

FIRST AMENDMENT TO ECONOMIC DEVELOPMENT AGREEMENT

THIS FIRST AMENDMENT TO THE ECONOMIC DEVELOPMENT AGREEMENT (this "Amendment") is entered into as of this 7th day of August, 2015, by and between the CITY OF KYLE, TEXAS, a home rule city of the State of Texas ("City") and RR HPI LP, a Texas limited partnership ("Developer"). (Collectively, the City and Developer may be referred to as "Parties," and individually as a "Party.")

Recitals

The City and the Developer entered into that certain Economic Development Agreement dated December 17, 2014, (the "Agreement"), generally providing that certain infrastructure and associated expenditures by Developer for the improvement of the Property, as defined in the Agreement, will be reimbursed to Developer by the City, as set forth in the Agreement.

This Amendment is intended to set forth certain adjustments to the expenditures that must be made by Developer that were unknown at the time the Agreement was executed by the Parties, and the resulting adjustments to the reimbursements due to Developer.

The City has the authority to enter into this Amendment pursuant to Article III, Section 52-a of the Texas Constitution, Chapter 380, Texas Local Government Code, and any other applicable constitutional or statutory provision.

NOW, THEREFORE, for and in consideration of the promises and mutual agreements set forth herein, the City and Developer agree to amend the Agreement as follows:

Article I Definitions

"Perimeter Road Fee" means the fee imposed by the City on all property owners within the City whose property abuts a collector road. The Perimeter Road Fee (the "Fee") is based on a front foot calculation. The Parties omitted the Fee at the time of the execution of the Agreement and now wish to include it as part of the costs of the Improvements, as defined in the Agreement. The Fee assessed on the Developer is \$220,000.

“TxDOT Requirement Costs” means the cost to Developer of complying with requirements imposed on the Developer by the Texas Department of Transportation (“TxDOT”) concerning Developer’s construction of the road that provides access to the City from the Property, designated as FM 967. The specific requirements to be imposed by TxDOT are not final as of the date of this Amendment, but are generally understood to include construction of a left turn lane and a deceleration lane in addition to the closure of an existing driveway. The Parties estimate that the cost of the TxDOT Requirements will be approximately \$260,000.

“Water Line Adjustment” means the additional cost to Developer incurred as a result of the City’s request to locate the off-site water line to serve the Property on the south side of Kohler’s Crossing. The Parties agree the additional cost to Developer to accommodate the change in location in design fees and the cost of interest on money borrowed is \$110,000.

Article II Improvements

Section 2.01. Perimeter Road Fee. The City will impose upon the Developer a Fee in the amount of \$220,000, and agrees that Developer can defer payment of the Fee by deducting the future value of the Fee from the amount Developer is eligible to receive in reimbursements from the City under the Agreement. The Parties agree that the future value of the Fee is \$325,000, which shall be multiplied by 3 for a total of \$975,000. Developer shall be reimbursed \$975,000 less than is provided in Exhibit “B” to the Agreement.

Section 2.02. TxDOT Requirements. The Parties acknowledge that they intend to continue negotiating with TxDOT to lower the cost to Developer of the required improvements to FM 967. Developer shall be reimbursed for the actual costs associated with the TxDOT Requirements on FM 967, not to exceed \$260,000, as an addition to the reimbursements provided in Exhibit “B” to the Agreement.

Section 2.03. Water Line Adjustment. Initially the City and Developer agreed that the off-site water line to be constructed by the Developer to serve the Property would be located on the north side of Kohler’s Crossing. Subsequently the City determined it is obligated by a previous agreement with a third party to provide water service at the south side of Kohler’s Crossing. Developer thus must pay for certain redesign costs necessitated by the change in location, and interest associated with the delay the redesign will cause. Developer estimates the cost of redesign and interest at \$110,000. Developer shall be reimbursed for the actual costs associated with the delay in the construction of the off-site water line in the amount of \$110,000, as an addition to the reimbursements provided in Exhibit “B” to the Agreement.

Section 2.04. Exhibit "B". Exhibit "B" to the Agreement is amended and is attached to this Amendment. To avoid confusion, its title remains Exhibit "B". This Amendment includes no Exhibit "A".

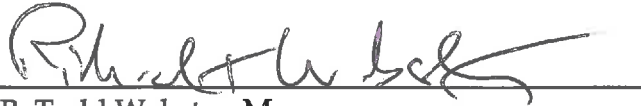
ARTICLE III
Miscellaneous Provisions

Effect of Amendment. The Parties agree that, except as modified hereby, the Agreement remains valid, binding, and in full force and effect. If there is any conflict or inconsistency between this First Amendment and the Agreement, this First Amendment will control and modify the Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment to the Agreement in multiple copies, each of equal dignity, to be effective on the latest date of execution.

EXECUTION PAGE FOLLOWS:

THE CITY OF KYLE, TEXAS



R. Todd Webster, Mayor

ATTEST/SEAL:



Amelia Sanchez, City Secretary

APPROVED AS TO FORM:

Agreed to and accepted on August 7, 2015.

RR HPI LP



Name: Richard Hill

Title: President

Agreed to and accepted on Aug 27, 2015.

Exhibit B - Improvements and Cost Estimates, as amended in 2015

EXHIBIT B

HAYS COMMERCE CENTER
Preliminary 380 Budget
7/27/2015

	PHASE I	PHASE II	TOTAL
SOFT COSTS			
Creation Legal	35,000	0	35,000
Admin	0	55,000	55,000
Surveying & Platting	21,000	0	21,000
Engineering	196,800	206,800	403,600
City Inspection Fees	134,193	126,605	260,798
GeoTech	5,650	6,215	11,865
Construction Materials Testing	30,000	33,000	63,000
Construction Management	80,000	88,000	168,000
Total Soft Costs	502,643	515,620	1,018,263
HARD COSTS			
Offsite Waterline	791,091	0	791,091
Existing Water Relocation	215,752	0	215,752
Erosion Controls	106,821	81,113	187,935
Roads	975,828	1,070,389	2,046,217
Ponds & Drainage	865,039	473,332	1,338,371
Water in Roadway	249,841	315,023	564,864
Wastewater in Roadway	228,309	372,549	600,858
Telecom Infrastructure	0	189,862	189,862
Streetscape & Signage	0	400,820	400,820
Gas	95,890	105,479	201,369
Electric Crossing	23,972	0	23,972
Lift Station & Force Main	0	781,502	781,502
Total Hard Costs	3,552,544	3,790,068	7,342,613
Contingency	400,000	400,000	800,000
Interest	414,125	425,000	839,125
TOTAL	4,869,312	5,130,688	10,000,000
2015 AMENDMENT ADJUSTMENTS			
Perimeter Road Fee			-975,000
TxDOT Requirements			260,000
Water Line Adjustment			110,000
2015 AMENDED TOTAL			\$9,395,000