CHAPTER 381
ECONOMIC DEVELOPMENT AGREEMENT
BETWEEN
COMAL COUNTY, TEXAS
AND
BEN E. KEITH COMPANY

This Chapter 381 Economic Development Agreement (this "Agreement") is entered into between Comal County, Texas, a political subdivision of the State of Texas (the "County") and Ben E. Keith Company d/b/a Ben E. Keith Foods, a Texas corporation ("Ben E. Keith"), collectively referred to as the "Parties."

Recitals

WHEREAS, Ben E. Keith desires to invest approximately $75,000,000.00 cumulatively in (i) a new regional headquarters and campus that includes offices, warehouse space, improvements, and other buildings consisting of at least 450,000 square-feet (the "Facility"), and (ii) machinery, equipment, furniture, and fixtures (collectively, the "Project"), all to be located on a certain approximately 88-acre tract of land located within the city limits of Selma at the intersection of Alamo Parkway (which will be renamed Ben E. Keith Way) and Lookout Road, more particularly described by metes and bounds on Exhibit "A" attached hereto and incorporated herein by reference (the "Property"); and

WHEREAS, Ben E. Keith desires to relocate its "South Central Regional Headquarters" currently located in Bexar County to Selma, Comal County, Texas; and

WHEREAS, development of the Project will provide significant new ad valorem tax revenues to Comal County and will create jobs which will help stimulate the overall local economy; and

WHEREAS, Chapter 381 of the Texas Local Government Code authorizes the commissioners court of a county to enter into an agreement to promote economic development and to stimulate, encourage, and develop business location and commercial activity in the county; and

WHEREAS, the purpose of this Agreement is to establish an ad valorem tax rebate to Ben E. Keith based on a percentage of ad valorem property taxes paid to the County over a period of eight (8) years.

NOW THEREFORE, in consideration of the mutual benefits described in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the County and Ben E. Keith agree as follows:

1.
Definitions

As used in this Agreement, the following words or phrases shall have the following meanings:

1.1 "Ad Valorem Tax Base Line" means the final approved taxable value of the unimproved Property by the Comal Appraisal District for the year prior to improvements completed from which all increases in the Total Taxable Assessed Value shall be measured.

1.2 "Ad Valorem Tax Effective Date" means January 1, 2020.

1.3 "Ad Valorem Tax Revenues" means the amount of real and personal property taxes actually received by the County from the levy of such taxes on the Property, including any improvements and personal property, with the exclusion of inventory, located on the Property, but only to the extent that the total of such Ad Valorem Tax Revenues for any given year during the Term hereof exceed the portion of the Ad Valorem Tax Revenues attributable to the Ad Valorem Tax Base Line. It is the intent of the parties that the ad valorem tax portion of the rebate payments made hereunder should be based on the incremental increases in tax value of the Property as it is developed after the base line year.

1.4 "Annual Payroll" means the total wages paid during the calendar year, exclusive of employee benefits, to all full-time employees working at or based out of the Facility.

1.5 "Chapter 381 Payment(s)" means the amount(s) paid by the County to Ben E. Keith under this Agreement.

1.6 "Effective Date" means the date this Agreement has been signed by both the County and Ben E. Keith.

1.7 "Force Majeure" means any contingency or cause beyond the reasonable control of Ben E. Keith, including acts of God or the public enemy, war, riot, terrorism, civil commotion, insurrection, governmental or de facto governmental action or inaction including, but not limited to, government actions pertaining to the determination of flood zones or FEMA actions, fire, earthquake, tornado, hurricane, explosions, floods, uncommon precipitation, epidemics, strikes, slowdowns, work stoppages, unusually severe or adverse weather or adverse economic conditions, but in no instance shall a force majeure event exceed ninety (90) days in the aggregate.

1.8 "Full-time employees" means those employees scheduled to work at least 1,560 hours or more per year (30 or more hours per week) and who receive benefits commonly associated with full-time employment, including but not limited to healthcare, paid and unpaid leave benefits, and the right to participate in Ben E. Keith's qualified retirement plan.

1.9 "Total Taxable Assessed Value" for a particular tax year means the "assessed value" (within the meaning of chapter 26 of the Texas Tax Code) for property tax purposes, of the land, improvements, machinery, furniture, fixtures, equipment and capitalized cost relevant to the equipment on the Property for such tax year.

