located in Comal and Guadalupe Counties, Texas.
- 2.5 "City Council" means the elected body of the City of New Braunfels, as such term is defined in Section 1.02 of the Charter.
- 2.6 "City Manager" means the chief administrative officer of the City.
- 2.7 "City Services" shall have the meaning described in Section 6.2 hereof.

- 2.8 "Comptroller" means the Comptroller of Public Accounts of the State of Texas.
- 2.9 "Development Agreement" means the means the Development Agreement between the City and Word-Borchers Joint Venture for Proposed Mixed Use Development, including any assignments as authorized therein and future amendments thereto.
- 2.10 "District" means the Comal County Water Improvement District No. 1.
- 2.11 "District Type B Revenues" has the meaning set forth in the definition of "Sales and Use Tax Revenues".
- 2.12 "Effective Date" means the date on which the City adopts this Agreement, as provided in Section 3.3.
- 2.13 "Eligible Property" means all real property within the borders of the District.
- 2.14 "ETJ" means the extraterritorial jurisdiction of the City.
- 2.15 "ESD No. 7" shall have the meaning described in Section 6.1 hereof.
- 2.16 "Fire and EMS Contract" shall have the meaning described in Section 6.1 hereof.
- 2.17 "Fire and EMS Services" shall have the meaning described in Section 6.1 hereof.
- 2.18 "Full Purpose Annexation" means full purpose annexation as provided for in the Act.
- 2.19 "Initial Tract" means all of that certain approximately 200.5 acre tract located within the District and in Comal County, Texas as shown in **Exhibit C** and described in **Exhibit D**.
- 2.20 "Landowner" means Word-Borchers Ranch Real Estate Limited Partnership, a Texas limited partnership, and their successors and assigns.
- 2.21 "Limited Purpose Annexation" means annexation for the limited purpose of collecting Sales and Use Tax as provided for in the Act.
- 2.22 "Limited Purpose Tract" means the Initial Tract and all or any portion(s) of the Eligible Property after it has been annexed for limited purposes pursuant to Section 3.9 of this Agreement.
- 2.23 "Notice" means notice as defined in Section 8.3 of this Agreement.
- 2.24 "Party" means, individually, the City or the District, their successors and assigns.
- 2.25 "Parties" means, together, the City and the District.

- 2.26 "Sales and Use Tax Revenues" means those revenues (a) received by the City from the sales and use tax authorized to be imposed by the City on sales consummated at locations within the Limited Purpose Tract pursuant to the Act and Chapter 321 of the Tax Code, and to the extent not otherwise controlled or regulated, in whole or in part, by another governmental entity, authority, or applicable law, ordinance, rule, or regulation less (b) any portion of such sales and use tax dedicated to the purposes described in Chapters 501-505 of the Texas Local Government Code (such portion being referred to as the "District Type B Revenues").
- 2.27 "Sector Plan" shall have the meaning described in the Development Agreement.
- 2.28 "Services Expert" shall mean a person who has served as a City Manager, Deputy City Manager, or Assistant City Manager, or similarly titled position, of a Texas municipality in the prior fifteen (15) years and who, in serving in that capacity, had administrative oversight regarding the specific city service in question, as described in Section 6.2 hereof.
- 2.29 "Tax Code" means the Texas Tax Code, as amended.
- 2.30 "TIA" means the Project Transportation Plan dated August 2012, prepared by Pape Dawson-Engineers and referred to in the Development Agreement, as may be amended from time to time.
- 2.31 "Trigger Date" shall mean the earlier to occur of (a) the date on which the City has issued certificates of occupancy for residential and non-residential units to which the TIA attributes fifty percent (50%) of the traffic contemplated by the TIA and (b) the date that a certificate of occupancy has been issued pursuant to the terms of the Development Agreement for the two thousandth (2,000th) single family residence in the Eligible Property.

ARTICLE III LIMITED-PURPOSE ANNEXATION

- 3.1 Generally. Subject to the terms of this Agreement and the Development Agreement, the District and the City agree that the City, from time to time, shall annex certain property included in approved plats within the City for the limited purpose of collecting Sales and Use Tax Revenues within such annexed property pursuant to Subsection (k) of the Act. The District and the City further agree that the City shall annex such properties for limited purposes in accordance with Section 3.9 of this Agreement within one hundred eighty (180) days following the recording in the Comal County Real Property Records of a final plat of such property within the Eligible Property.
- 3.2 Limited Purpose Annexation Procedures. The City Council shall adopt a Limited Purpose Annexation ordinance consistent with this Agreement at a meeting

conducted in accordance with Chapter 551 of the Texas Government Code, and the District acknowledges that no additional notices, hearings, or other procedures are required by law in order to approve such Limited Purpose Annexation of all or any portion of the Eligible Property.

- 3.3 Effective Date. Pursuant to Subsection (c) of the Act, this Agreement is effective on July 24, 2015, ~~2013~~, the date of adoption of this Agreement by the City.
- 3.4 Filing in Property Records. Concurrently with the filing of the Development Agreement in the Real Property Records of Comal County, the City or the District shall file this Agreement in the Real Property Records of Comal County, Texas. **As provided in § 43.0751(c) of the Act, this Agreement binds each owner as of the Effective Date and each future owner of land included within the District's boundaries. Landowner has executed this Agreement to evidence its consent to the Agreement and the recording of the Agreement.**
- 3.5 Property Taxes and District Liability for Debts of the City. During the term of this Agreement, except as provided in Article IV regarding Sales and Use Tax, (a) owners of taxable property within the District (by reason of mere ownership of that land) shall not be liable for any present or future debts of the City until Full Purpose Annexation takes effect in accordance with the Development Agreement, and (b) current and future ad valorem taxes levied by the City will not be levied on taxable property within the District until Full Purpose Annexation takes effect in accordance with the Development Agreement, or as otherwise authorized by future statutory amendments.
- 3.6 Powers and Functions Retained by the District. After Limited Purpose Annexation under this Agreement, the District shall continue to be authorized to exercise all powers and functions of the District, and to provide the services authorized by those powers within its boundaries, pursuant to existing law or any amendments or additions thereto. The District's assets, liabilities, indebtedness and obligations will remain the responsibility of the District. Except as provided by law, upon Full Purpose Annexation, neither the City nor any owners of taxable property within the City (by reason of mere ownership of that land) shall be liable for any present or future debts of the District.
- 3.7 Continuing Right. The City's rights under Section 3.1 herein to annex all or any portion of the Eligible Property for the limited purpose of collecting Sales and Use Tax Revenues within the Limited Purpose Tract are continuing and may be exercised through the adoption of multiple annexation ordinances for portions of the Limited Purpose Tract.
- 3.8 District Consents to Non-Contiguous Limited Purposes Annexation. The District consents to the annexation of non-contiguous portions of the Eligible Property as authorized by Subsection (r) of the Act.

- 3.9 Additional Land Annexed for Limited Purposes. The City's approval of a Sector Plan in the Eligible Property that contains property designated for commercial or "mixed commercial and residential" development that is not yet included in the Limited Purposes Tract shall serve as the City's agreement to annex such additional property into the City for limited purposes (whether or not contiguous to the then-existing Limited Purpose Tract). For purposes of clarity, it is agreed that only that portion of the Eligible Property that is designated as "commercial" or "mixed commercial and residential" development on an approved Sector Plan will be annexed into the City and made a part of the Limited Purpose Tract. The City shall take all necessary steps under this Agreement to complete the limited purpose annexation of such commercial or "mixed commercial and residential" property approved in such Sector Plan upon the recording of a Final Plat containing such property and upon annexation such additional land shall be considered part of the Limited Purpose Tract.

