

STATE OF TEXAS

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CITY OF SAN ANTONIO
TAX ABATEMENT AGREEMENT
FOR REAL AND PERSONAL PROPERTY
AND INVENTORY

COUNTY OF BEXAR

1. PARTIES

THIS AGREEMENT (the "Agreement") is entered into on this 17th day of August, 2010, by and among GLAZER'S WHOLESALE DRUG COMPANY, INC. (hereinafter referred to as "DISTRIBUTOR"), GLAZER INVESTMENTS, INC., a Texas corporation (hereinafter referred to as "GLAZER"), and the CITY OF SAN ANTONIO, a municipal corporation (hereinafter referred to as the "CITY"), acting by and through its City Manager under the authority of its City Council. GLAZER is the holder of the fee simple title to the real property described herein and has leased said property to DISTRIBUTOR as tenant. Tenant is the owner of certain personal property and equipment located within the improvements to be constructed on said real property, pursuant to a long term lease with GLAZER as landlord.

2. AUTHORIZATION AND FINDINGS

A. This Agreement is entered into pursuant to the following authorities:

1. The Texas Property Redevelopment and Tax Abatement Act of 1987, V.A.T.S. Tax Code, Chapter 312, as amended;
2. CITY COUNCIL RESOLUTION No. 89-07-12, dated the 15th day of February 1989, and most recently revised by Ordinance No. 2008-12-11-1169 on December 11, 2008, together which established the City of San Antonio Guidelines and Criteria for Tax Phase-In and Reinvestment Zones, (hereinafter referred to as the "Guidelines and Criteria");
3. Texas Government Code, Title 10, Subtitle G, Chapter 2303, Texas Enterprise Zone Act which designates property within a State Enterprise Zone as a REINVESTMENT ZONE (the "Zone") for the purposes of the Texas Property Redevelopment and Tax Abatement Act of 1987, V.A.T.S. Tax Code, Chapter 312; and
4. CITY COUNCIL ORDINANCE NO. 2010-~~08-19-0723~~, dated August 19, 2010, which specifically approves this Agreement and authorizes execution hereof.

B. The City Council, by its approval of this Agreement, hereby finds that the terms of this Agreement are within the Guidelines and Criteria and the approval of this Agreement

will not have any substantial long-term adverse effect on the provision of city services or the City's tax base. The City Council also finds that the planned use of the Property (defined below) inside the Zone by DISTRIBUTOR does not constitute a hazard to public safety, health or morals.

C. The City Council, by its approval of this Agreement, hereby finds that the terms of this Agreement are substantially similar to any Tax Abatement Agreement offered to DISTRIBUTOR by Bexar County.

3. **PROPERTY**

A. GLAZER is fee simple owner of real property located at 1200 BLOCK OF SOUTH CALLAGHAN ROAD AT 6000 STATE HIGHWAY 151 (the "Property"), legally described in Exhibit A, attached hereto and incorporated herein. The Property is within SAN ANTONIO ENTERPRISE ZONE, commonly known as the South Texas Business and Technology Park, thereby being designated a Reinvestment Zone for the purposes of the Texas Property Redevelopment and Tax Abatement Act of 1987, V.A.T.S. Tax Code, Chapter 312. GLAZER, as landlord, has leased the Property to DISTRIBUTOR, as tenant, pursuant to a long term lease.

B. DISTRIBUTOR is a wholesale distributor of wine, spirits, and other alcoholic beverages. DISTRIBUTOR intends to construct an approximate 250,000 sq. ft state-of-the-art tilt wall distribution and office facility equipped with the latest technology on the Property for the purpose of performing regional distribution, sales and marketing activities (the "Business Activities"). The Business Activities shall be conducted on the Property by DISTRIBUTOR or a Related Organization, as defined in Article 5, Paragraph I, for the entire term of this Agreement.

C. DISTRIBUTOR is investing approximately FIFTEEN MILLION DOLLARS (\$15,000,000.00) in real property (the "Real Property Improvements"), FIVE MILLION DOLLARS (\$5,000,000.00) in personal property (the "Personal Property Improvements") and TEN MILLION DOLLARS (\$10,000,000.00) in new inventory ("Inventory") to be located on the Property and used for DISTRIBUTOR's Business Activities. The Personal Property Improvements and Inventory shall not be placed on the Property sooner than the effective date of this Agreement.

D. DISTRIBUTOR shall establish a separate tax account for the Real and Personal Property Improvements related to this new real and personal property investment, with the Bexar Appraisal District and provide these tax account numbers to the CITY. The Personal Property Improvements account may include Inventory.

4. **DISTRIBUTOR'S REPRESENTATIONS**

A. DISTRIBUTOR represents that it has no knowledge that any interest in the Property is presently owned, held or leased by a member of the San Antonio City Council, Zoning Commission, Planning Commission, the City's Economic Development

Department, or any other City officer or employee. DISTRIBUTOR further represents that it shall not knowingly sell, lease or otherwise convey such an interest to a member of the San Antonio City Council, the Zoning Commission, the Planning Commission, the City's International and Economic Development Department or any other City officer or employee, as long as this Agreement remains in effect.

B. DISTRIBUTOR represents that there is no litigation pending against DISTRIBUTOR for any violations under the Occupational Safety and Health Act ("OSHA").

5. OBLIGATIONS OF DISTRIBUTOR

A. In addition to the obligations and duties imposed on DISTRIBUTOR by other incentive agreements it has entered into with the State of Texas, Bexar County and the City of San Antonio, DISTRIBUTOR and/or GLAZER, as applicable, shall:

1) own, hold an interest in or otherwise control the Real Property, Personal Property and Inventory that are the subject of this Agreement; and

2) invest, or cause to be invested, approximately FIFTEEN MILLION DOLLARS (\$15,000,000.00) in the Real Property Improvements; FIVE MILLION DOLLARS (\$5,000,000.00) in the Personal Property Improvements; and TEN MILLION DOLLARS (\$10,000,000.00) in New Inventory, defined as inventory exceeding NINE MILLION DOLLARS (\$9,000,000.00) by **August 31, 2012**; and

(3) shall hire a minimum of ONE HUNDRED (100) new full-time employees and retain ONE HUNDRED AND TWENTY FIVE (125) existing jobs in San Antonio for a cumulative total of TWO HUNDRED AND TWENTY-FIVE (225) full-time jobs with the place of employment on the Property for the Term of this Agreement as follows:

a. In Calendar Year 2012, DISTRIBUTOR shall retain ONE HUNDRED AND TWENTY FIVE (125) jobs and create a minimum of FIFTY (50) additional jobs for a cumulative total of ONE HUNDRED AND SEVENTY FIVE (175) jobs by December 31, 2012. Any jobs created prior to December 31, 2012, by DISTRIBUTOR in excess of the required FIFTY (50) jobs shall be counted toward meeting the requirements of Section 5(A)(3)(b) below.

b. In Calendar Year 2013, DISTRIBUTOR shall retain ONE HUNDRED AND SEVENTY FIVE (175) jobs and create an additional FIFTY (50) jobs for a cumulative total of TWO HUNDRED AND TWENTY FIVE (225) jobs by December 31, 2013.

c. In Calendar Years 2014 through 2022, DISTRIBUTOR shall retain TWO HUNDRED AND TWENTY FIVE (225) jobs in accordance with the terms of this Agreement.

and

(4) shall occupy and use the Property for its Business Activities for the Term of the Agreement; and

(5) shall materially comply with all other applicable terms of this Agreement.

