

**CHAPTER 380 ECONOMIC DEVELOPMENT PROGRAM
TAX REBATE AGREEMENT
BETWEEN
THE CITY OF SAN ANTONIO
AND
HALLIBURTON ENERGY SERVICES, INC.**

THIS CHAPTER 380 ECONOMIC DEVELOPMENT PROGRAM TAX REBATE AGREEMENT (hereinafter referred to as this "Agreement") is made and entered into by and among the CITY OF SAN ANTONIO (hereinafter referred to as "GRANTOR" or "City"), a municipal corporation of the State of Texas, acting by and through its City Manager or his designee, and HALLIBURTON ENERGY SERVICES, INC., a Delaware Corporation (hereinafter referred to as "GRANTEE"). Together, GRANTOR and GRANTEE may be referred to herein as the "Parties," or individually as a "Party."

WHEREAS, GRANTEE is engaged in an economic development project consisting of owning real and personal property and maintaining an office at 4526 S. Loop 1604, San Antonio, Texas situated in Bexar County, Texas, as described in Exhibit A ("Project Site"), which serves as the main base for GRANTEE's Eagle Ford Shale operations providing products and services to the energy industry; and

WHEREAS, the Project is anticipated to retain at least five hundred (500) Full-Time Jobs, all of which will have an annual salary of at least \$25,750 and seventy percent (70%) of which will have an annual salary of at least \$47,400; and

WHEREAS, GRANTOR will commence annexation of the Project Site pursuant to a separate agreement between the Parties; and

WHEREAS, GRANTEE has requested economic development incentive funds to assist GRANTEE to defer costs associated with the Project; and

WHEREAS, pursuant to Chapter 380 of the Texas Local Government Code, GRANTOR is authorized to grant funds to promote state or local economic development and to stimulate business and commercial activity in the municipality and, pursuant to City Ordinance No. 100684, GRANTOR adopted an economic development program which meets the requirements of Chapter 380 of the Texas Local Government Code; and

WHEREAS, GRANTOR has identified funds to be made available to incentivize GRANTEE to undertake and complete the Project at the Project Site; and

WHEREAS, the City Council of GRANTOR has authorized the City Manager or his designee to enter into this Agreement with GRANTEE in accordance with City Ordinance No. _____, passed and approved on _____ to grant said funds.

NOW THEREFORE:

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

SECTION 1. AGREEMENT PURPOSE

The Project is anticipated to promote local economic development and to stimulate business and commercial activity in the City of San Antonio in accordance with Chapter 380 of the Texas Local Government Code. As such, GRANTOR is supporting the Project through the economic development incentives provided in this Agreement to provide funds to be used to defer costs associated with undertaking and completing the Project. This economic incentive is being offered to GRANTEE to promote investment and job creation in a targeted industry of the City.

SECTION 2. PROJECT INCENTIVE CONDITIONS

In order to receive the economic development grants provided in **Section 3** of this Agreement, GRANTEE must satisfy the following conditions:

- A. Project Site. GRANTEE shall own, hold an interest in or otherwise control the Project Site for the Term of this Agreement.
- B. Any construction GRANTEE performs or causes to be performed 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.
- C. Job Requirements.
 - a. GRANTEE shall maintain no less than five hundred (500) Full-Time Jobs (“**Minimum Jobs**”) that are supported by or that report to the Project Site for the Term of this Agreement.
 - b. Of the Minimum Jobs referenced in **Section 2(C)(a)**, two hundred (200) Full-Time Jobs must be dedicated to performing their respective job duties solely at the Project Site.
 - c. One hundred percent (100%) of all Full-Time Jobs that are supported by or that report to the Project Site must receive an annualized cash wage of no less than TWENTY-FIVE THOUSAND, SEVEN HUNDRED AND FIFTY DOLLARS AND ZERO CENTS (\$25,750.00), not subject to indexing.
 - d. Seventy percent (70%) of all Full-Time Jobs that are supported by or that report to the Project Site must receive an annualized cash wage of no less than THIRTY-TWO

THOUSAND, SIX HUNDRED FOURTEEN DOLLARS AND FORTY CENTS (\$32,614.40), not subject to indexing.

