

**ECONOMIC DEVELOPMENT AGREEMENT  
BETWEEN THE CITY OF NEW BRAUNFELS AND TASKUS INC.**

This Economic Development Agreement (this “**Agreement**”) is entered into as of the Effective Date (defined below) by and among the City of New Braunfels, Texas, a home rule municipality (the “**City**”) and TaskUs Inc., a Delaware for-profit corporation (“**TaskUs**”). The City and TaskUs are individually sometimes called a “**Party**” and are together called the “**Parties.**”

**Recitals**

- A.** TaskUs desires to invest approximately \$10,400,000.00 cumulatively in (i) an office facility of approximately 40,000 gross square-feet (the “**Facility**”), (ii) machinery and equipment, and (iii) furniture, fixtures and equipment (collectively, the “**Project**”), all to be located on a certain approximately \_\_\_\_-acre tract of land located within the city limits of New Braunfels at the \_\_\_\_ block of \_\_\_\_ and depicted on **Exhibit “A”** attached hereto (the “**Property**”);
- B.** Development of the Project is estimated to result in an increase in ad valorem tax base for the City, as described in **Exhibit “B”**;
- C.** TaskUs anticipates that it will employ, on a full-time basis, at least 450 persons by December 31, 2019;
- D.** The City is authorized by chapter 380 of the Texas Local Government Code to make grants of public money, which are measured by a percentage of the property tax paid to the City by the entity receiving such grant;
- E.** The City has determined that by making such grants to TaskUs, the City is promoting state and local economic development and stimulating business and commercial activity to the City;
- F.** This Agreement has been submitted to the Parties for consideration and approval, and the Parties have taken all actions required to be taken prior to the execution of this Agreement to make the same binding upon the Parties according to the terms hereof; and
- G.** The Parties wish to set forth their respective rights and obligations with respect to the Project;

**NOW, THEREFORE**, in consideration of the promises and agreements herein set forth, and other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties contract and agree as follows:

- 1. TaskUs Performance Conditions.** In order for TaskUs to receive the Grant Payments, as hereinafter defined, TaskUs must satisfy the following conditions (collectively, the “**Performance Conditions**”):

- a. TaskUs or an Affiliate, as hereinafter defined, shall make certain qualifying expenditures to the Project within the time frames set forth below (“**Investment Conditions**”).
  - i. Required Investment. TaskUs or its Affiliate shall make qualifying expenditures in the Project that result in an increase of Total Taxable Assessed Value of up to Ten Million Four Hundred Thousand Dollars (\$10,400,000) as of January 1, 2019.

The term “**Total Taxable Assessed Value**” for a particular tax year means the “assessed value” (within the meaning of chapter 26 of the Texas Tax Code) for property tax purposes, of the land, improvements and Machinery and Equipment on the Property for such tax year. The term “**Machinery and Equipment**” includes machinery, furniture, fixtures, equipment and capitalized cost relevant to the equipment (but not inventory for sale. TaskUs agrees to timely render annually to the Comal Appraisal District the values of New Machinery and Equipment.

- b. Any Investment Condition that has been met will continue to be met throughout the term of Grant Payments for such Investment Condition for so long as the Total Taxable Assessed Value of the Project does not decrease to less than fifteen percent (15%) of its Total Taxable Assessed Value after the initial satisfaction of the 2019 Investment Condition, which (notwithstanding any provision in this Agreement to the contrary) Total Taxable Assessed Value for any year may include the increases in the “assessed value” for such year the capital investment necessary for the replacement of Machinery and Equipment.
- c. To receive Grant Payments, TaskUs shall satisfy the following employment requirements at the Facility, according to the following schedule (collectively, the “**Employment Condition**”):
  - i. to receive the Grant Payment for the year 2018, TaskUs or its Affiliate must employ and maintain a workforce having no less than (A) Three Hundred and Seven (307) Full-Time Employees on the Property, (B) Two-hundred and twenty five (225) of which are paid an overall average of \$15.30 per hour, and (C) a total annualized Payroll for Full-Time Employees on the Property of at least Nine Million, Three Hundred Fifty-five thousand Dollars ( \$9,355,000), in each case by December 31, 2018;
  - ii. to receive Grant Payments for the 2019 year and through the end of the Term (defined below), TaskUs or its Affiliate must employ and maintain a workforce having no less than (A) Four Hundred Fifty (450) Full-Time Employees on the Property, (B) 225 of which must be paid an average of \$15.30 per hour inclusive of benefits and two-hundred and twenty-five (225) of which must be paid an average of \$14.90 per hour inclusive of benefits, and (C) a total

annualized Payroll for Full-Time Employees on the Property of at least Fourteen Million, One Hundred Seventeen Thousand Dollars (\$14,117,000) in each case by December 31 of the subject year.

