

CITY OF EL PASO, TEXAS
AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM

DEPARTMENT: Economic & International Development Department
AGENDA DATE: Regular Agenda November 11, 2014
CONTACT PERSON/PHONE: Cary S. Westin, Director, (915) 212-1614
DISTRICT(S) AFFECTED: District 7

SUBJECT:

Discussion and action that the City Manager be authorized to execute a Chapter 380 Economic Development Program Agreement by and between the City of El Paso, Texas, a Texas home rule municipal corporation, The Prudential Insurance Company of America, a New Jersey corporation, and HGS (USA), LLC for the establishment of a business and technology services center within the city limits of the City of El Paso.
[Economic & International Development, Cary S. Westin, Director, (915) 212-1614].

BACKGROUND/DISCUSSION:

The company is proposing to develop a domestic sourcing center within the city limits of the City of El Paso to create 300 new jobs over a 3 year period and invest \$3,250,000 in real and personal property. Prudential is one of the largest U.S. Financial services companies with \$1.1 trillion in assets under management and operations in the United States, Asia, Europe and Latin America. Through its subsidiaries and affiliates, the company serves individual and institutional customers offering products and services including: life insurance, mutual funds, annuities, pension & retirement-related services and administration, asset management, banking & trust services. The new development will allow the company to open a business and technology services center in El Paso that will offer quality job opportunities to military spouses, veterans and their families and other members of the El Paso community.

PRIOR COUNCIL ACTION:

Has the Council previously considered this item or a closely related one?

Yes. Economic Development Staff Presented this item on Executive Session on April 1, 2014.

AMOUNT AND SOURCE OF FUNDING:

General Fund

BOARD/COMMISSION ACTION:

Enter appropriate comments or N/A.

N/A

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD: _____

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the City Manager be authorized to execute a Chapter 380 Economic Development Program Agreement by and between the **CITY OF EL PASO, TEXAS**, a Texas home rule municipal corporation, **THE PRUDENTIAL INSURANCE COMPANY OF AMERICA**, a New Jersey corporation, and **HGS (USA), LLC** for the establishment of a business and technology services center within the city limits of the City of El Paso.

PASSED AND APPROVED this ____ day of _____ 2014.

CITY OF EL PASO, TEXAS

Oscar Leeser
Mayor

ATTEST:

Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:

Matthew K. Behrens
Assistant City Attorney

APPROVED AS TO CONTENT:

Cary S. Westin, Director
Economic & International Development Department

STATE OF TEXAS)
)
COUNTY OF EL PASO) **CHAPTER 380 ECONOMIC DEVELOPMENT
PROGRAM AGREEMENT**

This Chapter 380 Economic Development Program Agreement (“Agreement”) is made and entered into by and between the **CITY OF EL PASO, TEXAS** (“City”), a Texas home rule municipal corporation, **THE PRUDENTIAL INSURANCE COMPANY OF AMERICA** (“Prudential”), a New Jersey corporation, and **HGS (USA), LLC** (“HGS”), a Delaware limited liability company, collectively referred to as the Applicants, for the purposes and considerations stated below. Prudential and HGS are hereinafter referred to either individually as the “Applicant,” or collectively as the “Applicants:”

WHEREAS, the Applicants desire to enter into this Agreement pursuant to Chapter 380 of the Texas Local Government Code (“Chapter 380”); and

WHEREAS, the City desires to provide, pursuant to Chapter 380, an incentive to the Applicants to develop the Business and Technology Services Center (“Service Center”) as more fully described below; and

WHEREAS, the City has the authority under Chapter 380 to make loans or grants of public funds for the purposes of promoting local economic development and stimulating business and commercial activity within the City of El Paso; and

WHEREAS, the City determines that a grant of funds to Applicants will serve the public purpose of promoting local economic development and enhancing business and commercial activity within the City; and

WHEREAS, the City and Applicants desire that development of the Service Center occur in the City of El Paso; and

WHEREAS, the creation of the Service Center will encourage increased economic development in the City, provide significant increases in the City’s property tax revenues, and improve the City’s ability to provide for the health, safety and welfare of the citizens of El Paso, with special focus on the military community including veterans, military spouses and their dependents; and

WHEREAS, the City has concluded and hereby finds that this Agreement embodies an eligible “program” and clearly promotes economic development in the City of El Paso and, as such, meets the requisites under Chapter 380 of the Texas Local Government Code and further, is in the best interests of the City and Applicants.

