

WAKE COUNTY
BUSINESS DEVELOPMENT GRANT AGREEMENT

This Business Development Grant Agreement (the “Agreement”) is made and entered into as of the ____ day of _____, 2017 by and between CREDIT SUISSE (USA), INC., a Delaware corporation (the “Company”) and WAKE COUNTY, North Carolina, a body politic and corporate and political subdivision of the State of North Carolina (the “County”). The County and Company may from time to time be referred to in this Agreement individually as a “Party” and collectively as the “Parties.”

Credit Suisse Securities (USA), LLC, a Delaware limited liability company (“CS Securities”), and Credit Suisse Services (USA), LLC, a Delaware limited liability company (“CS Services”), are wholly-owned subsidiaries of the Company. The term “Company Group” as used in this Agreement refers to the Company, CS Securities and CS Services collectively.

WITNESSETH:

WHEREAS, the Local Development Act of 1925, as amended, (Article 1 of Chapter 158 of the North Carolina General Statutes) grants counties the authority to make appropriations for the purposes of aiding and encouraging the location or expansion of certain business enterprises in the county or for other purposes which the county’s governing body finds, in its discretion, will increase the population, taxable property base and business prospects of the county; and

WHEREAS, N.C. Gen. Stat. § 158-7.1(b) lists specific economic development activities which a county may undertake, which list is not exclusive; and

WHEREAS, in January 2017, the Company began discussions with the State of North Carolina (the “State”), and thereafter with the County, to explore the possibility of expanding the Company Group’s business operations in the County (the “Project”); and

WHEREAS, on February 6, 2017, the Board of Commissioners of the County met in closed session regarding the Company and its location possibilities and determined that (i) the Project would tend to increase the population, taxable property base and business prospects of the County, (ii) an incentive grant would encourage the Company to locate and provide jobs in the County, and (iii) it would be in the public interest to provide assistance as authorized by N.C. Gen. Stat. § 158-7.1 and approved the negotiation of a business development grant agreement for the Project; and

WHEREAS, the Company Group employed 1498 full-time North Carolina employees in the County in January 2017 and has made or caused to be made significant capital investments in real and tangible personal property in the County; and

WHEREAS, the Company has decided to locate the Project within the County; and

WHEREAS, the Company Group’s hiring and investment plans satisfy the County’s threshold requirements for a Tier 1 (Super Jobs) business development grant; and

WHEREAS, N.C. Gen. Stat. § 153A-449 authorizes the County to contract with and appropriate money to any person, association, or company in order to carry out the public purpose in which the County is authorized by law to engage; and

WHEREAS, the Board of Commissioners of the County found that the consideration that the County will receive, based on prospective tax revenues to be generated over an eight-year period due to investment in the Project, will exceed the amount of the grant offered in this Agreement; and

WHEREAS, the Board of Commissioners of the County, following a public hearing on _____, 2017, approved the execution of a business development grant to the Company for the Project on the terms of this Agreement.

NOW, THEREFORE, in consideration of the reasons recited above, and the mutual covenants and obligations contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. Real Estate Purchase, Facility Construction, and Machinery and Equipment Acquisition. The Company Group shall make or cause to be made improvements at the site chosen for the Project in Wake County, North Carolina, (the “Property”) and shall produce documentation for improvements which have been made to the real estate and receipts showing proof of acquisitions of machinery, equipment, furniture and fixtures by the Company Group. The Property shall be improved in accordance with the following:
 - (a) All construction undertaken, or caused to be undertaken, shall be or has been designed, constructed, and completed in accordance with applicable standards established by federal, State, local, and County regulations and laws; and
 - (b) The County shall not be responsible for any aspect of the design or construction of the premises.
2. Performance by the Company. This Agreement and the expenditure of County funds under this Agreement is expressly contingent upon the Company Group achieving the performance requirements within the time periods set forth below:
 - (a) Investment in Real Estate Improvements and Tangible Personal Property. The Company Group shall make, or cause to be made, investments for improvements to real estate and for acquisitions of tangible personal property (collectively, the “Investments”) in the County in connection with the Project which shall total at least \$50,000,000 on or before December 31, 2020.
 - (b) Employment. By December 31, 2020, the Company Group shall have employed 250 new employees (the “new Super Jobs employees”) with an annual wage of no less than \$107,566, which the Parties agree is 200% of

the 2017 average annual wage for the County as determined by the North Carolina Department of Commerce's Finance Center.