2.
Purpose; Term

2.1 Rebate. The Parties to this Agreement intend that if Ben E. Keith commences development of the Project and otherwise complies with the terms of this Agreement, the County shall rebate to Ben E. Keith a percentage of county ad valorem taxes paid by Ben E. Keith described herein for a period of eight (8) years or until this Agreement has terminated by its own terms, whichever is sooner, as described below.

2.2 Term. This Agreement will become enforceable upon the Effective Date and will terminate on the eighth (8^{th}) anniversary of the Ad Valorem Tax Effective Date (the "Term"); provided, however, that in recognition of the fact that Chapter 381 Payments are, by necessity, calculated and paid after the relevant taxes have been levied by and paid to the County and, therefore, will always be paid in arrears, the Term of this Agreement will be deemed extended until any Chapter 381 Payments relating to Ad Valorem Tax Revenues attributable to the specified Term of the Agreement have been paid by the County to Ben E. Keith.

3.
Ben E. Keith Performance Criteria

Execution of this Agreement and the continued effectiveness of this Agreement is expressly conditioned on Ben E. Keith completing construction of the Facility, and meeting and maintaining the following benchmarks and requirements:

3.1 Improvements and Operation. Ben E. Keith must substantially complete construction of and operate a new "South Central Regional Headquarters"/food distribution facility consisting of at least 450,000 square-feet and install machinery, equipment, furniture, and fixtures on or before January 1, 2020. On or before January 1, 2020, Ben E. Keith shall increase the Total Taxable Assessed Value of the Property to a minimum of seventy-five million dollars ($75,000,000), and shall maintain this Total Taxable Assessed Value throughout the term of the Agreement.

3.2 Jobs. Ben E. Keith must meet and maintain the following employment requirements for employees working at or based out of the Facility throughout the term of the Agreement:

Employment Requirements		
Date of Requirement	**Minimum Full Time Employees**	**Minimum Annual Payroll**
December 31, 2020	400	$28,000,000.00
December 31, 2025	537	$38,500,000.00

3.3 Additional Obligations.

a. Ben E. Keith shall furnish all information to the County Judge and the Comal County Appraisal District as may be necessary to process the Chapter 381 Payments and for appraisal purposes.

b. Ben E. Keith shall annually certify in writing to the County its compliance with the terms of this Agreement, including but not limited to a certification of its full-time employees and Annual Payroll at or based out of the Facility, and invoice the County for the Chapter 381 Payment by February 28th after each year during the Term of the Agreement. The County shall process and issue the Chapter 381 Payment within thirty (30) days of receipt of invoice from Ben E. Keith unless the County needs additional information or time, at which time the County will notify Ben E. Keith of the additional information or time needed to process the Chapter 381 Payment.

4.
Chapter 381 Payments

4.1 If Ben E. Keith complies with its obligations under Sections 3.1, 3.2 and 3.3 of this Agreement throughout the Term, the County will rebate the Ad Valorem Tax Revenues for eight (8) years in accordance with the following schedule:

Chapter 381 Payment Schedule	
Year(s) of Rebate	**Chapter 381 Payment Amount**
1-3	Seventy percent (70%) of the Ad Valorem Tax Revenues
4-6	Fifty-five percent (55%) of the Ad Valorem Tax Revenues
7-8	Thirty percent (30%) of the Ad Valorem Tax Revenues

5.
Ben E. Keith's Representations

5.1 Covenants and Warranties. Ben E. Keith makes the following covenants and warranties to the County, and agrees to timely and fully perform the following obligations and duties:

a. Authorized in Texas. Ben E. Keith is authorized to do business and is in good standing in the State of Texas and shall remain in good standing in the State of Texas during the Term of this Agreement.

b. Compliance with Law. Ben E. Keith shall operate and maintain the Property and Facility in accordance with all applicable federal, state, and local laws, codes, ordinances, and regulations, including, but not limited to, flood, subdivision, building, electrical, plumbing, fire, and life safety codes, other orders and ordinances, as amended.

c. Payment of Taxes. Ben E. Keith shall pay all ad valorem taxes on the Property, including any improvements and personal property, in a timely manner, whether assessed by the County or any other taxing jurisdiction.

d. Due Authorization. Ben E. Keith has taken all necessary corporate action to authorize its execution and delivery of this Agreement and its performance of its obligations hereunder.

e. Availability of Funds. Ben E. Keith has available to it, without restriction, all funds required to be expended by it for the completion of the Project.

