

CITY OF AUSTIN / EBAY INC. & SUBSIDIARIES

CHAPTER 380

ECONOMIC DEVELOPMENT AGREEMENT

This Chapter 380 Economic Development Agreement (“Agreement”) is made and entered into by and between EBAY INC. (“eBay”), a Delaware corporation qualified to do business in Texas, and the CITY OF AUSTIN, TEXAS, a home rule city and municipal corporation (“City”).

The City is authorized by Chapter 380 of the Texas Local Government Code to create programs for the grant of public money to promote state and local economic development and to stimulate local business and commercial activity.

The City has authorized the creation of an economic development program under Chapter 380 of the Texas Local Government Code and has authorized the City Manager to make a grant of money to eBay to (i) expand its business at 7700 West Parmer Lane, Austin TX 78729, and make other capital investments in the City’s Desired Development Zone, and to (ii) create new full-time jobs ((i) and (ii) together are the “Project”).

The expansion of the eBay business in Austin will further state and local economic development and stimulate business and commercial activity in Austin.

Subject to the terms of this Agreement, eBay accepts the City’s grant and agrees to carry-out the Project, the terms of which are the subject of this agreement.

The parties therefore agree as follows:

I. eBay’s Obligations

1.01 Investment in the Desired Development Zone. After the Effective Date of this Agreement and before December 31, 2020, eBay shall invest at least \$4,944,651 (“Total Investment”). The estimated allocation of the Total Investment is as follows:

(a) \$429,822 in the making of leasehold improvements to eBay’s business located at 7700 West Parmer Lane, which is within the City’s Desired Development Zone (the “Business”);

(b) \$104,204 in furniture, fixtures and equipment (“FF&E”) to be used at the Business; and,

(c) \$4,410,625 in “New Machinery and Equipment” (“M&E”) to be installed and used at the Business.

The investment in leasehold improvements, FF&E and M&E will be made in accordance with the following investment schedule (“Yearly Allocation”):

Investment Schedule

<u>Year</u>	<u>Building</u>	<u>M&E</u>	<u>FF&E</u>	<u>Total</u>
2011	\$42,982	\$441,063	\$10,420	\$494,465
2012	\$42,982	\$441,063	\$10,420	\$494,465
2013	\$42,982	\$441,063	\$10,420	\$494,465
2014	\$42,982	\$441,063	\$10,420	\$494,465
2015	\$42,982	\$441,063	\$10,420	\$494,465
2016	\$42,982	\$441,063	\$10,420	\$494,465
2017	\$42,982	\$441,063	\$10,420	\$494,465
2018	\$42,982	\$441,063	\$10,420	\$494,465
2019	\$42,982	\$441,063	\$10,420	\$494,465
2020	\$42,982	\$441,063	\$10,420	\$494,465
<u>TOTAL:</u>	<u>\$429,822</u>	<u>\$4,410,625</u>	<u>\$104,204</u>	<u>\$4,944,651</u>

The actual allocation of the Total Investment and the Yearly Allocation may be adjusted according to the business needs of eBay; provided, that the Total Investment or Yearly Allocation shall serve as an investment floor, except as adjusted in this paragraph. “New Machinery and Equipment” means new equipment and machinery placed into service for, or supporting the operation of, the Business after the Effective Date of this Agreement. If in any year eBay’s investment in a category exceeds the amount required for that year, the required investment for the following year shall be reduced accordingly so that the Total Investment is not required to exceed \$4,944,651 over the term of this Agreement. There shall be no penalty for investing ahead of the above investment schedule.

1.02 Creation and Retention of New Full-Time Jobs. eBay shall create at least 1000 “New Full-Time Jobs” by December 31, 2020. A “New Full-time Job” is a full-time job created in or relocated to the City of Austin after the Effective Date of this Agreement and that is performed at the Business by employees of eBay.