- iii. Variances on a daily or weekly basis from the above are not a breach of the Employment Condition so long as TaskUs meets the Employment Condition for each of 2018 and later calendar years during the Term.

For purposes of this Agreement, a “**Full-Time Employee**” shall mean an employee of TaskUs or an Affiliate, or Temp for Hire (defined below) of TaskUs or an Affiliate who works a minimum of thirty (30) hours per week at the New Braunfels Facility (i.e., annualized scheduled hours of at least 1500), and who receives benefits commonly associated with full time employment, including but not limited to healthcare, paid and unpaid leave benefits, and the right to participate in TaskUs’ qualified retirement plan. Following the opening of the Facility, TaskUs shall provide a certification of its Full-Time Employees and payroll at the Facility on December 15 of each year. The required certification shall be in a form reasonably acceptable to both parties, and shall include information pertaining to TaskUs’ achievement of the Employment Condition. Notwithstanding the foregoing, TaskUs shall not be required to disclose confidential personnel information regarding individual employees. For purposes of this Agreement, “**Payroll**” means the total amount of compensation paid to all Full-Time Employees, including, but not limited to, salaries and wages, bonuses, healthcare, amounts paid under TaskUs’ corporate matching plan, and payroll taxes. For purposes of this Agreement, “**Affiliate**” means (1) any entity 50% or more owned or controlled by TaskUs, or any of its principal shareholders or any trust created for their benefit, (2) any entity taking over TaskUs’ interest in this Agreement as a result of a merger or consolidation, (3) any entity acquiring all or substantially all of the assets of TaskUs, or (4) any entity which has acquired a majority of the outstanding stock or equity of TaskUs. The term “**Temp for Hire**” means an individual that is employed by a temporary employee agency (or similar business) who is working at the Facility pursuant to a contract between TaskUs or its Affiliate and such temporary employee agency (or other similar business).

- d. TaskUs shall be required to meet all full-time job creation thresholds, annual employment ramp-up, payroll and minimum hourly wage rates set forth in this agreement for the Term to be entitled to all Grant Payments set forth in this Agreement through 2025. In the event TaskUs fails to meet the Employment Condition in any property tax year during the Term, then TaskUs shall not be entitled to any Grant Payments for such property tax year; however, the failure to meet the Employment Condition for any one property tax year will not preclude TaskUs from receiving Grant Payments for any later property tax year assuming the Employment Condition is met in such later property tax year.
- e. There is not a separate Employment Condition for each Line; rather, all Full-Time Employees, irrespective of the Line they are working on, for a particular property

tax year count for purposes of meeting the Employment Condition for such particular property tax year.

- f. In accordance with Chapter 2264 of the Texas Government Code, TaskUs agrees not to knowingly employ any undocumented workers at the Project during the Term of this Agreement. If TaskUs is convicted of a violation under 8 U.S.C. Section 1324a (f), then such violation shall be an event of default and TaskUs shall immediately notify the City in writing and repay the City the amounts granted to TaskUs by this Agreement for the period covered under this Agreement during which such violation occurred. Such payment shall be made within 120 business days after the date TaskUs is notified by the City of such violation. The City, in its sole discretion, may extend the period for repayment herein. Additionally, TaskUs shall pay interest on the amounts due to City at the rate periodically announced by the Wall Street Journal as the prime or base commercial lending rate, or if the Wall Street Journal shall ever cease to exist or cease to announce a prime or base lending rate, then at the annual rate of interest from time to time announced by Bank of America, N.A.-(or by any other New York money center bank selected by the City) as its prime or base commercial lending rate, from the date of such violation notice until paid.
- g. In the performance of this Agreement, TaskUs shall not discriminate against any employee or applicant for employment or with any customer with respect to his hire, tenure, terms, conditions or privileges because of his race, color, religion, national origin, sex, disability or ancestry. Proven breach of this covenant may be regarded as a material breach of this Agreement causing its termination.
- h. TaskUs agrees that the City reserves the right to audit its records onsite pertaining to the Employment Condition at any time upon two (2) business days' notice. The City or its representatives shall not be permitted to remove any records or duplicates from the location where such records are kept.
- i. TaskUs shall remain current and paid on all property taxes for portions of the Property owned by TaskUs or its Affiliates, subject to rights of appeal in accordance with law and subject to a right to cure any tax payment delinquency. If TaskUs becomes delinquent with the Comal Appraisal District, then the City's obligation to make Grant Payments is suspended until TaskUs cures the delinquency. The City's obligation to make a Grant Payment will be cancelled if the delinquency is not cured within sixty (60) days following receipt of notice of default. Notwithstanding Section 5.b., the ninety (90) day Cure Period set forth in section 5.b. shall not apply to this specific event of default. In no event should the City's agreement to make a Grant Payment under this Agreement be construed as a tax abatement by the City under chapter 312 of the Tax Code.