- e. Seventy percent (70%) of all Full-Time Jobs that are supported by or that report to the Project Site must receive an annualized cash wage of no less than FORTY-SEVEN THOUSAND FOUR HUNDRED DOLLARS AND ZERO CENTS (\$47,400.00), not subject to indexing.
- D. A "Full-Time Job," for the purposes of this Agreement, is an employee of GRANTEE receiving pay equivalent to two thousand eighty (2,080) straight-time paid hours in a fiscal year.
- E. All wage requirements set forth in **Section 2(C)(c)** and in **Section 2(C)(d)** shall be exclusive of non-guaranteed benefits, bonuses, overtime, commissions, shift differentials, and any other non-guaranteed wages.
- F. Business Activities. GRANTEE shall (1) own, hold an interest in or otherwise control the Project Site and conduct, at the Project Site, business activities typically conducted by a large multi-national oil field service company, (2) maintain the State of Texas Direct Pay Permit with respect to sales and use taxes, and (3) maintain the same activity at the Project Site for the Term of this Agreement, except to the extent said Project Site may be rendered unsuitable for such use due to a Force Majeure Event (as defined in **Section 17** of this Agreement); all the foregoing activities hereinafter shall collectively constitute GRANTEE's business activities ("**Business Activities**"). Except as provided herein, GRANTEE covenants and agrees that the Business Activities will not be changed without the written consent of GRANTOR. However, such consent shall not be necessary if a Related Organization ("**Related Organization**" being defined as a parent, subsidiary or affiliate organization of GRANTEE or any entity which succeeds to or receives an assignment of GRANTEE's interest under this Agreement as a result of a merger, acquisition, or other corporate restructure or reorganization of GRANTEE, or any parent, subsidiary or affiliate of such entity) occupies the Project Site and continues to use the premises for the Business Activities consistent with the terms and conditions of this Agreement. To be eligible for the benefits of this Agreement, the Related Organization must agree, in writing, to comply with all applicable terms herein from and after the date it succeeds to GRANTEE's interest in this Agreement, and if requested by GRANTOR, the Related Organization must enter into an amendment to this Agreement evidencing such agreement. In the event of any such transfer to a Related Organization, GRANTEE must notify GRANTOR in writing of same no later than the thirtieth (30th) calendar day following the effective date of such transfer. GRANTEE acknowledges that any change in the principal use of the Project Site from that contemplated herein without prior written approval of GRANTOR, to the extent same is required under this Agreement, may result in a loss or recapture of the economic development grants and rebates to be provided to GRANTEE under this Agreement.
- G. GRANTEE shall offer all of the Full-Time Job employees and their dependents with access to a healthcare benefits package.

- H. GRANTEE shall make reasonable efforts to participate in at least one City identified job fair within the San Antonio City limits during each year of the Term of this Agreement for the purpose of hiring for vacant positions located at or supported by the Project Site.
- I. GRANTEE, as needed to fulfill the job requirements set out in **Section 2(C)**, shall make reasonable commercial efforts to utilize the services of Workforce Solutions Alamo (an agency of the State of Texas) to conduct employment events within Bexar County, which events are to be advertised/publicized to the public by Workforce Solutions Alamo in the manner that is customary
- J. GRANTEE, for construction on any portion of the Project Site shall, during the Term of this Agreement, encourage its prime construction contractors and subcontractors to utilize qualified local labor and businesses (including small, minority-owned, and women-owned business enterprises) when feasible during construction phases. Upon request, the City shall assist GRANTEE and/or its prime construction contractor in identifying such qualified small, minority-owned, and women-owned businesses.
- K. GRANTEE shall comply with all applicable federal, state and local laws and regulations, and shall develop and operate the Project in accordance with the terms and conditions of this Agreement.
- L. Certification. On or before February 1st of each year during the Term of this Agreement, GRANTEE shall provide GRANTOR's Director of Economic Development Department with the Annual Certification in accordance with **Section 8**. Such Annual Certification shall certify that GRANTEE is in compliance with all Agreement obligations.
- M. GRANTEE shall not assign or sub-lease Project Site during the Term of the Agreement without prior written permission of GRANTOR.

SECTION 3. ECONOMIC DEVELOPMENT PROGRAM GRANT

In exchange for GRANTEE's attaining and complying with the conditions and requirements set out in **Section 2**, GRANTOR will provide an economic development rebate to GRANTEE as follows:

- A. Annual Property Tax Rebate. Subject to the terms and conditions of this Agreement, and conditioned upon GRANTEE not being in default of this Agreement, GRANTEE, for a period of eight (8) years, is entitled to an annual rebate of the ad valorem taxes GRANTEE pays to GRANTOR for the Project Site ("**Annual Property Tax Rebate**"). Commencing with the 2020 tax year (beginning on January 1, 2020) and then annually for a period of eight (8) years thereafter (ending on December 31, 2027) (the "**Rebate Term**"), GRANTOR shall pay GRANTEE within forty-five (45) days following the submission of a tax statement evidencing payment of taxes owed by GRANTEE to GRANTOR on the Project Site. The amount of the Annual Property Tax Rebate shall be equal to the actual amount of real and personal property taxes (ad valorem taxes) paid by GRANTEE to GRANTOR with respect to the Project Site (including both land and improvements thereon) for the immediately preceding tax year during the Rebate Term, less that portion of the ad valorem taxes committed toward City's annual debt service which is currently THIRTY-FOUR AND SIX HUNDRED SEVENTY-SEVEN

ONE-THOUSANDTHS CENTS (\$0.34677) cents per ONE HUNDRED DOLLARS AND ZERO CENTS (\$100.00) of taxable value.