B. DISTRIBUTOR covenants and agrees that it shall pay at least one hundred percent (100%) of its new and existing employees at the facility the City's effective prevailing "living" wage as determined by the City Council in its Tax Abatement Guidelines, which is ten dollars and sixty cents (\$10.60) per hour. After one year of initiating full operations at the project location, seventy percent (70%) of all new and existing employees must earn at least twelve dollars and seventy six cents (\$12.76) per hour.

C. A Full-Time Job, for the purposes of this Agreement, shall be equivalent to two thousand eighty (2,080) straight-time paid hours in a fiscal year.

D. DISTRIBUTOR covenants and agrees that it shall offer all of its non-temporary full-time employees employed on the Property substantially similar employee benefits as those employee benefits offered to similarly situated employees of DISTRIBUTOR.

E. DISTRIBUTOR covenants and agrees that it shall comply with all applicable federal and state laws governing the employment relationship between employers and employees.

F. DISTRIBUTOR also covenants and agrees that it shall conduct its Business Activities (as defined in Article 3, Paragraph A) on the Property in accordance with all applicable federal, state and local laws.

G. DISTRIBUTOR's construction of real property improvements to the Property shall be in accordance with all applicable federal, state and local laws including, but not limited to, Texas Commission on Environmental Quality regulations, Bexar County and City of San Antonio laws, Building Codes and ordinances, Historic Preservation and Urban Design ordinances, flood, subdivision, building, electrical, plumbing, fire and life safety codes and regulations, current and as amended.

I. Except as provided herein, DISTRIBUTOR covenants and agrees that it shall use the Property only to conduct its Business Activities. Without additional consent or approval required by the City Council, a parent, subsidiary or affiliate organization of DISTRIBUTOR or new entity created as a result of a merger, acquisition, or other corporate restructure or reorganization of DISTRIBUTOR, or any component thereof (hereinafter "Related Organization") may occupy and use the Property for such Related

Organization's normal business activities, so long as such business activities are those of DISTRIBUTOR or comparable to the Business Activities of DISTRIBUTOR on the Property. To be eligible for tax abatements as provided in this Agreement, such Related Organization must agree in writing to fully comply with all applicable terms of this Agreement. Except as authorized above, DISTRIBUTOR covenants and agrees not to change the principal use of the Property without prior approval by the City Council, as evidenced in a duly approved ordinance.

J. DISTRIBUTOR covenants and agrees that it shall maintain the Property and any constructed improvements in good repair and condition during the Tax Abatement Period, normal wear and tear and damage by fire or other casualty not caused as a result of the negligence, intentional act or misconduct of DISTRIBUTOR excepted. Compliance with the maintenance obligations imposed herein shall be presumed if DISTRIBUTOR follows its normal and customary maintenance procedures and schedules.

K. Upon five (5) business days' prior written notice to DISTRIBUTOR by CITY, DISTRIBUTOR covenants and agrees that it shall allow designated representatives of the CITY access to the Property during normal business hours for inspection to determine if the terms and conditions of this Agreement are being met. This inspection is independent of CITY'S police powers to inspect for purposes of assuring compliance with applicable City Codes and Ordinances. The CITY's access to DISTRIBUTOR's books and records will be limited to information needed to verify that DISTRIBUTOR is and has been conducting Business Activities, and to verify the number of full-time employees at the Facility. Any information that is not required by law to be made public shall be kept confidential by CITY. Should any good faith dispute or question arise as to the validity of the data provided, the CITY reserves the right to require DISTRIBUTOR to obtain an independent firm to verify the information. This certified statement by an independent firm shall be provided at the sole cost of DISTRIBUTOR. CITY representatives may be accompanied by DISTRIBUTOR representatives and such inspections shall be conducted in such a manner as to (a) not unreasonably interfere with the operation of the Property or the Facility; and (b) comply with DISTRIBUTOR's reasonable security requirements.

L. During the term of this Agreement, DISTRIBUTOR covenants and agrees to furnish each year, as applicable, the Chief Appraiser of Bexar Appraisal District with information outlined in Chapter 22, V.A.T.S. Tax Code, as amended, as may be necessary for the tax abatement and for appraisal purposes.

M. DISTRIBUTOR covenants and agrees that it shall provide the CITY's Director of International and Economic Development with a semi-annual certification from an officer of DISTRIBUTOR attesting to the number of full-time jobs created and maintained by the DISTRIBUTOR, as well as wages paid, by DISTRIBUTOR. DISTRIBUTOR shall also submit this information to the CITY upon request, as deemed necessary at the sole discretion of the CITY, during the term of this Agreement. The information provided shall be on the forms set forth in, or substantially similar to the forms set forth in, Exhibit "C" (attached hereto and incorporated herein), as amended.

N. DISTRIBUTOR covenants and agrees to make a good faith effort to hire local employees to fulfill its requirements under Article 5, Paragraph A. "Local" is defined, for the purposes of this Paragraph, as an employee whose principal residence is located within the city limits of the City of San Antonio or within the county limits of Bexar County. Additionally, and in accordance with the requirements of the Guidelines and Criteria, DISTRIBUTOR agrees to hire not less than TWENTY-FIVE PERCENT (25%) of all new jobs with employees who reside in Bexar County.

O. DISTRIBUTOR covenants and agrees to notify CITY in writing at least 30 days prior to any sale, transfer or sub-lease of the Property during the Term. CITY shall not unreasonably withhold approval of any requests for Assignment of this Agreement by DISTRIBUTOR under Article 11 and any new purchaser or transferee requesting Assignment shall be bound by same. Failure to provide the required notification under this Article 5, Paragraph O may render DISTRIBUTOR subject to the termination and recapture provisions under Article 7 without benefit of the Cure Period (as defined in Article 7, Paragraph E).

P. DISTRIBUTOR covenants and agrees to notify CITY in writing at least 30 days prior to Relocating or Ceasing its Business Activities (as defined in Article 7, Paragraphs B and C). Failure to provide the required notification under this Article 5, Paragraph P may render DISTRIBUTOR subject to the termination and recapture provisions under Article 7 without benefit of the Cure Period (as defined in Article 7, Paragraph E).

Q. If, during this Agreement DISTRIBUTOR fails to create and retain at least the minimum number of full-time jobs required under Article 5, Paragraph A of this Agreement, or DISTRIBUTOR fails to pay at least the minimum wages required under Article 5, Paragraph B of this Agreement for a period of three (3) or more consecutive months, then the termination and recapture provisions of Article 7 of this Agreement shall apply against DISTRIBUTOR.

R. If, during this Agreement, DISTRIBUTOR allows its ad valorem taxes due on the land, real and personal property or inventory and supplies to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest, or is in default with any loan which has been made by any CITY-sponsored loan/grant/bond program, then the termination and recapture provisions of Article 7 of this Agreement shall apply.

6. TAX ABATEMENT

A. The tax abatement period (the "Term") for the Real Property Improvements, Personal Property Improvements and Inventory shall be ten (10) years beginning on January 1, 2012. The base year for calculating the value of real property improvements and any personal property existing and located upon the Property prior to the effective date of this Agreement shall be January 1, 2011. The "Base Year Value" of the personal property not covered by this Agreement shall be its assessed value (determined by the

Bexar Appraisal District), as of the Base Year. This Agreement only provides for the abatement of taxes on tangible personal property and New Inventory brought onto the site after the execution of this Agreement.

B. At the commencement of the Term, DISTRIBUTOR shall own, have an interest in or otherwise control the Property and shall be conducting its Business Activities on a daily basis.

