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STATE OF TEXAS

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COUNTY OF BEXAR

CITY OF SAN ANTONIO

TAX ABATEMENT AGREEMENT

FOR REAL & PERSONAL PROPERTY

1. PARTIES

THIS AGREEMENT (the "Agreement") is entered into on this ___ day of _____, 2017, by and between CREDIT HUMAN FEDERAL CREDIT UNION, a federally chartered credit union authorized to transact business in Texas (hereinafter referred to as "CREDIT HUMAN") and the CITY of SAN ANTONIO, a municipal corporation, (hereinafter referred to as the "CITY"), acting by and through its City Manager under the authority of its City Council.

2. AUTHORIZATION AND FINDINGS

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

(1) The Texas Property Redevelopment and Tax Abatement Act of 1987, V.A.T.S. Tax Code, Chapter 312, as amended;

(2) CITY COUNCIL RESOLUTION No. 89-07-12, dated the 15th day of February 1989, and most recently revised by Ordinance No. 2016-12-15-1003 on December 15, 2016, together which established the City of San Antonio Guidelines and Criteria for tax abatements, (hereinafter referred to as the "Guidelines and Criteria");

(3) The Project Site is located within an existing Texas Enterprise Zone area, and in accordance with Section 312.2011 of the Texas Tax Code, designation of an area as a State Enterprise Zone constitutes designation of the area as a Reinvestment Zone ("Reinvestment Zone") without further hearing or other procedural requirements;

(4) The Project Site is located within Tax Increment Reinvestment Zone #31, City of San Antonio, known as the Midtown TIRZ. Under Chapter 311 of the Texas Tax Code, a taxing unit seeking to abate or rebate taxes on real property in a reinvestment zone must obtain a resolution authorizing a tax abatement or tax rebate from the following entities in order for the agreements to be effective. On September 8, 2017 this project was taken to the Board of Directors of the Reinvestment Zone for consideration of a Resolution authorizing CITY to enter into tax abatement and tax rebate agreements. A copy of the signed Resolution is attached hereto as Exhibit A and incorporated herein;

(5) CITY COUNCIL ORDINANCE NO. 2017-10-12-____, dated _____, 2017, which specifically approved this Agreement and authorized execution hereof.

B. Following the Effective Date, CREDIT HUMAN intends to: 1) develop and construct on the Project Site (as hereinafter defined) a new corporate headquarters, to include the headquarters building and its allocable share of a parking garage and other general and limited common elements; 2) relocate 435 Full-Time Jobs to the Project Site; 3) create an additional 50 Full-Time Jobs at the Project Site; and 4) construct certain public improvements, as herein described on the Project Site (the "Project").

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

3. **PROPERTY**

A. On or before the completion of construction of the Project, CREDIT HUMAN will have ownership in a portion of the real property located at 1803 Broadway Avenue, San Antonio, TX 78215, legally described on **Exhibit B**, attached hereto and incorporated herein on which the Project will be constructed (such portion of the real property being the "Project Site"). The Project Site is located within a qualifying Reinvestment Zone for the purposes of the Texas Property Redevelopment and Tax Abatement Act of 1987, V.A.T.S. Tax Code, Chapter 312.

B. CREDIT HUMAN shall own, hold an interest in or otherwise control the Project Site and will conduct certain business activities including, but not limited to, those activities typically conducted by the corporate headquarters of a federally chartered credit union with at least \$2 billion in assets or the business activities of a Related Organization, (as such term is defined in Article 5, Paragraph I), so long as such business activities include the business activities of the corporate headquarters of a credit union with at least \$2 billion in assets or similar activity (all of such activities hereinafter collectively referred to as the "Business Activities").

C. CREDIT HUMAN is investing by December 31, 2020, a cumulative total of approximately ONE HUNDRED THIRTEEN MILLION DOLLARS (\$113,000,000) in Project Costs (as hereinafter defined) ("Required Capital Investment") to acquire the Project Site and to develop, construct and equip the Project, where it will conduct its Business Activities within the Reinvestment Zone. The personal property improvements shall not be placed on the Project Site sooner than the Effective Date (defined below) of this Agreement. For purposes hereof and the Tax Abatement Agreement, "**Project Costs**" shall include all expenditures made by CREDIT HUMAN, directly or indirectly, and/or its parents, partners, subsidiaries and/or affiliates to acquire the Project Site and to develop, construct and/or acquire real property improvements and new personal property improvements on or at the Project Site, including without limitation: architectural, engineering and surveying expenses, financing costs and fees, construction period interest, closing and settlement expenses, demolition, construction, site preparation, Required Public Improvements, fencing, paving, landscaping,

permit fees, title insurance, installation of equipment (including the full value of equipment installed pursuant to a lease purchase agreement and paid through periodic installments by CREDIT HUMAN and/or affiliates) and other related expenses so long as such Project Costs are documented and identifiable and made available to the CITY.