- (a) eBay shall create and retain the New Full-Time Jobs as follows (cumulative):
- (i) 50 New Full-time Jobs before December 31, 2011;
 - (ii) 125 New Full-time Jobs before December 31, 2012;
 - (iii) 200 New Full-time Jobs before December 31, 2013;
 - (iv) 300 New Full-time Jobs before December 31, 2014
 - (v) 400 New Full-time Jobs before December 31, 2015
 - (vi) 500 New Full-time Jobs before December 31, 2016
 - (vii) 625 New Full-time Jobs before December 31, 2017
 - (viii) 750 New Full-time Jobs before December 31, 2018
 - (ix) 875 New Full-time Jobs before December 31, 2019
 - (x) 1000 New Full-time Jobs before December 31, 2020
- (b) eBay shall maintain the required New Full-Time Jobs as of December 31st of each year throughout the term of this Agreement. The average annual compensation, excluding health insurance and retirement benefits, of all New Full-Time Jobs shall be as follows:

<u>Year</u>	<u>Average Annual Wage</u>
2011	\$106,923
2012	\$110,131
2013	\$113,435
2014	\$116,838
2015	\$120,343
2016	\$123,953
2017	\$127,672
2018	\$131,502
2019	\$135,447
2020	\$139,511

- (c) If the number of people employed in New Full-time Jobs falls below the number of jobs required by the preceding Section 1.02(a), eBay shall re-establish the required New Full-Time jobs within 90 days after December 31st of the applicable year to create or reinstate the requisite number of New Full-Time Jobs.
- (d) If eBay fails to comply with the preceding Sections 1.02(a) and (b) and such failure continues beyond the cure period set forth in Section

1.02(c) above the City, at its discretion, may terminate this Agreement.

1.03 Recruitment.

- (a) In addition to its own efforts, eBay shall make commercially reasonable efforts to work with non-profit organizations such as the Austin Asian American Chamber of Commerce, the Capital City African American Chamber of Commerce, the Career Expo for People with Disabilities, the Greater Austin Hispanic Chamber of Commerce, the National Society of Black Engineers, the Out and Equal Summit, the Society of Hispanic Professional Engineers, and other appropriate organizations, to expand its pool of diverse candidates in hiring recruitment efforts for the jobs at the Business. eBay shall adhere to its fair employment policies and practices (attached hereto as Exhibit A).
- (b) eBay shall make commercially reasonable efforts to employ residents of the Austin-Round Rock Metropolitan Statistical Area for its New Full-Time Jobs; provided, however, that it retains the right to exercise its sole discretion for all hiring.

1.04 Local Business Participation.

- (a) In an effort to further stimulate and positively impact the local economy, eBay shall use commercially reasonable efforts to provide local minority-owned, and women-owned businesses, an equal opportunity to participate as suppliers for materials and services purchased by eBay exclusively for use at the Business. Within ninety (90) days of the effective date, eBay shall develop and submit to the City a reasonable supplier diversity policy regarding eBay's procurement of materials and services to be used exclusively at the Austin eBay Business, which policy may be reasonably modified from time to time by eBay. eBay further agrees to adhere to this policy for the procurement of materials and services at the Business. With respect to any individual procurement of materials or services for which the cost is five thousand dollars (\$5,000) or less, eBay is encouraged, but not required, to adhere to the requirements of Section 1.04.
- (b) eBay shall comply with the applicable standards and principles of Chapters 2-9A through 2-9D of the City's ordinance for minority-owned and women-owned business enterprises ("M/WBE Program

Ordinance”) in the design and construction of all facilities, including, but not limited to, leasehold improvements.

- (c) With respect to any design or construction projects including, but not limited to, leasehold improvements, eBay, the architect and the general contractor must meet the following ethnic-specific participation goals:

	Professional Services Participation Goals	Construction Participation Goals
African-American-owned Business Enterprises	1.9%	1.7%
Hispanic-owned Business Enterprises	9.0%	9.7%
Asian-American and Native American-owned Business Enterprises	4.9%	2.3%
Women-owned Business Enterprises	15.8%	13.8%

If eBay, the architect, or the general contractor fail to meet each of these goals, eBay must submit documentation demonstrating eBay’s, the architect’s, and the general contractor’s good faith efforts to meet the goals. Good faith efforts are those efforts described in the City’s M/WBE Program Ordinance.

