

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 "CITY"), acting by and through its City Manager or her designee, and NATIONWIDE MUTUAL INSURANCE COMPANY (hereinafter referred to as "NATIONWIDE") and together referred to as the "Parties.

WHEREAS, pursuant to Chapter 380 of the Texas Local Government Code, CITY 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, CITY created an economic development program for the purpose of making such grants available; and

WHEREAS, NATIONWIDE is engaged in an economic development project that will be located within the city limits of San Antonio and will consist of the construction of a regional headquarters to be located at 9903 Nationwide Drive, San Antonio, TX 78251 (the "Project"); and

WHEREAS, once completed, the Project is expected to result in an approximately \$75 million capital investment in both real and personal property improvements, the retention of nine hundred and thirty-two (932) jobs, and the creation of eight hundred and thirty-eight (838) jobs over a four (4) year period following completion of the construction of the Project; and

WHEREAS, NATIONWIDE is seeking an economic development grant from the CITY for the purpose of defraying costs associated with the construction of the Project, and

WHEREAS, the CITY has identified Economic Development Incentive Funds (EDIF) available to provide a grant to NATIONWIDE for use in completing the Project; and

WHEREAS, the City Council of CITY has authorized the City Manager or her designee to enter into this Agreement with NATIONWIDE in accordance with City Ordinance No.2011-02-03-0096, passed and approved on February 3, 2011, to grant funds to support the Project;

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

NATIONWIDE shall undertake the construction of the Project. Once completed, the Project is expected to eventually result in approximately \$75 million of added value to and investment in real and personal property including land, the retention of nine hundred and thirty two (932) jobs, and the creation of eight hundred and thirty-eight (838) new jobs for a cumulative total of one thousand seven hundred and seventy (1,770) jobs by December 31, 2013. The Project is anticipated to promote local economic development

and to stimulate business and commercial activity in the City of San Antonio. The CITY is supporting the Project through this Economic Development Program Grant to provide funds to be used to defray project costs. This economic incentive is being offered to NATIONWIDE to promote investment and job creation in the targeted Financial Services industry.

SECTION 2. PROJECT REQUIREMENTS

A. NATIONWIDE shall invest approximately SEVENTY-FIVE MILLION DOLLARS (\$75,000,000.00) in real property and personal property improvements, to include land acquisition, to the property described in Attachment I. This amount is exclusive of any funding that the CITY may provide under this Agreement.

B. NATIONWIDE shall conduct business activities consistent with an insurance or financial services institution (the "Business Activity") for the term required and in accordance with that certain Tax Abatement Agreement between the City and Nationwide and approved by City Ordinance No. 2011-02-03-0095 (the "Tax Abatement Agreement"), attached hereto as Attachment II and made a part of this Agreement.

C. NATIONWIDE shall retain nine hundred and thirty-two (932) full-time jobs on the property and create an additional eight hundred and thirty-eight (838) full-time jobs in accordance with the hiring schedule described Section 5(A)(3) of the Phase II Tax Abatement Agreement.

D. NATIONWIDE shall begin construction on the Project on or before March 31, 2011 and shall complete construction no later than December 31, 2012.

E. NATIONWIDE 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.

F. In accordance with the City's Economic Development Incentive Fund Guidelines, NATIONWIDE must pay all employees located at the Project at least the minimum wage of TEN DOLLARS AND SIXTY CENTS (\$10.60) an hour. After one year, seventy percent (70%) of all employees located at the Project must earn at least THIRTEEN DOLLARS AND SEVENTY SIX CENTS (\$13.76) an hour. These are the minimum wage requirements specified in the City's Tax Abatement Guidelines at the time this Agreement was authorized.

G. NATIONWIDE also covenants and agrees that it shall offer all of its non-temporary full-time employees employed at the site of the Project substantially similar employee benefits as those employee benefits offered to other NATIONWIDE full-time employees.

H. NATIONWIDE also covenants and agrees to abide by all terms and conditions of the Tax Abatement Agreement and understands that any breach or default under the Tax Abatement Agreement shall result in a breach or default of this Agreement and may subject NATIONWIDE to the termination and recapture provisions provided herein.

SECTION 3. ECONOMIC DEVELOPMENT PROGRAM GRANT.

A. **Economic Development Program Grant.** CITY is providing NATIONWIDE with an Economic Development Program Grant in the amount of FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) ("Grant Funds"). The Grant Funds shall be used for the purpose of defraying costs associated with execution of the Project.

B. **Grant Disbursement.** Following approval of this Agreement by a duly authorized City Ordinance and execution of the Agreement, the CITY will make available to NATIONWIDE an Economic Development Program Grant in the total amount of FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00), to be advanced to NATIONWIDE as follows:

1. The First Disbursement in the amount of ONE HUNDRED TWENTY-FIVE THOUSAND DOLLARS AND 0 CENTS (\$150,000.00) shall be made upon confirmation by City that NATIONWIDE has met the hiring requirements of the Tax Abatement Agreement for Calendar Year 2011.
2. The Second Disbursement in the amount of ONE HUNDRED TWENTY-FIVE THOUSAND DOLLARS AND 0 CENTS (\$150,000.00) shall be made upon confirmation by City that NATIONWIDE has met the hiring requirements of the Tax Abatement Agreement for Calendar Year 2012.
3. The Third Disbursement in the amount of ONE HUNDRED TWENTY-FIVE THOUSAND DOLLARS AND 0 CENTS (\$200,000.00) shall be made upon confirmation by City that NATIONWIDE has met the hiring requirements of the Tax Abatement Agreement for Calendar Year 2013.

In no case shall the disbursements made by City exceed the amount of FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00).

C. **Recapture of Program Grant Funds.** Should NATIONWIDE:

1. Fail to complete the Project on or before December 31, 2012 or
2. Fail to retain nine hundred and thirty-two full-time jobs and/or create an additional eight hundred and thirty-eight full-time jobs and pay wages to employees in accordance with the Tax Abatement Agreement; or
3. Sell all or a substantial portion of its assets without CITY's consent, but only if such sale results in a failure to comply with items 2, 3, 4, or 5 herein; or
4. Relocate its business as defined in the Tax Abatement Agreement; or
5. Fail to keep adequate records necessary for the CITY to determine if NATIONWIDE is in compliance with this Agreement; or
6. Breaches or defaults any covenant or term of the Tax Abatement Agreement and fails to cure any deficiency identified in the Tax Abatement Agreement; then

CITY shall have the right to recapture all Grant Funds disbursed under this Agreement by obtaining repayment from NATIONWIDE. Such repayment shall be made after CITY provides a written request for payment and affords a 60-day period to cure the breach or default.

SECTION 4. AGREEMENT PERIOD

This Agreement shall run concurrently with the Phase II Tax Abatement Agreement.

SECTION 5. DEPARTMENT OBLIGATIONS

- A. CITY will make an Economic Development Program Grant of FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) available to NATIONWIDE as described in this Agreement.
- B. CITY will not be liable to NATIONWIDE or other entity for any costs incurred by NATIONWIDE other than those which CITY is obligated to reimburse pursuant to the terms of this Agreement.

SECTION 6. RETENTION AND ACCESSIBILITY OF RECORDS

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

B. NATIONWIDE shall, following reasonable advance written notice from the CITY, give the CITY, 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 NATIONWIDE pertaining to the Economic Development Grant (the "Records"). The CITY's access to NATIONWIDE's Records will be limited to information needed to verify that NATIONWIDE is and has been complying with the terms of this Agreement and to verify advances made by the CITY and repayments made by NATIONWIDE 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 to be made public shall be kept confidential by CITY. NATIONWIDE shall not be required to disclose to the CITY any information that NATIONWIDE is required by law to keep confidential. Should any good faith dispute or question arise as to the accuracy of the data provided, the CITY reserves the right to require NATIONWIDE to obtain an independent firm to verify the information. This certified statement by an independent firm shall be provided at the sole cost of NATIONWIDE unless the independent firm confirms that the information as provided by NATIONWIDE is accurate, in which case the CITY will bear the cost of the independent firm. The rights to access the Records shall continue as long as the Records are retained by NATIONWIDE. Failure to provide reasonable access to the Records to authorized CITY representatives shall give the CITY 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 NATIONWIDE for a period of five (5) years after all performance requirements are achieved for audit purposes until such audits or other administrative, civil or criminal matters including, but not limited to, investigations, lawsuits, administrative inquiries and open record requests are completed. NATIONWIDE 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 CITY as set forth above. All of the above notwithstanding, the CITY and the citizens shall have no right to access any confidential or proprietary records of NATIONWIDE, including but not limited to the ownership and capital structure of NATIONWIDE.

SECTION 7. MONITORING

A. CITY reserves the right to confirm NATIONWIDE's compliance with the terms and conditions of this Agreement by monitoring, subject to the requirements of SECTION 6 above. CITY will provide NATIONWIDE with a written report of the monitor's findings. If the monitoring report notes deficiencies

in NATIONWIDE's performances under the terms of this Agreement, the monitoring report shall include a listing of requirements for the correction of such deficiencies by NATIONWIDE and a reasonable amount of time in which to attain compliance. Failure by NATIONWIDE 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. NATIONWIDE shall provide to CITY an annual certification with reasonable supporting information evidencing the creation of and filling of the number of jobs at the Project and compliance with the minimum wage requirements as specified in this Agreement. NATIONWIDE may satisfy this requirement by submitting the required information under the Tax Abatement Agreement.

SECTION 8. CONFLICT OF INTEREST

A. NATIONWIDE shall use reasonable business efforts to ensure that no employee, officer, or individual agent of NATIONWIDE 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. NATIONWIDE shall comply with Chapter 171, Texas Local Government Code as well as the CITY's Code of Ethics.

SECTION 9. NONDISCRIMINATION AND SECTARIAN ACTIVITY

A. NATIONWIDE shall ensure 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 NATIONWIDE under this Agreement shall involve, and no portion of the funds received by NATIONWIDE 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. NATIONWIDE 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 guarantee 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. CITY will have the right to suspend or terminate this Agreement in accordance with Sections 16 and 17 herein if there is a dispute as to the legal authority of either NATIONWIDE, 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. NATIONWIDE shall give CITY immediate notice in writing of any action, including any proceeding before an administrative agency, filed against NATIONWIDE arising out the performance of any subcontract hereunder. Except as otherwise directed by CITY, NATIONWIDE shall furnish immediately to CITY copies of all pertinent papers received by NATIONWIDE with respect to such action or claim. NATIONWIDE shall notify the CITY immediately of any legal action filed against the NATIONWIDE or any subcontractor of which NATIONWIDE is actually aware, or of any proceeding filed under the federal bankruptcy code. NATIONWIDE shall submit a copy of such notice to CITY 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 NATIONWIDE is not required to notify CITY of claim or litigation which arises out of NATIONWIDE's operations on the Project, including without limitation, landlord/tenant disputes, personal injury actions (slip and falls), and other operational activities or relationships.

B. CITY and NATIONWIDE acknowledge that CITY 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. ATTORNEY'S FEES

A. In the event either party defaults under any of the provisions of this Agreement, and should the non-defaulting party employ attorneys or incur other expenses for the collection of the payments due under this Agreement or the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees to pay to the non-defaulting party reasonable fees of such attorneys and such other expenses so incurred by the non-defaulting party.

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 CITY approval and authorization of NATIONWIDE.

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 NATIONWIDE default under any of the obligations set forth in this Agreement (a "Default Event"), CITY shall provide NATIONWIDE with written notification as to the nature of the Default Event. CITY shall grant NATIONWIDE a sixty (60) day period from the date of the CITY's written notification to cure any Default Event. Should NATIONWIDE fail to cure any Default Event within this period of time, the CITY may, upon written Notice of Suspension to NATIONWIDE, suspend this Agreement in whole or in part by withholding further payments to NATIONWIDE, and prohibit NATIONWIDE 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 NATIONWIDE's reasonable control, which cannot with due diligence be cured within such sixty (60) day period, the CITY may, in its reasonable discretion, extend the cure period provided that NATIONWIDE shall: (1) immediately upon receipt of Notice of Suspension advise CITY of NATIONWIDE'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 16 may be lifted at the reasonable discretion of the CITY upon a showing of compliance with or written waiver by CITY 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, CITY shall not be liable to NATIONWIDE or to NATIONWIDE's creditors for costs incurred during any term of suspension of this Agreement unless CITY improperly exercised its right of suspension.

SECTION 15. TERMINATION

A. CITY shall have the right to terminate this Agreement in the event NATIONWIDE commits a Default Event that remains uncured past any applicable cure period at any time before the date of completion specified in Section 5 of this Agreement. CITY will provide NATIONWIDE with written notification as to the nature of the Default Event and grant NATIONWIDE a sixty (60) day period from the date of the CITY's written notification to cure any Default Event. Should NATIONWIDE fail to cure any Default Event within this period of time, the CITY may, as its sole and exclusive remedies, upon issuance to NATIONWIDE 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 CITY may either: (1) withhold further payments to NATIONWIDE; or (2) demand repayment of any portion of the grant previously disbursed to NATIONWIDE. 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 NATIONWIDE's reasonable control, which cannot with due diligence be cured within such sixty (60) day period, the CITY may, in its reasonable discretion, extend the cure period provided that NATIONWIDE shall: (1) immediately upon

receipt of Notice of Termination advise CITY of NATIONWIDE'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. Except as provided in Section 17(A), the Economic Development Program Grant may be terminated in whole or in part only as follows:

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

SECTION 16. SPECIAL CONDITIONS AND TERMS

NATIONWIDE understands and agrees that if NATIONWIDE is a "business" and if the City'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 NATIONWIDE is required to refund money, pursuant to 80(R) HB 1196, NATIONWIDE has received from City 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. SUBAGREEMENTS

A. NATIONWIDE shall use reasonable business efforts to ensure that the performance rendered under all subcontracts complies with all terms and provisions of this Agreement as if such performance were rendered by NATIONWIDE.