- D. CREDIT HUMAN shall, promptly after its acquisition of the Project Site, establish a separate tax account for the real property improvements and personal property improvements with the Bexar Appraisal District and provide these tax account numbers to the CITY and shall apply for the abatement each year as required by the Bexar Appraisal District. From and after the establishment of a separate tax account as provided above, CREDIT HUMAN's failure to apply for an abatement each year after the passage of 180 days after receiving its tax bill shall constitute a waiver resulting in the company's loss of the abatement for such year.
- E. CITY acknowledges and agrees that, in consideration of the mutual provisions contained herein and in an effort to allow for more creative designs and a better overall appearance in commercial areas, architectural features not included in habitable floor space of the buildings located at the Project Site may encroach into the public right-of-way airspace, subject to:
- (1) the encroachment(s) shall not project more than three feet (thirty-six inches) into the right-of-way;
 - (2) the encroachment shall provide for a minimum clearance height of eight feet over any pedestrian right-of-way and a minimum clearance height of eleven feet over any vehicular right-of-way, whichever is greater;
 - (3) the encroachment shall not interfere nor create unusual maintenance issues with street lights, signals and other traffic control devices;
 - (4) when the encroachment is onto a public right-of-way including, but not limited to, streets, roads, alleys, trails, sidewalks, bike paths, pedestrian easements, and any other easement intended for the use of the public, the applicant will be required to provide and continually maintain a certificate of insurance naming the city as an additional insured, with respect to liability and providing that it shall be primary as to any other policy of insurance. The policy must contain the additional insured statement, coverage amounts and cancellation notification indicated on the sample insurance form provided by CITY. In addition, CREDIT HUMAN shall sign a covenant to hold harmless and indemnify CITY for any hazard which may result from the use of the right-of-way, may be recorded by CITY and run with the land in a form approved by the city attorney.
 - (5) all encroachments permitted in this Agreement may be revoked at the sole discretion of CITY upon thirty days' notice in the event (i) any such use or encroachment shall become dangerous; or (ii) any structure or obstruction so permitted shall become insecure or unsafe, shall become a public nuisance, or shall not be constructed, maintained or used in accordance with this Agreement, unless such condition is cured within such 30-day period or such longer period of time if the condition is not capable of being cured within thirty (30) days and diligent and continuous efforts are being made to cure it. The determination by

Economic Development Director of CITY that a structure is dangerous, insecure, unsafe, a nuisance or has not been constructed, used or maintained in accordance with this Agreement shall be conclusive.

4. CREDIT HUMAN'S REPRESENTATIONS

A. CREDIT HUMAN represents that it has no knowledge that any interest in the Project Site 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. CREDIT HUMAN 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 Economic Development Department or any other City officer or employee, as long as this Agreement remains in effect.

B. CREDIT HUMAN represents that there is no litigation pending against CREDIT HUMAN for any violations under the Occupational Safety and Health Act.

5. OBLIGATIONS OF CREDIT HUMAN

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

(1) from and after the completion of construction of the Project, own, hold an interest in or otherwise control the Project Site and the real property improvements and the personal property improvements that constitute the Project;

(2) invest, or cause to be invested, a cumulative amount of approximately ONE HUNDRED THIRTEEN MILLION DOLLARS (\$113,000,000) in Project Costs by December 31, 2020;

(3) from and after the completion of construction of the Project, shall use the Project Site for its Business Activities and Incidental Activities (as hereinafter defined in Section 5I);

(4) from and after the completion of construction of the Project, retain until the expiration of the Term of this Agreement or the expiration of the Term of the Tax Rebate Agreement (defined below), whichever is later, a cumulative total of FOUR HUNDRED THIRTY-FIVE (435) Full-Time Jobs at the Project Site;

(5) shall create and maintain at least an additional FIFTY (50) Full-Time Jobs in accordance with the following:

(i) Create at least ten (10) Full-Time Jobs prior to December 31, 2021;

- (ii) Create at least an additional ten (10) Full-Time Jobs prior to December 31, 2022 (for a cumulative total of at least twenty (20) newly created Full-Time Jobs);
- (iii) Create an additional ten (10) Full-Time Jobs prior to December 31, 2023 (for a cumulative total of thirty (30) newly created Full-Time Jobs);
- (iv) Create at least an additional ten (10) Full-Time Jobs prior to December 31, 2024 (for a cumulative total of forty (40) newly created Full-Time Jobs); and
- (v) Create an additional ten (10) Full-Time Jobs prior to December 31, 2025 (for a cumulative total of fifty (50) newly created Full-Time Jobs).

Upon hiring and meeting each annual Full-Time Job creation requirement, CREDIT HUMAN shall maintain such jobs until the expiration of the Term of this Agreement or the expiration of the Term of the Rebate Agreement, whichever is later;

(6) complete construction of Public Improvements identified on **Exhibit C** attached hereto and incorporated herein, in accordance with all applicable federal, state and CITY laws and regulations, including the City's Unified Development Code and implementation manuals. A final acceptance letter issued by CITY's Development Services Department, or successor department, after the end of the one (1) year warranty bond period, shall be conclusive proof of completion of the Public Improvements provided, however, in no event shall this Agreement or the Tax Rebate Agreement be deemed to require acceptance of the Public Improvements by CITY; and

(7) comply with all other terms and conditions contained in this Agreement and those contained in the Tax Rebate Agreement.