NOW, THEREFORE, in consideration of the mutual benefits and promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

SECTION 1. DEFINITIONS.

The following words shall have the following meanings when used in this Agreement.

- A. **Agreement.** The word “Agreement” means this Chapter 380 Economic Development Program Agreement, together with all exhibits and schedules attached to this Agreement.
- B. **Applicants.** The word “Applicants” means The Prudential Insurance Company of America (“Prudential”), a New Jersey corporation, and HGS (USA), LLC (“HGS”), a Delaware limited liability company.
- C. **Base Year Value.** The words “Base Year Value” mean the value of the real and personal property of the Development on the rolls as of January 1st of the year in which this Agreement is executed.
- D. **City.** The word “City” means the City of El Paso, Texas.
- E. **Development.** The word “Development” means the Service Center as more fully described on Exhibit “A”, which is attached hereto and incorporated herein for all purposes.
- F. **Full-Time Employment.** The words “Full-Time Employment” mean a job at the Development, within the City of El Paso, Texas, including allowance for vacation and sick leave, with an offer for full company benefits, including company paid health insurance (Employee must not be required to pay more than fifty percent (50%) of the premium). These requirements are more completely described in Exhibit “B”, which is attached hereto and incorporated herein for all purposes.
- G. **Grant.** The word “Grant” means a payment on a yearly basis to Applicants under the terms of this Agreement computed with reference to property taxes generated by the Development and payable from the City’s general revenue fund.
- H. **Grant Submittal Package.** The words “Grant Submittal Package” mean the documentation required to be supplied to City on a yearly basis as a condition of receipt of any Grant, with such documentation more fully described in Exhibit “C”, which is attached hereto and incorporated herein for all purposes.
- I. **Qualified Expenditures.** The words “Qualified Expenditures” means those costs incurred by HGS in the acquisition, leasehold improvements, modification, construction or furnishing of the Development.

SECTION 2. TERM AND GRANT PERIOD.

The term of this Agreement shall be ten (10) years from the Effective Date of this Agreement. The Effective Date of this Agreement shall be the date upon which all parties have fully executed

this Agreement, as noted below. However, the Applicants' eligibility for Grant payments shall be limited to seven (7) consecutive years (the "Grant Period") within the term of this Agreement. The Grant Period shall begin with the first year being the first tax year that begins after: (i) the issuance of the Certificate of Occupancy for the Development; and, (ii) the Applicants having met all Full Time Employment job requirements noted in Exhibit "B", which is attached hereto and incorporated herein for all purposes. Failure of the Applicants to receive its Certificate of Occupancy and meet its Full Time Employment job requirements by December 31, 2016, shall result in the immediate termination of this Agreement. The City shall review Applicants' eligibility for Grant Payments on an annual basis during the Grant Period.

SECTION 3. OBLIGATIONS OF APPLICANTS.

During the term of this Agreement, each Applicant, as applicable shall comply with the following terms and conditions:

- A. HGS agrees to lease, develop, furnish and operate, at its sole cost, the Development. HGS shall commence construction and or improvements of the Development within twelve (12) months of the Effective Date of this Agreement. HGS shall receive a certificate of occupancy, and be open for business within twelve (12) months from the commencement of construction and/or improvements to the Development. HGS agrees that it shall make or caused to be made Qualified Expenditures of not less than Three Million Two Hundred Fifty Thousand and 00/100 Dollars (\$3,250,000.00) in the Development. The City shall be permitted to review Applicants' receipts of Qualified Expenditures to evidence the expenditure of a minimum amount of Three Million Two Hundred Fifty Thousand and 00/100 Dollars (\$3,250,000.00).
- B. Applicants agree that they shall create, staff, and maintain the Full-Time Employment positions described in Exhibit "B" for the Development, and shall maintain the Full-Time Employment positions for the Development through the entire Grant Period of this Agreement. Applicants shall maintain the Full-Time Employment positions for each fiscal year.