B. NATIONWIDE, in subcontracting any of the performances hereunder, expressly understands that in entering into such subcontracts, CITY is in no way liable to NATIONWIDE's subcontractors.

C. NATIONWIDE assures and shall obtain assurances from all of its subcontractors where applicable, that no person shall, on the grounds of race, creed, color, disability, national origin, sex or religion, be excluded from, be denied the benefit of, or be subjected to discrimination under any program or activity funded in whole or in part under this Agreement.

D. As subcontracts and supplier agreements become necessary to carry out the requirements of this Agreement, NATIONWIDE covenants to comply with the CITY's SBEDA Program, currently identified under Ordinance No. 100873, and as amended.

SECTION 18. DEBARMENT

By signing this Agreement, NATIONWIDE 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 CITY.

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 NATIONWIDE and the CITY 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 written consent of CITY and the passage of a City Ordinance approving such assignment. Any other attempt to assign the Agreement shall not relieve NATIONWIDE from liability under this Agreement and shall not release NATIONWIDE from performing any of the terms, covenants and conditions herein. NATIONWIDE shall be held responsible for all funds received under this Agreement. Notwithstanding the foregoing, NATIONWIDE may assign the Agreement, upon consent of City, in conjunction with a sale or merger of the company so long as the entity that will succeed to NATIONWIDE's rights under this Agreement assumes in writing all of NATIONWIDE'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*)

CITY may grant temporary relief from performance of this Agreement if NATIONWIDE 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 NATIONWIDE. The burden of proof for the need for such relief shall rest upon the NATIONWIDE. To obtain release based upon *force majeure*, NATIONWIDE must file a written request with the CITY. Should CITY grant temporary relief to NATIONWIDE, it shall in no case relieve NATIONWIDE from any repayment obligations as specified in this Agreement.

Signatures appear on next page.

WITNESS OUR HANDS, EFFECTIVE as of February 22, 2011:

Accepted and executed in two duplicate originals on behalf of the City of San Antonio pursuant to Ordinance Number 2011-__-__-__, dated February __, 2011, and NATIONWIDE pursuant to the authority of its undersigned officer.

CITY OF SAN ANTONIO,
a Texas Municipal Corporation

NATIONWIDE MUTUAL INSURANCE COMPANY

an Ohio mutual insurance company

[Signature]
for A.J. Womwer
Sheryl L. Sculley
CITY MANAGER

By: Kieran P. Sherry
Kieran P. Sherry
Vice President – Corporate Real Estate

ATTEST:

ATTEST:

[Signature]
Leticia Vacek
CITY CLERK



Name:
Title:

APPROVED AS TO FORM:

[Signature]
Michael D. Bernard
CITY ATTORNEY

ATTACHMENTS: Attachment I NATIONWIDE's Property Description
Attachment II Tax Abatement Agreement

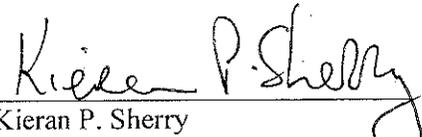
WITNESS OUR HANDS, EFFECTIVE as of February 22, 2011:

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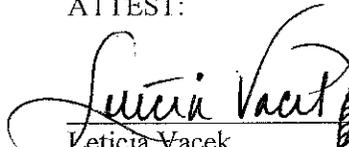
CITY OF SAN ANTONIO,
a Texas Municipal Corporation

NATIONWIDE MUTUAL INSURANCE
COMPANY
an Ohio mutual insurance company

for  A.J. November
Sheryl L. Sculley
CITY MANAGER

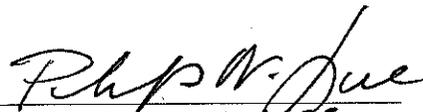
By: 
Kieran P. Sherry
Vice President – Corporate Real Estate

ATTEST:


Leticia Vacek
CITY CLERK



ATTEST:


Name: PHILIP W. DOE
Title: LEAD COUNSEL

APPROVED AS TO FORM


Michael D. Bernard
CITY ATTORNEY

ATTACHMENTS: Attachment I NATIONWIDE's Property Description
Attachment II Tax Abatement Agreement

ATTACHMENT I

Property Description



LAND DEVELOPMENT ENVIRONMENTAL TRANSPORTATION WATER RESOURCES SURVEYING

FIELD NOTES

FOR

A 30.190 acre, or 1,315,078 square feet more or less, tract of land being out of a 67.64 acre tract described in conveyance to Westover Hills Town Center, Ltd. in Special Warranty Deed recorded in Volume 11647, Pages 916-922 of the Official Public Records of Real Property of Bexar County, Texas, out of the Thomas York Survey No. 201 ½, Abstract No. 825, County Block 4400 and the B.B.B. & C.R.R. Survey No. 402, Abstract No. 101, County Block 4398, now in New City Block (N.C.B.) 17642 of the City of San Antonio, Bexar County, Texas. Said 30.190 acre tract being more fully described as follows, with bearings based on the North American Datum of 1983 (CORS 1996), from the Texas Coordinate System established for the South Central Zone;

BEGINNING: At a found ½" iron rod with a yellow cap marked "Pape-Dawson", at the south end of the curve return for the southeast right-of-way line of Hyatt Resort Drive, a variable width right-of-way, dedicated in the Westover Hills Unit-16 Subdivision recorded in Volume 9524, Page 215 of the Deed and Plat Records of Bexar County, Texas and the west right-of-way line of Rogers Road, an 86-foot right-of-way dedicated in the Westover Hills, Unit-15 Subdivision recorded in Volume 9524, Pages 153-155 of the Deed and Plat Records of Bexar County, Texas, a north corner of said 67.64 acre tract;

THENCE: Along and with the southwest right-of-way line of said Rogers Road, the northeast line of said 67.64 acre tract, the following calls and distances:

S 14°22'36" E, a distance of 837.78 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson", a point of curvature;

Southeasterly, along a tangent curve to the left, said curve having a radius of 3928.60 feet, a central angle of 08°47'48", a chord bearing and distance of S 18°46'30" E, 602.57 feet, for an arc length of 603.16 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson", a point of non-tangent reverse curvature;

THENCE: Departing the southwest right-of-way line of said Rogers Road, over and across said 67.64 acre tract, the following calls and distances:

Southwesterly, along a said non-tangent reverse curve to the right, said curve having a radial bearing of S 66°51'54" W, a radius of 15.00 feet, a central angle of 89°14'07", a chord bearing and distance of S 21°28'58" W, 21.07 feet, for an arc length of 23.36 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson", a point of tangency;

S 66°06'01" W, a distance of 35.13 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson", a point of curvature;

Southwesterly, along a tangent curve to the left, said curve having a radius of 535.00 feet, a central angle of $16^{\circ}18'34''$, a chord bearing and distance of $S 57^{\circ}56'44'' W$, 151.78 feet, for an arc length of 152.29 feet to a set $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson", a point of tangency;

$S 49^{\circ}47'27'' W$, a distance of 154.06 feet to a set $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson", a point of curvature;

Southwesterly, along a tangent curve to the right, said curve having a radius of 565.00 feet, a central angle of $26^{\circ}25'55''$, a chord bearing and distance of $S 63^{\circ}00'24'' W$, 258.34 feet, for an arc length of 260.65 feet to a set $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

$S 76^{\circ}13'22'' W$, a distance of 220.69 feet to a set $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson", a point of curvature;

Southwesterly, along a tangent curve to the left, said curve having a radius of 435.00 feet, a central angle of $10^{\circ}12'52''$, a chord bearing and distance of $S 71^{\circ}06'56'' W$, 77.45 feet, for an arc length of 77.55 feet to a set $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson", a point of reverse curvature;

Northwesterly, along a reverse curve to the right, said curve having a radius of 15.00 feet, a central angle of $89^{\circ}30'25''$, a chord bearing and distance of $N 69^{\circ}14'18'' W$, 21.12 feet, for an arc length of 23.43 feet to a set $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson", on the northeast right-of-way line of State Highway 151, a variable width right-of-way, a southwest line of said 67.64 acre tract, a point of tangency;

THENCE: $N 24^{\circ}29'05'' W$, along and with the northeast right-of-way line of said State Highway 151, a southwest line of said 67.64 acre tract, a distance of 1024.22 feet to a found $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson", the southwest corner of the remaining portion of a 5.069 acre tract recorded in Volume 4903, Pages 1627-1640 of the Official Public Records of Real Property of Bexar County, Texas, the west corner of said 67.64 acre tract;

THENCE: Departing the northeast right-of-way line of said State Highway 151, along and with the southeast line of said remaining portion of a 5.069 acre tract, a northwest line of said 67.64 acre tract, the following calls and distances:

$N 65^{\circ}30'55'' E$, a distance of 75.02 feet to a set $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

$N 38^{\circ}39'31'' E$, a distance of 326.40 feet to a set $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson", the east corner of said remaining portion of a 5.069 acre tract, an interior corner of said 67.64 acre tract;

THENCE: N 41°06'59" W, along and with the northeast line of said remaining portion of a 5.069 acre tract, a southwest line of said 67.64 acre tract, a distance of 45.00 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson", on the southeast right-of-way line of the aforementioned Hyatt Resort Drive, the north corner of said remaining portion of a 5.069 acre tract, an angle point of said 67.64 acre tract;

THENCE: Along and with the southeast right-of-way line of said Hyatt Resort Drive, a northwest line of said 67.64 acre tract, the following calls and distances:

N 48°53'01" E, a distance of 20.71 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson", a point of curvature;

Northeasterly, along a tangent curve to the left, said curve having a radius of 394.55 feet, a central angle of 16°26'11", a chord bearing and distance of N 40°39'55" E, 112.80 feet, for an arc length of 113.18 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson", a point of tangency;

N 32°26'50" E, a distance of 212.02 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson", a point of curvature;

Northeasterly, along a tangent curve to the right, said curve having a radius of 884.38 feet, a central angle of 15°56'47", a chord bearing and distance of N 40°25'13" E, 245.34 feet, for an arc length of 246.14 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson", a point of compound curvature;

Northeasterly, along a compound curve to the right, said curve having a radius of 400.00 feet, a central angle of 27°13'47", a chord bearing and distance of N 62°00'30" E, 188.32 feet, for an arc length of 190.10 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson", a point of tangency;

N 75°37'24" E, a distance of 27.61 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson", at the north end of the aforementioned curve return;

THENCE: Southeasterly, along a tangent curve to the right, said curve having a radius of 40.00 feet, a central angle of 90°00'00", a chord bearing and distance of S 59°22'36" E, 56.57 feet, for an arc length of 62.83 feet to the POINT OF BEGINNING and containing 30.190 acres in the City of San Antonio, Bexar County, Texas. Said tract being described in accordance with a survey made on the ground and a survey map prepared by Pape-Dawson Engineers, Inc.

PREPARED BY: Pape-Dawson Engineers, Inc.
DATE: October 19, 2010
JOB No.: 9214-10
DOC.ID.: N:\Survey10\10-9200\9214-10\WORD\9214-10fn.doc



**PAPE-DAWSON
ENGINEERS**

ATTACHMENT II

Tax Abatement Agreement

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 ___ day of February 2011, by and between NATIONWIDE MUTUAL INSURANCE COMPANY (hereinafter referred to as "NATIONWIDE"), 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. 2010-12-16-1105 on December 16, 2010, 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");
3. CITY COUNCIL ORDINANCE NO. 2011-02-03-0094, dated February 3, 2011, which designated the Nationwide Mutual Insurance Company Phase II Reinvestment Zone (the "Zone"); and
4. CITY COUNCIL ORDINANCE NO. 2011-02-03-0095, dated February 3, 2011, which specifically approves this Agreement and authorizes execution hereof.

B. The City Council, by its approval of this Agreement, hereby finds that the terms of this Agreement are within the Guidelines and Criteria and the approval of this Agreement will not have any substantial long-term adverse effect on the provision of city services or the City's tax base. The City Council also finds that the planned use of the Property (defined below) inside the Zone by NATIONWIDE does not constitute a hazard to public safety, health or morals.