f. No Litigation. No litigation or governmental proceeding is pending or, to the knowledge of Ben E. Keith or Ben E. Keith's officers, threatened against or affecting Ben E. Keith that may result in any material adverse change in Ben E. Keith's business, properties or operation. No consent, approval or authorization of or registration or declaration with any governmental authority is required in connection with the execution of this Agreement or the transactions contemplated hereby.

g. No Bankruptcy Proceedings. There are no bankruptcy proceedings or other proceedings currently pending or contemplated, and Ben E. Keith has not been informed of any potential involuntary bankruptcy proceedings.

h. No Undocumented Workers. In accordance with Chapter 2264 of the Texas Government Code, Ben E. Keith agrees not to knowingly employ any undocumented workers at the Project during the Term of this Agreement. If Ben E. Keith is convicted of a violation under 8 U.S.C. Section 1324a (f), then such violation shall be an event of default and Ben E. Keith shall immediately notify the County in writing and repay the County the amounts rebated to Ben E. Keith by this Agreement for the period covered under this Agreement during which such violation occurred. Such payment shall be made within one-hundred twenty (120) business days after the date Ben E. Keith is notified by the County of such violation. The County, in its sole discretion, may extend the period for repayment herein. Additionally, Ben E. Keith shall pay interest on the amounts due to County at the rate periodically announced by the Wall Street Journal as the prime or base commercial lending rate, or if the Wall Street Journal shall ever cease to exist or cease to announce a prime or base lending rate, then at the annual rate of interest from time to time announced by Bank of America, N.A. (or by any other New York money center bank selected by the County) as its prime or base commercial lending rate, from the date of such violation notice until paid.

i. All Necessary Rights. To its current, actual knowledge, Ben E. Keith has acquired and maintained, or will acquire and maintain, all necessary rights, licenses, permits and authority to carry on its business in Comal County, Texas,

and will continue to use its commercially reasonable efforts to maintain all necessary rights, licenses, permits and authority.

j. Full Compliance. Ben E. Keith shall timely and fully comply with all of the terms and conditions of this Agreement, subject to Force Majeure.

6.
Suspensions/Termination

6.1 County Suspension Right. The County, under the following circumstances, and at its sole discretion, may suspend its obligations under this Agreement or terminate this Agreement and all future payment obligations shall automatically cease upon any one of the following events:

a. Appointment of Receiver. The appointment of a receiver of Ben E. Keith, or of all or any part of its property located in Comal County, and the failure of such receiver to be discharged within sixty (60) days thereafter.

b. Adjudication as Bankrupt. The adjudication of Ben E. Keith as a bankrupt.

c. Filing for Bankruptcy. The filing by Ben E. Keith of a petition or an answer seeking bankruptcy, receivership, reorganization, or admitting the material allegations of a petition filed against it in any bankruptcy or reorganization proceeding.

7.
Reporting and Monitoring

7.1 All Records. Ben E. Keith shall collect and maintain all relevant records of Ben E. Keith, its successors and assigns, and tenants related to each of the economic development considerations and incentives and performance requirements as stated in this Agreement. Ben E. Keith, during normal business hours, shall allow the County reasonable access to review these records on Ben E. Keith's premises, but the confidentiality of such records and information shall be maintained by the County unless disclosure of such records and information shall be required by a court order, a lawfully issued subpoena, or at the direction of the Office of the Texas Attorney General. Furthermore, the County shall not be allowed to remove any records from Ben E. Keith's premises and Ben E. Keith reserves the right to have a representative present at all times during any review by the County.

7.2 Inspection. Ben E. Keith agrees to allow inspection of the Property and Facility by a designee of the County so long as Ben E. Keith has the right to have a representative present at all times during any inspection by the County. Such inspection shall be to determine if the terms and conditions of the Agreement are being met and for the purpose of assuring compliance with applicable codes and ordinances. Inspections will be made

only after giving a minimum of 72 hours written notice and will be conducted in such a manner so as not to unreasonably interfere with the operation of the Facility.

