SETON/SCC PROJECT AND ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT

FACTUAL RECITALS AND FINDINGS:

WHEREAS, Developer and/or Employer are the owners or have development rights for certain real property located within the City corporate limits and/or the extra territorial jurisdiction of the City, which shall be included in this Agreement after annexation into the City. The parcels are more particularly described in Exhibit "A" attached hereto containing a total of approximately 215 acres (hereinafter referred to as the "Property" or "Subdivision");

WHEREAS, Developer intends to construct, or cause to be constructed, on the western portion of the Property, a retail and commercial project, which is intended to include retail stores and restaurants, and may include a cinema, hotel, a range of non medical activities and some residential development (the "Retail Development");

WHEREAS, Employer intends to construct, or cause to be constructed, on the eastern portion of the Property a multi-phased project with a traditional phased hospital complex containing at full build out approximately two-hundred (200) beds and at least two medical office buildings (collectively the "Hospital Development") (the Retail Development and Hospital Development are sometimes collectively referred to herein as the "Project");

WHEREAS, the City finds the Hospital Development as proposed will bring significant economic development and professional employment to the community to promote and stimulate business and economic growth for the City as well as bringing much needed hospital services to the City;

WHEREAS, the Property, and/or immediately adjacent areas, will require significant roadway and utility upgrades as well as other infrastructure to support the Project for which the City and Hays County intend to participate in and/or provide reimbursements to the Employer based upon performance criteria set forth herein;

WHEREAS, the City funded the construction of FM 1626 and the IH-35 overpass, also known as Kyle Parkway, which dead ends in front of the Property;

WHEREAS, the construction of a public roadway through the Property from the current termination of Kyle Parkway would greatly enhance the connectivity of the City over the IH-35 corridor;

WHEREAS, Chapter 380, Texas Local Gov't Code, the City of Kyle Charter, the Texas Constitution and other applicable laws authorize the offering of economic incentives to bring employment and other valuable benefits to the community; and

WHEREAS, in consideration of the representations made by Employer and Developer to the City, and the covenants and agreements of the Employer and Developer set forth herein, the sufficiency of which is hereby acknowledged, the City Council has approved and authorized this Agreement for development reimbursements and economic incentives;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the Parties hereby contract, covenant and agree as follows:

Section 1. Authorization. This Agreement is authorized by law and is within the authority of the City and its Charter. The Parties intend to enter separate agreements between and/or among themselves and/or with Hays County to further facilitate this Agreement, but such other agreements are not a condition of authorization herein.

Section 2. Factual Recitals and Findings. The factual recitals and findings set forth above are found to be true and correct for all purposes, and are hereby incorporated into the body of this Agreement.

Section 3. Term. This Agreement shall be effective upon the date of the last signature below and shall expire on December 31, 2024; provided this Agreement shall terminate and expire earlier, subject to the provisions of Section 17 hereinafter pertaining to force majeure, upon: (A) the failure of the Developer to cause to be constructed and dedicated the Eligible Infrastructure on or before December 31, 2011; (B) failure of the Developer and/or Employer to plat and dedicate to the City all public road right-of-way generally shown in Exhibit "B" as necessary to serve the Project on or before September 1, 2008: or (C) failure of the Employer to cause to be constructed and a CO issued for Phase I of the Hospital Development on or before December 31, 2012. Developer's failure to construct and dedicate at least 75% of Eligible Infrastructure to the City on or before December 31, 2010 shall obligate the Developer to refund to the City any waived or rebated building fees on or before March 31, 2011.

Unless earlier terminated as set forth herein, this Agreement shall be effective until December 31, 2024, and all rights hereunder shall terminate save and except any right to payment of Tax Rebates for the calendar year 2024 should the Employer demonstrate eligibility; provided, the right to receive Tax Rebates shall not commence until the later of: (1) January 1, 2010; or (2) the date the Employer shall cause to be constructed and a CO issued for Phase I of the Hospital

Development (the "Tax Rebate Commencement Date"). Notwithstanding the foregoing, if a CO for Phase I of the Hospital Development has not been issued on or before January 1, 2010, the City will deposit Tax Rebates in an interest bearing escrow account in the City's depository account and will release such escrowed funds (including accrued interest thereon) when a CO for Phase I of the Hospital Development has been issued.

Once commenced, except for any years forfeited, the Employer shall be entitled to receive Economic Development Incentives in accordance with the economic incentive schedules set forth in Section 5 for years that Employer complies with its performance obligations set out in Section 8 below.

Section 4. Definitions. In addition to words otherwise set forth in quotes herein to explain or characterize a concept or entity, such words and the following definitions shall control when utilized herein to interpret this Agreement:

"Annual Reported Payroll" means the total salaries and wages reported by Employer in the Seton Medical Center – Hays financial reporting system.

"Calendar Year" or "Year" mean a twelve month period of time commencing January 1 and extending therefrom for a period of twelve months to December 31.

"Certificate of Occupancy" or "CO" mean the final document issued by the City entitled "Certificate of Occupancy" indicating that all applicable building codes, regulations, and ordinances have been unconditionally, fully, and completely complied with in all respects, and specifically shall not include any temporary or conditional document authorizing temporary or conditional occupancy.

"City" means the City of Kyle, Texas.

"<u>City Engineer</u>" means the engineer or engineering firm designated by the City to review, comment and oversee Developer's design, development and construction of any and all infrastructure improvements for the Project.

"Comply" and "compliance" mean timely, full, and complete performance of each and every requirement, obligation, duty, term, condition, or warranty as stated in this Agreement. "Comply" and "compliance" mean complete compliance in all material respects and does not mean substantial compliance, unless otherwise specifically stated.

"Construct" and "construction" mean construction in a good and workmanlike manner and in compliance with applicable Federal, State and local laws, codes, rules and regulations or valid waiver thereof.

"<u>Default</u>" and "<u>Act of Default</u>" mean failure in some material respect to comply timely, fully, and completely with one or more requirements, obligations, duties, terms, conditions or warranties set forth in this Agreement.

"Developer" or "SCC" mean SCC Kyle Partners, Ltd. developing the western portion of the Property.

"Economic Development Incentives" means (a) the Tax Rebates [as defined in Section 5(a)(1) hereafter] and (b) fee waivers [as defined in Section 5(a)(3) hereafter].

"Eligible Infrastructure" means the infrastructure improvements to be constructed and dedicated to the public for which the City has agreed herein to reimburse the Developer for costs [as defined in Section 11.01 (b) hereafter].

"Eligible Years" means the calendar years following the Tax Rebate Commencement Date, as more particularly described in Section 3, during the term of this Agreement in which the Employer demonstrates eligibility for Tax Rebates, meets the performance criteria as required by this Agreement, and maintains in any given year for which Tax Rebates are sought an open and operating Hospital with the requisite number of FTE's.

"Employer" or "Seton" mean Daughters of Charity Health Services of Austin d/b/a Seton Family of Hospitals being an organization whose corporate member is Ascension Health which is developing the eastern portion of the Property.

"Hospital" means an institution engaged primarily in providing 24-hour medical care, diagnosis and surgery treatment for sick and injured persons on an inpatient basis for a fee under the supervision of duly licensed physicians on duty or on call, registered nurses, and may include uses traditionally found in a hospital such as cafeteria, gift shop, chapel and other similar related uses. A hospital does not include a convalescent home, rest home, nursing facility, facility affording custodial or educational care, facility for the aged, drug addicts or alcoholics, but such uses may be included in the Hospital Development as related medical facilities or uses.

"Hospital Development" means the construction of a hospital complex with related medical facilities and improvements on the Property, being a minimum of two hundred thousand (200,000) square feet within the initial phase ("Phase I") and containing at least one-hundred (100) hospital beds in Phase I; and employing a minimum of three hundred (300) full-time equivalent (FTE) employees in 2011 and thereafter and an Annual Reported Payroll of at least \$12.5 million in 2011 and thereafter.

"Finance Department" means the Finance Department of the City of Kyle.

"Full-time Equivalent Employees" or "FTE" shall mean the aggregate number of hours paid to employees in a week divided by forty (40).

"Subdivision Infrastructure" means all other water and wastewater system pipes, lines, lift stations and facilities, roads, sidewalks, lighting, stormwater detention and drainage improvements, roads, landscaping, irrigation and other infrastructure or improvements to serve the lots in the Project in compliance with applicable regulations not included herein as Eligible Infrastructure.

"Sales Tax" or "Sales Tax Revenues" mean the City's share received from the State of Texas Comptroller of Public Accounts Office ("Comptroller") of municipal sales taxes, such as that presented in effect pursuant to Texas Tax Code §§ 321.101 and 321.103, resulting from (i) sales tax collected by a business located on the Property, and (ii) sales/use tax paid directly by a business or person located on the Property under its sales tax permit. For purposes of this Agreement, Sales Tax Revenues shall be determined to be the amount remitted by a company or person to the Comptroller for the benefit of the City, less the applicable administrative charge, as set forth in the records prepared by a company or person and submitted to the Comptroller for sales within the Property.

"<u>Tax Rebates</u>" means the amount of Sales Tax Revenues rebated or paid to the Employer according to the Tax Rebate Schedule in Section 5 (a)(2) herein for years the Employer demonstrates qualification under this Agreement to receive a rebate of Sales Tax.

INCENTIVES AND OBLIGATIONS

Section 5. Economic Development Incentives.

- (a) <u>Economic Development Incentives</u>. Subject to the full and timely performance of each of the requirements and conditions precedent set forth in Section 6 below and compliance, in all material respects with this Agreement, the City agrees to grant Employer Economic Development Incentives as set forth in this Section. The City agrees to rebate in arrears Sales Tax Revenues according to the schedule set forth below.
 - (1) <u>Eligibility for Tax Rebates</u>. To be eligible for Tax Rebates as set forth in the schedules below, the Tax Rebate Commencement Date must have passed; provided that an event resulting in forfeiture of Tax Rebate for any calendar year shall be interpreted as striking the next calendar year from the schedule below. The Employer and Developer shall cooperate with the City and assist the City in any manner required by the Comptroller to release any and all information related to Sales Tax Revenues collected within the Project. The City will request quarterly, or monthly if available, from the Comptroller all Sales Tax reports for Sales Taxes collected within the Project. Failure of the City to have access to Sales Tax reports/receipts for the Project, or a portion thereof, shall not create an obligation of the City to rebate any portion of Sale Tax not demonstrated to be paid from within the Project. The City shall collect the following documentation for each calendar year in which the Employer demonstrates entitlement to a Tax Rebate hereunder:

- (A) Sales Tax reports quarterly, or as often as available, from Comptroller for Sales Tax Revenues collected for the benefit of the City; and,
- (B) Summary documents demonstrating Employer's compliance with the terms of this Agreement.
- (2) Tax Rebate Schedules. Following the Tax Rebate Commencement Year for Eligible Years during the remaining term, the City shall pay within twenty (20) days of receipt of Sales Taxes, a rebate to the Employer from collected and documented Sales Tax Revenue collected for the benefit of the City of Kyle, or within a reasonable time after being received, according to the following schedule:

Year (from Jan. 1 to Dec. 31)	Percentage of Sales Tax Revenue (%)
2010	67
2011	67
2012	67
2013	33
2014	33
2015	33
2016	33
2017	33
2018	33
2019	33
2020	33
2021	33
2022	33
2023	33
2024	33

- (3) <u>Building Fee Waivers</u>. Subject to compliance with this Agreement, the City shall waive fees and costs which would otherwise be the obligation of the Developer or Employer or both that are over and above the actual costs of the City related to permitting, impact fees and/or other related capital recovery fees when such waiver is lawful and appropriate..
- (b) <u>Payment of the Tax Rebates</u>. The City, by and through its Finance Department, shall pay such Tax Rebates, when due and owing, in arrears to Employer within twenty (20) days of receipt or as soon as reasonable during each calendar year for which Tax Rebates are sought and the information gathered by the City demonstrates that the performance criteria in Section 6 have been satisfied for an Eligible Year. Failure of Employer to meet the criteria to demonstrate an Eligible Year for Tax Rebates shall disqualify Employer from Tax Rebates for the following calendar year.

