

STATE OF TEXAS

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ECONOMIC DEVELOPMENT
GRANT AGREEMENT OF THE
CITY OF SAN ANTONIO

COUNTY OF BEXAR

This Economic Development Grant Agreement (hereinafter referred to as "this Agreement") is made and entered into by and between the City of San Antonio, a municipal corporation of the State of Texas (hereinafter referred to as "GRANTOR"), acting by and through its City Manager or her designee, and Ernst & Young U.S. LLP, a Delaware limited liability partnership (hereinafter referred to as "GRANTEE") and together referred to as the "Parties".

WHEREAS, pursuant to Chapter 380 of the Texas Local Government Code, GRANTOR is authorized to grant municipal funds to promote state or local economic development and to stimulate business and commercial activity in the municipality; and

WHEREAS, in accordance with City Ordinance No. 100684, GRANTOR created an economic development program for the purpose of making such grants available; and

WHEREAS, GRANTEE proposes to lease office space that will be located within the city limits of the City of San Antonio at which GRANTEE will provide certain technology, business process support and other professional services to its clients ("Business Activities) and has an intent to create not less than 600 new full-time jobs by December 31, 2023 of which 309 new Full-Time Jobs are subject to the terms and conditions of this Agreement (the "Project"); and

WHEREAS, once completed, the Project is expected to result in the promotion of local economic development and to stimulate business and commercial activity in the City of San Antonio; and

WHEREAS, GRANTEE is seeking an economic development grant from GRANTOR for the purpose of defraying costs associated with undertaking and completing the Project, and

WHEREAS, GRANTOR, to induce GRANTEE to undertake and complete the Project, has identified funds available to provide a grant to GRANTEE to be solely used for the Project; and

WHEREAS, the City Council of GRANTOR has authorized the GRANTOR's City Manager or her designee to enter into this Agreement with GRANTEE in accordance with City Ordinance No. 2017-11-0897, passed and approved on November 9, 2017, to grant funds to support the Project.

WHEREAS, simultaneously with the execution of this Agreement, GRANTEE has entered into a Tax Abatement Agreement with GRANTOR in accordance with City Ordinance No. 2017-11-0896, passed and approved on November 9, 2017, to abate real and personal property taxes to support the Project (the "Tax Abatement Agreement").

NOW THEREFORE:

The Parties hereto severally and collectively agree, and by the execution hereof are bound, to the mutual obligations herein contained and to the performance and accomplishment of the tasks hereinafter described:

SECTION 1. AGREEMENT PURPOSE

The Project is anticipated to promote local economic development and to stimulate business and commercial activity in the City of San Antonio in accordance with Chapter 380 of the Texas Local

Government Code. GRANTOR is supporting the Project through this Economic Development Program Grant to provide funds to be used to defray costs of the Project. This economic incentive is being offered to GRANTEE to promote investment and job creation in a targeted industry of GRANTOR.

SECTION 2. PROJECT REQUIREMENTS

A. GRANTEE shall establish the Project at 12707 Silicon Drive, San Antonio, TX 78249 in the Farinon Business Park (the "Project Site") and conduct its Business Activities at the Project Site commencing on or before January 1, 2019 and through the Term of this Agreement.

B. GRANTOR and GRANTEE acknowledge that for the purposes of this Agreement, GRANTEE may commence its Business Activities (including the creation of full-time jobs) at a temporary location other than the Project Site ("Temporary Space"). No Grant Funds, as further described below, shall be disbursed under this Agreement until such time as GRANTEE is conducting its Business Activities at the Project Site.

C. Under the terms of this Agreement, and notwithstanding the requirements of the Tax Abatement Agreement, GRANTEE shall create up to three hundred and nine (309) Full-Time jobs (the "Full-Time Job Requirement") on or prior to December 31, 2023. A Full-Time Job, for the purposes of this Agreement, shall be a Job by which an individual who works at the Project Site (or the Temporary Space, as applicable) as an employee of GRANTEE is paid for the equivalent of two thousand eighty (2,080) straight-time paid hours in a fiscal year, excluding benefits, bonuses, overtime, shift differentials and any other non-guaranteed wages. The parties agree that the Full-Time Jobs that satisfy the Full-Time Job Requirement do not have to be the same jobs throughout the term of this Agreement.

D. In order for an employee to be counted toward the Full-Time Job Requirement, such employee must be paid by GRANTEE a starting annual wage of at least FORTY-FIVE THOUSAND DOLLARS (\$45,000) that, within three (3) years of such person's hire date, reaches an annual wage of at least FIFTY-THOUSAND DOLLARS (\$50,000) exclusive of benefits, bonuses, overtime, shift differential and any other non-guaranteed wages. For the purposes of payment of Grant Funds by Grantor as set forth in Section 3(B), such an employee shall be counted toward Grantee's Full-Time Job Requirement number but shall not be eligible for disbursement of Grant Funds until Grantee confirms through the semi-annual reporting obligations, that such employee is being paid \$50,000 annually.

E. GRANTEE shall comply with all applicable federal, state and local laws and regulations, and shall develop and operate the Project in accordance with the terms and conditions of this Agreement.

SECTION 3. ECONOMIC DEVELOPMENT PROGRAM GRANT AND RECAPTURE OF FUNDS.

A. **Economic Development Program Grant.** GRANTOR is providing GRANTEE with an Economic Development Program Grant in the cumulative maximum amount of THREE HUNDRED NINE THOUSAND DOLLARS AND NO CENTS (\$309,000) ("Grant Funds"). The purposes of the Grant Funds are to: 1) attract GRANTEE to the Project Site; 2) enhance GRANTEE's economic feasibility of locating the Project at the Project Site; and 3) incentivize GRANTEE to conduct its Business Activities at the Project Site and create and retain for the Term of this Agreement the high-wage Full Time Jobs at the Project.

B. **Grant Disbursement.** Following approval of this Agreement by a duly authorized City Ordinance and execution of this Agreement, GRANTOR will make the Grant Funds available to GRANTEE in the manner set forth below:

1. **Payments.** On an annual basis commencing on December 31, 2019, GRANTOR shall make a disbursement available to GRANTEE within 60 days of GRANTEE submitting to GRANTOR and GRANTOR verifying such certification as required in Section 7(B) documenting the number of Full-Time Jobs created that meet the requirements of Section 2(C) and (D) of this Agreement. The amount of disbursement shall be an amount equivalent to ONE THOUSAND DOLLARS multiplied by the number of Full-Time Jobs meeting the requirements of Section 2(C) and (D) of this Agreement and not having been counted toward GRANTEE's Full-Time Job requirement previously. For purposes of clarity, with respect to any Full-Time Job that is receiving an annual salary of less than \$50,000, GRANTOR shall pay the Grant Funds within 60 days of GRANTEE submitting to GRANTOR its semi-annual certification confirming that such job has reached an annual salary of \$50,000. The total amount of Grant Funds to be paid to GRANTEE under this Agreement shall not exceed the Grant Funds.
2. The Parties acknowledge and agree that once Grant Funds are paid for the creation of a position that meets the wage criteria as set forth herein, GRANTOR shall not pay Grant Funds for that same position at a later time.

C. Recapture of Program Grant Funds. Should GRANTEE:

1. Sell all or a substantial portion of its assets without GRANTOR's prior written consent, but only if such sale results in a failure by GRANTEE to perform the Business Activities; or
2. Relocate its Business Activities outside the City of San Antonio; or
3. During the final 5 years of the Term of this Agreement, fail to maintain at least one hundred ninety-two (192) Full-Time Jobs for which Grant Funds were paid in accordance with Section 2(D); or
4. Fail to keep adequate records necessary for the GRANTOR to determine if GRANTEE is performing the Business Activities and satisfying the Full-Time Job Requirement, then

GRANTOR shall have the right, in its sole discretion, to terminate this Agreement and, to the extent Grant Funds were paid, recapture one hundred-percent (100%) of Grant Funds disbursed to GRANTEE after written demand is delivered to GRANTEE, which written demand shall afford GRANTEE a 60-day opportunity to either correct the failure resulting in the recapture right or make payment to GRANTOR in an amount paid to the Grantee.