B. CREDIT HUMAN covenants and agrees that following completion of construction of the Project and thereafter during the term of this Agreement it shall pay one hundred percent (100%) of its employees located at the Project Site (without respect to the number of jobs CREDIT HUMAN is required to maintain and hire hereunder) the City's effective prevailing "living" wage as determined by the City Council in its Tax Abatement Guidelines as of the Effective Date, which is Eleven Dollars and Eighty-three Cents (\$11.83) per hour, excluding benefits, commissions, shift differentials and bonuses. On or before December 31, 2021, seventy percent (70%) of all employees at the Project Site (without respect to the number of jobs CREDIT HUMAN is required to maintain and hire hereunder) must earn at least Fifteen Dollars and Sixty-eight Cents (\$15.68) per hour, excluding benefits, commissions, shift differentials and bonuses.

C. A "Full-Time Job," for the purposes of this Agreement, shall include any employee that works primarily at the Project Site receiving pay equivalent to two

thousand eighty (2,080) straight-time paid hours in a fiscal year and who is an employee of CREDIT HUMAN.

D. CREDIT HUMAN covenants and agrees that it shall offer all of its non-temporary, full-time employees employed at the Project Site substantially similar employee benefits as those employee benefits offered to similarly situated employees of CREDIT HUMAN as set forth on Exhibit D attached hereto and incorporated herein.

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

F. CREDIT HUMAN also covenants and agrees that it shall conduct its Business Activities (as defined in Article 3, Paragraph B) on the Project Site in accordance with all applicable federal, state and local laws.

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

H. RESERVED.

I. Except as provided herein, CREDIT HUMAN covenants and agrees that it shall use the Project Site only to conduct its Business Activities and Incidental Activities. Incidental Activities include the master lease of the ground floor space or the incidental use, lease or occupancy of other portions of the headquarters building for retail, service or other uses that CREDIT HUMAN determines to be incidental or complimentary to, or compatible with, the Business Activities ("Incidental Activities"). Without additional consent or approval by the City Council, a parent, subsidiary or affiliate organization of CREDIT HUMAN or new entity created as a result of a merger, acquisition, or other corporate restructure or reorganization of CREDIT HUMAN, or any component thereof (hereinafter "Related Organization") may occupy and use the Project Site for such Related Organization's normal business activities, so long as such business activities are those typically conducted by the corporate headquarters of a federally chartered credit union with at least \$2 billion in assets comparable to the Business Activities of CREDIT HUMAN on the Project Site. To be eligible for the tax abatements as provided in this Agreement, such Related Organization must notify the CITY in writing prior to such merger, acquisition or corporate restructure or reorganization, and such Related Organization shall agree in writing to fully to assume and comply with all applicable terms of this Agreement. Except as authorized above, CREDIT HUMAN covenants and agrees not to change the principal use of the Project Site without prior approval by the City Council, as evidenced in a duly approved ordinance.

J. CREDIT HUMAN covenants and agrees that following completion of construction of the Project, it shall maintain the Project Site and any constructed improvements in good repair and condition during the Term of this Agreement (other than the Public Improvements once they have been formally accepted by CITY), normal wear and tear and damage by fire or other casualty not caused as a result of the negligence, intentional act or misconduct of CREDIT HUMAN excepted. Compliance with the maintenance obligations imposed herein shall be presumed if CREDIT HUMAN follows its normal and customary maintenance procedures and schedules.

K. Upon five business days prior notice to CREDIT HUMAN by CITY, CREDIT HUMAN covenants and agrees that they shall allow designated representatives of the CITY access to the Project Site during normal business hours for inspection to determine if the terms and conditions of this Agreement are being met. This inspection is independent of CITY'S police powers to inspect for purposes of assuring compliance with applicable City Codes and Ordinances. The CITY's access to CREDIT HUMAN's books and records will be limited to information needed to verify that CREDIT HUMAN is and has been conducting Business Activities, and to verify the number of full-time employees at the Facility. Any information that is not required by law to be made public shall be kept confidential by CITY. Should any good faith dispute or question arise as to the validity of the data provided, the CITY reserves the right to require CREDIT HUMAN to obtain an independent firm to verify the information. This certified statement by an independent firm shall be provided at the sole cost of CREDIT HUMAN. CITY representatives may be accompanied by CREDIT HUMAN representatives and such inspections shall be conducted in such a manner as to (a) not unreasonably interfere with the operation of the Project Site or the Facility; and (b) comply with CREDIT HUMAN's reasonable security requirements.

L. Commencing upon the completion of construction of the Project and thereafter during the term of this Agreement, CREDIT HUMAN 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 abatement and for appraisal purposes.

M. Commencing upon the completion of construction of the Project and thereafter during the term of this Agreement, CREDIT HUMAN covenants and agrees that it shall provide the CITY's Director of Economic Development or designated representative with a semi-annual certification from an officer of CREDIT HUMAN attesting to the number of full-time jobs created at the Project Site, as well as wages paid, by CREDIT HUMAN at this office. Commencing upon the completion of construction of the Project and thereafter during the term of this Agreement, CREDIT HUMAN shall also submit this information to the CITY upon request, as deemed necessary at the sole discretion of the CITY. The information provided shall be on the form set forth on **Exhibit E** attached hereto and incorporated herein.

N. Commencing upon the completion of construction of the Project and thereafter during the term of this Agreement, CREDIT HUMAN covenants and agrees to make a

good faith effort to hire local employees for its Project Site 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.