8.
Default

8.1 Ben E. Keith's Failure to Comply.

a. This Agreement may be terminated if Ben E. Keith refuses, fails, or neglects to comply with any terms of this Agreement (subject in all cases to Force Majeure), which shall be deemed an act of default. Termination of this Agreement based on this provision may be effected if any such default is not cured within thirty (30) days after written notice thereof is delivered by the County to Ben E. Keith.

b. Ben E. Keith shall be deemed to be in default if any representation made by Ben E. Keith in its application or request for this Agreement is false or misleading in any material respect, and this Agreement may be immediately terminated by the County accordingly.

c. In the event that Ben E. Keith allows ad valorem taxes on the Property to become delinquent and fails to timely and properly follow the legal procedures for any appropriate protest or contest, this Agreement may be terminated by the County with 30 days' written notice.

d. Ben E. Keith shall be deemed to be in default if during the term of this Agreement, Ben E. Keith discontinues its operations at the Facility for a period longer than thirty (30) days (subject in all cases to Force Majeure), and this Agreement may be immediately terminated by the County accordingly.

e. If this Agreement is terminated due to default of Ben E. Keith, the County will seek to recapture, and Ben E. Keith agrees to repay, one hundred percent (100%) of the last Chapter 381 Payment rebated to Ben E. Keith. In the event of termination of this Agreement as a result of an uncured default of Ben E. Keith, an invoice for the total amount due will be sent to Ben E. Keith, and Ben E. Keith agrees to pay the total amount due within thirty (30) days after receipt of the invoice.

8.2 Impact of Waiver. Any waiver, intentional or unintentional, granted by the County to Ben E. Keith of an act of default shall not be deemed to be or constitute a waiver of any other existing or future act of default by Ben E. Keith or of a subsequent act of default of the same act or event by Ben E. Keith.

9.
County's Liability Limitations

9.1 County's Failure to Comply. Should the County fail to timely comply with its obligations under this Agreement, following thirty (30) days' written notice thereof delivered by Ben E. Keith, such failure shall be an act of default by the County.

9.2 Limitation on County's Liability. Ben E. Keith specifically agrees that the County shall only be liable to Ben E. Keith for the amount of the Chapter 381 Payments it is required to pay to Ben E. Keith hereunder, and shall not be liable to Ben E. Keith for any other actual or consequential damages, direct or indirect, or any other interest for any act of default by the County under the terms of this Agreement.

9.3 Personal Liability of Public Officials. To the extent permitted by State law, no public official or employee shall be personally responsible for any liability arising under or growing out of this Agreement.

10.
Miscellaneous Provisions

10.1 Amendments. This Agreement constitutes the entire understanding and agreement of the Parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by all of the Parties hereto.

10.2 Representations and Warranties of County. The County represents and warrants to Ben E. Keith that this Agreement is within its authority pursuant to Chapter 381 of the *Texas Local Government Code*, and that it is duly authorized and empowered to enter into this Agreement, unless otherwise ordered by a court of competent jurisdiction.

10.3 Binding Obligation. This Agreement shall become a binding obligation on the signatories upon execution by all signatories hereto. Each party warrants and represents that the individual executing this Agreement on behalf of that individual's represented Party has full authority to execute this Agreement and bind the represented Party to the same.

10.4 Notice. Any notice, payment, or other communication (the "Notice") given under this Agreement must be in writing, and may be given: (a) by depositing the Notice in the United States Mail, postage paid, certified, and addressed to the party to be notified with return receipt requested; (b) by personal delivery of the Notice to the party, or an agent of the party; or (c) by confirmed facsimile, provided that a copy of the Notice is also given in one of the manners specified in (a) or (b). Notice deposited in the mail in the manner specified will be effective two (2) days after deposit. Notice given in any other manner will be effective only if and when received by the party to be notified. For the purposes of Notice, the addresses of the parties will, until changed as provided below, be as follows:

Ben E. Keith: Ben E. Keith Company
Attn: Tax Dept.
601 E. 7th Street
Fort Worth, Texas 76102
Fax:

With a copy to: Ben E. Keith Company
Attn: Legal Dept.
601 E. 7th Street
Fort Worth, Texas 76102
Fax: (817) 870-5075

County: Comal County
Attn: County Judge
150 N. Seguin Ave.
New Braunfels, TX 78130
Fax: (830) 608-2026

With a copy to: Comal County Criminal District Attorney
Attn: Chief Civil Prosecutor
150 N. Seguin Ave., Suite 307
New Braunfels, TX 78130
Fax: (830) 608-2008

Any party may designate a different address at any time by giving Notice to the other parties.

10.5 Assignment. Ben E. Keith may not assign this Agreement without the prior written consent of the County. The County will not unreasonably withhold its consent of the assignment in the case of merger, corporate restructure, or acquisition of Ben E. Keith. However, the County may deny such consent if in the County's sole discretion it has concerns regarding, including without limitation, the lack of financial viability of the assignee, the business reputation of the assignee, the assignee's engaging in a type of business that would reflect poorly on the County, or the assignee's lack of compliance with federal, state, or local laws and ordinances.

