

STATE OF TEXAS §

CITY OF BRAZOS §

**AGREEMENT FOR DEVELOPMENT AND TAX
ABATEMENT IN REINVESTMENT ZONE NUMBER THIRTY FOR
COMMERCIAL – INDUSTRIAL TAX ABATEMENT, CITY OF BRYAN, TEXAS**

This Agreement entered into by and between **THE CITY OF BRYAN, TEXAS**, a home rule municipality, acting herein by and through its duly elected City Council, (“CITY”), and **PENNCRO ASSOCIATES, INC.**, a Pennsylvania corporation (“OWNER”).

WITNESSETH:

WHEREAS, the City Council of the City of Bryan, Texas, on the twenty-fifth day of January, 2011, by ordinance established Reinvestment Zone Number Thirty for Commercial – Industrial Tax Abatement, City of Bryan, Texas (“Zone”) as authorized by Chapter 312, Texas Tax Code; and

WHEREAS, the City Council has determined that it is in the best interests of the City to encourage economic development resulting in more jobs coming to the City, higher property values, and more customers for existing businesses in the City; and

WHEREAS, Owner plans to operate a call center out of the building formerly known as the West Corporation Facility, with an annual payroll upwards of \$8,000,000.00; and

WHEREAS, as a part of the creation of the call center, Owner intends to install approximately \$1,250,000.00 worth of personal property including furniture, fixtures, and equipment (“Personal Property”) for use in the operation of the call center; and

WHEREAS, the West Corporation Facility is located on an approximately 10 acre tract of land located in the City of Bryan, Brazos County, Texas, and being more particularly described in Exhibit “A” attached hereto and made a part hereof for all purposes, (“Property”); and

WHEREAS, in order to facilitate the use of such property and to aid in the commencement of the proposed operation, the City desires to abate a portion of the ad valorem taxes for the Personal Property that would otherwise be paid by the Owner; and

NOW THEREFORE the parties do mutually agree as follows:

1. As consideration for CITY entering into this Agreement, the OWNER agrees to create a customer service call center (or similar operation) on the Property, which must meet the following benchmarks:
 - a. Investment of approximately \$1,250,000.00 in Personal Property, substantially in accordance with the inventory in Exhibit "B" attached hereto and incorporated herein, to be completed on or before December 31, 2011.
 - b. OWNER's commitment to maintain a gross annual payroll of at least \$8,000,000.00 by December 31, 2011 and to maintain such employment levels and payroll for the duration of this Agreement.
2. CITY hereby grants to OWNER, a partial exemption from ad valorem taxation for Personal Property, subject to all of the terms and conditions contained in this Agreement. The partial exemption shall be fifty percent of the value of the Personal Property assessed for the years 2012, 2013, and 2014.
3. OWNER agrees to maintain, repair, or replace Personal Property in a commercially reasonable manner. OWNER is not required to replace Personal Property due to normal depreciation in value. Nothing in this agreement requires OWNER to ensure that the Personal Property, once installed, maintains a total value of \$1,250,000.00.
4. OWNER represents and warrants that no member of the City Council has an interest in the Premises and that the same are not owned or leased by any member of the City Council.
5. OWNER agrees that CITY assumes no liability or responsibility by approving plans, issuing building permits or making inspections in the event there is a defect in the improvements constructed on the Premises. The CITY assumes no liability or responsibility for the fitness of the property for a

particular use, for any latent defects in the property, or for any injury that may occur on the Property. The relationship between CITY, OWNER, and any other taxing unit shall not be deemed to be a partnership or joint venture for purposes of this Agreement.

6. OWNER shall indemnify, hold harmless and defend CITY, its employees, officials, and agents from and against any and all obligations, claims, suits, demands and liability or alleged liability, including costs of suit, attorney's fees, damages, judgments, or settlements and related expenses arising in any manner from OWNER's construction, use and operation of the Premises, provided, however, that OWNER shall not be required to indemnify and hold CITY harmless for injury or harm caused by CITY's negligence or willful misconduct.