Each Applicant shall provide the City with an annual report by April 30th of each year during the term of this Agreement, certifying the status of compliance through the preceding year. Such annual reports shall include the number of new Full-Time Employment created and retained by the Applicant for the Development, information on any new investments in the Development, and any other information relevant to the Development and the City's economic development goals. Documentation for jobs may be in the form of quarterly IRS 941 returns, Texas Workforce Commission Employer Quarterly Reports, or employee rosters that show the hours worked and the positions filled. Each Applicant shall also provide the City with such other reports as may reasonably be required.

Each Applicant, during normal business hours, at the Development in El Paso, shall allow the City or its agents reasonable access to its employment records and books, and other

records that are related to the economic development considerations and incentives described herein, to verify employment records and any other records related to the City's economic development considerations and incentives provided herein. The confidentiality of such records will be maintained in accordance with this agreement and subject to all applicable laws. The parties acknowledge and agree that Prudential will be licensing certain space in the Development from HGS. HGS agrees to reasonably cooperate with Prudential to provide the City or its agents access to the Development as may be required from time to time by the City.

- C. Unless otherwise agreed by the City and the Applicants, each Grant Submittal Package shall be in the form provided in Exhibit "C". If Applicants fail to timely submit a Grant Submittal Package for a particular year, by the June 30 of the following year, the City may, but is not obligated to, give Applicants written notice of their failure to timely submit such Grant Submittal Package, and Applicants shall have thirty (30) calendar days from the date on which such written notice is given in which to submit such Grant Submittal Package. Failure by the Applicants to timely submit a Grant Submittal Package will be deemed a waiver by the Applicants to receive a Grant payment only for the period covered by the untimely filed Grant Submittal Package. The City's determination of the amount of the Grant payment due to Applicants is final; provided, however, that the Applicants may appeal to the City Council within thirty (30) days of payment. The City Council shall hear the appeal within thirty (30) days of request for appeal and the City Council's determination of the amount of the Grant payment shall be final. Nothing herein shall limit (or be construed to limit) Applicants' rights and remedies as described in Section 5 of this Agreement.
- D. HGS shall pay by January 31 of each year all of the real and business personal ad valorem taxes due for the previous tax year on the Development either directly or to the owner of the property. Applicants shall pay by January 31 of each year all of the real and business personal ad valorem taxes due for any other property they are responsible for within the City of El Paso. The parties to this Agreement agree that the taxable value of the Development, after completion of all construction and improvements, will have a minimum value of Three Million One Hundred Thirty-Nine Thousand Ten and 00/100 Dollars (\$3,139,010.00). Applicants shall have the right to contest the appraised value of the Development as provided by law. However, Applicants covenants and agrees that during the term of this Agreement it shall not challenge or permit anyone else to take actions on its behalf to challenge any assessments by the Central Appraisal District at \$3,139,010.00 or lower. It is the intent of the parties that the assessed value of the Development on the tax rolls shall have a minimum base value of \$3,139,010.00 during the term of this Agreement and any affirmative act by Applicant to reduce the assessed value to amount below \$3,139,010.00 will be deemed an Event of Default that will result in termination of this Agreement. Any action taken by the Applicant's landlord to reduce the Base Year Value below Three Million One Hundred Thirty-Nine Thousand Ten and 00/100 Dollars (\$3,139,010.00) will not be deemed an event of default, however, the calculation of Grant payments due to the Applicant shall be made as if the Base Year Value continued to be Three Million One Hundred Thirty-Nine Thousand Ten and 00/100 Dollars (\$3,139,010.00).

SECTION 4. OBLIGATIONS OF CITY.