ARTICLE IV VOTING RIGHTS IN THE DISTRICT

- 4.1 Qualified Voters. The qualified voters residing within the Limited Purpose Tract may vote in City elections pursuant to Local Government Code Sections 43.0751 (q) and 43.130. Voting rights are subject to all federal and state laws and regulations.
- 4.2 Eligibility to Vote. On or after the fifteenth (15th) day but before the fifth (5th) day before the date of the first election held in which the residents of the Limited Purpose Tract are entitled to vote as set out in Section 4.1 herein, the City, at its own expense, shall publish a quarter page advertisement in a newspaper of general circulation in the City notifying residents of the Limited Purpose Tract of their eligibility to vote in the election and stating the location of all polling places for the residents. The District, at its own expense, may provide for similar notice in a newspaper of general circulation in the District or otherwise.

ARTICLE V SALES AND USE TAX

- 5.1 Imposition of Sales and Use Tax. The City shall impose a sales and use tax within the Limited Purpose Tract pursuant to Subsection (k) of the Act. The sales and use tax shall be imposed on all eligible commercial activities at the rate of 1.5%, or such other maximum rate allowed under Chapter 321 of the Tax Code or otherwise permitted under the laws of the State of Texas and imposed by the City. Collection of the Sales and Use Tax Revenues shall take effect on the date described in Tax Code Section 321.102.
- 5.2 Payment of Sales and Use Tax to the District. In return for the benefits received by the City pursuant to this Agreement, the City shall pay to the District an amount equal to forty percent (40%) of the Sales and Use Tax Revenues

reported on the "Confidential Local Tax Information Report" for the Limited Purpose Tract provided by the Comptroller and received by the City from the Comptroller (less the adjustment for the District Type B Revenues) for the first five (5) years after a certificate of occupancy is issued for the initial sales tax producing property within any portion of the Limited Purpose Tract designated as "commercial" or "mixed commercial and residential" on the applicable Sector Plan. The District and the City acknowledge and understand that the Comptroller may not issue its first Confidential Local Tax Information Report reflecting Sales and Use Tax Revenues from the Limited Purpose Tract until a minimum of four (4) businesses within the Limited Purpose Tract are collecting Sales and Use Tax and that no payment will be due from the City to the District until such a report is received, provided that when the first such report is received, the City will make any retroactive payments due to the District in accordance with this Agreement to reflect any previously received but not reported Sales and Use Taxes from businesses within the Limited Purpose Tract. The City, beginning in the sixth (6th) year, shall pay to the District an amount equal to fifty percent (50%) of the Sales and Use Tax Revenues reported on the "Confidential Local Tax Information Report" for the Limited Purpose Tract provided by the Comptroller and received by the City from the Comptroller (less the adjustment for the District Type B Revenues). The City shall deliver the District's portion of the Sales and Use Tax revenues to the District within thirty (30) days of the City's receipt of that Report from the Comptroller, by regular U.S. Mail or other method of delivery mutually acceptable to the Parties. Government Code Chapter 2251 shall govern and provide the penalty if the City fails to deliver the District's portion in a timely manner. For the purposes of determining the applicable overdue date under Chapter 2251, the City is deemed to have received an invoice from the District on the date the City receives the Sales and Use Tax Revenues from the Comptroller without further action from the District.

- 5.3 Amended and Supplemental Reports. If and when the Comptroller adjusts its calculations of Sales and Use Tax Revenues generated within the boundaries of the Limited Purpose Tract or issues supplemental tax reports, then any revenues reflected in such adjusted calculations or supplemental reports will be divided and paid as provided above, and the District and the City agree to pay the other any sums necessary to correct any prior over or under distributions. The City and the District agree that, for purposes of Section 321.3022 of the Tax Code, this Agreement qualifies also as a revenue sharing agreement.
- 5.4 Reporting. Within thirty (30) days of the City's receipt of each sales tax report provided by the Comptroller, the City shall deliver to the District a condensed version of the report, containing only the contents relating to retail sales tax collected and retailers in the Limited Purpose Tract.
- 5.5 Notification of Comptroller. The City shall send notice of this Agreement, together with other required documentation, to the Comptroller in the manner provided by Tax Code, Section 321.102, within ten (10) days after the City

Council annexes any portion of the Eligible Property for limited purposes. The City shall send to the District a copy of any notice from the Comptroller delaying the effectiveness of the Sales and Use Tax Revenues in the Eligible Property.

- 5.6 District Use of Sales and Use Tax Revenue. The District may use the Sales and Use Tax Revenues received by the District pursuant to this Agreement for any lawful purpose.
- 5.7 City Use of Sales and Use Tax Revenue. Without limiting the terms of Section 5.11 below, the Sales and Use Tax Revenues received and retained by the City pursuant to this Agreement may be used by the City for any lawful purpose.
- 5.8 No District Audit Rights. During the term of this Agreement, the District shall not have the right to audit the City's books, records, documents or other evidence of accounting procedures or practices. The City and its auditors, on an annual basis, will provide the District with records representing those Sales and Use Tax Revenues derived from the District as a result of the Limited Purpose Annexation and this Agreement.
- 5.9 City Audit Rights. The District is required by law in certain circumstances to prepare an annual audit within one hundred and thirty-five (135) days after the close of the District's fiscal year. The District shall provide a copy of its annual audit to the City within fifteen (15) days after the audit is completed and approved and accepted by the District's board of directors. The District shall not unreasonably delay the approval of its annual audit.
- 5.10 Termination. Unless agreed, ordered or specifically provided otherwise, all Sales and Use Tax Revenues collected by the City from the Limited Purpose Tract after the date of termination of this Agreement and satisfaction of obligations described in Section 5.2 shall be retained by the City and may be used for any lawful purpose.
- 5.11 District Type B Revenues. During the term of this Agreement, the City shall collect a portion of the sales and use tax from the Limited Purpose Tract in the form of District Type B Revenues, which are not included within the term "Sales and Use Tax Revenues." During the term of this Agreement, a portion of the District Type B Revenues (such portion to be determined in accordance with the following sentence) shall be devoted to approved projects (a) within the Eligible Property and (b) that comply with the terms of Chapters 501-505 of the Texas Local Government Code, all in accordance with the procedures outlined in Chapters 501-505 of the Texas Local Government Code. The applicable portion of the District Type B Revenues that are subject to the preceding sentence shall match the District's percentage for any applicable year as described in Section 5.2 above (either 40% or 50%, depending on the year in question). The City and the New Braunfels Industrial Development Corporation shall enter into a written agreement reflecting the foregoing and the City shall provide a copy of the

agreement to the District. Nothing in this Agreement is intended to limit the expenditure of additional District Type B Revenues within the District, pursuant and subject to compliance with the terms and procedures outlined in Chapters 501-505 of the Texas Local Government Code and upon application therefore and agreement by the City to do so.

- 5.12 Notice of Breach and Opportunity to Cure. In no event will the City or the District be in breach of this Agreement unless it receives written notice of the breach from the other Party and fails to cure or remedy such breach within the time period described in Section 8.1 below.