O. CREDIT HUMAN covenants and agrees to notify CITY in writing at least 30 days prior to any sale, transfer or lease by CREDIT HUMAN of more than ten percent (10%) the Project Site during the Agreement Term, other than for Incidental Activities. CITY shall not unreasonably withhold approval of any requests for Assignment of this Agreement by CREDIT HUMAN 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 CREDIT HUMAN subject to the termination and recapture provisions under Article 7 without benefit of the Cure Period (as defined in Article 7, Paragraph E).

P. Commencing upon the completion of construction of the Project and thereafter during the term of this Agreement, CREDIT HUMAN covenants and agrees to notify CITY in writing at least 30 days prior to Relocating or Ceasing its Business Activities (as defined in Article 7, Paragraphs B and C). Failure to provide the required notification under this Article 5, Paragraph P may, at City's sole discretion, render CREDIT HUMAN 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 CREDIT HUMAN fails to create and then retain the cumulative four hundred eighty-five (485) Full-Time Jobs as and when required under Article 5, Paragraph A (5) of this Agreement, or fails to pay at least the minimum wages required under Article 5, Paragraph B of this Agreement for a period of two (2) or more consecutive months, then the termination and recapture provisions of Article 7 of this Agreement shall apply against CREDIT HUMAN.

R. During this Agreement, CREDIT HUMAN shall not allow its ad valorem taxes due on the land, real and personal property or inventory and supplies to become delinquent; provided that the foregoing shall not preclude CREDIT HUMAN's protest or contest of such taxes so long as it timely and properly follows the legal procedures for their protest and/or contest.

S. In the event CREDIT HUMAN receives the Maximum Benefit (defined in Article 6 Paragraph C) set forth herein, then, in such event, CREDIT HUMAN shall have no further right to the abatement of ad valorem taxes hereunder or to receive the rebate of any ad valorem taxes under the Tax Rebate Agreement, and CITY shall not be obligated to perform any obligations hereunder and under the Tax Rebate Agreement. Notwithstanding anything contained herein to the contrary, if and once CREDIT HUMAN receives the Maximum Benefit, CREDIT HUMAN's obligations hereunder and under the Tax Rebate Agreement including, without limitation, CREDIT HUMAN's job creation, job retention, Required Capital Investment, obligations, shall continue in full

force and effect from and after the commencement of the Term of this Agreement through the expiration of the Term of the Tax Rebate Agreement.

T. If, during the Term of this Agreement, CREDIT HUMAN defaults under the Tax Rebate Agreement, subject to any cure rights set forth therein, then CREDIT HUMAN shall be deemed to be in default hereunder and the termination and recapture provisions of Article 7 of this Agreement shall apply against CREDIT HUMAN after the expiration of the applicable cure periods.

U. If CREDIT HUMAN, any Related Organization, and/or other CITY-approved assignee permitted under this Agreement files any petition for bankruptcy, then this Agreement shall automatically be deemed to have terminated one (1) day prior to the filing of the petition for bankruptcy and, upon such termination, all taxes previously abated by CITY for the benefit of CREDIT HUMAN under this Agreement which have not been previously recaptured by CITY shall be recaptured by CITY from CREDIT HUMAN according to the schedule set forth in Article 7 of this Agreement below.

V. CREDIT HUMAN shall maintain written and/or digital records and supporting documentation (the "Records") relating to and sufficient to reasonably determine: (1) the amount of Required Capital Investment in real and personal property at the Project Site; (2) the hire and termination dates of each Full-Time Employee at the Project Site; (3) employee records sufficient to determine if they live within Bexar County when hired; (4) the creation, maintenance and retention of Full-Time Jobs at the Project Site; (5) the fulfillment of all obligations of CREDIT HUMAN under this Agreement; and (6) the wages and healthcare benefits offered to all Full-Time employees at the Project Site Offices. CREDIT HUMAN shall retain records pertaining to the amount of the Required Capital Investment in real and personal property at the Project Site and any supporting documentation from and after the commencement of the term of this Agreement and the date which falls 4 years after the expiration of the Term of this Agreement. CREDIT HUMAN shall provide copies of the applicable Records to CITY other than those: (i) pertaining to the Required Capital Investment in real and personal property at the Project Site and any supporting documentation) when it delivers the Semi-Annual Certification to CITY. Within ninety (90) days following receipt of the Records applicable to the first Semi-Annual Certification delivered hereunder to CITY, CITY shall notify CREDIT HUMAN of any additional information required to reasonably satisfy CREDIT HUMAN's obligation to provide Records in connection with such Semi-Annual Certification and for all subsequent Semi-Annual Certifications hereunder. CREDIT HUMAN acknowledges and agrees that retention of the Records by CREDIT HUMAN and CITY'S right to inspect the Records as set forth below, are required in order to permit CITY's representatives to determine with certainty CREDIT HUMAN's compliance with all of CREDIT HUMAN'S obligations under this Agreement including, without limitation, job creation and retention requirements, wage requirements, healthcare benefits requirements and residency requirements.

W. In alignment with CITY's and CREDIT HUMAN's shared interests in sustainability, to qualify for the tax abatement hereunder, CREDIT HUMAN must, by

December 31, 2021 offer a written commuter benefits program for all employees which should include at least one of the following:

- (1) employees excluding transit/vanpool costs from taxable income up to \$255/month;
- (2) employer provided transit or vanpool subsidy or a transit pass up to \$38/month;
- (3) employer provided transit;
- (4) a carpool and bicycle employer subsidy;
- (5) a telework program; or
- (6) a compressed work week program.