- (d) The City’s Department of Small Business and Minority Business Resources (SMBR) will provide a list of certified M/WBE firms to eBay or at eBay’s request, the architect or general contractor, from which eBay shall solicit or cause the architect and general contractor to solicit participation in the design and construction of any building or improvements, including but not limited to, leasehold improvements. SMBR will assist eBay or at eBay’s request, the architect or general contractor, to identify potential scopes of work, establish the bid packages available, schedule and host outreach meetings, and assist eBay, the architect or general contractor in soliciting M/WBE firms to provide bids. eBay shall apprise SMBR when eBay requires SBMR’s services, as described in this section. eBay is not required to solicit participation during a period in which the developer is not designing and/or constructing, but rather, eBay

shall incorporate the standards and principles of the City's M/WBE Program Ordinance including the foregoing M/WBE Participation goals into its development process as and when such process exists.

- (e) eBay shall provide monthly reports to SMBR to (i) track the utilization on a percentage basis of M/WBE firms in the design and construction of buildings or improvements; and (ii) summarize eBay's efforts to implement the standards and principles of the City's M/WBE Program Ordinance. SMBR shall provide the forms to be used by eBay in submitting such reports.

1.05 Compliance with City Regulations. For the construction of leasehold improvements to the Project location or the construction or remodeling of any future facilities in the City's planning jurisdiction during the term of this Agreement, eBay will comply with all City Code regulations, including water quality regulations in effect at the time any site plan application is filed, unless eBay has negotiated an agreement with the City to comply with overall impervious cover limits and provide the currently required water quality controls. eBay will not assert possible Chapter 245 rights to avoid compliance with water quality regulations for any future development within Austin's planning jurisdiction during the term of this Agreement. If, during the term of this Agreement, eBay's development does not comply with water quality regulations in effect at the time any site plan application is filed for such development, after the City gives eBay proper written notice and reasonable opportunity to cure the deficiency, this Agreement shall, at the option of the City, terminate by giving eBay written notice of its election.

1.06 Certificate of Compliance and Inspection.

- (a) eBay shall deliver to the City before March 31 of each year, beginning March 31, 2012, during the term of this agreement a Certificate of Compliance utilizing the form attached as Exhibit B. The City, in its sole discretion, may make non-material changes to the form of the Certificate of Compliance.
- (b) In the Certificate of Compliance, eBay shall certify to the City that it is in full compliance with each of its obligations under this Agreement, including the number of New Full-time Jobs maintained by eBay for the preceding year pursuant to Section 1.02 above.
- (c) The City, and/or its representative(s), including third-parties contracted by the City, have the right to inspect all relevant records of

eBay as are reasonably necessary to verify compliance with all requirements of this Agreement, provided the City and its representatives use their best efforts to minimize interference or disruption in eBay's business operations and agree to the confidentiality requirements set forth in Section 3.16 below. Inspections shall be preceded by at least fourteen (14) calendar days notice in writing to eBay and shall be conducted during eBay's normal business hours or at such other time as may be mutually agreed to by the parties.

1.07 Texas Government Code Chapter 2264. In accordance with Chapter 2264 of the Texas Government Code, eBay agrees not to knowingly employ any person who is not lawfully admitted for permanent residence to the United States or who is not authorized under law to be employed in the United States ("Undocumented Worker") during the term of this Agreement. eBay shall notify the City of any complaint brought against eBay alleging that eBay has employed Undocumented Workers. If eBay, or a branch, division or department of eBay is convicted of a violation under 8 U.S.C. Section 1324a(f), the total amount of economic development grants it has received, together with interest at the rate of 5% from the date of each payment of an economic development grant, shall be repaid by eBay to the City not later than the 120th day after the date the City notifies eBay of the violation. The City shall recover court costs and reasonable attorney's fees incurred if it prevails in an action brought pursuant hereto to recover past economic development grants and interest. eBay shall not be liable for a violation of Chapter 2264 by a subsidiary, affiliate, or franchisee, or by a person with whom eBay contracts.

1.08 Qualifying Year. As used in this agreement, the term "Qualifying Year," means each calendar year that eBay fulfills its obligations under the performance terms above and is not in default of this agreement.

1.09 Failure to Meet Obligations. In the event that eBay fails to fulfill its obligations under the performance terms above, after receipt of notice and expiration of the cure period described in Section 3.04 below and after any cure provisions set forth in Section 1.02(c) above, the City may, at its option, terminate this Agreement, whereupon the City shall not be required to pay, and eBay shall not be entitled to receive any further payments under this Agreement; provided, that the foregoing shall not be deemed or construed to release the City from its obligation to make payment for any prior year during which eBay did fulfill its obligations under the performance guidelines above.