**2. Grant Payments.** Subject to TaskUs meeting the terms of this Agreement, the City agrees to take the following actions:

- a. Subject to TaskUs' satisfaction of its Performance Conditions, the City will issue to TaskUs grants of cash for TaskUs will make expenditures for its project in certain phases and at certain points in time as set forth below. These capital investments in its facility, furniture, fixtures and equipment are completed for the purposes of beginning operations as part of the proposed project. It is proposed that for the purpose of qualifying for tax rebates, the Company shall meet or exceed these established minimums for Total Taxable Assessed Value. Company will receive a rebate for the difference between the value of the property acquired in the year prior to purchase by Company (2017) and the tax year following Company's investment. (2018 or 2019).

Total Taxable Assessed Value shall mean the Comal Appraisal District's assessed value on any ad valorem improvements or business personal property. Business Personal Property shall mean to include machinery, furniture, fixtures and equipment. For the purposes of commencing a new Rebate Phase, the Total Taxable Assessed Value shall not include the capital investment necessary for the replacement of machinery and equipment on already established real property. Nor shall the replacement of machinery and equipment restart the rebate period for that particular Rebate Phase.

City will rebate the Ad Valorem Tax Revenues for eight years in accordance with the following schedule:

Chapter 380 Payment Schedule	
Year(s) Of Rebate	Chapter 380 Payment Amount
1-3	Seventy percent (70%) of the Ad Valorem Tax Revenues
4-6	Fifty-five percent (55%) of the Ad Valorem Tax Revenues
7-8	Thirty percent (30%) of the Ad Valorem Tax Revenues

- b. TaskUs shall submit to the City a written certification along with supporting documentation by an authorized officer of TaskUs confirming that the investment required to satisfy the Total Taxable Assessed Value has occurred.

TaskUs' Total Taxable Assessed Value shall meet the amounts detailed above along with the employment requirements prior to receiving the incentives set forth below.

- c. Subject to the terms and conditions of this Agreement, the payments under the Grant Payments (the "**Grant Payments**") will be issued by the City to TaskUs for

each relevant tax year beginning January 1, 2018 (“**Commencement Date**”). Each Grant Payment will be issued to TaskUs on or before the thirtieth (30<sup>th</sup>) day following the day the City receives written notice from TaskUs that such property taxes have been paid in full. Prior to issuance of a Grant Payment, the City shall annually verify the Employment Conditions above. The written notice from TaskUs to the City that the relevant property taxes have been paid in full shall include a copy of the paid tax receipt or other proof such taxes have been paid.

- d. City will monitor Employment Requirements on Behalf of the New Braunfels Industrial Development Corporation (NBIDC) for their Per Job Grant Expenditure.

3. **Term.** This Agreement shall be effective as of the Effective Date, and shall continue until the date (the “**Term**”) that the last Grant Payment is made under the last Grant Payment to which TaskUs is entitled. However, and notwithstanding any provision in this Agreement to the contrary, no Investment Condition may have a Grant Payment that relates to a property tax year after December 31, 2025.

