

## **TARGETED INFRASTRUCTURE AND SITE DEVELOPMENT REIMBURSEMENT AGREEMENT**

This Targeted Infrastructure and Site Development Reimbursement Agreement (this "Agreement") is made and entered into as of the 14<sup>th</sup> day of February, 2008 (the "Effective Date"), by and between ROCKWALL ECONOMIC DEVELOPMENT CORPORATION, a Texas non-profit corporation (herein called "REDC"), and COSTCO WHOLESALE CORPORATION, a Washington corporation (herein called "COSTCO"), upon the following terms and conditions:

### **WITNESSETH:**

1. **PREMISES:** COSTCO is currently under contract with Carrollton Venture No. One, L.P., a Texas limited partnership, and S-SI Rockwall Venture No. One, L.P., a Texas limited partnership (collectively, "Seller"), to purchase an approximately 20.77 acre parcel of unimproved land located at the intersection of IH 30, State Hwy. 205 and State Hwy. 276, in the Rockwall Centre Corners development located in City of Rockwall, Rockwall County, Texas, as more particularly described in Exhibit A attached hereto (the "Property"), which COSTCO desires to develop as a COSTCO-branded regional retail and destination retail/wholesale warehouse.

### **2. DEVELOPMENT OF THE PROPERTY:**

2.1 COSTCO, at its sole cost and expense, intends to construct an approximate (but not less than) one hundred forty-eight thousand (148,000) square foot COSTCO-branded, membership-based retail-wholesale warehouse on the Property, which shall include, without limitation, a tire center, a pharmacy, an optical center, a food court, a fuel facility and the sale of alcohol (as approved by an election held on November 6, 2007) and related site improvements to the Property (collectively, the "Building"). COSTCO estimates that at least one million fifty thousand and no/100 dollars (\$1,050,000.00) of the cost of the Building will be for site improvement work and targeted infrastructure consisting of streets and roads, water, gas and electric utilities, drainage and other related site improvements and/or telecommunications and internet improvements (the "Infrastructure Cost"). Prior to construction of the Building, COSTCO shall obtain, at its sole cost, the following.

- a. COSTCO shall have purchased the Property and received final site plan, engineering, landscape plan and replatting (if needed) approval from the City of Rockwall as outlined and defined by the City of Rockwall Development Codes and guidelines.
- b. COSTCO shall complete the design of a minimum one hundred forty-eight thousand (148,000) square foot Building (including up to 3,500 square feet of areas under canopies), in such detail as required to obtain a building permit. The Building, including the site improvement work and all targeted infrastructure improvements on the Property, shall meet all applicable laws, orders and regulations of governmental authorities having jurisdiction (including without limitation, all applicable requirements and approvals required by the City of Rockwall Development Codes and guidelines), and all applicable regulations of

any board of fire underwriters having jurisdiction with respect to COSTCO's intended use of the Property (collectively, "Legal Requirements"). Provided no written notice of any violation of any such Legal Requirements has been received by COSTCO, which has not been cured or otherwise resolved, the issuance of a certificate of occupancy for the Building shall be presumptive evidence of such compliance.

- c. COSTCO and/or Seller shall have received the necessary permits that will allow COSTCO and/or Seller to construct the site work on the Property; and COSTCO shall have received a building permit for the Building that will allow COSTCO to construct all Building features.

**2.2** COSTCO estimates that the Improvements Taxable Value (defined below) of the Building and Property shall be at least ten million and no/100 dollars (\$10,000,000.00).

**2.3** COSTCO expects the operation of the Building to generate at least twenty-five million and no/100 dollars (\$25,000,000.00) in annual taxable sales.

### **3. PURCHASE OF PERSONAL PROPERTY:**

**3.1** COSTCO intends to acquire at its cost additional business related personal property to be stored at and/or operated from the Property. This business personal property shall include taxable inventory, furniture and fixtures, machinery and equipment, office and telephone equipment, computers and other taxable tangible personal property (collectively the "Personal Property").