- a. GRANTEE acknowledges that GRANTOR is required to commit a portion of its ad valorem taxes to pay City debt service. The current debt service portion is currently THIRTY-FOUR AND SIX HUNDRED SEVENTY-SEVEN ONE-THOUSANDTHS CENTS (\$0.34677) cents per ONE HUNDRED DOLLARS AND ZERO CENTS (\$100.00) of taxable value. The debt service portion is subject to increases or decreases in the future which may impact the percentage of the Annual Property Tax Rebate. Following GRANTEE's payment of real and personal property taxes for the Project Site to GRANTOR, GRANTOR shall deduct the debt service portion and pay GRANTEE the Annual Property Tax Rebate.
- B. The Annual Property Tax Rebate contemplated hereunder shall be payable by GRANTOR to GRANTEE upon satisfaction of the following: i) submission of the Annual Certification evidencing GRANTEE's satisfaction of the job requirements and continued Business Activities obligations hereunder, and ii) evidence indicating that all taxes owed on the Project Site have been paid in full for the tax year for which payment of the Annual Property Tax Rebate is sought.
- C. GRANTEE acknowledges GRANTEE shall continue to pay all taxes owed on the Project Site as required by law. Taxes owed or paid shall be determined by the Bexar County Appraisal District, Bexar Appraisal Review Board or court of competent jurisdiction. Prior to GRANTOR disbursing funds under this **Section 3**, GRANTEE must provide to GRANTOR evidence indicating that all taxes owed on the Project Site have been paid in full for the tax year for which payment of the Annual Property Tax Rebate is sought, subject to GRANTEE's right to protest taxes as permitted by law; provided, however, any reductions to the ad valorem taxes, real or personal, shall cause a proportional decrease to the taxes rebated under this Agreement, and GRANTOR shall be entitled to the payment of such decrease in rebated taxes within thirty (30) calendar days from the date GRANTEE receives a refund of any overpayment of taxes. GRANTEE shall notify GRANTOR of the tax protest within ninety (90) days after the tax protest is initiated.
- D. GRANTEE shall not allow its ad valorem taxes due on the land, real and personal property or inventory and supplies to become delinquent or fail to timely and properly follow the legal procedures for their protest and/or contest. A violation of this **Section 3(D)** may, at GRANTOR's discretion, subject GRANTEE to the termination and recapture provisions of **Section 16** of this Agreement, subject to GRANTEE having thirty (30) calendar days from the date it receives notice from the taxing authority of such violation to cure the violation.

SECTION 4. TERM

The Term of this Agreement shall be fourteen (14) years from the Effective Date of this Agreement ("**Term**"), unless terminated as otherwise provided herein. The period for which GRANTEE is eligible for the Annual Property Tax Rebate shall commence with the 2020 tax year (beginning on January 1, 2020) and end with the 2027 tax year ending on December 31, 2027, (the "**Rebate Term**"), unless terminated as otherwise provided herein. The period following the Rebate Term and GRANTEE remains subject to the terms hereof, including termination and recapture, shall commence

upon the expiration of the Rebate Term and shall continue for a period of six (6) years (“Recapture Term”), unless terminated as otherwise provided herein.

SECTION 5. CONTINUING OBLIGATIONS.

- A. GRANTEE’s obligations hereunder (including, but not limited to, maintaining GRANTEE’s job requirements and continued Business Activities obligations) shall continue in full force and effect through the Term of this Agreement.
- B. GRANTEE acknowledges that the payment of funds for the Annual Property Tax Rebate hereunder shall be subject to, and made solely from, annual appropriations of GRANTOR in the budget year in which they are to be paid as may be legally set aside for the implementation of ARTICLE III, Section 52A of the Texas Constitution, Chapter 380 of the Texas Local Government Code, or any other economic development or financing program authorized by statute or home-rule powers of GRANTOR under applicable Texas law, subject to any applicable limitations or procedural requirements. In the event that GRANTOR does not appropriate funds necessary to pay the rebates herein provided in any budget year (as reflected in GRANTOR’s adopted budget for such year), GRANTOR shall not be liable to GRANTEE for such payments or expenditures unless and until such appropriation of funds is made, provided however that, in such event, GRANTEE may, in its sole discretion, terminate this Agreement, in which event GRANTEE and GRANTOR shall have no further obligations under this Agreement including, but not limited to, any obligations for the year in respect to which said unappropriated funds relate. In the event GRANTOR does not appropriate funds necessary to pay GRANTEE in a particular budget year, GRANTOR shall use reasonable efforts to appropriate funds the following budget year(s) to pay funds due to GRANTEE. Failure of GRANTOR to appropriate funds in a particular budget year in which they are due and owing to GRANTEE shall not relieve GRANTOR of the obligation to pay GRANTEE such funds in the subsequent year(s) when funds are appropriated.
- C. Except as set forth in this Agreement, GRANTOR shall not be liable to GRANTEE or any other entity or third party for any costs incurred by GRANTEE in connection with this Agreement.