7. OWNER agrees to pay all ad valorem taxes and assessments for which OWNER is responsible (except as abated pursuant to this Agreement or otherwise exempt) owed to CITY prior to such taxes and/or assessments becoming delinquent. OWNER shall have the right to contest in good faith the validity or application of any such tax or assessment and shall not be considered in default hereunder so long as such contest is diligently pursued to completion. In the event that OWNER contests such tax or assessment, all uncontested taxes and assessments shall be promptly paid to CITY prior to delinquency. If OWNER undertakes any such contest, it shall notify CITY and keep CITY apprised of the status of such contest. Should OWNER be unsuccessful in any such contest, OWNER shall promptly pay all taxes, penalties and interest resulting therefrom.

8. In any event of default, the party responsible for the default shall be notified in writing, and given an opportunity to cure such default within thirty days of the receipt of such notice. If the defaulting party fails to cure the default by the deadline, the agreement may be terminated. In the event of a default by OWNER, the CITY may recapture from OWNER a sum of money equal to all of the tax revenues the CITY has lost due to the partial abatement of taxes from the inception of this Agreement. The remedies listed in this paragraph shall be in addition to any other remedies that the parties may have, both legal and equitable.

9. This Agreement shall be for a term of five calendar years from January 1, 2011 through December 31, 2015, unless sooner terminated.

10. Miscellaneous.

- a. Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective while this Agreement is in effect, such provision shall be automatically deleted from this Agreement and the legality, validity and enforceability of the remaining provisions of this Agreement shall not be affected thereby, and in lieu of such deleted provision, there shall be added as part of this Agreement a provision that is legal, valid and enforceable and that is as similar as possible in terms and substance as possible to the deleted provision.
- b. Texas law to apply. This Agreement shall be construed under and in accordance with the laws of the State of Texas and the obligations of the parties created hereunder are performable by the parties in The CITY OF BRYAN, Texas. Venue for any litigation arising under this Agreement shall be in a court of appropriate jurisdiction in The CITY OF BRYAN, Texas.
- c. Sole Agreement. This Agreement constitutes the sole and only Agreement of the Parties hereto respecting the subject matter covered by this Agreement, and supersedes any prior understandings or written or oral agreements between the parties.
- d. Amendments. No amendment, modification or alteration of the terms hereof shall be binding unless the same shall be in writing and dated subsequent to the date hereof and duly executed by the parties hereto. Any proposed amendment, modification or alteration shall be provided to the Commissioners Court of Brazos County, Texas and to the Bryan Independent School District for review and comment prior to adoption by the City Council.

- e. **Rights and Remedies Cumulative.** The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by either party shall not preclude or waive its right to use any and all other legal remedies. Said rights and remedies are provided in addition to any other rights the parties may have by law, statute, ordinance or otherwise.
- f. **No Waiver.** CITY's failure to take action to enforce this Agreement in the event of OWNER's default or breach of any covenant, condition, or stipulation herein on one occasion shall not be treated as a waiver and shall not prevent CITY from taking action to enforce this Agreement on subsequent occasions.
- g. **Assignment.** OWNER shall not assign this Agreement without the written approval of the City Council. A change in ownership of a majority of the stock of OWNER is an assignment for the purposes of this paragraph. An assignment to a subsidiary or affiliate company of OWNER shall not be prohibited under the section. If OWNER assigns this Agreement without written approval of the City Council, this Agreement shall terminate immediately and the partial abatement of taxes on personal property and equipment provided for herein shall cease from the date such unauthorized assignment occurred.
- h. **Notices.** CITY and OWNER hereby designate the following individuals to receive any notices required to be submitted pursuant to the terms of this Agreement:

CITY

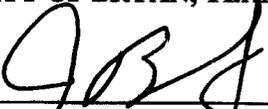
City of Bryan, City Manager
P.O. Box 1000
Bryan, Texas 77805-1000

OWNER

Jennifer Ditnes, V.P. Administration
95 James Way, Suite 113
Southampton, Pennsylvania 18966

11. The parties hereto have executed this Agreement in duplicate originals, each of equal dignity. Each party has stated the execution date below the signature of its authorized representative. If the parties sign this Agreement on different dates, the later date shall be the effective date of this Agreement for all purposes.