10.6 Interpretation. Each of the parties has been represented by counsel of its choosing in the negotiation and preparation of this Agreement. In the event of any dispute regarding the interpretation of this Agreement, this Agreement will be interpreted fairly and reasonably and neither more strongly for nor against any party based on draftsmanship.

10.7 Relationship of the Parties. This Agreement will not be construed as establishing a partnership or joint venture, joint enterprise, express or implied agency, or employer-employee relationship between the parties. Neither the County, nor its past, present or future officers, elected officials, employees or agents, assume any responsibility or

liability to any third party in connection with the development of the Project or the design, construction or operation of any portion of the Project.

10.8 Applicable Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and all obligations of the Parties created hereunder are performable in Comal County, Texas. Exclusive venue shall lie in a court of competent jurisdiction in Comal County, Texas.

10.9 Severability. In the event any provision in this Agreement shall be determined by any court of competent jurisdiction to be invalid or unenforceable, the Agreement shall, to the extent reasonably possible, remain in force as to the balance of its provisions as if such invalid provision were not a part hereof.

10.10 Paragraph Headings. The paragraph headings contained in this Agreement are for convenience only and will in no way enlarge or limit the scope or meaning of the paragraphs.

10.11 No Third Party Beneficiaries. This Agreement is not intended to confer any rights, privileges or causes of action upon any third party.

10.12 Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which will be deemed an original, but all of which will constitute one and the same instrument. A facsimile signature will be deemed to be an original signature for all purposes.

10.13 Indemnity. Ben E. Keith agrees to indemnify, defend and hold harmless the County and its elected officials, officers, employees and agents from and against any claims, losses, damages, causes of action, suits and liabilities arising out of negligence of Ben E. Keith in connection with this Agreement.

10.14 No Waiver of Immunity. No provision of this Agreement shall affect or waive any sovereign or governmental immunity available to the County and/or its elected officials, officers, employees and agents under Federal or Texas law nor waive any defenses or remedies at law available to the County and/or its elected officials, officers, employees and agents under Federal or Texas law.

10.15 Exhibits. The following exhibits are attached to and incorporated into this Agreement for all purposes: Exhibit A – Legal Description of the Property.

(Signatures Commence on Following Page)

IN WITNESS WHEREOF, this Agreement shall become effective as of the date of the last properly authorized signature.

COMAL COUNTY, TEXAS

Sherman Krause, County Judge

Date: FEBRUARY 23, 2017

BEN E. KEITH COMPANY
d/b/a Ben E. Keith Foods

Gordon Crow
Chief Financial Officer

Date: 2-17-2017

ATTEST:

Bobbie Koepp, County Clerk

COMMISSIONERS' COURT
COMAL COUNTY, TEXAS

Exhibit A

Legal Description of the Property

(See Attached)

Exhibit A – Property

An 89.693 acre, or 3,907,020 square feet more or less, tract of land being all of Lot 1, Block 1 of the Titan Industrial Park Selma Unit 2 as recorded in documents 201506024223 and 201506024224 of the Official Public Records of Comal County, Texas, comprised of 88.006 acres out of a 132.939 acre tract (Tract 1), 0.088 of an acre and 1.599 acres out of a Tract 2, said Tract 1 and Tract 2 described in deed to Titan Selma Industrial, Inc. recorded in document number 2013-060-52076 of the Official Public Records of Comal County, Texas, said Tract 2 further described in a Vacating Declaration recorded in document number 2014-060-13917 of the Official Public Records of Comal County, Texas, and all out of the Vincente Micheli Survey No. 114, Abstract 383 in Comal County, Texas. Said 89.693 acre tract 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;

BEGINNING: At a found iron rod with yellow cap marked "Pape-Dawson" on the northwest right-of-way line of Lookout Road, a variable width public right-of-way, at a southeast corner of said Tract 2 acre tract and on the northeast line of a called 15.2 acre tract described in deed to Garry A. Friesenhahn and recorded in document number 2012-060-45502 of the Official Public Records of Comal County, Texas, from which a found iron rod with cap stamped "C&B" bears, S 30°34'22" E, a distance of 30.00 feet for the east corner of said 15.2 acre tract;