C. The City and NATIONWIDE executed a Tax Abatement Agreement approved by City Council on January 21, 2010 to abate 100% of personal property improvements located at 5859 Farinon Drive, San Antonio, Texas, 78249 in the Nationwide Mutual Insurance Company Reinvestment Zone (the "Phase I Agreement"). That agreement (as

STATE OF TEXAS

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CITY OF SAN ANTONIO
TAX ABATEMENT AGREEMENT
FOR PERSONAL PROPERTY

COUNTY OF BEXAR

1. PARTIES

THIS AGREEMENT (the "Agreement") is entered into on this 9th day of March 2010, by and between NATIONWIDE MUTUAL INSURANCE COMPANY. (hereinafter referred to as "NATIONWIDE"), holding a leasehold interest in the real property described herein and as owner of personal property located, or to be located, on said real property, 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. 2008-12-11-1169 on December 11, 2008, 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");
3. CITY COUNCIL ORDINANCE NO. ²⁰¹⁰⁻⁰¹⁻~~21-0009R~~, dated January 21, 2010, which designated the Nationwide Mutual Insurance Company Reinvestment Zone (the "Zone"); and
4. CITY COUNCIL ORDINANCE NO. 2010-01-0021- 0030, dated January 21, 2010, which specifically approves this Agreement and authorizes execution hereof.

B. The City Council, by its approval of this Agreement, hereby finds that the terms of this Agreement are within the Guidelines and Criteria and the approval of this Agreement will not have any substantial long-term adverse effect on the provision of city services or the City's tax base. The City Council also finds that the planned use of the Property (defined below) inside the Zone by NATIONWIDE does not constitute a hazard to public safety, health or morals.

C. The City Council, by its approval of this Agreement, hereby finds that the terms of this Agreement are substantially similar to any tax abatement agreement offered to NATIONWIDE by Bexar County.

3. **PROPERTY**

A. NATIONWIDE owns a leasehold interest in real property located at 5859 Farinon Drive, San Antonio, TX 78249 (the "Property"), legally described in Exhibit A, attached hereto and incorporated herein. The Property is within the Nationwide Mutual Insurance Company Reinvestment Zone, designated by City Ordinance No. 2010-01-21- 0004R for the purposes of the Texas Property Redevelopment and Tax Abatement Act of 1987, V.A.T.S. Tax Code, Chapter 312.

B. NATIONWIDE, an insurance and financial services company, shall conduct business operations on the Property that meet the definition of qualifying business activities as more fully set forth and defined in the Guidelines and Criteria ("Business Activities"). NATIONWIDE will conduct, on the Property, its Business Activities or the normal Business Activities of a Related Organization, as defined in Article 5, Paragraph I, for the term of this Agreement.

C. NATIONWIDE is investing approximately THREE MILLION DOLLARS (\$3,000,000) in new tangible personal property ("Personal Property Improvements") to be located on the Property and used for NATIONWIDE's Business Activities. The Personal Property Improvements shall not be placed on the Property sooner than the effective date of this Agreement.

D. NATIONWIDE shall establish a separate tax account for the Personal Property Improvements, to include inventory and supplies related to this new personal property investment, with the Bexar Appraisal District and provide these tax account numbers to the CITY.

4. **NATIONWIDE'S REPRESENTATIONS**

A. Without any independent inquiry or investigation, NATIONWIDE represents that it has no 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. NATIONWIDE further represents that it shall not knowingly sell, lease or otherwise convey such an interest to a member of the San Antonio City Council, the Zoning Commission, the Planning Commission, the City's International and Economic Development Department or any other City officer or employee, as long as this Agreement remains in effect.

B. NATIONWIDE represents that at the time of the execution of this Agreement there is no litigation pending against NATIONWIDE for any violations under the Occupational Safety and Health Act ("OSHA").

5. **OBLIGATIONS OF NATIONWIDE**

A. In addition to the obligations and duties imposed on NATIONWIDE by other incentive agreements it has entered into with the State of Texas, Bexar County or the City of San Antonio, NATIONWIDE shall:

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

2) invest, or cause to be invested, approximately THREE MILLION DOLLARS (\$3,000,000) in the Personal Property Improvements for the Property by January 1, 2011; and

(3) shall hire a minimum of EIGHT HUNDRED AND THIRTY EIGHT (838) new full-time employees and retain NINE HUNDRED AND THIRTY TWO (932) existing jobs in San Antonio for a cumulative total of ONE THOUSAND SEVEN HUNDRED AND SEVENTY (1,770) full-time jobs created under this Agreement as follows:

1. In Calendar Year 2010, NATIONWIDE shall retain NINE HUNDRED AND THIRTY TWO (932) jobs and create an additional THREE HUNDRED AND FIFTY (350) jobs for a cumulative total of ONE THOUSAND TWO HUNDRED AND EIGHTY TWO (1,282) jobs.

2. In Calendar Year 2011, NATIONWIDE shall retain ONE THOUSAND TWO HUNDRED AND EIGHTY TWO (1,282) jobs and create an additional ONE HUNDRED AND SIXTY ONE (161) jobs for a cumulative total of ONE THOUSAND FOUR HUNDRED AND FORTY THREE (1,443) jobs.

3. In Calendar Year 2012, NATIONWIDE shall retain ONE THOUSAND FOUR HUNDRED AND FORTY THREE (1,443) jobs and create an additional ONE HUNDRED SIXTY ONE (161) jobs for a cumulative total of ONE THOUSAND SIX HUNDRED AND FOUR (1,604) jobs.

4. In Calendar Year 2013, NATIONWIDE shall retain ONE THOUSAND SIX HUNDRED AND FOUR (1,604) jobs and create an additional ONE HUNDRED AND SIXTY SIX (166) jobs for a cumulative total of ONE THOUSAND SEVEN HUNDRED AND SEVENTY JOBS (1,770).

(4) shall occupy and use the Property for its Business Activities; and

(5) shall comply with all other applicable terms of this Agreement.

B. NATIONWIDE covenants and agrees that it shall pay at least one hundred percent (100%) of its new and existing employees the City's effective prevailing "living" wage as determined by the City Council in its Tax Abatement Guidelines, which is TEN DOLLARS AND 60 CENTS (\$10.60) per hour. After one year of installing the personal property improvements, seventy percent (70%) of all new and existing employees must earn at least TWELVE DOLLARS AND SEVENTY-SIX CENTS (\$12.76) per hour.

C. A Full-Time Job, for the purposes of this Agreement, shall be equivalent to two thousand fifteen (2,015) straight-time paid hours in a fiscal year. {Note: The Nationwide workday is 7 hours and 45 minutes for a full-time position which works out to 2,015 hours instead of the traditional 2,080.}

D. NATIONWIDE covenants and agrees that it shall offer all of its non-temporary full-time employees employed on the Property substantially similar employee benefits as those employee benefits offered to similarly situated employees of NATIONWIDE in the State of Texas.

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

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

G. NATIONWIDE is under no obligation to undertake any real property improvements under this Agreement, however should it elect to make any real property improvements to the Property those improvements shall be made 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. NATIONWIDE'S obligations under this paragraph are not applicable to real property improvements made by NATIONWIDE'S landlord or any other third-party not under direct contract with NATIONWIDE.

I. Except as provided herein, NATIONWIDE 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 NATIONWIDE or new entity created as a result of a merger, acquisition, or other corporate restructure or reorganization of NATIONWIDE, 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 an insurance or financial services company, similar or

comparable to the Business Activities of NATIONWIDE on the Property. To be eligible for 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, NATIONWIDE covenants and agrees not to change Nationwide's principal use of the Property without prior approval by the City Council, which approval shall not be unreasonably withheld or delayed, as evidenced in a duly approved ordinance.

J. To the extent that such repair and maintenance obligations have not been assumed by the landlord pursuant to a duly executed lease for the Property, NATIONWIDE covenants and agrees that it 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 gross negligence, intentional act or misconduct of NATIONWIDE excepted. Compliance with the maintenance obligations imposed herein shall be presumed if NATIONWIDE follows its normal and customary maintenance procedures and schedules for its other leased facilities or if substantially similar obligations are imposed upon the landlord pursuant to a duly executed lease for the Property.

K. Upon five (5) business days prior notice to NATIONWIDE by CITY, NATIONWIDE covenants and agrees that they 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. Such inspection shall occur no more often than twice within a 12 month period unless the City obtains evidence that NATIONWIDE is not in compliance with the terms and conditions of the Agreement. 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 NATIONWIDE's books and records will be strictly limited to information needed to verify the number of full-time employees at the Facility, and the wages paid to these employees. Any information that is not required by law to be made public shall be kept confidential by CITY. NATIONWIDE shall not be obligated to disclose any confidential information that is otherwise prohibited by any applicable law to disclose. Should any good faith dispute or question arise as to the validity of the data provided, the CITY reserves the right to require NATIONWIDE to obtain an independent firm to verify the information. This certified statement by an independent firm shall be provided at the sole cost of NATIONWIDE and once submitted, will not be subject to further dispute by the CITY. CITY representatives shall be accompanied by NATIONWIDE representatives at all times during any such inspections and such inspections shall be conducted in such a manner as to (a) not unreasonably interfere with the operation of the Property or NATIONWIDE'S Business Activities; and (b) comply with NATIONWIDE's reasonable security requirements.

L. During the term of this Agreement, NATIONWIDE covenants and agrees 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. NATIONWIDE covenants and agrees that it shall provide the CITY's Director of International and Economic Development with a semi-annual certification from an officer of NATIONWIDE attesting to the number of full-time new jobs created and retained jobs by NATIONWIDE, as well as wages paid by NATIONWIDE on the Property. NATIONWIDE 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 "C" (attached hereto and incorporated herein), as amended.

N. NATIONWIDE covenants and agrees to make a good faith effort to hire local employees to fulfill its requirements under Article 5, Paragraph A. "Local" is defined, for the purposes of this Paragraph, as an employee whose principal residence is located within the city limits of the City of San Antonio or within the county limits of Bexar County. Additionally, and in accordance with the requirements of the Guidelines and Criteria, NATIONWIDE agrees to hire not less than TWENTY-FIVE PERCENT OF ALL THE NEW JOBS WITH employees who reside in Bexar County.

O. NATIONWIDE covenants and agrees 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 NATIONWIDE 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 may render NATIONWIDE subject to the termination and recapture provisions under Article 7. This provision does not grant the CITY the right to pre-approve, disapprove or prohibit any sale, transfer or sub-lease of the Property during the Term; rather it creates a notification requirement and further addresses requests for Assignment of the Agreement, and consequences for failing to meet the notification requirement.

P. CITY acknowledges NATIONWIDE's intent to relocate its Business Activities during the term of this Agreement from the Zone to a newly created Tax Abatement Reinvestment Zone within the city limits of the City of San Antonio. Such intent has been acknowledged and supported by the CITY through the passage of Resolution 2010-01-21-0001R, passed and approved on January 21, 2010, attached hereto as Exhibit D. Any Relocation for this purpose shall not be deemed a breach of this Agreement for any purpose.

NATIONWIDE covenants and agrees to notify CITY in writing at least 30 days prior to Relocating its Business Activities outside of the City of San Antonio or to an area within the City of San Antonio that has not been subsequently designated a tax increment reinvestment zone 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 NATIONWIDE 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 NATIONWIDE fails to create and retain at least the minimum number of full-time jobs required under Article 5, Paragraph A of this Agreement, or NATIONWIDE fails to pay at least the minimum wages required under Article 5, Paragraph B of this Agreement for a period of three (3) or more consecutive months, then the termination and recapture provisions of Article 7 of this Agreement shall apply against NATIONWIDE.

R. If, during this Agreement, NATIONWIDE allows 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, or is in default with any loan which has been made by the San Antonio Development Agency, South Texas Business Fund, City of San Antonio Industrial Development Authority or any other CITY-sponsored loan/grant/bond program, then the termination and recapture provisions of Article 7 of this Agreement shall apply.

6. **TAX ABATEMENT**

A. The tax abatement period (the "Term") for the Personal Property Improvements shall be 10 years beginning on January 1, 2011. The base year for calculating the value of personal property existing and located upon the Property prior to the effective date of this Agreement shall be January 1, 2010. The "Base Year Value" of the personal property not covered by this Agreement shall be its assessed value (determined by the Bexar Appraisal District), as of the Base Year. This Agreement only provides for the abatement of taxes on tangible personal property brought onto the site after the execution of this Agreement.

B. At the commencement of the Term, NATIONWIDE shall own, have an interest in or otherwise control the Property and shall be conducting its Business Activities on a daily basis.

C. Provided that NATIONWIDE has invested in Personal Property Improvements as described in Article 3, Paragraph A of this Agreement by the date provided in Article 5, subparagraph A.(2), NATIONWIDE has hired and retained the number of employees specified in Article 5, Paragraph A of this Agreement, NATIONWIDE pays at least the minimum wages required under Article 5, Paragraph B of this Agreement, NATIONWIDE uses the Property for its Business Activities, and NATIONWIDE is otherwise in compliance with the conditions of this Agreement, then ONE HUNDRED-PERCENT (100%) of the ad valorem taxes for the Personal Property Improvements including inventory and supplies, above the Base Year Value, shall be abated for the ten-year Term of this Agreement. There shall be no abatement of taxes for the underlying land value or any real property improvements.

D. NATIONWIDE 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 NATIONWIDE to the CITY attributable to the Property during the 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.