ARTICLE VI SERVICES

- 6.1 Fire and EMS Services. Pursuant to Chapter 791 of the Texas Local Government Code, the Interlocal Cooperation Act, the District and the City agree that fire and emergency services shall be provided to the District by Comal County Emergency Services District No. 7 ("ESD No. 7") pursuant to the same terms and conditions as set forth in that certain Service Provider Contract by and between the City and ESD No. 7, dated August 14, 2009, as such Contract may be amended from time to time (such services shall be herein referred to as the "Fire and EMS Services", and such Contract shall be herein referred to as the "Fire and EMS Contract"). The City currently provides all Fire and EMS Services to ESD No. 7, in which the District is currently located, in return for payment from ESD No. 7 under the Fire and EMS Contract. The District and the City further agree that the term Fire and EMS Services shall include all services provided to the City pursuant to the Fire and EMS Contract, including Fire Protection and Suppression, Hazardous Materials and Control, Emergency Rescue, Emergency Medical Services, and other emergency assistance as described in Section 1.01 of the Fire and EMS Contract. Notwithstanding the foregoing, in the event the Fire and EMS Contract is terminated or amended, which would have the effect of the City no longer providing the District Fire and EMS Services under the Fire and EMS Contract, the City and the District shall cooperate and enter into an Interlocal Agreement, whereby the City shall provide Fire and EMS Services in the District on the same basis of payment and on similar terms as provided for in the Fire and EMS Contract dated August 14, 2009, or such amended version thereof as was in effect on the date of termination of the Fire and EMS Contract; provided, however, such Interlocal Agreement shall provide for potential modification of payment terms over time as would be customary for agreements of such type and as may be agreed upon by the Parties.
- 6.2 Police Services. The City and the District acknowledge that (a) the District may contract with the City for the City to provide police services to the District in accordance with Chapter 791 of the Texas Government Code, the Interlocal Cooperation Act, and pursuant to Section 49.216 of the Water Code and other

applicable state laws and (b) at this time, no agreement has been reached for the City to provide such police services to the District.

- (a) In the event that the District does not contract with the City to provide one or more police services, from and after the Trigger Date the City shall have the right to provide police services to the District upon compliance with the terms and procedures described in this Section 6.2.
 - (i) In the event that the City elects to provide police services to the District after the Trigger Date, the City shall so notify the District in writing, and such notice shall contain the rate or fee that the City proposes that the District pay for such police services, and the interval at which time such payments shall be made.
 - (ii) Within sixty (60) days of the District's receipt of the written notice from the City specified in Section 6.2.(a)(i) above, the District shall provide written notice to the City of District's decision to accept or reject the rate or fee and payment interval stated in the City's notice. If the District accepts the rate or fee and the payment interval stated in the City's notice, the City shall provide, or begin to provide, said City Services to the District upon the latter to occur of (i) the expiration of sixty (60) days after the District's written acceptance is received by the City or (ii) the expiration of the current term of the District's contract for such police services, unless otherwise agreed to in writing by the City and the District.
 - (iii) If the District fails to provide timely written notice to the City of the District's decision to accept or reject the rate or fee or payment interval stated in the City's notice, then it shall be deemed that the District has accepted such rate or fee and payment interval, and the City shall provide, or begin to provide, said police services to the District upon the later to occur of (i) sixty (60) days of the District's deemed acceptance of the rate or fee and payment terms or (ii) the expiration of the current term of the District's contract for such police services, unless otherwise agreed to in writing by the City and the District.
 - (iv) If the District rejects the rate or fee or payment interval specified in the City's notice, the District shall provide written notice to the City of the City's decision to reject the rate or fee or payment interval. The sole reason that the District may reject the terms reflected in the City notice shall be the economic terms quoted in such City notice, but the District may not reject the City's election to provide such police services. Within sixty (60) days after providing such notice to the City, the District shall provide to City an alternative rate or fee or payment interval for such police services, as verified

by a Services Expert, together with written information demonstrating the qualifications of the Services Expert. The District shall solely bear any and all costs associated with the Services Expert.

- (v) Within sixty (60) days of the City receiving the alternative rate or fee or payment interval from the District, the City shall provide written notice to the District of the City's acceptance or rejection of the alternative rate or fee or payment interval.
 - (vi) If the City accepts the alternative rate or fee or payment interval as proposed by the District, the City shall provide, or begin to provide, said police services to the District upon the later to occur of (i) sixty (60) days of the City's acceptance of the rate or fee and payment interval proposed by the District or (ii) the expiration of the current term of the District's contract for such police services, unless otherwise agreed to in writing by the City and the District.
 - (vii) If the City rejects the alternative rate or fee or payment interval proposed by the District, then within sixty (60) days of the City's notice to the District regarding such rejection, the City and the District, with the District's Services Expert, shall meet to mutually agree on the selection of a third party Services Expert to provide an appropriate rate or fee or payment terms. The decision of the third party Services Expert shall be final as to the rate or fee or payment interval for the police services, and the cost for the services for the third party Services Expert shall be equally paid for by the City and the District. If the District can demonstrate it can provide substantially the same level of police services at a lower cost, the Services Expert may require the City to match that lower cost if the City elects to provide the services. Once the third party Services Expert determines the applicable rate or fee or payment interval, the City shall begin to provide the City Services within (i) sixty (60) days of the third party Services Expert determination of the applicable rate or fee or payment interval or (ii) the expiration of the current term of the District's contract for such police services, unless otherwise agreed to in writing by the City and the District.
- (b) In the event that hereafter the City and the District reach an agreement whereby the City shall provide police services to the District as described above, or in the event that the City elects to exercise its right to provide police services to the District as provided above, such agreement shall be reflected in a written amendment to this Agreement executed by duly authorized signatories of the District and the City.

- (c) If and until such time as (a) the City and the District reach an agreement whereby the City shall provide police services to the District or (b) the City exercises its right to provide police services to the District as provided above, the District may provide or contract for the police services in any manner permitted by law.
- (d) City Training Obligations Regarding Police Services. The City will be responsible for training its police officers on the different jurisdiction and powers of police officers when they exercise police powers within the District as compared to within the corporate limits of the City.

6.3 City Services. The City and the District acknowledge that as of the Effective Date, the District may not have the lawful authority to provide code enforcement services, animal control services, or health inspection services (collectively, whether one or more, the "City Services") within the District. In the event there is a change in or clarification to applicable state law and the City and District agree the District is authorized to perform such City Services, then for purposes of establishing the Parties' rights and obligations with respect to City Services, Section 6.2. is deemed to be copied below in its entirety with each reference to "police services" revised to read "City Services" and each reference to "police officers" revised to read "City Services inspectors or agents," provided that the "Trigger Date" for police services shall not apply to City Services. The District agrees not to oppose any attempt by the City to clarify the District's legislative authority to perform the City Services and contract with the City to perform those City Services, whether by amendment to applicable law or an Attorney General's opinion, provided that, in order to better assess whether the enforcement of certain of the City Services by means of private deed restrictions imposed pursuant to the Development Agreement is adequate, the City agrees not to seek such clarification or require the District to contract with the City for City Services until ten (10) years after the Effective Date of the Development Agreement.