II. City Obligations

2.01 Economic Development Incentive.

- (a) As consideration for eBay's performance of its obligations under this Agreement, the City shall pay to eBay an annual economic development grant calculated according to the following schedule:

<u>Year</u>	<u>Existing Jobs</u>	<u>New Jobs</u>	<u>Total Jobs</u>	<u>Incentive Per Year*</u>
2011	0	50	50	\$ 12,500
2012	50	75	125	\$ 31,250
2013	125	75	200	\$ 50,000
2014	200	100	300	\$ 75,000
2015	300	100	400	\$ 100,000
2016	400	100	500	\$ 125,000
2017	500	125	625	\$ 156,250
2018	625	125	750	\$ 187,500
2019	750	125	875	\$ 218,750
2020	875	125	1000	\$ 250,000
<u>TOTAL:</u>		<u>1,000</u>	<u>1,000</u>	<u>\$ 1,206,250</u>

*Based on Total New Jobs calculated as \$250/New Job created and retained. The grant amount paid to eBay shall not exceed the annual figure listed in the schedule located under Section 2.01(a).

- (b) The City is not obligated to make a grant payment for any year in which eBay has not fulfilled its performance obligations and has not cured any contractual breach of which it has been notified pursuant to section 3.04 of this Agreement.

- (c) The City shall make an annual payment to eBay on or before October 31 of each year as consideration for eBay's performance of its obligations during the previous Qualifying Year, as that term is defined in Section 1.08 of this agreement. The City shall make its first economic development grant payment on or before October 31, 2012 (for those obligations fulfilled in 2011). The City's final payment shall be in consideration for eBay's performance during the year ending December 31, 2020.
- (d) The City's total obligation to eBay under this Agreement shall not exceed one million two hundred six thousand, two hundred fifty dollars (\$1,206,250).

III. General Terms

3.01 Effective Date and Term. The Effective Date of this agreement is April 12, 2011. This Agreement shall become enforceable upon execution and delivery by the City and eBay. Unless this Agreement is terminated earlier in accordance with its terms, eBay's obligations to perform under this Agreement shall be completed on December 31, 2020 and the City shall make its final payment under this Agreement on or before October 31, 2021.

3.02 Payments Subject to Future Appropriation. This Agreement shall not be construed as a commitment, issue, pledge or obligation of any specific taxes or tax revenues for payment to eBay.

- (a) All payments or expenditures made by the City under this Agreement are subject to the City's appropriation of funds for such payments or expenditures to be paid in the budget year for which they are made.
- (b) The payments to be made to eBay, or other expenditures under this Agreement, if paid, shall be made solely from annual appropriations of the City as may be legally set aside for the implementation of Article III, Section 52a of the Texas Constitution or Chapter 380 of the Local Government Code or any other economic development or financing program authorized by statute or home rule powers of the City under applicable Texas law, subject to any applicable limitations or procedural requirements.

- (c) In the event the City does not appropriate funds in any fiscal year for payments due or expenditures under this Agreement, the City shall not be liable to eBay for such payments or expenditures unless and until appropriation of said funds is made; provided, however, that eBay, in its sole discretion, shall have the option to either (i) terminate this Agreement and shall have no obligations under this Agreement for the year in respect to which said unappropriated funds relate or (ii) continue this Agreement but not be subject to the obligations, conditions or liabilities placed on eBay under this Agreement during any years in which the City does not appropriate funds.
- (d) To the extent there is a conflict between this Section 3.02 and any other language or covenant in this Agreement, this Section 3.02 shall control.

3.03 Representations and Warranties. The City represents and warrants to eBay that the Program and this Agreement are within its authority, and that it is duly authorized and empowered to establish the Program and enter into this Agreement, unless otherwise ordered by a court of competent jurisdiction. eBay represents and warrants to the City that it has the requisite authority to enter into this Agreement.

3.04 Default. If either the City or eBay should default in the performance of any obligations of this Agreement, the other party shall provide such defaulting party written notice of the default, and a minimum period of ninety (90) days after the receipt of said notice to cure such default, prior to instituting an action for breach or pursuing any other remedy for default.