CITY OF BRYAN, TEXAS



Jason P. Bienski, Mayor

Date: 3-7-11

PENNCRO ASSOCIATES, INC.



Regina Crowley, Chief Executive Officer

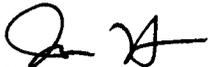
Date: 2/24/11

ATTEST:



Mary Lynne Stratta, City Secretary

APPROVED AS TO FORM:



Janis K. Hampton, City Attorney

EXHIBIT "A"

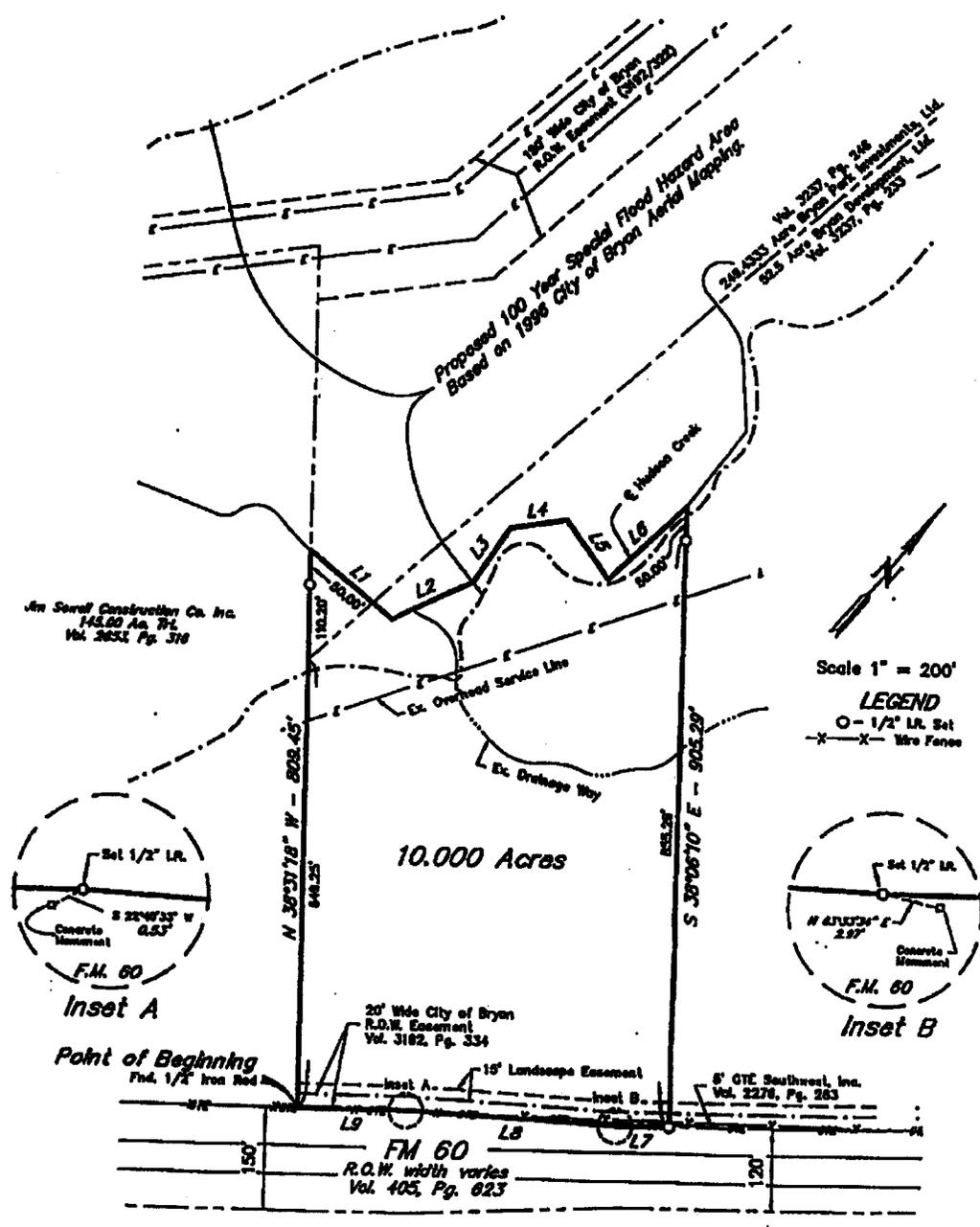
REAL PROPERTY DESCRIPTION

LINE TABLE

LINE	BEARING	Distance
L1	N 89°35'53" E	158.03'
L2	N 24°52'17" E	128.68'
L3	N 05°54'45" W	98.08'
L4	N 41°55'45" E	83.48'
L5	S 74°32'22" E	104.72'
L6	N 06°58'05" E	157.18'
L7	S 51°25'28" W	77.77'
L8	S 54°20'12" W	300.37'
L9	S 51°25'27" W	180.59'

GENERAL SURVEYOR NOTES:

1. **ORIGIN OF BEARING SYSTEM:** Bearings and coordinates refer to the Texas Coordinate System, NAD-83, CENTRAL ZONE and are based upon the position of City of College Station Meridian Control Monument NO. 125 established in 1984. Y Coordinate = 10228777.314
X Coordinate = 3684908.303
2. Grid Azimuth reference to center of red light on radio tower is N 008° 09' 35" According to the Flood Insurance Rate Map for Brazos County, Texas and Incorporated Areas Map Number 48041C0743 C, effective July 2, 1992, a portion of this property is located within a 100-year flood hazard area.
3. Survey is valid only if print has original seal and signature of Surveyor.
4. The locations of underground utilities as shown hereon are based on above-ground structures and record drawings provided to the Surveyor. No excavations were made during the progress of this survey to locate buried utilities/structures.
5. Subsurface and environmental conditions were not examined or considered as a part of this survey. No statement is made concerning the existence of underground or overhead easements or facilities that may affect the use or development of this tract.