6.4 Solid Waste Disposal. The City shall provide Solid Waste Disposal services to all residents within the District in the same manner and on the same terms as provided to residents of the City, except that until Full Purpose Annexation, the residential rate for District residents shall be equal to one hundred five percent (105%) of the rate charged to City residents for Solid Waste Disposal services.

ARTICLE VII FULL PURPOSE ANNEXATION

7.1 No Full Purpose Annexation. The timing, procedures, and restrictions on Full Purpose Annexation shall continue to be governed by the terms set forth in the Development Agreement.

- 7.2 Strip Annexation of Portions of Limited Purposes Tract. The District agrees to cooperate with and assist the City in strip annexing one or more areas in the Eligible Property in the manner prescribed by law and subject to any limits prescribed by applicable law, which does not result in the dissolution of the District, none of which may exceed five hundred twenty-five (525) feet in width at its widest point or such other width limitation subsequently imposed by law, as reasonably necessary for the City to connect areas within the Limited Purposes Tract to the City that the City intends to annex for limited purposes. The City agrees that such areas shall be located within right-of-way areas or along lot lines whenever possible. Notwithstanding the zoning designation approved for the annexed area, such area may be developed and used in accordance with the Development Agreement.

ARTICLE VIII DEFAULT/REMEDIES

- 8.1 Default. In the event of a default under or violation of this Agreement, the non-defaulting party shall send the defaulting party written notice describing the breach in reasonable detail. Except as otherwise specifically provided in this Agreement, the defaulting party shall have thirty (30) days following receipt of the notice of default or violation to initiate steps to cure the default or violation. The defaulting party shall thereafter have sixty (60) days to cure the default or violation. If the defaulting party fails to timely initiate steps to cure or to thereafter diligently proceed to cure, the non-defaulting party may bring suit to enforce this Agreement and seek any remedy provided at law or in equity. In the event such a suit is filed, the prevailing party shall be entitled, in addition to any other remedies to which it is entitled, to receive its attorneys' fees and court costs.
- 8.2 Waiver of Sovereign Immunity; Chapter 271, Texas Local Government Code. The Parties hereby agree that this Agreement constitutes an agreement for providing goods and/or services to the District and the City, which is subject to the provisions of Subchapter I of Chapter 271 of the Texas Local Government Code and any successor statutes. In accordance with Sections 271.152 and 271.153 of the Texas Local Government Code, the District and the City hereby waive, to the maximum extent allowed by law, any constitutional, statutory or common law right to sovereign or governmental immunity from liability or suit and expressly consent to be sued and held liable with respect to their performance and/or failure to fully and timely perform each and every obligation under this Agreement, but only to the extent such liability or suit arises from or relates to this Agreement or a claim brought under this Agreement.

ARTICLE IX MISCELLANEOUS

- 9.1 Approval. This Agreement shall not be effective until it is approved and executed by the respective governing bodies of the City and the District and recorded in

the Real Property Records of Comal County pursuant to Section 3.4 of this Agreement.

- 9.2 Term. Except as provided below, the term of this Agreement shall commence on the Effective Date and continue thereafter until 12:01 a.m. on the day immediately following the date the City annexes the District for full purposes in accordance with this Agreement and the Development Agreement; provided, however, in the event the District and City mutually agree for purposes allowed under Section 43.0751(g) of the Act, as may be amended, to extend the term hereof until the tenth (10th) anniversary of the date the City annexes the District for full purposes in accordance with this Agreement and the Development Agreement, such later date shall be the date of termination of this Agreement. The provisions of this Agreement relating to the collection of Sales and Use Tax Revenues will automatically terminate with regard to any portion of the Limited Purpose Tract upon disannexation or Full Purpose Annexation of the Limited Purposes Tract.
- 9.3 Notices. Any notice required by this Agreement shall be void and of no effect unless given in accordance with the provisions of this Section 9.3. All notices shall be in writing and delivered, either by personal delivery or commercial delivery service to the office of the person to whom the notice is directed, or by United States Mail, postage prepaid, as a registered or certified item, return receipt requested. Notices delivered by personal delivery or commercial delivery service shall be deemed to have been given upon receipt at the office of the person to whom the notice is directed. Notices delivered by mail shall be deemed to have been given on the third (3rd) day after the date such notice is deposited in a Post Office or other depository under the care or custody of the United States Postal Service, enclosed in a wrapper with proper postage affixed and addressed, as provided below. Notice may also be provided by facsimile transmission. Facsimile notice shall be deemed to have been given upon the sender's receipt of electronic confirmation of delivery to the facsimile station indicated below.

The proper address and facsimile number for the District is as follows:

Comal County Water Improvement District, No. 1
c/o Coats Rose Yale Ryman & Lee
Attention: Timothy Green
3 East Greenway Plaza, Suite 2000
Houston, Texas 77046
Phone: 855.291.0282
Fax: 713.651.0220

with copies to:

Coats Rose Yale Ryman & Lee
Attention: Timothy Green
1020 Northeast Loop 410, Suite 800
San Antonio, Texas 78209
Phone: 855.739.7515
Fax: 210.212.5698

The proper address and facsimile number for the City is as follows:

City of New Braunfels
Attn: City Manager
424 S. Castell Avenue
New Braunfels, Texas 78130
Fax: (830) 626-5578

with copies to:

City Attorney
424 S. Castell Avenue
New Braunfels, Texas 78130
Fax: (830) 626-5578

Any Party may change the address or facsimile number for notices specified above by giving the other party ten (10) days' advance written notice of such change of address or facsimile number.


- 9.4 Assignment. This Agreement may not be assigned or partially assigned by either party without the prior written consent of the non-assigning party, which shall not be unreasonably withheld.
- 9.5 Sub-Districts. If any sub-districts are created by or within the District, the City may not agree with any such sub-district to amend or otherwise alter the terms of this Agreement, but the City may continue to negotiate amendments to this Agreement with the District. The City and the District intend that any sub-district will be bound to and governed by this Agreement, as it may be amended from time to time, and the City and the District each agrees to take steps reasonably necessary to ensure all of the sub-districts are governed by this single Agreement, as amended from time to time, including ratifying this Agreement or its amendments by the sub-districts or entering into a separate agreement between the sub-district and the City confirming the sub-district's and City's agreement to be bound by all of the terms of this Agreement, as amended, with respect to the area contained in any sub-district.