3.05 Entire Agreement. This Agreement contains the entire agreement between the parties. All prior negotiations, discussions, correspondence, and preliminary understandings between the parties and others relating hereto are superseded by this Agreement. This Agreement may only be amended, altered or revoked by written instrument signed by the City and eBay.

3.06 Binding Effect. This Agreement shall be binding on and inure to the benefit of the parties and their respective successors and assigns.

3.07 Assignment. Except as provided below, eBay may not assign all or part of its rights and obligations to a third party without prior written approval of the City, which approval shall not be unreasonably withheld or delayed. Notwithstanding anything to the contrary, eBay may assign all or part of its rights and obligations without the prior consent of the City to an affiliate of eBay and to a third party

lender advancing funds for the acquisition, construction or operation of eBay facilities.

3.08 Termination. In the event eBay elects not to proceed with the Project as contemplated by this Agreement, eBay shall notify the City in writing, and this Agreement and the obligations on the part of both parties shall be deemed terminated and of no further force or effect.

3.09 Notice. Any notice and/or statement required or permitted to be delivered shall be deemed delivered by actual delivery, by facsimile with receipt of confirmation, or by depositing the same in the United States mail, certified with return receipt requested, postage prepaid, addressed to the appropriate party at the following addresses:

eBay:

eBay Inc.
Attn: Tax Department
2211 North First Street
San Jose, CA 95131
Re: Economic Development Agreement

Telephone: (408) 967-3046
Facsimile: (408) 967-3071

with copies to:

PayPal, Inc.
2211 North First Street
San Jose, CA 95131
Attn: General Counsel
Re: Economic Development Agreement

Telephone: (408) 967-1233
Facsimile: (408) 967-3071

CITY:

City Manager
City of Austin
P.O. Box 1088, Austin, Texas 78767-1088
Direct Delivery: 2001 E. 5th Street, Austin, Texas 78702

Phone: (512) 974-2200
Fax: (512) 974-2833

with copies to:
Director, Economic Growth and Redevelopment Services Office
City of Austin
P.O. Box 1088
Austin, Texas 78767-1088
Direct Delivery: 2001 E. 5th Street, Austin, Texas 78702

Phone: (512) 974-7802
Fax: (512) 974-7825

and to:
City Attorney
City of Austin
P.O. Box 1088
Austin, Texas 78767-1088

Phone: (512) 974-2268
Fax: (512) 974-2894

Either party may designate a different address at any time upon advance written notice to the other party.

3.10 Interpretation. Each of the parties has been represented by counsel of their choosing in the negotiation and preparation of this Agreement. Regardless of which party prepared the initial draft of this Agreement, this Agreement shall, in the event of any dispute regarding its meaning or application, be interpreted fairly and reasonably and neither more strongly for, nor against any party.

3.11 Applicable Law. This Agreement is made, and shall be construed and interpreted, under the laws of the State of Texas and venue shall lie in the State courts of Travis County, Texas.

3.12 Severability. In the event any provisions of this Agreement are illegal, invalid or unenforceable under present or future laws, and in that event, it is the intention of the parties that the remainder of this Agreement shall not be affected. It is also the intention of the parties that in lieu of each clause and provision that is found to be illegal, invalid or unenforceable, a provision be added to this Agreement which is legal, valid or enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

3.13 Paragraph Headings. The paragraph headings contained in this Agreement are for convenience only and will in no way enlarge or limit the scope or meaning of the various and several paragraphs.

3.14 No Third Party Beneficiaries. This Agreement is not intended to confer any rights, privileges or causes of action upon any third party.

3.15 No Joint Venture. It is acknowledged and agreed by the parties that the terms of this Agreement are not intended to and shall not be deemed to create any partnership or joint venture among the parties. The City, its past and future officers, elected officials, employees and agents do not assume any responsibilities or liabilities to any third party in connection with eBay facilities or the design, construction or operation of any portion of the facilities.

3.16 Public and Confidential Information. Information provided by or on behalf of eBay under or pursuant to this Agreement that eBay considers as proprietary or confidential shall be maintained as confidential to the extent allowed by law. If proprietary financial or trade secret information is requested under the Texas Public Information Act, the City shall follow the standards set out in the Act and under the Texas Attorney General's procedures for such requests, and eBay shall be responsible for defending the confidentiality of such information. Other records and information provided to the City and its representatives to verify compliance with this Agreement shall be available for public inspection.

