VOL 1251 PG 5987

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Item – 50
December 15, 2020
Economic and Community Development

The Court hereby ordered and approved a motion approving the First Amendment to the Grant Agreement with Pentagon Federal Credit Union. (Record)

A motion was presented by County Commissioner Kevin A. Wolff, duly seconded by County Commissioner Sergio "Chico" Rodriguez, which motion was voted on as follows: Commissioners S. Rodriguez, J. Rodriguez, Wolff, Calvert, and Judge Wolff voting "Aye".

AGENDA COORDINATION FORM
Bexar County Commissioners Court

Type of Agenda Item (Choose one): Ceremonial ☐ Special Presentation ☐ Time Certain ☐ Consent ☒ Individual ☐

Sponsoring Office/Department: Economic Development Recipient Agency / Individual Name:

Contact Person: Monica Martinez Phone Number: 335-7060 Court Date Requested: December 1, 2020

Presenter: Deborah Carter Phone Number: Deadline for Action: December 1, 2020

Audio / Visual Presentation: Y ☐ N ☒ PowerPoint? Y ☐ N ☒ ADA Assistance Required (type): No

Official/Department Head Signature: D Carter

Small, Minority, Women-owned Business Enterprise (SMWBE): Impact: Y ☐ N ☒

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CAPTION:
Approval of the First Amendment to the Grant Agreement with Pentagon Federal Credit Union.

ESTIMATED PRESENTATION TIME: N/A

BACKGROUND:
At its October 15, 2019 meeting Commissioners Court approved a grant agreement with Chapter 381 Economic Development Grant in the amount of $380,662 contingent upon a capital investment of $8.9 million by December 31, 2020 and creation of a minimum of 571 new, full time jobs within 5 years.

Pentagon Federal Credit Union projects investing approximately $8.3M in total improvements by December 31, 2020; $3,561,970 in real property improvements and $5,411,143 in business personal property improvements. There is a short overall by approximately $600,000. Based on assessment of the current and projected fiscal and operating environments, PenFed anticipates completing the full-required improvements by 2021.

This amendment will allow the extension of the investment improvement requirement date from December 31, 2020 to December 31, 2021.

RECOMMENDED MOTION:
Approval of the First Amendment to the Grant Agreement with Pentagon Federal Credit Union.

Item Number: _____
(For PRM use only)

FISCAL ASSESSMENT: APPLICABLE Yes ☒ No ☐ Fiscal Note ☐

1	Is this a revenue or expense?	Revenue ☒	Expense ☒
2	Dollar amount of revenue or expense associated with item?	See comment below	
3	Is this a budgeted revenue or expense?	Yes ☐	No ☐
4	Does this item require additional staff?	Yes ☐	No ☐
5	Will this increase your current budget?	Yes ☐	No ☐
6	Impact on future Budget? If Yes, Explain in Comments.	Yes ☐	No ☐
7	Current End-of-Year Expenditure Estimate-for impacted Object Code(s)?		
8	If an expense, what is the current Object Code budget amount?		
9	If an expense, are sufficient funds currently budgeted in the Object Code?	Yes ☐	No ☐
10	If an expense, are sufficient funds currently budgeted in the Appropriation	Yes ☐	No ☐
11	List impacted offices or departments or note if countywide:		
12	Company:		
13	Accounting Unit / Account Category:		
14	Activity:		
15	If this is a grant, what is the estimated amount of program income?		
16	If this is a grant, what is the amount of Grantor funding?		
17	If this is a grant, what is the required County cash match?		
18	If this is a grant, what is the required County in-kind/allocation match?		
19	If this is a grant, was item approved by the Grant Review Committee?	Yes ☐	No ☐
20	Comments: This item approves a First Amendment to the Grant Agreement between Bexar County and Pentagon Federal Credit Union. At the October 15, 2019 meeting, Commissioners Court approved a Chapter 381 Economic Development Grant in the amount of $380,662 contingent upon a capital investment of $8.9 million by December 31, 2020 and creation of a minimum of 571 new, full time jobs within 5 years. Earlier this year, Pentagon Federal Credit Union informed the County that they had not obtained an interest in the real property to date and requested an amendment to delay the current agreement until December 31, 2021. There is no cost associated with this amendment. This will continue the same terms as the original agreement. For FY 2020-21, funding in the amount of $122,554 is budgeted for this agreement within the CIED Skills Development and 381 Grant Funds. The projected fiscal years will need to be evaluated during the budget process for the assigned fiscal years.		
21	Coordinated by: Monica Martinez	Verified By: Jasmine Leon 11/30/2020	

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STATE OF TEXAS	§	**FIRST AMENDMENT TO THE**
	§	**GRANT AGREEMENT BETWEEN**
	§	**THE COUNTY OF BEXAR AND**
COUNTY OF BEXAR	§	**PENTAGON FEDERAL CREDIT UNION**

VOL 12511 PG590

This First Amendment to the Grant Agreement ("First Amendment") is hereby made and entered into as of the date of the last signature set forth on the signature page below ("Effective Date"), by and between BEXAR COUNTY, a political subdivision of the State of Texas ("COUNTY"), duly acting herein by and through the Bexar County Commissioners Court (the "Commissioners Court") for and on behalf of COUNTY, and Pentagon Federal Credit Union, a federally chartered credit union authorized to do business under the laws of the State of Texas ("COMPANY"). COUNTY and COMPANY may be referred to in this Agreement individually as "Party" and collectively as the "Parties."

WITNESSETH:

WHEREAS, the COUNTY and COMPANY entered into a Grant Agreement approved by Order of the Commissioners Court and executed by the COUNTY on December 3, 2019, by which COMPANY was granted, subject to the terms and conditions as contained therein, a Grant pursuant to Section 381 of the Texas Local Government Code; and

WHEREAS, the COUNTY received an email from COMPANY updating the COUNTY on the Project. The email stated that the Project had incurred delays, despite reasonable commercial efforts by the development team. The email is attached as Exhibit "A". Thereby necessitating an Amendment to the Grant Agreement in order to extend the deadline for the Capital Investment and Construction Completion Commitments; and

NOW, THEREFORE, for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

ARTICLE I
AGREEMENT

1.01 Economic Development Grants. From the effective date of this First Amendment, Article III, Section 3.02 is deleted and the following is inserted in its place:

3.02 COMPANY agrees that its capital investment in the Project shall be in an amount not less than **Eight Million Nine Hundred Seventy-Three Thousand One Hundred Thirteen Dollars and No Cents ($8,973,113.00) (the "Required Capital Investment").** The Required Capital Investment shall be comprised of a minimum of **Three Million Five Hundred Sixty-One Thousand Nine Hundred Seventy Dollars and No Cents ($3,561,970.00)** of real property improvements and **Five Million Four Hundred Eleven Thousand One Hundred Forty-Three Dollars and No Cents ($5,411,143.00)** of personal property improvements. All of the capital investments contemplated by this Paragraph, 3.02, must be substantially complete on or before December 31, 2021 (as evidenced by a fully complete Certificate of Substantial Completion), subject to Force Majeure.

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ARTICLE II
OTHER TERMS AND CONDITIONS

2.01 The Witnesseth section beginning on page 1 of this First Amendment is hereby incorporated by reference as if fully set forth herein. All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.

2.02 Except as modified by this First Amendment, all other terms and conditions of the Agreement are hereby confirmed, ratified and shall remain unchanged and in full force and effect.

ARTICLE III
COMMISSIONERS COURT AUTHORIZATION

3.01 This First Amendment was approved by Order of the Commissioners Court dated December 15, 2020 authorizing the County Judge to execute this First Amendment on behalf of COUNTY.

IN WITNESS WHEREOF, this First Amendment is executed in duplicate originals effective this 15 day of December, 2020.

COUNTY OF BEXAR:

NELSON W. WOLFF
County Judge

PENTAGON FEDERAL CREDIT UNION:

S. Jamie Gayton Digitally signed by S. Jamie Gayton Date: 2020.11.05 11:14:13 -05'00'

S. JAMIE GAYTON
Executive Vice President, Member

DATE:_____

APPROVED AS TO LEGAL FORM:

Criminal District Attorney
County of Bexar, Texas

By:_____
GERARD CALDERON
Assistant Criminal District Attorney
Civil Section

APPROVED:

By:_____
DAVID MARQUEZ
Executive Director
Economic & Community Development

APPROVED AS TO FINANCIAL CONTENT:

By:_____
LEO S. CALDERA, CIA, CGAP
County Auditor

By:_____
DAVID SMITH
County Manager

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EXHIBIT "A"

VOL 12519 PG 593

From: Moore, Kim <KiMoore@ngkf.com>
Sent: Thursday, July 09, 2020 5:37 PM
To: Carter, Deborah; Martinez, Monica E.
Cc: Patry, Nadia
Subject: PenFed Capital Investment Deadline Extension Request
Attachments: Bexar County Agreement 381 12.5.2019 Fully Executed.pdf

Hi Deborah and Monica,

Thank you so much for your time this morning!