**3.2** COSTCO estimates that the PP Taxable Value (defined below) of the Personal Property shall be at least eight million and no/100 dollars (\$8,000,000.00) (including furniture, fixtures and equipment and inventory).

### **4. INCENTIVES TO COSTCO:**

- a. So long as no Event of Default (as defined in Section 7.1 below) shall then exist and be continuing, if and when the conditions set forth in Section 4a.(i)-(v) below have been satisfied, REDC shall pay COSTCO a targeted infrastructure and site development reimbursement equal to five annual payments of two hundred ten thousand and no/100 dollars (\$210,000.00) per year, as provided below, following satisfaction of all of the conditions set forth Section 4a.(i)-(v) below (the "Development Reimbursement"). Before the Development Reimbursement shall commence, all of the following must occur:
  - (i) COSTCO shall obtain a certificate of occupancy for the Building, which shall be presumptive evidence that the Property is in compliance with all applicable Legal Requirements, and the Building shall be open and operating as a "COSTCO" retail/wholesale warehouse (generally "Completion of Construction");

- (ii) No written notice of any violation of any such Legal Requirements has been received by COSTCO, which has not been cured or otherwise resolved;
- (iii) COSTCO shall deliver to REDC a certificate from an authorized officer of COSTCO certifying to REDC that COSTCO has paid or reimbursed Seller for Infrastructure Cost of at least one million fifty thousand and no/100 dollars (\$1,050,000.00);
- (iv) COSTCO shall deliver to REDC a certificate from an authorized officer of COSTCO certifying to REDC that COSTCO has employed not less than 130 full or part time employees for the operation at the Building and that such employees are receiving a minimum wage of eleven and no/100 dollars (\$11.00) per hour and COSTCO's customary company benefits;
- (v) COSTCO shall deliver to REDC evidence that the Rockwall Central Appraisal District tax rolls on the Final Value Date (as hereinafter defined) shows (a) the assessed taxable value of the Property and Building of at least ten million and no/100 dollars (\$10,000,000.00) (generally the "Improvements Taxable Value"), and (b) the assessed taxable value of the Personal Property of at least eight million and no/100 dollars (\$8,000,000.00) (generally the "PP Taxable Value", together with the Improvements Taxable Value is called the "Total Taxable Value") [the "Final Value Date" shall be the date following COSTCO's receipt of a statement of assessed value issued by the Rockwall Central Appraisal District showing a Total Taxable Value of \$18,000,000 or more as provided in this subsection (the "Qualifying Assessment of Value") that is the later of (A) the date for protesting the Qualifying Assessment of Value has passed and COSTCO has not filed any notice of protest; (B) the date that COSTCO stipulates, as provided in Section 5 below, that the Improvements Taxable Value is not less than \$10,000,000 and the PP Taxable Value is not less than \$8,000,000 for that tax year; and (C) the date that a protest of the Qualifying Assessment of Value filed by COSTCO is finally determined, which determination shows that the Improvements Taxable Value is not less than \$10,000,000 and the PP Taxable Value is not less than \$8,000,000 for that tax year.
- (vi) COSTCO shall deliver to REDC a certificate from an authorized officer of COSTCO certifying to REDC that operation of the Building as a "COSTCO" retail/wholesale warehouse shall have generated at least twenty-five million and no/100 dollars (\$25,000,000.00) in annual taxable sales during a period of twelve (12) months or less.

The date upon which COSTCO delivers written notice to REDC that all of the conditions set forth in (i)-(vi) above have been satisfied is referred to herein as the "Condition Satisfaction Date"). The first payment of the Development Reimbursement shall be paid within thirty days following the Condition

Satisfaction Date and, subject to Section 4c., Section 4d. and Section 4e. below, subsequent payments shall be made on the first four (4) anniversaries thereof (each a "Payment Date") so long as no Event of Default (as defined in Section 7.1 below) shall have occurred and be continuing.

- b. COSTCO hereby agrees that the proceeds of the Development Reimbursement shall be for the purpose of reimbursing COSTCO a portion of the Infrastructure Cost paid or reimbursed by COSTCO in connection with the development of the Building.
- c. If subsequent to the Condition Satisfaction Date, written notice of any violation or alleged violation of any Legal Requirements applicable to the Building is issued to COSTCO (a "Notice of Code Violation"), REDC shall have the right to defer any further payment of the Development Reimbursement until "Resolution of such Code Violation", which shall be defined as (i) all violations of Legal Requirements set forth in such Notice of Code Violation are cured by COSTCO; or (ii) the governmental authority that issued such Notice of Code Violation withdraws such Notice of Code Violation or determines that in fact such Legal Requirements were not applicable to COSTCO and/or the Building or that, in fact, no violation of Legal Requirements had occurred; or (iii) such Notice of Code Violation is dismissed or resolved in COSTCO's favor through the appropriate administrative, alternative dispute, judicial or other legal proceedings.
- d. If subsequent to the Condition Satisfaction Date, the Total Taxable Value shown in the Rockwall Central Appraisal District tax rolls on a Payment Date is less than eighteen million and no/100 dollars (\$18,000,000.00) then the Development Reimbursement payable on such Payment Date shall be reduced to the amount equal to one and one hundred sixty-six one thousandths percent (1.166%) of the Total Taxable Value on the Rockwall Central Appraisal District tax rolls, which amount shall in no event be greater than two hundred ten thousand and no/100 dollars (\$210,000.00) for such year. If the Development Reimbursement is reduced pursuant to this Section 4d. below two hundred ten thousand and no/100 dollars (\$210,000.00) for any given year, the remainder shall not carry over to or be payable in subsequent years; and the amount of the Development Reimbursement being payable for any subsequent year shall be based solely upon the Total Taxable Value on the Payment Date such Development Reimbursement is payable.
- e. If after the Conditions Satisfaction Date, COSTCO ceases operation of the Building for any reason other than as set forth in (i) –(iii) of Section 7.3e. below, no Development Reimbursement shall be paid, even if otherwise payable, until and unless COSTCO reopens the Building for business.

**5. RIGHT TO CONTEST TAXES:** COSTCO agrees to reasonably cooperate with the Rockwall Central Appraisal District in assessing the Property, Building and Personal Property by permitting the inspection thereof. Nothing in this Agreement shall impair COSTCO's right to contest the appraised value of the Property, the Building and/or the Personal Property, and

COSTCO hereby expressly retains the right to timely and properly protest and contest any and all taxes and fees imposed on the Property, the Building and/or the Personal Property, however protests may delay the determination of final certified value by the Rockwall Central Appraisal District unless in connection with such protest, COSTCO stipulates that the Improvements Taxable Value is not less than \$10,000,000 and the PP Taxable Value is not less than \$8,000,000.

## **6. REPRESENTATIONS:**

### **6.1 REDC'S REPRESENTATIONS:** REDC makes the following representations to COSTCO:

- a. REDC is a non-profit corporation governed under Texas law and is presently in existence and good standing.
- b. REDC has the authority to execute this Agreement and to perform REDC's obligations hereunder, subject to the approval of REDC Board of Directors and the Rockwall City Council.
- c. The individual executing this Agreement on behalf of REDC has full authority to do so for and on behalf of REDC.

### **6.2 COSTCO'S REPRESENTATIONS AND COVENANTS:** COSTCO makes the following representations and covenants to REDC.

- a. COSTCO is a corporation governed under law of the State of Washington and is presently in existence and good standing. COSTCO is presently authorized to do business in the State of Texas and is in good standing therewith.
- b. COSTCO has all necessary power and authority to execute this Agreement and to perform COSTCO's obligations hereunder.
- c. The individual executing this Agreement on behalf of COSTCO has full authority to do so for and on behalf of COSTCO.

**6.3 NO COVENANT TO CONSTRUCT OR OPERATE:** Notwithstanding anything contained in this Agreement to the contrary, no provision of this Agreement shall be construed to contain any covenant, express or implied, by COSTCO to acquire the Property or to construct any improvements on the Property or to open or continuously operate any business on the Property. COSTCO acknowledges, however, that (i) Completion of Construction (as defined in Section 4a.(i) above) is a condition to REDC's obligations under this Agreement and if not satisfied by the time prescribed in Section 7.3 (along with other conditions set forth in Section 4a.), REDC shall owe COSTCO no Development Reimbursement and (ii) REDC shall have the right to terminate this Agreement as provided in Section 7.3.

## **7. EVENTS OF DEFAULT; TERMINATION RIGHTS:**

**7.1** Each of the following shall constitute an "Event of Default" under this Agreement:

- a. Upon the expiration of the notice and cure period set forth in the first sentence of Section 7.2 below, REDC's failure to make any payment of the Development Reimbursement as and when required under Section 4a. of this Agreement.
- b. Upon the expiration of the notice and cure period set forth in the first sentence of Section 7.2 below, COSTCO's failure to pay any real or personal ad valorem taxes owed by COSTCO to the City of Rockwall (provided, however, COSTCO retains the right to timely and properly protest and contest any such taxes, and so long as COSTCO is timely and properly protesting or contesting the same it shall not constitute an Event of Default).
- c. A breach of a representation under Section 6.1 by REDC.
- d. A breach of a representation under Section 6.2 by COSTCO.

**7.2** In the event of the occurrence of a default described under Section 7.1 above, the non-defaulting party may give written notice to the other party of such default, and the defaulting party shall have thirty (30) days thereafter to cure said default. Should said default remain uncured after such cure period and the non-defaulting party is not otherwise in default hereunder, then this Agreement shall terminate without further action by either party. In addition and without terminating this Agreement, COSTCO shall further have the power to enforce specific performance to collect amounts owing upon an Event of Default by REDC. The prevailing party in any action to enforce this Agreement shall be entitled to receive reasonable attorney's fees and expenses from the non-prevailing party. Notwithstanding the foregoing, this Section 7.2 shall not apply to a right of REDC to terminate this Agreement pursuant to Section 7.3c. or 7.3d. and it shall not apply in the instance that COSTCO fails to satisfy the conditions of 4a. and does not therefore earn the Development Reimbursement.

**7.3** This Agreement terminates upon occurrence of any of the following, and after the date of such termination no further Development Reimbursement shall be paid:

- a. by mutual written agreement of the parties;
- b. subject to Section 7.2 above after an Event of Default;
- c. by REDC if COSTCO has failed to commence construction of the Building on or before the earlier of one (1) year of COSTCO taking ownership of the Property or August 31, 2009, or
- d. by REDC if COSTCO has failed to satisfy all of the conditions set forth in Section 4a.(i)-(v) above on or before the date that is the earlier of (i) three (3) years from the date that COSTCO opens for business in the Building or (ii) December 31, 2012.

- e. by REDC if after the Conditions Satisfaction Date, COSTCO ceases operation of the Building for more than thirty (30) days for any reason other than (i) a fire, flood or similar casualty or (ii) an event of force majeure as provided in Section 20, or (iii) alterations or remodeling provided COSTCO diligently prosecutes any such alterations or remodeling to completion, subject to delays caused by fire, flood or similar casualty or force majeure as provided in Section 20.

**7.4** No waiver by the parties hereto of any default or breach of any term, condition, or covenant of this Agreement shall be deemed to be a waiver of any subsequent default or breach of the same or any other term, condition, or covenant contained herein. None of the terms, covenants, or conditions of this Agreement can be waived by either REDC or COSTCO except by appropriate written instrument.

**7.5** REDC's sole and exclusive remedies for an Event of Default by COSTCO that is not cured within the periods, and subject to the notice requirements, set forth in Section 7.1 and Section 7.2 above or for an event described in Section 7.3c. or Section 7.3d. above shall be to terminate COSTCO's right to receive installments of the Development Reimbursement for the calendar year in which the Event of Default occurs and thereafter and recover attorneys' fees and expenses per Section 7.2. COSTCO's sole and exclusive remedies for an Event of Default by REDC that is not cured within the periods, and subject to the notice requirements, set forth in Section 7.1 and Section 7.2 above shall be to recover the Development Reimbursement and recover attorneys' fees and expenses per Section 7.2.

**7.6** Unless earlier terminated, this Agreement shall terminate and be of no further force and effect and the parties shall have no further obligations hereunder after the final payment of the Development Reimbursement has been made by REDC.

**8. EXHIBITS:** All exhibits referred to herein shall be considered a part hereof for all purposes with the same force and effect as if copied at full length herein.

**9. CAPTIONS:** The captions or headings of sections in this Agreement are inserted for convenience only, and shall not be considered in construing the provisions hereof should any questions of intent arise.

**10. SUCCESSORS:** The terms, conditions and covenants contained in this Agreement shall apply to, inure to the benefit of, and be binding upon the parties hereto and their respective successors in interest and assigns, except as otherwise herein expressly provided.

**11. NOTICES:** Any notice or other communication required, permitted, or contemplated by this Agreement (a "Notice") must be in writing and may be given either by a nationally recognized overnight courier service or by United States Mail, postage prepaid, registered or certified mail, return receipt requested and shall be deemed received (a) if sent by overnight courier service on the day of delivery; and (b) if by United States Mail on the earlier of (i) three (3) business days after deposit in the United States Mail or (ii) when actually received (as evidenced by the return receipt), or (c) if by given by facsimile at the time and on the date of machine transmittal (provided, if a facsimile is received after on a non business day or after 5

p.m. in Rockwall, Texas, it shall be deemed to have been delivered on the next business day), in each case, addressed as follows:

REDC: Rockwall Economic Development Corporation  
Attn: Sheri Franza, President & CEO  
697 East Interstate 30  
P.O. Box 968  
Rockwall, Texas 75087-0968  
Phone: 972/772-0025  
Fax: 972/771-8828

With a copy to: Crouch & Ramey  
Attn: David W. Richardson  
1445 Ross Avenue, Suite 3600  
Dallas, Texas 75202  
Phone: 214/922-7100  
Fax: 214/922-7101

COSTCO: Costco Wholesale Corporation  
45940 Horseshoe Drive, Suite 150  
Sterling, Virginia 20166  
Attention: Corporate Counsel  
Phone: 703/406-6658  
Fax: 703/406-6835

With a copy to: Thompson & Knight LLP  
Attn: Ray T. Khirallah  
1700 Pacific Ave., Suite 3300  
Dallas, Texas 75201-4693  
Phone: 214/969-1370  
Fax: 214/999-9070

Notice given in any other manner shall be deemed delivered when actually received. Either party may change its address by giving the other party five (5) days advance written notice of such change.

**12. ENTIRE AGREEMENT:** This Agreement embodies the entire agreement between REDC and COSTCO relative to the Property and supersedes all other agreements, including all prior negotiations conducted either in writing or orally. There are no oral or written agreements existing between REDC or COSTCO relative to the Property that are not expressly set forth herein.

**13. GOVERNING LAW:** The laws of the State of Texas shall govern the validity, construction, enforcement and performance of this Agreement, and all other documents or instruments delivered pursuant hereto. The obligations of the parties hereto are performable in Rockwall County, Texas.



**14. TIME OF ESSENCE:** Time is of the essence of this Agreement and each provision hereof.

**15. MULTIPLE ORIGINALS:** This Agreement may be executed in multiple original counterparts. Each counterpart shall be deemed an original, and when the counterparts are taken together, they shall be deemed to be one and the same instrument.

**16. SEVERABILITY:** If any provision of this Agreement or the application of any such provision to any person, entity, or circumstance shall be declared judicially to be invalid, unenforceable or void, such decision shall not have the effect of invalidating or voiding any portion of the remainder of this Agreement, it being the intent and agreement of the parties hereto that this Agreement shall be deemed amended and such provision modified to the extent necessary to render it valid, legal and enforceable while preserving its intent or, if such modification is not possible, by substitution of another provision that is valid, legal, and enforceable and that achieves the same objective. Any deviation by either party from the terms of the provisions of this Agreement required to comply with applicable laws, rules, or regulations shall not be considered a breach of this Agreement.

**17. TIME PERIODS:** Unless otherwise specified, any time period or deadline provided in this Agreement shall be measured in calendar days. If any such time period or deadline expires on a Saturday, Sunday, or legal holiday recognized by the State of Texas, such time period or deadline shall be extended to the first (1<sup>st</sup>) business day thereafter.

**18. INTERPRETATION:** Where required for proper interpretation, words in the singular shall include the plural, and words of any gender shall include all genders. The descriptive headings of the sections of this Agreement are for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

**19. CONFIDENTIALITY:** REDC agrees to maintain all information relating to COSTCO's operations or sales at the Property, as confidential information and to disclose any such information relating to COSTCO's operations or sales at the Property, only to COSTCO's and REDC's employees, agents, partners, representatives, attorneys, lenders, appraisers, consultants, Seller and other parties as are necessary to negotiate and consummate this Agreement, and any related financing and development of the Property provided that such party is instructed to maintain such information as confidential as provided in this Section, except to the extent (i) such disclosure is, in the opinion of a party's legal counsel, required by law; (ii) the otherwise confidential information becomes generally available to the public other than as a result of a breach of a party's obligations hereunder; or (iii) such disclosure is consented to by the other party in writing.

**20. FORCE MAJEURE:** Whenever a period of time is herein prescribed for action to be taken by either REDC or COSTCO, including, without limitation, the construction by COSTCO of the Building, such party shall not be liable or responsible for, and there shall be excluded from the computation of any such period of time, any delays due to strikes, riots, acts of God, shortages of labor or materials, war, governmental laws, regulations or restrictions or any other causes of any kind whatsoever which are beyond the control of such party; including any

moratoriums (i.e. zoning, platting, building or similar moratoriums) imposed by the City of Rockwall that would delay or impair construction of the Building or any component thereof; provided, however, that for purposes hereof, lack of funds or inability to obtain financing or a delay due to a failure to comply with applicable Legal Requirements shall not be deemed to be a cause beyond the control of either party unless caused by any of the above referenced occurrences.

**21. CONDITION PRECEDENT:** Notwithstanding anything herein to the contrary, REDC's obligations herein are contingent upon the approval of same by REDC Board of Directors and the Rockwall City Council. If REDC fails to deliver written evidence to COSTCO by February 29, 2008, this Agreement shall terminate and be of no further force or effect unless COSTCO and REDC mutually agree in writing to extend the deadline for obtaining such approval.

**22. LIMITATION ON DAMAGES:** All claims, rights, and causes of action arising directly or indirectly from the subject matter of this Agreement will be limited to actual damages of the party asserting same, and will exclude incidental damages, consequential damages, lost profits, punitive or exemplary damages.

**23. NO JOINT VENTURE.** It is acknowledged and agreed by the parties that the terms hereof are not intended to and shall not be deemed to create a partnership or joint venture among the parties.

**24. AMENDMENT.** This Agreement may only be amended by a written agreement executed by both parties.

**ROCKWALL ECONOMIC DEVELOPMENT  
CORPORATION, a Texas non-profit corporation**

By: Sheri Franza  
Sheri Franza, President & CEO

**COSTCO WHOLESALE CORPORATION, a  
Washington corporation**

By: Gordon W. Thomas  
Its: Corporate Counsel

Exhibit A

Tract 1

All that certain lot, tract or parcel of land situated in the Joseph Cadle Survey, Abstract No. 65, City of Rockwall, Rockwall County, Texas, and being all of a 4.897 acre tract of land as described in a Warranty deed from Dorothy Wilkes Terry, et al to Davenport Enterprises, Inc., dated March 3, 1972 and being recorded in Volume 101, Page 358 of the Real Estate Records of Rockwall County, Texas, and also being all of a 4.9369 acres tract described in Exhibit "C" in a Deed of Partition from Dollie R. Sturch to Estates, Inc., dated July 27, 1983 and being recorded in Volume 176, Page 905 of the Real Estate Records of Rockwall County, Texas, and being all of a 4.932 acres tract of land as described in a Warranty deed from Halpin and Associates to Jeff Halpin and Joan Ellen Halpin, dated May 17, 2003 and being recorded in Volume 3630, Page 293 of the Real Property Records of Rockwall County, Texas, and being more particularly described as follows:

Beginning at a 1/2 inch iron rod found for corner in the Northeast right-of-way line of State Highway 205 S. Goliad Street, said point being at the West most South corner of said 4.897 acres tract, said point also being at the West corner of Lot 2 of Haldeman Addition, an Addition to the City of Rockwall, Texas, according to the Plat thereof recorded in Cabinet C, Slide 36 of the Plat Records of Rockwall County, Texas;

Thence N. 30 deg. 54 min. 29 sec. W, along said right-of-way line, a distance of 367.79 feet to a wooden highway monument found for corner in the South right-of-way line of Interstate Highway 30;

Thence N. 11 deg. 53 min. 35 sec. E. along the South right-of-way line of Interstate Highway 30, a distance of 320.76 feet to a concrete highway monument found for corner at the North corner of said 4.897 acres tract and at the West corner of said 4.9369 acres tract;

Thence N. 32 deg. 11 min. 10 sec. E. along said right-of-way line, a distance of 320.76 feet to a 1/2 inch iron rod found for corner at the North corner of said 4.9369 acres tract and at the West corner of said 4.932 acres tract;

Thence N. 32 deg. 09 min. 14 sec. E. along the South right-of-way line of Interstate Highway 30, a distance of 320.13 feet to a 3/8 inch iron rod found for corner;

Thence S. 45 deg. 43 min. 21 sec. E. along the Northeast line of said Halpin tract, a distance of 744.07 feet to a 1/2 inch iron rod found for corner;

Thence S. 33 deg. 23 min. 09 sec. W. a distance of 270.52 feet to a 3/8 inch iron rod found for corner at the South corner of said Halpin tract and at the East corner of said 4.9369 acres tract;

Exhibit A (Continued)

Thence S. 32 deg. 16 min. 00 sec. W. a distance of 270.52 feet to a 3/8 inch iron rod found for corner at the South corner of said Halpin tract and at the East corner of said 4.9369 acres tract;

Thence S. 32 deg. 16 min. 00 sec. W. a distance of 274.71 feet to a 1/2 inch iron rod with yellow plastic cap stamped "R.S.C.I. RPLS 5034" set for corner at the South corner of said 4.9369 acres tract at the East corner of said 4.897 acres tract;

Thence S. 44 deg. 02 min. 15 sec. W. a distance of 349.95 feet to a 1/2 inch iron rod with yellow plastic cap stamped "R.S.C.I. RPLS 5034" set for corner at the North most East corner of said Lot 2, Haldeman Addition;

Thence N. 31 deg. 19 min. 58 sec. W. along the East line of said Lot 2, a distance of 199.29 feet to a 1/2 inch iron rod found for corner;

Thence S. 43 deg. 54 min. 42 sec. W. along the North line of said Lot 2, a distance of 160.78 feet to the Point of Beginning and containing 642.380 square feet or 14.74 acres of land.

Tract 2:

Being a tract of land situated in the Joseph Cadle Survey, Abstract No. 65, in the City of Rockwall, Rockwall County, Texas, and being a portion of 65.96 acre tract of land as described in Deed from the Cambridge Companies, Inc., Trustee for the benefit of Rockwall South Associates, Ltd. to Carrollton Venture No. One, L.P. as recorded in Volume 4663, Page 281, Real Property Records of Rockwall County, Texas, being more particularly described by metes and bounds as follows:

Beginning at a concrete monument with a 1-1/4-inch brass disk stamped "CPH ENG" set on the northerly right of way line of State Highway No. 276 (a 120 foot wide right of way) for the most southerly West corner of said Carrollton Venture No. One, L.P. Tract and the East corner of Haldeman Addition, an addition to the City of Rockwall as recorded in Cabinet C, Slide 36, Real Property Records of Rockwall County, Texas;

Thence North 31 degrees 03 minutes 52 seconds West, along the east line of said Haldeman Addition, for a distance of 120.66 feet to a point for corner in the southeast line of a certain called 14.74 acre tract of land as described in deed to S-SI Rockwall Venture No. One, L.P. as recorded in Volume 4840, Page 234, Real Property Records of Rockwall County, Texas

Thence along the southeast line of said 14.74 acre tract of land, the southeast line of a called 4.932 acre tract of land as described in deed to S-SI Rockwall

Exhibit A (Continued)

Venture No. One, L.P. as recorded in Volume 4840, Page 293, Real Property Records of Rockwall County, Texas, the southeast line of Lot 1, Block 1, Toyota of Rockwall as recorded in Volume G, Slide 153, Real Property Records of Rockwall County, Texas, and the southeast line of Lot 1, Block 2, Park Place Business Park recorded in Volume C, Page 69, Real Property Records of Rockwall County, Texas, the following five courses and distances:

North 44 degrees 00 minutes 14 seconds East, for a distance of 315.05 feet to a point for corner;

North 32 degrees 17 minutes 59 seconds East, for a distance of 274.66 feet to a point for corner;

North 33 degrees 23 minutes 09 seconds East, for a distance of 270.52 feet to a point for corner;

North 32 degrees 57 minutes 37 seconds East, for a distance of 730.81 feet to a point for corner;

North 33 degrees 20 minutes 31 seconds East, for a distance of 219.83 feet to a point for corner for the west corner of a tract of land as described in deed to the City of Rockwall as recorded in Volume 3157, Page 282, Real Property Records of Rockwall County, Texas;

Thence South 43 degrees 39 minutes 03 seconds East, along the southwest line of said City of Rockwall Tract, for a distance of 366.93 feet to a point for corner;

Thence North 41 degrees 52 minutes 17 seconds East, along the southeast line of said City of Rockwall Tract, for a distance of 338.85 feet to a point for corner in the southwesterly right of way line of T.L. Townsend Drive (a variable width Right of way);

Thence South 43 degrees 51 minutes 02 seconds East, along the said southwesterly right of way line of T.L. Townsend Drive, for a distance of 32.40 feet to a point for corner;

Thence departing said southwesterly right of way line T.L. Townsend Drive across said Carrollton Venture No. One, L.P. tract the following eight courses and distances:

South 31 degrees 12 minutes 21 seconds West, for a distance of 256.43 feet to a point for corner;

South 38 degrees 27 minutes 20 seconds West, for a distance of 229.17 feet to a point for corner;

South 12 degrees 01 minutes 21 seconds West, for a distance of 244.52 feet to a concrete monument with a 1-1/4-inch brass disk stamped "CPH ENG" set for corner;

Exhibit A (Continued)

South 23 degrees 16 minutes 58 seconds West, for a distance of 166.66 feet to a concrete monument with a 1-1/4-inch brass disk stamped "CPH ENG" set for corner;

South 00 degrees 00 minutes 00 seconds West, for a distance of 55.03 feet to a concrete monument with a 1-1/4-inch brass disk stamped "CPH ENG" set for corner;

South 16 degrees 34 minute s03 seconds East, for a distance of 141.04 feet to a concrete monument with a 1-1/4-inch brass disk stamped "CPH ENG" set for corner;

South 00 degrees 58 minutes 35 seconds West, for a distance of 165.50 feet to a concrete monument with a 1-1/4-inch brass disk stamped "CPH ENG" set for corner;

South 16 degrees 50 minutes 34 seconds West, for a distance of 460.66 feet to a concrete monument with a 1-1/4-inch brass disk stamped "CPH ENG" set for corner in the said northerly right of way of line of State Highway No. 276;

Thence North 87 degrees 42 minutes 46 seconds West, along the said north right of way line of State Highway No. 276, for a distance of 985.07 feet to the Point of Beginning and containing a computed area of 1,099,685 square feet or 25.25 acres of land.