- 9.6 Governing Law. THIS AGREEMENT MUST BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO ANY CHOICE OF LAW RULES OR PRINCIPLES TO THE CONTRARY, AND THE OBLIGATIONS OF THE PARTIES HERETO ARE AND SHALL BE PERFORMABLE IN COMAL COUNTY, TEXAS.
- 9.7 No Oral Modification. This Agreement may not be supplemented, modified or amended, except by written agreement with approval of the governing bodies of the District and the City.
- 9.8 No Oral Waiver. The parties may waive any of the conditions or obligations of the other party under this Agreement, but any such waiver shall be effective only if in writing and signed by the waiving party.
- 9.9 Headings, Gender, etc. The headings used in this Agreement have been inserted for convenience and do not constitute matter to be construed or interpreted in connection with this Agreement. Unless the context of this Agreement otherwise requires (a) words of any gender are deemed to include each other gender, (b) words using the singular or plural number also include the plural or singular number, respectively.
- 9.10 Partial Invalidity. If any clause or provision of this Agreement is or should ever be held to be illegal, invalid, or unenforceable under any present or future law applicable to the terms hereof, then and in that event, it is the intention of the Parties that the remainder of this Agreement shall not be affected thereby, and that in lieu of each such clause or provision of this Agreement that is illegal, invalid, or unenforceable, there be added as a part of this Agreement a clause or provision as similar in terms to such illegal, invalid, or unenforceable clause or provision as may be possible and be legal, valid, and enforceable.
- 9.11 Authorization. The District and the City represent that each party executing this Agreement on behalf of the District and the City possesses all requisite authority to execute this Agreement on that such party's behalf.
- 9.12 Holidays. If any deadline, or any date on which any duties or obligations under this Agreement are to be performed falls on a Saturday, Sunday or legal holiday, that date is automatically extended to the next business day.
- 9.13 Incorporation of Exhibits by Reference. All exhibits attached to this Agreement are incorporated into this Agreement by reference and for the purposes set forth in this Agreement, as follows:


Exhibit A	Map of the District
Exhibit B	Description of the District
Exhibit C	Map of the Initial Tract
Exhibit D	Legal Description of the Initial Tract

EXECUTED and EFFECTIVE as of the Effective Date.

COMAL COUNTY WATER IMPROVEMENT DISTRICT NO. 1:

By: 
Donnie Shaw, President, Board of Directors

THE CITY OF NEW BRAUNFELS:

By: 
Name: Robert Camareno
Title: City Manager

**WORD-BORCHERS RANCH REAL ESTATE
LIMITED PARTNERSHIP**, a Texas limited partnership

By: **Word-Borchers Ranch Management Company, L.L.C.**,
a Texas limited liability company, its General Partner

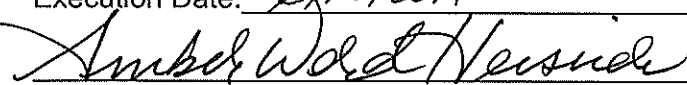
By:


Timothy Dean Word III, Manager

Execution Date:

2/13/2014

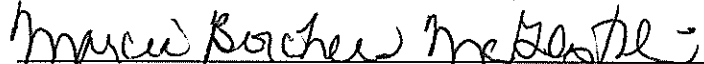
By:


Amber Word-Heisner, Manager

Execution Date:

02-13-2014

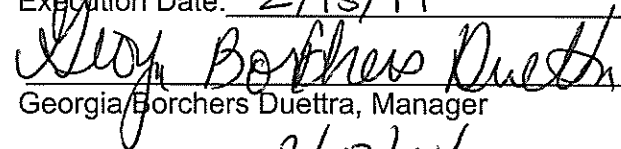
By:


Marcia Borchers McGlothlin, Manager

Execution Date:

2/13/14

By:


Georgia Borchers Duettra, Manager

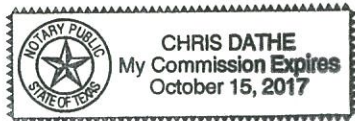
Execution Date:

2/13/14

THE STATE OF TEXAS §
 §
COUNTY OF COMAL §

Before me, the undersigned authority, on this day personally appeared Donnie Shaw, President of the Comal County Water Improvement District No. 1, operating pursuant to Chapters 49 and 51 of the Texas Water Code, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as the act and deed of said water control improvement district, for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 19th day of November 2014.

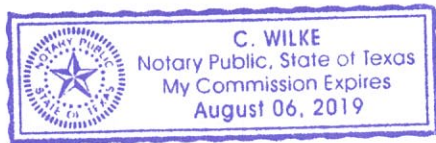


[Signature]
Notary Public, State of Texas
Print Name: Chris Dathe
My Commission Expires: 10-15-17

THE STATE OF TEXAS §
 §
COUNTY OF COMAL §

Before me, the undersigned authority, on this day personally appeared Robert Cannon, the City Mgr of the City of New Braunfels, Texas, a home rule law municipal corporation of the State of Texas, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as the act and deed of said municipal corporation, for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 23 day of July 2014 [Signature]

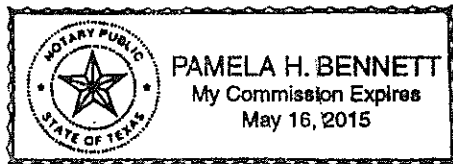


C. Wilke
Notary Public, State of Texas
Print Name: C. Wilke
My Commission Expires: 8.6.2019

THE STATE OF TEXAS §
 §
COUNTY OF COMAL §

Before me, the undersigned authority, on this day personally appeared Timothy Dean Word III, Manager of Word-Borchers Ranch Real Estate Limited Partnership, a Texas limited partnership, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as the act and deed of said water control improvement district, for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 13th day of February 2014.

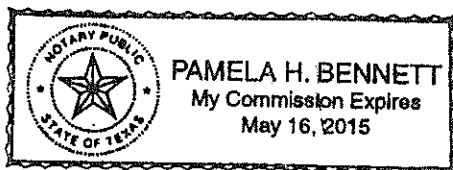


Pamela Bennett
Notary Public, State of Texas
Print Name: PAMELA BENNETT
My Commission Expires: May 16, 2015

THE STATE OF TEXAS §
 §
COUNTY OF COMAL §

Before me, the undersigned authority, on this day personally appeared Amber Word-Heisner, Manager of Word-Borchers Ranch Real Estate Limited Partnership, a Texas limited partnership, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as the act and deed of said water control improvement district, for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 13th day of February 2014.

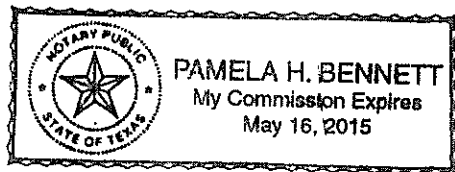


Pamela Bennett
Notary Public, State of Texas
Print Name: PAMELA BENNETT
My Commission Expires: May 16, 2015

THE STATE OF TEXAS §
 §
COUNTY OF COMAL §

Before me, the undersigned authority, on this day personally appeared Marcia Borchers McGlothlin, Manager of Word-Borchers Ranch Real Estate Limited Partnership, a Texas limited partnership, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as the act and deed of said water control improvement district, for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 13th day of February 2014.

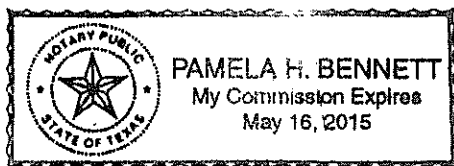


Pamela Bennett
Notary Public, State of Texas
Print Name: PAMELA BENNETT
My Commission Expires: May 16, 2015

THE STATE OF TEXAS §
 §
COUNTY OF COMAL §

Before me, the undersigned authority, on this day personally appeared Georgia Borchers Duettra, Manager of Word-Borchers Ranch Real Estate Limited Partnership, a Texas limited partnership, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as the act and deed of said water control improvement district, for the purposes and consideration therein expressed and in the capacity therein stated.