As we discussed, PenFed has met their 2019 job creation and wage requirements per our incentives agreement.

We currently anticipate that we will invest approximately $8.3M in total property improvements by December 31, 2020; $4.0M in real property improvements and $4.3M in business personal property (BPP). As you know, PenFed agreed to invest a total of $8.9M; $3,561,970 in real property improvements and $5,411,143 in BPP improvements. We are short overall by approximately $600,000; over by $438,030 in real property improvements but under in BPP by $911,143. The executed agreement has us completing the full capital investment on or before December 31, 2020. We anticipate completing the full required improvements by 2021 based on assessment of the current and projected fiscal and operating environments.

Please accept this email as our formal request to change the investment improvement requirement date from December 31, 2020 (per the attached Bexar County contract) to December 31, 2021.

Let us know if you have any questions, concerns or need anything further to pursue and addendum to our contract to change the date to 2021.

Thank you in advance for your consideration.

Best regards,

Kim L. Moore
Senior Managing Director, Consulting

Newmark Knight Frank
2515 McKinney Avenue, Suite 1300
Dallas, Texas 75201

T 469.467.2082
M 940.390.2670
KiMoore@ngkf.com

www.ngkf.com
www.ngkfgcs.com

Save a Tree - Think Before You Print. Sustainably Newmark Knight Frank

STATE OF TEXAS	§	**GRANT AGREEMENT BETWEEN**
	§	**THE COUNTY OF BEXAR AND**
	§	**PENTAGON FEDERAL CREDIT UNION**
COUNTY OF BEXAR	§	

VOL 12253 PG 313

This Grant Agreement (the "Agreement") is hereby made and entered into as of the date of the last signature set forth on the signature page below ("Effective Date"), by and between BEXAR COUNTY, a political subdivision of the State of Texas ("COUNTY"), duly acting herein by and through the Bexar County Commissioners Court (the "Commissioners Court") for and on behalf of COUNTY, and Pentagon Federal Credit Union, a federally chartered credit union authorized to do business in the State of Texas ("COMPANY"). COUNTY and COMPANY may be referred to in this Agreement individually as "Party" and collectively as the "Parties."

WITNESSETH:

WHEREAS, the Texas Legislature has determined through Section 381.004(b)(1), (3) and (4) of the Texas Local Government Code (the "Code") that a public purpose is served by a county stimulating business and commercial activity by developing and administering a program for: state and local economic development, for stimulating, encouraging and developing business location and commercial activity, and promoting and advertising a county in order to attract visitors and businesses, and a county commissioners court may grant public money towards such a program; and

WHEREAS, COMPANY intends to create a Regional Financial Center of Excellence at 19500 Bulverde Rd, San Antonio, TX 78259 ("Facility") for a federally chartered credit union ("Project"), including but not limited to the support of financial services operations through research, mortgage and loan operations, service center operations, collections, human resources, and information technology, including management positions and the main office for the company's Chief Technology Officer ("Business Activities"); and

WHEREAS, COMPANY will invest approximately Eight Million Nine Hundred Seventy-Three Thousand One Hundred Thirteen Dollars and No Cents ($8,973,113.00) in capital, and create at least Five Hundred Seventy-One (571) "New Full-Time Employment Positions" of which Two Hundred Twenty-One (221) of these New Employment Positions will have an annual salary of at least Fifty-Thousand Dollars and No Cents ($50,000.00); and

WHEREAS, the COUNTY has determined that making an economic development grant to COMPANY in accordance with this Agreement will further the objectives of the COUNTY and benefit the COUNTY and its residents and serve the broader purpose of stimulating and encouraging business and commercial activity in the COUNTY, retaining and expanding job opportunities and building the property tax base; and

WHEREAS, pursuant to Section 381.004(c)(1) of the Code, the COUNTY may contract with another entity, including a municipality, non-profit organization, or any other person, to administer a program for local economic development; and

WHEREAS, COUNTY, through approval and execution of this Agreement, hereby establishes a community and economic development program, pursuant to Section 381.004(b) and (h) of the Code, through a grant of public money to COMPANY;

NOW, THEREFORE, upon and in consideration of the mutual promises and covenants contained herein and for other valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the Parties agree as follows:

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ARTICLE I
GENERAL TERMS

1.01 The foregoing recitals are incorporated into the terms of this Agreement and shall be binding on the Parties.

1.02 The signer of this Agreement for COMPANY represents, warrants, assures and guarantees that he or she has full legal authority to execute this Agreement on behalf of COMPANY and to bind COMPANY to all terms, performances and provisions herein contained.

1.03 In the event that a dispute arises as to the legal authority of either COMPANY, or the person signing on behalf of COMPANY, to enter into this Agreement, COUNTY shall have the right, at its option, to either temporarily suspend or permanently terminate this Agreement. Should COUNTY suspend or permanently terminate this Agreement pursuant to this paragraph, COMPANY shall be liable to COUNTY for any money it has received from COUNTY for performance of any of the provisions hereof.

1.04 In no event shall COUNTY be liable for any expense of COMPANY not eligible or allowable hereunder, and in no event shall employees of COMPANY be deemed to be employees of COUNTY.

1.05 COMPANY and COUNTY agree that COMPANY shall be responsible to all Parties for its respective acts and omissions, and that COUNTY shall in no way be responsible therefore, and that neither has authority to bind the other, or hold out to third parties that it has the authority to bind the other.

1.06 The Funds (as defined in Section 5.01) provided pursuant to this Agreement will be paid solely from lawfully available funds that have been appropriated by the COUNTY. Under no circumstances will the COUNTY's obligations hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision. Consequently, notwithstanding any other provision of this Agreement, the COUNTY has no obligation or liability to pay any Funds unless the COUNTY

appropriates Funds to make such payment during the fiscal year in which such Funds are payable.

1.07 COMPANY may use the Funds (as defined in Section 5) provided hereunder either directly or indirectly as a contribution in order to obtain any federal funds under any federal program that is consistent with the program objectives herein, upon prior written approval by COUNTY's Economic Development Department.

1.08 COMPANY is required to publicly acknowledge that the COUNTY is supportive of the objectives as described in this Agreement and has contributed to the cause of realizing such objectives.

1.09 COMPANY acknowledges that this Agreement cannot be assigned without the express written consent of COUNTY. Approval of the assignment shall be considered by the COUNTY and shall not be unreasonably withheld, denied, delayed or conditioned.

1.10 COMPANY shall not use the Funds from this Agreement for purposes other than those listed in this Agreement without prior written consent of the COUNTY's Economic Development Department. Approval of the use of Funds shall be considered by the COUNTY's Economic Development Department and shall not be unreasonably withheld, denied, delayed or conditioned.

ARTICLE II
TERM & TERMINATION

2.01 Except as otherwise provided for pursuant to the provisions hereof, this Agreement shall be effective as of the Effective Date and shall terminate on December 31, 2029 ("Term").

2.02 COMPANY understands and agrees that this Agreement is subject to mutual termination. Therefore, either Party shall have the option of terminating this Agreement by giving the second Party no less than thirty (30) days written notice. Such notice shall specify the effective date of termination, which date shall not be sooner than the end of thirty (30) days following the day on which such notice is sent. If either Party exercises the option of terminating this Agreement any and all unused Funds either allocated and in possession of COMPANY or unallocated and in the possession of COUNTY shall be the sole property of COUNTY and COUNTY shall have the right to:

(a) Reclaim any and all Funds unused but distributed to COMPANY under the terms of this Agreement; or

(b) Retain any and all Funds allocated but not distributed to COMPANY.

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2.03 Should COMPANY fail to fulfill its obligations as set forth in Article III of this Agreement, or, if COMPANY should materially violate any of the other covenants, conditions, representations, or stipulations of this Agreement, then COUNTY shall provide a written notice to COMPANY. If COMPANY fails to cure a violation as set forth in the written notice from COUNTY within sixty (60) days after receipt of the notice ("Cure Period"), then this Agreement shall terminate immediately upon expiration of the Cure Period without further action by the COUNTY. The COUNTY may, in its sole discretion, extend the Cure Period if COMPANY begins to cure a violation within the Cure Period and COMPANY diligently pursues such cure.

