

**ECONOMIC DEVELOPMENT AGREEMENT BETWEEN THE  
CITY OF COLLEGE STATION AND KALON BIOTHERAPEUTICS, L.L.C.**

This Grant Agreement (this "Agreement") is entered into by and between the CITY OF COLLEGE STATION, TEXAS, a home-rule municipal corporation organized under the laws of Texas (hereinafter referred to as "CITY"), and KALON BIOTHERAPEUTICS, L.L.C., a Texas Limited Liability Company (hereinafter referred to as "DEVELOPER").

WHEREAS, CITY is authorized and empowered under applicable Texas laws pertaining to economic development to aid in the development of commercial enterprises and redevelopment projects within the geographic boundaries of CITY and its extraterritorial jurisdiction by offering economic and other incentives to prospective new, developing, and expanding businesses pursuant to TEXAS LOCAL GOVERNMENT CODE, Chapter 380; and

WHEREAS, CITY actively seeks economic development prospects in College Station through participation in and establishment of an economic development program; and

WHEREAS, CITY desires to stimulate business and commercial activity in the Research Valley Biocorridor (hereinafter referred to as the "Biocorridor") under the Joint Research Valley Biocorridor Development Project; and

WHEREAS, DEVELOPER is developing property located within the Biocorridor as commercial development for use as a research and manufacturing site; and

WHEREAS, CITY and the City of Bryan entered into an Interlocal Cooperation and Joint Development Agreement on December 15, 2011 (hereinafter referred to as the "Joint Agreement"), in which the two cities agree to revenue share an amount equal to certain ad valorem tax revenue assessed and collected against real property, improvements and tangible personal property developed in the Biocorridor; and

WHEREAS, this Agreement is conditioned upon the City of Bryan entering in to an agreement with DEVELOPER granting to DEVELOPER the City of Bryan's portion of revenue earned under the Joint Agreement; and

WHEREAS, CITY considers DEVELOPER to be a qualified economic development prospect that will add capital investment, and create new jobs in the community; and

WHEREAS, in consideration of DEVELOPER's operation of its business within the Biocorridor and in accordance with the performance measures set forth herein, CITY agrees to grant to DEVELOPER Cash Incentives as set out herein; and

WHEREAS, to ensure that the benefits CITY provides under this Agreement are utilized in a manner consistent with TEXAS LOCAL GOVERNMENT CODE, Chapter 380 and other law, DEVELOPER agrees to comply with certain conditions for receiving those benefits, including conditions relating to property development, job creations and business operations; and

WHEREAS, by letter of December 12, 2012, The Research Valley Partnership, Inc. (“RVP”) informed DEVELOPER that its Board of Directors, which includes representatives of CITY and the City of Bryan, had approved the incentives proposal being implemented by this Agreement, subject to final approval and adoption by CITY and the City of Bryan; and

WHEREAS, as of December 31, 2012, DEVELOPER had 31 full-time employees, and DEVELOPER’s calendar year 2012 payroll reported to the Texas Workforce Commission for all full-time employees (some of whom were hired during 2012) was \$1.9 million; and

WHEREAS, in reliance on the incentives proposal communicated to DEVELOPER by RVP, DEVELOPER has begun hiring new full-time employees, and after the execution of this Agreement will continue to add new employees in order to meet the employment requirements of this Agreement; NOW, THEREFORE, for and in consideration of the premises and mutual covenants and promises hereinafter set forth, CITY and DEVELOPER (each a “Party,” collectively, the “Parties”) represent and agree as follows:

## **Article I Definitions**

Wherever used in this Agreement, the following terms shall have the meanings ascribed to them:

“Affiliate” means any person or entity which directly or indirectly controls, is controlled by or is under common control with Developer, during the term of such control. A person or entity will be deemed to be “controlled” by any other person or entity if such other person or entity (a) possesses, directly or indirectly, power to direct or cause the direction of the management of such person or entity whether by contract or otherwise, (b) has direct or indirect ownership of at least fifty percent (50%) of the voting power of all outstanding shares entitled to vote at a general election of directors of the person or entity or (c) has direct or indirect ownership of at least fifty percent (50%) of the equity interests in the entity.

“Base Year Taxable Value” shall mean the Taxable Value for the Property for the year in which this Agreement is executed.

“Cash Incentive(s)” shall mean that amount paid each year by CITY to DEVELOPER as a grant under TEXAS LOCAL GOVERNMENT CODE, Chapter 380. Such amount shall be calculated based upon an annually reducing percentage of the ad valorem taxes generated by the Property, Improvements and Tangible Personal Property during each year of the Agreement.

“Completion of Construction” shall mean: (i) substantial completion of the Improvements; and (ii) a final certificate of occupancy has been issued for the Improvements.

“Effective Date” shall mean the date upon which this Agreement is fully executed by all Parties, unless the context indicates otherwise.

“First Year of Cash Incentive(s)” shall mean the first calendar year immediately following the date of Completion of Construction.

“FTE” shall mean any person (i) who is an employee of DEVELOPER or an Affiliate (excluding temporary or seasonal employees) who is on the payroll in a budgeted position and has an officially scheduled work week of thirty-five (35) hours or more and who according to DEVELOPER or Affiliate company policy is entitled to full benefits as a full time employee or (ii) who is an independent contractor engaged by DEVELOPER or an Affiliate to provide services supporting Biocorridor operations and who has received compensation from DEVELOPER or an Affiliate based on an average of at least thirty-five (35) hours worked per week for the two (2) months preceding a date on which FTEs are measured for purposes of this Agreement.

“Force Majeure” shall mean any contingency or cause beyond the reasonable control of a Party including, without limitation, acts of God or the public enemy, war, riot, civil commotion, insurrection, adverse weather, government or de facto governmental action (unless caused by acts or omissions of such Party), fires, explosions or floods, strikes, slowdowns or work stoppages.

“Gross Payroll” shall mean the sum of (A) the payroll numbers that DEVELOPER or an Affiliate reports to the Texas Workforce Commission quarterly for employees for the four preceding consecutive calendar quarters ending on or prior to a date of measurement under this Agreement plus (B) the sum of the amounts of nonemployee compensation reported on Internal Revenue Service Forms 1099 issued by DEVELOPER or an Affiliate to independent contractors who are FTEs for services rendered during the twelve preceding consecutive calendar months ending on or prior to a date of measurement under this Agreement.

“Improvements” shall mean the live virus vaccine facility and pandemic influenza facility to be constructed on the Property and other ancillary facilities such as reasonably required parking and landscaping more fully described in the submittals filed by DEVELOPER with CITY, from time to time, in order to obtain a building permit(s).

“Property” means the real property depicted in **Exhibit “A”**, not including any improvements constructed on such real property.

“DEVELOPER” shall mean KALON BIOTHERAPEUTICS, L.L.C.

“Premises” shall mean collectively, the Property and Improvements following construction thereof, but excluding the Tangible Personal Property.

“Shared Revenue” shall mean the “Shared Revenue” as defined in the Joint Agreement that is attributable to ad valorem taxes paid by any person with respect to the Property, the Improvements and the Tangible Personal Property.

“Tangible Personal Property” shall mean tangible personal property, equipment and fixtures, excluding inventory and supplies, owned or leased by DEVELOPER that is added to the Improvements subsequent to the execution of this Agreement.

“Taxable Value” means the appraised value as certified by the Brazos Central Appraisal District as of January 1<sup>st</sup> of a given year.

**Article II  
General Provisions**

2.1 All of the above premises are hereby found to be true and are hereby approved and copied into the body of this Agreement as if copied in their entirety.

2.2 DEVELOPER owns or is under contract to own the Property, which Property is located within the city limits of the City of College Station and within the Biocorridor. DEVELOPER intends to construct or cause to be constructed and to operate the Improvements on the Property.

2.3 DEVELOPER shall, before August 25<sup>th</sup> of each calendar year that the Agreement is in effect, certify in writing to CITY that it is in compliance with each term of the Agreement.

2.4 The Property and the Improvements constructed thereon at all times shall be used in the manner (i) that is consistent with CITY’s Comprehensive Zoning Ordinance, as amended, and (ii) that, during the period Cash Incentives are provided hereunder, is consistent with the general purposes of encouraging development or redevelopment within the Biocorridor.

**Article III  
Cash Incentives Authorized**

3.1 Subject to the terms and conditions of this Agreement, and provided that the combined Taxable Value for the Improvements, Property and Tangible Personal Property is at least Seventy Million Dollars (\$70,000,000.00) additional value above Base Year Taxable Value as of January 1<sup>st</sup> of the First Year of Cash Incentives and as of January 1<sup>st</sup> of each year thereafter that this Agreement is in effect, CITY hereby grants an annual Cash Incentive to DEVELOPER in the following amounts:

<u>Year</u>	<u>Annual Cash Incentive</u>
First Year of Cash Incentives	\$196,838.75
Year 2	\$174,967.78
Year 3	\$153,096.81
Year 4	\$153,096.81
Year 5	\$153,096.81
Year 6	\$153,096.81
Year 7	\$109,354.86

3.2 The total amount paid under this Agreement will in no event exceed \$1,093,548.61, at which time CITY's obligation to grant Cash Incentives to DEVELOPER ends.

3.3 CITY will remit the first annual Cash Incentive to DEVELOPER no later than October 31<sup>st</sup> of the First Year of Cash Incentive. CITY will remit subsequent annual Cash Incentives no later than October 31<sup>st</sup> of each year thereafter for the term of this Agreement.

3.4 During the period of the Cash Incentives herein authorized, DEVELOPER shall be subject to all taxation, including but not limited to, sales tax and ad valorem taxation; provided, this Agreement does not prohibit DEVELOPER from claiming any exemptions from tax provided by applicable law.

3.5 DEVELOPER agrees to continuously own the Premises for a period of at least seven (7) years beginning with the First Year of Cash Incentives; provided, (i) DEVELOPER without CITY consent may engage in a sale-leaseback or similar transfer of ownership of the Premises as long as DEVELOPER continues to occupy and operate the Premises, (ii) DEVELOPER without CITY consent may transfer ownership of the Premises to an Affiliate; and (iii) DEVELOPER may transfer ownership of the Premises to a person that CITY approves as an assignee of this Agreement pursuant to Section 9.8 of this Agreement.

3.6 The term of this Agreement shall begin on the Effective Date and shall continue until December 31<sup>st</sup> of the calendar year following the seventh (7<sup>th</sup>) anniversary date of the First Year of Cash Incentives, unless sooner terminated as provided herein.

#### **Article IV Improvements**

4.1 DEVELOPER owns or is under contract to own the Property and intends to construct or cause to be constructed thereon the Improvements, and locate Tangible Personal Property thereon.

4.2 As a condition precedent to the initiation of DEVELOPER's Cash Incentives pursuant to this Agreement, DEVELOPER agrees, subject to events of Force Majeure, to cause Completion of Construction of the Improvements to occur no later than December 31, 2015, as good and valuable consideration for this Agreement, and that all construction of the Improvements will be in accordance with all applicable state and local laws, codes, and regulations (or valid waiver thereof).

4.3 Construction plans for the Improvements constructed on the Property will be filed with CITY, which shall be deemed to be incorporated by reference herein and made a part hereof for all purposes.

4.4 DEVELOPER agrees to maintain the Improvements during the term of this Agreement in accordance with all applicable state and local laws, codes, and regulations.

4.5 CITY, its agents and employees shall have the right of access to the Premises during construction to inspect the Improvements at reasonable times and with reasonable notice to DEVELOPER, and in accordance with visitor access and security policies of DEVELOPER, in order

to insure that the construction of the Improvements are in accordance with this Agreement and all applicable state and local laws and regulations (or valid waiver thereof).

**Article V  
Employment and Job Creation**

DEVELOPER agrees that on or before January 1, 2018, and each year thereafter for the term of this Agreement, DEVELOPER will employ no fewer than a total of 100 FTE's with a total Gross Payroll no less than \$6,000,000. On or before, August 25, 2018, and August 25<sup>th</sup> of each year thereafter, DEVELOPER shall deliver to CITY documentation, including, but not limited to, Texas Workforce Commission quarterly reports, demonstrating that DEVELOPER met the employment and job creation targets for the preceding year.

**Article VI  
Electric Utilities**

To the extent permitted by law, DEVELOPER agrees that it will purchase retail electric service from CITY for a minimum time equal to the term of this Agreement on the condition that such electric rates charged by CITY to DEVELOPER shall be comparable to electric rates charged to any other customer of CITY within the same rate classification.

**Article VII  
Condition Precedent**

This Agreement is conditioned upon, and effective only upon the City of Bryan entering into an agreement to grant its portion of the Shared Revenue received under the Joint Agreement to DEVELOPER in a total amount estimated to be not less than \$411,451.39.

**Article VIII  
Default**

8.1 If DEVELOPER defaults in any term or condition of this Agreement, then CITY shall not be obligated to approve disbursement of the Cash Incentives for that year in which the default occurred.

8.2 CITY shall give to DEVELOPER notice of any default. To the extent a default may be cured, DEVELOPER shall have the right, but not the obligation, to cure the default within thirty (30) days of receiving written notice from CITY. If the default cannot reasonably be cured within a thirty (30) day period, and DEVELOPER has diligently pursued such remedies as shall be reasonably necessary to cure such default, then CITY shall extend for a reasonable additional length of time the period in which the default must be cured. If DEVELOPER fails to cure the default within the time provided as specified above or, as such time period may be extended, then CITY at its sole option shall have the right to terminate this Agreement with respect to DEVELOPER, by written notice to DEVELOPER.

8.3 In the event a Party defaults, then the other Party shall have available to it all remedies at law and equity.

**Article IX  
Miscellaneous**

9.1 Notice. Any notice required or permitted to be delivered hereunder shall be deemed received three (3) days thereafter sent by United States Mail, postage prepaid, certified mail, return receipt requested, addressed to the Party at the address set forth below or on the day actually received as sent by courier or otherwise hand delivered:

If intended for CITY, to:

With a copy to:

Attn: City Manager  
City of College Station, Texas  
P. O. Box 9960  
College Station, Texas 77842

Attn: City Attorney  
City of College Station, Texas  
P.O. Box 9960  
College Station, Texas 77842

If intended for DEVELOPER, to:

Attn: Controller  
KALON BIOTHERAPEUTICS, LLC  
100 Discovery Drive, Suite 200  
College Station, Texas 77845

9.2 Severability. In the event any section, subsection, paragraph, sentence, phrase or word herein is held invalid, illegal or unconstitutional, the balance of this Agreement shall stand, shall be enforceable and shall be read as if the Parties intended at all times to delete said invalid section, subsection, paragraph, sentence, phrase or word.

9.3 Governing Law. This Agreement shall be governed by the laws of the State of Texas without regard to any conflict of law rules. Exclusive venue for any action under this Agreement shall be the State District Court of Brazos County, Texas. The Parties agree to submit to the personal and subject matter jurisdiction of said court.

9.4 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

9.5 Entire Agreement. This Agreement embodies the complete agreement of the Parties hereto, superseding all oral or written previous and contemporary agreements between the Parties and relating to the matters in this Agreement, and except as otherwise provided herein cannot be modified without written agreement of the Parties to be attached to and made a part of this Agreement.

9.6 Recitals. The determinations recited and declared in the preambles to this Agreement are hereby incorporated herein as part of this Agreement.

9.7 Exhibits. All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

9.8 Assignment. This Agreement shall be binding on and inure to the benefit of the Parties to it and their respective heirs, executors, administrators, legal representatives, successors, and permitted assigns. This Agreement may not be assigned by DEVELOPER without the prior written consent of the City Manager which consent shall not be unreasonably withheld, conditioned or delayed.

9.9 Right of Offset. CITY may at its option, offset any amounts due and payable under this Agreement against any debt (including taxes) lawfully due to CITY from DEVELOPER, regardless of whether the amount due arises pursuant to the terms of this Agreement or otherwise and regardless of whether or not the debt due CITY has been reduced to judgment by a court; provided, however (i) CITY shall provide DEVELOPER notice within thirty (30) days of determining that any debt is believed lawfully due to CITY from DEVELOPER; (ii) DEVELOPER shall have an opportunity to resolve or pay such debt to CITY within thirty (30) days after receipt of notice before any offset to amounts payable under this Agreement may occur; and (iii) DEVELOPER retains all rights to timely and properly contest whether or in what amount any debt is owed to CITY, and CITY may not offset any asserted amount of debt owed by DEVELOPER against amounts due and owing under this Agreement during any period during which DEVELOPER is timely and properly contesting whether such amount of debt is due and owing.

9.10 Amendment. No amendment to this Agreement shall be effective and binding unless and until it is reduced to writing and signed by duly authorized representatives of CITY and DEVELOPER.

9.11 Place of Performance. Performance and all matters related thereto shall be in Brazos County, Texas, United States of America.

9.12 Authority to Contract. Each Party has the full power and authority to enter into and perform this Agreement, and the person signing this Agreement on behalf of each Party has been properly authorized and empowered to enter into this Agreement. The persons executing this Agreement hereby represent that they have authorization to sign on behalf of their respective corporations.

9.13 No Debt. Under no circumstances shall the obligations of CITY hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision;



provided; however, CITY agrees during the term of this Agreement to make a good faith effort to appropriate funds each year to pay amounts under this Agreement for the then ensuing fiscal year.

9.14 Waiver. Failure of any Party, at any time, to enforce a provision of this Agreement, shall in no way constitute a waiver of that provision, nor in any way affect the validity of this Agreement, any part hereof, or the right of the Party thereafter to enforce each and every provision hereof. No term of this Agreement shall be deemed waived or breach excused unless the waiver shall be in writing and signed by the Party claimed to have waived. Furthermore, any consent to or waiver of a breach will not constitute consent to or waiver of or excuse of any other different or subsequent breach.

9.16 Confidentiality. CITY shall notify DEVELOPER within two (2) business days after receiving any Public Information Act request that seeks disclosure of information provided by or concerning DEVELOPER, and the Parties will reasonably cooperate to determine within four (4) business days after CITY's receipt of a Public Information Act Request whether or to what extent they agree that the requested information may be released without objection and without seeking a written opinion of the Texas Attorney General. If agreed by the Parties, CITY shall take the position that specified information responsive to a Public Information Act request relating to DEVELOPER is information not subject to release to the public pursuant to Section 552.110 of the TEXAS GOVERNMENT CODE, or other applicable law. If DEVELOPER requests that CITY take the position that specified information responsive to a Public Information Act request relating to DEVELOPER is information not subject to release to the public pursuant to Section 552.110 of the TEXAS GOVERNMENT CODE, or other applicable law, but CITY does not agree, CITY nonetheless shall take such position if DEVELOPER within eight (8) business days after CITY's receipt of a Public Information Act request delivers to the CITY an opinion of counsel reasonably acceptable to CITY concluding that CITY has a good faith basis to take such position. If pursuant to this Section 9.16 CITY takes the position that specified information responsive to a Public Information Act request relating to DEVELOPER is information not subject to release, CITY shall seek a written opinion from the Texas Attorney General raising any applicable exception to release of such information prior to any release to a third party under the Texas Public Information Act. If CITY seeks a written opinion from the Texas Attorney General pursuant to Section 552.305 of the Texas Government Code, CITY may require DEVELOPER to draft and submit to the Texas Attorney General the substantive comments or arguments in support of such opinion request. CITY shall provide DEVELOPER timely notice and an opportunity to review and comment on any opinion request submitted by CITY.


9.17 Employment of Undocumented Workers. During the term of this Agreement, DEVELOPER agrees not to knowingly employ any undocumented workers and, if convicted of a violation under 8 U.S.C. Section 1324a (f), DEVELOPER shall repay to CITY all Cash Incentives received under this Agreement as of the date of such violation within 120 days after the date DEVELOPER is notified by CITY of such violation, plus interest at the rate of 5% simple interest from the date of DEVELOPER's receipt of the Cash Incentives until repaid.

9.18 Construction. The Parties acknowledge that each Party and its counsel have reviewed and revised this Contract and that the normal rule of construction to the effect that any

ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation of this Contract or any amendments or exhibits hereto.

KALON BIOTHERAPEUTICS, L.L.C.,

CITY OF COLLEGE STATION, TEXAS

BY:   
\_\_\_\_\_  
Andrew Strong, Chief Executive Officer

BY: \_\_\_\_\_  
Nancy Berry, Mayor

Date: June 17, 2014

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
City Secretary  
Date: \_\_\_\_\_

APPROVED:

\_\_\_\_\_  
Assistant City Manager/CFO  
Date: \_\_\_\_\_

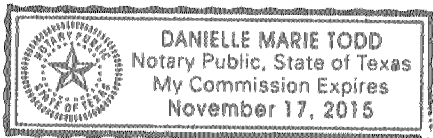
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City Attorney  
Date: \_\_\_\_\_

THE STATE OF TEXAS   §  
                                  §  
COUNTY OF Brazos   §

ACKNOWLEDGMENT

Before me, the undersigned authority, on this day personally appeared Andrew Strong, Chief Executive Officer of KALON BIOTHERAPEUTICS, L.L.C., a Texas Limited Liability Company, and known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office on this the 17<sup>th</sup> of June, 2014.



Danielle Marie Todd  
Notary Public in and for the State of Texas

THE STATE OF TEXAS   §  
                                  §  
COUNTY OF BRAZOS    §

ACKNOWLEDGMENT

Before me, the undersigned authority, on this day personally appeared NANCY BERRY, Mayor of the CITY OF COLLEGE STATION, a Texas home rule municipal corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office on this the \_\_\_\_\_ of \_\_\_\_\_, 2014.

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Notary Public in and for the State of Texas

**EXHIBIT "A"**

**LEGAL DESCRIPTION OF PROPERTY**

LEGAL DESCRIPTION OF LAND

METES AND BOUNDS DESCRIPTION  
OF A 12.45 ACRE TRACT  
J. H. JONES SURVEY, A-26  
COLLEGE STATION, BRAZOS COUNTY, TEXAS

METES AND BOUNDS DESCRIPTION OF ALL THAT CERTAIN TRACT OR PARCEL OF LAND LYING AND BEING SITUATED IN COLLEGE STATION, BRAZOS COUNTY, TEXAS. SAID TRACT BEING A PORTION OF THE REMAINDER OF A CALLED 417.85 ACRE TRACT AS DESCRIBED BY A DEED TO BRYAN COMMERCE AND DEVELOPMENT, INCORPORATED, RECORDED IN VOLUME 4023, PAGE 91 OF THE OFFICIAL PUBLIC RECORDS OF BRAZOS COUNTY, TEXAS.

SAID TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS: COMMENCING AT A CONCRETE MONUMENT FOUND MARKING THE WEST CORNER OF A CALLED 11.6 ACRE TRACT AS DESCRIBED BY A DEED TO LOVELESS ACRES, LC, RECORDED TN VOLUME 7004, PAGE 104 OF THE OFFICIAL PUBLIC RECORDS OF BRAZOS COUNTY, TEXAS, AND AN INTERIOR EAST CORNER OF SAID REMAINDER OF 417.85 ACRE TRACT;

THENCE: S 34° 24' 12" W THROUGH SAID REMAINDER OF 417.85 ACRE TRACT FOR A DISTANCE OF 2225.78 FEET TO THE POINT OF BEGINNING OF THIS HEREIN DESCRIBED TRACT, FOR REFERENCE A 3/4 INCH IRON PIPE FOUND ON THE NORTHWEST LINE OF A CALLED 3.50 ACRE TRACT AS DESCRIBED BY A DEED TO CHRIS DAILEY AND MARGARET DAILEY RECORDED IN VOLUME 6981, PAGE 232 OF THE OFFICIAL PUBLIC RECORDS OF BRAZOS COUNTY, TEXAS, MARKING THE SOUTH CORNER OF A CALLED 4.8885 ACRE TRACT AS DESCRIBED BY A DEED TO TRADITIONS ACQUISITION PARTNERSHIP, LP, RECORDED IN VOLUME 10784, PAGE 260 OF THE OFFICIAL PUBLIC RECORDS OF BRAZOS COUNTY, TEXAS, AND AN EASTERLY CORNER OF SAID REMAINDER OF 417.85 ACRE TRACT BEARS: N 83° 02' 30" E FOR A DISTANCE OF 2374.31 FEET FROM WHICH ANOTHER 3/4 INCH IRON PIPE FOUND ON THE SOUTHEAST LINE OF SAID REMAINDER OF 417.85 ACRE TRACT MARKING THE WEST CORNER OF SAID 3.50 ACRE TRACT BEARS: S 44° 39' 09" W FOR A DISTANCE OF 39.95 FEET;

THENCE: THROUGH SAID REMAINDER OF 417.85 ACRE TRACT FOR THE FOLLOWING CALLS:

S 65° 44' 10" E FOR A DISTANCE OF 137.18 FEET;  
N 7° 00' 37" 49" E FOR A DISTANCE OF 71.58 FEET;  
S 71° 35' 47" E FOR A DISTANCE OF 130.27 FEET;  
S 49° 04' 50" E FOR A DISTANCE OF 40.59 FEET;  
S 64° 25' 29" E FOR A DISTANCE OF 110.79 FEET;  
S 28° 01' 33" E FOR A DISTANCE OF 89.86 FEET;  
S 12° 04' 31" E FOR A DISTANCE OF 104.79 FEET;  
S 31° 06' 30" E FOR A DISTANCE OF 81.86 FEET;  
S 41° 51' 48" W FOR A DISTANCE OF 572.50 FEET;  
N 48° 08' 12" W FOR A DISTANCE OF 104.00 FEET;  
S 41° 51' 48" W FOR A DISTANCE OF 217.00 FEET;

N 48° 08' 12" W FOR A DISTANCE OF 575.00 FEET;

N 41° 51' 48" E FOR A DISTANCE OF 718.23 FEET TO THE POINT OF BEGINNING CONTAINING 12.45 ACRES OF LAND, MORE OR LESS. BEARING SYSTEM SHOWN HEREIN IS BASED ON GRID NORTH AS ESTABLISHED FROM GPS OBSERVATION.

BRAD KERR  
REGISTERED PROFESSIONAL  
LAND SURVEYOR No. 4502

EXHIBIT A