3.17 Exhibits. The following Exhibits are attached and incorporated by reference for all purposes.

Exhibit "A": Fair Employment Policies and Practices

Exhibit "B": Certificate of Compliance Form

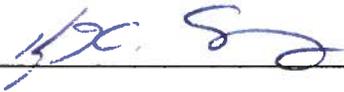
This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute but one and the same instrument, which may be sufficiently evidenced by one counterpart.

EXECUTED by the authorized representatives of the parties on the dates indicated below.

[SIGNATURE PAGES FOLLOW]

eBay Inc.

Signature:



Printed Name:

Kenneth C. Swaney

Title

Authorized Signatory

Date:

6/16/11



CITY OF AUSTIN, TEXAS,
a home-rule city and municipal corporation

By: 
Marc Ott
City Manager

Date: 4-15-11

Approved as to form:

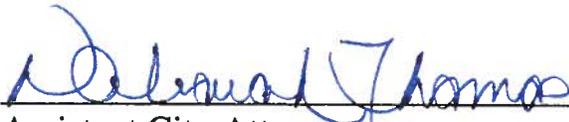

Assistant City Attorney

Exhibit "A"

SECTION 3: FAIR EMPLOYMENT POLICIES

US

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 Section 3.1 - Equal Employment Opportunity

U.S. Employee Handbook Section 3.1 - Equal Employment Opportunity

eBay Inc. firmly believes that a high-quality, diverse workforce is critical to its success. eBay Inc. strives for a creative and diverse workplace in which each employee is treated with dignity, courtesy, and respect for his/her unique experience and cultural background.

eBay Inc. is committed to hiring, promoting, and compensating employees based on their qualifications and demonstrated ability to perform job responsibilities. As an equal opportunity employer, eBay Inc. promotes equal employment opportunity to all employees and applicants, without regard to age, race, color, national origin, physical or mental disability, gender, religion, sexual orientation, gender identity, marital or veteran status, condition of pregnancy, or any other legally protected characteristic. Please see the [CEO's Reaffirmation of our Equal Employment Opportunity Policy](#).

eBay Inc. is committed to providing a work environment free of unlawful discrimination. For more information about eBay Inc.'s policy prohibiting unlawful harassment or discrimination, please see [Section 3.4 below, Harassment-Free Workplace Policy](#).

 Section 3.2 - Employment at Will

U.S. Employee Handbook Section 3.2 - Employment at Will

While eBay Inc. hopes that our relationship *will be long and mutually rewarding, eBay Inc. ultimately retains full discretion to make employment decisions* that it believes are in the best interests of eBay Inc. For that reason, no individual's employment is for any specified duration, and may be terminated by either party, at any time for any reason, with or without cause and with or without notice. This policy applies to all employees.

Moreover, eBay Inc. has the sole responsibility and discretion to manage its work sites, to select its customers, to determine the schedule of work, to determine the size of its workforce, to select and hire employees, to assign work, to direct the work of its employees, to direct the method of work, to reclassify, transfer, promote or demote employees, to determine job content and create new job classifications, to adjust compensation and benefits, to establish and enforce rules and regulations, to administer discipline including suspension or discharge, and to reduce the size of the workforce including layoffs.

This Employee Handbook is designed solely as a guideline for management and staff in administering eBay Inc.'s personnel policies. It is not intended to, and does not create a contract of employment or continued employment, either express or implied. eBay Inc. reserves the right to alter, amend or change the Employee Handbook from time-to-time, without notice. **However, the policy regarding at-will employment can only be changed in writing signed by eBay Inc.'s Senior Vice President of Human Resources.**

Any employee who reports an incident in good faith should not fear any reprisal. Retaliation or reprisal is expressly forbidden and will be grounds for disciplinary action up to and including termination.