- Section 6. Project Performance. The Developer and Employer intend to enter a separate agreement for sharing any economic development incentives received hereunder, as set forth in Section 5, and any costs associated with the Project; however, the performance of both the Developer and Employer forms an integral foundation for this Agreement. Unless specifically identified as an obligation of a specific Party, the Developer and Employer shall undertake or cause to be undertaken through separate contract or agreement the following:
 - (a) Within ten (10) days of acquisition of the Property by Developer and Employer, voluntarily request annexation of any and all portions of the Property located outside the City limits.
 - (b) Comply with all applicable ordinances, rules, policies and regulations of the City, state and federal government, and cause to be constructed all Subdivision Infrastructure necessary or useful for the Project.
 - (c) Plat and dedicate to the public without further compensation all right-of-way for the extension of roads adjacent to and through the Property in the locations and dimensions generally shown in Exhibit "B" with the initial platting of the Property into separate lots as a condition of final plat approval thereof.
 - (d) Dedicate without further compensation public utility and drainage easements within the Property as deemed necessary by the City Engineer to support the public utility and drainage facilities.
 - (e) Dedicate without further compensation open space to the public for use in the City's green space plan for public hike-and-bike trails as generally depicted in Exhibit "B".
 - (f) Use reasonable efforts to ensure that agreements with persons to whom lots within the Project are conveyed or leased provide for the timely submission of Sales Taxes to the Comptroller and execution of any document reasonably required for the release of such information to the City, including registering the Project and the address of the various properties therein as the point of sale for all products produced on, or transported from the Project and the property, and to take such action with the Comptroller, and such other entities as necessary, to assure that the City sales tax is legally billed and payable, as provided by law for sales within the City, on all products that are produced on the Property.
 - (g) Use best efforts to encourage all contractors to act within all legal bounds to source the purchase of as much of the construction materials as is reasonably feasible to the City of Kyle and/or Hays County as it relates to sales taxes incurred on the construction materials.

- (h) Pay any and all costs related to adding, altering, modifying or maintaining signage for the Project on the existing water tower adjacent to the Property subject to the express approval of the City.
- Section 7. Developer's Obligations. Developer intends to construct or cause to be constructed the infrastructure, public and private, to service the Hospital Development and the Retail Development. Except for the reimbursement of Costs for Eligible Infrastructure, the obligations for development of all other Subdivision Infrastructure to serve the lots located within the Property shall be undertaken through contracts and agreements between the Developer and Employer. In addition to specific obligations of the Developer, the Developer shall:
 - (a) Begin construction on the extension of the road improvements, including the extension of Kyle Parkway (which the Parties acknowledge that Seton recommends be renamed "Seton Parkway") through the Property, no later than June 1, 2008.
 - (b) Design and construct or cause to be constructed the Eligible Infrastructure shown and described in Exhibit "C" or as otherwise described in Section 11.01(a) hereof.
 - (c) Submit to the City and cooperate with the City's Engineer to receive timely approval of any and all construction contracts for the Eligible Infrastructure, including receiving approval of all public notices requesting bids in compliance with Chapter 252, Texas Local Government Code.
 - (d) Enter into contracts with contractor(s) for construction of the Eligible Infrastructure within a reasonable time following City Council approval of the lowest responsible qualified bidder(s) for the Eligible Infrastructure and make timely payments to the contractor(s) under those contract(s). Developer may include within the contracts additional items, as alternate bid items not subject to reimbursement from the City, should the Developer determine a consolidated agreement is more economically beneficial.
 - (e) Work and coordinate with the City, to assure that all improvements for which Developer may seek reimbursement qualify and the actual cost of the Eligible Infrastructure is accurately and truly identified and agreed between the City and the Developer as eligible for rebate prior to contracting for such improvement, including but not limited to providing access to records and documents the City deems relevant to review and approve the reimbursement.
 - (f) Any delays in the commencement or completion of the construction of the Eligible Infrastructure related to the Developer's inability to obtain adequate financing shall be the Developer's sole responsibility.

- Section 8. Employer's Obligations. The City having found economic benefit to the location of a Hospital, with the employment of a professional work force and availability of medical facilities within the City limits, is good and valuable consideration to offer economic incentives to Employer; provided Employer performs and continues to perform from and after the Tax Rebate Commencement Date during the term of this Agreement the following minimum performance standards during any calendar year Employer requests economic incentives from the City:
 - (a) Construct or cause to be constructed and operated a Hospital with a minimum of two hundred thousand (200,000) square feet and containing not less than one hundred (100) beds on the Property, not later than December 31, 2012, and cause to be employed a minimum of three hundred (300) FTE's in calendar year 2011 and thereafter and an Annual Reported Payroll of at least \$12.5 million in 2011 and thereafter.
 - (b) Provide documentation and records in a form agreed with the City to summarize and demonstrate each calendar year compliance with the above performance requirements.
- Section 9. City's Obligations. In order to facilitate the Developer's timely completion of the Eligible Infrastructure, the City shall:
 - (a) Enter into a contract with one or more engineers to provide the review of design, plans and specifications for the Eligible Infrastructure and act as the City Engineer for all or a portion of the Project during the design, bidding and construction phases of the infrastructure and improvements to service the Property in consultation and coordination with the Developer and Developer's assigned engineer(s).
 - (b) Review, approve and sign the plans, specifications and bids for the Eligible Infrastructure in a timely manner.
 - (c) Review and act upon approving bids for construction of the Eligible Infrastructure, within a reasonable time, to the bidder the Parties mutually agree is the lowest responsible qualified bidder for award of the construction contracts for any and all Eligible Infrastructure which the Developer is authorized herein to be reimbursed by the City.
 - (d) During the course of the construction of the Eligible Infrastructure, review and approve any necessary change orders within a reasonable time; perform all inspections of the Eligible Infrastructure within a reasonable time; and finally accept the completed public infrastructure within thirty (30) days of a request for final acceptance if it has been constructed in substantial accordance with approved plans and specifications.

- (e) Contract with or cause to be employed building review personnel to timely process and approve all building construction plans within the Property and such building inspectors are necessary to timely process requests for the issuance of permits and inspection of buildings.
- (f) After final acceptance of all or a portion of completed improvements, reimburse the Developer for the Costs of the Eligible Infrastructure, as agreed herein or otherwise in writing, within thirty (30) days of acceptance thereof.
- (g) During platting of any and all roadways within the Property, permit the Developer and the Employer to recommend reasonable names for the interior roads subject to the non-duplication requirements for 911-addressing in Hays County.
- (h) Include the Property within the City's water and wastewater service area for purposes of Chapter 395 of the Texas Local Government Code on or before the date that the City takes final action on the annexation of the Property.
- (i) Authorize reasonable requests to add, alter or modify signage for the Project, to include words or graphic designs to be placed thereon as approved by the City Council, on the existing water tower adjacent to the Property.
- (j) Upon completion of the public stormwater and detention improvements within the Property, accept and maintain the public storm water and detention improvements and easement over the property containing such public improvements.
- Section 10. Plans and Specifications. The plans, specifications and construction of the Eligible Infrastructure and all other infrastructure necessary to serve the Property will be subject to approval by the City, by and through the City's Engineer for such review. The Developer will document to and obtain the concurrence of the City's Engineer on the actual and reasonable costs of the Eligible Infrastructure according to the terms of this Agreement. The Eligible Infrastructure required for the development of the Subdivision will be designed, approved and constructed in compliance with the City applicable ordinances, policies, rules and regulations.

Section 11. Eligible Infrastructure.

- 11.01. Costs of Eligible Infrastructure. Certain infrastructure shall be constructed by the Developer for which the Developer may seek reimbursement for the actual costs, or if specifically limited herein including the exhibits and addendums hereto, up to but not to exceed a portion of the costs.
 - (a) The specific public improvements described and shown in Exhibit "C" are herein identified as the Eligible Infrastructure, such Eligible Infrastructure (whether or not capable of being shown on Exhibit "C" being:

- (1) Public Roadway Improvements, including the extension of Kyle Parkway from IH-35 to Dacy Lane and other roadways shown and described.
- (2) Segments of Wastewater Improvements shown and described.
- (3) Traffic Signals, when approved by the City.
- (4) Segments of Retention Wall shown and described.
- (5) Segments of Potable Water Improvements shown and described.
- (6) Specific Drainage Improvements shown and described.
- (7) Certain Landscaping, Lighting and Irrigation improvements along Public Roadways as agreed.
- (8) Ten percent (10%) of the costs of mass grading of the Property.
- (b) The "Costs of the Eligible Infrastructure" shall be the reasonable and approved costs for the specific Eligible Infrastructure. Subject to compliance with the competitive bidding requirements for construction contracts, the Eligible Infrastructure shall be reimbursed or paid based upon the sum of the following:
 - (1) the hard construction costs; and
 - (2) all soft costs related to the Eligible Infrastructure; provided that all such sums and amounts shall be reasonable and the following categories of soft costs shall not exceed in the aggregate nine percent (9%) of the hard construction costs. Soft costs include any and all expenses related to:
 - (A) surveying costs;
 - (B) the cost of soils and materials testing and inspections;
 - (C) engineering and design costs relating to the Eligible Infrastructure; and
 - (D) all advertising and other costs associated with public bidding and award of construction contracts;
 - (3) interest charges paid by Developer associated with the financing of the hard and soft costs described above not to exceed the rate paid by the City in its most recent debt issuance.

provided that all such sums and amounts shall be reasonable and necessary and documented to and approved by the City upon completion and final acceptance of the Eligible Infrastructure by the City for the purposes of determining the reimbursement to be made to the Developer as hereinafter provided.

- (c) The Developer, and/or by separate agreement the Employer, shall finance, construct and install all Subdivision Infrastructure and improvements within the boundary of the Property at said Parties' sole cost and expense. The Developer and/or Employer shall not receive any contribution from the City for any part or portion of any cost of Subdivision Infrastructure, amenity or improvement constructed within the boundaries of the Property or otherwise, except the Eligible Infrastructure as defined herein.
- 11.02 The Developer (subject to the terms of any cost sharing agreement between Developer and Employer) shall pay for all design, installation and construction of the Eligible Infrastructure and, as such work progresses, shall receive payments from the City of one hundred percent (100%) of the final and agreed Costs of the Eligible Infrastructure; subject to the terms, provisions and limitations set forth in this Agreement.
- 11.03 The City shall have no obligation to contribute to any part or portion of any Subdivision Infrastructure, amenity or other improvement constructed within the boundaries of the Property, save and except the Costs of the Eligible Infrastructure.
- 11.04 Developer intends to mobilize one or more contractors to construct the Eligible Infrastructure and infrastructure or improvements not subject to reimbursement. Separation of Costs of Eligible Infrastructure from Developer's site development costs shall be agreed in advance of Developer contracting for one or more items the Developer intends to seek reimbursement for from the City. The Developer's engineers, Bury + Partners, shall release cost estimates for the entire site to be graded, stormwater detention costs and retaining wall costs including any data the City's Engineer deems relevant to calculate the sharing of costs related thereto. The contract for such work must be competitively bid and costs allocated as agreed in advance for reimbursement.
- 11.05 The City intends to fund the Cost of Eligible Infrastructure with current available funds or the issuance of bonds, or other obligations. The City will cooperate and coordinate with Developer in phasing of the various individual infrastructure constituting the Eligible Infrastructure as defined in Section 11.01(a) as shown and described in Exhibit "D". The City shall not unreasonably refuse to allow phasing. The Developer shall coordinate with the City all aspects of the design, construction and development of the Eligible Infrastructure to allow the City adequate time to fund or issue bonds, or other obligations, to reimburse Developer timely.
- 11.06 Developer shall request reimbursement for the Costs of Eligible Infrastructure in four draws. In addition to hard construction costs, described in Section 11.01(a), Developer may

include 100% of actual-to-date and verifiable soft costs and expenses as defined in Section 11.01(b)(2)(A)-(D) in each of the four draws. The City shall cause reimbursement to Developer for the Costs of the Eligible Infrastructure to occur within ten (10) business days following Developer's submission to the City of the Required Reimbursement Documents, which submission shall be made in accordance with the Phasing Plan attached hereto as Exhibit "D" and inspection and approval by the City of that Phase. In no event, however, will the City make its first payment to Developer prior to March 1, 2008. As used herein, the "Required Reimbursement Documents" are: (a) the Developer's invoice for costs incurred and for which reimbursement is being sought; (b) reasonable backup documentation (i.e., copies of contractor invoices and the like) substantiating the costs incurred and for which reimbursement is being sought; and (c) the written certificate from Developer's contractor and/or Project engineer stating that the work to which the reimbursable costs pertain has been substantially completed in accordance with the applicable Plans and Specifications therefore and a written certificate from the City's Project Engineer stating that the work to which the reimbursable costs pertain has been substantially completed in accordance with the applicable Plans and Specifications therefore.. In the event the City fails to make reimbursement to Developer within ten (10) business days following Developer's submission to the City of the Required Reimbursement Documents as aforesaid, then, thereafter, the sums owed Developer shall bear interest at an annual rate equal to the lesser of (i) the prime rate then quoted for so-called "large money center" banks and published in the Wall Street Journal plus three percent (3%) or (ii) the maximum rate of interest allowed by applicable law, such interest to accrue from the date the amounts become due and owing to Developer until such amounts have been paid in full.