(a) Previous breach of any of the terms or conditions herein shall not be construed as a waiver of same nor preclude COUNTY's termination right for successive breach of the same condition.

(b) Notwithstanding the above, COMPANY shall not be relieved of liability to COUNTY for damages sustained by COUNTY by virtue of any breach of this Agreement and COUNTY may withhold Funds otherwise due as damages.

(c) In addition to the above provisions, the COUNTY shall have the right to terminate this Agreement at any time upon a finding by order that: 1) COMPANY's activities, programs or operations are illegal; or 2) COMPANY's business activity, operations and/or use of its facility (to include the transfer of the rights and responsibilities under this Agreement or the assignment of this Agreement to another entity resulting from a merger, reorganization, or any other form of business combination) as represented in this Agreement have substantially changed during the Term of this Agreement and COMPANY failed to seek the prior written approval of Commissioners Court for such change. Adequate provisions shall be made for COMPANY to be heard by Commissioners Court prior to voting on such an order and the effective date of the termination shall be set out therein.

2.04 Should this Agreement be terminated by COMPANY for any reason or by the COUNTY for COMPANY's breach or as otherwise set forth in Section 2.03 and the program objectives are not fully completed as stated in this Agreement, COMPANY agrees that it shall refund any and all sums of money paid by COUNTY to COMPANY in accordance with Article V, Section 5.02 of this Agreement.

ARTICLE III
CAPITAL INVESTMENT COMMITMENTS

3.01 The Economic Development Grants provided to COMPANY pursuant to this Agreement are conditioned on COMPANY complying with the capital investment commitments described in this Article III.

3.02 COMPANY agrees that its capital investment in the Project shall be in an amount not less than **Eight Million Nine Hundred Seventy-Three Thousand One Hundred**

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Thirteen Dollars and No Cents ($8,973,113.00) (the "**Required Capital Investment**"). The Required Capital Investment shall be comprised of a minimum of **Three Million Five Hundred Sixty-One Thousand Nine Hundred Seventy Dollars and No Cents ($3,561,970.00)** of real property improvements and **Five Million Four Hundred Eleven Thousand One Hundred Forty-Three Dollars and No Cents ($5,411,143.00)** of personal property improvements. All of the capital investments contemplated by this paragraph must be substantially complete on or before December 31, 2020 (as evidenced by a fully complete Certificate of Substantial Completion), subject to Force Majeure.

3.03 COMPANY agrees that during the Term, it will own the Real Property and Improvements which are (or will be) located on the Real Property.

3.04 COMPANY agrees that any improvements made to the Real Property shall comply with:

(a) all applicable building codes and ordinances, including but not limited to flood, subdivision, building, electrical, plumbing, fire, and life safety codes and ordinances, as amended; and

(b) all applicable city, county, state, and federal laws, rules, regulations, statutes, ordinances, orders, and codes, as amended.

3.05 COMPANY must provide the COUNTY with annual reports in a form satisfactory to COUNTY and substantially similar to Exhibit "C," certifying as to its compliance with its capital investment commitments and shall include information on the extent and amount of the capital investment that occurred during the annual period preceding the submission of such reports. COMPANY agrees to submit the reports by March 31st (covering the period January 1 through December 31) of each year of the Term until such time as it has certified that it has complied with the capital investment commitment described in Article V, Paragraph 5.02. The first initial report shall be due March 31st, 2020 and shall cover the period starting with the Effective Date and concluding on December 31, 2019. COUNTY may require that the reports include information on capital expenditures, to include purchase order numbers, vendor names, and dollar amounts paid for all of the capital investments, actual costs, and book values. These reports must be prepared and administered in accordance with generally accepted accounting principles. During the Term, COUNTY and its employees and agents shall have access to the Project site (upon ten (10) business days advance written notice and during normal business hours) for the purpose of inspection to ensure that the capital investment commitments required by this Article III have been made and the Project site is being used for the Business Activities described in this Agreement.

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ARTICLE IV
EMPLOYMENT COMMITTMENT

4.01 This Agreement is conditioned on COMPANY creating and maintaining the agreed number of Employment Positions at the Facility and complying with the additional employment commitments described in this Article throughout the Term.

4.02 COMPANY covenants and agrees that it will create not less than **Five Hundred Seventy-One (571)** New Full Time Employment Positions ("New Employment Positions") at the Facility ("***Employment Commitment***"), of which One Hundred Sixteen (116) of the New Employment Positions shall have a minimum salary of Fifty-Thousand Dollars ($50,000.00) per year, excluding the costs of benefits (New Fifty Thousand Dollar Employment Positions) and One Hundred Five (105) of the New Employment Positions shall have a minimum salary of Seventy-Thousand Dollars ($70,000.00) per year, excluding the costs of benefits in accordance with the schedule set out below:

EMPLOYMENT COMMITTMENT SCHEDULE		
By End of Grant Year	**Employment Positions Created**	**Total Employment Positions**
Year 1 (2019)	130 Employment Positions	130
Year 2 (2020)	196 Employment Positions	326
Year 3 (2021)	126 Employment Positions	452
Year 4 (2022)	78 Employment Positions	530
Year 5 (2023)	41 Employment Positions	571

4.03 COMPANY further covenants and agrees that once its Employment Commitment is achieved pursuant to the schedule outlined above, it will maintain not less than the cumulative total number of Employment Positions, above the Employment Baseline, at the Facility as required in each year throughout the Term of this Agreement.

4.04 COMPANY agrees that from the Effective Date throughout the Term of this Agreement, one hundred percent (100%) of all Employment Positions at the project location shall be paid a minimum wage, not including benefits, of at least Twelve Dollars and Seven Cents ($12.07) per hour.

4.05 COMPANY agrees that within one year from the Effective Date, seventy percent (70%) of all new and existing Employment Positions at the project location shall be paid a minimum wage, not including benefits, of at least Sixteen Dollars and Twenty-Nine Cents ($16.29) per hour.

4.06 COMPANY agrees to make a good faith effort to fill at least twenty-five percent (25%) of the new Employment Positions created and maintained with qualified Bexar County residents.

4.07 COMPANY agrees that from the Effective Date throughout the Term of this Agreement, all of the Employment Positions created to comply with the Employment Commitment described in Article IV, Paragraph 4.02 shall be entitled to Employee Benefits. COMPANY agrees that during each year of the Term of this Agreement, it will continue to offer all of its Employment Positions an employee benefits package for the Employment Positions that is similar to the benefits package described in and attached as Exhibit "A," or as may be modified from time to time corporate wide.

4.08 COMPANY agrees not to engage in employment practices which have the effect of discriminating against any employee or applicant for employment, and will take affirmative steps to ensure that applicants are employed and employees are treated during employment without regard to their race, color, religion, national origin, sex, age, disability, or political belief or affiliation.

4.09 COMPANY agrees to comply with all applicable federal and state laws governing the employer-employee relationship including, but not limited to, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967, the Equal Pay Act of 1963, the Family and Medical Leave Act, and Title I and V of the Americans with Disabilities Act.

4.10 COMPANY also agrees that it shall conduct its Business Activities in accordance with all applicable federal, state and local laws.

4.11 COMPANY agrees to furnish COUNTY with annual reports substantially similar to Exhibit "B," certifying as to its compliance with the Employment Commitment and shall include information on the number of new Employment Positions created, and the total Employment Positions retained and maintained. COMPANY further agrees that the reports shall certify as to the number of Bexar County residents employed by COMPANY and the salaries of the individuals in Employment Positions at the Facility, including those Employment Positions created in accordance with Article IV, Paragraph 4.02. COMPANY agrees to submit the reports by March 31st (covering the period January 1 through December 31) of each year during the Term of this Agreement. Upon ten (10) business days prior written notice by COUNTY to COMPANY, COUNTY and its employees and agents shall have access to the Facility for the purpose of viewing the payroll registers and related backup information to verify the information provided in the reports.

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ARTICLE V
GRANT AND DISBURSEMENT

5.01 Pursuant to the terms and conditions of this Agreement, the COUNTY shall contribute to COMPANY a maximum amount of **THREE HUNDRED EIGHTY THOUSAND SIX HUNDRED SIXTY-TWO DOLLARS AND NO CENTS ($380,662.00)** to be paid in accordance with the Prompt Payment Act, Texas Government Code Chapter 2251, and as described below (the "Funds").