C. Provided that (i) DISTRIBUTOR has invested in Real Property Improvements, Personal Property Improvements and Inventory as described in Article 3, Paragraph A of this Agreement by August 31, 2012; (ii) DISTRIBUTOR has hired and retained the number of employees specified in Article 5, Paragraph A of this Agreement; (iii) DISTRIBUTOR is paying at least the minimum wages required under Article 5, Paragraph B of this Agreement; (iv) DISTRIBUTOR uses the Property for its Business Activities; and (v) DISTRIBUTOR is otherwise in compliance with the conditions of this Agreement, then ONE HUNDRED-PERCENT (100%) of the ad valorem taxes for the Real Property Improvements, Personal Property Improvements and Inventory, above the Base Year Value, shall be abated for the ten (10) year Term of this Agreement. There shall be no abatement of taxes for the underlying land value (and for purposes of this Agreement to be valued as undeveloped land).

D. DISTRIBUTOR acknowledges and agrees that the Base Year Value of the Property and the tax levy based on said Base Year Value of the Property in the Zone shall not decrease, but taxes may increase and that the amount of property taxes paid by DISTRIBUTOR to the CITY attributable to the Property during the Term shall not be less than the amount of taxes attributable to the Property paid to the CITY for the base year tax year, if any, except in the event of casualty or condemnation of the Property in the Zone.

E. DISTRIBUTOR shall have the right to protest appraisals of the Property, real or personal, or any portion thereof, over and above the Base Year Value as applicable.

7. DEFAULT/TERMINATION/RECAPTURE

A. For purposes of this section, "Relocation" or "Relocate" shall mean DISTRIBUTOR or a Related Organization which has taken the place of DISTRIBUTOR, transferring Business Activities to a location outside the Zone.

B. Should DISTRIBUTOR occupy and use the Property for its Business Activities and subsequently Relocates (as defined in this Article 7, Paragraph A) during the Term, unless such Relocation is caused by a Force Majeure, as defined in Article 8, then CITY shall have the right to terminate this Agreement by written notice to DISTRIBUTOR. Said termination shall be effective for the calendar year during which the Relocation occurred. Unless DISTRIBUTOR presents credible evidence to clearly indicate a date of Relocation, CITY's determination shall be final and conclusive.

Upon termination, any and all taxes otherwise abated for that calendar year and all previously abated taxes under this Agreement shall be recaptured by CITY and CITY shall be entitled to the payment of such recaptured taxes within sixty (60) calendar days from the date it notifies DISTRIBUTOR in writing of termination.

C. If DISTRIBUTOR occupies and uses the Property for its Business Activities and subsequently ceases conducting Business Activities (or a substantial portion thereof) at the site for a period of three (3) consecutive months during the Term of this Agreement for any reason, except if such cessation is caused by a Force Majeure as defined in Article 8, then the CITY shall have the right to terminate this Agreement by written notice to DISTRIBUTOR. Said terminations shall be effective for the calendar year during which the Property is no longer used for the required purposes stated herein. Unless DISTRIBUTOR presents credible evidence to clearly indicate a date of cessation, CITY's determination of a date of cessation shall be final and conclusive.

Upon termination, any and all taxes otherwise abated for that calendar year and all previously abated taxes under this Agreement shall be recaptured by CITY and CITY shall be entitled to the payment of such recaptured taxes within sixty (60) calendar days from the date it notifies DISTRIBUTOR in writing of termination.

D. If DISTRIBUTOR, a Related Organization or City-approved assignee fails to hire and retain the minimum number of permanent full-time employees as required in Article 5, Paragraph A above, calculated by the averaging of the two most current semi-annual Employee Wage Information for Tax Phase-In Request Forms, or substantially similar form, (Exhibit "E") for such calendar year of noncompliance, then for each such calendar year of noncompliance, the tax abatement shall be reduced in the following tax year by the same percentage as the deficiency in the number of employees. For example, if DISTRIBUTOR hires and retains ninety percent (90%) of the minimum number of full-time employees in a given year, DISTRIBUTOR shall be entitled to ninety percent (90%) of the ad valorem personal property tax abatement for the Property for that following year, subject to a floor of fifty percent (50%). Should DISTRIBUTOR fail to hire and retain at least fifty percent (50%) of the minimum number of full-time employees in a given year then, at the option of CITY, this failure may be grounds for termination of this Agreement by written notice from CITY to DISTRIBUTOR. Said termination shall be effective for the calendar year during which the minimum number of permanent full-time employees stated herein have not been hired or retained as required.

Upon termination, any and all taxes otherwise abated for that calendar year and all previously abated taxes under this Agreement shall be recaptured by CITY and CITY shall be entitled to the payment of such recaptured taxes within sixty (60) calendar days from the date it notifies DISTRIBUTOR in writing of termination.

E. During the Term, CITY may declare a default if DISTRIBUTOR fails to comply with any of the terms of this Agreement and such failure is not cured within the Cure Period, as defined below. Should CITY determine DISTRIBUTOR is in default under any of the terms of this Agreement, CITY will notify DISTRIBUTOR in writing at the

address below in Article 9. If said default is not cured within sixty (60) calendar days from the date of receipt by DISTRIBUTOR of such notice (hereinafter the "Cure Period"), then CITY shall have the right to terminate this Agreement by written notice to DISTRIBUTOR. CITY may, in its sole discretion, extend the Cure Period if DISTRIBUTOR commences the cure within the Cure Period and DISTRIBUTOR is diligently pursuing such cure. If the Agreement is terminated as a result of default, all taxes abated shall be due for the tax year during which the termination occurred and shall accrue without further abatements for all tax years thereafter; in addition, CITY shall have the right to recapture from DISTRIBUTOR all previously abated property taxes under this Agreement and said taxes shall be paid by DISTRIBUTOR within sixty (60) calendar days of receiving CITY'S written notification of recapture.

F. Other Remedies Available. CITY shall have the right to seek any remedy at law to which it may be entitled, in addition to termination and/or recapture, if DISTRIBUTOR defaults under the terms of this Agreement. However, such termination and/or recapture shall be subject to any and all lawful offsets, settlements, deductions or credits to which DISTRIBUTOR may be entitled. The termination and/or recapture of taxes provided in this Article 7 are not applicable to situations involving minor changes to the description of the Property, or changes in ownership or in management thereof, so long as DISTRIBUTOR, its parent, subsidiary, affiliate or its CITY-approved successor or assignee continues conducting Business Activities or other authorized activities thereon as provided hereinabove.

G. Calculation of Taxes Subject to Recapture. If DISTRIBUTOR defaults under any of the terms of this Agreement including, but not limited to, those pertaining to this Article 7 then the City Council shall have the right to recapture from DISTRIBUTOR a percentage of the abated personal property taxes based on the following table:

TERM YEAR	TOTAL TAX PREVIOUSLY ABATED SHALL BE MULTIPLIED BY:
1-10	100%
11-12	80%
13	60%
14	40%
15	20%
16	10%

FORMULA: The recapture formula shall be:

$$\begin{array}{rcl}
 \text{Total Taxes Abated} & \times & \text{Applicable Percentage} \\
 & & \text{from above Schedule} \\
 & & = \\
 & & \text{Amount to be Recaptured}
 \end{array}$$

CITY shall recalculate the amount of recapture pertaining to each tax year utilizing the above formula. A bill for each year will then be sent to DISTRIBUTOR.