D. "Per-Job" Repayment. GRANTEE shall provide to GRANTOR a certificate, on the reporting period following December 31, 2026 in accordance with Section 7(B), indicating the number of Full-Time Jobs created that meet the requirements of Section 2(C) and (D) of this Agreement for which Grant Funds were disbursed (the "Ending Number"). If, during the remaining Term of this Agreement ("Remainder Term"), the number of Full-Time Jobs as reported in accordance with Section 7(B) falls below the Ending Number, then GRANTEE shall repay GRANTOR an amount equal to the product of \$1,000.00 multiplied by the difference between the number of Full-Time Jobs reported in accordance with Section 7(B) in the Remainder Term and

the Ending Number. GRANTOR shall only be repaid once per Full-Time Job subject to the "Per Job" repayment.

SECTION 4. AGREEMENT PERIOD

This Agreement shall commence upon ITS EXECUTION and terminate on December 31, 2028 unless extended by a mutual agreement in writing (the "Term").

SECTION 5. GRANTOR OBLIGATIONS

A. GRANTOR will make an Economic Development Program Grant of THREE HUNDRED NINE THOUSAND DOLLARS (\$309,000) available to GRANTEE under the terms and conditions of this Agreement.

B. GRANTOR will not be liable to GRANTEE or other entity for any costs incurred by GRANTEE other than those which GRANTOR is obligated to reimburse pursuant to the terms of this Agreement.

SECTION 6. RETENTION AND ACCESSIBILITY OF RECORDS

A. GRANTEE shall maintain the fiscal records and supporting documentation for expenditures of funds associated with this Agreement. GRANTEE shall retain such records, and any supporting documentation, for the period required for record retention herein or by any other applicable laws and regulations.

B. GRANTEE shall, following reasonable advance written notice from the GRANTOR, give the GRANTOR, its designee, or any of their duly authorized representatives, access during normal business hours to and the right to examine all books, accounts, records, audit reports, reports, files, documents, written or photographic material, videotape and other papers, things, or property belonging to or in use by GRANTEE pertaining to the Economic Development Grant in San Antonio (the "Records"). The GRANTOR's access to GRANTEE's books and records will be limited to information needed to verify that GRANTEE is and has been complying with the terms of this Agreement and to verify advances made by the GRANTOR and re-payments made by GRANTEE and to verify that the proceeds of the Economic Development Grant are or were used in connection with the development and operation the Project. Any information that is not required by law or applicable professional standards to be made public shall be kept confidential by GRANTOR. GRANTEE shall not be required to disclose to the GRANTOR any information that by law GRANTEE is required to keep confidential. Should any good faith dispute or question arise as to the accuracy of the data provided, the GRANTOR reserves the right to require GRANTEE to obtain an independent firm to verify the information. This certified statement by an independent firm shall be provided at the sole cost of GRANTEE unless the independent firm confirms that the information as provided by GRANTEE is accurate, in which case the GRANTOR will bear the cost of the independent firm. The rights to access the Records shall continue as long as the Records are retained by GRANTEE in accordance with this section. Failure to provide reasonable access to the Records to authorized GRANTOR representatives shall give the GRANTOR the right to suspend or terminate this Agreement as provided for in Section 14 and 15 below, or any portion thereof, for reason of default. All Records shall be retained by GRANTEE for a period of five (5) years after the completion of the Term or until any audits or other administrative, civil or criminal matters including, but not limited to, investigations, lawsuits, administrative inquiries and open record requests are completed. GRANTEE agrees to maintain the Records in an accessible location and to provide citizens reasonable access to the Records if required by the Texas Public Information Act on the same terms as the Records are made available to the GRANTOR as set forth above. All of the above notwithstanding, the GRANTOR and the citizens shall have no right to access any confidential or proprietary records of GRANTEE, including but not limited to the ownership and capital structure of GRANTEE.

SECTION 7. MONITORING

A. GRANTOR reserves the right to confirm GRANTEE's compliance with the terms and conditions of this Agreement by monitoring, subject to the requirements of SECTION 6 above. GRANTOR will provide GRANTEE with a written report of the monitor's findings. If the monitoring report notes deficiencies in GRANTEE's performances under the terms of this Agreement, the monitoring report shall include a listing of requirements for the correction of such deficiencies by GRANTEE and a reasonable amount of time in which to attain compliance. Failure by GRANTEE to take action specified in the monitoring report may be cause for suspension or termination of this Agreement, in accordance with Sections 14 and 15 herein.

B. GRANTEE shall provide to GRANTOR a semi-annual certification within sixty (60) days of June 30 and sixty (60) days of December 31 with reasonable supporting information evidencing the creation of and filling of the number of jobs at the Project Site, compliance with the minimum wage requirements as specified in this Agreement and the required investments made at the Project Site. GRANTEE shall use commercially reasonable efforts to not include any personal information of its employees such as addresses, social security numbers, ages, etc. Grantor would prefer a unique identifier be established for each position reflecting annual wages, exclusive of benefits, overtime, bonuses, overtime, shift differentials, or any other amount not guaranteed to be paid each year, and home zip code.

SECTION 8. CONFLICT OF INTEREST

A. GRANTEE shall use reasonable business efforts to confirm that no employee, officer, or individual agent of GRANTEE shall participate in the selection, award or administration of a subcontract supported by funds provided hereunder if a conflict of interest, real or apparent, would be involved. Such conflict of interest would arise when: (1) the employee, officer, or individual agent; (2) any member of his or her immediate family; (3) his or her partner; or, (4) any organization which employs, or is about to employ any of the above, has a financial or other interest in the firm or person selected to perform the subcontract and the relationship calls for payments to be made to such subcontractor on terms which are greater than those which are customary in the industry for similar services conducted on similar terms. GRANTEE shall comply with Chapter 171, Texas Local Government Code as well as the GRANTOR's Code of Ethics.

SECTION 9. NONDISCRIMINATION AND SECTARIAN ACTIVITY

A. GRANTEE shall use reasonable business efforts to confirm that no person shall, on the ground of race, color, national origin, religion, sex, age or handicap, be excluded from participation in, be denied the benefits of, be subjected to discrimination under, or be denied access to any program or activity funded in whole or in part with funds made available under this Agreement.

B. None of the performances rendered by GRANTEE under this Agreement shall involve, and no portion of the funds received by GRANTEE under this Agreement shall be used in support of, any sectarian or religious activity, nor shall any facility used in the performance of this Agreement be used for sectarian instruction or as a place of religious worship.

C. GRANTEE shall include the substance of this Section 9 in all agreements associated with the funds made available through this Agreement unless such agreements were entered into before the date of this Agreement.

SECTION 10. LEGAL AUTHORITY

A. Each party assures and guarantees to the other that they possess the legal authority to enter into this Agreement, to receive/deliver the funds authorized by this Agreement, and to perform their obligations hereunder.

B. The person or persons signing and executing this Agreement on behalf of each party or representing themselves as signing and executing this Agreement on behalf of a party, do hereby represent that he, she or they have been duly authorized to execute this Agreement on behalf of that party and to validly and legally bind that party to all terms, performances and provisions herein set forth.

C. GRANTOR will have the right to suspend or terminate this Agreement in accordance with Sections 14 and 15 herein if there is a dispute as to the legal authority of either GRANTEE, or the person signing this Agreement, to enter into this Agreement, any amendments hereto or failure to render performances hereunder.