X. To maintain eligibility for the abatement of taxes hereunder CREDIT HUMAN shall, by December 31, 2021, establish a written workforce program which should include at least one of the following:

- (1) strategies to promote hiring employees from qualifying State Enterprise Zones areas within the City and Bexar County;
- (2) partnering with SA Works by providing experiential learning opportunities via student internships (high school and/or college), apprenticeships for college and technical school students, job-shadows and teacher externships;
- (3) a tuition reimbursement program to all employees throughout the organization, including banking service centers, to encourage employees to obtain college degrees; or
- (4) signing a participation agreement with the Upgrade program provided by the San Antonio Education Partnership (SAEP) to assist CREDIT HUMAN employees seeking to complete degrees.

Y. CREDIT HUMAN agrees to sponsor a student for an internship through SA Works for at least one year during the Abatement Term, and also agrees to do at least one of the following:

- (1) Enter into an R&D collaboration with local college or university;
- (2) Host a community blood drive with the South Texas Blood and Tissue Center;
or
- (3) Participate in no less than two job fair events in the two years following the City approval of this Agreement.

Z. CREDIT HUMAN agrees to work with CITY to identify existing or newly created non-traditional CREDIT HUMAN loan products that could be marketed to individuals within the San Antonio market.

AA. All funds for public improvements associated with the Project Site derived from the Broadway Street 2017 Bonds (\$400,000) and/or from the FY 2018 CIP Budget (\$500,000) are not a part of this Agreement or the Rebate Agreement, are subject to City Council approval, and will be managed by the CITY's Transportation and Capital

Improvement Department (TCI) under other agreement(s). The tax abatement commitment being made herein and the tax rebate commitment being made in the Tax Rebate Agreement are intended to fund the difference between CREDIT HUMAN's cost estimate for the construction of the Public Improvements associated with the Project Site and the amount TCI intends to contribute from the sources set forth above. In the event the scope of the Project is adjusted downward, the City shall have the option of adjusting its commitment downward accordingly. Specifically, in the event CREDIT HUMAN's cost estimate for the Public Improvements is greater than the actual final cost of constructing the Public Improvements, the total combined value cap on the tax abatement and tax rebate of \$5,767,844 shall be adjusted downward to reflect the lower cost. CREDIT HUMAN will work with TCI in determining the actual cost of the Public Improvements and TCI's determination shall be final.

6. **TAX ABATEMENT**

A. The tax abatement period (the "Abatement Term") for the real property improvements and personal property improvements shall be ten (10) years beginning on January 1, 2020. The base year for calculating the value of the Project Site and the real property and personal property improvements existing and located upon the Project Site prior to the Effective Date of this Agreement shall be January 1, 2018. The "Base Year Value" of the real and 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 Abatement Term, CREDIT HUMAN shall own, have an interest in or otherwise control the Project Site and shall be conducting its Business Activities on a daily basis and continuously throughout the Term.

C. Provided that CREDIT HUMAN: (1) invests in both real property improvements and personal property improvements as and when required under Article 5, Paragraph A (2) of this Agreement; (2) hires and retains the number of employees as and when specified in Article 5, Paragraph A (5) of this Agreement; (3) pays at least the minimum wages required under Article 5, Paragraph B of this Agreement; (4) uses the Project Site for its Business Activities or the Business Activities of one or more Related Organizations; and (5) is otherwise in compliance with the terms and conditions of this Agreement and the Tax Rebate Agreement, then ONE HUNDRED PERCENT (100%) of the ad valorem taxes for the increased taxable value of the Project Site, the increased taxable value of real property improvements, and increased taxable value of new personal property improvements, above the Base Year Value, shall be abated for the Abatement Term up to FIVE MILLION NINE HUNDRED TWENTY-THREE THOUSAND EIGHT HUNDRED EIGHTY-TWO DOLLARS (\$5,923,882.00) (the "Maximum Benefit"). There shall be no abatement of taxes hereunder for the underlying land Base Year Value, inventory or supplies.

D. CREDIT HUMAN acknowledges and agrees the Base Year Value of the Project Site and the tax levy based on said Base Year Value of the Project Site in the Reinvestment Zone shall not decrease, but taxes may increase and that the amount of property taxes paid by CREDIT HUMAN to CITY attributable to the Project Site during the Term of this Agreement shall not be less than the amount of taxes attributable to the Project Site paid to CITY for the Base Year, if any, except in the event of casualty or condemnation of the Project Site in the Reinvestment Zone.

E. CREDIT HUMAN shall have the right to protest appraisals of the Project Site, real or personal, or any portion thereof, over and above the Base Year Value as applicable, provided, however, CREDIT HUMAN shall: (i) notify CITY of the protest within ninety (90) days after the protest is initiated; and (ii) any reductions to the appraised value of the Project Site, real or personal, shall cause a proportional decrease to the taxes abated under this Agreement and/or those rebated under the Rebate Agreement, and CITY shall be entitled to the payment of such decrease in rebated taxes within thirty (30) calendar days from the date CREDIT HUMAN receives a rebate or return of any overpayment of taxes.