During the term of this Agreement and so long as an event of default has not occurred and is not continuing as set forth herein (provided, however, an event of default hereunder shall not be deemed to have occurred until after the expiration of the applicable notice and cure period), City shall comply with the following terms and conditions:

- A. The City agrees to process any Grant Payments to Applicants within ninety (90) days after its approval of the Applicants' Grant Submittal Package.
- B. Pursuant to the City's "Incentives Policy – Guidelines and Criteria" and a cost/benefit calculation completed solely by and at the City's discretion, the City shall determine the total amount of Grant Payments due to the Applicants, if any, on an annual basis. The minimum amount of the Grant Payment the Applicants shall be eligible for each year shall be as set forth in Exhibit "B".
- C. The CITY shall determine the total amount of Grant payments due to the Applicants, in accordance with the Grant Submittal Package. Provided the Applicants satisfy all the requirements of this Agreement, Applicants shall be eligible for an annual Grant payment in an amount equal to one hundred percent (100%) of the total value of the CITY's portion of the incremental property tax revenue generated by the subject property above the Base Year Value for the Development for the given tax year during the Grant Period.

Under no circumstances shall the total aggregate of Grant payments exceed the lesser of Seventy-Seven Thousand Three Hundred Two and 00/100 dollars (\$77,302.00) or the total value of the City's portion of the incremental ad valorem property tax revenue generated by the subject property in the Development above the Base Year Value for the Grant Period and payable from the CITY's general revenue fund.

SECTION 5. EVENTS OF DEFAULT.

Each of the following shall constitute an Event of Default under this Agreement:

- A. **Failure to Maintain Development and Job Requirements.** Applicants' failure or refusal to operate the Development and maintain required Full Time Employment pursuant to this Agreement through the entire Grant Period of this Agreement, and Applicants' failure or refusal to cure within thirty (30) days after written notice from the City describing such failure, shall be deemed an event of default. However, if such failure cannot be cured within such thirty (30) day period in the exercise of all due diligence, but the Applicants have not yet commenced such cure within such thirty (30) day period or fails to continuously thereafter diligently prosecute the cure of such failure, such actions or omissions shall also be deemed an event of default.

- B. **False Statements.** In the event an Applicant provides any written warranty, representation or statement under this Agreement or any document(s) related hereto that is/are false or misleading in any material respect, either now or at the time made or furnished, and such Applicant fails to cure same within thirty (30) days after written notice from the City describing the violation shall be deemed an event of default. If such violation cannot be cured within such thirty (30) day period in the exercise of all due diligence, and if the Applicant making the false or misleading representation, warranty or representation fails to commence such cure within such thirty (30) day period or fails to continuously thereafter diligently prosecute the cure of such violation, such actions or omissions shall also be deemed an event of default. Further, if an Applicant obtains actual knowledge that any previously provided warranty, representation or statement has become false or misleading after the time that it was made, and such Applicants fails to provide written notice to the City of the false or misleading nature of such warranty, representation or statement within ten (10) days after such Applicant learns of its false or misleading nature, such action or omission shall be deemed an event of default. In the event this Agreement is terminated pursuant to this Section, all Grant Payments previously provided by the City pursuant to this Agreement shall be recaptured and repaid by the Applicant violating the terms of this section within sixty (60) days from the date of such termination.
- C. **Insolvency.** The dissolution or termination of any Applicant's existence as a going business or concern, Applicant's insolvency, appointment of receiver for any part of Applicant's portion of the Development, any assignment of all or substantially all of the assets of an Applicant for the benefit of creditors of Applicant, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against an Applicant shall all be deemed events of default. However, in the case of involuntary proceedings, if such proceedings are discharged within sixty (60) days after filing, no event of default shall be deemed to have occurred.
- D. **Construction of Development.** HGS' failure to comply with its obligations under Section 3(A) and HGS's failure to cure same within thirty (30) days after written notice from the City shall be deemed an event of default. If such failure cannot be cured within such thirty (30) day period in the exercise of all due diligence but HGS fails or refuses to commence such cure within such thirty (30) day period or fails or refuses to continuously thereafter diligently prosecute such cure, except to the extent such failure is caused by any act or failure to act on the part of the City, such actions or omissions shall be deemed events of default.
- E. **Property Taxes.** In the event Applicants allow any property taxes owed to the City to become delinquent and fail to timely and properly follow the legal procedures for protest and/or contest of such taxes and to cure such failure or post a satisfactory bond within thirty (30) days after written notice thereof from the City and/or El Paso Central Appraisal District, such actions or omissions shall be deemed an event of default. Subject to the restrictions noted herein, Applicants shall have the right to contest the appraised value of the Development.