6. All information regarding record easements and other documents that might affect the quality of title to tract shown hereon was obtained from Brazos County Abstract Company Title Commitment 074: 131622 (dated October 16, 1998).



FIELD NOTES
TRACT ONE
10.000 ACRE TRACT

Being all that certain tract or parcel of land lying and being situated in the RICHARD CARTER SURVEY, Abstract No. 8 in Bryan, Brazos County, Texas and being part of the 52.500 acre tract one described in the deed from M.D. Wheeler, Ltd. to Bryan Development, Ltd. recorded in Volume 3237, Page 233, and also being part of the 249.433 acre tract described in the deed from M.D. Wheeler, Ltd. to Bryan Park Investments, Ltd. recorded in Volume 3237, Page 246 of the Official Records of Brazos County, Texas (O.R.B.C.) and being more particularly described by metes and bounds as follows:

BEGINNING: at a found 1/2-inch iron rod marking the south corner of the said 52.500 acre tract, the east corner of the Jim Sowell Construction, Inc. 145.00 acre tract as recorded in Volume 2653, Page 316 (O.R.B.C.) and being in the northwest right-of-way line of F.M. 60 (based on a variable width right-of-way) as recorded in Volume 405, Page 623 of the Brazos County Deed Records (B.C.D.R.);

THENCE: N 38° 31' 18" W along the common line of the said 52.500 acre tract and the 145.00 acre tract, at 649.25 feet pass the common most southerly corner of the said 52.500 acre and 249.433 acre tracts, at 759.45 feet pass a 1/2-inch iron rod set for reference and continue for a total distance of 809.45 feet to the centerline of Hudson Creek;

THENCE: along the centerline meanders of said Hudson Creek for the following six (6) calls:

- (1) N 89° 55' 53" E for a distance of 156.03 feet,
- (2) N 24° 52' 17" E for a distance of 128.66 feet,
- (3) N 05° 54' 45" W for a distance of 96.08 feet,
- (4) N 41° 55' 48" E for a distance of 83.46 feet,
- (5) S 74° 32' 22" E for a distance of 104.72 feet and
- (6) N 06° 58' 05" E for a distance of 157.18 feet to the most northerly corner of this tract,

THENCE: S 38° 06' 10" E, at 50.00 feet pass a 1/2-inch iron rod set for reference, continue for a total distance of 905.29 feet to a set 1/2-inch iron rod for the most easterly corner of this tract, said iron rod also being in the beforementioned northwest line of F.M. 60;

THENCE: S 51° 28' 28" W for a distance of 77.77 feet to a set 1/2-inch iron rod, an angle point in said F.M. 60 line, from whence a found concrete monument for reference bears N 63° 33' 34" E at a distance of 2.97 feet;

THENCE: S 54° 20' 12" W along a width transition in the said F.M. 60 right-of-way for a distance of 300.37 feet to a 1/2-inch iron rod set for corner, from whence a found concrete monument for reference bears S 22° 40' 33" W at a distance of 0.53 feet;

THENCE: S 51° 28' 27" W for a distance of 160.59 feet to the POINT OF BEGINNING and containing 10.000 acres of land, more or less.

I, Michael R. McClure, Registered Professional Land Surveyor No. 2859 in the State of Texas, do hereby certify to the best of my knowledge, information and belief and in my professional opinion that this survey substantially complies with the current Texas Society of Professional Surveyors Standards and Specifications for a Category 1A, Condition II Survey.

Michael R. McClure 2/1/99
Michael R. McClure, R.P.L.S. #2859



EXHIBIT "B"

PERSONAL PROPERTY (FF&E) INVENTORY

	A	B	C
1	"EXHIBIT B"		
2	3101 University Drive East - FF & E Inventory		12/2/2010
3			
4	SECTION & ITEM	count	
5	total work stations in building	506	
6	Section A/Southwest Quadrant		
7	Work stations + Chairs	135	
8	mahogany desk w/cradenza	1	
9	metal tables w/white tops 5x3'	2	
10	wood round tables	2	
11			
12	Section B/Northwest Quadrant		
13	Work stations + Chairs	134	
14	wood style desk w/4 drawers	1	
15	6x3 table (Blue)	1	
16			
17	Section C/Southeast Quadrant		
18	Work Stations + Chairs	115	
19	conference table section	1	
20			
21	Section D/Northeast Quadrant		
22	Work Stations + Chairs	122	
23	6' tables (blue)(white)	4	
24			
25	file cabinets offices & sections A,B,C & D		
26	2 drawer under desk cabinets	93	
27	3 drawer under desk file cabinet	24	
28	2 drawer standing file cabinet	1	
29	3 drawer standing file cabinet	5	
30	4 drawer standing file cabinets (tan & gray)	5	
31	5 drawer standing file cabinet (gray)	28	
32	upright locking locker (black)	1	
33			
34	White & cork boards section A, B,C & D		
35	white boards various sizes	26	
36	cork boards various sizes	13	
37			
38	Conference room at back of Section A		
39	Conference table section	2	
40	Metal chairs with plastic seats(blue)	16	
41			
42	Conference room back of section B		

	A	B	C
43	conference table section	4	
44	solid wood end table	1	
45			
46	Conference room at front of section C		
47	conference table sections	4	
48	cabinet style white board	1	
49	5' metal table (brown)	1	
50			
51	Office at back of Section A		
52	3x3 white top table	1	
53			
54	Hallway by Breakroom		
55	3x3 white top table	1	
56	cloth board	1	
57			
58	Break room		
59	3x3 wood table w/blue tops	17	
60	wood rolling chairs w/blue vinyl upholstery	67	
61	8' folding tables	4	
62	8' metal table (blue)	1	
63	3x3 white table	1	
64	cloth board	1	
65	trash cans	1	
66			
67	Patio Area		
68	picnic tables	4	
69	ash/trash cans	3	
70			
71	Training Room 1 (by HR)		
72	training desks (mahogany tops)	24	
73	Projection screen(mounted from ceiling)	1	
74	Extra large white board	1	
75	cloth covered push pin boards	2	
76	computer training table(black metal)	1	
77			
78	Storage room between training rooms		
79	wood shelves w/5 shelves each	2	
80			
81	Training room 2 (by HR)		
82	training desks (mahogany tops)	24	
83	Projection screen(mounted from ceiling)	1	
84	Extra large white board	1	