Section 12. Eminent Domain. The City shall provide use of all necessary City lands, rights-of-way and easements and shall provide further required easements or lands in fee simple as may be necessary for construction of any off-site utility improvements, save and except for any such land and easements within the Property, which shall be dedicated without necessity of eminent domain or cost to the City. It is acknowledged that there exists a public necessity for the utility line extensions to the boundary of the Property for which the City agrees to use its power of eminent domain to acquire such lands or easements, if necessary. The City intends to cooperate and enter into agreements with Hays County should Dacy Lane require widening or realignment to acquire any right-of-way not within the Property deemed necessary by the City and Hays County within their sole discretion.

Section 13. Assignment. This Agreement includes an understanding by the Parties that all terms included herein will be extended to any and all heirs, executors, representatives, successors, purchasers, and assigns of Employer and Developer. Employer shall not assign (nor transfer or otherwise delegate any of its rights, duties or obligations hereunder) this Agreement except with written agreement of the City and the Developer. Developer may assign all or part of the obligations and rights hereunder provided notice of such assignment is provided to the City.

Section 14. Mutual Assistance. The Parties shall do all things reasonably necessary or appropriate to carry out the terms and provisions of this Agreement and to aid and assist each other in carrying out such terms and provisions. The Developer and Employer hereby consent to and

agree to cooperate in any reasonable request by the City to obtain copies of Sales Tax returns from the Comptroller. The Parties shall execute any additional documents and agreements reasonably necessary to implement this Agreement. If necessary, the Employer and/or Developer shall employ their commercially reasonable efforts to coordinate with businesses on the Property to execute a waiver of sales tax confidentiality or such other form as required by the Comptroller to allow the City to monitor this Agreement. Further, the Developer shall direct and supervise the Developer's engineers and consultants to provide the City access to and documentation necessary to approve and reimburse Developer for Costs of the Eligible Infrastructure

Section 15. Representations and Warranties. The City represents and warrants to Employer and Developer that this Agreement is within the scope of its authority and the provisions of the City's Charter and it is duly authorized and empowered to enter into this Agreement. Employer and Developer represent and warrant to the City that both have the requisite authority to enter into this Agreement.

Section 16. Default. Notwithstanding anything herein to the contrary, no Party shall be deemed to be in default hereunder until the passage of thirty (30) business days after receipt by such Party of notice of default from the other Party. Upon the passage of thirty (30) business days without cure of the default, such party shall be deemed to have defaulted for purposes of this Agreement.

Section 17. Force Majeure.

- (a) The term "force majeure" as employed herein shall mean and refer, without limitation, to acts of God; strikes and/or lockouts; acts of public enemies, orders of any kind of the government of the United States, the State of Texas or any civil or military authority (other than the City); insurrections; riots; lightning, earthquakes, fires, hurricanes, storms, floods and other natural disasters; washouts and other weather-related delays; restraint of government and people; civil disturbances; explosions; or other causes not reasonably within the control of the Party claiming such inability.
- (b) If, by reason of force majeure, any Party hereto shall be rendered wholly or partially unable to carry out its obligations under this Agreement, then such Party shall give written notice of the full particulars of such force majeure to the other Party(ies) within ten (10) days after the occurrence thereof. The obligations of the Party giving such notice, to the extent effected by the force majeure, shall be suspended during the continuance of the inability claimed, except as hereinafter provided, but for no longer period, and the Party shall endeavor to remove or overcome such inability with all reasonable dispatch.
- (c) It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of the Party having the difficulty, and that the above requirement that any force

majeure shall be remedied with all reasonable dispatch shall not require that the settlement be unfavorable in the judgment of the Party having the difficulty.

Section 18. Notices. Any notice to be given hereunder by any Party to another Party(ies) shall be in writing and may be affected by personal delivery or by sending said notices by registered or certified mail, return receipt requested, to the address set forth below. Notice shall be deemed given when deposited with the United States Postal Service, properly addressed, with sufficient postage affixed.

Any notice mailed to the City shall be addressed:

City:

City of Kyle

Attn: City Manager

PO Box 40

Kyle, TX 78640-0040

With copy to:

Knight & Partners

Executive Office Terrace

223 West Anderson Lane, Suite A-105

Austin, TX 78752

Employer:

President and CEO

Seton Family of Hospitals 1201 West 38th Street Austin, Texas 78705

Developer:

SCC Kyle Partners, Ltd.,

301 Congress Avenue, Suite 1550

Austin, Texas 78701 Attn: Scott A. Deskins

With Copy to:

Charles B. Kreutz -

McGinnis, Lochridge & Kilgore, LLP 600 Congress Avenue, Suite 2100

Austin, Texas 78701

Any Party may change the address for notice to it (or provide for copies of notices to be directed to such other or additional persons as a Party may request) by giving notice of such change in accordance with the provisions of this section.

Section 19. Interpretation. Regardless of the actual drafter of this Agreement, this Agreement

shall, in the event of any dispute over its meaning or application, be interpreted fairly and reasonably, and neither more strongly for or against any Party.

Section 20. Entire Agreement. This Agreement, together with any exhibits attached hereto, constitutes the entire agreement between Parties hereto, and may not be amended except by a writing signed by all Parties and dated subsequent to the date hereof. This Agreement supersedes all prior agreements and understandings, if any, between and among the Parties concerning the specific subject matter hereof.

Section 21. Effective Date. This Agreement shall be effective as of the Effective Date, upon the complete execution hereof by all Parties.

Section 22. Applicable Law. This Agreement is made, and shall be construed and interpreted under the laws of the State of Texas, and venue shall lie in state courts located in Hays County, Texas.

Section 23. Time of the Essence. It is acknowledged and agreed by the Parties that time is of the essence in the performance of this Agreement.

Section 24. General Contract Terms. If any term or provision of any this Agreement shall be determined to be illegal or unenforceable all other terms and provisions of this Agreement shall nevertheless remain effective and shall be enforced to the fullest extent permitted by applicable law. This Agreement may be separately executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to constitute one and the same Agreement.

Section 25. Severability. If any term or provision of this Agreement or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each and every term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

EXECUTED in multiple originals to be effective as of Effective Date first written above which is the date on which the last of the Parties to execute this Agreement has done so.

Attest

CITY OF KYLE, TEXAS

Amelia Sanchez

Title: City Secretary

Miguel Gonzalez

Thomas L. Mattis

City Manager

Title, Mayor

DAUGHTERS OF CHARITY HEALTH SERVICES OF AUSTIN

The of Lace

By: Thomas E. Gallagher

Title: Senior Vice President for Business

Development

STATE OF TEXAS

§

COUNTY OF Alex

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BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared Thomas E. Gallagher, Senior Vice President for Business Development of Daughters of Charity Health Services of Austin, herein Employer, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged that he had authority to bind the entity and that he executed the same for the purposes therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 25 day of

(SEAL)

Notary Public-State of Texas

Seton Economic Development Incentive

9/25/2007

17 of 22

SCC KYLE PARTNERS, LTD,

a Texas limited partnership

By: Scc Kyle P, a Texas <u>linita</u>, its General Partner

By: SWAA. Deskins Title: MEMBER

STATE OF TEXAS

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COUNTY OF Alux

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GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 25 day of

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(SEAL)

Notary Public-State of Texas

Exhibit "A" Property Description

136.578 ACRES BAUERLE TRACT KYLE, TEXAS FN. NO. 07-532 (CAG) AUGUST 16, 2007 BPI JOB NO. 629-19

DESCRIPTION

OF 136.578 ACRES OF LAND OUT OF THE JOHN JONES SURVEY, ABSTRACT NO. 263; JOHN M. GREEN SURVEY, ABSTRACT NO. 200; AUGUSTUS BRICHTA SURVEY, ABSTRACT NO. 517; ALEXANDER MCKOWNE SURVEY, ABSTRACT NO. 327; DANIEL DOWNER SURVEY ABSTRACT NO. 151, AND JOHN STUART LEAGUE, ABSTRACT NO. 14, SITUATED IN HAYS COUNTY, TEXAS, BEING A PORTION OF THE REMAINDER OF THAT CERTAIN CALLED 218 ACRE TRACT CONVEYED TO ROBERT LEON BAUERLE FROM V.E. DAVIS, EXECUTED JUNE 12, 1962 AND RECORDED IN VOLUME 191, PAGE 480 OF THE DEED RECORDS OF HAYS COUNTY, TEXAS; SAID 218 ACRE TRACT BEING FURTHER DESCRIBED IN SAID VOLUME 191, PAGE 480 AS THE REMAINDER OF A CALLED 127.11 ACRE "FIRST TRACT" DESCRIBED IN VOLUME 115, PAGE 588 OF SAID DEED RECORDS AND THE REMAINDER OF A CALLED 100.3 ACRE "SECOND TRACT" DESCRIBED IN VOLUME 124, PAGE 182 OF SAID DEED RECORDS; SAID 136.578 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING, at a 1/2 inch iron rod with cap set on the easterly right-of-way line of Interstate Highway No. 35 (R.O.W. varies), at or near TXDOT IH-35 station 354+31.15, 210.66 left; being in the southerly line of said 127.11 acre tract, and also being the northwesterly corner of Lot 2R of the Amended Plat of Lots 2 & 3 Bunton Sac-N-Pac, a subdivision of record in Volume 13, Page 203 of the Plat Records of Hays County, Texas, for the southwesterly corner hereof;

THENCE, N26°57′57″E, along the easterly right-of-way line of Interstate Highway No. 35, for a portion of the westerly line hereof, a distance of 1256.00 feet to a 1/2 inch iron rod with cap stamped "Survcon" found for the southwesterly corner of that certain called 9.727 acre "Tract 2" described in the correction deed to Brian L. Bauerle, of record in Volume 1771, Page 176 of the Official Public Records of Hays County, Texas, for a reentrant corner hereof, from which a TXDOT Type 1 concrete monument found for an angle point in said easterly right-of-way line, at or near TXDOT station 236+35.73, 210′ left, bears N26°57′57″E, a distance of 519.53 feet;