SECTION 6. RESERVED

SECTION 7. RETENTION AND ACCESSIBILITY OF RECORDS

- A. GRANTEE shall maintain written and/or digital records and supporting documentation (the “Records”) relating to and sufficient to reasonably determine: (1) the hire and termination dates of each Full-Time Job at the Project Site; (2) the creation, maintenance and retention of Full-Time Jobs supported by or reporting to the Project Site; and (3) the wages and healthcare benefits offered to all Full-Time Job employees supported by or reporting to the Project Site; and (4) the fulfillment of all annual obligations of GRANTEE under this Agreement. GRANTEE shall retain such aforementioned records and any supporting documentation for each year during the Term and Recapture Term of this agreement, for a period not to exceed four (4) years after the filing of each Annual Certification. Within ninety (90) days following receipt of the Records applicable to the first Annual Certification delivered hereunder to GRANTOR, GRANTOR shall notify GRANTEE of any additional information required to reasonably satisfy GRANTEE’s obligation to provide Records in connection with such Annual Certification and for all

subsequent Annual Certifications hereunder. GRANTEE acknowledges and agrees that retention of the Records by GRANTEE and GRANTOR's right to inspect the Records as set forth below, are required in order to permit GRANTOR's representatives to determine with certainty GRANTEE's compliance with all of GRANTEE'S obligations under this Agreement, including, without limitation, job creation and retention requirements, wage requirements, healthcare benefits requirements and residency requirements.

- B. Upon at least five (5) business days' prior notice to GRANTEE, GRANTEE shall allow designated representatives of GRANTOR access to the Records at the Project Site or such other location in Bexar County where the Records are kept during normal business hours for inspection to determine if the obligations of GRANTEE hereunder and the terms and conditions of this Agreement are being met by GRANTEE. If the Records are kept in any location outside of Bexar County, GRANTEE shall provide access to GRANTOR to inspect the Records within Bexar County. Any information that is not required by law to be made public shall be kept confidential by GRANTOR. GRANTEE shall not be required to disclose to GRANTOR any information that by law GRANTEE is required to keep confidential. Should any good faith dispute or question arise as to the validity of the data inspected, GRANTOR reserves the right to require GRANTEE to obtain an independent firm to verify the information. This certified statement by an independent firm shall be provided at the sole cost of GRANTEE. The rights to access the Records shall continue through the Term of this Agreement. Failure to provide reasonable access to the Records to authorized GRANTOR representatives shall give GRANTOR the right to suspend or terminate this Agreement as provided for herein, or any portion thereof, for reason of default, and to exercise GRANTOR's right to recapture all rebated taxes. GRANTEE may require GRANTOR's representatives to be accompanied by GRANTEE representatives and such inspections shall be conducted in such a manner as to (a) not unreasonably interfere with the operation of Business Activities at the Project Site, and (b) comply with GRANTEE's reasonable security requirements.

SECTION 8. MONITORING

On or before February 1st of each year during the Term of this Agreement (including the Recapture Period), GRANTEE shall provide City's Director of Economic Development Department with a certification (the "**Annual Certification**") from an officer of GRANTEE attesting to the following information as of the preceding December 31st respectively: an annual report certifying GRANTEE compliance with the performance obligations herein.

SECTION 9. CONFLICT OF INTEREST

- A. GRANTEE acknowledges that it is informed that the Charter of the City of San Antonio and its Ethics Code prohibit a City officer or employee, as those terms are defined in Section 2-52 of the Ethics Code, from having a financial interest in any contract with the City or any City agency such as City-owned utilities. An officer or employee of the City has a "prohibited financial interest" in a contract with City or in the sale to City of land, materials, supplies or service, if any of the following individual(s) or entities is a party to the contract or sale: a City officer or employee; his parent, child or spouse; a business entity in which the officer or employee, or his parent, child or spouse owns ten (10) percent or more of the voting stock or shares of the business entity, or ten (10) percent or more of the fair market value of the business entity; a business entity

in which any individual or entity above listed is a subcontractor on a City contract, a partner or a parent or subsidiary business entity.

- B. Pursuant to **Section 9(A)** above, GRANTEE warrants and certifies, and this Agreement is made in reliance thereon, that it, its officers, employees and agents are neither officers nor employees of the City. GRANTEE further warrants and certifies that it has tendered to the City a Contracts Disclosure Form in compliance with the City's Ethics Code.

SECTION 10. SECTARIAN ACTIVITY

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

SECTION 11. LEGAL AUTHORITY

- A. Legal Authority. Each Party assures and guarantees to the other that it possesses the legal authority to enter into this Agreement, to receive/deliver the funds authorized by this Agreement, and to perform their respective obligations hereunder.
- B. Signatories. Each Party represents and warrants to the other that the person or persons signing and executing this Agreement on behalf of such Party has 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.

SECTION 12. GOVERNING LAW AND VENUE

- A. Notice to GRANTOR. GRANTEE shall give GRANTOR immediate notice in writing of: (i) bankruptcy of GRANTEE; and (ii) any notice given by GRANTEE to its employees at the Project Site required under any applicable laws pertaining to contemplated job reductions at the Project Site. GRANTEE shall submit a copy of each such notice required hereunder to GRANTOR within fifteen (15) calendar days after receipt or issuance, as applicable.
- B. Texas Torts Claims Act. GRANTEE acknowledges that GRANTOR is a political subdivision of the State of Texas and is subject to, and complies with, the applicable provisions of the Texas Tort Claims Act, as set out in the Civil Practice and Remedies Code, Section 101.001 et seq., and the remedies authorized therein regarding claims and causes of action that may be asserted by third parties for accident, injury or death.
- C. Venue. This Agreement is performable in Bexar County, Texas and shall be interpreted according to the Constitution and the laws of the State of Texas. Venue and jurisdiction of any court action brought directly or indirectly by reason of this Agreement shall be in Bexar County, Texas.

SECTION 13. ATTORNEY'S FEES

In the event GRANTEE or GRANTOR should default under any of the provisions of this Agreement and the other should 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 other Party its reasonable fees of such attorneys and such other expenses so incurred by the non-defaulting Party so ordered by a court having jurisdiction over the Parties.

SECTION 14. CHANGES AND AMENDMENTS

- A. Amendments in Writing. 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 the Parties to this Agreement.
- B. Economic Development Program. 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.

SECTION 15. DEFAULT AND CURE, SUSPENSION

- A. Notice and Cure Period. If GRANTEE fails to comply with any of the terms of this Agreement, then such non-compliance shall be deemed an "event of default." Upon the occurrence of an event of default, GRANTOR shall provide GRANTEE with written notification as to the nature of the default, whereupon GRANTEE shall have sixty (60) calendar days following the date of GRANTEE's receipt of GRANTOR's written notification (the "Cure Period") to cure such event of default. If GRANTEE fails to cure an event of default within the Cure Period, GRANTOR may, upon written notification (the "Notice of Suspension"), suspend this Agreement in whole or in part and withhold further payments to GRANTEE. 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 default for causes beyond GRANTEE's reasonable control, which cannot with due diligence be cured within the Cure Period, GRANTOR may, in its sole discretion, extend the Cure Period provided that GRANTEE shall: (1) immediately upon receipt of Notice of Default advise GRANTOR of GRANTEE's intention to institute all steps necessary to cure such default and the associated time frame; and (2) institute and thereafter prosecute to completion with reasonable dispatch all steps necessary to cure same.
- C. Lifting of Suspension. A suspension under this Section 15 shall be lifted upon a showing by GRANTEE that the event of default has been cured or by a written waiver of GRANTOR of the term(s) in question.
- D. No Liability. GRANTOR shall not be liable to GRANTEE or to GRANTEE's creditors for costs incurred during any term of suspension of this Agreement.