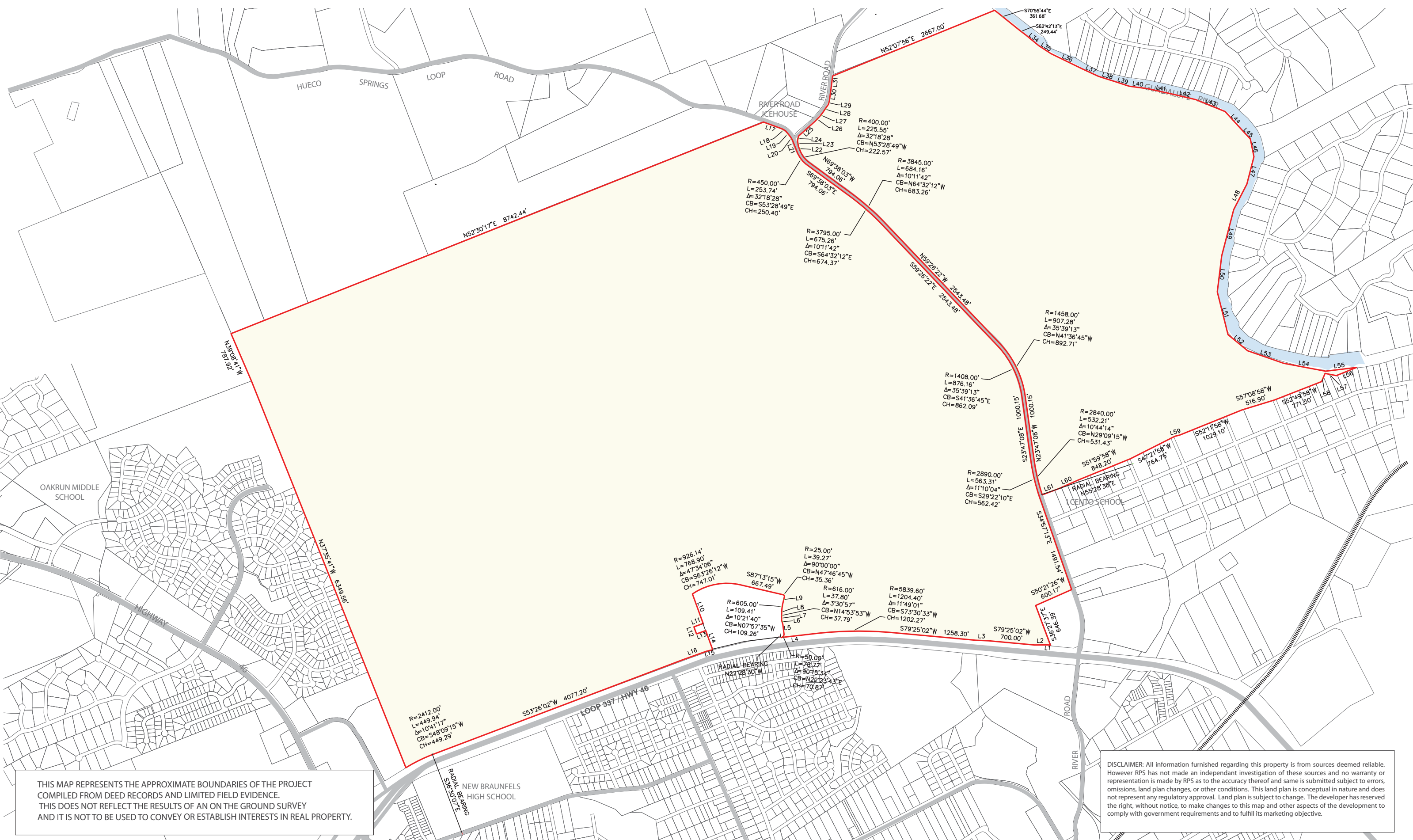
GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 13th day of February 2014.



Pamela Bennett
Notary Public, State of Texas
Print Name: PAMELA BENNETT
My Commission Expires: May 16, 2015

EXHIBIT A

(MAP OF THE DISTRICT)



THIS MAP REPRESENTS THE APPROXIMATE BOUNDARIES OF THE PROJECT COMPILED FROM DEED RECORDS AND LIMITED FIELD EVIDENCE. THIS DOES NOT REFLECT THE RESULTS OF AN ON THE GROUND SURVEY AND IT IS NOT TO BE USED TO CONVEY OR ESTABLISH INTERESTS IN REAL PROPERTY.

DISCLAIMER: All information furnished regarding this property is from sources deemed reliable. However RPS has not made an independent investigation of these sources and no warranty or representation is made by RPS as to the accuracy thereof and same is submitted subject to errors, omissions, land plan changes, or other conditions. This land plan is conceptual in nature and does not represent any regulatory approval. Land plan is subject to change. The developer has reserved the right, without notice, to make changes to this map and other aspects of the development to comply with government requirements and to fulfill its marketing objective.



Exhibit A

Description of Water Improvement District

February 2013 | Project No 21983-105e

EXHIBIT B
(DESCRIPTION OF THE DISTRICT)

All of the 2445 acres as described in the Act of May 25, 2009, 81st Leg., R.S., ch. 584, §2, 2009 Tex. Sess. Law. Serv. 1317, 1322 (West) relating to the creation of Comal County Water Control & Improvement District No. 1, which is generally comprised of all of the real property included in the metes and bounds description as Tract "A" and the metes and bounds description as Tract "B" attached herein.

FIELD NOTES
FOR A
POLITICAL SUBDIVISION

Being 1746.9 acres, more or less, out of the J.M. Veramendi Survey No. 2, Abstract 3, Comal County, Texas. Said 1746.9 acres also being a portion of a 2086 acre tract of land described as First Tract in Deed recorded in Volume 167, Pages 80-92 of the Deed Records of Comal County, Texas. Said 1746.9 acre tract being more fully described as follows;

BEGINNING: At a found ½" iron rod on the southwest right-of-way line of River Road, for an eastern corner of this tract and the north corner of a 9.839 acre tract described in Document Number 200406026508 of the Official Records of Comal County, Texas;

THENCE: Departing said southwest right-of-way line of River Road and along the northwest line of said 9.839 acre tract, South 50°21'26" West a distance of 600.17 feet to the western corner of said 9.839 acre tract;

THENCE: Along the southwest line of said 9.839 acre tract, South 36°27'37" East a distance of 646.39 feet to a point on the northwest right-of-way line of State Highway Loop 337;

THENCE: along said northwest right-of-way line of State Highway Loop 337, the following bearings and distances:

South 79°25'02" West a distance of 43.50 feet to a point,

South 73°42'02" West a distance of 201.00 feet to a point,

South 79°25'02" West a distance of 700.00 feet to a point,

South 76°33'02" West a distance of 200.30 feet to a point,

South 79°25'02" West a distance of 1258.30 feet to a point,

along a tangent curve to the left, said curve having a radius of 5839.60 feet, a central angle of 11°49'01", a chord bearing and distance of South 73°30'33" West, 1202.27 feet, for an arc length of 1204.40 feet to a point, and

South 67°36'02" West a distance of 518.39 feet to a point being the southeast corner of the called 17.089 acre tract of land conveyed to Oakwood Baptist Church of New Braunfels, Texas, by Deed Recorded in Document No. 200706020677, of the Official Records of Comal County, Texas;

THENCE: departing the northwest right-of-way line of State Highway Loop 337 and along the common line between said 17.089 acres and the herein described tract, the following bearings and distances:

along a non-tangent curve to the left, said curve having a radial bearing of North 22°28'30" West, a radius of 50.00 feet, a central angle of 90°15'34", a chord bearing and distance of North 22°23'43" East, 70.87 feet, for an arc length of 78.77 feet to a point,