8. **AUTHORIZED RELIEF FROM PERFORMANCE (Force Majeure)**

For purposes of this section, "Force Majeure" is defined as an act of God or natural disaster. It also includes explosion or other casualty or accident which is not the result of negligence, intentional act or misconduct on the part of DISTRIBUTOR. In addition to relief expressly granted in this Agreement, CITY may grant relief from performance of this Agreement if DISTRIBUTOR is prevented from compliance and performance by an event of Force Majeure. The burden of proof for the need for such relief shall rest upon DISTRIBUTOR. To obtain release based upon this Article 8, DISTRIBUTOR must file a written request with the CITY'S Economic Development Department for processing to City Council for a decision, authorized by a duly approved Ordinance.

9. **NOTICE**

Any notice required or permitted to be given hereunder by one party to the other shall be in writing and the same shall be given and shall be deemed to have been served and given if: (a) delivered in person to the address set forth herein below for the party to whom the notice is given; (b) placed in the United States mail with postage prepaid, return receipt requested, properly addressed to such party at the address hereinafter specified; or (c) deposited, with fees prepaid, into the custody of a nationally recognized overnight delivery service such as FedEx, addressed to such party at the address hereinafter specified. Any notice mailed in the above manner shall be effective upon its deposit into the custody of the United States Postal Service or such nationally recognized delivery service as applicable; all other notices shall be effective upon receipt. From time to time, either party may designate another address for all purposes under this Agreement by giving the other party no less than ten (10) calendar days advance written notice of such change of address in accordance with the provisions hereof.

TO DISTRIBUTOR:

- (Whether personally delivered or mailed):

Glazer's Wholesale Drug Company, Inc.
Attn: Jack Westenberg
14911 Quorum Drive, Suite 400
Dallas, Texas 75254

WITH COPY TO:

Prager & Miller, P.C.
Attn: Jerome L. Prager, Esq.
14911 Quorum Drive, Suite 320
Dallas, Texas 75254

TO GLAZER:

Glazer Investments, Inc.
Attn: Bennett J. Glazer, President
14911 Quorum Drive, Suite 400
Dallas, Texas 75254

WITH COPY TO:

Prager & Miller, P.C.
Attn: Jerome L. Prager, Esq.
14911 Quorum Drive, Suite 320
Dallas, Texas 75254

TO CITY:

- If mailed:

Economic Development Department
Attn: Director
P.O. Box 839966
San Antonio, Texas 78283-3966

- If by personal or overnight delivery:

Economic Development Department
Attn: Director
City Hall, 4th Floor
Military Plaza
San Antonio, Texas 78205

10. **CONDITION**

This Agreement is conditioned entirely upon the approval of the San Antonio City Council, as evidenced by duly approved Ordinance Number 2010-08-19-0723 dated August 19, 2010.

11. ASSIGNMENT

Except as otherwise expressly provided herein, this Agreement may be assigned or otherwise transferred only with City Council's prior approval (which approval shall not be unreasonably withheld or delayed), as reflected in a duly adopted ordinance. DISTRIBUTOR must submit a written request to CITY for approval of the proposed assignment or other transfer at least thirty (30) days prior to the effective date of the assignment or transfer of any part of the Property; however, no City Council consent is required for an assignment or transfer to a parent of DISTRIBUTOR, a subsidiary of DISTRIBUTOR, an affiliate entity of DISTRIBUTOR, or to any new entity created as a result of a merger, acquisition or other corporate restructure or reorganization of DISTRIBUTOR. However, DISTRIBUTOR shall give CITY prior written notice of all assignments or other transfers that do not require City Council consent, as required under Article 5, Paragraph P. All future assignees shall be bound by all terms and/or provisions and representations of this Agreement.

12. GENERAL PROVISIONS

A. None of the property improvements described in this Agreement are financed by tax increment bonds.

B. This Agreement is entered into subject to the rights of the holders of outstanding bonds of the CITY related to this project. No bonds for which the CITY is liable have been used to finance this project.

C. No amendment, modification, or alteration of the terms hereof shall be binding unless in writing dated subsequent to the date of this Agreement and duly authorized by the parties. DISTRIBUTOR acknowledges that City Council approval is required for any and all of these actions.

D. DISTRIBUTOR understands and agrees that if DISTRIBUTOR is a "business" and if the City's contribution under this Agreement is a "public subsidy" as that term is defined in Chapter 2264 of Subtitle F, Title 10 of the Government Code (80 (R) HB 1196), then DISTRIBUTOR is required to refund money, pursuant to 80(R) HB 1196, DISTRIBUTOR has received from City through this Agreement, in the event of a conviction of knowingly employing an undocumented worker, with repayment required within six months of final conviction. Interest shall accrue at the rate of .5% per month until the time of such repayment from the date of final conviction.

13. SPECIAL CONDITIONS AND TERMS

DISTRIBUTOR understands and agrees that if DISTRIBUTOR is a "business" and if the CITY's incentive under this Agreement is a "public subsidy" as that term is defined in Chapter 2264 of Subtitle F, Title 10 of the Government Code, as amended, then in the event of DISTRIBUTOR's conviction of knowingly employing an undocumented worker, DISTRIBUTOR shall return all funds that DISTRIBUTOR has received from CITY through this Agreement, with repayment required within six (6) months of final conviction. Interest shall accrue at the rate of .5% per month until the time of such repayment from the date of final conviction.

14. SEVERABILITY

In the event any section, subsection, paragraph, subparagraph, or sentence herein is held invalid, illegal or unenforceable, the balance of this Agreement shall stand, shall be enforceable and shall be read as if the parties intended at all times to delete said invalid section, subsection, paragraph, subparagraph, or sentence. In such event there shall be substituted for such deleted provisions a provision as similar as possible in terms and in effect to such deleted provision that is valid, legal and enforceable. This Agreement constitutes the entire Agreement between the parties hereto relating to the subject matter contained herein and supersedes all prior, oral or written agreements, commitments or understandings with respect to the matters provided for herein.

15. ESTOPPEL CERTIFICATE

Any party hereto may request an estoppel certificate related to this project (hereafter referred to as "Certificate") from another party hereto so long as the Certificate is requested in connection with a bona fide business purpose. The Certificate, which if requested, will be addressed to a subsequent purchaser or assignee of DISTRIBUTOR or other party designated by DISTRIBUTOR which shall include, but not necessarily be limited to, statements that this Agreement is in full force and effect without default, if such is the case, the remaining Term of this Agreement, the levels of tax abatement in effect, and such other matters reasonably requested by the party(ies) to receive the Certificate.

16. OWNER STANDING

Each of GLAZER and DISTRIBUTOR, as a party to this Agreement, shall be deemed a proper and necessary party in any litigation questioning or challenging the validity of this Agreement or any of the underlying ordinances, resolutions, or City Council actions authorizing same, and each of GLAZER and DISTRIBUTOR shall be entitled to intervene in said litigation.

17. APPLICABLE LAW

This Agreement shall be governed by, and construed under the laws of the State of Texas and is performable in Bexar County, Texas, the location of the ZONE.

18. TRIPLICATE ORIGINALS

This Agreement shall be executed in quadruplicate originals, with an original delivered to each party and one to the City Clerk of the City of San Antonio.

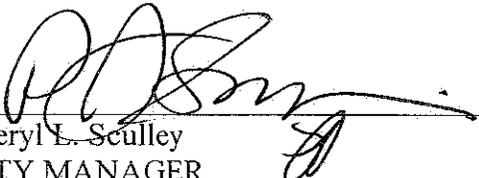
Signatures appear on next page.

WITNESS OUR HANDS, EFFECTIVE as of August 19, 2010:

Accepted and executed in triplicate originals on behalf of the City of San Antonio pursuant to Ordinance Number 2010-~~08-19-0723~~ dated August 19, 2010, and Glazer's Wholesale Drug Company, Inc. pursuant to the authority of its President.