THENCE: N 30°34'22" W, departing said northwest right-of-way line of said Lookout Road, with the line of said Tract 2 and the northeast line of said 15.2 acre tract, a distance of 870.70 feet to a found ½" iron rod at the north corner of said 15.2 acre tract and a west corner of said Tract 2 on a southeast line of said Tract 1, also being a reentrant corner of the herein described tract;

THENCE: S 59°36'47" W, continuing with line of said Tract 1 and the northwest line of said 15.2 acre tract, a distance of 816.11 feet to a found ½" iron rod at an angle point on the northwest line of said 15.2 acre tract, a south corner of said Tract 1 and the east corner of a 26.12 acre tract described in deed to William F. Mueller, Jr. recorded in document number 2008-060-04057 of the Official Public Records of Comal County, Texas, for a south corner of the herein described tract;

THENCE: Continuing with the line of said Tract 1 and the lines of said 26.12 acre tract, the following bearings and distances:

N 44°49'44" W, a distance of 348.54 feet to a found iron rod with cap stamped "Halff";

N 40°16'57" W, a distance of 722.72 feet to a found iron rod with cap stamped "GRE";

S 54°55'13" W, a distance of 199.59 feet to a found ½" iron rod;

N 31°59'13" W, a distance of 540.65 feet to a found iron rod with cap stamped "Halff" at a north corner of said 26.12 acre tract and a southwest corner of said Tract 1, on the southeast line of a called 2 acre tract described in deed to Sahm Cemetery recorded in Volume 32, Pages 637-639 of the Deed Records of Comal County, Texas, from which a found iron rod with cap stamped "GRE" bears N 31°59'13" W, 4.61 feet;

THENCE: N 61°57'17" E, continuing with the line of said Tract 1, with the southeast line of said 2 acre tract, a distance of 136.78 feet to a found iron rod with cap stamped "Halff" at the east corner of said 2 acre tract and a reentrant corner of said Tract 1;

THENCE: N 28°02'43" W, continuing with the line of said Tract 1, with the northeast line of said 2 acre tract, a distance of 216.67 feet to a found iron rod with cap stamped "Halff" at the north corner of said Lot 2, a corner of said Tract 1, on the southeast right-of-way line of the Union Pacific Railroad described in Volume Z, Pages 210-211 of the Deed Records of Comal County, Texas, for a corner of the herein described tract;

THENCE: Continuing with the line of said Tract 1 and the southeast right-of-way line of said Union Pacific Railroad, the following bearings and distances:

N 61°53'19" E, at a distance of 484.6 feet passing a found iron road with cap marked "Halff" and continuing for a total distance of 581.28 feet to a found iron rod with yellow cap marked "Pape-Dawson" from which a found iron road with cap marked "GRE" bears S 89°24'41" W, 5.84 feet;

N 28°06'41" W, a distance of 25.00 feet to a found iron rod with yellow cap marked "Pape-Dawson";

N 61°53'19" E, a distance of 1657.31 feet to a set ½" iron rod with cap marked "Pape-Dawson" for the north corner of the herein described tract;

THENCE: S 30°28'41" E, departing the southeast right-of-way line of said Union Pacific Railroad and the northwest line of said Tract 1, over and across said Tract 1 passing at a distance of 1611.9 feet a southeast line of said Tract 1 and a northwest line of said Tract 2, continuing over and across said Tract 2, for a total distance of 1716.76 feet to a set ½" iron rod with cap marked "Pape-Dawson";

THENCE: S 59°25'22" W, continuing over and across said Tract 2, passing at a distance of 36.3 feet, a northwest line of said Tract 2 and a southeast line of said Tract 1, continuing over and across said Tract 1 for a total distance of 1064.81 feet to a set ½" iron rod with cap marked "Pape-Dawson";

THENCE: S 30°34'22" E, continuing over and across said Tract 1, passing at a distance of 0.2 feet, a southeast line of said Tract 1 and a northwest line of said Tract 2, continuing over and across said Tract 2 for a total distance of 870.70 feet to a set ½" iron rod with cap marked "Pape-Dawson" on a southeast line of said Tract 2 and the aforementioned northwest right-of-way line of said Lookout Road;

THENCE: S 59°23'36" W, with said northwest right-of-way line of said Lookout Road and the southeast line of said Tract 2, a distance of 80.00 feet to the POINT OF BEGINNING, and containing 89.693 acres in the City of Selma, Comal County, Texas. Said tract being described in accordance with a survey made on the ground and a survey description and map prepared under job number 9195-15 by Pape-Dawson Engineers, Inc.