SECTION 11. LITIGATION AND CLAIMS

A. GRANTEE shall give GRANTOR immediate notice in writing of any action, including any proceeding before an administrative agency, filed against GRANTEE arising out the performance of any subcontract hereunder. Except as otherwise directed by GRANTOR, GRANTEE shall furnish immediately to GRANTOR copies of all pertinent papers received by GRANTEE with respect to such action or claim. GRANTEE shall notify the GRANTOR immediately of any legal action filed against the GRANTEE or any subcontractor of which GRANTEE is actually aware, or of any proceeding filed under the federal bankruptcy code, in each case, in connection with this Agreement. GRANTEE shall submit a copy of such notice to GRANTOR within 30 calendar days after receipt. No funds provided under this Agreement may be used in the payment of any costs incurred from violations of or settlements relating to, or failure to comply with, federal and state regulations. The above notwithstanding GRANTEE is not required to notify GRANTOR of claim or litigation which arises out of GRANTEE's operations on the Project, including without limitation, landlord/tenant disputes, personal injury actions (slip and falls), and other operational activities or relationships.

B. GRANTOR and GRANTEE acknowledge that GRANTOR is a political subdivision of the State of Texas and is subject to, and complies with, the applicable provisions of the Texas Tort Claims Act, as set out in the Civil Practice and Remedies Code, Section 101.001 et. seq., and the remedies authorized therein regarding claims and causes of action that may be asserted by third parties for accident, injury or death.

C. This Agreement shall be interpreted according to the Constitution and the laws of the State of Texas. Venue of any court action brought directly or indirectly by reason of this Agreement shall be in Bexar County, Texas.

SECTION 12. RESERVED

SECTION 13. CHANGES AND AMENDMENTS

A. Except as provided below, any alterations, additions, or deletions to the terms of this Agreement shall be by amendment hereto in writing and executed by both parties to this Agreement upon GRANTOR approval and authorization of GRANTEE.

B. It is understood and agreed by the parties hereto that performances under this Agreement shall be rendered in accordance with the laws and rules governing the Economic Development Program as set forth in Texas Local Government Code Chapter 380, and the terms and conditions of this Agreement.

C. Any alterations, additions, or deletions to the terms of this Agreement required by changes in state law or regulations are automatically incorporated into this Agreement without written amendment hereto, and shall become effective on the date designated by such law or regulation.

SECTION 14. SUSPENSION

A. Notwithstanding the provisions of Chapter 2251 of the Texas Government Code, in the event GRANTEE commits a Default Event, which, for the purposes of this Agreement shall mean failing to comply with Section 2(C) and (D), and (E) and/or failing to repay Grant Funds as required under Section 3(C) of this Agreement, GRANTOR shall provide GRANTEE with written notification as to the nature of the Default Event. GRANTOR shall grant GRANTEE a sixty (60) day period from the date of the GRANTOR's written notification to cure any Default Event. Should GRANTEE fail to cure any Default Event within this period of time, the GRANTOR may, upon written Notice of Suspension to GRANTEE, suspend this Agreement in whole or in part by withholding further payments to GRANTEE, and prohibit GRANTEE from incurring additional obligations of funds under this Agreement. Such Notice of Suspension shall include: (1) the reasons for such suspension; (2) the effective date of such suspension; and, (3) in the case of partial suspension, the portion of the Agreement to be suspended.

B. In the case of a Default Event that occurs for causes beyond GRANTEE's reasonable control, which cannot with due diligence be cured within such sixty (60) day period, the GRANTOR may, in its reasonable discretion, extend the cure period provided that GRANTEE shall: (1) immediately upon receipt of Notice of Suspension advise GRANTOR of GRANTEE's intention to institute all steps necessary to cure such default and the associated time frame; and (2) institute and thereafter prosecute to completion with reasonable dispatch all steps necessary to cure same.

C. A suspension under this Section 14 may be lifted at the reasonable discretion of the GRANTOR upon a showing of compliance with or written waiver by GRANTOR of the term(s) in question.

D. With the exception of payment for work in progress or materials ordered prior to receiving a Notice of Suspension, GRANTOR shall not be liable to GRANTEE or to GRANTEE's creditors for costs incurred during any term of suspension of this Agreement unless GRANTOR improperly exercised its right of suspension.

SECTION 15. TERMINATION

A. GRANTOR shall have the right to terminate this Agreement in the event GRANTEE commits a Default Event that remains uncured for a period of sixty (60) days. GRANTOR will provide GRANTEE with written notification as to the nature of the Default Event and grant GRANTEE a sixty (60) day period from the date of the GRANTOR's written notification to cure any Default Event. Should GRANTEE fail to cure any Default Event within this period of time, the GRANTOR may, upon issuance to GRANTEE of a written Notice of Termination, either suspend this Agreement pursuant to the provisions of SECTION 14 above, or terminate this Agreement in whole or in part, in which case the GRANTOR may: (1) withhold further payments to GRANTEE; and/or (2) accelerate the repayment of the Grant Funds to the extent recaptured in accordance with Section 3(c). Such notification shall include: (1) the reasons for such termination; (2) the effective date of such termination; and, (3) in the case of partial termination, the portion of the Agreement to be terminated.

B. In the case of a Default Event that occurs for causes beyond GRANTEE's reasonable control, which cannot with due diligence be cured within such sixty (60) day period, the GRANTOR may, in its reasonable discretion, extend the cure period provided that GRANTEE shall: (1) immediately upon receipt of Notice of Termination advise GRANTOR of GRANTEE's intention to institute all steps necessary to cure such

default and the associated time frame; and (2) institute and thereafter prosecute to completion with reasonable dispatch all steps necessary to cure same.

C. In the absence of a Default Event, this Agreement may be terminated in whole or in part only as follows:

1. By the GRANTOR (with the written consent of the GRANTEE), in which case the two parties shall agree upon the termination conditions, including the repayment of Grant Funds, the effective date, and, in the case of partial termination, the portion to be terminated; or
2. By GRANTEE upon written notification to the GRANTOR, setting forth the reasons of such termination, a proposed pay-back plan of any Grant Funds granted, the effective date, and, in the case of partial termination, the portion to be terminated. However, if, in the case of partial termination, the GRANTOR determines in its sole discretion that the remaining portion of the award will not accomplish the purpose for which the award was made, the GRANTOR may terminate the award in its entirety under SECTION 15.

SECTION 16. SPECIAL CONDITIONS AND TERMS

GRANTEE understands and agrees that if GRANTEE is a "business" and if the GRANTOR's contribution under this Agreement is a "public subsidy" as that term is defined in Chapter 2264 of Subtitle F, Title 10 of the Government Code (80 (R) HB 1196), then GRANTEE is required to refund money, pursuant to 80(R) HB 1196, GRANTEE has received from GRANTOR through this Agreement, in the event of a conviction of knowingly employing an undocumented worker, with repayment required within six months of final conviction. Interest shall accrue at the rate of .5% per month until the time of such repayment from the date of final conviction.

SECTION 17. NOTICE

Except where the terms of this Agreement expressly provide otherwise, any election, notice or communication required or permitted to be given under this Agreement shall be in writing and deemed to have been duly given if and when delivered personally (with receipt acknowledged), or three (3) days after depositing same in the U.S. mail, first class, with proper postage prepaid, or upon receipt if sending the same by certified mail, return receipt requested, or upon receipt when sent by a commercial courier service (such as Federal Express or DHL Worldwide Express) for expedited delivery to be confirmed in writing by such courier, at the addresses set forth below or to such other address as either party may from time to time designate in writing.

If intended for Grantor, to:

City of San Antonio
Economic Development Department
Attn: Director
P.O. Box 839966
San Antonio, Texas 78283-3966

If intended for Grantee, to:

Ernst & Young U.S. LLP
Attn: Win Williamson
201 N. Franklin Street, Ste. 2400
Tampa, Florida 33602

With a copy to:

Ernst & Young U.S. LLP
Attn: Lease Administration
950 Main Avenue
Cleveland, OH 44113

And, for copies of any notices of default, to:

Ernst & Young U.S. LLP
Attn: General Counsel's Office
5 Times Square
New York, NY 10036

SECTION 18. DEBARMENT

By signing this Agreement, GRANTEE certifies that it will not knowingly pay any funds provided under this Agreement to any party which is debarred, suspended or otherwise excluded from or ineligible for participation in assistance programs by the GRANTOR.

SECTION 19. RIGHTS UPON DEFAULT

It is expressly understood and agreed by the Parties hereto that any right or remedy provided for in this Agreement shall not preclude the exercise of any other right or remedy under any other agreements between GRANTEE and the GRANTOR or under any provision of law, nor shall any action taken in the exercise of any right or remedy be deemed a waiver of any other rights or remedies. Failure to exercise any right or remedy hereunder shall not constitute a waiver of the right to exercise that or any other right or remedy at any time.

SECTION 20. NON-ASSIGNMENT

This Agreement is not assignable without the prior written consent of GRANTOR. Any other attempt to assign the Agreement shall not relieve GRANTEE from liability under this Agreement and shall not release GRANTEE from performing any of the terms, covenants and conditions herein. GRANTEE shall be held responsible for all funds received under this Agreement. Notwithstanding the foregoing, GRANTEE may assign the Agreement, upon consent of GRANTOR, which shall not be unreasonably withheld or delayed, in conjunction with a sale or merger of the company so long as the entity that will succeed to GRANTEE's rights under this Agreement assumes in writing all of GRANTEE's obligations hereunder.

SECTION 21. ORAL AND WRITTEN AGREEMENTS

All oral and written agreements between the Parties to this Agreement relating to the subject matter of this Agreement that were made prior to the execution of this Agreement have been reduced to writing and are contained in this Agreement.

SECTION 22. AUTHORIZED RELIEF FROM PERFORMANCE (*Force Majeure*)

GRANTOR may grant temporary relief from performance of this Agreement if GRANTEE is prevented from compliance and performance by an act of war, order of legal authority, act of God, or other unavoidable cause not attributed to the fault or negligence of the GRANTEE. The burden of proof for the need for such relief shall rest upon the GRANTEE. To obtain release based upon *force majeure*, GRANTEE must file a written request with the GRANTOR. Should GRANTOR grant temporary relief to GRANTEE,

it shall in no case relieve GRANTEE from any repayment obligations as specified in Section 3(c) of this Agreement.

SECTION 22. INDEPENDENCE

Because the GRANTEE is a public accounting firm, it is subject to strict regulation of its independence as it relates to its audit clients. To comply with these regulations, the GRANTEE must identify and evaluate all of its direct and indirect business relationships with its audit clients. To assist the GRANTEE with its compliance efforts, the GRANTOR hereby represents and warrants, on and as of the execution hereof, that (a) offering the Grant Funds is consistent with grants provided under the Economic Development Incentive Fund Program to other eligible businesses for eligible projects, and (b) this Agreement does not contain terms and conditions that are, in the aggregate, more favorable than those being offered by the GRANTOR to similarly eligible companies for similarly eligible projects.

Signatures appear on next page.

WITNESS OUR HANDS, EFFECTIVE as of NOVEMBER 9, 2017:

Accepted and executed in triplicate originals on behalf of the City of San Antonio pursuant to City Ordinance Number 2017-11--09-0897, dated November 9, 2017, and GRANTEE pursuant to the authority of its _____.

GRANTOR:
CITY OF SAN ANTONIO,
a municipal corporation

GRANTEE:

ERNST & YOUNG U.S. LLP, a
Delaware limited liability partnership

x [Signature] 12-19-17
EM Fogarty Jr
Executive Director

[Signature]
Sheryl L. Sculley
CITY MANAGER

x By: [Signature]
Name: Jeff Brummet
Title: Partner

ATTEST:

[Signature]
Leticia Vacek
CITY CLERK



APPROVED AS TO FORM:

[Signature]
CITY ATTORNEY

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STATE OF TEXAS

COUNTY OF BEXAR

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CITY OF SAN ANTONIO
TAX ABATEMENT AGREEMENT
FOR REAL AND PERSONAL PROPERTY

1. PARTIES

THIS AGREEMENT (the "Agreement") is entered into on this 9 day of November 2017 (the "Effective Date") by and between ERNST AND YOUNG U.S. LLP (hereinafter referred to as "OPERATOR"), a limited liability partnership formed in the State of Delaware, who will hold a leasehold interest in the real property described herein and personal property located on said real property, Farinon Building Two, LLC ("Landlord"), who owns the fee simple interest in the real property that is the subject of this Agreement, and the CITY of SAN ANTONIO, a municipal corporation, (hereinafter referred to as the "CITY"), acting by and through its City Manager under the authority of its City Council.

2. AUTHORIZATION AND FINDINGS

A. This Agreement is entered into pursuant to the following authorities:

1. The Texas Property Redevelopment and Tax Abatement Act of 1987, V.A.T.S. Tax Code, Chapter 312, as amended;
2. CITY COUNCIL RESOLUTION No. 89-07-12, dated the 15th day of February 1989, and most recently revised by Ordinance No. 2016-12-15-1003 on December 15, 2016, together which established the City of San Antonio Guidelines and Criteria for tax abatements, (hereinafter referred to as the "Guidelines and Criteria");
3. The Project Site is located within an existing Texas Enterprise Zone area, and in accordance with Section 312.2011 of the Texas Tax Code, designation of an area as a State Enterprise Zone constitutes designation of the area as a Reinvestment Zone ("Reinvestment Zone") for tax abatement purposes without further hearing or procedural requirements; and
4. CITY COUNCIL ORDINANCE NO. 2017-11-09-0896 dated NOVEMBER 9, 2017, which specifically approved this Agreement and authorized execution hereof.

B. The City Council, by its approval of this Agreement, hereby finds that the terms of this Agreement abide by the Guidelines and Criteria as adopted and in place as of the time this Agreement is approved by City Council and approving this Agreement will not have any substantial long-term adverse effect on the provision of city services or the City's tax base and the planned use of the Property (defined below) inside the qualifying Reinvestment Zone by OPERATOR for the uses contemplated herein will not constitute a hazard to public safety, health or morals.

3. PROPERTY

A. Landlord has the fee simple interest in the real property located at 12707 Silicon Drive, San Antonio, TX 78249 (the "Property"), legally described in Exhibit A, attached hereto and incorporated herein, and has entered into a lease agreement with Operator for the occupation of a portion of the Property for a period of not less than the Abatement Term of this Agreement as described below. The Property is located within a qualifying Reinvestment Zone for the purposes of the Texas Property Redevelopment and Tax Abatement Act of 1987, V.A.T.S. Tax Code, Chapter 312.

For the purposes of this Agreement, the only obligations of Landlord are: 1) to enter into a lease agreement with Operator; 2) to pay the required property tax on the Property; and 3) to keep the Property in good repair for the Term of this Agreement.

Operator shall have a leasehold interest in the Property as described in Exhibit A (the "Leased Premises") for a term which is a period of not less than the Term of this Agreement as described below, inclusive of options to extend the term of such lease upon mutual agreement of the Operator and Landlord. The Property is located within an existing Texas Enterprise Zone area, and in accordance with Section 312.4011 of the Texas Tax Code, designation of an area as a State Enterprise Zone constitutes designation of the area as a Reinvestment Zone without further hearing or other procedural requirements.

B. OPERATOR will control the Leased Premises for the Term of this Agreement and intends to locate a client service delivery center on the Property following completion of: (i) real property improvements on the Property, which includes without limitation, the value of the improvements to the buildings on the Property (the "Real Property Improvements") and (ii) personal property improvements within its Leased Premises on the Property (the "Personal Property Improvements"). Following the completion of the Real Property Improvements and Personal Property Improvements, OPERATOR will locate its client service delivery center on the Property and conduct its Business Activities at the Property, which are defined for the purposes of this Agreement as the provision of certain technology, business process support and other professional services to its clients (the "Business Activities").

C. In order for OPERATOR to conduct the Business Activities on the Property, OPERATOR shall invest in certain Real Property Improvements and Personal Property Improvements (collectively, the "Improvements") in the cumulative amount of at least EIGHT MILLION AND FIVE HUNDRED THOUSAND DOLLARS (\$8,500,000). OPERATOR's investment in the Property shall be determined as of December 31, 2019. No Personal Property Improvements shall be placed on the Property sooner than the Effective Date of this Agreement or in the event they are, such Personal Property Improvements shall not be eligible toward the Improvements investment requirement. Notwithstanding the foregoing, OPERATOR may invest in Personal Property Improvements at the Temporary Space which shall count towards to the requisite

Improvements investment amount provided that such Personal Property Improvements are subsequently transferred to the Property.

D. Landlord and Operator, shall establish separate tax accounts with the Bexar Appraisal District for the Real Property Improvements and the Personal Property Improvements, respectively, and provide these tax account numbers and the related entity information to the CITY. The information from such accounts shall be used to determine the total value of Landlord's and OPERATOR's investment in the Property. In the event Bexar Appraisal District will not segregate the Real Property Improvements and the underlying land value into a separate tax accounts, then the respective value of the Real Property Improvements and the underlying land value shall be apportioned for purposes of this Agreement based on the respective tax value of the Real Property Improvements and the underlying land value.

E. CITY acknowledges that OPERATOR may establish a temporary location ("Temporary Space") upon which to commence Business Activities prior to its move to the Property. Operator shall use its commercial best efforts so that such temporary location is within the city limits of CITY; however, in the event such Temporary Space is not located within the CITY's city limits, no penalty, liability, default or termination right shall apply or be triggered hereunder.

4. OPERATOR'S REPRESENTATIONS

A. OPERATOR and Landlord represent that neither has any knowledge that any interest in the Property is presently owned, held or leased by a member of the San Antonio City Council, Zoning Commission, Planning Commission, the City's Economic Development Department, or any other City officer or employee. OPERATOR further represents that it shall not knowingly sell, lease or otherwise convey an interest in the Property to a member of the San Antonio City Council, the Zoning Commission, the Planning Commission, the City's Economic Development Department or any other City officer or employee, as long as this Agreement remains in effect.

B. OPERATOR represents that there is no litigation pending against OPERATOR for any violations under the Occupational Safety and Health Act ("OSHA") in Bexar County, Texas.

5. OPERATOR'S OBLIGATIONS

In order for OPERATOR to take advantage of the tax abatement offered by the CITY, OPERATOR will be required to fulfill all of the obligations set forth within this Article 5.

A. OPERATOR is required to:

- 1) Lease the Real Property Improvements and own, hold an interest in, or otherwise control the Personal Property Improvements that are the subject of this Agreement; and

2) Invest, or cause to be invested, at least EIGHT MILLION AND FIVE HUNDRED THOUSAND DOLLARS (\$8,500,000) in Real Property Improvements and Personal Property Improvements at the Property by December 31, 2019; and

(3) Use the Leased Premises at the Property for the Business Activities as described in this Agreement; and

(4) Create and maintain six hundred (600) Full-Time Jobs (as defined in Article 5 Section D) at the Property as follows:

(i) Prior to January 1, 2020, OPERATOR shall have created ONE HUNDRED (100) Full-Time Jobs at the Property;

(ii) Prior to January 1, 2021, OPERATOR shall have retained not less than one hundred (100) Full-Time Jobs at the Property and created an additional one hundred (100) Full-Time Jobs at the Property for a cumulative total of at least two hundred (200) Full-Time Jobs at the Property;

(iii) Prior to January 1, 2022, OPERATOR shall have retained not less than two hundred (200) Full-Time Jobs at the Property and created an additional one hundred (100) Full-Time Jobs at the Property for a cumulative total of at least three hundred (300) Full-Time Jobs at the Property;

(iv) Prior to January 1, 2023, OPERATOR shall have retained not less than three hundred (300) Full-Time Jobs at the Property and created at least an additional one hundred fifty (150) Full-Time Jobs at the Property for a cumulative total of at least four hundred fifty (450) Full-Time Jobs at the Property; and

(v) Prior to January 1, 2024, OPERATOR shall have retained not less than four hundred fifty (450) Full-Time Jobs at the Property and created an additional one hundred fifty (150) Full-Time Jobs at the Property for a cumulative total of at least six hundred (600) Full-Time Jobs at the Property.

B. Operator covenants and agrees that it shall pay one hundred percent (100%) of its employees located at the Property an amount equal to at least the City's effective prevailing "living" wage as determined by the City Council in its Tax Abatement Guidelines, which is ELEVEN DOLLARS AND EIGHTY-THREE CENTS (\$11.83) per hour. From and after the second anniversary of this Agreement, seventy percent (70%) of all new and existing employees working at the Property shall earn at least FIFTEEN DOLLARS AND SIXTY-EIGHT CENTS (\$15.68) per hour.

C. For the purposes of this Agreement, a "Full-Time Job" shall constitute the performance by one individual the amount of two thousand eighty (2,080) straight-time paid hours in a fiscal year.

D. OPERATOR covenants and agrees that it shall offer all of the Full-Time Job employees performing Business Activities at the Leased Premises on the Property and their dependents with access to a benefits package, including a health insurance program, within one year from date of employment.

E. OPERATOR covenants and agrees that it shall comply with all applicable federal and state laws governing the employment relationship between employers and employees.

F. OPERATOR covenants and agrees that it shall conduct its Business Activities (as defined in Article 3, Paragraph A) at the Property in accordance with all applicable federal, state and local laws.

G. Any construction OPERATOR performs or causes to be performed on the Property shall be in accordance with all applicable federal, state and local laws including, but not limited to, Texas Commission on Environmental Quality regulations, Bexar County and City of San Antonio laws, Building Codes and ordinances, Historic Preservation and Urban Design ordinances, flood, subdivision, building, electrical, plumbing, fire and life safety codes and regulations, current and as amended.

I. Except as provided herein, OPERATOR covenants and agrees that it shall use the Property only to conduct its Business Activities. Without additional consent or approval by the City Council, a parent, subsidiary or affiliate organization of OPERATOR or new entity created as a result of a merger, acquisition, or other corporate restructure or reorganization of OPERATOR, or any component thereof (hereinafter "Related Organization") may occupy and use the leased premises on the Property for such Related Organization's normal business activities, so long as such business activities are those of a client service delivery center providing financial services and technology support or comparable to the Business Activities of OPERATOR at the Property. To be eligible for the tax abatements as provided in this Agreement, such Related Organization must agree in writing to fully comply with all applicable terms of this Agreement. Except as authorized above, OPERATOR covenants and agrees not to change the Business Activities provided at the Property without prior approval by the City Council, as evidenced in a duly approved ordinance.

J. OPERATOR and Landlord covenant and agree that they shall maintain the Leased Premises and the Property, respectively, and any constructed improvements in good repair and condition during the Term of this Agreement, normal wear and tear and damage by fire or other casualty not caused as a result of the negligence, intentional act or misconduct of OPERATOR excepted.

K. OPERATOR covenants and agrees that, upon five business days prior notice received by it from the CITY, OPERATOR shall allow designated representatives of the CITY access to the OPERATOR's books and records during normal business hours for inspection to in accordance with this section. This inspection is independent of CITY'S police powers to inspect for purposes of assuring compliance with applicable City Codes and Ordinances. The CITY's access to OPERATOR's books and records will be limited to information needed to verify that OPERATOR is and has been conducting Business Activities, and to verify the number of full-time employees at the Facility; provided, however, that the CITY shall not have the ability to obtain copies of OPERATOR's records or remove any information or documents from OPERATOR's files. Should any good faith dispute or question arise as to the validity of the data provided, the CITY reserves the right to require OPERATOR to obtain an independent firm to verify the information. This certified statement by an independent firm shall be provided at the sole cost of OPERATOR. CITY representatives may be accompanied by OPERATOR representatives and such inspections shall be conducted in such a manner as to (a) not unreasonably interfere with the operation of the Property or the Facility; and (b) comply with OPERATOR's reasonable security requirements.

L. During the Term of this Agreement, OPERATOR and LANDLORD covenant and agree to furnish each year in which each is eligible for an abatement of taxes, as applicable, the Chief Appraiser of Bexar Appraisal District with information outlined in Chapter 22, V.A.T.S. Tax Code, as amended, as may be necessary for the tax abatement and for appraisal purposes ("Required Information). OPERATOR's and LANDLORD's failure to provide the Required Information within sixty (60) days after it is due (including any extension periods granted by the authorities) may result in Operator's loss of the tax abatement for such year for which the statutory information is not provided.

M. No more than sixty (60) days following June 30th and December 31st, OPERATOR covenants and agrees to provide the CITY's Director of its Economic Development Department or designated representative with a certification from an officer of OPERATOR attesting to the number of full-time jobs retained and created at the Property, as well as wages paid to such employees by OPERATOR. OPERATOR shall also submit this information to the CITY upon request, as deemed necessary at the sole discretion of the CITY, during the Term of this Agreement. The information provided shall be on the forms set forth in, or substantially similar to the forms set forth in, Exhibit "B" (attached hereto and incorporated herein), as amended. OPERATOR shall use reasonable efforts to protect the personal information of its employees such as addresses, social security numbers, ages, etc. City agrees to accept a unique identifier established for each position reflecting annual wages, exclusive of benefits, overtime, bonuses, overtime, shift differentials, or any other amount not guaranteed to be paid each year, and zip code of an employees home address.

N. OPERATOR agrees to utilize its established internship program in association with local colleges and universities to provide internship opportunities to residents of CITY in the ordinary course of OPERATOR's operations consistent with past practice.

O. OPERATOR and Landlord covenant and agree to notify CITY in writing at least 30 days prior to any assign or sub-lease of OPERATOR's premises on the Property during the Term. CITY shall not unreasonably withhold approval of any requests for assignment of this Agreement by OPERATOR under Article 11 and any new transferee requesting assignment shall be bound by same. Failure to provide the required notification under this Article 5, Paragraph O may render OPERATOR subject to the termination and recapture provisions under Article 7 without benefit of the Cure Period (as defined in Article 7, Paragraph E).

P. OPERATOR covenants and agrees to notify CITY in writing at least 30 days prior to Relocating or Ceasing its Business Activities (as defined in Article 7, Paragraphs B and C). Failure to provide the required notification under this Article 5, Paragraph P may render OPERATOR subject to the termination and recapture provisions under Article 7 without benefit of the Cure Period (as defined in Article 7, Paragraph E).

Q. If, during this Agreement OPERATOR fails to create and retain at least the minimum number of full-time jobs required under Article 5, Paragraph A of this Agreement, or OPERATOR fails to pay at least the minimum wages required under Article 5, Paragraph B of this Agreement for a period of one year based on the average of that year's reporting periods, then the termination and recapture provisions of Article 7 of this Agreement shall apply against OPERATOR.

R. If, during this Agreement, OPERATOR and/or Landlord, as applicable, allows its ad valorem taxes due on the land, real and/or personal property or inventory and supplies to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest, such failure may render OPERATOR subject to the termination and recapture provisions under Article 7 without benefit of the Cure Period (as defined in Article 7, Paragraph E).

6. TAX ABATEMENT

A. So long as OPERATOR performs its Business Activities in the Leased Premises at the Property and otherwise materially performs all obligations set forth in Article 5 above, the CITY shall give Landlord a one hundred percent (100%) tax abatement for a period of SIX (6) years (the "Abatement Term") for the Real Property Improvements and Operator a one hundred percent (100%) tax abatement for the Abatement Term for the Personal Property Improvements at the Property commencing on the OPERATOR's receipt of a Certificate of Occupancy for the Property; provided that any Personal Property Improvements acquired at the Temporary Space which are subsequently transferred to the Property shall count towards to the Improvements investment requirement. The base year for calculating the value of the Real Property Improvements existing and located upon the Property prior to the effective date of this Agreement shall be January 1, 2017. The "Base Year Value" of the Personal Property Improvements not covered by this Agreement shall be its assessed value (determined by the Bexar Appraisal District), as of the Base Year and prior to the execution of this Agreement. This Agreement only provides for the

abatement of taxes on the Personal Property Improvements brought onto the Property (or Temporary Space, as the case may be) after the execution of this Agreement.

B. At the commencement of the Abatement Term, OPERATOR shall lease, have an interest in, or otherwise control the Leased Premises and shall be conducting its Business Activities on a daily basis and continuously throughout the Term of this Agreement.

C. Provided that OPERATOR and/or Landlord has invested or caused to be invested approximately EIGHT MILLION AND FIVE HUNDRED THOUSAND DOLLARS (\$8,500,000) in Real Property Improvements and Personal Property Improvements as described in Article 5, Paragraph A(2) of this Agreement by December 31, 2019, OPERATOR has hired and retained the number of employees specified in Article 5, Paragraph A(4) of this Agreement, OPERATOR pays at least the minimum wages required under Article 5, Paragraph B of this Agreement, OPERATOR uses the Leased Premises at the Property for its Business Activities, and OPERATOR is otherwise in material compliance with Article 5 of this Agreement, then ONE HUNDRED PERCENT (100%) of the ad valorem taxes for the Real Property Improvements and Personal Property Improvements above the Base Year Value, shall be abated for the Abatement Term of this Agreement. There shall be no abatement of taxes for the underlying land value, inventory, or supplies.

D. OPERATOR and Landlord acknowledge and agree that the Base Year Value of the Real Property Improvements and Personal Property Improvements on the Property and the tax levy based on said Base Year Value of the Real Property Improvements and Personal Property Improvements in the Reinvestment Zone shall not decrease, but taxes may increase and that the amount of property taxes paid by OPERATOR to the CITY attributable to the Property during Abatement Term shall not be less than the amount of taxes attributable to the Property paid to the CITY for the Base Year tax year, if any, except in the event of casualty or condemnation of the Real Property Improvements and Personal Property Improvements in the Reinvestment Zone.

E. OPERATOR and/or Landlord shall have the right to protest appraisals of the Property, real or personal, or any portion thereof, over and above the Base Year Value as applicable.

F. The term of this Agreement (herein, the "Term") is TEN (10) years and shall commence on the Effective Date and continue in full force and effect unless terminated pursuant to the provisions of Article 7 until the end of the fourth (4th) calendar year after expiration of the Abatement Term.

7. DEFAULT/TERMINATION/RECAPTURE

A. For purposes of this section. "Relocation" or "Relocate" shall mean OPERATOR, or a Related Organization which has taken the place of OPERATOR, transferring substantially all Business Activities conducted at the Property to a location outside the Reinvestment Zone.

B. Should OPERATOR occupy and use the Property for its Business Activities and subsequently Relocate (as defined in this Article 7, Paragraph A) during the Term, unless such Relocation is caused by a Force Majeure, as defined in Article 8, then CITY shall have the right to terminate this Agreement. Said termination shall be effective for the calendar year during which the Relocation occurred. Unless OPERATOR presents credible evidence to clearly indicate a date of Relocation, CITY's determination shall be final and conclusive.

Upon termination, any and all taxes otherwise abated for that calendar year and all previously abated taxes under this Agreement shall be recaptured by CITY from OPERATOR, and CITY shall be entitled to the payment of such recaptured taxes, calculated pursuant to Section 7(G), from OPERATOR within sixty (60) calendar days from the date it notifies OPERATOR in writing of termination of this Agreement.

C. If OPERATOR occupies and uses the Leased Premises at the Property for its Business Activities and subsequently ceases conducting Business Activities (or a substantial portion thereof) at the site for a continuous period of three (3) months during the Term of this Agreement for any reason, except if such cessation is caused by a Force Majeure as defined in Article 8, then the CITY shall have the right to terminate this Agreement. Said terminations shall be effective for the calendar year during which the leased premises at the Property was no longer used for the required purposes stated herein. Unless OPERATOR presents credible evidence to clearly indicate a date of cessation, CITY's determination of a date of cessation shall be final and conclusive.

Upon termination, any and all taxes otherwise abated for that calendar year and all previously abated taxes under this Agreement shall be recaptured by CITY from OPERATOR and CITY shall be entitled to the payment of such recaptured taxes, calculated pursuant to Section 7(G) from OPERATOR within sixty (60) calendar days from the date it notifies OPERATOR in writing of termination.

D. If OPERATOR, a Related Organization or City-approved assignee fails to hire and retain the required Full-Time Jobs at the Property as described in Section 5(A)(4) of this Agreement, for any given year during the Abatement Term of this Agreement, calculated by the averaging of the two most current semi-annual Employee Wage Information for Tax Abatement Request Forms, or substantially similar form, (Exhibit "B") for such calendar year of noncompliance. then for each such calendar year of noncompliance, the tax abatement shall be reduced in the following tax year by the same percentage as the deficiency in the required number of Full-Time Jobs at the Property. *For example*, if OPERATOR hires and retains ninety percent (90%) of the required Full-Time Jobs at the Property in a given year. OPERATOR shall be entitled to ninety percent (90%) of its ad valorem real and personal property tax abatement for the Property for the following year.

However, should OPERATOR fail to hire and retain at least fifty percent (50%) of the required number of Full-Time Jobs at the Property in a given year during the Abatement Term then, at the option of CITY, this failure may be grounds for termination of this

Agreement. Said termination shall be effective for the calendar year during which the Operator fails to maintain 50% of the required number of Full-Time Jobs at the Property as stated herein has not been met as required.

Upon termination for OPERATOR's failure to maintain 50% of the required number of Full-Time Jobs, any and all taxes otherwise abated for that calendar year and all previously abated taxes under this Agreement shall be recaptured by CITY from OPERATOR and CITY shall be entitled to the payment of such recaptured taxes, calculated pursuant to Section 7(G) within sixty (60) calendar days from the date it notifies OPERATOR in writing of termination of this Agreement.

E. During the Term, CITY may declare a default if OPERATOR fails to comply with any of the terms of this Agreement. Should CITY determine OPERATOR is in default under any of the terms of this Agreement; CITY will notify OPERATOR in writing at the address below in Article 9. If said default is not cured within sixty (60) calendar days from the date of such notice (hereinafter the "Cure Period"), then CITY shall have the right to terminate this Agreement. In the event that a default by OPERATOR cannot be cured within sixty (60) days after the date on which OPERATOR has received notice of such default, then the CITY shall not have the ability to terminate this agreement based on such default so long as OPERATOR has commenced to cure such default within the sixty (60) day cure period and the Parties agree that such cure is being diligently pursued to its completion.

F. Other Remedies Available. Unless otherwise stated herein, CITY shall have the right to seek any remedy at law to which it may be entitled, in addition to termination and/or recapture, if OPERATOR defaults under the terms of this Agreement. However, such termination and/or recapture shall be subject to any and all lawful offsets, settlements, deductions or credits to which OPERATOR may be entitled. The termination and/or recapture of taxes provided in this Article 7 are not applicable to situations involving minor changes to the description of the Property, or changes in ownership or in management thereof, so long as OPERATOR, a Related Organization or its CITY-approved successor or assignee continues conducting Business Activities or other authorized activities at the Property as provided hereinabove.

G. Calculation of Taxes Subject to Recapture. If OPERATOR fails to comply with any of the terms of Article 7, (B)-(D) of this Agreement, then the CITY shall have the right, but not the obligation, to recapture from OPERATOR a percentage of the abated taxes based on the following table:

TERM YEAR	TOTAL TAX PREVIOUSLY ABATED SHALL BE MULTIPLIED BY:
During the Abatement Term	100%
First year after expiration of Abatement Term	100%
Second year after expiration of Abatement Term	75%
Third year after expiration of Abatement Term	50%

Fourth year after expiration of Abatement Term

25%

FORMULA: The recapture formula shall be:

$$\begin{array}{rcccl} & & \text{Applicable Percentage} & & \text{Amount to be} \\ & & & & \\ \text{Total Taxes Abated} & \times & & = & \\ & & \text{from above Schedule} & & \text{Recaptured} \end{array}$$

CITY shall recalculate the amount of recapture pertaining to each tax year utilizing the above formula. A bill for each year will then be sent to OPERATOR.

8. AUTHORIZED RELIEF FROM PERFORMANCE (Force Majeure)

For purposes of this section, "Force Majeure" is defined as an act of God or a natural disaster. It also includes explosion, fires, floods, or other casualty or accident which is not the result of an intentional act or misconduct on the part of OPERATOR. In addition to relief expressly granted in this Agreement, CITY may grant relief from performance of this Agreement if OPERATOR is prevented from compliance and performance by an event of Force Majeure. The burden of proof for the need for such relief shall rest upon OPERATOR. To obtain release based upon this Article 8, OPERATOR must file a written request with the CITY'S Economic Development Department for processing to City Council for a decision, authorized by a duly approved Ordinance.

9. NOTICE

Any notice required or permitted to be given hereunder by one party to the other shall be in writing and the same shall be given and shall be deemed to have been served and given if: (a) delivered in person to the address set forth herein below for the party to whom the notice is given; (b) placed in the United States mail with postage prepaid, return receipt requested, properly addressed to such party at the address hereinafter specified; or (c) deposited, with fees prepaid, into the custody of a nationally recognized overnight delivery service such as FedEx, addressed to such party at the address hereinafter specified. Any notice mailed in the above manner shall be effective upon its deposit into the custody of the United States Postal Service or such nationally recognized delivery service as applicable; all other notices shall be effective upon receipt. From time to time, either party may designate another address for all purposes under this Agreement by giving the other party no less than ten (10) calendar days advance written notice of such change of address in accordance with the provisions hereof.

TO OPERATOR:

- (Whether personally delivered or mailed):

Ernst & Young U.S. LLP
Attn: Win Williamson

201 N. Franklin Street, Ste. 2400
Tampa, Florida 33602

With a copy to:

Ernst & Young U.S. LLP
Attn: Lease Administration
950 Main Avenue
Cleveland, OH 44113

And, for copies of any notices of default or requests for estoppel certificates, to:

Ernst & Young U.S. LLP
Attn: General Counsel's Office
5 Times Square
New York, NY 10036

TO LANDLORD:

- (Whether personally delivered or mailed)
Farinon Building Two, LLC
Attn: Robert L. Worth, Jr.
7373 Broadway – Suite 201
San Antonio, TX 78209

TO CITY:

- If mailed:

Economic Development Department
Attn: Director
P.O. Box 839966
San Antonio, Texas 78283-3966

- If by personal or overnight delivery:

Economic Development Department
Attn: Director
Frost Bank Tower
100 W. Houston St., 19th Floor
San Antonio, Texas 78205

10. **CONDITION**

This Agreement is conditioned entirely upon the approval of the San Antonio City Council, as evidenced by duly approved Ordinance Number 2017-11-~~09-0894~~ dated NOVEMBER 9, 2017.

11. **ASSIGNMENT**

Except as otherwise expressly provided herein, this Agreement may be assigned or otherwise transferred only with City Council's prior approval (which approval shall not be unreasonably withheld), as reflected in a duly adopted ordinance. OPERATOR must submit a written request to CITY for approval of the proposed assignment or other transfer at least thirty (30) days prior to the effective date of the assignment or transfer of any part of its leasehold interest in the Leased Premises in the Property; however, no City Council consent is required for an assignment or transfer to a parent of OPERATOR, a subsidiary of OPERATOR, an affiliate entity of OPERATOR, or to any new entity created as a result of a merger, acquisition or other corporate restructure or reorganization of OPERATOR or a related organization. However, OPERATOR shall give CITY prior written notice of all assignments or other transfers that do not require City Council consent, as required under Article 5, Paragraph I. All future assignees shall be bound by all terms and/or provisions and representations of this Agreement.

12. **GENERAL PROVISIONS**

A. None of the property improvements described in this Agreement are financed by tax increment bonds.

B. This Agreement is entered into subject to the rights of the holders of outstanding bonds of the CITY related to this project. No bonds for which the CITY is liable have been used to finance this project.

C. No amendment, modification, or alteration of the terms hereof shall be binding unless in writing dated subsequent to the date of this Agreement and duly authorized by the parties. OPERATOR acknowledges that City Council approval is required for any and all of these actions.

13. **SEVERABILITY**

In the event any section, subsection, paragraph, subparagraph, sentence, phrase or work herein is held invalid, illegal or unenforceable, 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, subparagraph, sentence, phrase or word. In such event there shall be substituted for such deleted provisions a provision as similar as possible in terms and in effect to such deleted provision that is valid, legal and enforceable. This Agreement constitutes the entire Agreement between the parties hereto relating to the subject matter contained herein and

supersedes all prior, oral or written agreements, commitments or understandings with respect to the matters provided for herein.

14. ESTOPPEL CERTIFICATE

Any party hereto may request an estoppel certificate related to this project (hereafter referred to as "Certificate") from another party hereto so long as the Certificate is requested in connection with a bona fide business purpose. The Certificate, which if requested, will be addressed to a subsequent purchaser or assignee of OPERATOR or other party designated by OPERATOR which shall include, but not necessarily be limited to, statements that this Agreement is in full force and effect without default, if such is the case, the remaining Term of this Agreement, the levels of tax abatement in effect, and such other matters reasonably requested by the party(ies) to receive the Certificate.

15. OWNER STANDING

OPERATOR and CITY, each as a party to this Agreement, shall be deemed a proper and necessary party in any litigation questioning or challenging the validity of this Agreement or any of the underlying ordinances, resolutions, or City Council actions authorizing same, and OPERATOR shall be entitled to intervene in said litigation.

16. APPLICABLE LAW

This Agreement shall be construed under the laws of the State of Texas and is performable in Bexar County, Texas, the location of the Reinvestment ZONE.

17. CONFLICTS OF INTEREST.

OPERATOR warrants and undertakes that, to its actual knowledge, without independent investigation, no director, employee or agent of OPERATOR will give to any director, employee, official or agent of CITY any commission, fee, rebate, or any gift or entertainment of significant cost or value in connection with this Agreement except as expressly provided for in the Agreement. OPERATOR shall promptly notify CITY any breach of this Section and any consideration received as a result of such breach shall be paid over or credited to OPERATOR, without prejudice to the right of OPERATOR to seek compensation or claim damages or any other rights that OPERATOR may have under applicable law.

18. TRIPLICATE ORIGINALS

This Agreement shall be executed in triplicate originals, with a fully executed original going to each party and a third to be filed with the Office of the City Clerk of CITY.

19. INDEPENDENCE

Because the OPERATOR is a public accounting firm, it is subject to strict regulation of its independence as it relates to its audit clients. To comply with these regulations, the OPERATOR must identify and evaluate all of its direct and indirect business relationships with its audit clients. To assist the OPERATOR with its compliance efforts, the CITY hereby represents and warrants, on and as of the date hereof, that (a) offering the abatement of taxes is consistent with abatements provided under the Tax Abatement Guidelines to other eligible businesses for eligible projects, and (b) the Agreement does not contain terms and conditions that are, in the aggregate, more favorable than those being offered by the CITY to similarly eligible companies for similarly eligible projects.

Signatures appear on next page.

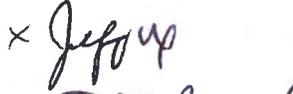
EXECUTED and AGREED to as of the 9th day of NOVEMBER, 2017 (the "Effective Date").

CITY:
CITY OF SAN ANTONIO,
a Texas Municipal Corporation

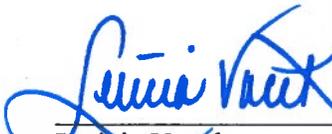

Sheryl L. Sculley
CITY MANAGER

OPERATOR:
ERNST & YOUNG U.S. LLP
a Delaware limited liability company

X  - 12-19-17
EM Forgas, Esq.
Executive Director

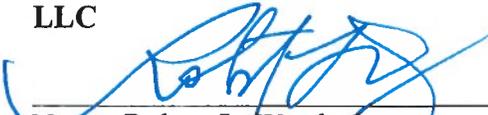
X  12/19/17
Jeff Rummel
Partner

ATTEST:


Leticia Vacek
CITY CLERK



LANDLORD:
FARINON BUILDING TWO,
LLC


Name: Robert L. Worth, Jr.
Title: PRESIDENT 12/21/17

APPROVED AS TO FORM:


CITY ATTORNEY

EXHIBIT A: Property Description

EXHIBIT B: Monitoring Form

EXHIBIT A: PROPERTY DESCRIPTION

Lot 18 and 3.421 acres out Lots 17 and 25, Block 3, N.C.B. 17161, in the Subdivision REPLAT OF TECHNOLOGY PARK UNIT 13A, an addition to the City of San Antonio, Bexar County, Texas, according to the map or plat thereof recorded at Volume 9654, Page 135 of the Official Public Records of Records of Bexar County, Texas.

Operator shall have a leasehold interest in the Property for the entire second floor of the building located thereon (the "Leased Premises").

EXHIBIT B: NUMBER OF JOBS AND WAGE INFORMATION FORM



**City of San Antonio
Economic Development Department
Incentive Reporting Form**

Company Name: _____

Reporting Period: _____

Name/Phone/Email of Person Preparing Report: _____

Real Property: expenditures associated with real property improvements during reporting period (Verification may include AIA forms, receipts, invoices, request for payment from contractor, etc.)	
1. Real Property improvements reported last reporting period	\$
2. Real Property improvements made since last reporting period	\$
3. Total cumulative Real Property improvements made <i>(Attach supporting documents.)</i>	\$
Personal Property: expenditures associated with personal property improvements during reporting period (Verification may include receipts, invoices, requests for payment, etc.)	
4. Personal Property improvements reported last reporting period	\$
5. Personal Property improvements made since last reporting period	\$
6. Total cumulative Personal Property improvements made <i>(Attach supporting documents.)</i>	\$
Inventory/Supplies: (Verification may include receipts, invoices, requests for payment, etc.)	
7. Inventory and Supplies improvements reported last reporting period	\$
8. Inventory and Supplies improvements made since last reporting period	\$
9. Total cumulative investment on Inventory and Supplies made <i>(Attach supporting documents.)</i>	\$
Jobs: full-time (2,080 straight-time paid hours) jobs created during reporting period (Verification: payroll registers with total number of employees, dates of hire, hourly wages, etc.)	
10. Total number of jobs reported at the facility last reporting period <i>(For supporting documents, see above.)</i>	
11. Jobs created during reporting period	
12. Total number of jobs reported at the facility this reporting period	
13. What is the minimum hourly wage paid at the facility <i>(For supporting documents, see above.)</i>	
14. Percent of workforce receiving premium wages. <i>(Refers to percentage of workforce earning the all-industry wage)</i>	
Additional Contractual Obligations (As applicable per your Agreement)	
15. Percent of workforce that is local.	
16. Percent of workforce that is economically disadvantaged <i>(attach information regarding company's good-faith efforts).</i>	
17. Regarding employee benefits, please attach separate sheet demonstrating compliance with your agreement.	
Certification:	
<i>I certify, under penalty of perjury, that the information provided in this report and the attached documents is correct, and that the company has complied with all terms and conditions of its agreement with the City of San Antonio.</i>	

Signature: _____ Date: _____

Printed Name: _____ Title: _____

Mail original signed form, with supporting documents, to Economic Development Department, Operations & Monitoring, City of San Antonio, P.O. Box 879966, San Antonio, Texas 78283-9966. For questions regarding this report, please contact the Economic Development Department, at 210/207-0150 or e-mail monitoringandops@sanantoniogo.gov
Rev. 11/28/2016