THENCE, S76°45'48"E, leaving said easterly right-of-way line, along the partially fenced southerly line of said 9.727 acre tract, for a portion of the westerly line hereof, a distance of 570.34 feet to a 1/2 inch iron rod with cap found by a fence corner for the southeasterly corner of said 9.727 acre tract and interior ell corner hereof;

THENCE, N28°20'04"E, along the fenced easterly line of said 9.727 acre tract, for a portion of the westerly line hereof, a distance of 792.24 feet to a steel fence post found in the northerly line of said 127.11 acre tract as found fenced and used on the ground, being the northeasterly corner of said 9.727 acre tract, for the northwesterly corner hereof, the same being in the southerly line of that certain called 46.44 acre "Tract 1" described in the correction deed to Alton Franke and A.W. Greg, of record in Volume 371, Page 677, of said Deed Records;

THENCE, S67°39'31"E, along the apparent common line of said 127.11 acre tract and said 46.44 acre tract as found fenced and used on the ground, for a portion of the northerly line hereof, a distance of 467.14 feet to a fence corner post found for the apparent southerly common corner of said 46.44 acre tract and that certain called 76 acre "Third Tract" described in the deed to Alton J. Franke and wife, Evelyn B. Franke, of record in Volume 279, Page 565 of said Deed Records, for an angle point hereof;

THENCE, along the apparent common line of said 127.11 acre tract and said 76 acre tract as found fenced and used on the ground, for a portion of the northerly line hereof, the following four (4) courses and distances:

- 1) S57°08'56"E, a distance of 43.99 feet to a fence angle post found;
- S40°55'09"E, a distance of 513.38 feet to a fence angle post found;
- 3) S68°00'54"E, a distance of 430.41 feet to a fence angle post found;
- 4) \$74°54'09"E, crossing Bunton's Branch, and passing at a distance of 344.2 feet the approximate northerly common corner of said 127.11 acre tract and said 100.3 acre tract, continuing for a total distance of 361.85 feet to a fence angle post found;

THENCE, S76°26′45″E, along the line common to the apparent northerly line said 100.3 acre tract and in part the apparent southerly line of said 76 acre tract, and in part the apparent southerly line of that certain called 37.21 acre "First Tract" described in said Volume 279, Page 565, as found fenced and used on the ground, re-crossing said Bunton's Branch for a portion of the northerly line hereof, a distance of 508.60 feet to a fence corner post found for an angle point hereof;

FN 07-532 (CAG) AUGUST 16, 2007 PAGE 3 OF 8

THENCE, along the line common to the apparent northerly line said 100.3 acre tract and in part the apparent southerly line of said 37.21 acre tract, and in part the southerly line of that certain called 29.59 acre "Second Tract" described in said Volume 279, Page 565, and in part the apparent southerly line of that certain called less & except "Tract A" described in said Volume 279, Page 565, as found fenced and used on the ground, for a portion of the northerly line hereof, the following three (3) courses and distances:

- 1) S22°06'49"W, re-crossing said Bunton's Branch, a distance of 161.18 feet to a 5/8-inch iron pipe found by a fence corner post for an exterior ell corner hereof;
- 2) S69°03'34"E, a distance of 729.70 feet to a 1/2 inch iron rod with cap set in the existing fence line;
- S68°33'33"E, a distance of 868.49 feet to a three way fence 3) corner post found in the occupied westerly right-of-way line of Hays County Road No. 205, also known as Dacy Lane (R.O.W. varies), for the northeasterly corner hereof, from which a 1/2 inch iron rod with cap found on the easterly right-of-way line of County Road No. 205 for the northerly corner of Lot 1, Kyle Heights Section 1, of record in Volume 6, Page 351 of said Plat Records bears \$10°36'17"W, a distance of also from which the approximate feet 92.57 and 100.3 acre tract bears said northeasterly corner of \$68°33'33"E, a distance of 26.2';

THENCE, over and across said 100.3 acre tract along the occupied westerly right-of-way line of said County Road No. 205, as found fenced and used on the ground, for a portion of the easterly line hereof, the following four (4) courses and distances:

- 1) S50°28'02"W, a distance of 567.95 feet to a 1/2 inch iron rod with cap set in the fence;
- 2) \$46°28'48"W, a distance of 129.25 feet to a 1/2 inch iron rod with cap set in the fence;
- 3) \$43°49'49"W, a distance of 328.75 feet to a fence post found, from which a 1/2 inch iron rod with cap found on said easterly right-of-way line of County Road No. 205, for the westerly common corner of Lot 2 and Lot 3 of said Kyle Heights Section 1 bears N84°13'12"E, a distance of 82.10 feet;
- 4) \$43°32'19"W, a distance of 185.68 feet to a reentrant corner hereof, form which a fence corner post found for an angle point in the westerly right-of-way line of County Road No. 205 bears \$43°32'19"W, a distance of 979.87 feet;

FN 07-532 (CAG) AUGUST 16, 2007 PAGE 4 OF 8

THENCE, leaving the occupied westerly right-of-way line of said County Road No. 205, continuing over and across said 100.3 acre tract and said 127.11 acre tract for a portion of the easterly line hereof, the following thirteen (13) courses and distances:

- 1) N46°37'19"W, a distance of 94.52 feet to an angle point;
- 2) N47°47'48"W, a distance of 269.21 feet to an angle point hereof;
- 3) N48°58'48"W, a distance of 402.81 feet to an angle point hereof;
- 4) N49°00′53″W, a distance of 697.37 feet to the point of curvature of a curve to the left;
- 5) Along said curve to the left, having a radius of 530.00 feet, a central angle of 13°38′33″, an arc length of 126.20 feet, and a chord which bears N55°50′09″W, a distance of 125.90 feet to the end of said curve;
- 6) N62°39'26"W, a distance of 379.72 feet to the point of curvature of a curve to the left;
- 7) Along said curve to the left, having a radius of 80.00 feet, a central angle of 73°57′58″, an arc length of 103.28 feet, and a chord which bears S80°21′35″W, a distance of 96.25 feet to the end of said curve;
- 8) S43°22'36"W, a distance of 211.37 feet to the point of curvature of a curve to the right;
- 9) Along said curve to the right, having a radius of 2460.00 feet, a central angle of 16°02′16″, an arc length of 688.59 feet, and a chord which bears S51°23′44″W, a distance of 686.34 feet to the end of said curve;
- 10) S59°24′52″W, a distance of 215.98 feet to the point of curvature of a non-tangent curve to the right;
- 11) Along said non-tangent curve to the right, having a radius of 1940.00 feet, a central angle of 17°20′55″, an arc length of 587.41, and a chord which bears S21°20′53″E, a distance of 585.17 feet to the point of curvature of a reverse curve to the left;
- 12) Along said reverse curve to the left, having a radius of 1460.00 feet, a central angle of 33°48′35″, an arc length of 861.53 feet, and a chord which bears S29°34′43″E, a distance of 849.08 feet to the end of said curve;

FN 07-532(CAG) AUGUST 16, 2007 PAGE 5 OF 8

13) S46°29'00"E, a distance of 328.27 feet to an angle point hereof, being in the occupied westerly right-of-way line of Hays County Road No. 205, from which a 1/2 inch iron rod with cap set in the westerly right-of-way line of Hays County Road No. 205 for the southeasterly corner of that certain called 0.918 acre tract described in the deed to the City of Kyle, of record in Volume 1911, Page 22 of the Official Public Records of Hays County, Texas bears N43°18'29"E, a distance of 436.09 feet;

THENCE, S43°18'29"W, continuing over and across said 100.3 acre tract along the occupied westerly right-of-way line of said County Road No. 205, as found fenced and used on the ground, for a portion of the easterly line hereof, a distance of 60.00 feet to a fence corner post found for the southeasterly corner hereof, being in the southerly line of said 100.03 acre tract, for the northeasterly corner of that certain 47.52 acre tract described in Volume 194, page 423 of said Deed Records and referenced in the deed to Alton Franke, Trustee, of record in Volume 241, Page 813 of said Deed Records, from which the approximate southeasterly corner of said 100.3 acre tract bears \$46°29'00"E, a distance of 22.4 feet;

THENCE, N46°29'00"W, leaving the occupied westerly right-of-way line of said County Road No. 205, along a fence and being in part the southerly line of said 100.3 acre tract and in part a portion of the southerly line of said 127.11 acre tract, the same being a portion of the northerly line of said 47.52 acre tract, for a portion of the southerly line hereof, passing at a distance of 999.85 feet the approximate southerly common corner of said 100.3 acre tract and said 127.11 acre tract, continuing for a total distance of 1421.79 feet to a fence corner post found for an interior ell corner hereof;

THENCE, S40°43'37"W, along the common line of said 127.11 acre tract and said 47.52 acre tract, as evidenced by a fence, for a portion of the southerly line hereof, a distance of 300.57 feet to a 1/2 inch iron rod with cap found for an exterior ell corner hereof;

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THENCE, N46°37′24″W, continuing along the southerly line of said 127.11 acre tract, being in part the northerly line of said 47.52 acre tract and in part the northerly line of said Lot 2R of the Amended Plat of Lots 2 & 3 Bunton Sac-N-Pac, for a portion of the southerly line hereof, passing at a distance of 819.07 feet a 1/2 inch iron rod with cap found for the northeasterly corner of said Lot 2R, continuing and passing at a distance of 1637.22 feet a 1/2 inch iron rod with cap found, continuing for a total distance of 1637.77 feet to the POINT OF BEGINNING, containing an area of 136.578 acres (5,949,350 square feet) of land, more or less, within these metes and bounds.

BEARING BASIS NOTE: THE BASIS OF BEARING IS REFERENCED TO THE TEXAS COORDINATE SYSTEM, NAD83(93), CENTRAL ZONE UTILIZING LCRA HARN GPS CONTROL MONUMENTS A490, A491, A292, H074 AND ZM1A.

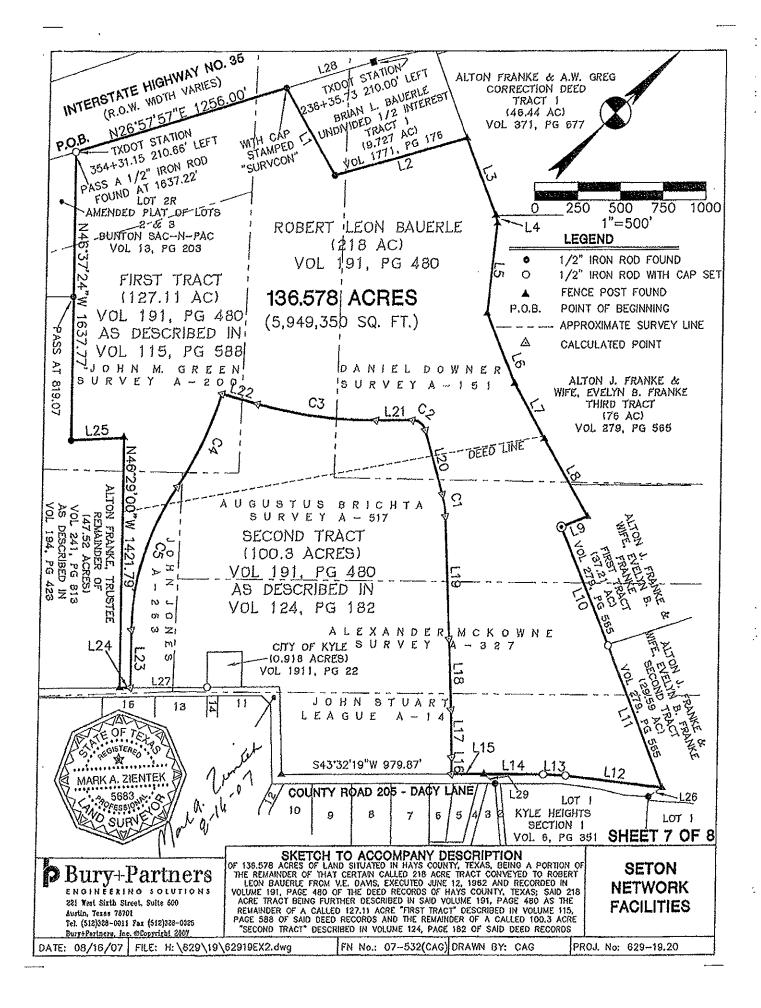
I, MARK A. ZIENTEK, A REGISTERED PROFESSIONAL LAND SURVEYOR, DO HEREBY STATE THAT THIS DESCRIPTION IS BASED UPON A SURVEY MADE ON THE GROUND BY BURY+PARTNERS, INC., COMPLETED DURING THE MONTH OF AUGUST 2006. A SURVEY SKETCH PLAT BPI FILE NO. 629-19EX2.DWG WAS PREPARED TO ACCOMPANY THIS DESCRIPTION;

BURY & PARTNERS, INC. ENGINEERING-SOLUTIONS 221 WEST SIXTH ST., SUITE 600 AUSTIN, TEXAS 78701 1 / ml 9. Curtel 8-16-6

MARK A. ZIENTEK, R.P.L.S.

NO. 5683

STATE OF TEXAS



LINE TABLE

	m	
No.	BEARING	DISTANCE
L1	S76'45'48"E	570.34'
L2	N28'20'04"E	792.24
L3	S67'39'31"E	467.14
L4	S57'08'56"E	43.99'
L5	S40'55'09"E	513.38'
L6	S68'00'54"E	430.41
L7	S74'54'09"E	361.85'
L8	S76'26'45"E	508.60'
L9	S22'06'49"W	161.18'
LIO	S69'03'34"E	729.70'
L11	S68'33'33"E	868.49
L12	S50'28'02"W	567.95'
L13	S46'28'48"W	129.25'
L14	S43'49'49"W	328.75'

LINE TABLE

No.	BEARING	DISTANCE	
L15	S43'32'19"W	185.68'	
L16	N46'37'19"W	94.52	
L17	N47'47'48"W	269.21	
1.18	N48'58'48"W	402.81	
L19	N49'00'53"W	697.37'	
L20	N62'39'26"W	379.72'	
L.21	S43'22'36"W	211,37	
1.22	S59'24'52"W	215.98'	
L23	S46'29'00"E	328.27'	
L24	S43'18'29"W	60.00'	
L25	S40'43'37"W	300,57	
L26	S10'36'17"W	92.57'	
L27	N43'18'29"E	436.09'	
L28	N26'57'57"E	519,53'	
L29	N84'13'12"E	82.10	

CURVE TABLE

NO.	DELTA	RADIUS	ARC LENGTH	CHORD LENGTH	CHORD BEARING
C1	13'38'33"	530.00	126,20	125.90	N55'50'09"W .
C2	73'57'58"	80.00	103.28	96.25	S80'21'35"W
C3	16'02'16"	2460.00	688.59	686.34	S51'23'44"W
C4	17'20'55"	1940.00	587.41	585.17	S21'20'53"E
C5	33'48'35"	1460.00	861.53	849.08	S29'34'43"E

BEARING BASIS

THE BASIS OF BEARING OF THE SURVEY SHOWN HEREON IS REFERENCED TO THE TEXAS COORDINATE SYSTEM, NAD83(93), CENTRAL ZONE UTILIZING LCRA HARN GPS CONTROL NETWORK MONUMENTS A490, A491, A292, H074 AND ZMA1.

SHEET 8 OF 8

Bury+Partners

221 Yest Sixth Street, Suite 600 Austia, Texas 78701 Fel. (512)328-6011 Fax (512)328-6325 Bury+Partaers, inc. @Copyright 2607

SKETCH TO ACCOMPANY DESCRIPTION

OF 136.578 ACRES OF LAND SITUATED IN HAYS COUNTY, TEXAS, BEING A PORTION OF
THE REMAINDER OF THAT CERTAIN CALLED 218 ACRE TRACT CONVEYED TO ROBERT
LEON BAUERLE FROM V.E. DAMS, EXECUTED JUNE 12, 1962 AND RECORDED IN
VOLUME 191, PAGE 480 OF THE DEED RECORDS OF HAYS COUNTY, TEXAS; SAID 218
ACRE TRACT BEING FURTHER DESCRIBED IN SAID VOLUME 191, PAGE 480 AS THE
REMAINDER OF A CALLED 127.11 ACRE "FIRST TRACT" DESCRIBED IN VOLUME 116,
PAGE 588 OF SAID DEED RECORDS AND THE REMAINDER OF A CALLED 100.3 ACRE
"SECOND TRACT" DESCRIBED IN VOLUME 124, PAGE 182 OF SAID DEED RECORDS

SETON **NETWORK FACILITIES**

DATE: 08/16/07 | FILE: H: \629\19\62919EX2.dwg

FN No.: 07-532(CAG) DRAWN BY: CAG

PROJ. No: 629~19.20

FN. NO. 07-531 (DRK) AUGUST 16, 2007 BPI JOB NO. 629-18

69.049 ACRES BAUERLE TRACT KYLE, TEXAS

DESCRIPTION

OF 69.049 ACRES OF LAND OUT OF THE JOHN JONES SURVEY, ABSTRACT NO. 263, THE JOHN M. GREEN SURVEY, ABSTRACT NO. 200, THE AUGUSTUS BRICHTA SURVEY, ABSTRACT NO. 517, THE ALEXANDER MCKOWNE SURVEY, ABSTRACT NO. 327, THE DANIEL DOWNER SURVEY ABSTRACT NO. 151, AND THE JOHN STUART LEAGUE, ABSTRACT NO. 14, SITUATED IN HAYS COUNTY, TEXAS, BEING A PORTION OF THE REMAINDER OF THAT CERTAIN CALLED 218 ACRE TRACT CONVEYED TO ROBERT LEON BAUERLE FROM V.E. DAVIS, EXECUTED JUNE 12, 1962 AND RECORDED IN VOLUME 191, PAGE 480 OF THE DEED RECORDS OF HAYS COUNTY, TEXAS; SAID 218 ACRE TRACT BEING FURTHER DESCRIBED IN SAID VOLUME 191, PAGE 480 AS THE REMAINDER OF A CALLED 127.11 ACRE "FIRST TRACT" DESCRIBED IN VOLUME 115, PAGE 588 OF SAID DEED RECORDS AND THE REMAINDER OF A CALLED 100.3 ACRE "SECOND TRACT" DESCRIBED IN VOLUME 124, PAGE 182 OF SAID DEED RECORDS; SAID 69.049 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING, at a fence corner post found in the occupied westerly right-of-way line of Hays County Road No. 205, also known as Dacy Lane (R.O.W. varies), same being in the southerly line of said 100.03 acre tract, for the northeasterly corner of that certain 47.52 acre tract described in Volume 194, page 423 of said Deed Records and referenced in the deed to Alton Franke, Trustee, of record in Volume 241, Page 813 of said Deed Records, from which a fence corner post found for an angle point in the northerly line of said 47.52 acre tract and the southerly line of said 127.11 acre tract bears N46°29'00"W, a distance of 1421.79 feet;

THENCE, N43°18'29"E, over and across said 100.3 acre tract along the occupied westerly right-of-way line of said County Road No. 205, as found fenced and used on the ground, a distance of 60.00 feet to the POINT OF BEGINNING and southeasterly corner hereof;

THENCE, leaving the occupied westerly right-of-way line of said County Road No. 205, continuing over and across said 100.3 acre tract and said 127.11 acre tract for the southerly, westerly and northerly lines hereof, the following thirteen (13) courses and distances:

- 1) N46°29'00"W, a distance of 328.27 feet to the point of curvature of a curve to the right;
- 2) Along said curve to the right, having a radius of 1460.00 feet, a central angle of 33°48'35", an arc length of 861.53 feet, and a chord which bears N29°34'43"W, a distance of 849.08 feet to the point of curvature of a reverse curve to the left;
- 3) Along said reverse curve to the left having a radius of 1940.00 feet, a central angle of 17°20'55", an arc length of 587.41, and a chord which bears N21°20'53"W, a distance of 585.17 feet to the southwesterly corner hereof;

- 4) N59°24'52"E, a distance of 215.98 feet to the point of curvature of a curve to the left;
- 5) Along said curve to the left, having a radius of 2460.00 feet, a central angle of 16°02′16″, an arc length of 688.59 feet, and a chord which bears N51°23′44″E, a distance of 686.34 feet to the end of said curve;
- 6) N43°22'36"E, a distance of 211.37 feet to the point of curvature of a curve to the right;
- 7) Along said curve to the right, having a radius of 80.00 feet, a central angle of 73°57′58″, an arc length of 103.28 feet, and a chord which bears N80°21′35″E, a distance of 96.25 feet to the end of said curve;
- 8) \$62°39'26"E, a distance of 379.72 feet to the point of curvature of a curve to the right;
- 9) Along said curve to the right, having a radius of 530.00 feet, a central angle of 13°38'33", an arc length of 126.20 feet, and a chord which bears \$55°50'09"E, a distance of 125.90 feet to the end of said curve;
- 10) S49°00'53"E, a distance of 697.37 feet to an angle point hereof;
- 11) S48°58'48"E, a distance of 402.81 feet to an angle point hereof;
- 12) S47°47'48"E, a distance of 269.21 feet to an angle point hereof;
- 13) S46°37'19"E, a distance of 94.52 feet to the northeasterly corner hereof, being in said occupied westerly right-of-way line of Hays County Road No. 205, from which a fence post found for an angle point in said westerly right-of-way line bears N43°32'19"E, a distance of 183.72 feet;

THENCE, continuing over and across said 100.3 acre tract, along said occupied westerly right-of-way line, as found fenced and used on the ground, for a portion of the easterly line hereof, the following three (3) courses and distances:

- 1) \$43°32'19"W, a distance of 979.87 feet to a fence corner post found for an exterior ell corner hereof;
- 2) N48°39'19"W, a distance of 494.34 feet to a fence corner post found for an interior ell corner hereof;
- 3) \$43°36'10"W, a distance of 217.73 feet to a 1/2 inch iron rod with cap set for the easterly corner of that certain called 0.918 acre tract described in the deed to the City of Kyle, Texas, of record in Volume 1911, Page 22 of the Official Public Records of Hays County, Texas, for a reentrant corner hereof;

FN 07-531(DRK) AUGUST 16, 2007 PAGE 3 OF 5

THENCE, continuing over and across said 100.3 acre tract, along the outer lines of said 0.918 acre tract, for a portion of the easterly line hereof, the following three courses and distances:

- 1) N46°52'48"W, a distance of 200.00 feet to a 1/2 inch iron rod with cap set for the northerly corner of said 0.918 acre tract;
- 2) S43°07'12"W, a distance of 200.00 feet to a 1/2 inch iron rod with cap set for the westerly corner of said 0.918 acre tract;
- 3) \$46°52'48"E, a distance of 200.00 feet to a 1/2 inch iron rod with cap set for the southerly corner of said 0.918 acre tract, being in said occupied westerly right-of-way line of County Road No. 205, from which a 1/2 inch iron rod with cap found for the westerly common corner of Lot 13 and Lot 14 of Kyle Heights Section 2, of record in Volume 16, Page 395 of said Plat Records bears \$46°52'48"E, a distance of 50.00 feet;

THENCE, S43°18'29"W, continuing over and across said 100.3 acre tract along the occupied westerly right-of-way line of said County Road No. 205, as found fenced and used on the ground, for a portion of the easterly line hereof, a distance of 436.09 feet to the POINT OF BEGINNING, containing an area of 69.049 acres (3,007,774 square feet) of land, more or less, within these metes and bounds.

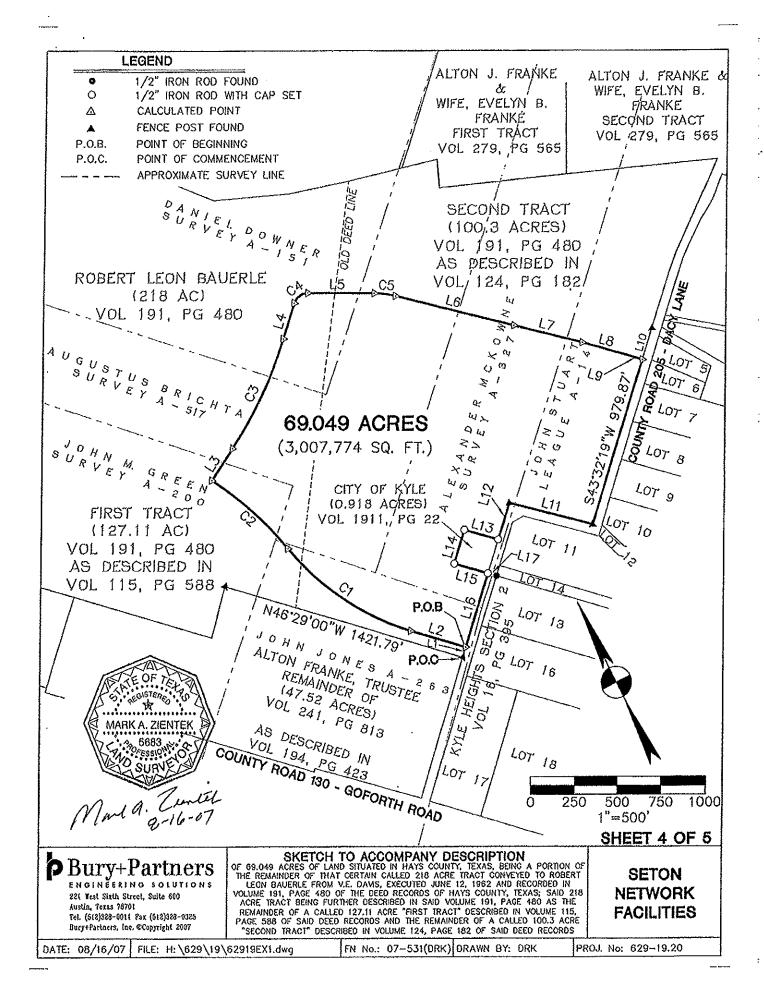
BEARING BASIS NOTE: THE BASIS OF BEARING IS REFERENCED TO THE TEXAS COORDINATE SYSTEM, NAD83(93), CENTRAL ZONE UTILIZING LCRA HARN GPS CONTROL MONUMENTS A490, A491, A292, H074 AND ZM1A.

I, MARK A. ZIENTEK, A REGISTERED PROFESSIONAL LAND SURVEYOR, DO HEREBY STATE THAT THIS DESCRIPTION IS BASED UPON A SURVEY MADE ON THE GROUND BY BURY+PARTNERS, INC., COMPLETED DURING THE MONTH OF AUGUST 2006. A SURVEY SKETCH PLAT BPI FILE NO. 629-19EX1.DWG WAS PREPARED TO ACCOMPANY THIS DESCRIPTION;

BURY & PARTNERS, INC. ENGINEERING-SOLUTIONS 221 WEST SIXTH ST., SUITE 600 AUSTIN, TEXAS 78701 Mark A. ZIENTEK, R.P.L.S.

NO. 5683

STATE OF TEXAS



LINE TABLE

No.	Bearing	Distance
L1	N43'18'29"E	60.00'
L2	N46'29'00"W	328.27
L3	N59'24'52"E	215.98'
L4	N43'22'36"E	211.37
L5	S62'39'26"E	379.72
L6	S49'00'53"E	697.37'
L7	S48'58'48"E	402.81
L8	S47'47'48"E	269.21

LINE TABLE

No.	Bearing	Distance
L9	S46'37'19"E	94.52'
LIO	N43'32'19"E	183.72
L11	N48'39'19"W	494.34
L12	S43'36'10"W	217.73'
L13	N46'52'48"W	200.00'
L14	S43'07'12"W	200.00
L15	S46'52'48"E	200.00'
L16	S43'18'29"W	436.09
L17	S46'52'48"E	50.00

CURVE TABLE

No.	Delta	Rodius	Arc Length	Chord Length	Chord Bearing
C1	33'48'35"	1460.00	861.53	849.08	N29'34'43"W
C2	17'20'55"	1940.00	587.41	585.17	N21'20'53"W
C3	16'02'16"	2460.00	688.59	686.34	N51'23'44"E
C4	73'57'58"	80.00	103.28	96.25	N80'21'35"E
¢ 5	13'38'33"	530.00	126.20	125.90	S55'50'09"E

BEARING BASIS

THE BASIS OF BEARING OF THE SURVEY SHOWN HEREON IS REFERENCED TO THE TEXAS COORDINATE SYSTEM, NAD83(93), CENTRAL ZONE UTILIZING LCRA HARN GPS CONTROL NETWORK MONUMENTS A490, A491, A292, H074 AND ZMA1.

SHEET 5 OF 5

Bury+Partners

ENGINEERING SOLUTIONS
221 Mest Sixth Street, Suite 600
Austio, Texas 76701
Tel. (512)328-0011 Fox (512)328-0325
Bury+Partners, iac. @Copyright 2007

SKETCH TO ACCOMPANY DESCRIPTION

OF 69.049 ACRES OF LAND SITUATED IN HAYS COUNTY, TEXAS, BEING A PORTION OF
THE REMAINDER OF THAT CERTAIN CALLED 218 ACRE TRACT CONVEYED TO ROBERT
LEON BAUERLE FROM V.E. DAWS, EXECUTED JUNE 12, 1962 AND RECORDED IN
VOLUME 191, PAGE 480 OF THE DEED RECORDS OF HAYS COUNTY, TEXAS; SAID 218
ACRE TRACT BEING FURTHER DESCRIBED IN SAID VOLUME 191, PAGE 480 AS THE
REMAINDER OF A CALLED 127.11 ACRE "FIRST TRACT" DESCRIBED IN VOLUME 115,
PAGE 588 OF SAID DEED RECORDS AND THE REMAINDER OF A CALLED 100.3 ACRE
"SECOND TRACT" DESCRIBED IN VOLUME 124, PAGE 182 OF SAID DEED RECORDS

SETON NETWORK FACILITIES

DATE: 08/16/07 | FILE: H:\629\19\62919EX1.dwg | FN No.: 07-531(DRK)| DRAWN BY: DRK | PROJ. No: 629-19.20

10.721 ACRES SCC-BRIAN BAUERLE TRACT KYLE, TEXAS FN. NO. 07-315 (MAZ) JUNE 5, 2007 BPI JOB NO. 629-19

DESCRIPTION

OF 10.721 ACRES OF LAND OUT OF THE AUGUSTUS BRICHTA SURVEY, ABSTRACT NO. 517 AND DANIEL DOWNER SURVEY ABSTRACT NO. 151, SITUATED IN HAYS COUNTY, TEXAS, BEING ALL OF THAT CERTAIN CALLED 9.727 ACRE "TRACT 1" AND 1.00 ACRE "TRACT 2" DESCRIBED IN THE CORRECTION GIFT DEED TO BRIAN L. BAUERLE, OF RECORD IN VOLUME 1771, PAGE 176, OF THE OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS; THE SAME BEING A PORTION OF THAT CERTAIN CALLED 127.11 ACRE "FIRST TRACT" DESCRIBED IN VOLUME 115, PAGE 588 OF THE DEED RECORDS OF HAYS COUNTY, TEXAS AND REFERENCED IN THE DEED OF A CALLED 218 ACRE TRACT TO ROBERT LEON BAUERLE FROM V.E. DAVIS, RECORDED IN VOLUME 191, PAGE 480 OF THE DEED RECORDS OF HAYS COUNTY, TEXAS; SAID 10.721 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING, at a TXDOT Type 1 concrete monument found for an angle point on the easterly right-of-way line of Interstate Highway No. 35 (R.O.W. varies), at or near TXDOT station 236+35.73, 210' left, being the northwesterly corner of said 1.00 acre tract and also being an angle point in the westerly line of said 9.727 acre tract and hereof;

THENCE, N30°41'16"E, along the easterly right-of-way line of Interstate Highway No. 35, being a portion of the westerly line of said 9.727 acre tract, for a portion of the westerly line hereof, a distance of 366.86 feet to a point within a steel fence post found for an angle point in said easterly right-of-way line, at or near TXDOT station 332+68.87, 210' left, for the northwesterly corner of said 9.727 acre tract and hereof, from which a TXDOT Type I concrete monument found bears N68°55'01"W, a distance of 1.17 feet;

THENCE, S67°30′24″E, continuing along the easterly line right-of-way line of Interstate Highway No. 35, being a portion of the northerly line of said 9.727 acre tract, for a portion of the northerly line hereof, a distance of 40.41 feet to a 1/2 inch iron rod with cap set for an angle point in said easterly right-of-way line, at or near TXDOT station 332+63.11, 250′ left, for the southwesterly corner of that certain called 46.44 acre "Tract 1" described in the correction deed to Alton Franke and A.W. Greg, of record in Volume 371, Page 677, of said Deed Records, from which a TXDOT Type I concrete monument found bears N69°58′27″W, a distance of 1.60 feet;

THENCE, S67°22'23"E, leaving said easterly right-of-way line, along the line common to a portion of the southerly line of said 46.44 acre tract and a portion of the northerly said 9.727 acre tract, for a portion of the northerly line hereof, a distance of 510.32 feet to a steel fence post found for the northeasterly corner of said 9.727 acre tract and hereof;

FN 07-315(MAZ) JUNE 5, 2007 PAGE 2 OF 2

THENCE, \$28°20'04"W, leaving the southerly line of said 46.44 acre tract along the fenced easterly line of said 9.727 acre tract, being a portion of the westerly line of the remainder of said 127.11 acre tract, for the easterly line hereof, a distance of 792.24 feet to a 1/2 inch iron rod with cap found by a fence corner, for the southeasterly corner of said 9.727 acre tract and hereof;

THENCE, N76°45'48"W, along the partially fenced southerly line of said 9.727 acre tract, being a portion of the westerly line of the remainder of said 127.11 acre tract, for the southerly line hereof, a distance of 570.34 feet to a 1/2 inch iron rod with cap stamped "Survcon" found on said easterly line right-of-way line of Interstate Highway No. 35, for the southwesterly corner of said 9.727 acre tract and hereof;

THENCE, N26°57'57"E, along said easterly right-of-way line of Interstate Highway No. 35, being in part a portion of the westerly line of said 9.727 acre tract and in part the westerly line of said 1.00 acre tract, for a portion of the westerly line hereof, a distance of 519.53 feet to the POINT OF BEGINNING, containing an area of 10.721 acres (467,003 square feet) of land, more or less, within these metes and bounds.

BEARING BASIS NOTE: THE BASIS OF BEARING IS REFERENCED TO THE TEXAS COORDINATE SYSTEM, NAD83(93), CENTRAL ZONE UTILIZING LCRA HARN GPS CONTROL MONUMENTS A490, A491, A292, H074 AND ZM1A.

I, MARK A. ZIENTEK, A REGISTERED PROFESSIONAL LAND SURVEYOR, DO HEREBY STATE THAT THIS DESCRIPTION IS BASED UPON A SURVEY MADE ON THE GROUND BY BURY+PARTNERS, INC., COMPLETED DURING THE MONTHS OF JUNE AND SEPTEMBER 2007. THIS DESCRIPTION WAS PREPARED TO ACCOMPANY A LAND TITLE SURVEY BPI FILE NO. 629-19TI2.DWG;

BURY + PARTNERS, INC. ENGINEERING-SOLUTIONS 221 WEST SIXTH ST., SUITE 600 AUSTIN, TEXAS 78701

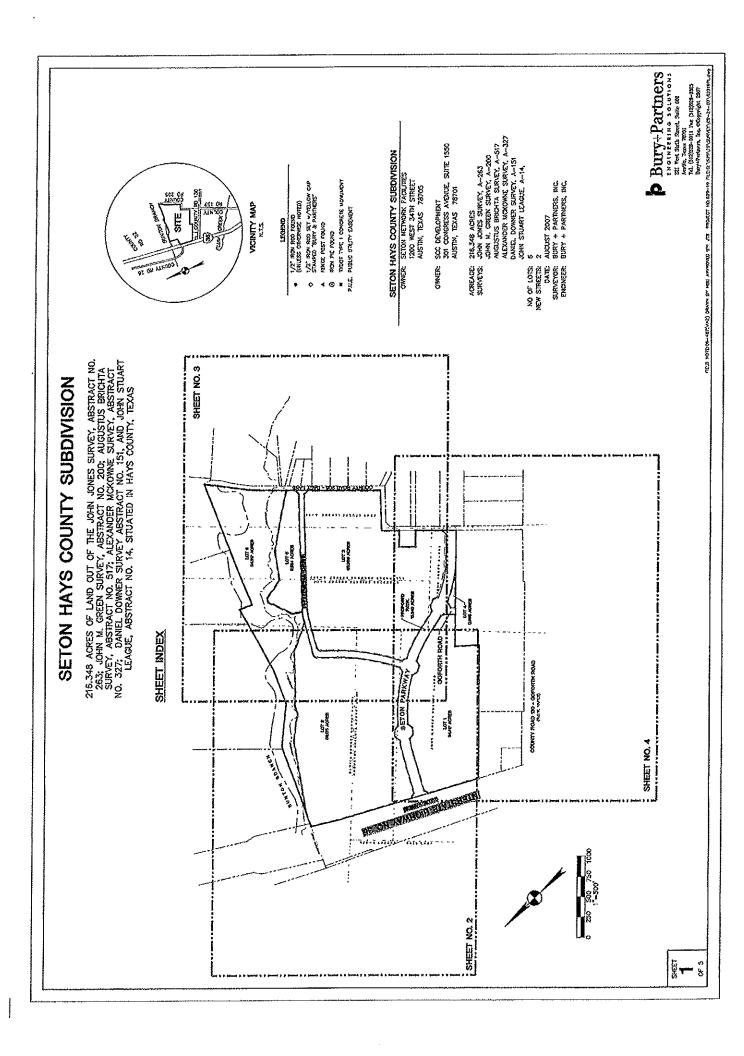
MARK A. ZIENTEK, R.P.L.S.

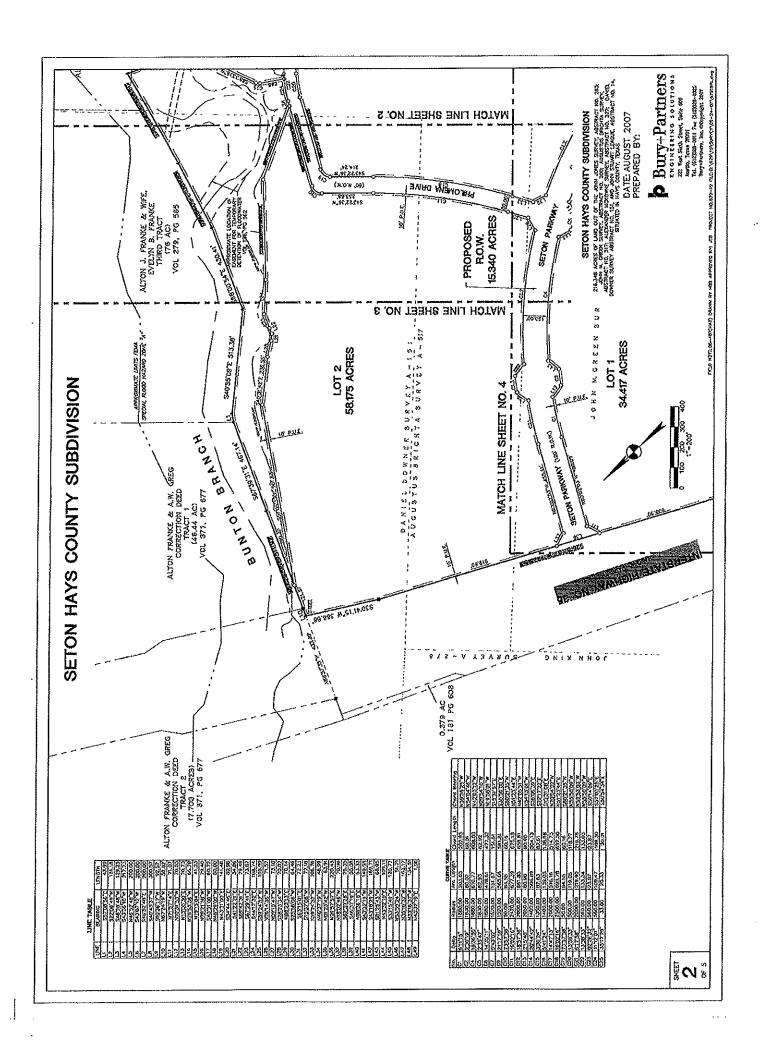
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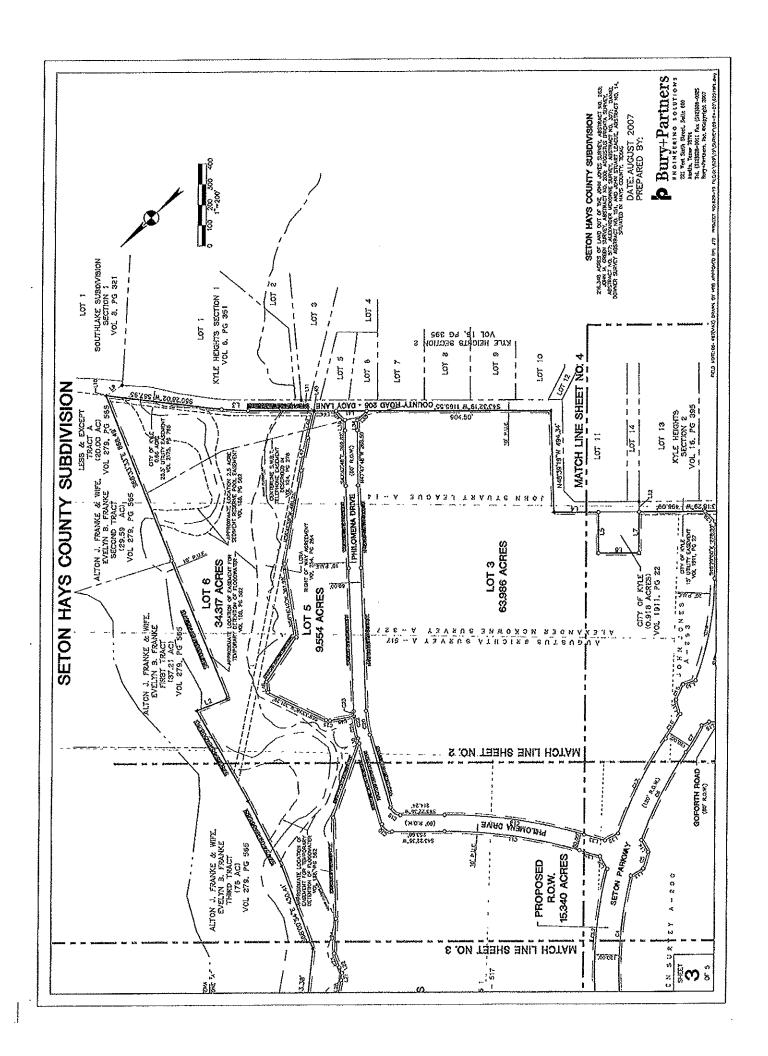
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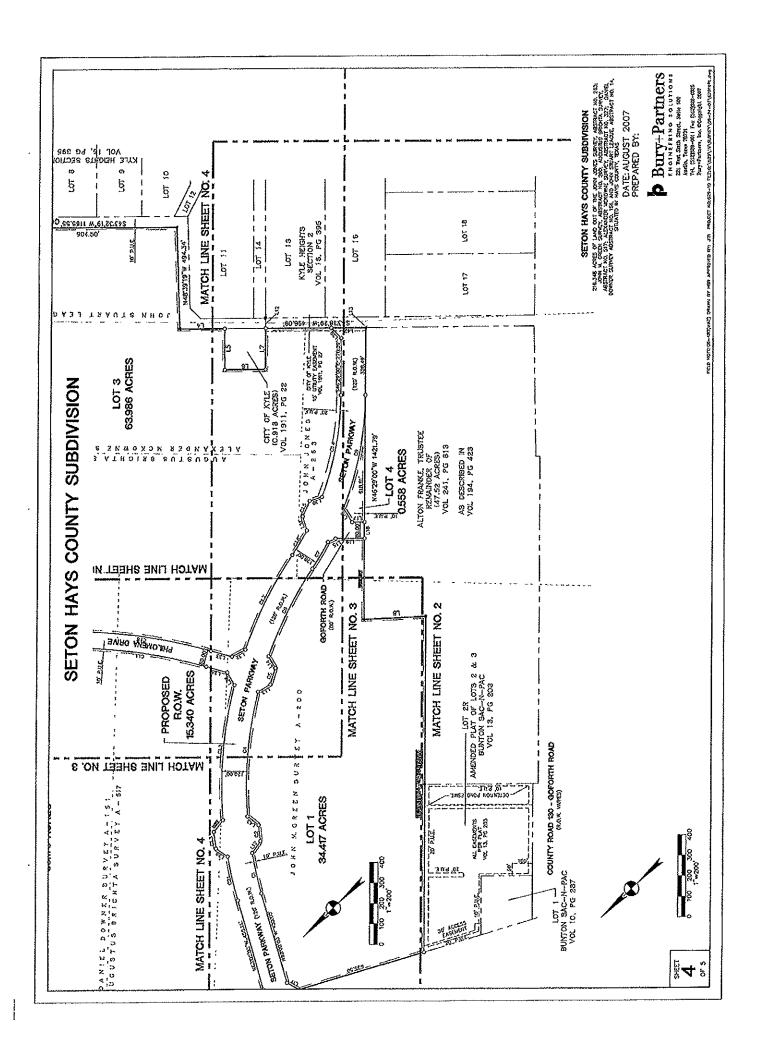
Exhibit "B"

Proposed Subdivision Plat of the Property









SETON HAYS COUNTY SUBDIVISION

GENERAL NOTES:

- JOSTRANA, INFORMATION RECARRING FLOWING EACHDER IN VO. 108, PG 522 PLOTED FROM 168 MAP OF FLOOD CONTROL, STRUCTURE NO.3 PROVIDED BY PLUM CREEK CONSERVATION DISTRICT LOGGALINE; 2) PATENT SURVEY LINESS SOWN HEREON ARE APPROXIMATE.

STATE OF TEXAS & COUNTY OF HAYS &

IN HTRICSS WADDERS, THE SAD SETON NETWORK FACULIES HAS CAUSED THESE PRESENTS TO BE EXCULTED BY THE WAS TREGENTED BULY AUTHORISED.

SETON NETWORK PACILIES

STATE OF TEXAS &

THIS INSTITUTION WAS ACCOUNTEDED DEFORE ME, ON SERVIN FIGURES A TEXAS CORPOSATION, ON BOALF OF SAID CORPORATION.

NOTARY PUBLIC, STATE OF TEXAS
HY: COUNTSSION EXPRESS

STATE OF TEXAS & COUNTY OF HAYS \$

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NOTARY PUBLIC, STATE, OF TOXAS MY COUNTSTION EXPRES

SURVEYOR'S CERTIFICATION:

STATE OF TEXAS & COUNTY OF HAYS §

1. THE UNDERSOURD, A LICENSED PROFESSIONAL DIGINIER IN THE STATE OF TEXAS, SO HEREBY CORTY THAT PROFES DIGINIERING CONSDIGNATION MAS JEEN OWEN THIS PLAT.

ENGINEER CERTIFICATION: STATE OF TEXAS & COUNTY OF HAYS & GHRIS HANDAZZO

GHRIS HANDAZZO

TROGETERED PROFESSONAL DICENÇER NO. 87029

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AUSTIN, TOAKS, TSOFT

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LUME A. BENTIK BERTOND PROCESSOUL, LAW SURVEYOR NO. 5683 BENT + PARMATIS, INC. BENT - STATE, SUIT, GOD ASSIN, TRAKS, 7870

CITY ENGINEER CERTIFICATION:

STATE OF TEXAS \$
COUNTY OF HAYS \$

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CERTIFICATION OF CITY SECRETARY:

STATE OF TEXAS &

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HINCHVA FALCON, CITY SECRETARY CITY OF KILE, TEXAS

DIRECTOR OF PUBLIC RECORDS CERTIFICATION:

STATE OF TEXAS & COUNTY OF HAYS &

I. THE INDIDENSIONED, DRECTOR OF PUBLIC WORKS OF THE CITY OF KHLE, KORBSY CARTEY THAT THIS SUBDIVISION PLAT CONCOUNTS TO THE RECOURDINGS OF THE SUBDIVISION CHOONAINES AND PSTREET

PLANNING AND ZONING COMMISSION CERTIFICATION

STATE OF TEXAS & COUNTY OF HAYS &

THE DAY, PLAT HAS BEDT STRUTTED TO AND CONSIDERED BY THE PLANSHING AND ZODGED CONSISSION OF THE CITY OF KILL TEXAS, AND IS HEREBY APPROVED BY SIGN PLANSHING AND ZONGH COAMBEON.

30 YO. של יאת ביייי מיוז מזראם

DAN SYAN, CHADIPERSON

STATE OF TEXAS & COUNTY OF HAYS § I LIST CHARTS. COUNTY CLERK OF MAYS COUNTY. TRAIS, DO HEREBY CERTORY THAT THE FOREGOING WESTBLUDGT IN WEIGHT, WHE THE CENTERCHE OF A LANGUAGE AND AND THE ALL DAY OF CONTROL ON THE ALL DAY OF THE COUNTY THAT THE COUNTY THE COUNTY THAT THE COUNTY THE COUNTY THAT THE COUNTY THE COUNTY THE COUNTY THE COUNTY THE COUNTY THAT THE COUNTY OF COUNTY THE COUNTY

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SETON HAYS COUNTY SUBDIVISION

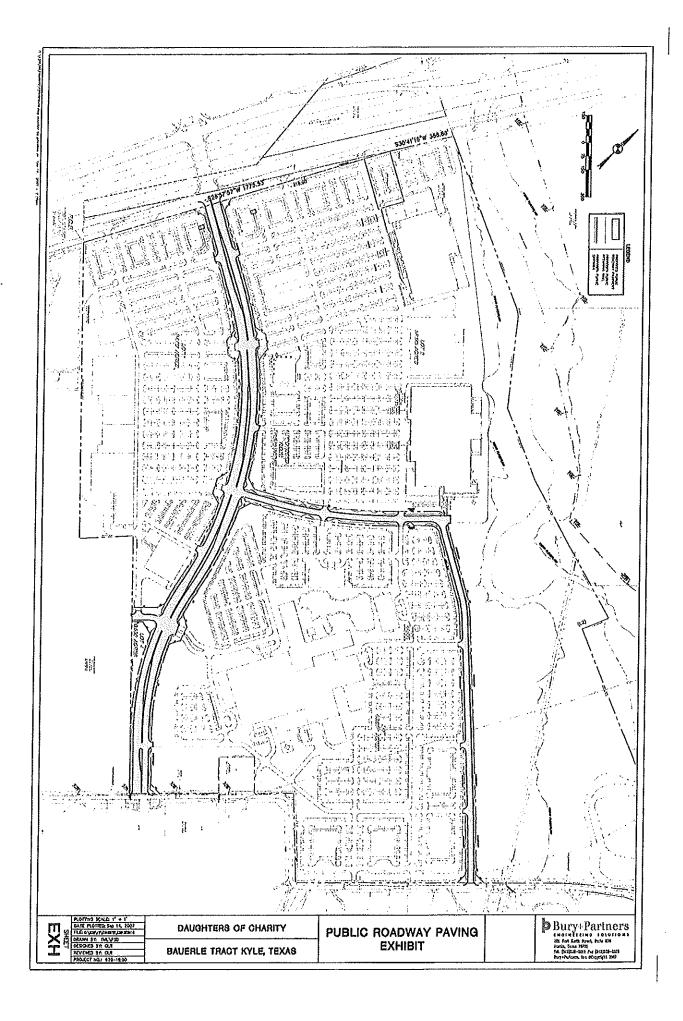
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DATE: AUGUST 2007
PREPARED BY:

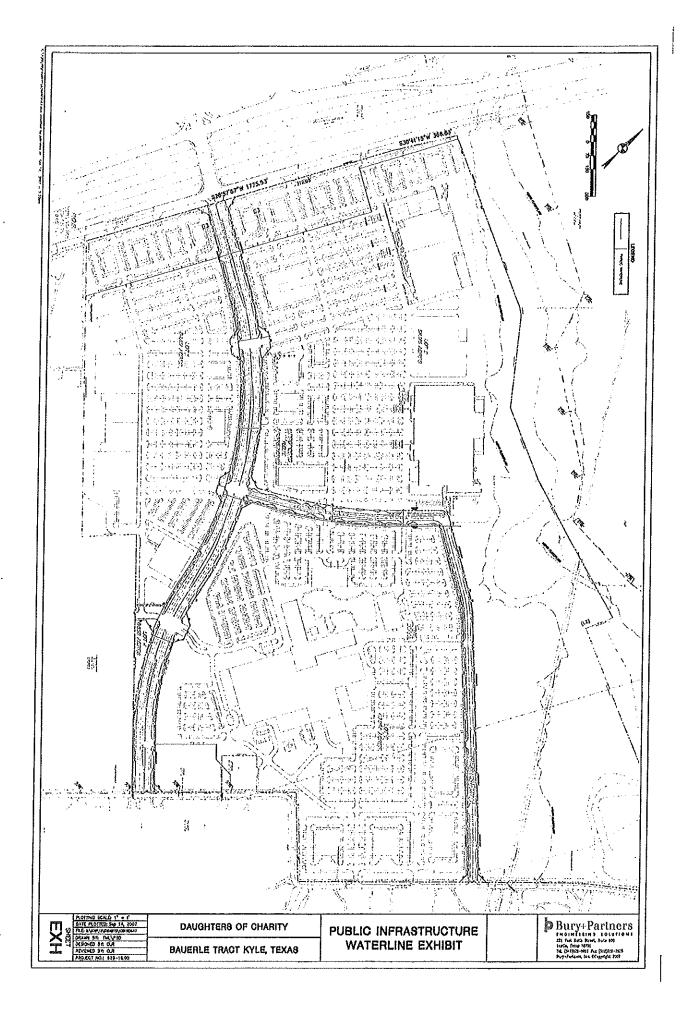
Bury+Partners

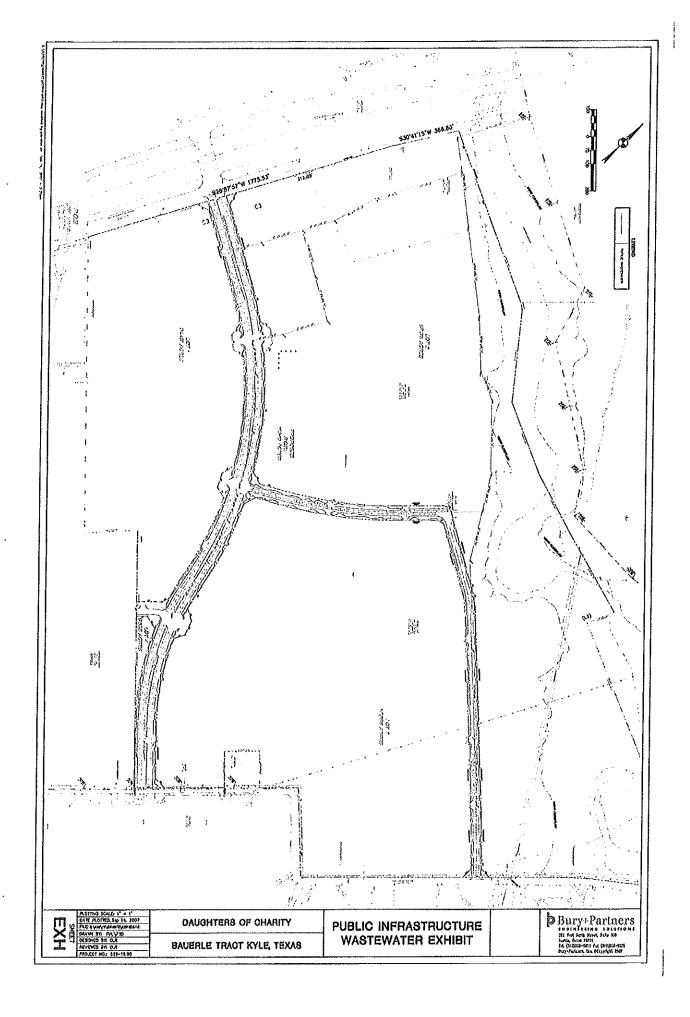
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Exhibit "C" Map Eligible Infrastructure







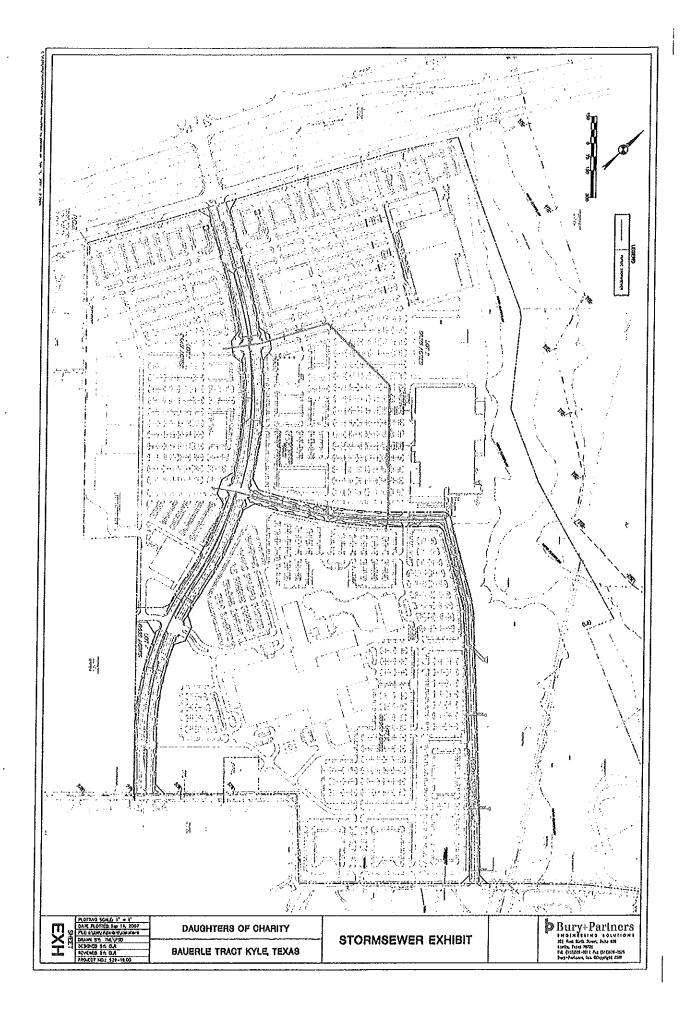


Exhibit "D" Phasing Plan