Investigation and Disciplinary Action

After a report is received, an internal investigation will be promptly undertaken. The investigation will be conducted confidentially to the extent practical under the circumstances. eBay Inc. will take prompt remedial action for conduct that violates this policy. All employees have a duty to cooperate fully and truthfully in any investigation under this policy. Any supervisor, agent, or other employee who has been found after investigation by eBay Inc. to have engaged in conduct in violation of this policy, retaliated against an employee or failed to cooperate in an investigation in violation of this policy will be subject to disciplinary action. Discipline may range from a warning up to and including termination.

If you have any questions concerning this policy, please contact MyHR or the Legal Department.



Section 3.5 - Disability Accommodation

U.S. Employee Handbook

Section 3.5 - Disability Accommodation

eBay Inc. will make reasonable accommodations for qualified employees with disabilities to the extent required by state and federal laws. eBay Inc. may require a doctor's certification of the disability and the need for accommodation. A disability is generally defined as a physical or mental impairment that limits a major life activity.

We recognize that employees with life-threatening illnesses, including but not limited to cancer, heart disease and AIDS, may wish to continue to engage in as many of their normal pursuits as their condition allows, including work. As long as these employees are able to perform their essential duties, with or without reasonable accommodation, in a manner that would not endanger their health or safety or the health or safety of others, they will be permitted to do so.

Also, eBay Inc. will, upon the employee's request, provide reasonable accommodation to pregnant employees upon health care provider recommendation, such as transfer to a less strenuous position or to less strenuous duties (i.e., "light duty"). See the guidelines for accommodation requests stated in CA Pregnancy Disability Leave.

Exhibit B

Certificate of Compliance

Company Name: eBay Inc.

Reporting Year: January 1 through December, 31, _____
YEAR # _____ (up to Year 10)

1.0 Investment

1.1 The Agreement states that after the Effective Date and before December 31, 2020, eBay shall invest at least \$429,822 in the making of leasehold improvements to the eBay office located at 7700 W. Parmer Lane, Austin, Texas, in accordance with the investment schedule (Section 1.01).

a. \$ _____ has been invested in leasehold improvements to the eBay office located at 7700 W. Parmer Lane, Austin, Texas, for the reporting year ending December 31, 20____.

1.2 The Agreement states that after the Effective Date and before December 31, 2020, eBay shall invest at least \$4,410,625 in "Machinery & Equipment (M&E)" that is to be installed and used at the eBay office located at 7700 W. Parmer Lane, Austin, Texas, in accordance with the investment schedule (Section 1.01).

a. \$ _____ has been invested in "Machinery & Equipment" installed at the eBay office located at 7700 W. Parmer Lane, Austin, Texas, for the reporting year ending December 31, 20_____.

1.3 The Agreement states that after the Effective Date and before December 31, 2020, eBay shall invest at least \$104,204 in "Furniture, Fixtures & Equipment (FF&E)" that is to be installed and used at the eBay office located at 7700 W. Parmer Lane, Austin, Texas, in accordance with the investment schedule (Section 1.01).

a. \$ _____ has been invested in "Furniture, Fixtures & Equipment" installed at the eBay office located at 7700 W. Parmer Lane, Austin, Texas, for the reporting year ending December 31, 20_____.

2.0 Employment

2.1 The Agreement requires the creation and retention of 1000 new full-time jobs by December 31, 2020 (Section 1.02). The job creation and retention schedule is as follows (Section 1.02(a)):

- (a) 50 new full-time jobs before December 31, 2011 (Year 1);
- (b) 125 new full-time jobs before December 31, 2012 (Year 2);
- (c) 200 new full-time jobs before December 31, 2013 (Year 3);
- (d) 300 new full-time jobs before December 31, 2014 (Year 4);
- (e) 400 new full-time jobs before December 31, 2015 (Year 5);
- (f) 500 new full-time jobs before December 31, 2016 (Year 6);
- (g) 625 new full-time jobs before December 31, 2017 (Year 7);
- (h) 750 new full-time jobs before December 31, 2018 (Year 8);
- (i) 875 new full-time jobs before December 31, 2019 (Year 9);
- (j) 1,000 new full-time jobs before December 31, 2020 (Year 10).

Number of new full-time jobs created and retained as of December 30, 20__.

Total jobs created and retained:

2.2 As of December 31, 20__ did the number of new full-time jobs created and retained fall below the numbers required under Section 1.02(a) of the agreement?