North 22°44'04" West a distance of 149.65 feet to a point,

North 32°57'24" West a distance of 61.98 feet to a point,

North 16°39'22" West a distance of 43.27 feet to a point,

along a tangent curve to the right, said curve having a radius of 616.00 feet, a central angle of 03°30'57", a chord bearing and distance of North 14°53'53" West, 37.79 feet, for an arc length of 37.80 feet to a point,

North 13°08'25" West a distance of 65.66 feet to a point,

Along a tangent curve to the right, said curve having a radius of 605.00 feet, a central angle of 10°21'40", a chord bearing and distance of North 07°57'35" West, 109.26 feet, for an arc length of 109.41 feet to a point,

North 02°46'45" West a distance of 107.03 feet to a point,

along a tangent curve to the left, said curve having a radius of 25.00 feet, a central angle of 90°00'00", a chord bearing and distance of North 47°46'45" West, 35.36 feet, for an arc length of 39.27 feet to a point,

South 87°13'15" West a distance of 667.49 feet to a point,

along a tangent curve to the left, said curve having a radius of 926.14 feet, a central angle of 47°34'06", a chord bearing and distance of South 63°26'12" West, 747.01 feet, for an arc length of 768.90 feet to a point,

South 35°47'46" East a distance of 479.08 feet to a point

South 54°12'14" West a distance of 150.00 feet to a point;

South 35°47'46" East a distance of 115.00 feet to a point;

North 54°12'14" East a distance of 150.00 feet to a point;

South 35°47'46" East a distance of 311.31 feet to a point on the northwest right-of-way line of State Highway Loop 337, the south corner of said 17.089 acres;

THENCE: along the northwest right-of-way line of State Highway Loop 337, the following bearings and distances:

South 60°43'02" West a distance of 101.06 feet to a point;

South 54°19'02" West a distance of 391.10 feet to a point;

South 53°26'02" West a distance of 4077.20 feet to a point;

along a non-tangent curve to the left, said curve having a radial bearing of South 36°30'07" East, a radius of 2412.00 feet, a central angle of 10°41'17", a chord bearing and distance of South 48°09'15" West, 449.29 feet, for an arc length of 449.94 feet to a point for the south corner of the herein described tract;

THENCE: departing the northwest right-of-way line of State Highway Loop 337 and along the south line of said 2086 acre tract, North 37°35'41" West a distance of 6349.56 feet to a point;

THENCE: North 39°08'41" West a distance of 787.92 feet to a the southwest corner of said 2086 acre tract;

THENCE: along the west line of said 2086 acre tract, North 52°30'17" East a distance of 8742.44 feet to a point on the southwest right-of-way line of Hueco Springs Loop Road;

THENCE: along the southwest right-of-way line of said Hueco Springs Loop Road, the following bearings and distances:

South 85°40'41" East a distance of 308.21 feet to a point;

South 76°17'58" East a distance of 54.07 feet to a point;

South 54°55'14" East a distance of 119.87 feet to a point;

South 46°52'45" East a distance of 55.24 feet to a point;

South 37°19'35" East a distance of 197.53 feet to a point of curvature on the southern right-of-way line of River Road;

THENCE: along the southern right-of-way line of said River Road, the following bearings and distances:

along a tangent curve to the left, said curve having a radius of 450.00 feet, a central angle of 32°18'28", a chord bearing and distance of South 53°28'49" East, 250.40 feet, for an arc length of 253.74 feet to a point;

South 69°38'03" East a distance of 794.06 feet to a point;

along a tangent curve to the right, said curve having a radius of 3795.00 feet, a central angle of 10°11'42", a chord bearing and distance of South 64°32'12" East, 674.37 feet, for an arc length of 675.26 feet to a point;

South 59°26'22" East a distance of 2543.48 feet to a point;
along a tangent curve to the right, said curve having a radius of 1408.00 feet, a central angle of 35°39'13", a chord bearing and distance of South 41°36'45" East, 862.09 feet, for an arc length of 876.16 feet to a point;
South 23°47'08" East a distance of 1000.15 feet to a point;
along a tangent curve to the left, said curve having a radius of 2890.00 feet, a central angle of 11°10'04", a chord bearing and distance of South 29°22'10" East, 562.42 feet, for an arc length of 563.31 feet to a point;
South 34°57'13" East a distance of 1491.54 feet to the POINT OF BEGINNING, and containing 1746.9 acres.

This document was prepared under 22 TAC 663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared.

PREPARED BY: PAPE DAWSON ENGINEERS, INC.

DATE: March 23, 2012

JOB No.: 9127-10

FILE: N:\Survey10\10-9100\9127-10\WORD\1746.9 Ac MBs.doc



FIELD NOTES
FOR A
POLITICAL SUBDIVISION

Being 680.0 acres, more or less, out of the J.M. Veramendi Survey No. 2, Abstract 3, Comal County, Texas. Said 680.0 acres also being a portion of a 694 acre tract of land described as Fourth Tract in Deed recorded in Volume 167, Pages 80-92 of the Deed Records of Comal County, Texas. Said 680.0 acre tract being more fully described as follows;

BEGINNING: at a found ½" iron rod on the northeast right-of-way line of River Road, for the south corner of this tract and the south corner of said 694 acre tract;

THENCE: along said northeast right-of-way line of River Road, the following bearings and distances:

Along a curve to the right, said curve having a radial bearing of North 55°28'38" East, a radius of 2840.00 feet, a central angle of 10°44'14", a chord bearing and distance of North 29°09'15" West, 531.43 feet, for an arc length of 532.21 feet to a point,

North 23°47'08" West a distance of 1000.15 feet to a point,

Along a tangent curve to the left, said curve having a radius of 1458.00 feet, a central angle of 35°39'13", a chord bearing and distance of North 41°36'45" West, 892.71 feet, for an arc length of 907.28 feet to a point,

North 59°26'22" West a distance of 2543.48 feet to a point,

along a tangent curve to the left, said curve having a radius of 3845.00 feet, a central angle of 10°11'42", a chord bearing and distance of North 64°32'12" West, 683.26 feet, for an arc length of 684.16 feet to a point,

North 69°38'03" West a distance of 794.06 feet to a point,

along a tangent curve to the right, said curve having a radius of 400.00 feet, a central angle of 32°18'28", a chord bearing and distance of North 53°28'49" West, 222.57 feet, for an arc length of 225.55 feet to a point,

North 37°19'35" West a distance of 74.92 feet to a point,

North 24°39'43" West a distance of 84.03 feet to a point,

North 03°54'02" West a distance of 73.10 feet to a point,

North 32°15'55" East a distance of 337.26 feet to a point,

North 27°47'36" East a distance of 106.84 feet to a point,
North 23°29'03" East a distance of 58.43 feet to a point,
North 18°42'36" East a distance of 166.96 feet to a point,
North 00°50'37" West a distance of 58.28 feet to a point,
North 08°13'11" West a distance of 191.91 feet to a point,
North 08°36'56" West a distance of 186.83 feet to a point,

THENCE: departing the northeast right-of-way line of River Road and along the northwest line of said 694 acre tract, North 52°07'56" East a distance of 2667.00 feet to a point on the Guadalupe River;