E. NATIONWIDE 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.

7. **DEFAULT/TERMINATION/RECAPTURE**

A. For purposes of this section, "Relocation" or "Relocate" shall mean NATIONWIDE or a Related Organization which has taken the place of NATIONWIDE, transferring Business Activities to a location outside of the Zone with the exception of transferring Business Activities to another approved tax abatement reinvestment zone created by the City as contemplated under City of San Antonio Resolution 2010-01-21-0001R attached hereto as Exhibit D.

B. Should NATIONWIDE occupy and use the Property for its Business Activities and subsequently Relocates (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 NATIONWIDE 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 NATIONWIDE in writing of termination.

C. If NATIONWIDE occupies and uses the Property for its Business Activities and subsequently ceases conducting Business Activities (or a substantial portion thereof) within the Zone, unless it continues Business Activities in a newly created tax abatement zone as contemplated by City of San Antonio Resolution 2010-01-21-0001R, 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 NATIONWIDE 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 NATIONWIDE in writing of termination.

D. If NATIONWIDE, a Related Organization or City-approved assignee fails to hire and retain the minimum number of permanent full-time employees as required in Article 5, Paragraph A above, calculated by the averaging of the two most current semi-annual Employee Wage Information for Tax Phase-In Request Forms, or substantially similar form, (Exhibit "E") 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 number of employees. For example, if NATIONWIDE hires and retains ninety percent (90%) of the minimum number of full-time employees in a given year, NATIONWIDE shall be entitled to ninety percent (90%) of the ad valorem personal property tax abatement for the Property for that following year, subject to a floor of fifty percent (50%). Should NATIONWIDE fail to hire and retain at least fifty percent (50%) of the minimum number of full-time employees 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 number of permanent full-time employees stated herein have not been hired or retained 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 NATIONWIDE in writing of such termination unless the termination is subject to a good faith dispute, in which case payment of the recaptured taxes may be delayed until the dispute is resolved.

E. During the Term, CITY may declare a default if NATIONWIDE fails to substantially comply with any of the material terms of this Agreement. Should CITY determine NATIONWIDE is in default under any of the terms of this Agreement, CITY will notify NATIONWIDE 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. CITY may, in its sole discretion, extend the Cure Period if NATIONWIDE commences the cure within the Cure Period and NATIONWIDE is diligently pursuing such cure. 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 NATIONWIDE all previously abated tangible personal property taxes under this Agreement and said taxes shall be paid by NATIONWIDE within sixty (60) calendar days of receiving CITY'S written notification of recapture, unless such termination is the subject of a good faith dispute, in which case payment of the recaptured taxes may be delayed until the dispute is resolved.

F. Other Remedies Available. CITY'S right to termination of this Agreement and/or recapture of previously abated taxes shall be the CITY'S sole and exclusive remedy in the event of a NATIONWIDE default. However, such termination and/or recapture shall be subject to any and all lawful offsets, settlements, deductions or credits to which NATIONWIDE 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 NATIONWIDE, its parent, subsidiary, affiliate or its CITY-approved successor or assignee continues conducting Business Activities or other authorized activities thereon as provided hereinabove.

G. Calculation of Taxes Subject to Recapture. If NATIONWIDE fails to comply with any of the terms of this Agreement including, but not limited to, those pertaining to this Article 7 then, after the expiration of any applicable Cure Period, the City Council shall have the right to recapture from NATIONWIDE a percentage of the abated personal property taxes based on the following table:

TERM YEAR	TOTAL TAX PREVIOUSLY ABATED SHALL BE MULTIPLIED BY:
1-10	100%
11-12	80%
13	60%
14	40%
15	20%
16	10%

FORMULA: The recapture formula shall be:

$$\text{Total Taxes Abated} \times \frac{\text{Applicable Percentage from above Schedule}}{100} = \text{Amount to be Recaptured}$$

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 NATIONWIDE.

8. **AUTHORIZED RELIEF FROM PERFORMANCE (Force Majeure)**

For purposes of this section, "Force Majeure" is defined as an act of God, a natural disaster or an act of war (including terrorism). It also includes explosion, fire or other casualty or accident which is not the result of gross negligence, an intentional act or misconduct on the part of NATIONWIDE. In addition to relief expressly granted in this Agreement, CITY may grant relief from performance of this Agreement if NATIONWIDE 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 NATIONWIDE. To obtain release based upon this Article 8, NATIONWIDE 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 NATIONWIDE:

- (Whether personally delivered or mailed):

Attn: _____

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
City Hall, 4th Floor
Military Plaza
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 2011-01-21- 0030, dated January 21, 2010.

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. NATIONWIDE 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 this Agreement ; however, no City Council consent is required for an assignment or transfer to a parent of NATIONWIDE, a subsidiary of NATIONWIDE, an affiliate entity of NATIONWIDE, or to any new entity created as a result of a merger, acquisition or other corporate restructure or reorganization of NATIONWIDE. However, NATIONWIDE 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.

12. GENERAL PROVISIONS

A. None of the Personal 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. NATIONWIDE acknowledges that City Council approval is required for any and all of these actions.

D. NATIONWIDE understands and agrees that if NATIONWIDE is a "business" and if the City'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 NATIONWIDE is required to refund money, pursuant to 80(R) HB 1196, NATIONWIDE has received from City 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.

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 NATIONWIDE or other party designated by NATIONWIDE 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**

NATIONWIDE, 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 NATIONWIDE 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 enforceable in any state or federal court of competent jurisdiction .

17. **TRIPLICATE ORIGINALS**

This Agreement shall be executed in three triplicate originals, with an original going to each party and one to the City Clerk of the City of San Antonio.

Signatures appear on next page.

WITNESS OUR HANDS, EFFECTIVE as of March 9, _____, 2010:

Accepted and executed in triplicate originals on behalf of the City of San Antonio pursuant to City Ordinance Number 2010-01-21-0030, dated January 21, 2010, and NATIONWIDE MUTUAL INSURANCE COMPANY pursuant to the authority of its _____.

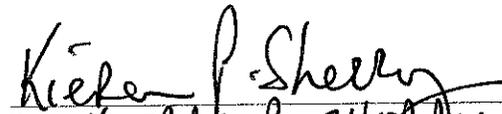
CITY OF SAN ANTONIO,
a Texas Municipal Corporation

NATIONWIDE MUTUAL
INSURANCE COMPANY,

A _____

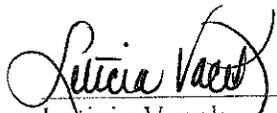


Sheryl L. Sculley
CITY MANAGER



By: KIBRAN P. SHERRY
Title: VP CORPORATE
REAL ESTATE

ATTEST:



Leticia Vacek
CITY CLERK



ATTEST:

APPROVED AS TO FORM:



Michael Bernard
CITY ATTORNEY

EXHIBIT A: PROPERTY DESCRIPTION

EXHIBIT A

Property Description Allstate Reinvestment Zone

The Allstate Reinvestment Zone is located at 12238 Silicon Drive, bounded by Northwest Parkway to the north, Network Boulevard on the east, Prue Road to the south, and Woodridge Path to the west. It consists of an approximate 12.420 acre tract of land, being lot 13, block 2, new City block 17504, Silicon Heights Subdivision as recorded in Volume 9538, page 163-164 of the road and plat records of Bexar County, TX.

EXHIBIT B: EMPLOYEE BENEFITS

EXHIBIT B – EMPLOYEE BENEFITS

The employee benefits that NATIONWIDE shall offer to all non-temporary, full-time employees employed at the Property shall be substantially similar to those benefits that are offered by NATIONWIDE to other NATIONWIDE employees that are in substantially similar positions in the State of Texas.

Assuming all eligibility requirements are met (which are applicable to all similarly situated employees), these benefits will generally include, subject to change, the following:

- (i) pension benefits;
- (ii) paid time off;
- (iii) educational assistance;
- (iv) certain voluntary contributory benefits (e.g., health, dental, pharmacy coverage, 401(k), Health Savings Account, disability coverage); and
- (v) certain voluntary, non-contributory, employee-pay all benefits (e.g., life insurance, Accidental Death & Dismemberment, Flexible Spending Accounts, etc.).

EXHIBIT C: NUMBER OF JOBS AND WAGE INFORMATION FORM

City of San Antonio
International and Economic Development Department
Tax Abatement Reporting Form

Company Name: _____

Reporting Period: _____

Name/Phone/E-mail of Person Preparing Report: _____

Real Property: expenditures associated with real property improvements during reporting period (Verification may include audited financial statement or AIA forms, receipts, invoices, request for payment from a contractor, etc.)	
1. Improvements occurring during reporting period	\$
2. Improvements existing prior to reporting period	\$
3. Total real property improvements <i>(Attach supporting documents.)</i>	\$
Personal Property: expenditures associated with personal property improvements during reporting period (Verification may include audited financial statement or receipts, invoices, requests for payment, etc.)	
4. Improvements occurring during reporting period	\$
5. Improvements existing prior to reporting period	\$
6. Total personal property improvements <i>(Attach supporting documents – see above.)</i>	\$
Jobs: full-time (2,080 straight-time paid hours) employment positions as of end date of reporting period (Verification: payroll registers listing all employment positions, dates of hire, hourly wages, etc.)	
7. Total number of FT positions at the facility as of date. <i>(Attach supporting documents.)</i>	
8. What is the minimum hourly wage paid at the facility? <i>(Attach supporting documents.)</i>	\$
9. Number of positions that pay \$XX.xx/hour or above	
Additional Contractual Obligations	
9. Percent of workforce that is economically disadvantaged (attach information regarding company's good-faith efforts). See Section --- of agreement.	
10. Percent of workforce that is local. See Section --- of agreement.	
11. Regarding employee benefits, please attach separate sheet demonstrating compliance with Section — of agreement.	
12. Please attach separate sheet detailing information required under Section -- of 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: _____

Printed Name: _____

Title: _____

Date: _____

EXHIBIT D: CITY OF SAN ANTONIO RESOLUTION # _____

STATE OF TEXAS

§
§
§
§

COUNTY OF BEXAR

CITY OF SAN ANTONIO

TAX ABATEMENT AGREEMENT

FOR REAL AND PERSONAL PROPERTY

1. PARTIES

THIS AGREEMENT (the "Agreement") is entered into on this 22nd day of February 2011, by and between NATIONWIDE MUTUAL INSURANCE COMPANY (hereinafter referred to as "NATIONWIDE"), 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. 2010-12-16-1105 on December 16, 2010, 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");
3. CITY COUNCIL ORDINANCE NO. 2011-02-03-0094, dated February 3, 2011, which designated the Nationwide Mutual Insurance Company Phase II Reinvestment Zone (the "Zone"); and
4. CITY COUNCIL ORDINANCE NO. 2011-02-03-0095, dated February 3, 2011, which specifically approves this Agreement and authorizes execution hereof.

B. The City Council, by its approval of this Agreement, hereby finds that the terms of this Agreement are within the Guidelines and Criteria and the approval of this Agreement will not have any substantial long-term adverse effect on the provision of city services or the City's tax base. The City Council also finds that the planned use of the Property (defined below) inside the Zone by NATIONWIDE does not constitute a hazard to public safety, health or morals.

C. The City and NATIONWIDE executed a Tax Abatement Agreement approved by City Council on January 21, 2010 to abate 100% of personal property improvements located at 5859 Farinon Drive, San Antonio, Texas, 78249 in the Nationwide Mutual Insurance Company Reinvestment Zone (the "Phase I Agreement"). That agreement (as

amended) shall remain in effect until the commencement of this Agreement. Upon the commencement of the tax abatement period of this Agreement, personal property that was located at the 5859 Farinon Drive location may be transferred to the Nationwide Mutual Insurance Company Phase II Reinvestment Zone and will continue to be abated from ad valorem taxes under the terms and conditions of this Agreement for a period of time that, cumulatively with the previous abated years, does not exceed ten (10) years so long as NATIONWIDE continues to account for such personal property in the separate tax account established with the Bexar Appraisal District under the previous Tax Abatement Agreement. It is not the intent of the City to provide for the abatement of any personal property taxes for a duration longer than ten (10) years at either location.

D. The City Council, by its approval of this Agreement, hereby finds that the terms of this Agreement are substantially similar to any tax abatement agreement offered to NATIONWIDE by Bexar County.

3. **PROPERTY**

A. NATIONWIDE is currently under contract to acquire and, prior to March 31, 2011 shall acquire, a fee simple ownership interest in real property located at 9903 Nationwide Drive, San Antonio, TX 78251 (the "Property"), legally described in Exhibit A, attached hereto and incorporated herein. The Property is within the Nationwide Mutual Insurance Company Phase II Reinvestment Zone, designated by City Ordinance No. 2011-02-03-0094 for the purposes of the Texas Property Redevelopment and Tax Abatement Act of 1987, V.A.T.S. Tax Code, Chapter 312.

B. NATIONWIDE, an insurance and financial services company, shall conduct business operations on the Property that meet the definition of qualifying business activities as more fully set forth and defined in the Guidelines and Criteria ("Business Activities"). NATIONWIDE will conduct, on the Property, its Business Activities or the normal Business Activities of a Related Organization, as defined in Article 5, Paragraph I, for the term of this Agreement.