- F. **Other Defaults.** Failure of Applicants or City to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any related documents, and Applicants or City fail to cure such failure within thirty (30) days after written notice from the other party describing such failure shall be deemed an event of default. If such failure cannot be cured within such thirty (30) day period in the exercise of all due diligence, but if Applicants or City also fail or refuse to commence such cure within such thirty (30) day period or fail or refuse to continuously thereafter diligently prosecute the cure of such failure, such act or omission shall be deemed an event of default.
- G. **Termination on Default and Failure to Cure.** If any event of default by one or more Applicants shall occur, and after Applicant(s) fail to cure same in accordance herewith, then this Agreement is terminated without any further action required of the City and the City's obligations and except for Section 5(B), the Applicants' obligations end at that time. If a default has not been cured within the time frame stated herein, the non-defaulting parties shall have all rights and remedies under the law or in equity.

SECTION 6. TERMINATION OF AGREEMENT BY CITY WITHOUT DEFAULT OF APPLICANTS.

The City may terminate this Agreement for its convenience and without the requirement of an event of default by Applicants, which shall become effective immediately if any state or federal statute, regulation, case law, or other law renders this Agreement ineffectual, impractical or illegal, including any case law holding that a Chapter 380 Economic Development Agreement such as this Agreement is an unconstitutional debt.

SECTION 7. MISCELLANEOUS PROVISIONS.

The following miscellaneous provisions are a part of this Agreement:

- A. **Amendments.** This Agreement constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by both parties.
- B. **Applicable Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in El Paso County, Texas. Venue for any action arising under this Agreement shall lie in the state district courts of El Paso County, Texas.
- C. **Assignment of Applicants' Rights.** Applicants understand and agree that the City expressly prohibits Applicants from selling, transferring, assigning or conveying in any way any rights to receive the Grant proceeds without the City's prior written consent. Any attempt to transfer any rights without the prior written consent of the City shall be void and shall result in the immediate termination of this Agreement.

- D. **Applicant's Sale or Transfer of the Development.** Prior to any sale or other transfer of the Applicants' lease of the Development, Applicant shall notify the City in writing of transfer within thirty (30) business days of the effectiveness of such sale or transfer. The Applicants further agrees to provide written notice of any sale or other transfer of ownership by their landlord of the Development within thirty (30) business days of receiving such information from their landlord. This provision is a material term of this Agreement and the failure to notify the City of such sale or transfer within the applicable period shall constitute an event of default.
- E. **Binding Obligation.** This Agreement shall become a binding obligation on the signatories upon execution by all signatories hereto. City warrants and represents that the individual executing this Agreement on behalf of City has full authority to execute this Agreement and bind City to the same. The individual executing this Agreement on each Applicant's behalf warrants and represents that he or she has full authority to execute this Agreement and bind the Applicant to the same.
- F. **Completion of Development.** As consideration for the agreements of the City as contained herein, each Applicant agrees that it will diligently and faithfully in a good and workmanlike manner pursue the completion of the Development and that any construction in the Development (controlled by such Applicant) will be in accordance with all applicable federal, state and local laws and regulations.
- G. **Confidentiality Obligations.** The confidentiality of employment records and any other records related to the City's economic development considerations and incentives provided herein will be maintained in accordance with and subject to all applicable laws, including the Public Information Act, Chapter 552, Texas Government Code. Specifically, the City will maintain the confidentiality of any proprietary information to the extent permitted by law and agrees that, as required by the Public Information Act, it will notify Applicants if a request relating to such proprietary information is received. Applicants represent that they understand that the Public Information Act excepts disclosure of trade secret and confidential commercial information and that it will need to assert the proprietary interest of Applicants as a basis for nondisclosure.
- H. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same document.
- I. **Employment of Undocumented Workers.** During the term of this Agreement, each Applicant agrees not to knowingly employ any undocumented workers as defined in Texas Government Code Section 2264.001. If an Applicant is convicted of a violation under 8 U.S.C. Section 1324a(f), such Applicant shall repay the amount of the Grant payments received by Applicant from the City as of the date of such violation not later than one hundred twenty (120) days after the date Applicants are notified by City of a violation of this section, plus interest from the date the Grant payment(s) was paid to Applicant, at the rate, for this Section 7I only, of seven percent (7%) per annum. The interest will accrue from the date the Grant payment(s) were paid to Applicants until the

