

ECONOMIC INCENTIVES AGREEMENT

THIS AGREEMENT FOR ECONOMIC INCENTIVES (this "Agreement"), is made and entered into this 19th day of October, 2016, by and between the CITY OF KYLE, Texas, a home rule municipal corporation (the "City") and RSI, Inc. ("Employer") (Employer and the City are sometimes collectively referred to herein as the "Parties", who agree follows:

FACTUAL RECITALS AND FINDINGS:

Whereas, Employer owns approximately five acres of real property in the City of Kyle, Texas located at 1670 Kohler's Crossing, being more fully described in Exhibit "A" ("Property"); and

Whereas, Employer has applied for economic incentives for the addition of additional employees at their business located in the City; and

Whereas, Article III, Section 52-a of the Texas Constitution gives the Texas Legislature the authority to provide for loans and grants of public money or assets for the development and diversification of the State's economy and the elimination of unemployment or underemployment; and

Whereas, pursuant to the Texas Local Government Code, the City may establish and provide for the administration of an economic development program to advance economic growth, while also stimulating business and commercial activity within the municipality; and

Whereas, in consideration of the representations made by Employer to the City, the City Council has approved and authorized this Agreement for economic financial incentives; and,

Whereas, the City desires to promote local economic development and to stimulate business and industrial activity in the City;

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 state law and is within the authority of the City and its Charter.

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 incorporated into the body of this Agreement.

Section 3. Term

This Agreement shall be effective as of the date of execution by both parties. This Agreement shall remain in full force and effect until the City and Employer have completed their respective obligations hereunder or has been earlier terminated by the parties in writing (the "Term").

Section 4. Definitions

City shall mean the City of Kyle, Texas.

Employer shall mean RSI, Inc.

Full-time Equivalent Employees or FTE shall mean the aggregate average employees in a given year working at least a thirty-hour work week for the minimum salary established herein.

Year shall mean a twelve-month period of time utilizing the effective date of this agreement as day one of the twelve months and extending there from for a period of twelve months.

Property shall mean that parcel indicated on Exhibit "A" and the legal description thereto.

INCENTIVES AND OBLIGATIONS

Section 5. Employment Requirements

5.1 RSI, Inc. owns the designated five-acre Property located at 1670 Kohler's Crossing, described in Exhibit "A" attached hereto, the site of current operations.

5.2 RSI, Inc. shall employ a minimum of fifty (50) retained full-time equivalent (FTE) employees upon the execution of this Agreement and employ an additional eighty-two (82) full-time equivalent (FTE) employees for a grand total of one hundred thirty-two (132) full-time equivalent (FTE) employees at the end of this Agreement. Employer shall meet the following employment minimum at the end of each full year of the Agreement:

<u>Year</u>	<u>New FTE's</u>	<u>Total # FTE's Required</u>
1	7	57
2	7	64
3	7	71
4	7	78
5	7	85
6	7	92
7	7	99
8	10	109
9	11	120
10	12	132

5.3 For every retained FTE above the minimum of fifty (50), Employer shall receive a reimbursement grant of \$1,500.00 from Hays County and \$1,500.00 from the City. Such grant shall be paid at the end of each full year of the Agreement. The maximum amount of such grant shall be \$123,000.00 from Hays County and \$123,000.00 from the City. City shall have no obligation to pay the reimbursement grant committed to by Hays County and Hays County shall have no obligation to pay the reimbursement grant committed to by the City.

5.4 In order to qualify for grants identified in Sections 5.3 and 7.1, Employer shall pay or obtain a loan to pay their 2015 Ad Valorem taxes in the amount of one hundred and thirty-one thousand dollars (\$131,000.00) Employer shall also pay the annual ad valorem taxes on the real property during the term of this Agreement, subject to any applicable exemptions.

Section 6. Employer's Obligations

6.1. Employer will employ at least fifty (50) retained FTEs upon the execution of this Agreement and hire an additional eighty-two (82) FTE per Section 5.2 subject to the provisions below. FTE's on Employer's payroll upon the execution of this Agreement apply towards fulfillment of this obligation.

6.2. Employer agrees to make annual payments to City in the amount of \$24,000.00 through the year 2020 and \$21,000.00 for the remaining term of the Agreement to pay back the interest free loan pursuant to the covenants of this agreement (herein "Employer's Annual Property Payment"), subject to the annual FTE job credit offset provisions of Section 8.2 providing for up to a maximum annual credit amount of the annual payment as stated above. Any excess employees for a particular year will be accrued to meet the requirement of the following year (s).

6.3. Employer expects to employ a minimum of fifty (50) employees plus an additional eighty-two (82) full-time equivalent (FTE) employees for a grand total of one hundred thirty-two (132) full-time equivalent (FTE) employees per Section 5.2 of this Agreement. In the event that Employer does not meet the fifty (50) retained employees plus additional FTE's per year of the agreement requirement per Section 5.2 of this Agreement either yearly or by determining the yearly average number of FTE's, **Employer shall pay to the City the full balance of the Loan payment upon thirty days after receiving notice from the City.** This full balance shall include any annual payments offset by FTE job credits per Section 8.2.

6.4. Employer will continue to register Employer and the address of the Property and Plant as the point of sale for all products produced on, or transported from, the Plant and the Property, and to take such action with the State of Texas, Comptroller of Public Accounts, 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.

6.5. Employer will reasonably cooperate with the City with respect to the procedures and structure necessary to give effect to this agreement, and accomplish the intended purposes at the earliest date, or on or before an agreed date.

6.8. Employer will keep the Property and the Plant fully insured for loss and property damage during the term of this Agreement; and will maintain adequate liability insurance.

6.9. Employer will retain and maintain a local intern program and provide opportunity for at least two (2) Hays CISD students for a summer internship each year of this Agreement.

6.10. In the event that Employer (a) allows its ad valorem taxes owed the City to become delinquent, or (b) violates any of the terms and conditions of this Agreement or (c) fails to maintain existing jobs and create the new jobs per this Agreement, then the Agreement may be terminated by the City, and all monies loaned that have not been repaid will be recaptured and paid to the City by Employer within sixty (60) days of the termination.

Section 7. City's Obligations.

7.1. As a condition of the Employer investing in the additional employees, the City will provide two hundred thirty-four dollars (\$234,000.00) interest-free financing for fulfillment of the Employer's obligations.

7.2. The City will hold a second lien on the existing property at 1670 Kohlers Crossing, Kyle, Texas, that will secure performance by Employer and will provide that if any first lien holder forecloses on the Plant and Property during years one through ten of this Agreement, following the execution of this Agreement, such lender will make all reasonable efforts to sell the Property at full market value and recover as much of the City's remaining original investment in the property under the economic incentive agreement (up to \$234,000.00).

Section 8. Economic Incentives.

8.1. Within ten (10) days after the execution of this Agreement by both parties, the City will provide four hundred eighty-four thousand two hundred and thirty four dollars (\$484,234) interest-free cash financing for fulfillment of the Employer's Obligations during the term of this Agreement.

8.2. Employer's Annual Payments shall be offset by FTE job credits up to a maximum of \$24,000.00 through the year 2020 and \$21,000.00 for the remaining term of the Agreement. The City shall provide a credit against the annual payments pursuant to the employment requirements for each FTE, with a maximum credit toward the Loan balance for any given year being the annual payment (herein "Annual Credit"); provided that the Annual Credit will not be granted for years in which the average yearly FTE count is not at least fifty (50) FTEs plus the additional FTE per Section 5.2 of this Agreement subject to the credit being

granted. The total credits for FTEs cannot exceed the total payments due before credit against payment for number of FTE's.

8.3 The City will provide Employer for an additional means of earning credits toward Employer's Annual Payments. For every meeting Employer sets up between the City and executive level decision makers from other companies with a relationship with the Employer that the City agrees are potential economic development prospects for the City, the City will credit Employer \$1,000 per qualified meeting. The determination as to which economic development prospects qualify is the sole decision of the City. The maximum of these meeting credits is \$25,000 for the ten (10) year period of this Agreement.

8.4. The interest free loan from the City will be deemed paid in full at the expiration of a ten (10) year period upon fulfillment of all obligations and performance requirements of this Agreement.

Section 9. Freeport Tax Exemption

The City and Hays County already participate in Freeport Exemption from ad valorem tax on business inventories destined for out-of-state shipment within 175 days. Based on preliminary discussions with the appropriate officials, it is believed that the Hays CISD will make a decision regarding School District participation in Freeport Exemption from ad valorem tax. The City will use its best efforts to secure HCISD Freeport Tax Exemption participation.

Section 10. State Programs

City staff will provide assistance and guidance to facilitate applications and help Employer access various state and/or federal programs including, but not limited to, the Texas Enterprise Zone Program, Sales & Use Tax Benefits, Employee Training Resources, the Skills Development Fund, and the Self-Sufficiency Fund.

Section 11. Assignment

11.01 Employer shall have the right, without the City's consent, to transfer or assign this Agreement to an Affiliate (or any other business entity that will occupy the Property for the purpose of operating the current provided that Employer shall notify the City in writing of such transfer or assignment within ten (10) days after the effective date thereof. For purposes of this Agreement, **Affiliate** (herein so called) shall mean:

- (1) A parent corporation of Employer
- (2) Any wholly-owned subsidiary of Employer
- (3) Any business entity succeeding to substantially all of Employer's assets as a result of a consolidation or merger; or
- (4) Any business entity to which all or substantially all of Employer's assets have been sold.

11.02 The transfer or assignment of this Agreement to an entity which does not satisfy the requirements of Section 11.01 above shall require the City's consent as evidenced by an ordinance duly enacted by the City Council after receipt by the City of Employer's written notification of such proposed transfer at least sixty (60) days before the effective

date thereof, provided that the City's consent shall not unreasonably be withheld, conditioned, or delayed.

11.03 Any attempted transfer or assignment of this Agreement in violation of the terms set forth in Section 11 shall be void ab initio, and shall entitle the City to terminate this Agreement by written notice to Employer, whereupon the parties hereto shall be relieved of all duties hereunder except that City shall be able to recover the loaned funds per Section 6.10; provided, however, that such termination shall not be effective if, within ten (10) days after its receipt of the City's termination notice, Employer shall notify the City that Employer has rescinded such attempted transfer or assignment.

11.04 Effective as of the effective date of a transfer or assignment pursuant to Section 11.01 or 11.02 above, Employer will be released of any further duties or obligations under this Agreement, provided however, that the transferee or assignee must agree in writing to assume and be bound by the terms of this Agreement before Employer will be so released.

Section 12. Termination

12.1 This Agreement shall terminate upon the earliest occurrence of any one or more of the following: (a) The written agreement of the Parties; (b) The Agreement's Expiration Date; or (c) an uncured Default by the Employer.

12.2 A party shall be deemed in default under this Agreement (which shall be deemed a breach hereunder) if such party fails to perform, observe or comply with any of its covenants, agreements or obligations hereunder or breaches or violates any of its representations contained in this Agreement. Before any failure of any party to perform its obligations under this Agreement shall be deemed to be a breach of this Agreement, the party claiming such failure shall notify, in writing, the party alleged to have failed to perform of the alleged failure and shall demand performance. No breach of this Agreement may be found to have occurred if performance has commenced to the reasonable satisfaction of the complaining party within fifteen (15) days of the receipt of such notice. Except as otherwise set forth herein, no action taken by a Party pursuant to the provisions of this Section or pursuant to the provisions of any other Section of this Agreement shall be deemed to constitute an election of remedies; and all remedies set forth in this Agreement shall be cumulative and non-exclusive of any other remedy either set forth herein or available to any Party at law or in equity. Each of the Parties shall have the affirmative obligation to mitigate its damages in the event of a default by the other Party.

Section 13. 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 Company hereby consents to and agrees to cooperate in any request by the City to obtain copies of Sales/Use tax returns from the State. The parties shall execute any additional documents and agreement reasonably necessary to implement this Agreement. The Company shall execute a Waiver of Sale Tax Confidentiality or such other form as required by the State Comptroller to allow the City to monitor this Agreement.

Section 14. Employment of Undocumented Workers.

During the term of this Agreement, the Employer agrees to not knowingly employ any undocumented workers, and, if convicted of a violation under 8 U.S.C. Section 1324a(1), the Employer shall be in Default and repay the amount of the payment from the Reimbursement Fund received by the Employer from the City as of the date of such violation within one hundred twenty (120) days after the date the Employer is notified by the City of such violation, plus interest at the rate of six percent (6.00%) compounded annually from the date of the violation until paid in full. The Employer is not liable for an unknown violation of this section by a contractor or subcontractor of the Employer or by a person with whom the Employer contracts provided however that identical federal law requirements provided for herein shall be included as part of any agreement or contract which Employer enters into with any contractor or subcontractor which Grants provided herein will be used. Employer shall cause each contractor, subcontractor or other entity engaged in the construction of the Improvements provided by this Agreement to verify the employment status of each employee so engaged with the e-verify service provided by the United States Citizenship and Immigration Services and shall annually certify such compliance to the City.

Section 15. Representations and Warranties

The City represents and warrants to Employer 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 represents and warrants to the City that it has the requisite authority to enter into this Agreement.

Section 16. Sections or Other Headings

Sections or other headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 17. Hold Harmless and Indemnification

EMPLOYER SHALL INDEMNIFY, DEFEND AND HOLD CITY (INCLUDING CITY'S AGENTS, SERVANTS, EMPLOYEES, OFFICERS AND DIRECTORS) HARMLESS FROM ANY AND ALL CLAIMS, CAUSES OF ACTION, LOSSES, DAMAGES LIABILITES, FINES, COSTS, AND EXPENSES, INCLUDING, BUT NOT LIMITED TO, ACTUAL AND REASONABLE ATTORNEYS FEES, REASONABLE INVESTIGATIVE COSTS, COURT COSTS, ALL OTHER DEFENSE COSTS AND INTEREST, AND ALL OTHER SUMS WHICH CITY MAY PAY OR BECOME OBLIGATED TO PAY ON ACCOUNT OF ANY CLAIM OR ASSERTION OF LIABILITY ARISING OR ALLEGED TO HAVE ARISEN OUT OF ANY ACT OR OMISSION OF EMPLOYER (INCLUDING EMPLOYER'S AGENTS, EMPLOYEES, OFFICERS, DIRECTORS, CONTACTORS, AND SUBCONTRACTORS) IN CONNECTION WITH THE PERFORMANCE UNDER THE TERMS OF THIS AGREEMENT, UNLESS SUCH CLAIM OR LIABILITY ARISES OUT OF ANY INTENTIONAL OR NEGLIGENT ACT OR OMISSION OF CITY OR ITS AGENS, SERVANTS, EMPLOYEES, INVITEES, OR CONTRACTORS.

IT IS THE EXPRESS INTENT OF THIS SECTION THAT THE INDEMNITY PROVIDED TO THE CITY SHALL SURVIVE THE TERMINATION AND OR EXPIRATION OF THIS AGREEMENT FOR THE APPLICABLE LIMITATIONS PERIOD PER CLAIM TYPE, AND SHALL BE BROADLY INTERPRETED AT ALL TIMES TO PROVIDE THE MAXIMUM INDEMNIFICATION OF THE CITY AND ITS OFFICERS, EMPLOYEES AND ELECTED OFFICIALS PERMITTED BY LAW.

Section 18. Mediation.

If a dispute arises out of or relates to this Agreement or the breach thereof, the Parties shall first in good faith seek to resolve the dispute through negotiation between the upper management of each respective Party. If such dispute cannot be settled through negotiation, the Parties agree to try in good faith to settle the dispute by mediation under the Commercial Mediation Rules of the American Arbitration Association, Dallas, Texas, before resorting to litigation, or some other dispute resolution procedure; provided that a Party may not invoke mediation unless it has provided the other Party with written notice of the dispute and has attempted in good faith to resolve such dispute through negotiation. Notwithstanding the foregoing, any Party may seek immediate equitable relief, without attempting to settle a dispute through mediation, in any case where such Party is entitled to equitable relief by law, the terms of the Agreement, or otherwise. All costs of negotiation, mediation, collectively known as alternate dispute resolution ("ADR") shall be assessed equally between the City and Employer with each party bearing their own costs for attorney's fees, experts, and other costs of ADR and any ensuing litigation.

Section 19. Force Majeure.

The duties of the Employer and City to observe and to perform any of the provisions of this Agreement on its part to be performed or observed, shall be excused for a period equal to the period of prevention, delay or stoppage due to causes beyond the control of the Employer and or City by reasons of strikes, civil riots, water, invasions, fire other casualty, or Acts of God ("Force Majeure").

Section 20. Entire Agreement

This Agreement contains the entire agreement between the parties with respect to the transaction contemplated herein.

Section 21. Amendment

This Agreement may only be amended or altered by written instrument signed by the parties.

Section 22. Notice

Any notice and/or statement required and permitted to be delivered shall be deemed delivered by depositing same in the United States mail, certified mail with return receipt requested, postage prepaid, or upon receipt by nationally recognized overnight courier, addressed to the appropriate party at the following addresses, or at such other addresses provided by the parties by notice under this Section:

RSI Inc.: Attn: Harish Malkani
RSI, Inc.
1670 Kohler's Crossing
Kyle, TX 78640

City: City of Kyle
Attn: City Manager
PO Box 40
Kyle, TX 78640

With copy to: Davidson Troilo Ream & Garza
City Attorney
601 NW Loop 410, Suite 100
San Antonio, TX 78216

Section 23. 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 24. 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.

This agreement is subject to final attorney review by the Parties' respective attorneys; and all other formal approvals required by law.

Exhibit A
Tract One

5.007 Acre
John Cooper Sur. No. 13, A-100
Jesse Day Sur. No. 162, A-152
Hays County, Texas

LAI Job No. 070104
FN0741R2(jdb)

Page 1 of 2

FIELD NOTES DESCRIPTION

DESCRIPTION OF 5.007 ACRES OF LAND IN THE JOHN COOPER SURVEY, NO. 13, A-100, AND JESSE DAY SURVEY NO. 162, A-152, HAYS COUNTY, TEXAS; BEING A PORTION OF THAT CERTAIN CALLED 185.77 ACRES OF LAND DESIGNATED AS TRACT 4 OF EXHIBIT "A" DESCRIBED IN THE DEED TO MOUNTAIN PLUM, LTD. OF RECORD IN VOLUME 2297, PAGE 139, OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS, AS SURVEYED BY LOOMIS AUSTIN, INC. AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a ½-inch iron rod with plastic cap stamped "LAP" set in the east line of that certain 40-ft wide tract of land described in the deed to International and Great Northern Railroad Company of record in Volume H, Page 25, Deed Records of Hays County, Texas, being 20-ft east of the centerline of the railroad track, in the south line of Hays County Road No. 171, same being the southwest corner of Parcel No. 2 described in the Quitclaim Deed dated September 10, 1991, from William Negley to Hays County, said Quitclaim Deed apparently unrecorded, and being the northwest corner of the remainder of said 185.77 acre tract;

THENCE with the south line of said Parcel No. 2, same being the current south line of said Hays County Road No. 171 and the north line of the remainder of said 185.77 acre tract, the following three (3) courses and distances:

1. N 88° 52' 31" E, a distance of 295.82 feet to a ½-inch iron rod with plastic cap stamped "LAI" set,
2. N 01° 07' 29" W, a distance of 21.00 feet to a ½-inch iron rod with plastic cap stamped "LAI" set, and
3. N 88° 52' 31" E, a distance of 820.99 feet to a ½-inch iron rod with plastic cap stamped "LAI" set;

THENCE S 01° 07' 29" E, leaving the south line of said Parcel No. 2, same being the current south line of said Hays County Road No. 171 and the north line of the remainder of said 185.77 acre tract and crossing the said 185.77 acre tract, a distance of 25.00 feet to a ½-inch iron rod with plastic cap stamped "LAP" set for the northwest corner and POINT OF BEGINNING of the tract described herein;

THENCE continuing across the said 185.77 acre tract with the north, east, south and west lines of the tract described herein, the following four (4) courses and distances:

1. N 88° 52' 31" E, a distance of 326.00 feet to a ½-inch iron rod with plastic cap stamped "LAI" set for the northeast corner of the tract described herein,
2. S 01° 07' 29" E, a distance of 669.00 feet to a ½-inch iron rod with plastic cap stamped "LAI" set for the southeast corner of the tract described herein,
3. S 88° 52' 31" W, a distance of 326.00 feet to a ½-inch iron rod with plastic cap stamped "LAI" set for the southwest corner of the tract described herein, and

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5.007 Acre
John Cooper Sur. No. 13, A-100
Jesse Day Sur. No. 162, A-152
Hays County, Texas

LAI Job No. 070104
0741R2(jdb)
FN
Page 2 of 2

4. N 01° 07' 29" W, a distance of 669.00 feet to the **POINT OF BEGINNING** and containing 5.007 acres of land, more or less.

BEARING BASIS: Texas Coordinate System, South Central Zone, NAD83, Grid.
LAI WORD FILE: FN0741(jdb)

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS
COUNTY OF TRAVIS §

That I, John D. Barnard, a Registered Professional Land Surveyor, do hereby certify that the above description is true and correct to the best of my knowledge and belief and that the property described herein was determined by a survey made on the ground during the month of December 2006, under my direction and supervision.

WITNESS MY HAND AND SEAL at Austin, Travis County, Texas on this 27th of March, 2007, A.D.