#### 4. **Representations and Covenants**

TaskUs hereby represents and covenants as follows:

- a. TaskUs is a duly authorized and existing for-profit corporation , created and operating in good standing under the laws of the State of Delaware; and is authorized and in good standing to transact business in the State of Texas during the Term of this Agreement.
- b. TaskUs has taken all necessary corporate action to authorize its execution and delivery of this Agreement and its performance of its obligations hereunder.
- c. TaskUs has available to it, without restriction, all funds required to be expended by it for the completion of the Project.
- d. TaskUs will use its reasonable efforts to complete all of its obligations under this Agreement when and as set forth herein.
- e. TaskUs has not entered into, and will not enter into, any agreement (written or otherwise) with any person or entity that would prohibit or limit TaskUs from performing all of its obligations under this Agreement.
- f. As of the date of this Agreement, there is no litigation, claim, or proceeding pending of which TaskUs has received written notice, nor to the actual knowledge of TaskUs is there any litigation, claim or proceeding threatened that would prohibit or limits TaskUs from performing all of its obligations under this Agreement.
- g. No bankruptcy proceedings or other proceedings are currently pending or contemplated, and TaskUs has not been informed of any potential involuntary bankruptcy proceedings.

- h. TaskUs will not dissolve or take any action in furtherance thereof so long as it has not performed all of its obligations under this Agreement.

**5. Events of Default, Delay and Termination.**

- a. Each of the following shall constitute an event of default under this Agreement:
  - i. Any Party's failure to comply with and adhere to their respective performance conditions or obligations hereunder, or under the terms of the Agreement.
  - ii. Conviction of TaskUs for employing undocumented workers, pursuant to the terms of Section 1(g).
- b. Before any failure of any Party to perform its obligations under this Agreement shall be deemed to be a breach of this Agreement such that another Party's remedies are available, the Party claiming such failure shall notify, in writing, the Party alleged to have failed to perform of the alleged failure and shall demand performance. No breach of this Agreement may be found to have occurred if such breach has been cured within sixty (60) days following the receipt of such notice; provided, however, if such breach is not reasonably curable within such 60-day period, and TaskUs or its Affiliate have commenced and are pursuing such remedies as shall be reasonably necessary to cure such breach, then TaskUs shall have an additional ninety (90) days to cure such breach (the "***Cure Period***").
- c. In the event of a breach of this Agreement by TaskUs beyond the applicable notice and Cure Period, the City may (i) terminate this Agreement by the delivery of written notice to TaskUs; or (ii) suspend payment of the Grant Payment otherwise due to TaskUs following the date of termination; and (iii) seek to recover from TaskUs any legal expenses incurred by City to enforce TaskUs' compliance with its obligations under the terms of this Agreement. Notwithstanding the foregoing, in no event may the City terminate this Agreement solely for TaskUs' failure to satisfy one or more of the Investment Conditions or for its failure to satisfy the Employment Condition in any given year.
- d. In the event of a breach of this Agreement by the City beyond the applicable notice and Cure Period, TaskUs, as its sole and exclusive remedies, may (i) seek to exercise its rights to enforce City's obligations hereunder in order to receive Grant Payments due to TaskUs; (ii) seek to recover from City any legal expenses incurred by TaskUs to enforce City's payment of monetary obligations under this Agreement; and/or (iii) terminate this Agreement by the delivery of written notice to the City.
- e. Time is of the essence in this Agreement. Notwithstanding the foregoing, any deadlines provided in this Agreement shall be subject to any event of Force Majeure. For purposes of this Agreement, "Force Majeure" shall mean any contingency or cause beyond the reasonable control of any Company Entity,

including without limitation, acts of God or the public enemy, war, riot, terrorism, civil commotion, insurrection, governmental or de facto governmental action or inaction including, but not limited to, government actions pertaining to the determination of flood zones or FEMA actions, fire, earthquake, tornado, hurricane, explosions, floods, epidemics, strikes, slowdowns, work stoppages, unusually severe weather or adverse economic conditions; provided, however, that in no event shall any event of Force Majeure extend any deadline in this Agreement by more than twelve months.

**6. Authority.**

- a. The City hereby represents and warrants that the City has full constitutional and lawful right, power and authority, under currently applicable law, to execute and deliver and perform the terms and obligations of this Agreement, and all of the foregoing have been or will be duly and validly authorized and approved by all necessary City proceedings, findings and actions. Accordingly, this Agreement constitutes the legal, valid and binding obligation of the City, is enforceable in accordance with its terms and provisions and does not require the consent of any other governmental authority.
- b. TaskUs hereby represents and warrants that it has full lawful right, power, and authority to execute and deliver and perform the terms and obligations of this Agreement and all of the foregoing have been or will be duly and validly authorized and approved by all necessary actions.