date the reimbursement payments are repaid to City. City may also recover from the Applicant violating this section court costs and reasonable attorney's fees incurred in an action to recover the Grant payment(s) subject to repayment under this section. Neither Applicant is liable for a violation by its subsidiary, affiliate, or franchisee, or by a person which whom such Applicant contracts.

- J. **Execution of Agreement.** The El Paso City Council has authorized the City Manager to execute this Agreement on behalf of the City.
- K. **Filing.** The City shall file this Agreement in the deed records of El Paso County, Texas.
- L. **Force Majeure.** It is expressly understood and agreed by the parties to this Agreement that if the performance of any obligations hereunder is delayed by reason of war, civil commotion, acts of God, inclement weather, fire or other casualty, or court injunction, the party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such obligation or requirement shall be extended for a period of time equal to the period such party was delayed.
- M. **Notices.** All notices required to be given under this Agreement shall be given in writing and shall be effective when actually delivered or when deposited in the United States mail, first class, postage prepaid, addressed to the party to whom the notice is to be given at the addresses shown below. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, each party agrees to keep the other informed at all times of its current address.

CITY: City of El Paso
City Manager
P.O. Box 1850
El Paso, Texas 79950-1850

Copy To: City of El Paso
Economic Development Department Director
P.O. Box 1890
El Paso, Texas 79950-1890

APPLICANTS: The Prudential Insurance Company of America
Barbara Koster, Sr. VP and Global CIO
213 Washington St.
Newark, NJ 07102

Copy to: Chief Legal Officer
Operations & Systems Law
55 Livingston Avenue
Roseland, NJ 07068

HGS (USA), LLC
Kathy Hamburger, President
4355 Weaver Parkway, Suite 310
Warrenville, IL 60555

- N. **Ordinance Applicability.** The signatories hereto shall be subject to all ordinances of the City, whether now existing or in the future arising; provided however no ordinance shall reduce or diminish the contractual obligations contained herein. This Agreement shall confer no vested rights on the Development unless specifically enumerated herein.
- O. **Severability.** In the event any provision of this Agreement shall be determined by any court of competent jurisdiction to be invalid or unenforceable, the Agreement shall, to the extent reasonably possible, remain in force as to the balance of its provisions as if such invalid provision were not a part hereof.
- P. **Limitation of Liability.**
- (i) In no event will a party be liable to any other party for any indirect, special, punitive, exemplary, incidental or consequential damages. This limitation will apply regardless of whether or not the other party has been advised of the possibility of such damages. The Applicants total liability under this Agreement shall not exceed in the aggregate the amount of Funds actually received by such Applicants plus interest at a rate of 3.0% per year..
- (ii) The liability of each Applicant shall be several and not joint. Neither Prudential nor HGS shall be liable for the other party's failure to comply with the terms set forth in this Agreement.

(SIGNATURES BEGIN ON THE FOLLOWING PAGE)

IN WITNESS WHEREOF, the parties have executed this Agreement on this ____ day of _____, 20__.