CITY OF SAN ANTONIO,
a Texas Municipal Corporation

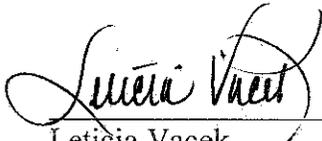
**GLAZER'S WHOLESALE
DRUG COMPANY, INC.,** a
Texas corporation


Sheryl L. Sculley
CITY MANAGER

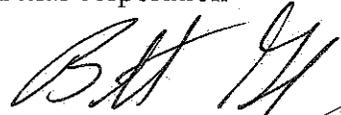

Name: Bennett J. Glazer
Title: President

ATTEST

**GLAZER INVESTMENTS,
INC.,** a Texas corporation


Leticia Vacek
CITY CLERK



By: 
Name: Bennett J. Glazer
Title: President

APPROVED AS TO FORM:

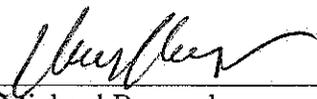

Michael Bernard
CITY ATTORNEY

Exhibit A: Property Description

Field notes for a Tract of Land containing 35.078 Acres (1,527,986.80 square feet) being Lot 2, Lot 3 and Lot 4, Block 9, N.C.B. 11379, Southwest Business and Technology Park Subdivision Unit -3, City of San Antonio, Bexar County, Texas as recorded in Volume 9569, Pages 211-216 of the Deed and Plat Records of Bexar County, Texas and being more particularly described by metes and bounds as surveyed as follows:

BEGINNING: at a ½" iron pin set with a plastic cap marked COSA CIMS set along the southeast cutback line of State Highway 151 and South Callaghan Road, said point being the northernmost corner of Lot 2, Block 9, N.C.B. 11379, Southwest Business and Technology Park Subdivision Unit -3, City of San Antonio, Bexar County, Texas as recorded in Volume 9569, Pages 211-216 of the Deed and Plat Records of Bexar County, Texas for a corner of this tract;

THENCE: S64°02'13" E with the southwest right-of-way line of State Highway 151 and the northeast boundary line of Lot 2, Block 9, N.C.B. 11379 a distance of 589.34 feet to a P-K nail set in a concrete base for a corner of this tract;

THENCE: S 62°07'41" E with the southwest right-of-way line of State Highway 151 and the northeast boundary line of Lot 2 and Lot 4, Block 9, N.C.B. 11379 a distance of 660.07 feet to a ½" iron pin with a plastic cap marked COSA CIMS set along the point of curvature of a circular curve to the right having a radius of 2,689.79 feet and a central angle of 10°18'46" and having a chord bearing and distance of S 56°58'18" E - 483.48 feet for a corner of this tract;

THENCE: in a southeasterly direction with the southwest right-of-way line of State Highway 151 and the northeast boundary line of Lot 4, Block 9, N.C.B. 11379 and with arc of said circular curve to the right an arc distance of 484.14 feet to a ½" iron pin with a plastic cap marked COSA CIMS set at the northeast corner of said Lot 4, Block 9, N.C.B. 11379 for the northeast corner of this tract;

THENCE: S 0°01'29" W with the east boundary line of Lot 4, Block 9, N.C.B. 11379 a distance of 506.65 feet to a ½" iron pin with a plastic cap marked COSA CIMS set at the southeast corner of said Lot 4, Block 9, N.C.B. 11379 for the southeast corner of this tract;

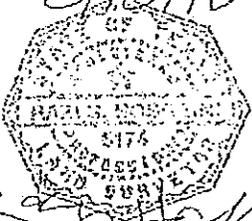
THENCE: S 89°47'33" W with the south boundary line of Lot 4 and Lot 3, Block 9, N.C.B. 11379 a distance of 1,578.29 feet to a ½" iron pin with a plastic cap marked COSA CIMS set along the east right-of-way line of South Callaghan Road, said point also being the southwest corner of said Lot 3 for the southwest corner of this tract;

THENCE: N 0°12'27" W with the east right-of-way line of South Callaghan Road and the west boundary line of Lot 3 and Lot 2, Block 9, N.C.B. 11379 a distance of

1501.88 feet to a 1/2" iron pin with a plastic cap marked COSA CIMS set in the ground at the southernmost point of the southeast cutback line of State Highway 151, said point also being a corner of said Lot 2 for a corner of this tract;

THENCE: N 57°48'14" E with the southeast cutback line of South Callaghan Road and State Highway 151 and the northwest boundary line of Lot 2, Block 9, N.C.B. 11379 a distance of 76.22 feet to the POINT OF BEGINNING for this tract of land containing 35.078 Acres (1,527,986.80 square feet), more or less.

8/18/10



Robert J. H. Young

The seal is a circular notary seal for Robert J. H. Young, a Notary Public in the State of North Carolina. The seal contains the text "NOTARY PUBLIC STATE OF NORTH CAROLINA" and the year "2008". The seal is stamped over the signature.

EXHIBIT B: EMPLOYEE BENEFITS

**GLAZER'S FAMILY OF COMPANIES
2010 BENEFITS OVERVIEW**

Personal Benefits:

Vacation	2 weeks after one full year of service 3 weeks starting eighth calendar year 4 weeks starting fifteenth calendar year
Sick Leave	5 days paid sick leave each calendar year (No carry over to next year on Vacation or Sick Leave)
Personal Day	1 day each year on anniversary date (No carry over to next anniversary year on Personal Day)

Disability Pay

Short-term - 60% of your base salary up to 12 weeks for non-occupational injury or illness

Long-term: Base - 60% of W2 earnings up to \$2,000/month payable for 2 years
 Buy-up – 60% of W2 earnings up to \$6,000/month payable to age 65

Life Insurance

Company paid term life – based on job class.
Minimum \$10,000
Optional Life – Universal Whole Life and Term Life. Available for employees and their dependents.
Premiums paid by employee through payroll deduction.

Medical Plan

United Health Care PPO Medical plan			
	Plan A (90/10)	Plan B (80/20)	
Office visit co-pay.	\$20	\$25	
Office Specialist co-pay.	\$35	\$40	
Individual/Fam Cal Yr Deductible and Cal Yr Out of Pocket Max			
In-network benefit	\$ 400/\$1,200	\$ 800/\$2,400	
Out of Pocket Max	\$1,250/\$3,750	\$2,000/\$6,000	
Out-of-network	\$ 800/\$2,400	\$1,600/\$4,800	
Out of Pocket Max	No Maximum	No Maximum	
Prescription – 30 days	\$20Gen	\$20Gen	
	30%Brand\$45Max	30%Brand\$45Max	
Mail order – 90 days	\$45Gen	\$45Gen	
	30%Brand\$60Max	30%Brand\$60Max	
Lifetime Maximum per Ind	\$2,000,000	\$2,000,000	

Dental Plan

MetLife PPO Dental plan – 100% for cleaning; 80% Basic; 50% Major Services
Individual/Fam Cal Yr Deductible \$50/\$150
Calendar year maximum - \$1500
Orthodontia - \$1500 lifetime

Monthly Medical/Dental Cost

	<i>Plan A</i>	<i>Plan B</i>	<i>Dental</i>
Employee only	\$ 85.00	\$ 35.00	\$12.50
Employee spouse	\$275.00	\$165.00	\$25.00
Employee spouse w/surcharge	\$425.00	\$315.00	
Employee children	\$225.00	\$140.00	\$25.00
Family	\$350.00	\$180.00	\$27.50
Family w/surcharge	\$500.00	\$330.00	
Employee only	\$433.66	\$349.64	\$24.68
Employee spouse	\$954.06	\$769.20	\$51.84
Employee & Child	\$780.59	\$629.35	\$46.90
Family	\$1387.71	\$1118.84	\$78.99