SECTION 16. TERMINATION AND RECAPTURE, OTHER REMEDIES

- A. Relocation Defined. For purposes of this **Section 16**, “**Relocation**,” “**Relocated**” or “**Relocate**” shall mean GRANTEE or a Related Organization, or any other permitted transferee of GRANTEE’s rights under this Agreement which has taken the place of GRANTEE, transferring all Business Activities from the Project Site to a location outside of City limits for reasons other than the inability to conduct the Business Activities at the Project Site due to a Force Majeure Event (as defined in **Section 17** below).
- B. Default/Termination/Recapture.
- a. Relocation. If during the Term of this Agreement, GRANTEE occupies and uses the Project Site for its Business Activities and subsequently Relocates (as defined in **Section 16(A)**) during the Term of this Agreement, then GRANTOR shall have the right to terminate this Agreement. Said termination shall be effective for the tax year during which the Relocation is completed. Unless GRANTEE presents credible evidence to clearly indicate a date of Relocation, GRANTOR’s determination shall be final and conclusive. Upon termination, GRANTOR shall have the right to recapture from GRANTEE all funds previously disbursed to GRANTEE, and/or for the benefit of GRANTEE, under this Agreement and not previously recaptured by GRANTOR in accordance with the recapture schedule set forth in **Section 16(C)** below, and GRANTOR shall be entitled to the payment of the amounts to which it is entitled within sixty (60) calendar days from the date it notifies GRANTEE in writing of termination and its election to recapture such amounts.
- b. Cessation of Business Activities. If GRANTEE occupies and uses the Project Site for its Business Activities in accordance with the terms of this Agreement and subsequently ceases conducting Business Activities at the Project Site for a continuous period of more than thirty (30) days during the Term of this Agreement for any reason, except if such cessation is caused by a Force Majeure Event (as defined in **Section 17** below), then GRANTOR shall have the right to terminate this Agreement. Said termination shall be effective for the tax year during which the cessation occurred. Unless GRANTEE presents credible evidence to clearly indicate a date of cessation, GRANTOR’s determination of a date of cessation shall be final and conclusive. Upon termination, GRANTOR shall have the right to recapture from GRANTEE all funds previously disbursed to GRANTEE under this Agreement and not previously recaptured by GRANTOR in accordance with the recapture schedule set forth in **Section 16(C)** below and GRANTOR shall be entitled to the payment of the amounts to which it is entitled within sixty (60) calendar days from the date it notifies GRANTEE in writing of termination and its election to recapture such amounts.
- c. Job Requirements. If GRANTEE, a Related Organization or GRANTOR-approved assignee, for any reason other than a Force Majeure Event (as defined in **Section 17** below), fails to comply with any of the job requirements set out in **Section 2(C)** for any year of the Term, then, at the option of GRANTOR, this failure may be grounds for termination of this Agreement by GRANTOR. Said termination shall be effective for the calendar year during which the failure occurs. Upon termination, any and all taxes rebated for that tax year and all previously-rebated taxes under this Agreement shall be recaptured by GRANTOR in accordance with the recapture schedule set forth in **Section 16(C)** below. GRANTOR shall be entitled to the payment of such recaptured taxes within sixty (60) calendar days from the date it notifies GRANTEE in writing of the termination.

- d. Bankruptcy. If GRANTEE, any Related Organization, and/or other GRANTOR-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 funds previously disbursed to GRANTEE, and/or for the benefit of GRANTEE, under this Agreement which have not been previously recaptured by GRANTOR may be recaptured by GRANTOR according to the schedule set forth in **Section 16(C)** below.
- C. In any circumstance that GRANTOR is entitled to and elects to recapture funds disbursed hereunder, the portion subject to recapture shall be as follows:

<u>REBATE TERM AND RECAPTURE YEAR IN WHICH RECAPTURE OCCURS:</u>	<u>TOTAL PERCENTAGE PERIOD FUNDS TO BE RECAPTURED:</u>
2020 – 2027	100%
2028	100%
2029	80%
2030	60%
2031	40%
2032	20%
2033	10%

That period of time during the Rebate Term set forth above as years 2028 through 2033 is referred to herein as the “**Recapture Period**”. If the Rebate Term ends prior to December 31, 2027, as set forth herein, then the Recapture Period shall be deemed to be proportionally reduced. If GRANTOR elects to recapture funds, the amount to be recaptured will first be reduced by FIVE HUNDRED THOUSAND DOLLARS AND ZERO CENTS (\$500,000.00) (a portion of GRANTEE’S TWO MILLION DOLLAR (\$2,000,000) contribution to the City of San Antonio Workforce Development Fund made in December of 2016). GRANTOR shall be entitled to the payment of the remaining balance of funds within sixty (60) calendar days from the date GRANTOR submits an invoice for payment from GRANTEE.