The Parties agree that for purposes of calculating the "annual wage" of an employee of the Company Group "wage" shall have the meaning it has for purposes of the North Carolina Department of Commerce's Finance Center's calculation of "average annual wage" and that such meaning is the gross wage subject to reporting to the Division of Employment Security of the North Carolina Department of Commerce.

The Company Group shall maintain employment of the 250 new Super Jobs employees for any years of the Grant Period beyond 2020.

The Parties agree that the term "new employee" as used in this Agreement means a full-time employee who represents a net increase in the aggregate number of employees employed by the Company Group in connection with the Project. A full-time employee is a person who is employed by the Company Group for at least thirty-five (35) hours per week and whose wages are subject to withholding. The Company agrees to include residents of the County in recruiting for such job positions.

The County acknowledges that an unspecified number of the new Super Jobs employees may temporarily work in facilities located at 5221 Paramount Parkway, Morrisville, and at a leased Durham County location until the Company's new building adjacent to 7033 Louis Stevens Drive in the County is completed and the Company's existing building at 7033 Louis Stevens Drive is refurbished to accommodate the Project's new employees. The Company commits that at the conclusion of its construction and refurbishment program at December 31, 2021, 250 new Super Jobs employees of the Company Group shall work at 7033 Louis Stevens Drive and the adjacent newly-constructed building.

- (c) Use. The Investments shall be made to accommodate a new office facility and a refurbished office facility that allow the Company Group to bring talent together to provide a variety of business support functions ranging from technology development and support to finance and operations and other corporate functions including risk management, compliance, and human resources.
 - (d) Payment of Taxes by Company. The County must receive confirmation from the County tax assessor's office that the Company Group has paid, in full, the annual ad valorem taxes based on the increased value resulting from Investments in the Project.
3. Documentation from the Company. In connection with each request for reimbursement, the Company shall deliver to the County Manager a performance letter in substantially the form of the attached Exhibit A (the "Performance

Letter”) certifying that it has taken the actions described in Section 2(a) and (b) of this Agreement. If the Company does not meet all of the conditions required to be certified in the Performance Letter, the Company shall not qualify for a grant payment for that calendar year. Upon the request of the County Manager, the Company shall present to the County such evidence as may be reasonably requested to confirm the facts in the Performance Letter. To the full extent allowed by law, such requested evidence shall be kept confidential by the County and shall remain the property of the Company to be returned after the County’s review.

It is agreed that the County, through its auditors, shall have the right upon reasonable notice and during normal business hours, to inspect and audit the Company Group’s records pertaining to Investments made with respect to the Project. All records revealed by the Company Group to the County’s auditors shall remain confidential and may be used by the County only for audit purposes to the full extent allowed by law.

The Company acknowledges that it has been informed by the County that the County is required by law, upon request, to disclose “Public Records” as that term is defined by N.C. Gen. Stat. § 132-1. Notwithstanding the immediately preceding sentence, the County acknowledges that some or all of the information made available by the Company Group to the County pursuant to this Agreement may be exempt from disclosure as a “Public Record” pursuant to N.C. Gen. Stat. §§ 132-1.2 and/or 132-6(d), and that all such information may be proprietary. Some or all of the information made available to the County pursuant to this Agreement may be designated by the Company Group as confidential and as a trade secret at the time of disclosure to the County. The County, to the fullest extent allowed by state law, will hold such designated information as confidential. The County shall, if it receives a request for disclosure of any such information, notify the Company of such request so that the Company Group may defend any claims or disputes arising from efforts of others to cause such trade secrets to be disclosed as a Public Record, and the County shall refrain from making any such disclosures unless or until it (i) receives the Company’s written permission to do so; or (ii) is compelled to do so by the final order of a court of competent jurisdiction. The Company shall have the right to direct any litigation of such dispute and shall indemnify the County for any legal fees and expenses incurred by the County in opposing such request for disclosure. The Company acknowledges that the County has met the disclosure requirements set forth in N.C. Gen. Stat. § 132-1.11(b).

4. Payment of Grant.

- (a) The County agrees to partially reimburse the Company for the Investments that the Company Group makes in the Project in order to provide an incentive to the Company Group to make such Investments and create such jobs within the County. A cash grant will be paid to the Company in an amount equal to a percentage of the additional County property tax

revenue attributable to the assessed value of the Investments, as determined by the County tax assessor as more specifically set forth in Section 4(c).