COBRA

Healthcare – maximum annual election \$5000
Dependent Care – maximum annual election \$5000

401K

Maximum deferral – 15% (\$16,500)
Company match – 50% of first 4% employee contributes – Active 12/31 to receive match
Catch-up Provision (\$5500)
Vesting - 25% 2 years; 50% 3 years; 75% 4 years; 100% 5 years

Tuition Reimbursement

Semester maximum - \$1000
Calendar year maximum - \$3000

EMPLOYMENT C: NUMBER OF JOBS AND WAGE INFORMATION FORM

FIRST AMENDMENT TO THE TAX ABATEMENT AGREEMENT

**BETWEEN THE CITY OF SAN ANTONIO AND GLAZER'S WHOLESALE
DRUG COMPANY, INC.**

This First Amendment to the Tax Abatement Agreement (this "First Amendment") is entered into by and between the City of San Antonio ("City"), a municipal corporation governed by the laws of the State of Texas and Glazer's Inc. ("Glazers"), a Texas corporation. Together, City and Glazers may be referred to, herein, as the "Party" or collectively as "the Parties."

RECITALS

A. City and Glazers entered into that certain TAX ABATEMENT AGREEMENT (the "Agreement") authorized by City of San Antonio Ordinance No. 2010-08-19-0723, passed and approved on August 19, 2010, and attached hereto as EXHIBIT A.

B. The Parties, now seek to amend the terms and conditions of the Agreement as stated in this First Amendment and affirm that all other provisions of the Agreement remain in full force and effect.

AMENDMENT

NOW THEREFORE, the Parties hereby agree and amend as follows:

1. Definitions. All capitalized terms used in this First Amendment without definition herein shall have the meanings assigned to such terms in the Agreement.
2. Amendment. The Parties hereby mutually agree to amend the Agreement as follows:
 - (A) Section 3(A) is amended by replacing Exhibit A with the attached Exhibit A1, which includes additional acreage purchased by Glazers.
 - (B) Section 3(B) is amended by deleting "250,000 sq. ft." and replacing with "450,000 sq. ft."
 - (C) Section 3(C) is amended by deleting it in its entirety and replacing with the following:

DISTRIBUTOR is investing approximately THIRTY-TWO MILLION DOLLARS (\$32,000,000.00) in real property and personal property improvements (the "Improvements") and TEN MILLION DOLLARS (\$10,000,000.00) in new inventory ("Inventory") to be located on the Property and used for DISTRIBUTOR's Business Activities. The

Personal Property Improvements and Inventory shall not be placed on the Property sooner than the effective date of this Agreement.

- (D) Section 5 (A)(2) is amended by deleting it in its entirety and replacing with the following:

“invest, or cause to be invested, approximately THIRTY-TWO MILLION DOLLARS (\$32,000,000.00) in Real and Personal Property Improvements and TEN MILLION DOLLARS (\$10,000,000.00) in New Inventory, defined as inventory exceeding NINE MILLION DOLLARS (\$9,000,000.00) by August 31, 2013; and “

- (E) Section 5(A)(3)(a) is amended by deleting it in its entirety and replacing with the following:

“shall hire a minimum of ONE HUNDRED (100) new full-time employees and retain THREE HUNDRED AND FIFTY (350) existing full-time jobs in San Antonio for a cumulative total of FOUR HUNDRED AND FIFTY (450) full-time jobs with the place of employment on the Property for the Term of this Agreement as follows:

- a. In Calendar Year 2013, DISTRIBUTOR shall retain THREE HUNDRED AND FIFTY (350) full-time jobs and create an additional FIFTY (50) full-time jobs for a cumulative total of FOUR HUNDRED (400) full-time jobs by December 31, 2013.
- b. In Calendar Year 2014, DISTRIBUTOR shall retain FOUR HUNDRED (400) full-time jobs and create an additional FIFTY (50) full-time jobs for a cumulative total of FOUR HUNDRED AND FIFTY (450) full-time jobs by December 31, 2014.
- c. In Calendar Years 2015 through 2023, DISTRIBUTOR shall retain FOUR HUNDRED AND FIFTY (450) full-time jobs in accordance with the terms of this Agreement.”

- (F) Section 6(A) is amended by replacing the date for commencement of the abatement period from “January 1, 2012” to “January 1, 2014” and replacing the Tax Base Year date from “January 1, 2011” to “January 1, 2012.”

- (G) Section 6(C) is amended by replacing “December 31, 2012” to “December 31, 2013.”

3. Effective Date. This First Amendment shall be effective upon passage of a duly authorized ordinance of the City Council of the City of San Antonio which shall be attached hereto as Attachment II and made a part of this First Amendment.
4. No Other Changes. Except as specifically set forth in this First Amendment, all of the terms and conditions of the Agreement shall remain the same and are hereby ratified and confirmed. The Agreement shall continue in full force and effect and with this First Amendment shall be read and construed as one instrument.
5. Choice of Law. This First Amendment shall be construed in accordance with and governed by the laws of the State of Texas.
6. Counterparts. This First Amendment may be executed in any number of counterparts, but all such counterparts shall together constitute but one instrument. In making proof of this First Amendment it shall not be necessary to produce or account for more than one counterpart signed by each party hereto by and against which enforcement hereof is sought.

WITNESS HEREOF, the parties hereto have executed in triplicate originals this First Amendment on the 10th day of February 2012.

CITY OF SAN ANTONIO
a municipal corporation



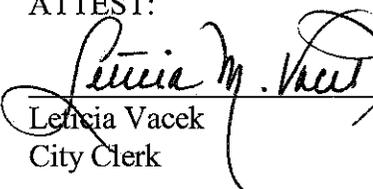
Sheryl L. Sculley
City Manager

Glazers, Inc.
a Texas corporation



Name: Bennett J. Glazer
Title: President

ATTEST:



Leticia Vacek
City Clerk

ATTEST (if necessary):

Name:
Title:

APPROVED AS TO FORM:



Michael D. Bernard
City Attorney



STATE OF TEXAS §
 § DONATION AGREEMENT
COUNTY OF BEXAR §

This AGREEMENT is entered into by and between the City of San Antonio, a Texas Municipal Corporation, (“CITY”), acting by and through its City Manager or designee, pursuant to Ordinance No. 2012-012 ⁰²⁻⁰⁰¹⁸⁰, passed and approved on ~~January~~ ^{February 2} 2012, and Glazer’s, Inc. dba Glazer’s Distributors (“GLAZER’s”), a Texas Corporation, acting by and through its Vice President of Operations, Mr. Pat McNamara, (collectively the “Parties”).