(a) The sum of **ONE HUNDRED THIRTY THOUSAND SIX HUNDRED SIXTY-TWO DOLLARS AND NO CENTS ($130,662.00)** shall be paid in THREE (3) equal annual installments of Forty-Three Thousand Five Hundred and Fifty-Four Dollars ($43,554) upon invoice by COMPANY. The first payment shall be invoiced when COMPANY occupies the Facility and executes this Agreement, the remaining two (2) annual payments shall be invoiced no earlier than one year after COMPANY's first annual invoice.

(b) In addition to the Funds in Section 5.01(a), subject to COMPANY meeting its Employment Commitment, COUNTY shall contribute to COMPANY up to a maximum amount of **TWO HUNDRED FIFTY THOUSAND ($250,000.00).** Commencing on December 31, 2019 and on an annual basis, COUNTY shall disburse the amount equivalent to One-Thousand Dollars ($1,000.00) multiplied by the number of New Fifty Thousand Dollar Employment Positions created and maintained for the annual period in addition to any other New Fifty Thousand Dollar Employment Positions previously claimed under this Agreement. For example, if fifty (50) positions are claimed on the December 31, 2019, and ten (10) of those positions are unfilled in 2020, but fifty (50) more positions are created in the 2020 period, the net New Fifty Thousand Dollar Employment Positions created in 2020 will be forty (40), and the COMPANY'S invoice under this Section will be Forty-Thousand Dollars and No Cents ($40,000.00) for year 2020. The annual disbursement shall be paid upon invoice by COMPANY to COUNTY in accordance with the Prompt Payment Act.

i. A grant awarded under 5.01(b) may be used only for:

(1.) Developing: a customized workforce training programs for an employer's specific business needs; workforce training-related support services for employers; or instructor certification necessary to provide workforce training.

(2.) Acquiring training equipment necessary for instructor certification and employment.

COUNTY will require, as a condition of receiving money under this section, that COMPANY agree to repay the amount received if COUNTY

determines that the money was not used for the purposes for which the money was awarded. Money may not be used under this program to pay any training costs or other related costs of an employer whose position is not located within Bexar County.

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ARTICLE VI
RECAPTURE OF GRANT FUNDS

6.01 The COUNTY shall have the right to recapture all Funds paid to COMPANY pursuant to this Agreement (upon delivery of notice and expiration of the Cure Period as set forth in Article II, Section 2.03) if COMPANY: a) fails to create, fill and maintain the Employment Positions as described in Article IV, Section 4.02 above and maintain the same until the expiration of the Term of this Agreement ("Event of Recapture").

6.02 Upon the occurrence of an Event of Recapture, COMPANY shall repay all Funds disbursed to COMPANY pursuant to this Agreement in accordance with the schedule below ("Recapture Schedule") within ninety (90) calendar days from the date the Cure Period has expired, plus interest at the prime lending rate from the date of termination until all Funds are fully repaid. The Funds subject to recapture by the COUNTY shall be calculated by multiplying the total Funds received by the percentage applicable to the calendar year in which the written notice of termination is sent as detailed in the following Recapture Schedule:

RECAPTURE SCHEDULE	
Year in which Notice Resulting in Termination is Sent:	**Total Funds Previously Received Shall be Multiplied by:**
On or before December 31, 2023 (the "Initial Period")	100%
Year 1 following the Initial Period	100%
Year 2 following the Initial Period	80%
Year 3 following the Initial Period	60%
Year 4 following the Initial Period	40%
Year 5 following the Initial Period	20%
Year 6 following the Initial Period	10%

6.03 The COUNTY shall have the right to take any action to which it may be entitled, at law or in equity, against COMPANY, in addition to termination and/or recapture as described herein, in order to recapture Funds the COUNTY is entitled to receive pursuant to this Article V.

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ARTICLE VII
REPRESENTATIONS, WARRANTIES AND COVENANTS

7.01 COMPANY represents, warrants, assures and guarantees that it possesses the legal authority to enter into this Agreement and to perform the responsibilities herein required.

7.02 COMPANY warrants and represents that it is a federally chartered credit union and validly existing and in good standing under the laws of the United States of America and has all power and authority to conduct its business as presently conducted. Additionally, COMPANY warrants and represents that: it is authorized to do business in the State of Texas, and is in good standing under the laws thereof, including the payment of all applicable taxes, fees, and/or fines and shall remain so throughout the Term of this Agreement.

7.03 COMPANY further represents and warrants that:

(a) All information, data or reports heretofore or hereafter provided to COUNTY shall be and shall remain complete and accurate as of the date shown on the information, data or report, and that since said date shown, shall not have undergone any significant change without written notice to COUNTY;

(b) None of the provisions contained herein contravene or in any way conflict with the authority under which COMPANY is doing business or with the provisions of any existing indenture or agreement of COMPANY;

(c) COMPANY has the legal authority to enter into this Agreement and accept payments hereunder, and has taken all necessary measures to authorize such execution of contract and acceptance of payments pursuant to the terms and conditions hereof; and

(d) None of the assets of COMPANY located physically at COMPANY's facility in Bexar County, Texas are subject to any lien or encumbrance of any character, except as shown in the financial statements provided by COMPANY to COUNTY.

ARTICLE VIII
MONITORING & AUDITING

8.01 The COUNTY's Economic Development Department is assigned monitoring responsibility for this Agreement. COMPANY will provide COUNTY's staff, including internal auditors and other persons as designated by COUNTY, such as independent public accountants and representatives of the federal government, access during regular business hours by request in writing, as deemed necessary by COUNTY for the purposes of auditing, monitoring, evaluating, coordinating, investigating and making excerpts and/or copies of any and all of COMPANY's

books, records and files necessary to ensure COMPANY's compliance with, and fulfillment of, all representations, terms, and/or conditions contained in this Agreement.

8.02 All such records shall continue to be available for inspection and audit for a period of three (3) years after the termination date hereof. However, if during the course of this three-year period, an audit or investigation of the COMPANY begins, then COMPANY is required to maintain said records until such time as the audit or investigation is completely finished.

8.03 COMPANY agrees that during the Term of this Agreement, any duly authorized representative of COUNTY's Economic Development Department, with request in writing, shall have the right to conduct on-site inspections at reasonable times and to interview personnel and clients for the purposes of evaluating and monitoring the objectives for compliance with this Agreement.

8.04 The submission of falsified information or the failure to timely submit all information by COMPANY as requested by COUNTY is grounds for termination of this Agreement.

ARTICLE IX
FISCAL MANAGEMENT

9.01 COMPANY shall establish and use internal accounting and administrative controls to preclude theft, embezzlement, improper inducement, obstruction of investigation or other criminal action and to prevent frauds and program abuse. Subject to Section 9.06 herein, COUNTY, with request in writing, may review COMPANY's system of internal administrative and accounting controls, as reasonably necessary to ensure financial responsibility.

9.02 COMPANY shall not be relieved of liability to COUNTY for damages sustained by COUNTY by virtue of any breach of this Agreement and COUNTY may withhold Funds otherwise due as damages.

9.03 Should any expense or charge that has been paid with Funds from this Agreement be subsequently disapproved or disallowed as a result of any site review or audit, COMPANY will promptly refund such amount to COUNTY. COMPANY further authorizes COUNTY, if COUNTY so elects, to deduct such amount or charge as a claim against future payments. The COUNTY's Economic Development Department has the express authority to deduct such claims from subsequent reimbursements.

9.04 Audit Conditions and Requirements:

(a) The COUNTY, a political entity, unlike a business for profit, is more interested in knowing if entities have accomplished or achieved the objectives as stipulated in their contracts and/or agreements, as opposed to certifications

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that the Balance Sheet fairly represents the financial position at a given date. Therefore, it is essential that the COUNTY is made aware of progress made under this Agreement. In the COUNTY's sole discretion, however not more than once in a calendar year, following thirty (30) days after a written request by the COUNTY, COMPANY shall submit a written report stating what has been accomplished to date and the most current percentage of completion of the total Agreement that has been performed.

(b) It is imperative any auditor performing an audit of COMPANY read the entire Agreement, including all attachments, between the COUNTY and COMPANY, since the budget and financial compliance of the Agreement is only a portion of the total contractual obligation.

(c) All COUNTY-funded contracts and agreements, including this Agreement, are subject to periodic audits at any reasonable hour of the day by COUNTY auditors, with request in writing. This includes the auditing of both COMPANY and subcontractors related to this Agreement.

(d) COMPANY shall furnish the COUNTY's Economic Development Department, and any other COUNTY Departments designated by the COUNTY'S Economic Development Department, audited financial statements for a twelve-month period as of December 31, 2020. The financial statements are to be prepared by an independent CPA and the financial statements are to be received by the COUNTY within sixty (60) days following the end of each fiscal year of December 31. In addition to the audited financial statements, a copy of any internal controls review, audit exceptions, and management letter should be submitted. The audited financial statements must include a schedule of receipts and disbursements by budgeting cost category and a certification from COMPANY stating whether or not the terms and conditions of the contract were met. If the COUNTY determines, in its sole discretion, that COMPANY is in violation of the above requirements, the COUNTY shall have the right to select auditors of its choosing to conduct the required audit and to have the COMPANY pay for such audit. In addition, in the event COMPANY expends federal or state funds exceeding the single audit threshold amount in effect during the period of this contract, any resulting audit shall be conducted in accordance with the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133 (June 1997 revision), and/or the State of Texas Single Audit Circular.

9.05 COMPANY understands and agrees to abide by and adhere to applicable federal, state and COUNTY provisions regarding financial accounting.

9.06 Any audits contemplated by this Grant Agreement shall be governed as set forth in this subsection 9.06. Upon no less than two (2) weeks prior written notice, COMPANY shall grant access to relevant paper and electronic records, books,

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documents, accounting procedures, practices or any other items for the sole purpose of verifying COMPANY's performance under this Agreement. In no event shall such access include any access to any personal and/or medical data of any employees or customers of COMPANY. In addition, COMPANY shall not be required to disclose to COUNTY's Economic Development Department any information that COMPANY is required by law to keep confidential or information unnecessary to a determination pursuant to Article IX, Section 9.01 above.

9.07 If COMPANY believes information required to be disclosed to the COUNTY pursuant to the above Article IX, Section 9.06 is confidential or proprietary in nature, whether by law or policy, COMPANY agrees that it shall clearly mark and designate such information prior to providing the same to the COUNTY. To the extent possible, upon a request for the COUNTY to disclose such information under the Texas Open Records Act (Tex. Government Code Ann. § 552.001 et seq.) or equivalent or successor statute (the "Act"), the COUNTY shall attempt to notify COMPANY of such request. COMPANY shall then assume all responsibility for preparing appropriate responses and/or filings to the Texas Attorney General and/or to any other person or entity relating to such request, including any appeals involved therein, in order to prevent a disclosure of such information. To the extent this provision is in conflict with the Act, the same shall be of no force and effect. The Parties expressly agree that the COUNTY shall not be liable for any disclosure by the COUNTY and/or a failure of the COUNTY to notify COMPANY pursuant to this provision.

ARTICLE X
INDEMNIFICATION

10.01 TO THE EXTENT PERMITTED BY LAW, COMPANY COVENANTS AND AGREES TO FULLY INDEMNIFY, DEFEND AND HOLD HARMLESS, THE COUNTY AND THE ELECTED OFFICIALS, EMPLOYEES, OFFICERS, DIRECTORS, AND REPRESENTATIVES OF THE COUNTY, INDIVIDUALLY OR COLLECTIVELY, (THE "COUNTY INDEMNITEES") FROM ANY AND ALL COSTS, CLAIMS, LIENS, DAMAGES, LOSSES, EXPENSES, FEES, FINES, PENALTIES, PROCEEDINGS, ACTIONS, DEMANDS, CAUSES OF ACTION, LIABILITY AND SUITS OF ANY KIND AND NATURE, INCLUDING BUT NOT LIMITED TO, PERSONAL INJURY OR DEATH, PROPERTY DAMAGE, OR A FAILURE BY COMPANY, AND/OR TITLE HOLDER OR TITLEHOLDER'S PREDECESSORS IN TITLE TO COMPLY WITH ANY LOCAL, STATE OR FEDERAL ENVIRONMENTAL LAW OR REGULATION (COLLECTIVELY "DAMAGES"), MADE UPON THE COUNTY THAT MAY BE SUFFERED OR INCURRED BY THE COUNTY INDEMNITEES DIRECTLY OR INDIRECTLY ARISING OUT OF, RESULTING FROM, OR RELATED TO COMPANY'S ACTIVITIES UNDER THIS AGREEMENT, INCLUDING ANY NEGLIGENT ACTS OR OMISSIONS OF COMPANY, ANY AGENT,

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OFFICER, DIRECTOR, REPRESENTATIVE OR EMPLOYEE OF COMPANY WHILE IN THE EXERCISE OR PERFORMANCE OF THE RIGHTS OR DUTIES UNDER THIS AGREEMENT, ALL WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE COUNTY UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW. COMPANY SHALL HAVE NO OBLIGATION TO INDEMNIFY AND HOLD HARMLESS THE COUNTY INDEMNITEES TO THE EXTENT THAT SUCH DAMAGES ARISE FROM: (I) THE NEGLIGENCE OR WILLFUL MISCONDUCT OF THE COUNTY INDEMNITEES; OR (II) THE BREACH BY THE COUNTY INDEMNITEES OF ITS WARRANTIES, COVENANTS OR OTHER AGREEMENTS CONTAINED HEREIN. THE PROVISIONS OF THIS INDEMNITY ARE SOLELY FOR THE BENEFIT OF THE PARTIES HERETO AND NOT INTENDED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, TO ANY OTHER PERSON OR ENTITY. COMPANY SHALL PROMPTLY ADVISE THE COUNTY IN WRITING OF ANY CLAIM OR DEMAND AGAINST THE COUNTY OR COMPANY KNOWN TO COMPANY RELATED TO OR ARISING OUT OF COMPANY'S ACTIVITIES UNDER THIS AGREEMENT AND SHALL SEE TO THE INVESTIGATION AND DEFENSE OF SUCH CLAIM OR DEMAND AT COMPANY'S COST. THE COUNTY SHALL HAVE THE RIGHT, AT ITS OPTION AND AT COMPANY'S EXPENSE, TO PARTICIPATE IN SUCH DEFENSE WITHOUT RELIEVING COMPANY OF ANY OF ITS OBLIGATIONS UNDER THIS ARTICLE X. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT TO THE CONTRARY, THIS INDEMNITY SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

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ARTICLE XI
NON-DISCRIMINATION

11.01 In the performance of this Agreement, COMPANY warrants that it will not discriminate against any employee or subcontractor on account of race, color, sex, religious creed, age, national origin, or handicap. Furthermore, COMPANY agrees not to discriminate against any client on account of race, color, religious creed, ancestry, age, national origin, mental and physical disability, veteran status, or sexual orientation. With respect to nondiscrimination and equal opportunity, all notices, advertisements and solicitation placed by COMPANY will be in accordance with federal law, rules, or regulations.

11.02 In the event of COMPANY's failure or refusal to comply with this nondiscrimination clause, this Agreement may at the COUNTY'S sole discretion, be canceled, terminated or suspended in whole or in part if COMPANY fails to remedy this non-compliance within the Cure Period.

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ARTICLE XII
MINORITY AND SMALL BUSINESS

12.01 In all subcontracts COMPANY will use best efforts to include the utilization of minority and small business suppliers, and shall provide an annual report throughout the Term of this Agreement indicating COMPANY's performance in utilizing such suppliers.

ARTICLE XIII
LEGAL/LITIGATION EXPENSES

13.01 Under no circumstances will the Funds received under this Agreement or any other funds received from COUNTY be used, either directly or indirectly, to pay costs or attorney fees incurred in any adversarial proceeding against the COUNTY or any other government entity. COMPANY must obtain the written approval of the COUNTY Attorney's Office before any Funds received under this Agreement may be used in any adversarial proceeding against any other governmental entity or any other public entity.

13.02 During the Term of this Agreement, if COMPANY files and/or pursues an adversarial proceeding against the COUNTY then, at the COUNTY's option, this Agreement and all access to the funding provided for hereunder may terminate.

13.03 Excepting Article XXIV herein below, each Party shall bear its own costs, including, but not limited to, attorneys' fees, for any action at law or in equity brought to enforce or interpret the provisions of this Agreement. Notwithstanding the foregoing, nothing contained in this Section shall impact or otherwise affect the indemnity provisions contained in Article X above.

13.04 COMPANY, at COUNTY's option, could be ineligible for consideration to receive any future funding while any adversarial proceedings against the COUNTY remains unresolved.

13.05 For purpose of this Article, "adversarial proceedings" shall include any cause of action filed by COMPANY in any state or federal court, as well as any state or federal administrative hearing.

ARTICLE XIV
CHANGES AND AMENDMENTS

14.01 Except when the terms of this Agreement expressly provide otherwise, any alterations, additions, or deletions to the terms hereof shall be by amendment in writing executed by both COUNTY and COMPANY.

14.02 It is understood and agreed by the Parties hereto that changes in local, state and federal rules, regulations or laws applicable hereto may occur during the Term of this

Agreement and that any such changes shall be automatically incorporated into this Agreement without written amendment hereto, and shall become a part hereof as of the effective date of such rule, regulation or law.

14.03 COMPANY agrees to notify COUNTY in writing of any proposed change in physical location for work to be performed pursuant to the terms of this Agreement. Such notice shall be provided by COMPANY to COUNTY at least thirty (30) calendar days in advance of the proposed change.

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ARTICLE XV
SEVERABILITY OF PROVISIONS

15.01 If any clause or provision of this Agreement is held invalid, illegal or unenforceable under present or future federal, state or local laws, including but not limited to the COUNTY Code, COUNTY resolution, COUNTY order, City Charter, or ordinances of the City of San Antonio, Texas, then and in that event it is the intention of the Parties hereto that such invalidity, illegality or unenforceability shall not effect any other clause or provision hereof and that the remainder of this Agreement shall be construed as if such invalid, illegal or unenforceable clause or provision was never contained herein; it is also the intention of the Parties hereto that in lieu of each clause or provision of this Agreement that is invalid, illegal, or unenforceable, there be added as a part of this Agreement a clause or provision as similar in terms to such invalid, illegal or unenforceable clause or provision as may be possible, legal, valid and enforceable.

ARTICLE XVI
NON-WAIVER OF PERFORMANCE

16.01 No waiver by COUNTY or COMPANY of a breach of any of the terms, conditions, covenants or guarantees of this Agreement shall be construed or held to be a waiver of any succeeding or preceding breach of the same or any other term, condition, covenant or guarantee herein contained. Further, any failure of COUNTY or COMPANY to insist in any one or more cases upon the strict performance of any of the covenants of this Agreement, or to exercise any option herein contained, shall in no event be construed as a waiver or relinquishment for the future of such covenant or option. In fact, no waiver, change, modification or discharge by either Party hereto of any provision of this Agreement shall be deemed to have been made or shall be effective unless expressed in writing and signed by the Party to be charged.

16.02 No act or omission of COUNTY or COMPANY shall in any manner impair or prejudice any right, power, privilege, or remedy available to COUNTY or COMPANY hereunder or by law or in equity, such rights, powers, privileges, or remedies to be always specifically preserved hereby.

16.03 No representative or agent of COUNTY or COMPANY may waive the effect of the provisions of this Article.

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ARTICLE XVII
ENTIRE AGREEMENT

17.01 This Agreement constitutes the final and entire agreement between the Parties hereto and contains all of the terms and conditions agreed upon. No other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind the Parties hereto unless the same be in writing, dated subsequent to the date hereof, and duly executed by the Parties.

ARTICLE XVIII
NOTICE

18.01 All notices provided to be given under this Agreement shall be in writing, and shall either be personally served against a written receipt therefore or given by certified mail or registered mail, return receipt requested, postage prepaid, and addressed to the proper Party at the address which appears below, or at such other address as the Parties hereto may hereafter designate in accordance herewith. Any notice mailed in the above manner shall be effective four (4) 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. .

If to COUNTY:	County Judge 101 West Nueva Street, Suite 1019 San Antonio, Texas 78205-3482 Attn: Tax Abatement Agreement
with a copy to:	Bexar County Auditor 101 West Nueva Street, Suite 800 San Antonio, Texas 78205-3445
and,	Executive Director Economic Development Department 101 West Nueva Street, Suite 944 San Antonio, Texas 78205-3450
and,	Chief, Civil Section Bexar County District Attorney's Office 101 West Nueva San Antonio, Texas 78205

If to COMPANY:

Pentagon Federal Credit Union
Attn: S. Jamie Gayton, Executive Vice President,
Member Operations
7940 Jones Branch Drive
McLean, Virginia 22102

Copies to:

Pentagon Federal Credit Union
Attn: William Heyer, Vice President and Associate
General Counsel
7940 Jones Branch Drive
Tysons, Virginia 22102

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19.02 Notice of changes of address by either Party must be made in writing and delivered (or mailed, registered or certified mail, postage prepaid) to the other Party's last known address within ten (10) business days of such change.

ARTICLE XIX
PARTIES BOUND

19.01 This Agreement shall be binding on and inure to the benefit of the Parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns, except as otherwise expressly provided for herein.

ARTICLE XX
GENDER

20.01 Words of gender used in this Agreement shall be held and construed to include the other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires.

ARTICLE XXI*
RELATIONSHIP OF PARTIES

21.01 Nothing contained herein shall be deemed or construed by the Parties hereto, or by any third party as creating the relationship of principal and agent, partners, joint venturers or any other similar such relationship between the Parties hereto.

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ARTICLE XXII
TEXAS LAW TO APPLY

22.01 This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to conflicts of law principles that would require the application of the laws of any other state. Venue for any action (including any action brought under Federal Law in Federal Court) brought hereunder will be exclusively in Bexar County, Texas.

ARTICLE XXIII
CAPTIONS

23.01 The captions contained in this Agreement are for convenience of reference only, and in no way limit or enlarge the terms and/or conditions of this Agreement.

ARTICLE XXIV
CERTIFICATION

24.01 COMPANY by execution of this Agreement, certifies, warrants, and represents that it is in full compliance with Chapter 2264 of the Texas Government Code (the "Code") and that a violation, as set forth in section 2264.051 of the Code, shall constitute a breach of this Agreement and this Agreement shall terminate without necessity of the thirty (30) day notice requirement contained in Article II herein above. The COUNTY shall provide written notice to COMPANY of such a breach and within one hundred twenty (120) days after notice is sent, COMPANY shall repay all amounts received pursuant to this Agreement with interest to be calculated at the maximum legal rate as established under Texas law. The COUNTY, in its sole discretion, may extend the period for repayment set forth herein. In addition, COMPANY agrees to pay all costs and expenses, including attorney's fees, incurred by the COUNTY in enforcing this provision.

ARTICLE XXV
REQUIRED CERTIFICATIONS

25.01 By execution of this Agreement, the undersigned representative of and duly authorized agent for COMPANY verifies and represents and warrants that:

a) In accordance with Texas Government Code § 2270, COMPANY does not boycott Israel currently and will not boycott Israel during the Term of this Agreement; and

b) In accordance with Texas Government Code § 2252, COMPANY is not entered on the list prepared pursuant to Section 2252.152 of the Texas Government Code and does not enter into contracts, provide goods or services, or otherwise do business with any

company identified on the list prepared under the provisions of Section 2252.153 of the Texas Government Code.

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ARTICLE XXV
FORCE MAJEURE

25.01 In addition to relief expressly granted in this Agreement, COMPANY may be granted relief from performance of this Agreement to the extent COMPANY 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, acts of nature or the public enemy, riot, civil commotion, insurrection, state or federal government or de facto governmental action (unless caused by acts or omissions of Grantee), fires, explosions, floods, epidemics, quarantine restrictions, unusually severe weather, condemnation or other event beyond the reasonable control of COMPANY. The burden of proof for such relief shall rest upon COMPANY. To obtain relief based upon this Section XXV, COMPANY must file a written notice with COUNTY's Economic Development Department for approval, specifying the Force Majeure Event and the performance under this Agreement that such event is impairing. Approval of Force Majeure shall be promptly considered by the COUNTY and shall not be unreasonably withheld, denied, delayed or conditioned.

EXECUTED IN DUPLICATE ORIGINALS, EACH OF WHICH SHALL HAVE THE FULL FORCE AND EFFECT OF AN ORIGINAL, ON THIS THE 3, DAY OF December, 2019.

COUNTY OF BEXAR:

NELSON W. WOLFF
County Judge
Operations

PENTAGON FEDERAL CREDIT UNION

Name: S. Jamie Gayton
Title: Executive Vice President, Member

DATE: 18 Sep 2019

APPROVED AS TO LEGAL FORM:

Criminal District Attorney
County of Bexar, Texas

By: _____
GERARD A. CALDERON
Assistant Criminal District Attorney
Civil Section

APPROVED AS TO FINANCIAL CONTENT:

_____
LEO S. CALDERA, CIA, CGAP
County Auditor

_____
DAVID SMITH
County Manager

APPROVED:

_____
DEBORAH CARTER
Director of Economic Development

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EXHIBIT "A"
Employee Benefits

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PENFED CREDIT UNION



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2019 EMPLOYEE BENEFITS

HEALTH • SECURITY • BALANCE

At PenFed, one of our goals is to provide a high-quality employee benefits program designed with multiple options to fit your lifestyle. The following is a high-level view of the benefits we offer:

Medical Plans†

- CareFirst BC/BS plan choices of PPO and HDHP with Health Savings Account (HSA)
- Kaiser Permanente plan available in Washington, D.C. Metro Area and California
- Eligible dependents include dependent children up to age 26. Legal spouse not eligible for medical coverage if eligible for another employer group plan

Dental Plans†

- Two plan options through MetLife
- Eligible dependents include dependent children up to age 26 and legal spouse

Vision Plan†

- Two plan options through Vision Service Plan (VSP)
- Eligible dependents include dependent children up to age 26 and legal spouse

401(k)/Thrift Savings Retirement Plan†

- Employer matching contribution is 100%, up to 4%*
- 100% immediate vesting

Paid Time Off

- A total of twenty-five (25) days of accumulated leave in the first year
  - Fifteen (15) days of accumulated Personal Leave
    - Annual increase in Personal Leave accumulation each year to a total of twenty-one (21) person leave days by year five
  - Ten (10) days of accumulated sick leave

Holidays

- Seven (7) designated holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, Christmas Day

Flexible Spending Accounts†

- Up to $2,650 for health care expenses
- Up to $5,000 for dependent care expenses

†Employee contributions on a pre-tax basis *Eligible after 90 days of employment.

Connect with us!

Visit **Careers.PenFed.org** to learn more.



TOL | 2251633 6

Life Insurance
- 100% employer paid premiums
- Two times annual salary up to $750,000
- Matching Accidental Death & Dismemberment (AD&D)

Supplemental Life Insurance
- 100% employee paid premiums
- Coverage available for self, spouse and dependent children

Short-Term Disability (STD)*
- 100% employer paid premiums
- 66 2/3 % of weekly salary

Long-Term Disability (LTD)*
- 100% employer paid premiums
- Benefit coordinated with the end of STD
- Pays 60% of salary (up to a $10,000 monthly maximum benefit) until age 65

Voluntary Benefits
Employee-paid options for all benefits-eligible employees:
- Unum Accident Insurance
- Unum Critical Illness Insurance
- Transamerica Universal Life with Long Term Care Insurance
- Identity Theft Protection
- LegalShield Legal Plan
- Pet Insurance and Discount

Health Advocate Services
- Employer paid benefit to assist with claims and care issues and services

Family-friendly Benefits
- Momseze for new parents
- ReThink for parents with children with developmental delays
- KinderCare child care tuition discounts

Training and Development
- Employer paid seminars/non-degree courses available
- Annual employer contributions toward approved professional association memberships

Educational Assistance
- Up to $5,250 per calendar year
- Prepaid for tuition and eligible expenses
- Eligible after 6 months of employment

Employee Assistance Program (EAP)
- 100% employer paid
- Available to employees & households for specified assistance with personal, legal, and/or financial challenges

Employee Recognition
- Awards for extraordinary contributions by employees nominated by peers, management and Board of Directors

PenFed Membership
- Employees are eligible to join the credit union upon hire

Employee Discounts*
- Discounts on credit cards, student loan refinancing, personal, auto and mortgage loans

Health Facilities
- Free fitness facilities in designated locations

†Employee contributions on a pre-tax basis *Eligible after 90 days of employment.
Updated 11/2/16

Connect with us!

Visit **Careers.PenFed.org** to learn more.

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EXHIBIT "B"
Employment Compliance Report

BEXAR COUNTY ANNUAL GRANT AGREEMENT COMPLIANCE REPORT

Reporting Period: 01/01/19 through 12/31/19

For: PENTAGON FEDERAL CREDIT UNION

Please complete and return this form by 03/31/20 to:
Ian Maurer, Budget Department Analyst
Paul Elizondo Tower • 101 West Nueva, Suite 901 • San Antonio, Texas 78205
phone (210) 335-0668 • e-mail: imaurer@bexar.org

Real Property Improvements	
Expenditures associated with the Real Property improvements to your facility during 01/01/19 through 12/31/19	
1. Improvements occurring during reporting period.	$
2. Improvements existing prior to reporting period.	$
3. Total Real Property improvements (Add responses from 1 and 2).	$
Personal Property Improvements	
Expenditures associated with the Personal property improvements to your facility during 01/01/19 through 12/31/19	
4. Improvements occurring during reporting period.	$
5. Improvements existing prior to reporting period.	$
6. Total Personal Property improvements (Add responses from 4 and 5).	$
Jobs Created	
Full-time jobs created during 01/01/19 through 12/31/19	
7. Jobs created during reporting period.	
8. Jobs existing prior to reporting period.	
9. Total number of jobs created and maintained as a result of the Grant Agreement (Add responses from 7 and 8)	
10. Minimum hourly wage of all new full-time permanent employment positions (Section 4.04)	$
11. Percentage of new full-time employment positions earning a minimum wage of at least $16.29 (Section 4.05)	%
12. Number of New Employment positions earning a minimum salary of $70,000	
13. Number of New Employment positions earning a minimum salary of $50,000	
Additional Representations	
14. Percentage of New Employment Positions occupied by Bexar County residents during reporting period (Section 4.06)	%
15. Annual report on utilization of minority and small business suppliers (Section 11.01)	Yes / No

BEXAR COUNTY ANNUAL GRANT AGREEMENT COMPLIANCE REPORT

Reporting Period: 01/01/19 through 12/31/19

For: PENTAGON FEDERAL CREDIT UNION

Workforce Training Expenditures	
Expenditures associated with training dollars expended during 01/01/19 through 12/31/19	
1. Customized workforce training programs	$
2. Workforce training-related support services for employers	$
3. Instructor Certifications necessary to provide workforce training	$
4. Training equipment necessary for instructor certification and employment	$
5. CompTIA A+, Network+ and Security+ certifications	$
Total (Add responses from 1 - 4)	$
Skills Development	
Training associated during 01/01/19 through 12/31/19	
1. Number of employees attending training sessions	
2. Number of Instructor Certifications completed to provide workforce training	
3. Number of employees receiving CompTIA A+, Network+ and Security+ certifications	

Certification	
I certify that the information provided in this Bexar County Tax Phase-In Compliance Report is correct and that the company has complied with all terms and conditions of its Tax Phase-In Agreement.	
Signature:	
Date:	/ /
Printed Name:	
Title:	
Company:	
Mailing Address:	
City, State, Zip:	, -
Phone:	- -
Fax:	- -
E-Mail:	

EXHIBIT "C"
APPLICATION

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JOINT INCENTIVE APPLICATION

Company Registered in Texas: Tax ID 15301970388

Name of Parent Company if applicable) Pentagon Federal Credit Union

Company officer name: Roderick Mitchell **Phone:** 571-341-6606 **Email:** Roderick.Mitchell@PenFed.org

Address: 7940 Jones Branch Drive **City:** McLean **State:** VA **Zip:** 22102-

Website: PenFed.org

Ownership: ☐ **Private** ☐ **Public**

Headquarters Location (where the company's officers direct, control and coordinate the entity's activities) City: McLean **State:** VA

Business Structure (i.e., Proprietorship, Partnership, Corporation): Federally chartered credit union (non-profit membership financial services organization) FEIN 53-0197038

State of registration or Incorporation: NA

Contact for Application: Kim L. Moore, Newmark Knight Frank **Phone:** 469-467-2082
Email: KiMoore@ngkf.com

PROJECT DETAILS

1. **List other communities that are being considered for the project:**

   Tampa, FL

2. **Why is an incentive necessary for the project to succeed financially?**

   Please see attached

3. **Indicate any incentives sought or received from other taxing entities in connection with this project.**

   Texas Enterprise Fund, Texas Enterprise Zone designation, Texas Skills Development Fund, real and bpp tax abatements for city and county, San Antonio Economic Development Incentive Fund (EDIF), Bexar County Skills Development Fund, Work Opportunity Tax Credit (WOTC), Workforce Solutions Alamo's On the Job Training (OJT), expedited permitting, permit fee waivers

4. **Describe the project, including capital improvements (real and personal property) to be undertaken, the facility's use, and the product or service to be produced.**

Established in 1935 as the War Department Credit Union, PenFed Credit Union is one of the largest credit unions in the country, serving 1.6 million members worldwide; with $24 billion in assets. PenFed serves members in all 50 states and the District of Columbia, as well as in Guam, Puerto Rico, and Okinawa. The company is federally insured by NCUA and is an Equal Housing Lender. The company is available to members worldwide, via the web, seven days a week, twenty-four hours a day.

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Its long-standing mission has been to provide superior financial services in a cost effective manner, while being responsive to members' needs. PenFed Credit Union offers market-leading mortgages, automobile loans, credit cards, checking, and a wide range of other financial services with its members' interests always in mind. PenFed Credit Union serves a diverse population, and no military service is required to join.

PenFed has narrowed down its shortlist for its regional center of excellence and San Antonio, TX remains in consideration. The company has identified an existing facility in San Antonio that it would like to purchase. The building is currently on the tax rolls with an assessed value of $46.5M. PenFed plans to make upgrades to the building in the amount of $3,561,970, which will only increase the value in future years. PenFed also plans to purchase the existing furniture, fixtures and equipment which is on the tax rolls with an assessed value of $17,060,800. The company will also invest an additional $5,411,143 in new furniture, fixtures, machinery and equipment.

PenFed will create 571 new jobs at this facility over 5 years. The jobs will be in mortgage, human resources, operations, information technology, and collections with an average annual salary of $55,437.

5. **Classification (i.e. Aviation/Aerospace & Advanced Manufacturing, Bioscience/Healthcare, Information Technology and Cyber-Security, Corporate and Regional Headquarters, Creative Industries, Environmental/Clean/Green Technology, Finance, Logistics and Distribution, Manufacturing):** Regional center of excellence (headquarters), information technology

6. **Physical address:** 19500 Bulverde Road **City:** San Antonio

   County Precinct: 3 **City Council District:** 10 **School District:** Northeast ISD

7. ☐ **New construction** ☐ **Expansion** ☐ **Lease improvements**

8. **Improvement values. Real Property:** $3,561,970 **Personal Property:** $5,411,143 **Inventory/Supplies:** $N/A

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9. **Schedule of Investment:**

	Investment
Year 1 (2018)	$3,561,970
Year 2 (2019)	$0
Year 3 (2020)	$0
Year 4 (2021)	$0
Year 5 (2022)	$0

10. **Does/will the applicant own or lease the project's real property?** ☒ **Own** ☐ **Lease**

If leased, indicate the landlord/owner.

If leased, indicate lease term. **Years** **Expiration date:** / /

11. **List existing Bexar Appraisal District tax account numbers associated with this project.**

Real property: 34920 - 101 - 0010 ; - - ; - -

Personal property: 00000 - 126 - 5716 ; - - ; - -

12. **Total global workforce:** **Full-time:** 2,504 **Part-time:** 99 **Seasonal:** 0

13. **Current local workforce:** **Full-time:** 0 **Part-time:** 0 **Seasonal:** 0

14. **Minimum number of new, full-time jobs to be created (total):** 571

	Number of new full-time jobs created
Year 1 (2019)	196
Year 2 (2020)	152
Year 3 (2021)	104
Year 4 (2022)	78
Year 5 (2023)	41

15. **For expansion projects only, number of retained full-time jobs:** N/A

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16. Base Hourly Wage at project site (excluding benefits and bonuses)*:

Hourly Wage	Below $12.07/hour	Between $12.07 - $16.28/hour	Between $16.29 and $22.98/hour	Above $22.99/hour
Number of full-time employees	0	8	328	235
Number to be filled by relocated workers	0	0	0	86

*All new and existing employees must meet specific wage requirements; refer to each entity's individual Tax Abatement Guidelines for full details.

17. Average Annual Salary of Existing Jobs: $NA

18. Average Annual Salary Including Projected New Jobs: $55,435

19. Number of new jobs created with base pay over $50,000 annually 221

20. Number of new jobs created with base pay over $70,000 annually 105

21. Describe the investment in training/education for new, full-time jobs created and recruitment policies to include how the applicant will utilize SA works and/or Workforce Solutions Alamo.

http://www.workforcesolutionsalamo.org/services-2/employer-services http://www.sanantonioworks.org/

PenFed offers a multitude of training programs to all employees at all levels. The cost per employee, per year, is $5,400 for non-manager hourly employees and $6,000 for supervisor/manager positions. PenFed Human Resources will work with SA Works and Workforce Solutions Alamo to assist with applicant screenings and job fairs as well as identifying training opportunities for our staff and new hires. PenFed will also consider pursuit of the Texas Skills Development Fund to support training of new hires.

22. Describe the benefits package that will be offered to employees and their dependents (or attach benefits summary).

See attached

23. Experimental Learning Requirement: Company must agree to sponsor a student, internship, externship or mentoring program for at least one year prior to the expiration of the abatement term. Please see each entity's individual Tax Abatement Guidelines for full details.

24. Is the company delinquent in the payment of ad valorem taxes to any taxing unit located in Bexar County?

☐ Yes ☒ No If yes, explain:

25. Has the applying company or any of its affiliates been cited, currently under investigation, or have litigation pending for any violations of federal, state, county and/or municipal laws, codes or ordinances?

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☐ Yes ☒ No If yes, indicate the nature/status of the violation(s):

26. **Has the company previously received an incentive from the County or City?** ☐ Yes ☒ No

If yes, indicate the time period (MM/YY): /

If yes, explain:

If yes, is/was the company in compliance with all terms and conditions: ☐ Yes ☐ No

27. **Is any interest in this project presently held by an elected, appointed or employed member of any taxing entity?** ☐ Yes ☒ No

28. **Is any interest in this project presently held by a member of the Bexar County Commissioners Court or other County official or employee; or, a member of the San Antonio City Council or other City official or employee ?** ☐ Yes ☒ No

If yes, explain:

29. **Describe any goodwill benefits and involvement that the applicant has previously provided and/or is committed to providing in the future to the Bexar County community.**

Having been started to provide services to the U.S. military, PenFed has a commitment to hire veterans as well as veteran's and active duty service member's spouses and dependents. Through the PenFed Foundation, a nationally recognized 501(c)3 non-profit, it changes lives every day through financial education, credit building, home ownership and short-term financial assistance. Notable foundation programs include the Military Hereos Fund, Dream Makers, Asset Recovery Kits (0% Micro Lending) and The Defenders Lodge. http://www.pentagonfoundation.org/site/PageServer?pagename=home_index

30. **Provide an assessment of the project's environmental impact, and any remediation and/or compliance plan associated with the project, which would have the effect of minimizing the negative impact of the project on the environment.**

At this time, there are no additional environmental impacts that the company foresees. There is no need for any remediation in the facility as it was built in 2001 and has been used for commercial office with no hazardous materials. The company plans to pursue LEED certification at the facility and will maintain the low risk commercial office operations at the facility.

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ATTACHMENTS

☒ **Information regarding the applicant company's description, including corporate structure, audited financial statement or prior year report, and organization chart identifying affiliates and subsidiaries.**

☒ **Financial Gap Analysis**

☒ **Metes and bounds, field notes and/or a site survey showing the location of existing and proposed improvements.**

☐ **City of San Antonio's Discretionary Contracts Disclosure form, which can be found at:**

https://www.sanantonio.gov/eforms/atty/ContractsDisclosureForm.pdf

Companies must submit non-refundable application fees with their respective applications based upon the following schedules. Non-refundable Application Fees are due upon company's receipt of an incentive letter. Projects that require an assignment or amendment are also required to pay an application fee of $1,000.00 to each entity.

☒ **County of Bexar:**

Applicant Fee Criteria	Fee
Companies without Bexar County Operations	$1,000
Companies with existing Bexar County Operations	$500

☒ **City of San Antonio:**

Number of Employees in the Applicant Firm	Fee
Minimum Fee	$500
100-499	$1,000
500+	$1,500

CERTIFICATION

I understand and certify that I have read the County of Bexar's and the City of San Antonio's current *Tax Abatement Guidelines* which relate to the County of Bexar General Fund and the City of San Antonio General Fund ad valorem taxes. I am familiar with the provisions contained therein, and that the information provided in this application may become a part of an incentive agreement with the County of Bexar and/or City of San Antonio. I also certify that I am authorized to sign this application, that the information provided herein is true and correct, and that knowingly providing false information will result in voiding the application and termination of any incentive agreement.

Signature: _____ **Date (MM/DD/YY):** / /

Printed Name: Roderick Mitchell **Title:** Executive Vice President, Global Fixed Assets

Company Name: Pentagon Federal Credit Union

Mailing Address: 7940 Jones Branch Drive

City: McLean **State:** VA **Zip:** 22102-

Telephone: (571) 341-6606 **Mobile:** (703) 405-5693 **E-mail address:** roderick.mitchell@penfed.org

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