	A	B	C
85	cloth covered push pin boards	2	
86	computer training table(black metal)	1	
87			
88	Training room (In Section B)		
89	Training desks (mahogany tops)	24	
90	4' round table Blue)	1	
91			
92	Training Room		
93	training desks (mahogany tops)	33	
94	trainers computer stand (black)	1	
95			
96	Training room at back of Section C		
97	Training desks(mahogany tops)	24	
98			
99	HR area		
100	testing desks	18	
101	TV stand	1	
102	glass top end tables	2	
103	solid wood round end table	1	
104	round white end table	1	
105	white board	1	
106	Cork board	1	
107	cabinet style white board	1	
108	Manager cubicle	1	
109	2 drawer standing side file cabinets (black)	2	
110	wood desk & cradanza	2	
111	upholstered metal frame chairs (green) w/arms	2	
112	5x3' tables w/white top	2	
113			
114	HR record room		
115	metal record holders 6 shelves per unit	10	
116	4 drawer standing file cabinet (black)	2	
117	5 drawer standing file cabinet(black)	1	
118			
119	office behind		
120	wood desk	1	
121	typewriter	1	
122			
123			
124	2 drawer standing wood file cabinet	1	
125	cork board	1	
126		1	

	A	B	C
127	Dell computer/monitor, keyboard and mouse	1	
128	large 1st Aid Kit	1	
129	[REDACTED]	1	
130	[REDACTED]	1	
131	[REDACTED]	7	
132	[REDACTED]	2	
133			
134	In Loading dock area		
135	white boards	2	
136	conference table section	1	
137	cloth board	1	
138	8' folding tables	12	
139	8' folding tables	2	
140	3 drawer metal cabinet w/wheels	1	
141	8' ladder	1	
142	12' ladder	1	
143	metal storage racks	8	
144	large trash cans	10	
145	6' Ladder	1	
146	8' ladder	1	
147	Gray steel storage unit with 28 legs 87" high and then 110 shelves that are 35" x 18"	1	
148			
149	In Maintenance Office		
150	3x3 table w/white top	1	
151	Table lamps	2	
152	3 drawer standing file cabinet	1	
153	2 drawer under desk file cabinet	1	
154			
155	DATA room		
156	Metal storage/work table 75" x 25" with upper unit storage	1	
157	Badge maker	1	
158	Dell computer, monitor, keyboard & mouse	1	
159	workstation metal	1	
160	5' Metal table w/white top	1	
161	Leibert system 3	1	
162	locking cabinets 2 sided	4	
163			
164	IT work area		
165	staples shredder	1	
166	[REDACTED]		

	A	B	C
167	Blue plastic chair	1	
168			
169	UPS room		
170	Leibert 610	1	
171	[REDACTED]		
172	[REDACTED]		
173			
174	Battery Rack 1		
175	Leibert Emerson Network Power		
176	[REDACTED]		
177	battery Rack 2		
178	[REDACTED]		
179			
180	Transfer Board UPS Maint		
181	[REDACTED]		
182	[REDACTED]		
183	Item 001		
184			
185	Generac GTS System		
186	UPS Input Breaker		
187	Main City Power switch		
188	EMS3B 7 breakers		
189			
190	Generator EHPI		
191	4 AC breakers + 2 spare		
192	5 lighting breakers		
193			
194	Generator	1	
195			
196	Janitor Closet		
197	vacuum cleaner	1	
198	mop & bucket	1	
199	broom & dust pan	1	
200	metal shelf	1	
201			

"EXHIBIT B"