Loomis Austin, Inc
Austin, Texas 78746



[Handwritten Signature]
John D. Barnard
Registered Professional Land Surveyor
No. 5749 - State of Texas

0.1871 Acre
John Cooper Sur. No. 13, A-100
Hays County, Texas

Tract Two

LA
Job No. 061114
FN0766(jdb)
Page 1 of 3

FIELD NOTES DESCRIPTION

DESCRIPTION OF 0.1871 ACRES (8,150 SQUARE FEET) OF LAND IN THE JOHN COOPER SURVEY, NO. 13, A-100, HAYS COUNTY, TEXAS; BEING A PORTION OF THAT CERTAIN CALLED 185.77 ACRES OF LAND DESIGNATED AS TRACT 4 OF EXHIBIT "A" DESCRIBED IN THE DEED TO MOUNTAIN PLUM, LTD. OF RECORD IN VOLUME 2297, PAGE 139, OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS, AS SURVEYED BY LOOMIS AUSTIN, INC. AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a 1/2-inch iron rod with plastic cap stamped "LAI" set in the east line of that certain 40-ft wide tract of land described in the deed to International and Great Northern Railroad Company of record in Volume H, Page 25, Deed Records of Hays County, Texas, being 20-ft east of the centerline of the railroad track, in the south line of Hays County Road No. 171, same being the southwest corner of Parcel No. 2 described in the Quitclaim Deed dated September 10, 1991, from William Negley to Hays County, said Quitclaim Deed apparently unrecorded, and being the northwest corner of the remainder of said 185.77 acre tract;

THENCE with the south line of said Parcel No. 2, same being the current south line of said Hays County Road No. 171 and the north line of the remainder of said 185.77 acre tract, the following three (3) courses and distances:

1. N 88° 52' 31" E, a distance of 295.82 feet to a calculated angle point,
2. N 01° 07' 29" W, a distance of 21.00 feet to a calculated angle point, and
3. N 88° 52' 31" E, a distance of 820.99 feet to a 1/2-inch iron rod with plastic cap stamped "LAI" set for the northwest corner and POINT OF BEGINNING of the tract described herein;

THENCE N 88° 52' 31" E, with the south line of said Parcel No. 2, same being the current south line of said Hays County Road No. 171 and the north line of the remainder of said 185.77 acre tract, a distance of 326.00 feet to a calculated point for the northeast corner of the tract described herein;

THENCE crossing the said 185.77 acre tract with the east, south and west lines of the tract described herein, the following four (4) courses and distances:

1. S 01° 07' 29" E, a distance of 25.00 feet to a 1/2-inch iron rod with plastic cap stamped "LAI" set for the southeast corner of the tract described herein,
2. S 88° 52' 31" W, a distance of 326.00 feet to a 1/2-inch iron rod with plastic cap stamped "LAI" set for the southwest corner of the tract described herein, and
3. N 01° 07' 29" W, a distance of 25.00 feet to the POINT OF BEGINNING and containing 0.1871 acres of land, more or less.

BEARING BASIS: Texas Coordinate System, South Central Zone, NAD83, Grid.
EFFECTIVE FILE: FN0766(jdb)
K LAI WORD FILE: FN0741(jdb)

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6.1871 Acre
John Cooper Sur. No. 13, A-100
Hays County, Texas