- D. Limitation on Recapture. Notwithstanding the foregoing, any such recapture shall be subject to any and all lawful offsets, settlements, deductions or credits to which GRANTEE may be entitled at law or under this Agreement. The termination and/or recapture of tax rebates provided in this **Section 16** are not applicable to situations involving minor changes to the description of the Project Site, or GRANTOR-approved changes in ownership or in management thereof, so long as GRANTEE, or any successor or assignee allowed under the terms of this Agreement, continues conducting Business Activities or other authorized activities thereon as provided hereinabove and assumes in writing joint and severable liability for all of GRANTEE’S obligations hereunder and, in such event, GRANTEE shall remain liable for GRANTEE’S obligations hereunder.
- E. GRANTOR Default. If the GRANTOR fails to make payment of any of the Annual Property Tax Rebates when due and fails to cure such failure within thirty (30) days following receipt of

written notice thereof from GRANTEE, then the GRANTOR shall be deemed in default under this Agreement and (i) GRANTEE shall be excused from performance of any of the conditions or requirements hereunder (including, but not limited to, maintaining GRANTEE's job requirements and continued Business Activities obligations) until such time as such default has been cured, provided, however, GRANTOR shall only be liable to GRANTEE for the Annual Property Tax Rebates, which shall be GRANTEE's sole and exclusive remedy, and shall not be liable for any other damages including alleged consequential damages.

SECTION 17. AUTHORIZED RELIEF FROM PERFORMANCE (Force Majeure)

In addition to relief expressly granted in this Agreement, GRANTEE may be granted relief from performance of this Agreement to the extent GRANTEE is prevented and/or impaired from compliance and performance by any Force Majeure Event. For purposes of this Agreement, a "Force Majeure Event" shall 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 GRANTEE. The burden of proof for such relief shall rest upon GRANTEE. To obtain relief based upon this Section 17, GRANTEE must file a written notice with GRANTOR's Economic Development Department for approval, specifying the Force Majeure Event and the performance under this Agreement that such event is impairing.

SECTION 18. RESERVED

SECTION 19. REASONABLENESS

The Parties agree to act reasonably and in good faith when acting under the terms of this Agreement.

SECTION 20. NO WAIVER

Failure by either Party to exercise any right or remedy hereunder available to it shall not constitute a waiver of the right to exercise that or any other right or remedy at any time in the future, absent a written agreement to the contrary.

SECTION 21. NON-ASSIGNMENT AND DEBARMENT

- A. This Agreement is not assignable by any Party without thirty (30) calendar days' prior written consent of the non-assigning Party. GRANTOR will not unreasonably withhold, condition, or delay its consent to any such assignment by GRANTEE. Notwithstanding the foregoing, GRANTEE may assign this Agreement to a Related Organization without the written consent of GRANTOR. If GRANTEE so assigns this Agreement to a Related Organization, it shall provide notice of such assignment to GRANTOR on or before the thirtieth (30th) calendar day prior to the date of assignment. Any assignment of this Agreement in violation of this Section 21 shall enable GRANTOR to terminate this Agreement and exercise its rights under this Agreement, subject to Section 15 of this Agreement. Any assignment of this Agreement by GRANTEE, with the exception of an assignment to a Related Organization, shall relieve GRANTEE of all obligations and liabilities under this Agreement.

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

SECTION 22. 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 23. 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 two (2) business days following its deposit into the custody of the United States Postal Service or one (1) business day following its deposit into the custody of 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 GRANTOR:

(Whether personally delivered or mailed):

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

If by personal or overnight delivery:

Economic Development
Director
19th Floor
100 W. Houston Street
San Antonio, Texas 78205

TO GRANTEE:

Halliburton Energy Services, Inc.
Attn: District Manager
4375 South Loop 1604E
Elmendorf, TX 78112

Copies to:

Halliburton Energy Services, Inc. Attn:
Attn: Property Tax Department
3000 N. Sam Houston Pkwy E.
Houston, TX 77032

SECTION 24. INCORPORATION OF EXHIBITS

Each of the Exhibits and Attachments listed below is an essential part of the Agreement, which governs the rights and duties of the Parties, and shall be interpreted in the order of priority as appears below:

Exhibit A - Project Site Description

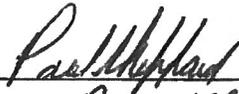
WITNESS OUR HANDS, effective as of _____, 2019 (the "Effective Date"):

Accepted and executed in triplicate originals on behalf of the City of San Antonio pursuant to Ordinance Number _____ and GRANTEE pursuant to its authority.

CITY OF SAN ANTONIO,
a Texas municipal corporation

**HALLIBURTON ENERGY
SERVICES, INC.,**
a Delaware corporation

Erik Walsh
CITY MANAGER



Name: PAUL SHEPPARD
Title SOUTHERN REGION VP

ATTEST:

Leticia Vacek
CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

EXHIBIT A - PROJECT SITE DESCRIPTION

FIELD NOTES

April 9, 2009

BEING 150.260 acres of land, more or less, being approximately 42.300 acres out of the Francisco Farias Survey No. 15, Abstract 2, County Block 4010; approximately 6.607 acres out of the Edward Froehöse Survey No. 34 ½, Abstract 1044, County Block 4135; and approximately 101.353 acres out of the Dolores Casanova Survey No. 34, Abstract 129, County Block 4136, Bexar County, Texas and being comprised of a tract of land described as 86.342 acres in Volume 11791, Page 676 of the Real Property Records of Bexar County, Texas and a tract of land described as 63.22 acres in Volume 13328, Page 1808 of the Real Property Records of Bexar County, Texas and being more particularly described as follows:

BEGINNING at an iron rod found in the existing north R.O.W. line of S. Loop 1604 East for the southwest corner of this tract and the southwest corner of the above referenced 86.342 acre tract, said point also being the southeast corner of the Southmost No. 2 Subdivision as recorded in Volume 9531, Page 22 of the Deed and Plat Records of Bexar County, Texas;

THENCE, N 31°48'19" E, 162.42 feet along the common line with said subdivision to an iron rod found for an angle point of this tract and an angle point of said subdivision;

THENCE, N 19°06'24" E, 349.39 feet along the common line with said subdivision to an iron rod found for an angle point of this tract and the northeast corner of said subdivision;

THENCE, N 18°56'56" E, 1673.24 feet along the common line with the James H. Wells Subdivision as recorded in Volume 9522, Page 72 of the Deed and Plat Records of Bexar County, Texas; the common line with a 2.006 acre tract described in Volume 9275, Page 2116 of the Real Property Records of Bexar County, Texas; the common line with an 8.055 acre tract described in Volume 9108, Page 1740 Real Property Records of Bexar County, Texas; and the common line with a 12.7778 acre tract described in Volume 8053, Page 2038 of the Real Property Records of Bexar County, Texas to an iron rod found for an angle point of this tract and an angle point of said 12.7778 acre tract;

THENCE, N 00°02'35" W, 681.16 feet along the common line with said 12.7778 acre tract to an iron rod found for the northwest corner of this tract and the northeast corner of said 12.7778 acre tract;

THENCE, N 70°00'19" E, 1473.56 feet generally along an existing fence line with the common line of a 32.38 acre tract described in Volume 4524, Page 1298 of the Real Property Records of Bexar County, Texas to an iron rod found for the most northerly corner of this tract and a corner of said 32.38 acre tract;

THENCE, generally along an existing fence and the common line with said 32.38 acre tract as follows:

S 28°41'45" E, 222.36 feet to an iron rod found for an angle point,
S 71°29'46" E, 263.17 feet to an iron rod found for an angle point, and
N 72°22'10" E, passing an iron rod found at 216.52 feet on the high bank of the San Antonio River and continuing a total distance of 347.81 feet to a point in the centerline of same for the most northeasterly corner of this tract;

THENCE, S 12°19'50" E, 481.87 feet and S 24°46'01" E, 458.32 feet along the meanders of the San Antonio River to a point in same for the most easterly corner of this tract;

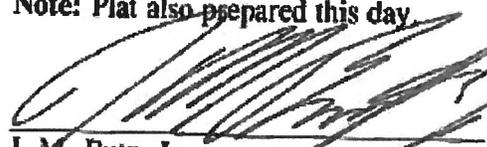
THENCE, S 32°57'29" W, passing an iron rod found at 128.74 feet on the high bank of said river and continuing generally along an existing fence with the common line of a 28.32 acre tract described in Volume 5549, Page 41 of the Real Property Records of Bexar County, Texas a total distance of 1380.58 feet to an iron rod found for an angle point of this tract;

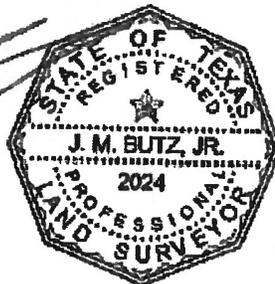
THENCE, S 16°54'43" E, 884.92 feet generally along an existing fence line with the common line of said 28.32 acre tract to an iron rod found in the existing north R.O.W. line of S. Loop 1604 East for the southeast corner of this tract and the southeast corner of said 63.22 acre tract;

THENCE, along said north R.O.W line as follows:

S 83°19'40" W, (Ref. Brg.) 1660.80 feet to a R.O.W. disk found for an angle point,
S 86°41'35" W, 11.16 feet to a R.O.W. disk found for an angle point and the common corner of said 63.22 acre tract and 86.342 acre tract;
S 87°36'33" W, 240.15 feet to a R.O.W. disk found for an angle point,
S 87°52'50" W, 320.34 feet to a R.O.W. disk found for an angle point, and
N 83°31'38" W, 398.40 feet to the POINT OF BEGINNING and containing 150.260 acres of land, more or less.

Note: Plat also prepared this day.


J. M. Butz, Jr.
Registered Professional Land Surveyor
No. 2024



FN09-116