F. The term of this Agreement (herein referred to as the “Term of this Agreement”) shall commence on the Effective Date and shall continue in force and effect, unless terminated pursuant to the provisions of Article 7, until December 31, 2034, which is the end of the sixth (6th) calendar year after the expiration of the Abatement Term. The Term of this Agreement includes the Rebate Term which is defined herein as the period between January 1, 2030 (the end of the Abatement Term) and December 31, 2036.

G. In the event CREDIT HUMAN receives the Maximum Benefit set forth herein, then, in such event, CREDIT HUMAN shall have no further right to the abatement of ad valorem taxes hereunder or to receive any rebate of any ad valorem taxes under any other agreement with the CITY and CITY shall not be obligated to perform any obligations hereunder. Notwithstanding, should CREDIT HUMAN receives the Maximum Benefit under this Agreement, CREDIT HUMAN shall still be obligated to perform all obligations under this Agreement for the Term of this Agreement.

H. Should CREDIT HUMAN default under this Agreement, subject to any right to cure, and such default results in the termination of this Agreement, then CREDIT HUMAN shall have no rights to have any taxes abated or reimbursed under this or any other agreement with the CITY.

7. **DEFAULT/TERMINATION/RECAPTURE**

A. For purposes of this section, “Relocation” or “Relocate” shall mean CREDIT HUMAN or a Related Organization which has taken the place of CREDIT HUMAN, transferring Business Activities to a location outside the CITY’s municipal limits.

B. Should CREDIT HUMAN occupy and use the Project Site for its Business Activities and subsequently Relocates (as defined in this Article 7, Paragraph A) during

the Agreement 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 CREDIT HUMAN 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 that percentage of the previously abated taxes under this Agreement specified in Section 7H below 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 CREDIT HUMAN in writing of termination.

C. If CREDIT HUMAN occupies and uses the Project Site for its Business Activities and subsequently ceases conducting Business Activities (or a substantial portion thereof) at the site for a continuous period of three (3) months during the Term of this Agreement for any reason, except if such cessation is caused by a Force Majeure as defined in Article 8, then the CITY shall have the right to terminate this Agreement. Said terminations shall be effective for the calendar year during which the Project Site was no longer used for the required purposes stated herein. Unless CREDIT HUMAN 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 that percentage of previously abated taxes under this Agreement specified in Section 7H below 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 CREDIT HUMAN in writing of termination.

D. If CREDIT HUMAN, 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 Incentive Reporting Form 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 CREDIT HUMAN hires and retains ninety percent (90%) of the minimum number of full-time employees in a given year, CREDIT HUMAN shall be entitled to ninety percent (90%) of the one hundred percent (100%) ad valorem personal property tax abatement for the Project Site for that following year. However, should CREDIT HUMAN 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 CREDIT HUMAN in writing of termination.

E. During the Term, CITY may declare a default if CREDIT HUMAN fails to comply with any of the terms of this Agreement, which shall also be deemed to be a default under the Rebate Agreement. Should CITY determine CREDIT HUMAN is in default under any of the terms of this Agreement, CITY will notify CREDIT HUMAN 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 and the Rebate Agreement. CITY may, in its sole discretion, extend the Cure Period if CREDIT HUMAN commences the cure within the Cure Period and CREDIT HUMAN 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 CREDIT HUMAN all previously abated property taxes under this Agreement and said taxes shall be paid by CREDIT HUMAN within sixty (60) calendar days of receiving CITY'S written notification of recapture, provided, however, the CITY, may as a settlement, based on substantial compliance, other material and specific facts pertaining to the Project Site or CREDIT HUMAN, or non-material defaults, all in the CITY'S sole discretion, permit CREDIT HUMAN, in lieu of a total recapture of the taxes abated hereunder (or partial recapture of the taxes abated hereunder during those years in the Abatement Term that limit the percentage of the recapture), not terminate this Agreement and instead may employ some other equitable remedy such as, for example purposes only, have CREDIT HUMAN pay CITY an amount proportionate to the shortage in the number of jobs required hereunder.

F. Other Remedies Available. CITY shall have the right to seek any remedy at law to which it may be entitled, in addition to termination and/or recapture, if CREDIT HUMAN defaults under the terms of this Agreement. However, such termination and/or recapture shall be subject to any and all lawful offsets, settlements, deductions or credits to which CREDIT HUMAN 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 Project Site, or changes in ownership or in management thereof, so long as CREDIT HUMAN, 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 CREDIT HUMAN fails to comply with any of the terms of this Agreement including, but not limited to, those pertaining to this Article 7, after notice and cure periods, then the City Council shall have the right to recapture from CREDIT HUMAN a percentage of the abated real property and 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:

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

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 CREDIT HUMAN.