LAI Job No. 061114
FN0766(jdb)
Page 2 of 3

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS
COUNTY OF TRAVIS §

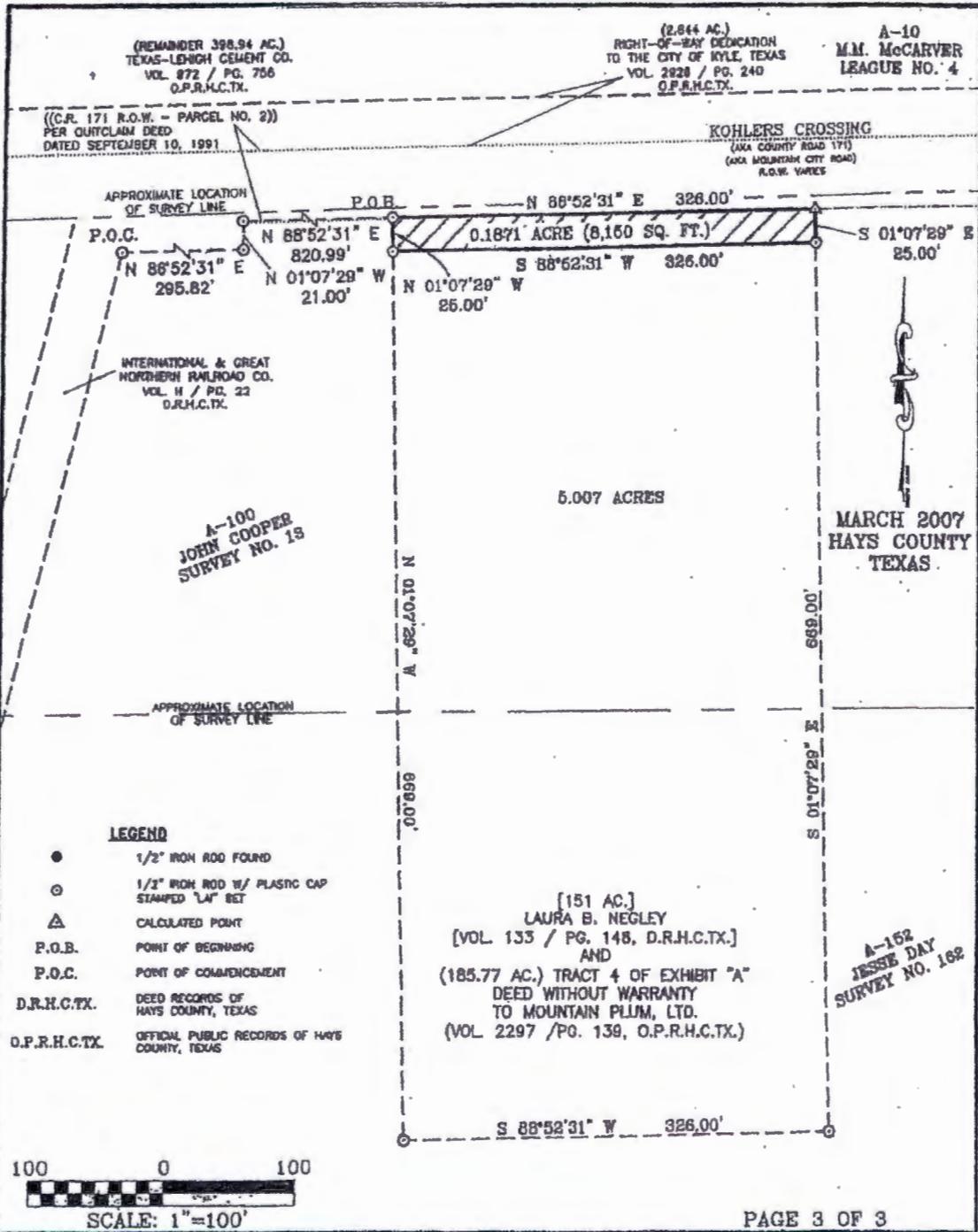
That I, John D. Barnard, a Registered Professional Land Surveyor, do hereby certify that the above description is true and correct to the best of my knowledge and belief and that the property described herein was determined by a survey made on the ground during the month of December 2006, under my direction and supervision.

WITNESS MY HAND AND SEAL at Austin, Travis County, Texas on this 26th of March, 2007, A.D.

Loomis Austin, Inc
Austin, Texas 78746




John D. Barnard
Registered Professional Land Surveyor
No. 5749 - State of Texas



LOOMIS AUSTIN ENGINEERING, LAND SURVEYING & ENVIRONMENTAL CONSULTING
 3103 Bee Cave Road, Suite 225; Austin Texas 78748
 Phone: (512) 327-1180; Fax: (512) 327-4082; www.loomisaustin.com

SKETCH TO ACCOMPANY FIELD NOTES (FN0766)

FILE: H:\Survey\Plum_Crk_Ph1\186Ac-Plum-Tract4\RSI-Tract\EXHIBIT-RSI-BNDRY_3-21-07.dwg
 DATE: Mar 26, 2007 - 3:38pm

Agreed and executed upon this 19th day of October, 2016.

RSI, Inc.



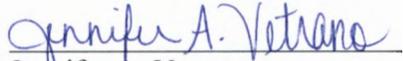
By: Harish Malkani
Title: Chief Executive Officer
RSI, Inc.

City of Kyle



By: R. Todd Webster
Title: Mayor for the City of Kyle

Attest:


Jennifer A. Vetrano
City Secretary