CITY OF EL PASO, TEXAS

Tomás González
City Manager

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

Matthew Behrens
Assistant City Attorney

Cary Westin, Director
Economic and International Development

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF EL PASO §

This instrument was acknowledged before me on the ____ day of _____, 20__, by **Tomás González**, as **City Manager** of the **City of El Paso, Texas (CITY)**.

Notary Public, State of Texas

My Commission Expires:

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

EXHIBIT A

[Legal Description]

1 LOMALAND COMMERCIAL PARK #1 8LY COR OF 1 (564.56 ON NWLY – 323.50 ON
NELY – 420.08 ON SELY – 290.63 ON SWLY)

[Description of Development]

60,000 square feet of office space outfitted with equipment to house approximately three
hundred (300) back office employees.

EXHIBIT B

[Employment Requirements & Grant Payment Eligibility]

SECTION 1. MINIMUM JOB CREATION AND RETENTION REQUIREMENTS.

In order to be eligible for any Grant Payments, Applicants are required to create and maintain a minimum of One Hundred Seventy-Five (175) Full-Time Employment positions by December 31, 2015, and a total of Three Hundred (300) Full-Time Employment positions by December 31, 2016, and throughout the remainder of the Grant Period. Applicants agree that these Full Time Employment requirements are in addition to jobs currently employed by Applicants in the average of the monthly full-time employees from August 2013 to September 2014 currently employed by Applicants in 2014 in the City of El Paso and will comply with the Full-Time Employment requirements of this Agreement.

New full-time employment positions shall include those hired directly by Prudential after the Effective Date of the Agreement or transferred from a Prudential location outside Texas after the Effective Date of the Agreement, or new full-time employment positions hired directly by HGS after the Effective Date of the Agreement and that perform services on behalf of Prudential or position transferred from HGS to Prudential account or Prudential provided the HGS job is replaced with a new comparable full time employment position located at the new facility , or new full time employment positions hired directly by HGS after the Effective Date of the Agreement to maintain HGS headcount.

SECTION 2. ELIGIBILITY FOR GRANT PAYMENTS.

Grant Payments shall be made equivalent to at least **one hundred percent (100%)** of the total value of the City's portion of the incremental property tax revenue generated by the subject property above the Base Year Value for the Development for the tax year covered by the Grant Submittal Package upon the Applicants' certification of at least **ninety percent (90%)** of the new full time employment positions required herein for which average wages are at or above **ninety percent (90%)** of the Median County Wage for the year covered by the Grant Submittal Package.

SECTION 3. MEDIAN COUNTY WAGE

For the purposes of this Agreement, the Median County Wage is that wage established for the County of El Paso as adjusted on January 1 of each year. However, in no event shall the applicable Median County Wage used for determination of Grant Payment eligibility be less than the Median County Wage established for 2014, which is \$12.25 per hour.

EXHIBIT C

[Grant Submittal Package Form]

HGS (USA), LLC (“HGS”) believes that it has substantially met its obligations under the Chapter 380 Agreement dated the ____ day of _____, 20__ and signed by Kathy Hamburger of **HGS**. Pursuant to the Agreement, **HGS** submits this Grant Submittal Package Form in compliance with the Agreement and in anticipation of receiving the Grant payments referenced in the Agreement in consideration for its obligations met therein.

As required by the Agreement, the following information is submitted.

1. Job Certification Annual Report plus attachments (all attachments as referenced within the Agreement).
2. Proof of Property Tax Payment to the Development landlord or the City for tax year _____.

It is understood by **HGS** that the City of El Paso has up to ninety (90) days to process this request and reserves the right to deny the Grant claim if the terms of the Agreement have not been complied with.

HGS (USA), LLC

 Name: _____
 Title: _____

ACKNOWLEDGMENT

STATE OF _____ §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on the ____ day of _____, 20__, by _____, as _____ of **HGS (USA), LLC (APPLICANT)**.

Notary Public, State of _____

My Commission Expires:
