

STATE OF TEXAS

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

COUNTY OF BEXAR

1. PARTIES

THIS AGREEMENT (the "Agreement") is entered into on this 30 day of May 2017 (the Effective Date") by and between: (i) HULU, LLC, a Delaware limited liability company (hereinafter referred to as "HULU"), who, along with its related entities, holds a leasehold interest in the real property described herein and owns or will own personal property located on said real property; (ii) FN Fountainhead, LLC, a Texas limited liability company (hereinafter referred to as "OWNER"), and (iii) 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 November 15, 2016, together which established the City of San Antonio Guidelines and Criteria for Tax Phase-In and Reinvestment Zones, (hereinafter referred to as the "Guidelines and Criteria"); and
3. RESERVED.
4. CITY COUNCIL ORDINANCE NO. 2017-04-20-0269 dated April 20, 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 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 HULU for the uses contemplated herein will not constitute a hazard to public safety, health or morals.

3. **PROPERTY**

A. OWNER has a fee simple interest in real property located at 4511 Horizon Hill, San Antonio, TX 78229 (the "Property"), legally described in **Exhibit A**, attached hereto and incorporated herein. 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. OWNER has entered into a lease agreement with HULU (the "Lease") for the occupation of the leased premises in the Property for the term set forth in the Lease, which is a period of not less than the Abatement Term of this Agreement, as described below. OWNER and HULU shall provide a Lease Acknowledgement to City describing the material lease terms that are applicable to this Agreement. The Lease Acknowledgement shall be attached to this Agreement as **Exhibit B**.

B. HULU has or intends to hold a leasehold interest in the Property and will control the Personal Property Improvements for the Abatement Term of this Agreement and intends to relocate and expand its viewer experience operations headquarters at the Property following completion of contemplated real property improvements (the "Real Property Improvements") and personal property improvements (the "Personal Property Improvements"). Following the completion of the Real Property Improvements, HULU will locate its viewer experience operations headquarters on the Property and conduct its "Business Activities" which are defined for the purposes of this Agreement as viewer experience operations, video streaming support services, and general business operations on the Property for the Term of this Agreement, to include any period HULU is subject to the recapture of funds under this Agreement.

C. In order for HULU to conduct the Business Activities on the Property, HULU shall invest or cause to be invested by OWNER certain real property improvements (the "Real Property Improvements") and certain personal property improvements (the "Personal Property Improvements"). The Real Property Improvements and Personal Property Improvements are sometimes referred to herein as the "Improvements". The actual cost of such Improvements shall be: 1) SIX MILLION FIVE HUNDRED THOUSAND DOLLARS AND 0 CENTS (\$6,500,000.00) in Real Property Improvements; and 2) SIX MILLION FOUR HUNDRED AND TWENTY THOUSAND DOLLARS AND 0 CENTS (\$6,420,000.00) in Personal Property Improvements for a cumulative amount of TWELVE MILLION NINE HUNDRED TWENTY THOUSAND DOLLARS AND 0 CENTS (\$12,920,000.00). HULU shall not place any Personal Property Improvements on the Property sooner than the Effective Date of this Agreement or such personal property shall not be accounted for as a Personal Property Improvement investment by HULU, and therefore, will not be subject to the abatement of personal property taxes, provided, however, HULU may enter into agreements for the placement of Personal Property Improvements on the Property prior to the Effective Date of this Agreement so long as such Personal Property Improvements are placed on the Property only after the Effective Date of this Agreement in order to be accounted for as Personal Property Improvement investments by HULU under this Agreement.

D. Prior to HULU undertaking Improvements at the Property, HULU shall establish separate tax accounts with the Bexar Appraisal District for the Real Property Improvements and the Personal Property Improvements and shall provide these tax account numbers to the CITY. Such accounts shall be monitored by City staff as evidence of HULU's and the OWNER's investment in the Property.

4. HULU'S REPRESENTATIONS

A. HULU and OWNER represents that neither has 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. HULU and OWNER further represent that neither shall not knowingly sell, lease or otherwise convey an interest of any type of kind 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. HULU represents that there is no litigation pending against HULU for any violations under the Occupational Safety and Health Act ("OSHA") in Bexar County.

5. HULU'S OBLIGATIONS

A. In addition to all other obligations and/or duties imposed on HULU by any other incentive agreements it has entered into with the State of Texas, Bexar County and/or the City of San Antonio, HULU is required to accomplish the following in order to receive the full amount of tax abatement provided in this Agreement:

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

2) Invest, or cause to be invested, 1) SIX MILLION FIVE HUNDRED THOUSAND DOLLARS AND 0 CENTS (\$6,500,000.00) in Real Property Improvements; and 2) SIX MILLION FOUR HUNDRED TWENTY THOUSAND DOLLARS AND 0 CENTS (\$6,420,000.00) in Personal Property Improvements for a cumulative amount of TWELVE MILLION NINE HUNDRED TWENTY THOUSAND DOLLARS AND 0 CENTS (\$12,920,000.00) by December 31, 2022; and

(3) Continuously use the Property for Business Activities for the Term of this Agreement; and

(4) Create FIVE HUNDRED (500) full-time jobs at the Property in accordance with Table 1 below:

TABLE 1

- Year 1 (2017-2018) Prior to June 30, 2018, HULU shall create TWO HUNDRED FIFTY (250) full-time jobs at the Property.
- Year 2 (2018-2019) Prior to June 30, 2019, HULU shall retain 250 full-time jobs at the Property to include the 65 full-time jobs paying at least \$50,000 annually and create an additional ONE HUNDRED FIFTY (150) full-time jobs for a cumulative total of FOUR HUNDRED (400) full-time jobs at the Property. Of the 400 full-time jobs created by the end of Year 2, sixty-five (65) full-time jobs must pay an annual salary of at least FIFTY THOUSAND DOLLARS AND 0 CENTS (\$50,000.00).
- Year 3 (2019-2020) Prior to June 30, 2020, HULU shall retain 400 full-time jobs at the Property to include the 65 full-time jobs paying at least \$50,000 annually and create an additional ONE HUNDRED (100) full-time jobs for a cumulative total of FIVE HUNDRED (500) full-time jobs at the Property.

Following June 30, 2020, HULU shall retain FIVE HUNDRED (500) full-time jobs at the Property for the duration of the Term of this Agreement, to include any period HULU is subject to the recapture of funds under this Agreement;

- (5) register and provide at least one (1) six-week, twenty (20) hour internship opportunity with SA Works;
- (6) participate in at least two (2) job fairs within the City of San Antonio city limits during the first two years of operations; and
- (7) comply with all other applicable terms of this Agreement.

B. HULU covenants and agrees that it shall pay one hundred percent (100%) of its employees located at the Property 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. By the end of Year 2, seventy percent (70%) of all new and existing employees working at the Property must earn at least FIFTEEN DOLLARS AND SIXTY-EIGHT CENTS (\$15.68) per hour.

C. For the purposes of this Agreement, a "Full-Time Job", "full-time job," and "job" shall constitute one position that performs or is otherwise eligible to perform two thousand eighty (2,080) straight-time paid hours in a fiscal year and taking into account any time for holidays, sick leave and other time-off in accordance with other similarly situated employees of HULU.

D. HULU shall covenant and agree that it shall offer all of its Full-time, non-temporary employees performing Business Activities at the Property substantially similar employee benefits as those employee benefits offered to similarly situated employees of HULU (Exhibit C).

E. HULU shall covenant and agree that it shall comply with all applicable federal and state laws governing the employment relationship between employers and employees.

F. HULU shall covenant and agree that it shall conduct its Business Activities (as defined in Article 3, Paragraph B) at the Property in accordance with all applicable federal, state and local laws.

G. Any construction HULU shall perform or cause to be performed at 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.

H. Within sixty (60) days of the execution of this Agreement, HULU and City shall execute a Digital Inclusion Program Agreement, providing HULU's commitment to assist the City with initiatives to provide internet access to its citizens. As proof of meeting this obligation, a copy of the draft Digital Inclusion Program Agreement shall be attached to this Agreement.