**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 or amendment to this Agreement shall be effective unless given in writing and signed by all of the Parties hereto.
- b. Assignment. This Agreement cannot be assigned by TaskUs without the prior written consent of the City, which consent may not be unreasonably denied, delayed, conditioned or withheld (it being understood that reasonable reasons for the City to deny such consent include, without limitation, the lack of financial viability of the assignee, the business reputation of the assignee, the assignee's engaging in a type of business that would reflect poorly on the City, the assignee's lack of compliance with City ordinances and laws, etc.). Notwithstanding the foregoing, TaskUs may assign this Agreement (in whole or in part), without the prior written consent of the City to any Affiliate (currently existing or later formed), provided that such assignee assumes the obligations and liabilities of TaskUs in writing in a form reasonably approved by the City.
- c. 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 Comal County, Texas. Venue for any action arising under this Agreement shall lie in the state district courts of Comal County, Texas.

- d. Binding Obligation. This Agreement shall become a binding obligation on the signatories upon execution by all signatories hereto. Each Party warrants and represents that the individual executing this Agreement on behalf of that individual's represented Party has full authority to execute this Agreement and bind the represented Party to the same.
- e. Severability. In the event any provision in 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.
- f. 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 the 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. The addresses of the Parties are:

If to City:                      City of New Braunfels  
   550 Landa St.  
   New Braunfels, Texas 78130  
   Attn: City Manager

with copy to:                      City Attorney  
   550 Landa St.  
   New Braunfels, Texas 78130

If to TaskUs:                      TaskUs

and copy to:

Notices, approvals and other communications provided for herein shall be deemed delivered upon actual delivery.

- g. Effective Date and Expiration. The Effective Date of this Agreement shall be the last date indicated below reflecting the execution of this Agreement by each Party.

This Agreement shall automatically be null and void if it has not been executed by all of the Parties on or prior to December 1, 2018.

- 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. TaskUs shall execute this Agreement prior to the City of New Braunfels.
- i. Personal liability of Public Officials. To the extent permitted by State law, no public official or employee shall be personally responsible for any liability arising under or growing out of this Agreement.
- j. No Joint Venture; No Third Party Beneficiaries. It is acknowledged and agreed to by the parties to this Agreement that the terms hereof are not intended to, and shall not constitute a partnership or joint venture between the parties. Further, this Agreement does not establish rights in any third parties. The City, and its respective officials, officers and agents, do not assume any responsibility or liability to any third parties in connection with the development of the Project.
- k. If any date or any period provided in this Agreement ends on a Saturday, Sunday, or legal holiday, the applicable period for calculating the notice shall be extended to the first business day following such Saturday, Sunday, or legal holiday.
- l. Indemnity. TaskUs agrees to indemnify the City, and its officials and officers (in their capacities as officials and officers), from and against any claims, losses, damages, causes of action, suits and liabilities arising out of any negligence of TaskUs in its operation of the Facility; provided that TaskUs shall not be obligated to indemnify the City for claims arising out of the willful misconduct or gross negligence of the City or its agents.
- m. No waiver of immunity. No provision of this agreement shall affect or waive any sovereign or governmental immunity available to the City and/or its elected officials, officers, employees and agents under Federal or Texas law nor waive any defenses or remedies at law available to the City and/or its elected officials, officers, employees and agents under Federal or Texas law.

8. **Exhibits to Agreement**

*[Signatures on Following Page]*

This Agreement to be effective on the last date executed by the respective Parties, below  
(the “*Effective Date*”)

**TaskUs**

a \_\_\_\_\_

By: \_\_\_\_\_

Name:

Title:

Date: \_\_\_\_\_

**CITY OF NEW BRAUNFELS, Texas,  
a home rule municipality**

By: \_\_\_\_\_  
Robert Camareno, City Manager

Date: \_\_\_\_\_

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Patrick D. Aten, City Secretary

\_\_\_\_\_  
Valeria M. Acevedo, City Attorney

## **Exhibit A – Property**

[to be included upon recordation of plat]

## **Exhibit B – Estimated Schedule and Value of Improvements**