H. Should CREDIT HUMAN reach the Maximum Benefit prior to year 10 of this Agreement and then fail to maintain or create the required number of Full-Time Jobs in accordance with Sections 5(A)(4) and (5) of this Agreement, and failing to cure in accordance with the terms herein, then CREDIT HUMAN shall pay CITY TWELVE THOUSAND DOLLARS (\$12,000.00) for each Full-Time Job below the required number provided that CREDIT HUMAN is above 50% of the required number of Full-Time Jobs for that year. Notwithstanding the preceding, in calculating the number of deficient Full-Time Jobs, the City shall average CREDIT HUMAN's last two years of reports and the resulting average number of deficient jobs in those two years shall be the number subject to the \$12,000.00 payment. Furthermore, CREDIT HUMAN shall only be assessed a percentage of the \$12,000.00 based upon the following table:

Year 1	100%
Year 2	90%
Year 3	80%
Year 4	70%
Year 5	60%
Year 6	50%
Year 7	40%
Year 8	30%
Year 9	20%
Year 10	10%

8. AUTHORIZED RELIEF FROM PERFORMANCE (Force Majeure)

For purposes of this section, "Force Majeure" is defined to include an act of war, order of legal authority, act of God, terrorism, social unrest, strike, natural disaster, casualty,

condemnation or other event beyond the reasonable control of CREDIT HUMAN. In addition to relief expressly granted in this Agreement, CITY shall grant relief from performance of this Agreement to the extent CREDIT HUMAN 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 CREDIT HUMAN. To obtain release based upon this Article 8, CREDIT HUMAN must file a written request with the CITY'S Economic Development Department.

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 CREDIT HUMAN:

- (Whether personally delivered or mailed):

CREDIT HUMAN Federal Credit Union
Attn: Steven Hennigan
6061 W. IH 10
San Antonio, Texas 78201

With a copy to:
Martin & Drought, P.C.
Attn: Frank Burney
Bank of America Plaza, 25th Floor
300 Convent Street
San Antonio, Texas 78205

TO CITY:

- If mailed:

Economic Development Department
Attn: Director

P.O. Box 839966
San Antonio, Texas 78283-3966

- If by personal or overnight delivery:

Economic Development Department
Attn: Director
Frost Bank Tower, 19th Floor
San Antonio, Texas 78205

10. **CONDITION**

This Agreement is conditioned entirely upon the approval of the San Antonio City Council, as evidenced by duly approved Ordinance Number 2017-10-12-_____, dated _____, 2017.

11. **ASSIGNMENT**

Except as otherwise expressly provided herein, this Agreement may be assigned or otherwise transferred only with City Council's prior approval (which approval shall not be unreasonably withheld), as reflected in a duly adopted ordinance. CREDIT HUMAN must submit a written request to CITY for approval of the proposed assignment or other transfer at least sixty (60) days prior to the effective date of the assignment or transfer of any part of the Project Site; however, no City Council consent is required for an assignment or transfer to a parent of CREDIT HUMAN, a subsidiary of CREDIT HUMAN, an affiliate entity of CREDIT HUMAN, or to any new entity created as a result of a merger, acquisition or other corporate restructure or reorganization of CREDIT HUMAN. However, CREDIT HUMAN shall give CITY 30 days' 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, and the CITY may, at its option, require CREDIT HUMAN to guarantee the performance and payment of the assignee under this Agreement.

12. **GENERAL PROVISIONS**

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

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

C. No amendment, modification, or alteration of the terms hereof shall be binding unless in writing dated subsequent to the date of this Agreement and duly authorized by

the parties. CREDIT HUMAN acknowledges that City Council approval may be required for any and all of these actions.

13. **SEVERABILITY**

In the event any section, subsection, paragraph, subparagraph, sentence, phrase or work herein is held invalid, illegal or unenforceable, the balance of this Agreement shall stand, shall be enforceable and shall be read as if the parties intended at all times to delete said invalid section, subsection, paragraph, subparagraph, sentence, phrase or word. In such event there shall be substituted for such deleted provisions a provision as similar as possible in terms and in effect to such deleted provision that is valid, legal and enforceable. This Agreement constitutes the entire Agreement between the parties hereto relating to the subject matter contained herein and supersedes all prior, oral or written agreements, commitments or understandings with respect to the matters provided for herein.

14. **ESTOPPEL CERTIFICATE**

Any party hereto may request an estoppel certificate related to this project (hereafter referred to as "Certificate") from another party hereto so long as the Certificate is requested in connection with a bona fide business purpose. The Certificate, which if requested, will be addressed to a subsequent purchaser or assignee of CREDIT HUMAN or other party designated by CREDIT HUMAN 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**

CREDIT HUMAN, 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 CREDIT HUMAN shall be entitled to intervene in said litigation.

16. **APPLICABLE LAW**

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

17. **TRIPPLICATE ORIGINALS**

This Agreement shall be executed in three triplicate originals, with an original going to each party and the Economic Development Department.

EXECUTED and **AGREED** to as of the ____ day of _____, 2017 (“Effective Date”).

CITY OF SAN ANTONIO,
a Texas Municipal Corporation

**CREDIT HUMAN FEDERAL
CREDIT UNION**
a federally chartered credit union

Sheryl L. Sculley
CITY MANAGER

Name
Title

ATTEST:

Leticia Vacek
CITY CLERK

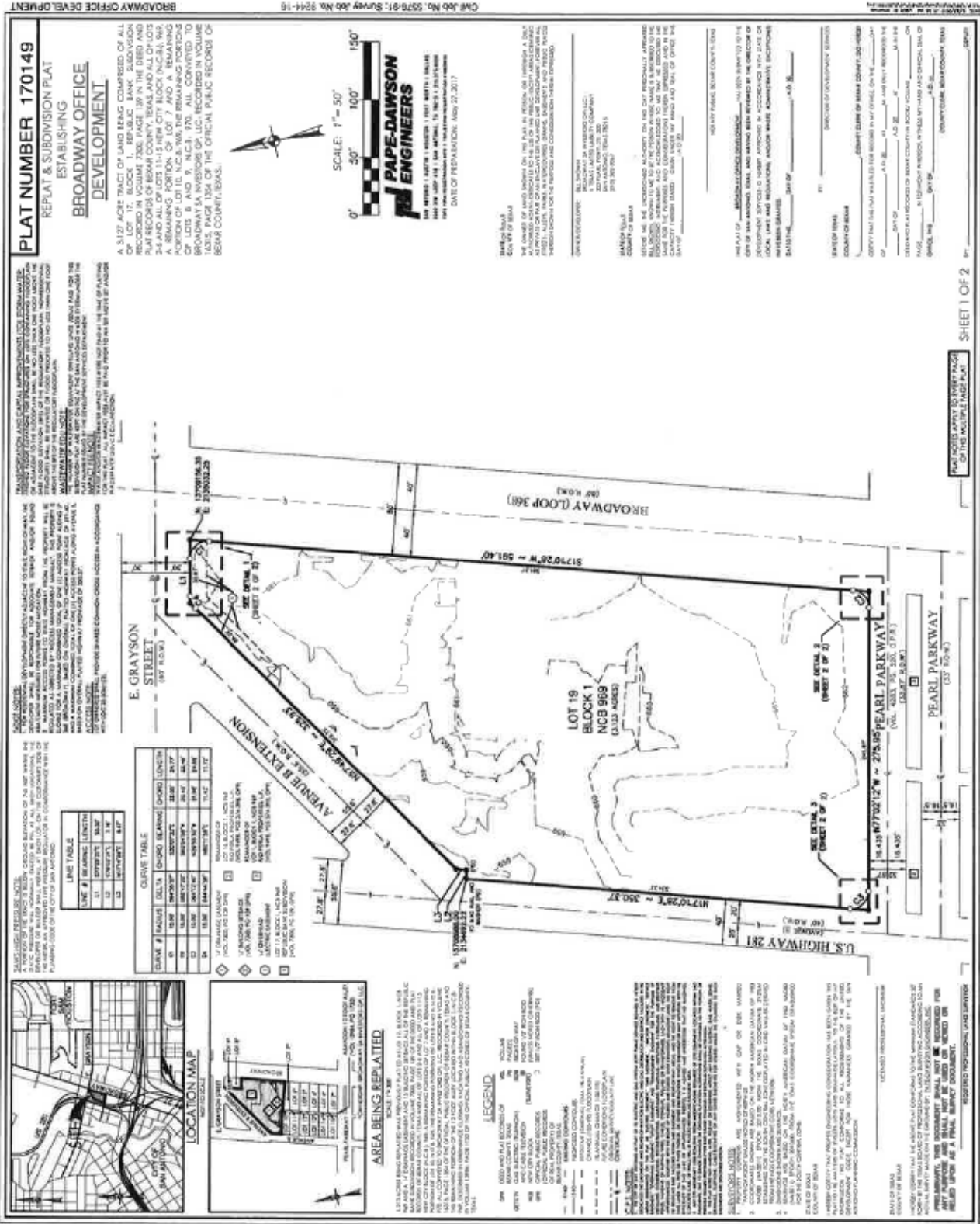
APPROVED AS TO FORM:

CITY ATTORNEY

EXHIBIT A: TIRZ BOARD RESOLUTION

DRAFT

EXHIBIT B: Project Site



CMB Job No. 5578-01, Survey Job No. 9244-10 BROADWAY OFFICE DEVELOPMENT

PLAT APPLICABLE TO EVERY PAGE OF THIS MULTIPLE PAGE PLAT SHEET 1 OF 2

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EXHIBIT C Public Improvements

Street Infrastructure

- (1) Street Improvements - Ave B (includes lane striping at E. Grayson & Josephine) & Bike Lane
- (2) Street Improvements - Broadway Complete Streets
- (3) Street Improvements - Newell & I-35 to Broadway only
- (4) Street Improvements - Pavers at Broadway & Pearl Parkway
- (5) Street Improvements - Traffic Signal(s) – Josephine
- (6) Street Improvements - Traffic Signal(s) - Broadway Mods
- (7) Bike Station
- (8) Street Improvements – Repairs
- (9) Parking/Traffic Revisions Pearl Parkway & Ave B (Pull-In Parking)

Utility Infrastructure

- (1) Electric Utility Infrastructure - CPS Fees
- (2) Gas Utility Infrastructure - CPS Fees/Meter
- (3) Telecom Utility Infrastructure - ATT/TW/Grande/L3 Fees

Other Construction

- (1) Bus Station
- (2) Construction in the Right of Way
 - a. Storm Sewer - Broadway ROW
 - b. Clean Streets
 - c. Traffic Control/Sidewalk Control
 - d. Lane Closures
 - e. Curb/Gutter
 - f. Sidewalks
 - g. Pavers
 - h. Board Formed Concrete Walls
 - i. New Trees/Landscape
 - j. Tree Replacement
 - k. Underground Utility Ductbank
 - l. Bike Racks
 - m. Mill & Overlay
 - n. OH&P

Public/Green/Patio Spaces

DRAFT

EXHIBIT D: BENEFITS

[to be attached]

EXHIBIT E: REPORTING FORM

DRAFT