I. Except as provided herein, HULU shall covenant and agree 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 HULU or new entity created as a result of a merger, acquisition, or other corporate restructure or reorganization of HULU, or any component thereof (hereinafter "Related Organization") may occupy and use the Property for such Related Organization's normal business activities, so long as such business activities are those of the HULU 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, HULU covenants and agrees during the term of this Agreement not to change the principal use of the Property without prior approval by the City Council, as evidenced in a duly approved City Ordinance.

J. HULU and OWNER covenant and agree that they shall maintain the Property 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 HULU excepted. Compliance with the maintenance obligations imposed herein shall be presumed if HULU follows its normal and customary maintenance procedures and schedules.

K. HULU shall covenant and agree that, upon five business days prior notice received by it from the CITY, HULU shall allow designated representatives of the CITY access to the Property during normal business hours for inspection to determine if the terms and conditions of this Agreement are being met. 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 HULU's books and records will be limited to information needed to verify that HULU 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 HULU's records or remove any information or documents from HULU'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 HULU to obtain an independent firm to verify the information. This certified statement by an independent firm shall be provided at the sole cost of HULU. CITY representatives may be accompanied by HULU 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 HULU's reasonable security requirements.

L. During the Term of this Agreement, HULU shall covenant and agree to furnish each year, 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 phase-in and for appraisal purposes.

M. On or before January 31 and July 31 of each year during the Term of this Agreement, HULU shall provide City's Director of Economic Development Department with a certification (the "**Semi-Annual Certification**") from an officer of HULU attesting to the following information as of the preceding December 31st and June 30th respectively: (i) the number of Full-Time Jobs and New Full-Time Jobs maintained as of such date, (ii) the hire dates of each Full-Time Employee and New Full-Time Employee, (iii) the healthcare benefits offered to all Full-Time Employees and New Full-Time Employees and their respective eligible dependents, (iv) the total wages paid in connection with the Full-Time Jobs and the New Full-Time Jobs during the six months preceding such date, and (v) the aggregate investments made prior to such date that qualify toward the Property Improvement Investment hereunder. The information provided shall be on the form set forth in, or substantially similar to the form labeled "Monitoring Form" attached and incorporated herein as **EXHIBIT "C"**, as the same may be revised by City from time to time.

N. Reserved

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

P. HULU shall covenant and agree 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 shall render HULU 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 HULU fails to create and retain at least the minimum number of full-time jobs required under Article 5, Paragraph A (4) of this Agreement, or HULU fails to pay at least the minimum wages required under Article 5, Paragraph B of this Agreement for a period of two (2) or more consecutive months, then the termination and recapture provisions of Article 7 of this Agreement shall apply against HULU.

R. If, during this Agreement, HULU or OWNER allow its ad valorem taxes due on the land, real and 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, then the termination and recapture provisions of Article 7 of this Agreement shall apply against HULU.

6. TAX ABATEMENT

A. In the event HULU meets all obligations of Section 5(A) of this Agreement and otherwise performs all obligations set forth in Articles 5 and 6 of this Agreement, the City shall give OWNER a ONE HUNDRED PERCENT (100%) tax abatement for the Real Property Improvements and HULU a one hundred percent (100%) tax abatement for the Personal Property Improvements at the Property for a term of six (6) years commencing on the earlier to occur of (a) commencement of Business Activities or (b) the Effective Date (the "Abatement Term"). The Base Year for calculating the value of the Real Property Improvements and the Personal Property Improvements existing and located upon the Property prior to the effective date of this Agreement shall be January 1, 2017. This Agreement only provides for the abatement of taxes on the Real Property Improvements and Personal Property Improvements made and brought onto the Property following the execution of this Agreement. There shall be no abatement of taxes for the underlying land value, inventory or supplies.

B. At the commencement of Business Activities, HULU shall own, have a leasehold interest in the Property and shall be conducting its Business Activities on a daily basis and continuously throughout the Term of this Agreement.

C. HULU acknowledges and agrees that the Base Year Value of the Property and the tax levy based on said Base Year Value of the Property in the Zone shall not decrease, but taxes may increase and that the amount of property taxes paid by HULU to the CITY attributable to the Property during the 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 Property in the Zone, or if the Bexar County Appraisal District reduces the value of the Property in the Zone.

D. The term of this Agreement (herein, the “Term”) shall commence on the Effective Date and shall 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 HULU, or a Related Organization which has taken the place of HULU, transferring substantially all Business Activities to a location outside the Zone.

B. Should HULU 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 HULU 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 and CITY shall be entitled to the payment of such recaptured taxes within sixty (60) calendar days from the date it notifies HULU in writing of termination of this Agreement.

C. If HULU occupies and uses the Property for its Business Activities and subsequently ceases conducting Business Activities (or a substantial portion thereof) at the Property 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 Property was no longer used for the required purposes stated herein. Unless HULU 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 and CITY shall be entitled to the payment of such recaptured taxes within sixty (60) calendar days from the date it notifies HULU in writing of termination. In no event shall Owner be liable to the City for the recapture of taxes.

D. If HULU, a Related Organization or City-approved assignee fails to hire and retain the number of Full-Time jobs as required in Section 5(A)(4) and Table 1 of this Agreement, calculated by the averaging of the two most current semi-annual Monitoring Forms, or substantially similar form (Exhibit “C”) 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 Full-time Jobs requirement. For example, if HULU hires and retains ninety percent (90%) of the Full-Time Jobs required in this Agreement at the Property in a given year, HULU shall be entitled to ninety percent (90%) of the ad valorem personal property tax abatement for the Property for the following year. However, should HULU fail to hire and retain at least fifty percent (50%) of the Full-Time Jobs requirement at the Property in a given year 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 Full-Time Jobs requirement as stated herein has not been met as required.

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 and CITY shall be entitled to the payment of such recaptured taxes within sixty (60) calendar days from the date it notifies HULU in writing of termination of this Agreement. In no event shall Owner be liable to the City for recapture of taxes.

E. During the Term, CITY may declare a default if HULU fails to comply with any of the terms of this Agreement. Should CITY determine HULU is in default under any of the terms of this Agreement; CITY will notify HULU 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 HULU cannot be cured within sixty (60) days after the date on which HULU 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 HULU 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. If the Agreement is terminated as a result of default, all taxes abated shall be due for the tax year during which the termination occurred and shall accrue without further abatements for all tax years thereafter; in addition, CITY shall have the right to recapture from HULU all previously abated property taxes under this Agreement and said taxes shall be paid by HULU within sixty (60) calendar days of receiving CITY'S written notification of recapture. The maximum liability of HULU to the CITY under this Agreement shall not exceed the total amount of taxes abated during the Abatement Term.

F. Other Remedies Available. 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 HULU 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 HULU 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 HULU, 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 HULU fails to comply with any of the terms of this Agreement, then the CITY shall have the right to recapture from HULU a percentage of the abated taxes based on the following table:

| TERM YEAR | TOTAL TAXES PREVIOUSLY ABATED |
|----------------------------------|-------------------------------|
| During the Abatement Term | 100% |
| First year after Abatement Term | 100% |
| Second year after Abatement Term | 75% |
| Third year after Abatement Term | 50% |
| Fourth year after 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 HULU.

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 or other casualty or accident which is not the result of negligence, intentional act or misconduct on the part of HULU. In addition to relief expressly granted in this Agreement, CITY may grant relief from performance of this Agreement if HULU 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 HULU. To obtain release based upon this Article 8, HULU 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 HULU:

- (Whether personally delivered or mailed):
Hulu, LLC
2500 Broadway, 2nd Floor
Santa Monica, California 90404
Attn: Karen Van Kirk &
General Counsel

TO OWNER:

- (Whether personally delivered or mailed):

FN Fountainhead, LLC
199 Figueroa St., 3rd Floor
Ventura, CA 93001
ATTN: Richard L. Fausset, Jr.

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
100 W. Houston, 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-~~04-20~~-0269, dated April ~~20~~ 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. HULU 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 the Property; however, no City Council consent is required for an assignment or transfer to a parent of HULU, a subsidiary of HULU, an affiliate entity of HULU, or to any new entity created as a result of a merger, acquisition or other corporate restructure or reorganization of HULU. However, HULU 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 P. All future assignees shall be bound by all terms and/or provisions and representations of this Agreement. Notwithstanding the foregoing, a sale or transfer of the Real Property by the Owner shall not require the City Council's prior approval of the assignment of this Agreement to the new owner.

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. HULU 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 HULU or other party designated by HULU 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

HULU and OWNER, 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 HULU shall be entitled to intervene in said litigation. Notwithstanding the foregoing, Owner's liability shall be strictly limited to the accuracy of Owner's representations and warranties contained herein.

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 ZONE.

17. CONFLICTS OF INTEREST.

A. CITY warrants and undertakes that no council member, employee or agent of CITY will receive from or give to any director, employee or agent of HULU 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. CITY shall promptly notify HULU of any breach of this Section and any consideration received as a result of such breach shall be paid over or credited to HULU, without

prejudice to the right of HULU to seek compensation or claim damages or any other rights that HULU may have under applicable law.

B. CITY shall maintain and retain complete and accurate records of this transaction for the current calendar year plus the next preceding two (2) calendar years, to enable HULU to exercise its rights under this Section. HULU shall have the right, at its expense, upon reasonable prior written notice to CITY, to audit the records of CITY relevant to this Agreement during CITY's normal business hours solely for the purpose of confirming CITY's compliance with this Section, and for no other purpose. For purposes of this Section, "records" shall mean all records relevant to this Agreement and the intent of this Section.

18. DUPLICATE ORIGINALS

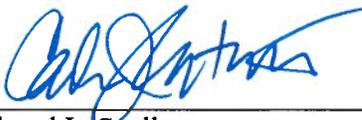
This Agreement shall be executed in two duplicate originals, with a duplicate original going to each party.

Signatures appear on next page.

EXECUTED and AGREED to as of the 30 of May, 2017 (the "Effective Date").

CITY OF SAN ANTONIO,
a Texas Municipal Corporation

HULU, LLC
a Delaware limited liability company



for Sheryl L. Sculley
CITY MANAGER





Name: Karen Van Kirk
Title: Vice President, Viewer Experience

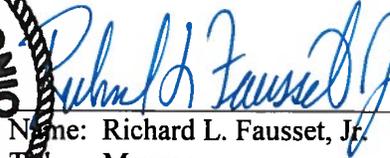
ATTEST:

FN FOUNTAINHEAD, LLC
a Texas limit liability corporation



Leticia Vasek
CITY CLERK





Name: Richard L. Fausset, Jr.
Title: Manager

APPROVED AS TO FORM:



Andy Segovia
CITY ATTORNEY

EXHIBIT A: PROPERTY DESCRIPTION

EXHIBIT A

LAND

TRACT I:

A 5.062 acre (220,483 square feet) tract of land being all of Lot 7, Block 2, NCB 16353, Fountainhead Park, San Antonio, Bexar County, Texas, as recorded in Volume 9541, Page 6 of the Deed and Plat Records of Bexar County, Texas, said 5.062 acre tract being more particularly described as follows:

Beginning at a ½ inch iron rod with Vickrey & Associates, Inc. property corner cap found in the northeast right-of-way line of Horizon Hill Boulevard at the cutback to Medical Drive and also the west corner of said Lot 7;

Thence 23.57 feet along a curve to the right, said curve having a radius of 15.00 feet, a central angle of 90° 01' 48", a chord bearing and distance of N 03° 42' 40" W, 21.22 feet to a ½ inch iron rod with Vickrey & Associates, Inc. property corner cap found in the southeast right-of-way line of Medical Drive;

Thence N 41° 18' 14" E, for a distance of 207.50 feet along the southeast right-of-way line of Medical Drive to a ½ inch iron rod with Vickrey & Associates, Inc. property corner cap found at the beginning of a curve;

Thence 145.41 feet along a curve to the right having a radius of 438.24 feet, a central angle of 19° 00' 38" and a chord bearing and distance of N 50° 48' 33" E, 144.74 feet and along the southeast right-of-way line of Medical Drive to a ½ inch iron rod with Vickrey & Associates, Inc. property corner cap found for a corner;

Thence S 48° 48' 41" E, for a distance of 263.09 feet along the northeast line of said Lot 7 to a found "x" in concrete;

Thence N 41° 18' 14" E, for a distance of 112.45 feet along the northwest line of said Lot 7 to a found ½ inch iron rod with Pape Dawson cap;

Thence S 48° 15' 11" E, for a distance of 247.76 feet to a found ½ inch iron rod with Vickrey & Associates, Inc. property corner cap, said iron rod being the common corner of Lots 7 & 8 of Fountainhead Park;

Thence S 41° 44' 49" W, for a distance of 455.53 feet to a found ½ inch iron rod with Vickrey & Associates, Inc. property corner cap;

Thence N 48° 15' 11" W, for a distance of 26.12 feet to a found pk nail;

Thence S 41° 44' 49" W, for a distance of 20.75 feet to a found chiseled "x" on concrete, said point being in the northeast right-of-way of Horizon Hill Boulevard;

Thence N 48° 43' 34" W, for a distance of 489.95 feet along the northeast right-of-way line of Horizon Hill Boulevard to the POINT OF BEGINNING, and containing 5.062 acres (220.483 square feet) of land.

TRACT II:

A 5.638 acre- (245,631 sq. ft.) tract of land being all of Lot 8, Block 2, N.C.B. 16353, Fountainhead Park, as recorded in Volume 9541, Page 6 of the Deed and Plat Records of Bexar County, Texas, said 5.638 acre tract being more particularly described as follows:

Beginning at a ½ inch iron rod with Vickrey & Associates, Inc. property corner cap found for the common corner of the aforementioned Lot 8 and Lot 1, Block 1, N.C.B. 11631, Miller Ten/Med Subdivision as recorded in Volume 9538, Page 190-191 of the Deed and Plat Records of Bexar County, Texas, said ½ inch iron rod also lying on the northwest right-of-way line of Fountainhead Drive (60' wide);

Thence S 47° 17' 32" W, for a distance of 391.85 feet to a chiseled "x" on concrete found at the cut-back for the intersection of Fountainhead Drive and Horizon Hill Boulevard (60' wide) and the beginning of a curve;

Thence 15.14 feet along the arc of a curve to the right having a radius of 10.00 feet, a central angle of 86° 44' 45" and a chord bearing and distance of N 89° 20' 10" W, 13.73 feet to a chiseled "x" on concrete found for a point of reverse curvature, said ½ inch iron rod lying in the northeast right-of-way of Horizon Hill Blvd;

Thence 302.74 feet along the arc of a curve to the left having a radius of 1125.44 feet, a central angle of 15° 24' 44" and a chord bearing and distance of N 53° 40' 07" W, 301.82 feet to a ½ inch iron rod with Vickrey & Associates, Inc. property corner cap found for the point of tangency;

Thence N 61° 22' 12" W, for a distance of 157.64 feet to a ½ inch iron rod with Vickrey & Associates, Inc. property corner cap found for the beginning of a curve;

Thence 109.23 feet along the arc of a curve to the right having a radius of 494.96 feet, a central angle of 12° 38' 39" and a chord bearing and distance of N 55° 02' 52" W, 109.01 to a 1/2 inch iron rod with Vickrey & Associates, Inc. property corner cap found for the point of tangency;

Thence N 48° 43' 34" W, for a distance of 9.34 feet to an "x" in concrete found for the most westerly corner of the herein described tract and being the common corner of Lots 7 and 8 of Fountainhead Park;

Thence along the common line of Lots 7 and 8 for the following three courses:

N 41° 44' 49" E, for a distance of 20.75 feet to a pk nail found for corner;

S 48° 15' 11" E, for a distance of 26.12 feet to a ½ inch iron rod found for corner;

N 41° 44' 49" E, for a distance of 455.53 feet to a ½ inch iron rod with Vickrey & Associates, Inc. property corner cap found for the north corner of Lot 8, the east corner of

Lot 7, said iron rod lying on the southwest line of Lot 1, Block 1, N.C.B. 11631, Miller Ten/Med Subdivision;

Thence S 48° 15' 11" E, for a distance of 593.69 feet along the common line of Lot 8 and the Miller Ten/Med Subdivision to the Point of Beginning, and containing 5.638 acres (245,631 sq. ft.) of land.

TRACT III:

1.707 acres (74,370 square feet) of land being all of Lot 5, Block 3, NCB 17456, Fountainhead Park Unit 2, San Antonio, Bexar County, Texas as described in Volume 9544, Page 216 of the Deed and Plat Records of Bexar County, Texas, said 1.707 acres being more particularly described as follows:

Beginning at a found chiseled "x" in concrete sidewalk at the south corner of said Lot 5, said point also being the northwest corner of Villa Serena, a subdivision of record in Volume 9536, Page 21, of the Deed and Plat Records of Bexar County, Texas and a point on a curve on the northeast right-of-way of Horizon Hill Boulevard (60' wide);

Thence 110.04 feet along said right-of-way line with a curve to the left, having a radius of 1125.44 feet, a central angle of 05° 36' 08", a chord bearing and distance of N 39° 07' 22" W, 110.00 feet and also along the northeast right-of-way line of Horizon Hill Boulevard to a ½ inch iron rod with Vickrey & Associates, Inc. property corner cap found for a point of reverse curvature at the intersection of the northeast right-of-way line of Horizon Hill Boulevard and the southeast right-of-way line of Fountainhead Drive (60' wide);

Thence 15.57 feet along the arc of a curve to the right having a radius of 10.00 feet, a central angle of 89° 12' 58" and a chord bearing and distance of N 02° 41' 03" E, 14.05 feet and also along the cutback line to Fountainhead Drive to a ½ inch iron rod with Vickrey & Associates, Inc. property corner cap found for a point of tangency on the southeast right-of-way line of Fountainhead Drive;

Thence N 47° 17' 32" E, continuing along said right-of-way line for a distance of 494.01 feet to a ½ inch iron rod with Vickrey & Associates, Inc. property corner cap found for the north corner of said Lot 5;

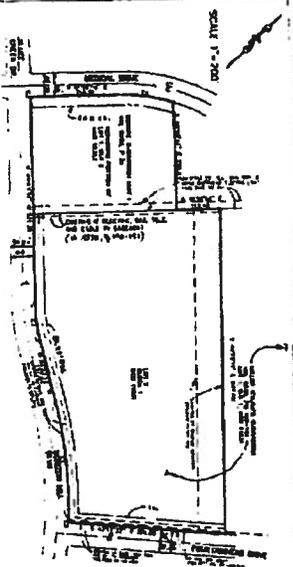
Thence S 14° 11' 50" E, for a distance of 245.83 feet along the east line of said Lot 5 to a ½ inch iron rod with a MBC cap found for the common corner of this tract and the aforementioned Villa Serena Subdivision;

Thence along the common line of said Lot 5 and said Villa Serena Subdivision the following two (2) courses:

S 64° 46' 43" W, for a distance of 287.68 feet to a found ½ inch iron rod;

S 52° 03' 14" W, for a distance of 119.58 feet to the POINT OF BEGINNING, and containing 1.707 acres (74,370 square feet) of land more or less.

09880 L.C. 170660 :0808
014210 -85



AREA BEING REPLANTED THROUGH PUBLIC HEARING

THE AREA BEING REPLANTED HAS BEEN PREVIOUSLY PLANTED ON VOLUME 9538, PAGES 190-191 AND DENONCE PLACE UNIT 1, RECORDED IN VOLUME 8100, PAGE 24 OF THE DEED AND PLAT RECORDS OF BEXAR COUNTY, TEXAS.

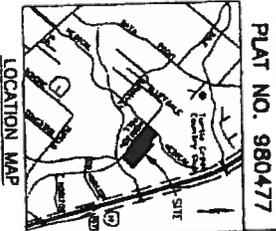
| TRACT IDENTIFICATION NUMBER | TRACT AREA (ACRES) | TRACT AREA (SQ. FT.) |
|-----------------------------|--------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 1 | 1.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 |
| 2 | 1.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 |
| 3 | 1.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 |
| 4 | 1.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 |
| 5 | 1.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 |
| 6 | 1.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 |
| 7 | 1.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 |
| 8 | 1.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 |
| 9 | 1.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 |
| 10 | 1.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 | 136,790.00 |

REPLANTING SCHEDULE

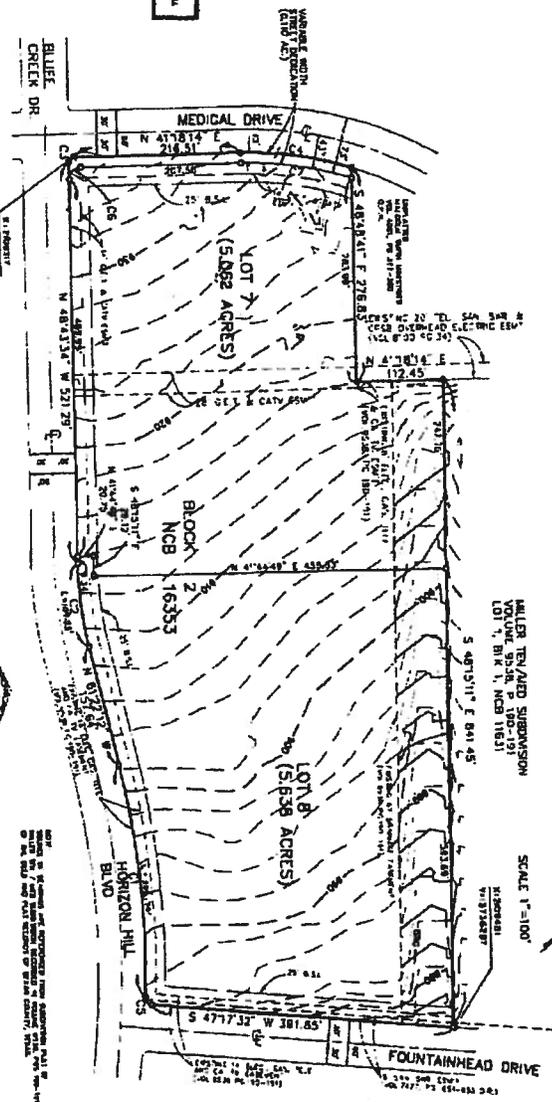
REPLANTING SHALL BE COMPLETED WITHIN THE PERIOD OF 180 DAYS FROM THE DATE OF THE PUBLIC HEARING. THE REPLANTING SHALL BE COMPLETED IN ACCORDANCE WITH THE SCHEDULE SET FORTH IN THE ATTACHED SCHEDULE. THE REPLANTING SHALL BE COMPLETED IN ACCORDANCE WITH THE SCHEDULE SET FORTH IN THE ATTACHED SCHEDULE.

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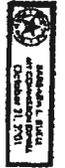
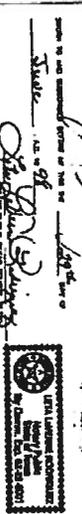


PLAT NO. 980477



WILSON TRAILER SUBDIVISION
VOLUME 8100, PAGE 24
LOT 7, BK 1, NCB 11831

SCALE 1"=100'



STATE OF TEXAS

DAVID M. SMITH
Professional Engineer
License No. 44351
State of Texas

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VICKERY & ASSOCIATES, INC.
CONSULTING ENGINEERS & SURVEYORS
2344 Research Lane, Suite 109, San Antonio, Texas 78219
Telephone: (512) 348-2171



REPLANT ESTABLISHING
FOUNTAINHEAD PARK

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EXHIBIT B: LEASE ACKNOWLEDGEMENT

EMPLOYMENT C: EMPLOYEE BENEFITS

Hulu, LLC Employee Benefits Package

Compensation includes base salary, annual bonus and a long-term incentive program. Hulu provides a competitive and comprehensive benefits package for active, full-time (>30 hours/week) U.S. team members. Hulu offers a choice of medical plans such as Consumer Directed Health Plan with Health Savings Account, PPO, and HMO and a dental plan. The details of the plans vary by state but are competitive with other employers. Hulu also offers retirement savings (Traditional and Roth 401(k) programs) and company matching. Other benefits include short-term ("STD") and long-term disability ("LTD") insurance.

EXHIBIT D: MONITORING 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 (attach information regarding company's good-faith efforts). | |
| 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 839966, San Antonio, Texas 78283-3966. For questions regarding this report, please contact the Economic Development Department, at 210/207-0150 or e-mail: monitoring.andops@sanantonio.gov.