WHEREAS, GLAZER’s plans to construct a state-of-the-art facility at the Southwest Business and Technology Park located on the southeast corner of State Highway 151 and S. Callaghan Road (the “Property”); and

WHEREAS, GLAZER’s plans to invest \$32 million in the Property and create 100 jobs and retain 350 jobs at the Property, which is located within the Inner City Reinvestment/Infill Policy (ICRIP) Target Area; and

WHEREAS, it is the intent of the Parties that CITY and GLAZER’s shall enter into a 10-year tax abatement agreement on the Property, that CITY shall nominate GLAZER’s for designation as a State Enterprise Project, that GLAZER’s shall purchase the Property and that CITY shall provide other economic incentives, such as CITY development and SAWS Impact Fee waivers and payment of the storm water fee up to the amount of \$105,000.00; and

WHEREAS, in return for these incentives, GLAZER’s agrees to cooperate with CITY in developing an exit strategy from its current Eastside location and assisting the City in promoting redevelopment in targeted areas of the City and GLAZER’s agrees to make the contribution set forth in this Donation Agreement (“Agreement”), which is a separate obligation from its donation agreement for the benefit of San Antonio for Growth on the Eastside; **NOW THEREFORE**

For and in consideration of the following mutual promises and obligations, the Parties agree as follows:

1. GLAZER’s shall donate to CITY for the benefit of revitalization and redevelopment efforts in the ICRIP Target Area, including the area supported by the Westside Development Corporation, the following amounts: (a) twenty five thousand dollars and no cents (\$25,000.00) on or before the 1st day of April, 2014; (b) twenty five thousand dollars and no cents (\$25,000.00) on or before the 1st day of April 2015; and (c) twenty five thousand dollars and no cents (\$25,000.00) on or before the 1st day of April 2016.
2. CITY shall serve as the fiscal agent for the funds provided for in Paragraph 1 and shall only use and provide this funding to support economic redevelopment efforts and revitalization in the ICRIP Target Area, including the area supported by the Westside Development Corporation.
3. GLAZER’s represents, warrants, assures, and guarantees that it possesses the legal authority to enter into this Agreement and to perform the responsibilities required under this Agreement. The signer of this Agreement for GLAZER’S represents, warrants, assures and guarantees that he or she has full legal authority to execute this Agreement on behalf of GLAZER’s and to bind GLAZER’s to all terms, performances and provisions of this Agreement.
4. All alterations, additions, or deletions to the terms of this Agreement shall be by amendment in writing executed by both CITY and GLAZER’s, and subject to the approval of the City Council of the City of San Antonio, when such approval is required.

5. If any clause or provision of this Agreement is held invalid, illegal or unenforceable under present or future federal, state or local laws including, but not limited to, the City Charter, City Code or City ordinances then, and in that event, it is the intention of the Parties hereto that such invalidity, illegality or unenforceability shall not affect any other clause or provision hereof and that the remainder of this Agreement shall be construed as if such invalid, illegal or unenforceable clause or provision was never contained herein; it is also the intention of the Parties hereto that in lieu of each clause or provision of this Agreement that is invalid, illegal or unenforceable, there be added as a part of this Agreement a clause or provision as similar in terms to such invalid, illegal or unenforceable clause or provision as may be possible, legal, valid and enforceable.

6. No waiver by either Party of a breach of any of the terms, conditions, covenants or guarantees of this Agreement shall be construed or held to be a waiver of any succeeding or preceding breach of the same or any other term, condition, covenant or guarantee herein contained. Further, any failure of either Party to insist in any one or more cases upon the strict performance of any of the covenants of this Agreement, or to exercise any option herein contained, shall in no event be construed as a waiver or relinquishment for the future of such covenant or option. In fact, no waiver, change, modification or discharge by either Party hereto of any provision of this Agreement shall be deemed to have been made or shall be effective unless expressed in writing and signed by the Party to be charged.

7. No act or omission of a Party shall in any manner impair or prejudice any right, power, privilege or remedy available to such Party hereunder or by law or in equity, such rights, powers, privileges, or remedies are specifically preserved by this Agreement.

8. This Agreement constitutes the final and entire agreement between the Parties hereto and contains all of the terms and conditions agreed upon. No other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind the Parties hereto, unless this Agreement is amended as required in Paragraph 4.

9. In the event any disagreement or dispute should arise between the Parties hereto pertaining to the interpretation or meaning of any part of this Agreement or its governing rules, regulations, laws, codes or ordinances, CITY shall use reasonable rules of construction, but shall have the final authority to render or secure an interpretation.

10. For purposes of this Agreement, all official communications and notices among the Parties shall be deemed sufficient if in writing and mailed, registered or certified mail, postage prepaid, to the addresses set forth below:

CITY:

Pat DiGiovanni, Deputy City Manager
100 Military Plaza
San Antonio, Texas 78205

GLAZER'S:

Pat McNamara, Vice President of Operations
14911 Quorum Drive, Suite 400
Dallas, Texas 75254

with a copy to:

Alan N. Greenspan
Executive Vice President & General Counsel
14911 Quorum Drive, Suite 400
Dallas, Texas 75254

11. GLAZER's covenants and agrees that it is an independent contractor and not an officer, agent, servant or employee of CITY and that the doctrine of *respondeat superior* shall not apply as between CITY and GLAZER's, its officers, agents, employees, contractors, subcontractors and consultants, and nothing herein shall be construed as creating the relationship of employer-employee, principal-agent, partners or joint venturers between CITY and GLAZER's.

12. This Agreement shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the Parties created hereunder are performable in Bexar County, Texas.

13. This Agreement shall commence upon final execution and expire sixty (60) days after full compliance by GLAZER's with Paragraph 1.

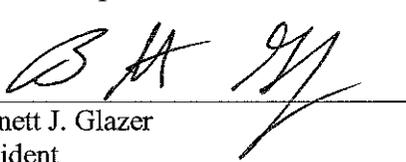
14. This Agreement shall automatically terminate in the event of termination of the tax abatement agreement between the Parties concerning the Property.

EXECUTED in duplicate originals this 10th day of February 2012.

CITY OF SAN ANTONIO
A Texas Municipal Corporation

GLAZER'S, INC.
d/b/a **GLAZER'S DISTRIBUTORS**
A Texas Corporation

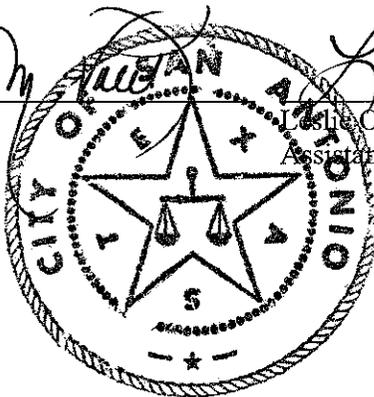

Pat DiGiovanni
Deputy City Manager

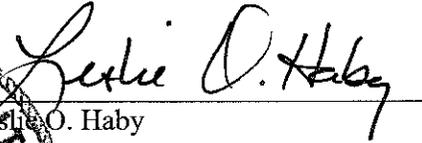

Bennett J. Glazer
President

ATTEST:

APPROVED AS TO FORM:


Leticia Vacek
City Clerk




Leslie O. Haby
Assistant City Attorney

AN ORDINANCE 2012-02-02-0078

APPROVING AN AMENDMENT TO THE TAX ABATEMENT AGREEMENT WITH GLAZER'S, INC. AND INCREASING SAWS IMPACT FEE WAIVERS FROM \$300,000.00 TO \$400,000.00 BASED ON ADDITIONAL INVESTMENT.

* * * * *

WHEREAS, the City Council approved a Tax Abatement Agreement with Glazer's, Inc. ("Glazer's) through City Ordinance 2010-08-19-0723 and SAWS impact fee waivers associated with the Glazer's project through City Ordinance 2010-11-04-0956 based upon an investment of \$26 million; and

WHEREAS, Glazer's acquired HALO distributing and has expanded the scope of its project to include additional square footage to its facility, additional job retention and creation, and an additional investment of \$6 million; and

WHEREAS, based upon its additional requirements, Glazer's is seeking additional time to complete construction of its new facility and is seeking an increase in its SAWS impact fee waivers based upon its additional investment; and

WHEREAS, City staff recommends approval of an amendment to the Tax Abatement Agreement to provide Glazer's with additional time to complete the project and recommends increasing the SAWS impact fees based upon Glazer's additional investment; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City Council approves the terms and conditions of the First Amendment to the Tax Abatement Agreement with Glazer's, Inc. and approves an increase in SAWS impact fee waivers from \$300,000.00 to \$400,000.00 based on Glazer's additional investment in the real and personal property improvements.

SECTION 2. The City Manager or her designee is authorized to execute the First Amendment to the Tax Abatement Agreement with Glazer's, Inc. in accordance with the terms and conditions of this Ordinance. A copy of the First Amendment, in substantially final form, is attached to this Ordinance as **Attachment I**. The final Amendment shall be filed with this Ordinance upon execution.

SECTION 3. This Ordinance shall be effective on the 10th day after passage.

PASSED AND APPROVED this 2nd day of FEBRUARY 2012.



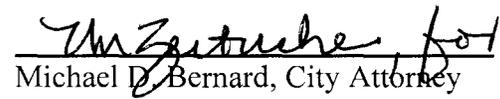
M A Y O R
Julián Castro

ATTEST:



Leticia M. Vacek, City Clerk

APPROVED AS TO FORM:



Michael D. Bernard, City Attorney



Request for
**COUNCIL
ACTION**

City of San Antonio



Agenda Voting Results - 22A

Name:	6, 7, 9, 10, 11, 12, 13, 14A, 14B, 14C, 14D, 14E, 14F, 16, 17, 18, 19, 20, 22A, 22B, 22C						
Date:	02/02/2012						
Time:	10:31:09 AM						
Vote Type:	Motion to Approve						
Description:	An Ordinance approving: (1) an Amendment to the existing Tax Abatement Agreement to change the term start date and add new investment and 225 retained jobs; and (2) an increase in the SAWS Impact Fee waiver from \$300,000.00 to \$400,000.00 based on additional investment;						
Result:	Passed						
Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Julián Castro	Mayor		x				
Diego Bernal	District 1		x				
Ivy R. Taylor	District 2	x					
Leticia Ozuna	District 3		x				
Rey Saldaña	District 4		x				
David Medina Jr.	District 5		x				
Ray Lopez	District 6		x			x	
Cris Medina	District 7		x				
W. Reed Williams	District 8		x				
Elisa Chan	District 9		x				x
Carlton Soules	District 10	x					

Attachment 1

FIRST AMENDMENT TO THE TAX ABATEMENT AGREEMENT

**BETWEEN THE CITY OF SAN ANTONIO AND GLAZER'S WHOLESALE
DRUG COMPANY, INC.**

This First Amendment to the Tax Abatement Agreement (this "First Amendment") is entered into by and between the City of San Antonio ("City"), a municipal corporation governed by the laws of the State of Texas and Glazer's Inc. ("Glazers"), a Texas corporation. Together, City and Glazers may be referred to, herein, as the "Party" or collectively as "the Parties."

RECITALS

A. City and Glazers entered into that certain TAX ABATEMENT AGREEMENT (the "Agreement") authorized by City of San Antonio Ordinance No. 2010-08-19-0723, passed and approved on August 19, 2010, and attached hereto as EXHIBIT A.

B. The Parties, now seek to amend the terms and conditions of the Agreement as stated in this First Amendment and affirm that all other provisions of the Agreement remain in full force and effect.

AMENDMENT

NOW THEREFORE, the Parties hereby agree and amend as follows:

1. Definitions. All capitalized terms used in this First Amendment without definition herein shall have the meanings assigned to such terms in the Agreement.
2. Amendment. The Parties hereby mutually agree to amend the Agreement as follows:
 - (A) Section 3(A) is amended by replacing Exhibit A with the attached Exhibit A1, which includes additional acreage purchased by Glazers.
 - (B) Section 3(B) is amended by deleting "250,000 sq. ft." and replacing with "450,000 sq. ft."
 - (C) Section 3(C) is amended by deleting it in its entirety and replacing with the following:

DISTRIBUTOR is investing approximately THIRTY-TWO MILLION DOLLARS (\$32,000,000.00) in real property and personal property improvements (the "Improvements") and TEN MILLION DOLLARS (\$10,000,000.00) in new inventory ("Inventory") to be located on the Property and used for DISTRIBUTOR's Business Activities. The

Personal Property Improvements and Inventory shall not be placed on the Property sooner than the effective date of this Agreement.

- (D) Section 5 (A)(2) is amended by deleting it in its entirety and replacing with the following:

“invest, or cause to be invested, approximately THIRTY-TWO MILLION DOLLARS (\$32,000,000.00) in Real and Personal Property Improvements and TEN MILLION DOLLARS (\$10,000,000.00) in New Inventory, defined as inventory exceeding NINE MILLION DOLLARS (\$9,000,000.00) by August 31, 2013; and “

- (E) Section 5(A)(3)(a) is amended by deleting it in its entirety and replacing with the following:

“shall hire a minimum of ONE HUNDRED (100) new full-time employees and retain THREE HUNDRED AND FIFTY (350) existing full-time jobs in San Antonio for a cumulative total of FOUR HUNDRED AND FIFTY (450) full-time jobs with the place of employment on the Property for the Term of this Agreement as follows:

- a. In Calendar Year 2013, DISTRIBUTOR shall retain THREE HUNDRED AND FIFTY (350) full-time jobs and create an additional FIFTY (50) full-time jobs for a cumulative total of FOUR HUNDRED (400) full-time jobs by December 31, 2013.
- b. In Calendar Year 2014, DISTRIBUTOR shall retain FOUR HUNDRED (400) full-time jobs and create an additional FIFTY (50) full-time jobs for a cumulative total of FOUR HUNDRED AND FIFTY (450) full-time jobs by December 31, 2014.
- c. In Calendar Years 2015 through 2023, DISTRIBUTOR shall retain FOUR HUNDRED AND FIFTY (450) full-time jobs in accordance with the terms of this Agreement.”

- (F) Section 6(A) is amended by replacing the date for commencement of the abatement period from “January 1, 2012” to “January 1, 2014” and replacing the Tax Base Year date from “January 1, 2011” to “January 1, 2012.”

- (G) Section 6(C) is amended by replacing “December 31, 2012” to “December 31, 2013.”

3. Effective Date. This First Amendment shall be effective upon passage of a duly authorized ordinance of the City Council of the City of San Antonio which shall be attached hereto as Attachment II and made a part of this First Amendment.
4. No Other Changes. Except as specifically set forth in this First Amendment, all of the terms and conditions of the Agreement shall remain the same and are hereby ratified and confirmed. The Agreement shall continue in full force and effect and with this First Amendment shall be read and construed as one instrument.
5. Choice of Law. This First Amendment shall be construed in accordance with and governed by the laws of the State of Texas.
6. Counterparts. This First Amendment may be executed in any number of counterparts, but all such counterparts shall together constitute but one instrument. In making proof of this First Amendment it shall not be necessary to produce or account for more than one counterpart signed by each party hereto by and against which enforcement hereof is sought.

WITNESS HEREOF, the parties hereto have executed in triplicate originals this First Amendment on the _____ day of _____ 2012.

CITY OF SAN ANTONIO
a municipal corporation

Glazers, Inc.
a Texas corporation

Sheryl L. Sculley
City Manager

Name:
Title:

ATTEST:

ATTEST (if necessary):

Leticia Vacek
City Clerk

Name:
Title:

APPROVED AS TO FORM:

Michael D. Bernard
City Attorney