THENCE: along the meanders of the Guadalupe River, the following bearings and distances:

South 70°55'44" East a distance of 361.68 feet to a point,
South 62°42'13" East a distance of 249.44 feet to a point,
South 66°20'58" East a distance of 253.10 feet to a point,
South 72°43'51" East a distance of 223.08 feet to a point,
South 79°52'21" East a distance of 524.56 feet to a point,
South 81°07'29" East a distance of 278.44 feet to a point,
South 88°15'17" East a distance of 278.53 feet to a point,
South 87°39'50" East a distance of 212.64 feet to a point,
North 81°43'30" East a distance of 282.13 feet to a point,
North 86°35'39" East a distance of 414.94 feet to a point,
North 87°24'18" East a distance of 341.41 feet to a point,
South 83°38'12" East a distance of 482.30 feet to a point,
South 58°14'14" East a distance of 405.29 feet to a point,
South 59°04'08" East a distance of 162.27 feet to a point,
South 27°19'15" East a distance of 277.64 feet to a point,
South 01°19'17" East a distance of 431.31 feet to a point,
South 11°28'18" West a distance of 438.24 feet to a point,
South 01°16'05" East a distance of 728.38 feet to a point,
South 08°53'25" East a distance of 554.01 feet to a point,

South 29°52'02" East a distance of 672.19 feet to a point,
South 66°26'35" East a distance of 387.33 feet to a point,
South 86°37'11" East a distance of 582.83 feet to a point,
North 84°48'17" East a distance of 651.28 feet to a point,
North 67°16'02" East a distance of 474.64 feet to a point,

THENCE: departing the Guadalupe River and along the southeast line of said 694 acre tract the following bearings and distances:

South 52°07'58" West a distance of 331.98 feet to a point,
South 85°07'58" West a distance of 175.30 feet to a point,
South 07°07'58" West a distance of 135.00 feet to a point,
South 52°49'58" West a distance of 771.50 feet to a point,
South 57°08'58" West a distance of 516.90 feet to a point,
South 52°11'58" West a distance of 1029.10 feet to a point,
South 60°36'58" West a distance of 72.70 feet to a point,
South 47°21'58" West a distance of 764.75 feet to a point,
South 51°59'58" West a distance of 848.20 feet to a point,
South 50°16'58" West a distance of 324.40 feet to a point,
South 53°32'58" West a distance of 277.92 feet to the POINT OF BEGINNING, and containing 680.0 acres.

This document was prepared under 22 TAC 663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared.

PREPARED BY: PAPE DAWSON ENGINEERS, INC.
DATE: March 23, 2012
JOB No.: 9127-10
FILE: N:\Survey10\10-9100\9127-10\WORD\680.0 Ac MBs.doc

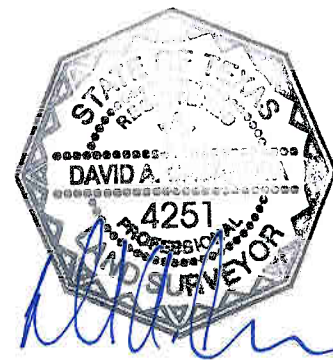


EXHIBIT C

(MAP OF THE INITIAL TRACT)



Exhibit C
Initial Tract subject to Strategic Partnership Agreement

EXHIBIT D

(LEGAL DESCRIPTION OF THE INITIAL TRACT)

FIELD NOTES
FOR
STRATEGIC PARTNERSHIP AGREEMENT TRACT

Being 200.5 acres, more or less, out of the J.M. Veramendi Survey No. 2, Abstract 3, Comal County, Texas. Said 200.5 acres also being a portion of a 2086 acre tract of land described as First Tract in Deed recorded in Volume 167, Pages 80-92 of the Deed Records of Comal County, Texas. Said 200.5 acre tract being more fully described as follows;

BEGINNING: at a point on the northwest right-of-way line of State Highway Loop 337, being the south most corner of the called 17.089 acre tract of land conveyed to Oakwood Baptist Church of New Braunfels, Texas, by Deed Recorded in Document No. 200706020677, of the Official Records of Comal County, Texas;

THENCE: along the northwest right-of-way line of State Highway Loop 337, the following bearings and distances:

South 60°43'02" West a distance of 101.06 feet to a point,

South 54°19'02" West a distance of 391.10 feet to a point,

South 53°26'02" West a distance of 4077.20 feet to a point,

along a non-tangent curve to the left, said curve having a radial bearing of South 36°30'07" East, a radius of 2412.00 feet, a central angle of 10°41'17", a chord bearing and distance of South 48°09'15" West, 449.29 feet, for an arc length of 449.94 feet to a point on the south line of said 2086 acre tract and of the herein described tract;

THENCE: departing the northwest right-of-way line of State Highway Loop 337, along and with the south line of said 2086 acre tract, North 37°35'41" West a distance of 1268.15 feet to a point;

THENCE: departing the south line of said 2086 acre tract, over and across said 2086 acre tract the following bearings and distances:

North 29°24'30" East a distance of 218.28 feet to a point,

North 00°40'45" East a distance of 248.00 feet to a point,

North 37°26'16" East a distance of 525.00 feet to a point,

North 58°26'03" East a distance of 376.00 feet to a point of curvature,

along a tangent curve to the left, said curve having a radius of 500.00 feet, a central angle of 40°53'59", a chord bearing and distance of North 37°59'03" East, 349.39 feet, for an arc length of 356.92 feet to a point,

North 17°32'03" East a distance of 153.00 feet to a point,
North 66°44'23" East a distance of 450.00 feet to a point,
North 34°59'21" East a distance of 290.00 feet to a point,
North 66°08'22" East a distance of 315.00 feet to a point,
North 38°37'30" East a distance of 224.00 feet to a point,
North 14°12'43" East a distance of 630.00 feet to a point,
North 49°29'46" East a distance of 355.00 feet to a point,
South 67°45'52" East a distance of 250.00 feet to a point,
South 87°10'35" East a distance of 780.00 feet to a point,
North 39°02'29" East a distance of 578.29 feet to a point,
South 35°47'46" East, at a distance of 755.00 feet passing the west most corner
of the called 17.089 acre tract, and continuing along and with the common line
between said 17.089 acres and the herein described tract for a total distance of
1234.08 feet to the north most corner of a 0.396 of an acre tract of land
described in Volume 449, Page 77 of the Deed Records of Comal County,
Texas;

THENCE: along and with the common line between said 0.396 of an acre tract and the
herein described tract the following bearings and distances:

South 54°12'14" West a distance of 150.00 feet to a point,
South 35°47'46" East a distance of 115.00 feet to a point,
North 54°12'14" East a distance of 150.00 feet to a point on the southwest line
of said 17.089 acre tract;

THENCE: along and with the common line between said 17.089 acre tract and the herein
described tract, South 35°47'46" East a distance of 311.31 feet to the POINT
OF BEGINNING, and containing 200.5 acres.

This document was prepared under 22 TAC 663.21, does not reflect the results of an on the
ground survey, and is not to be used to convey or establish interests in real property except those
rights and interests implied or established by the creation or reconfiguration of the boundary of
the political subdivision for which it was prepared.

PREPARED BY: PAPE DAWSON ENGINEERS, INC.
DATE: March 23, 2012
JOB No.: 9127-10
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