- (b) Once the Company Group has met the performance requirements set forth in Section 2 of this Agreement and the Company has submitted the required documentation under Section 3, the Company shall be eligible to receive the grant payments described in this Agreement.

The grant payments shall begin, at the discretion of the Company, in either

- (i) the year after the property tax base of the Company Group first reflects the value of the completed new building planned to be constructed adjacent to 7033 Louis Stevens Drive or

- (ii) the year after the property tax base of the Company Group first reflects (x) the value of the completed new building planned to be constructed adjacent to 7033 Louis Stevens Drive and (y) the value of the completely refurbished building at 7033 Louis Stevens Drive.

The exact date of payments during each Grant Year shall be at the discretion of the County but shall be made during the period from January 1st through March 31st.

- (c) The amount of the grant payments to be paid by the County to the Company shall be fifty percent (50%) of the additional County property tax revenue attributable to the assessed value of the Investments as defined in 2(a) of this Agreement as of January 1 of the preceding calendar year, as verified by the County Manager. The grant payments shall be paid each year (each a "Grant Year") for a period of eight (8) consecutive years (the "Grant Period"). In no event shall the grant amount paid by the County in any Grant Year exceed the amount of ad valorem taxes paid in the preceding year for Investments in connection with the Project. The Parties agree that any payment of ad valorem tax made before January 6 following the due date of the tax shall be deemed to have been paid in the year the tax was due.

- 5. Amendments to Agreement. This Agreement may be modified or amended only with the mutual written consent of the Parties.
- 6. Parties. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their heirs and successors and assigns. As used herein, words in the singular include the plural and the masculine includes the feminine and neuter genders, as appropriate.
- 7. Entire Agreement. This Agreement contains the entire agreement of the Parties and there are no other representations, inducements, or other provisions other than those expressed in this writing. This Agreement may be executed in two or more

counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument. All changes, additions, or deletions to this Agreement must be in writing and signed by all Parties.

It is specifically understood and agreed that the Company will be subject to applicable County ordinances, policies, procedures, and other regulations.

8. Laws of North Carolina to Control This Agreement. The Parties agree that this Agreement is to be controlled by the laws of the State of North Carolina.
9. Jurisdiction and Venue. Any controversy or claim arising out of this Agreement shall be settled by an action initiated in the appropriate division of the General Court of Justice in Wake County, North Carolina.
10. Termination. Except as otherwise provided herein, this Agreement shall terminate on December 31st of the last year in which the County makes grant payments to the Company under this Agreement.
11. Assignment. The Company may assign all or part of its rights, benefits, and/or obligations under this Agreement to one or more affiliates designated by the Company.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first above written.

ATTEST:

WAKE COUNTY

Denise Hogan
County Clerk

By:_____
Sig Hutchinson
Chairman, Board of Commissioners

Approved As to Form:

Scott Warren
Wake County Attorney

CREDIT SUISSE (USA), INC.

By:_____
[NAME]
[TITLE]

[Letterhead of Credit Suisse (USA), Inc.]

[date]

County Manager
Wake County
P. O. Box 550
Raleigh, NC 27602

**Business Development Grant Agreement
dated [____], 2017: Performance Letter**

Dear Sir/Madam:

Section 3 of the Business Development Grant Agreement between Wake County and Credit Suisse (USA), Inc. dated [____], 2017 (the “Agreement”) requires the Company to deliver a Performance Letter to the County Manager in connection with each request for reimbursement for the Investments that the Company Group makes in the Project described in the Agreement.

(Terms used in this letter have the meanings that such terms have in the Agreement.)

The Company hereby certifies that:

1. The Company Group made investments for improvements to real estate and for acquisitions of tangible personal property in the County in connection with the Project totaling at least \$50,000,000 on or before December 31, 2020 in accordance with Section 2(a) of the Agreement;
2. The Company Group has paid in full its ad valorem taxes to the County for tax year ____;
3. As of December 31, 2020, the Company Group employed 250 new Super Jobs employees, in accordance with Section 2(b) of the Agreement; and
4. The Company Group has maintained employment of 250 new Super Jobs employees since December 31, 2020.

The Company respectfully requests reimbursement in the amount of \$_____ in accordance with Section 4 of the Agreement.

Sincerely yours,

[name]
[title]