C. NATIONWIDE is investing approximately SEVENTY-FIVE MILLION DOLLARS (\$75,000,000) in combined real property improvements (including land acquisition costs) (the "Real Property Improvements"), and new tangible personal property and personal property improvements (the "Personal Property Improvement") (collectively, the Real Property Improvements and Personal Property Improvements are referred to herein as the "Improvements") to be located on the Property and used for NATIONWIDE's Business Activities. The Personal Property Improvements shall not be placed on the Property sooner than the effective date of this Agreement.

D. NATIONWIDE shall establish three (3) separate tax accounts for: 1) Personal Property Improvements transferred from the Nationwide Mutual Insurance Company Reinvestment Zone to the Nationwide Mutual Insurance Company (Phase II) Reinvestment Zone; 2) the Real Property Improvements; and 3) the new Personal Property Improvements (those that were not transferred from the Nationwide Mutual

Insurance Company (Phase I) Reinvestment Zone to the Phase II Reinvestment Zone) with the Bexar Appraisal District and provide these tax account numbers to the CITY.

4. NATIONWIDE'S REPRESENTATIONS

A. Without any independent inquiry or investigation, NATIONWIDE represents that it has no 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. NATIONWIDE further represents that it shall not knowingly sell, lease or otherwise convey such an interest to a member of the San Antonio City Council, the Zoning Commission, the Planning Commission, the City's International and Economic Development Department or any other City officer or employee, as long as this Agreement remains in effect.

B. NATIONWIDE represents that at the time of the execution of this Agreement there is no litigation pending against NATIONWIDE for any violations under the Occupational Safety and Health Act ("OSHA").

5. OBLIGATIONS OF NATIONWIDE

A. In addition to the obligations and duties imposed on NATIONWIDE by other incentive agreements it has entered into with the State of Texas, Bexar County or the City of San Antonio, NATIONWIDE shall:

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

(2) invest, or cause to be invested, approximately SEVENTY_FIVE MILLION DOLLARS (\$75,000,000) in combined Real Property and Personal Property Improvements for the Property by December 31, 2013; and

(3) shall hire a minimum of EIGHT HUNDRED AND THIRTY EIGHT (838) new full-time employees and retain NINE HUNDRED AND THIRTY TWO (932) existing jobs in San Antonio for a cumulative total of ONE THOUSAND SEVEN HUNDRED AND SEVENTY (1,770) full-time jobs created under this Agreement as follows:

1. In Calendar Year 2010, NATIONWIDE shall retain NINE HUNDRED AND THIRTY TWO (932) jobs and create an additional THIRTY-THREE (33) jobs for a cumulative total of NINE HUNDRED AND SIXTY-FIVE (965) jobs. The job numbers required in Calendar Year 2010 may include those jobs currently performed in the Nationwide Mutual Insurance Company Reinvestment Zone.

2. In Calendar Year 2011, NATIONWIDE shall retain NINE HUNDRED AND SIXTY-FIVE (965) jobs and create an additional TWO HUNDRED (200) jobs for a cumulative total of ONE THOUSAND ONE HUNDRED AND SIXTY-FIVE (1,165) jobs.
3. In Calendar Year 2012, NATIONWIDE shall retain ONE THOUSAND ONE HUNDRED AND SIXTY-FIVE (1,165) jobs and create an additional TWO HUNDRED (200) jobs for a cumulative total of ONE THOUSAND THREE HUNDRED AND SIXTY-FIVE (1,365) jobs.
4. In Calendar Year 2013, NATIONWIDE shall retain ONE THOUSAND THREE HUNDRED AND SIXTY-FIVE (1,365) jobs and create an additional FOUR HUNDRED AND FIVE (405) jobs for a cumulative total of ONE THOUSAND SEVEN HUNDRED AND SEVENTY JOBS (1,770).

- (4) shall occupy and use the Property for its Business Activities; and
- (5) shall comply with all other applicable terms of this Agreement.

B. NATIONWIDE covenants and agrees that it shall pay at least one hundred percent (100%) of its new and existing employees the City's effective prevailing "living" wage as determined by the City Council in its Tax Abatement Guidelines, which is TEN DOLLARS AND 60 CENTS (\$10.60) per hour. After one year of completing the real and personal property improvements, seventy percent (70%) of all new and existing employees that are subject to this Agreement must earn at least THIRTEEN DOLLARS AND SEVENTY-SIX CENTS (\$13.76) per hour.

C. A Full-Time Job, for the purposes of this Agreement, shall be equivalent to two thousand fifteen (2,015) straight-time paid hours in a fiscal year. {Note: The Nationwide workday is 7 hours and 45 minutes for a full-time position which works out to 2,015 hours instead of the traditional 2,080.}

D. NATIONWIDE covenants and agrees that it shall offer all of its non-temporary full-time employees employed on the Property substantially similar employee benefits as those employee benefits offered to similarly situated employees of NATIONWIDE in the State of Texas.

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

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

G. NATIONWIDE covenants and agrees that any improvements made to the Property shall be made 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, NATIONWIDE 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 NATIONWIDE or new entity created as a result of a merger, acquisition, or other corporate restructure or reorganization of NATIONWIDE, 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 an insurance or financial services company, similar or comparable to the Business Activities of NATIONWIDE on the Property. To be eligible for 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, NATIONWIDE covenants and agrees not to change Nationwide's principal use of the Property without prior approval by the City Council, which approval shall not be unreasonably withheld or delayed, as evidenced in a duly approved ordinance.

J. NATIONWIDE covenants and agrees that it 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 gross negligence, intentional act or misconduct of NATIONWIDE excepted. Compliance with the maintenance obligations imposed herein shall be presumed if NATIONWIDE follows its normal and customary maintenance procedures and schedules for its other leased facilities or if substantially similar obligations are imposed upon the landlord pursuant to a duly executed lease for the Property.

K. Upon five (5) business days prior notice to NATIONWIDE by CITY, NATIONWIDE covenants and agrees that they 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. Such inspection shall occur no more often than twice within a 12 month period unless the City obtains evidence that NATIONWIDE is not in compliance with the terms and conditions of the Agreement. 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 NATIONWIDE's books and records will be strictly limited to information needed to verify the number of full-time employees at the Facility, and the wages paid to these employees. Any information that is not required by law to be made public shall be kept

confidential by CITY. NATIONWIDE shall not be obligated to disclose any confidential information that is otherwise prohibited by any applicable law to disclose. Should any good faith dispute or question arise as to the validity of the data provided, the CITY reserves the right to require NATIONWIDE to obtain an independent firm to verify the information. This certified statement by an independent firm shall be provided at the sole cost of NATIONWIDE and once submitted, will not be subject to further dispute by the CITY. CITY representatives shall be accompanied by NATIONWIDE representatives at all times during any such inspections and such inspections shall be conducted in such a manner as to (a) not unreasonably interfere with the operation of the Property or NATIONWIDE'S Business Activities; and (b) comply with NATIONWIDE's reasonable security requirements.

L. During the term of this Agreement, NATIONWIDE covenants and agrees 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. NATIONWIDE covenants and agrees that it shall provide the CITY's Director of International and Economic Development with a semi-annual certification from an officer of NATIONWIDE attesting to the number of full-time new jobs created and retained jobs by NATIONWIDE, as well as wages paid by NATIONWIDE on the Property. NATIONWIDE 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 "C" (attached hereto and incorporated herein), as amended.

N. NATIONWIDE covenants and agrees to make a good faith effort to hire local employees to fulfill its requirements under Article 5, Paragraph A. "Local" is defined, for the purposes of this Paragraph, as an employee whose principal residence is located within the city limits of the City of San Antonio or within the county limits of Bexar County. Additionally, and in accordance with the requirements of the Guidelines and Criteria, NATIONWIDE agrees to fill not less than TWENTY-FIVE PERCENT OF ALL THE NEW JOBS WITH employees who reside in Bexar County.

O. NATIONWIDE covenants and agrees 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 NATIONWIDE 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 may render NATIONWIDE subject to the termination and recapture provisions under Article 7. No provision contained in this Agreement is intended to grant the CITY the right to pre-approve, disapprove or prohibit any sale, transfer or sub-lease of the Property during the Term; rather it creates a notification requirement and further addresses requests for Assignment of the Agreement, and consequences for failing to meet the notification requirement.

P. NATIONWIDE covenants and agrees to notify CITY in writing at least 30 days prior to Relocating its Business Activities outside of the City of San Antonio or to an area within the City of San Antonio that has not been subsequently designated a tax increment reinvestment zone 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 NATIONWIDE 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 NATIONWIDE fails to create and retain at least the minimum number of full-time jobs required under Article 5, Paragraph A of this Agreement, or NATIONWIDE fails to pay at least the minimum wages required under Article 5, Paragraph B of this Agreement for a period of three (3) or more consecutive months, then the termination and recapture provisions of Article 7 of this Agreement shall apply against NATIONWIDE.

R. If, during this Agreement, NATIONWIDE allows 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, or is in default with any loan which has been made by the San Antonio Development Agency, South Texas Business Fund, City of San Antonio Industrial Development Authority or any other CITY-sponsored loan/grant/bond program, then the termination and recapture provisions of Article 7 of this Agreement shall apply.

6. TAX ABATEMENT

A. The tax abatement period (the "Term") for the Real Property and Personal Property Improvements shall be 10 years. The ten-year term for the Real Property Improvements shall begin on January 1, 2013. The base year for calculating the value of the real property shall be the date that NATIONWIDE acquires fee simple ownership of the Property. The ten-year term for the Personal Property Improvements tax abatement shall begin on January 1 of the year in which tangible personal property not previously located at 5859 Farinon Drive, San Antonio, Texas, 78249 in the Nationwide Mutual Insurance Company (Phase I) Reinvestment Zone is first brought onto the Property after execution of this Agreement and establishment of a separate personal property account with the Bexar Appraisal District, but no later than January 1, 2013.

B. At the commencement of the Term, NATIONWIDE shall own, have an interest in or otherwise control the Property and shall be conducting its Business Activities on a daily basis.

C. Provided that NATIONWIDE has invested in Real Property and Personal Property Improvements as described in Article 3, Paragraph A of this Agreement by the date provided in Article 5, subparagraph A.(2), NATIONWIDE has hired and retained the number of employees specified in Article 5, Paragraph A of this Agreement, NATIONWIDE pays at least the minimum wages required under Article 5, Paragraph B of this Agreement, NATIONWIDE uses the Property for its Business Activities, and

NATIONWIDE is otherwise in compliance with the conditions of this Agreement, then ONE HUNDRED-PERCENT (100%) of the ad valorem taxes for the Real Property Improvements and Personal Property Improvements, including inventory and supplies, above the Base Year Value, shall be abated for the ten-year Term of this Agreement. There shall be no abatement of taxes for the underlying land value.

D. NATIONWIDE 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 Phase II Reinvestment Zone shall not decrease, but taxes may increase and that the amount of property taxes paid by NATIONWIDE to the CITY attributable to the Property during the 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.

E. NATIONWIDE 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.

7. **DEFAULT/TERMINATION/RECAPTURE**

A. For purposes of this section, "Relocation" or "Relocate" shall mean NATIONWIDE or a Related Organization which has taken the place of NATIONWIDE, transferring Business Activities to a location outside of the Phase II Reinvestment Zone.

B. Should NATIONWIDE occupy and use the Property for its Business Activities and subsequently Relocates (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 NATIONWIDE 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 NATIONWIDE in writing of termination.

C. If NATIONWIDE occupies and uses the Property for its Business Activities and subsequently ceases conducting Business Activities (or a substantial portion thereof) within the Phase II Reinvestment Zone 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 NATIONWIDE 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 NATIONWIDE in writing of termination.

D. If NATIONWIDE, a Related Organization or City-approved assignee fails to hire and retain the minimum number of permanent full-time employees as required in Article 5, Paragraph A above, calculated by the averaging of the two most current semi-annual Employee Wage Information for Tax Phase-In Request Forms, or substantially similar form, (Exhibit "E") 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 number of employees. For example, if NATIONWIDE hires and retains ninety percent (90%) of the minimum number of full-time employees in a given year, NATIONWIDE shall be entitled to ninety percent (90%) of the ad valorem personal property tax abatement for the Property for that following year, subject to a floor of fifty percent (50%). Should NATIONWIDE fail to hire and retain at least fifty percent (50%) of the minimum number of full-time employees 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 number of permanent full-time employees stated herein have not been hired or retained 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 NATIONWIDE in writing of such termination unless the termination is subject to a good faith dispute, in which case payment of the recaptured taxes may be delayed until the dispute is resolved.

E. During the Term, CITY may declare a default if NATIONWIDE fails to substantially comply with any of the material terms of this Agreement. Should CITY determine NATIONWIDE is in default under any of the terms of this Agreement, CITY will notify NATIONWIDE 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. CITY may, in its sole discretion, extend the Cure Period if NATIONWIDE commences the cure within the Cure Period and NATIONWIDE is diligently pursuing such cure. 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 NATIONWIDE all previously abated tangible personal property taxes under this Agreement and said taxes shall be paid by NATIONWIDE within sixty (60) calendar days of receiving CITY'S written notification of recapture, unless such termination is the subject of a good faith dispute, in which case payment of the recaptured taxes may be delayed until the dispute is resolved.

F. Other Remedies Available. CITY's right to termination of this Agreement and/or recapture of previously abated taxes shall be the CITY's sole and exclusive remedy in the event of a NATIONWIDE default. However, such termination and/or recapture shall be subject to any and all lawful offsets, settlements, deductions or credits to which NATIONWIDE 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 NATIONWIDE, its parent, subsidiary, affiliate or its CITY-approved successor or assignee continues conducting Business Activities or other authorized activities thereon as provided hereinabove.

G. Calculation of Taxes Subject to Recapture. If NATIONWIDE fails to comply with any of the terms of this Agreement including, but not limited to, those pertaining to this Article 7 then, after the expiration of any applicable Cure Period, the City Council shall have the right to recapture from NATIONWIDE a percentage of the abated personal property taxes based on the following table:

TERM YEAR	TOTAL TAX PREVIOUSLY ABATED SHALL BE MULTIPLIED BY:
1-10	100%
11	100%
12	80%
13	60%
14	40%
15	20%
16	10%

FORMULA: The recapture formula shall be:

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

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 NATIONWIDE.

H. NATIONWIDE may voluntarily terminate this Agreement at any time with thirty (30) days prior written notice to the CITY. In the event of such termination, 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 NATIONWIDE (by providing written notice of such election to NATIONWIDE within 30 days of CITY'S receipt of NATIONWIDE'S notice of termination) all previously abated tangible personal property taxes under this Agreement and said taxes shall be paid by NATIONWIDE within sixty (60) calendar days of receiving CITY'S written notification of recapture.

8. AUTHORIZED RELIEF FROM PERFORMANCE (Force Majeure)

For purposes of this section, "Force Majeure" is defined as an act of God, a natural disaster or an act of war (including terrorism). It also includes explosion, fire or other casualty or accident which is not the result of gross negligence, an intentional act or misconduct on the part of NATIONWIDE. In addition to relief expressly granted in this Agreement, CITY may grant relief from performance of this Agreement if NATIONWIDE 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 NATIONWIDE. To obtain release based upon this Article 8, NATIONWIDE 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 NATIONWIDE:

(Whether personally delivered or mailed):

Nationwide Mutual Insurance Company
Attn: Corporate Real Estate 01-03-209
One Nationwide Blvd.
Columbus, Ohio 43215

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
City Hall, 4th Floor
Military Plaza
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 2011-02-03-0095, dated February 3, 2011.

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. NATIONWIDE 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 this Agreement ; however, no City Council consent is required for an assignment or transfer to a parent of NATIONWIDE, a subsidiary of NATIONWIDE, an affiliate entity of NATIONWIDE, or to any new entity created as a result of a merger, acquisition or other corporate restructure or reorganization of NATIONWIDE. However, NATIONWIDE 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.

12. GENERAL PROVISIONS

A. None of the Personal 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. NATIONWIDE acknowledges that City Council approval is required for any and all of these actions.

D. NATIONWIDE understands and agrees that if NATIONWIDE is a "business" and if the City'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 NATIONWIDE is

required to refund money, pursuant to 80(R) HB 1196, NATIONWIDE has received from City 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.

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 NATIONWIDE or other party designated by NATIONWIDE 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

NATIONWIDE, 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 NATIONWIDE 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 enforceable in any state or federal court of competent jurisdiction.

17. TRIPLICATE ORIGINALS

This Agreement shall be executed in three triplicate originals, with an original going to each party and one to the City Clerk of the City of San Antonio.

WITNESS OUR HANDS, EFFECTIVE as of February 22, 2011:

Accepted and executed in triplicate originals on behalf of the City of San Antonio pursuant to City Ordinance Number 2011-__-__, dated _____, 2011, and NATIONWIDE MUTUAL INSURANCE COMPANY pursuant to the authority of its undersigned officer.

CITY OF SAN ANTONIO,
a Texas Municipal Corporation

**NATIONWIDE MUTUAL
INSURANCE COMPANY,**
an Ohio mutual insurance company

[Signature]
for Sheryl L. Sculley
CITY MANAGER

[Signature]
Kieran P. Sherry
Vice President – Corporate Real Estate

ATTEST:

[Signature]
Leticia Vacek
CITY CLERK



ATTEST:

Name:
Title:

APPROVED AS TO FORM:

[Signature]
Michael Bernard
CITY ATTORNEY

WITNESS OUR HANDS, EFFECTIVE as of February 22, 2011:

Accepted and executed in triplicate originals on behalf of the City of San Antonio pursuant to City Ordinance Number 2011-02-03-0095, dated February 3, 2011, and NATIONWIDE MUTUAL INSURANCE COMPANY pursuant to the authority of its undersigned officer.

CITY OF SAN ANTONIO,
a Texas Municipal Corporation

NATIONWIDE MUTUAL
INSURANCE COMPANY,
an Ohio mutual insurance company

A.S. Ramirez
for Sheryl L. Sculley
CITY MANAGER

Kieran P. Sherry
Kieran P. Sherry
Vice President – Corporate Real Estate

ATTEST:

Leticia Vacek
Leticia Vacek
CITY CLERK



ATTEST:

Philip W. Lee
Name: PHILIP W. LEE
Title: LEAD COUNSEL

APPROVED AS TO FORM:

Michael Bernard
Michael Bernard
CITY ATTORNEY

EXHIBIT A: PROPERTY DESCRIPTION



LAND DEVELOPMENT ENVIRONMENTAL TRANSPORTATION WATER RESOURCES SURVEYING

FIELD NOTES

FOR

A 30.190 acre, or 1,315,078 square feet more or less, tract of land being out of a 67.64 acre tract described in conveyance to Westover Hills Town Center, Ltd. in Special Warranty Deed recorded in Volume 11647, Pages 916-922 of the Official Public Records of Real Property of Bexar County, Texas, out of the Thomas York Survey No. 201 ½, Abstract No. 825, County Block 4400 and the B.B.B. & C.R.R. Survey No. 402, Abstract No. 101, County Block 4398, now in New City Block (N.C.B.) 17642 of the City of San Antonio, Bexar County, Texas. Said 30.190 acre tract being more fully described as follows, with bearings based on the North American Datum of 1983 (CORS 1996), from the Texas Coordinate System established for the South Central Zone;

BEGINNING: At a found ½" iron rod with a yellow cap marked "Pape-Dawson", at the south end of the curve return for the southeast right-of-way line of Hyatt Resort Drive, a variable width right-of-way, dedicated in the Westover Hills Unit-16 Subdivision recorded in Volume 9524, Page 215 of the Deed and Plat Records of Bexar County, Texas and the west right-of-way line of Rogers Road, an 86-foot right-of-way dedicated in the Westover Hills, Unit-15 Subdivision recorded in Volume 9524, Pages 153-155 of the Deed and Plat Records of Bexar County, Texas, a north corner of said 67.64 acre tract;

THENCE: Along and with the southwest right-of-way line of said Rogers Road, the northeast line of said 67.64 acre tract, the following calls and distances:

S 14°22'36" E, a distance of 837.78 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson", a point of curvature;

Southeasterly, along a tangent curve to the left, said curve having a radius of 3928.60 feet, a central angle of 08°47'48", a chord bearing and distance of S 18°46'30" E, 602.57 feet, for an arc length of 603.16 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson", a point of non-tangent reverse curvature;

THENCE: Departing the southwest right-of-way line of said Rogers Road, over and across said 67.64 acre tract, the following calls and distances:

Southwesterly, along a said non-tangent reverse curve to the right, said curve having a radial bearing of S 66°51'54" W, a radius of 15.00 feet, a central angle of 89°14'07", a chord bearing and distance of S 21°28'58" W, 21.07 feet, for an arc length of 23.36 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson", a point of tangency;

S 66°06'01" W, a distance of 35.13 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson", a point of curvature;

Southwesterly, along a tangent curve to the left, said curve having a radius of 535.00 feet, a central angle of $16^{\circ}18'34''$, a chord bearing and distance of $S 57^{\circ}56'44'' W$, 151.78 feet, for an arc length of 152.29 feet to a set $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson", a point of tangency;

$S 49^{\circ}47'27'' W$, a distance of 154.06 feet to a set $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson", a point of curvature;

Southwesterly, along a tangent curve to the right, said curve having a radius of 565.00 feet, a central angle of $26^{\circ}25'55''$, a chord bearing and distance of $S 63^{\circ}00'24'' W$, 258.34 feet, for an arc length of 260.65 feet to a set $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

$S 76^{\circ}13'22'' W$, a distance of 220.69 feet to a set $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson", a point of curvature;

Southwesterly, along a tangent curve to the left, said curve having a radius of 435.00 feet, a central angle of $10^{\circ}12'52''$, a chord bearing and distance of $S 71^{\circ}06'56'' W$, 77.45 feet, for an arc length of 77.55 feet to a set $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson", a point of reverse curvature;

Northwesterly, along a reverse curve to the right, said curve having a radius of 15.00 feet, a central angle of $89^{\circ}30'25''$, a chord bearing and distance of $N 69^{\circ}14'18'' W$, 21.12 feet, for an arc length of 23.43 feet to a set $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson", on the northeast right-of-way line of State Highway 151, a variable width right-of-way, a southwest line of said 67.64 acre tract, a point of tangency;

THENCE: $N 24^{\circ}29'05'' W$, along and with the northeast right-of-way line of said State Highway 151, a southwest line of said 67.64 acre tract, a distance of 1024.22 feet to a found $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson", the southwest corner of the remaining portion of a 5.069 acre tract recorded in Volume 4903, Pages 1627-1640 of the Official Public Records of Real Property of Bexar County, Texas, the west corner of said 67.64 acre tract;

THENCE: Departing the northeast right-of-way line of said State Highway 151, along and with the southeast line of said remaining portion of a 5.069 acre tract, a northwest line of said 67.64 acre tract, the following calls and distances:

$N 65^{\circ}30'55'' E$, a distance of 75.02 feet to a set $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

$N 38^{\circ}39'31'' E$, a distance of 326.40 feet to a set $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson", the east corner of said remaining portion of a 5.069 acre tract, an interior corner of said 67.64 acre tract;

THENCE: N 41°06'59" W, along and with the northeast line of said remaining portion of a 5.069 acre tract, a southwest line of said 67.64 acre tract, a distance of 45.00 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson", on the southeast right-of-way line of the aforementioned Hyatt Resort Drive, the north corner of said remaining portion of a 5.069 acre tract, an angle point of said 67.64 acre tract;

THENCE: Along and with the southeast right-of-way line of said Hyatt Resort Drive, a northwest line of said 67.64 acre tract, the following calls and distances:

N 48°53'01" E, a distance of 20.71 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson", a point of curvature;

Northeasterly, along a tangent curve to the left, said curve having a radius of 394.55 feet, a central angle of 16°26'11", a chord bearing and distance of N 40°39'55" E, 112.80 feet, for an arc length of 113.18 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson", a point of tangency;

N 32°26'50" E, a distance of 212.02 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson", a point of curvature;

Northeasterly, along a tangent curve to the right, said curve having a radius of 884.38 feet, a central angle of 15°56'47", a chord bearing and distance of N 40°25'13" E, 245.34 feet, for an arc length of 246.14 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson", a point of compound curvature;

Northeasterly, along a compound curve to the right, said curve having a radius of 400.00 feet, a central angle of 27°13'47", a chord bearing and distance of N 62°00'30" E, 188.32 feet, for an arc length of 190.10 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson", a point of tangency;

N 75°37'24" E, a distance of 27.61 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson", at the north end of the aforementioned curve return;

THENCE: Southeasterly, along a tangent curve to the right, said curve having a radius of 40.00 feet, a central angle of 90°00'00", a chord bearing and distance of S 59°22'36" E, 56.57 feet, for an arc length of 62.83 feet to the POINT OF BEGINNING and containing 30.190 acres in the City of San Antonio, Bexar County, Texas. Said tract being described in accordance with a survey made on the ground and a survey map prepared by Pape-Dawson Engineers, Inc.

PREPARED BY: Pape-Dawson Engineers, Inc.
DATE: October 19, 2010
JOB No.: 9214-10
DOC.ID.: N:\Survey10\10-9200\9214-10\WORD\9214-10fn.doc



**PAPE-DAWSON
ENGINEERS**

EXHIBIT B: EMPLOYEE BENEFITS

EXHIBIT C: NUMBER OF JOBS AND WAGE INFORMATION FORM

City of San Antonio
International and Economic Development Department
Tax Abatement Reporting Form

Company Name: _____

Reporting Period: _____

Name/Phone/E-mail of Person Preparing Report: _____

Real Property: expenditures associated with real property improvements during reporting period (Verification may include audited financial statement or AIA forms, receipts, invoices, request for payment from a contractor, etc.)	
1. Improvements occurring during reporting period	\$
2. Improvements existing prior to reporting period	\$
3. Total real property improvements (Attach supporting documents.)	\$
Personal Property: expenditures associated with personal property improvements during reporting period (Verification may include audited financial statement or receipts, invoices, requests for payment, etc.)	
4. Improvements occurring during reporting period	\$
5. Improvements existing prior to reporting period	\$
6. Total personal property improvements (Attach supporting documents -- see above.)	\$
Jobs: full-time (2,080 straight-time paid hours) employment positions as of end date of reporting period (Verification: payroll registers listing all employment positions, dates of hire, hourly wages, etc.)	
7. Total number of FT positions at the facility as of date. (Attach supporting documents.)	
8. What is the minimum hourly wage paid at the facility? (Attach supporting documents.)	\$
9. Number of positions that pay \$XX.xx/hour or above	
Additional Contractual Obligations	
9. Percent of workforce that is economically disadvantaged (attach information regarding company's good-faith efforts). See Section --- of agreement.	
10. Percent of workforce that is local. See Section --- of agreement.	
11. Regarding employee benefits, please attach separate sheet demonstrating compliance with Section --- of agreement.	
12. Please attach separate sheet detailing information required under Section -- of agreement	
Certification	
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.	

Signature: _____

Printed Name: _____

Title: _____

Date: _____

FIRST AMENDMENT TO THE TAX ABATEMENT AGREEMENT

**BETWEEN THE CITY OF SAN ANTONIO AND NATIONWIDE MUTUAL
INSURANCE COMPANY**

This First Amendment to the Tax Abatement Agreement (this "FIRST AMENDMENT") is entered into by and between the City of San Antonio ("CITY"), a municipal corporation governed by the laws of the State of Texas and NATIONWIDE MUTUAL INSURANCE COMPANY ("NATIONWIDE"), a mutual insurance company organized and existing under the laws of the State of Ohio. Together, CITY and NATIONWIDE may be referred to, herein, as "the Parties."

RECITALS

A. CITY and NATIONWIDE entered into that certain TAX ABATEMENT AGREEMENT (the "Agreement") authorized by City of San Antonio Ordinance No. 2010-01-21-0030, passed and approved on January 21, 2010, and attached hereto as EXHIBIT A.

B. Prior to this FIRST AMENDMENT, the Agreement was in full effect and, subject to the terms of this FIRST AMENDMENT, NATIONWIDE was in compliance with all terms and conditions of the Agreement.

C. The Parties, now seek to amend the terms and conditions of the Agreement as stated in this First Amendment and affirm that all other provisions of the Agreement remain in full force and effect.

AMENDMENT

NOW THEREFORE, the Parties hereby agree and amend as follows:

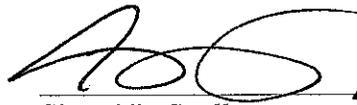
1. Definitions. All capitalized terms used in this FIRST AMENDMENT without definition herein shall have the meanings assigned to such terms in the Agreement.
2. Amendment. The Parties hereby mutually agree to amend the Agreement as follows:
 - (A) Section 5(A)(3) of the Agreement is hereby deleted in its entirety and replaced with the following:
 - (3) shall hire a minimum of EIGHT HUNDRED AND THIRTY EIGHT (838) new full-time employees and retain NINE HUNDRED AND THIRTY TWO (932) existing jobs in San Antonio for a cumulative total of ONE THOUSAND SEVEN HUNDRED AND SEVENTY (1,770) full-time jobs created under this Agreement as follows:

1. In Calendar Year 2010, NATIONWIDE shall retain NINE HUNDRED AND THIRTY TWO (932) jobs and create an additional THIRTY-THREE (33) jobs for a cumulative total of NINE HUNDRED AND SIXTY-FIVE (965) jobs.
 2. In Calendar Year 2011, NATIONWIDE shall retain NINE HUNDRED AND SIXTY-FIVE (965) jobs and create an additional TWO HUNDRED (200) jobs for a cumulative total of ONE THOUSAND ONE HUNDRED AND SIXTY-FIVE (1,165) jobs.
 3. In Calendar Year 2012, NATIONWIDE shall retain ONE THOUSAND ONE HUNDRED AND SIXTY-FIVE (1,165) jobs and create an additional TWO HUNDRED (200) jobs for a cumulative total of ONE THOUSAND THREE HUNDRED AND SIXTY-FIVE (1,365) jobs.
 4. In Calendar Year 2013, NATIONWIDE shall retain ONE THOUSAND THREE HUNDRED AND SIXTY-FIVE (1,365) jobs and create an additional FOUR HUNDRED AND FIVE (405) jobs for a cumulative total of ONE THOUSAND SEVEN HUNDRED AND SEVENTY JOBS (1,770).
3. Effective Date. This First Amendment shall be effective upon passage of a duly authorized ordinance of the City Council of the City of San Antonio which shall be attached hereto and made a part of this First Amendment.
 4. No Other Changes. Except as specifically set forth in this First Amendment, all of the terms and conditions of the Agreement shall remain the same and are hereby ratified and confirmed. The Agreement shall continue in full force and effect and with this First Amendment shall be read and construed as one instrument.
 5. Choice of Law. This First Amendment shall be construed in accordance with and governed by the laws of the State of Texas.
 6. Counterparts. This First Amendment may be executed in any number of counterparts, but all such counterparts shall together constitute but one instrument. In making proof of this First Amendment it shall not be necessary to produce or account for more than one counterpart signed by each party hereto by and against which enforcement hereof is sought.

WITNESS HEREOF, the parties hereto have executed in triplicate originals this First Amendment on the 22nd day of February 2011.

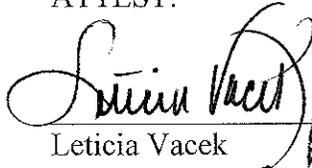
CITY OF SAN ANTONIO
a municipal corporation

**NATIONWIDE MUTUAL
INSURANCE COMPANY**
an Ohio mutual insurance company


for Sheryl L. Sculley
City Manager


Kieran P. Sherry
Vice President – Corporate Real Estate

ATTEST:


Leticia Vacek
City Clerk



ATTEST:

Name:
Title:

APPROVED AS TO FORM:

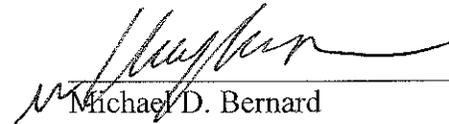

Michael D. Bernard
City Attorney

Exhibit A
Tax Abatement Agreement

EXHIBIT A

Tax Abatement Agreement

STATE OF TEXAS

COUNTY OF BEXAR

§
§
§
§

CITY OF SAN ANTONIO
TAX ABATEMENT AGREEMENT
FOR PERSONAL PROPERTY

1. PARTIES

THIS AGREEMENT (the "Agreement") is entered into on this 9th day of March 2010, by and between NATIONWIDE MUTUAL INSURANCE COMPANY. (hereinafter referred to as "NATIONWIDE"), holding a leasehold interest in the real property described herein and as owner of personal property located, or to be located, on said real property, 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. 2008-12-11-1169 on December 11, 2008, 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");
3. CITY COUNCIL ORDINANCE NO. ²⁰¹⁰⁻⁰¹⁻~~21-0009 R~~, dated January 21, 2010, which designated the Nationwide Mutual Insurance Company Reinvestment Zone (the "Zone"); and
4. CITY COUNCIL ORDINANCE NO. 2010-01-0021-0030, dated January 21, 2010, which specifically approves this Agreement and authorizes execution hereof.

B. The City Council, by its approval of this Agreement, hereby finds that the terms of this Agreement are within the Guidelines and Criteria and the approval of this Agreement will not have any substantial long-term adverse effect on the provision of city services or the City's tax base. The City Council also finds that the planned use of the Property (defined below) inside the Zone by NATIONWIDE does not constitute a hazard to public safety, health or morals.

C. The City Council, by its approval of this Agreement, hereby finds that the terms of this Agreement are substantially similar to any tax abatement agreement offered to NATIONWIDE by Bexar County.

3. PROPERTY

A. NATIONWIDE owns a leasehold interest in real property located at 5859 Farinon Drive, San Antonio, TX 78249 (the "Property"), legally described in Exhibit A, attached hereto and incorporated herein. The Property is within the Nationwide Mutual Insurance Company Reinvestment Zone, designated by City Ordinance No. 2010-01-21-0004R for the purposes of the Texas Property Redevelopment and Tax Abatement Act of 1987, V.A.T.S. Tax Code, Chapter 312.

B. NATIONWIDE, an insurance and financial services company, shall conduct business operations on the Property that meet the definition of qualifying business activities as more fully set forth and defined in the Guidelines and Criteria ("Business Activities"). NATIONWIDE will conduct, on the Property, its Business Activities or the normal Business Activities of a Related Organization, as defined in Article 5, Paragraph I, for the term of this Agreement.

C. NATIONWIDE is investing approximately THREE MILLION DOLLARS (\$3,000,000) in new tangible personal property ("Personal Property Improvements") to be located on the Property and used for NATIONWIDE's Business Activities. The Personal Property Improvements shall not be placed on the Property sooner than the effective date of this Agreement.

D. NATIONWIDE shall establish a separate tax account for the Personal Property Improvements, to include inventory and supplies related to this new personal property investment, with the Bexar Appraisal District and provide these tax account numbers to the CITY.

4. NATIONWIDE'S REPRESENTATIONS

A. Without any independent inquiry or investigation, NATIONWIDE represents that it has no 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. NATIONWIDE further represents that it shall not knowingly sell, lease or otherwise convey such an interest to a member of the San Antonio City Council, the Zoning Commission, the Planning Commission, the City's International and Economic Development Department or any other City officer or employee, as long as this Agreement remains in effect.

B. NATIONWIDE represents that at the time of the execution of this Agreement there is no litigation pending against NATIONWIDE for any violations under the Occupational Safety and Health Act ("OSHA").

5. **OBLIGATIONS OF NATIONWIDE**

A. In addition to the obligations and duties imposed on NATIONWIDE by other incentive agreements it has entered into with the State of Texas, Bexar County or the City of San Antonio, NATIONWIDE shall:

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

2) invest, or cause to be invested, approximately THREE MILLION DOLLARS (\$3,000,000) in the Personal Property Improvements for the Property by January 1, 2011; and

(3) shall hire a minimum of EIGHT HUNDRED AND THIRTY EIGHT (838) new full-time employees and retain NINE HUNDRED AND THIRTY TWO (932) existing jobs in San Antonio for a cumulative total of ONE THOUSAND SEVEN HUNDRED AND SEVENTY (1,770) full-time jobs created under this Agreement as follows:

1. In Calendar Year 2010, NATIONWIDE shall retain NINE HUNDRED AND THIRTY TWO (932) jobs and create an additional THREE HUNDRED AND FIFTY (350) jobs for a cumulative total of ONE THOUSAND TWO HUNDRED AND EIGHTY TWO (1,282) jobs.

2. In Calendar Year 2011, NATIONWIDE shall retain ONE THOUSAND TWO HUNDRED AND EIGHTY TWO (1,282) jobs and create an additional ONE HUNDRED AND SIXTY ONE (161) jobs for a cumulative total of ONE THOUSAND FOUR HUNDRED AND FORTY THREE (1,443) jobs.

3. In Calendar Year 2012, NATIONWIDE shall retain ONE THOUSAND FOUR HUNDRED AND FORTY THREE (1,443) jobs and create an additional ONE HUNDRED SIXTY ONE (161) jobs for a cumulative total of ONE THOUSAND SIX HUNDRED AND FOUR (1,604) jobs.

4. In Calendar Year 2013, NATIONWIDE shall retain ONE THOUSAND SIX HUNDRED AND FOUR (1,604) jobs and create an additional ONE HUNDRED AND SIXTY SIX (166) jobs for a cumulative total of ONE THOUSAND SEVEN HUNDRED AND SEVENTY JOBS (1,770).

(4) shall occupy and use the Property for its Business Activities; and

(5) shall comply with all other applicable terms of this Agreement.

B. NATIONWIDE covenants and agrees that it shall pay at least one hundred percent (100%) of its new and existing employees the City's effective prevailing "living" wage as determined by the City Council in its Tax Abatement Guidelines, which is TEN DOLLARS AND 60 CENTS (\$10.60) per hour. After one year of installing the personal property improvements, seventy percent (70%) of all new and existing employees must earn at least TWELVE DOLLARS AND SEVENTY-SIX CENTS (\$12.76) per hour.

C. A Full-Time Job, for the purposes of this Agreement, shall be equivalent to two thousand fifteen (2,015) straight-time paid hours in a fiscal year. {Note: The Nationwide workday is 7 hours and 45 minutes for a full-time position which works out to 2,015 hours instead of the traditional 2,080.}

D. NATIONWIDE covenants and agrees that it shall offer all of its non-temporary full-time employees employed on the Property substantially similar employee benefits as those employee benefits offered to similarly situated employees of NATIONWIDE in the State of Texas.

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

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

G. NATIONWIDE is under no obligation to undertake any real property improvements under this Agreement, however should it elect to make any real property improvements to the Property those improvements shall be made 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. NATIONWIDE'S obligations under this paragraph are not applicable to real property improvements made by NATIONWIDE'S landlord or any other third-party not under direct contract with NATIONWIDE.

I. Except as provided herein, NATIONWIDE 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 NATIONWIDE or new entity created as a result of a merger, acquisition, or other corporate restructure or reorganization of NATIONWIDE, 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 an insurance or financial services company, similar or

comparable to the Business Activities of NATIONWIDE on the Property. To be eligible for 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, NATIONWIDE covenants and agrees not to change Nationwide's principal use of the Property without prior approval by the City Council, which approval shall not be unreasonably withheld or delayed, as evidenced in a duly approved ordinance.

J. To the extent that such repair and maintenance obligations have not been assumed by the landlord pursuant to a duly executed lease for the Property, NATIONWIDE covenants and agrees that it 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 gross negligence, intentional act or misconduct of NATIONWIDE excepted. Compliance with the maintenance obligations imposed herein shall be presumed if NATIONWIDE follows its normal and customary maintenance procedures and schedules for its other leased facilities or if substantially similar obligations are imposed upon the landlord pursuant to a duly executed lease for the Property.

K. Upon five (5) business days prior notice to NATIONWIDE by CITY, NATIONWIDE covenants and agrees that they 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. Such inspection shall occur no more often than twice within a 12 month period unless the City obtains evidence that NATIONWIDE is not in compliance with the terms and conditions of the Agreement. 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 NATIONWIDE's books and records will be strictly limited to information needed to verify the number of full-time employees at the Facility, and the wages paid to these employees. Any information that is not required by law to be made public shall be kept confidential by CITY. NATIONWIDE shall not be obligated to disclose any confidential information that is otherwise prohibited by any applicable law to disclose. Should any good faith dispute or question arise as to the validity of the data provided, the CITY reserves the right to require NATIONWIDE to obtain an independent firm to verify the information. This certified statement by an independent firm shall be provided at the sole cost of NATIONWIDE and once submitted, will not be subject to further dispute by the CITY. CITY representatives shall be accompanied by NATIONWIDE representatives at all times during any such inspections and such inspections shall be conducted in such a manner as to (a) not unreasonably interfere with the operation of the Property or NATIONWIDE'S Business Activities; and (b) comply with NATIONWIDE's reasonable security requirements.

L. During the term of this Agreement, NATIONWIDE covenants and agrees 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. NATIONWIDE covenants and agrees that it shall provide the CITY's Director of International and Economic Development with a semi-annual certification from an officer of NATIONWIDE attesting to the number of full-time new jobs created and retained jobs by NATIONWIDE, as well as wages paid by NATIONWIDE on the Property. NATIONWIDE 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 "C" (attached hereto and incorporated herein), as amended.

N. NATIONWIDE covenants and agrees to make a good faith effort to hire local employees to fulfill its requirements under Article 5, Paragraph A. "Local" is defined, for the purposes of this Paragraph, as an employee whose principal residence is located within the city limits of the City of San Antonio or within the county limits of Bexar County. Additionally, and in accordance with the requirements of the Guidelines and Criteria, NATIONWIDE agrees to hire not less than TWENTY-FIVE PERCENT OF ALL THE NEW JOBS WITH employees who reside in Bexar County.

O. NATIONWIDE covenants and agrees 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 NATIONWIDE 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 may render NATIONWIDE subject to the termination and recapture provisions under Article 7. This provision does not grant the CITY the right to pre-approve, disapprove or prohibit any sale, transfer or sub-lease of the Property during the Term; rather it creates a notification requirement and further addresses requests for Assignment of the Agreement, and consequences for failing to meet the notification requirement.

P. CITY acknowledges NATIONWIDE's intent to relocate its Business Activities during the term of this Agreement from the Zone to a newly created Tax Abatement Reinvestment Zone within the city limits of the City of San Antonio. Such intent has been acknowledged and supported by the CITY through the passage of Resolution 2010-01-21-0004R, passed and approved on January 21, 2010, attached hereto as Exhibit D. Any Relocation for this purpose shall not be deemed a breach of this Agreement for any purpose.

NATIONWIDE covenants and agrees to notify CITY in writing at least 30 days prior to Relocating its Business Activities outside of the City of San Antonio or to an area within the City of San Antonio that has not been subsequently designated a tax increment reinvestment zone 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 NATIONWIDE 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 NATIONWIDE fails to create and retain at least the minimum number of full-time jobs required under Article 5, Paragraph A of this Agreement, or NATIONWIDE fails to pay at least the minimum wages required under Article 5, Paragraph B of this Agreement for a period of three (3) or more consecutive months, then the termination and recapture provisions of Article 7 of this Agreement shall apply against NATIONWIDE.

R. If, during this Agreement, NATIONWIDE allows 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, or is in default with any loan which has been made by the San Antonio Development Agency, South Texas Business Fund, City of San Antonio Industrial Development Authority or any other CITY-sponsored loan/grant/bond program, then the termination and recapture provisions of Article 7 of this Agreement shall apply.

6. **TAX ABATEMENT**

A. The tax abatement period (the "Term") for the Personal Property Improvements shall be 10 years beginning on January 1, 2011. The base year for calculating the value of personal property existing and located upon the Property prior to the effective date of this Agreement shall be January 1, 2010. The "Base Year Value" of the personal property not covered by this Agreement shall be its assessed value (determined by the Bexar Appraisal District), as of the Base Year. This Agreement only provides for the abatement of taxes on tangible personal property brought onto the site after the execution of this Agreement.

B. At the commencement of the Term, NATIONWIDE shall own, have an interest in or otherwise control the Property and shall be conducting its Business Activities on a daily basis.

C. Provided that NATIONWIDE has invested in Personal Property Improvements as described in Article 3, Paragraph A of this Agreement by the date provided in Article 5, subparagraph A.(2), NATIONWIDE has hired and retained the number of employees specified in Article 5, Paragraph A of this Agreement, NATIONWIDE pays at least the minimum wages required under Article 5, Paragraph B of this Agreement, NATIONWIDE uses the Property for its Business Activities, and NATIONWIDE is otherwise in compliance with the conditions of this Agreement, then ONE HUNDRED-PERCENT (100%) of the ad valorem taxes for the Personal Property Improvements including inventory and supplies, above the Base Year Value, shall be abated for the ten-year Term of this Agreement. There shall be no abatement of taxes for the underlying land value or any real property improvements.

D. NATIONWIDE 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 NATIONWIDE to the CITY attributable to the Property during the 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.

E. NATIONWIDE 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.

7. **DEFAULT/TERMINATION/RECAPTURE**

A. For purposes of this section, "Relocation" or "Relocate" shall mean NATIONWIDE or a Related Organization which has taken the place of NATIONWIDE, transferring Business Activities to a location outside of the Zone with the exception of transferring Business Activities to another approved tax abatement reinvestment zone created by the City as contemplated under City of San Antonio Resolution 2010-01-21-0001R attached hereto as Exhibit D.

B. Should NATIONWIDE occupy and use the Property for its Business Activities and subsequently Relocates (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 NATIONWIDE 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 NATIONWIDE in writing of termination.

C. If NATIONWIDE occupies and uses the Property for its Business Activities and subsequently ceases conducting Business Activities (or a substantial portion thereof) within the Zone, unless it continues Business Activities in a newly created tax abatement zone as contemplated by City of San Antonio Resolution 2010-01-21-0001R, 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 NATIONWIDE 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 NATIONWIDE in writing of termination.

D. If NATIONWIDE, a Related Organization or City-approved assignee fails to hire and retain the minimum number of permanent full-time employees as required in Article 5, Paragraph A above, calculated by the averaging of the two most current semi-annual Employee Wage Information for Tax Phase-In Request Forms, or substantially similar form, (Exhibit "E") 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 number of employees. For example, if NATIONWIDE hires and retains ninety percent (90%) of the minimum number of full-time employees in a given year, NATIONWIDE shall be entitled to ninety percent (90%) of the ad valorem personal property tax abatement for the Property for that following year, subject to a floor of fifty percent (50%). Should NATIONWIDE fail to hire and retain at least fifty percent (50%) of the minimum number of full-time employees 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 number of permanent full-time employees stated herein have not been hired or retained 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 NATIONWIDE in writing of such termination unless the termination is subject to a good faith dispute, in which case payment of the recaptured taxes may be delayed until the dispute is resolved.

E. During the Term, CITY may declare a default if NATIONWIDE fails to substantially comply with any of the material terms of this Agreement. Should CITY determine NATIONWIDE is in default under any of the terms of this Agreement, CITY will notify NATIONWIDE 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. CITY may, in its sole discretion, extend the Cure Period if NATIONWIDE commences the cure within the Cure Period and NATIONWIDE is diligently pursuing such cure. 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 NATIONWIDE all previously abated tangible personal property taxes under this Agreement and said taxes shall be paid by NATIONWIDE within sixty (60) calendar days of receiving CITY'S written notification of recapture, unless such termination is the subject of a good faith dispute, in which case payment of the recaptured taxes may be delayed until the dispute is resolved.

F. Other Remedies Available. CITY'S right to termination of this Agreement and/or recapture of previously abated taxes shall be the CITY'S sole and exclusive remedy in the event of a NATIONWIDE default. However, such termination and/or recapture shall be subject to any and all lawful offsets, settlements, deductions or credits to which NATIONWIDE 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 NATIONWIDE, its parent, subsidiary, affiliate or its CITY-approved successor or assignee continues conducting Business Activities or other authorized activities thereon as provided hereinabove.

G. Calculation of Taxes Subject to Recapture. If NATIONWIDE fails to comply with any of the terms of this Agreement including, but not limited to, those pertaining to this Article 7 then, after the expiration of any applicable Cure Period, the City Council shall have the right to recapture from NATIONWIDE a percentage of the abated personal property taxes based on the following table:

TERM YEAR	TOTAL TAX PREVIOUSLY ABATED SHALL BE MULTIPLIED BY:
1-10	100%
11-12	80%
13	60%
14	40%
15	20%
16	10%

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 NATIONWIDE.

8. AUTHORIZED RELIEF FROM PERFORMANCE (Force Majeure)

For purposes of this section, "Force Majeure" is defined as an act of God, a natural disaster or an act of war (including terrorism). It also includes explosion, fire or other casualty or accident which is not the result of gross negligence, an intentional act or misconduct on the part of NATIONWIDE. In addition to relief expressly granted in this Agreement, CITY may grant relief from performance of this Agreement if NATIONWIDE 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 NATIONWIDE. To obtain release based upon this Article 8, NATIONWIDE 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 NATIONWIDE:

- (Whether personally delivered or mailed):

Attn: _____

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
City Hall, 4th Floor
Military Plaza
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 2011-01-21- 0030, dated January 21, 2010.

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. NATIONWIDE 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 this Agreement ; however, no City Council consent is required for an assignment or transfer to a parent of NATIONWIDE, a subsidiary of NATIONWIDE, an affiliate entity of NATIONWIDE, or to any new entity created as a result of a merger, acquisition or other corporate restructure or reorganization of NATIONWIDE. However, NATIONWIDE 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.

12. GENERAL PROVISIONS

A. None of the Personal 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. NATIONWIDE acknowledges that City Council approval is required for any and all of these actions.

D. NATIONWIDE understands and agrees that if NATIONWIDE is a "business" and if the City'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 NATIONWIDE is required to refund money, pursuant to 80(R) HB 1196, NATIONWIDE has received from City 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.

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 NATIONWIDE or other party designated by NATIONWIDE 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

NATIONWIDE, 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 NATIONWIDE 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 enforceable in any state or federal court of competent jurisdiction.

17. TRIPLICATE ORIGINALS

This Agreement shall be executed in three triplicate originals, with an original going to each party and one to the City Clerk of the City of San Antonio.

Signatures appear on next page.

WITNESS OUR HANDS, EFFECTIVE as of March 9, _____, 2010:

Accepted and executed in triplicate originals on behalf of the City of San Antonio pursuant to City Ordinance Number 2010-01-21-0030, dated January 21, 2010, and NATIONWIDE MUTUAL INSURANCE COMPANY pursuant to the authority of its _____.

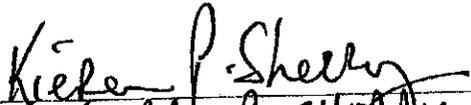
CITY OF SAN ANTONIO,
a Texas Municipal Corporation

NATIONWIDE MUTUAL
INSURANCE COMPANY,

A _____

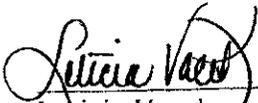


Sheryl L. Sculley
CITY MANAGER



By: KIERAN P. SHERRY
Title: VP CORPORATE REAL ESTATE

ATTEST:



Leticia Vacek
CITY CLERK



ATTEST:

APPROVED AS TO FORM:



Michael Bernard
CITY ATTORNEY

EXHIBIT A: PROPERTY DESCRIPTION

EXHIBIT A

Property Description Allstate Reinvestment Zone

The Allstate Reinvestment Zone is located at 12238 Silicon Drive, bounded by Northwest Parkway to the north, Network Boulevard on the east, Prue Road to the south, and Woodridge Path to the west. It consists of an approximate 12.420 acre tract of land, being lot 13, block 2, new City block 17504, Silicon Heights Subdivision as recorded in Volume 9538, page 163-164 of the road and plat records of Bexar County, TX.

EXHIBIT B: EMPLOYEE BENEFITS

EXHIBIT C: NUMBER OF JOBS AND WAGE INFORMATION FORM

EXHIBIT D: CITY OF SAN ANTONIO RESOLUTION # _____