Yes

No

If the company answered “Yes” to question 2.2, did the company re-establish the required numbers of new full-time jobs created and retained within 90 days after December 31, 20__?

Yes

No

2.3 Did the average annual wages, not including health insurance and retirement benefits, of the new full-time jobs created and retained meet the following table (Section 1.02(b))?

<u>Year</u>	<u>Average Annual Wage</u>
2011	\$106,929
2012	\$110,131
2013	\$113,435
2014	\$116,838
2015	\$120,343
2016	\$123,953
2017	\$127,672
2018	\$131,502
2019	\$135,447
2020	\$139,511

Yes

No

3.0 Recruitment

- 3.1 The Agreement states that eBay shall make best efforts to work with non-profit organizations such as the Austin Asian American Chamber of Commerce, the Capital City African American Chamber of Commerce, the Career Expo for People with Disabilities, the Greater Austin Hispanic Chamber of Commerce, the National Society of Black Engineers, the Out and Equal Summit, and the Society of Hispanic Professional Engineers, and other appropriate organizations, to expand its pool of diverse candidates in recruiting efforts for jobs at the sales and operations office located in Austin (Section 1.03(a)). Attach correspondence and/or documentation showing compliance with Section 1.03(a).
- 3.2 The Agreement states that eBay shall adhere to its fair employment policies and practices (Section 1.03(a)). Attach correspondence and/or documentation showing compliance with Section 1.03(a).
- 3.3 The Agreement states that eBay shall make best efforts to employ residents of the Austin Metropolitan Statistical Area for its new full-time jobs (Section 1.03(b)). Attach correspondence and/or documentation showing compliance with Section 1.03(b).

4.0 Local Business Participation

- 4.1 The Agreement states that eBay shall use commercially reasonable efforts to provide local small businesses and minority-owned and women-owned businesses, an equal opportunity to participate as suppliers for materials and services purchased by eBay exclusively for use at the company's eBay office located in Austin and that eBay shall adhere to the terms of a supplier diversity policy (Section 1.04(a)). Attach correspondence and/or documentation showing compliance with Section 1.04(a).
- 4.2 The Agreement states that eBay shall comply with the applicable standards and principles of the City's M/WBE Program Ordinance in the design and construction of the company's eBay office located in Austin, including but not limited to, leasehold improvements (Section 1.04 (b)). Attach correspondence and/or documentation showing compliance with Section 104 (b).
- 4.3 The Agreement states that with respect to any design or construction projects at the company's Austin based eBay office, but not limited to leasehold improvements, eBay, its architect and general contractor must meet the following ethnic-specific participation goals described in Section (1.04 (c)):

	Professional Services Participation Goals	Construction Participation Goals
African-American-owned Business Enterprises	1.9%	1.7%
Hispanic-owned Business Enterprises	9.0%	9.7%
Asian-American and Native American-owned Business Enterprises	4.9%	2.3%
Women-owned Business Enterprises	15.8%	13.8%

Attach correspondence and/or documentation showing compliance with Section 1.04 (c). If eBay, the architect and the general contractor fail to meet each of these goals, eBay must submit documentation demonstrating eBay's, the architect's and general contractor's good faith efforts to meet the goals. The good faith efforts are those efforts as described in the City's M/WBE Program Ordinance.

5.0 Incentive Payment Request

5.1 The Agreement requires an economic development incentive payment not to exceed \$1,206,250 (Sections 2.01(a) and (b)). The City's first payment shall be made on or before October 31, 2012 for the company's performance during the year ending December 31, 2011. The City's final payment shall be in consideration of the company's performance during the year ending December 31, 2020. The City shall make payments required under this section before October 31 of each year this agreement is in effect.

For eBay's performance during calendar years 2011 through 2020, the economic development incentive shall be \$250 for each new full-time job created and retained during the term of this Agreement (Section 2.01(a)) and not to exceed \$1,206,250 during the term of the agreement (Section 2.01(b)).

5.2 Total request for year 20__ based on __ new full-time jobs created and retained: \$_____

I, the authorized representative for eBay, hereby certify that the above information is correct and accurate pursuant to the terms of the Agreement. I further certify that eBay complied fully with the Chapter 380 Economic Development Agreement during the reporting year, including Section 1.05 regarding compliance with City Regulations and Section 1.07 regarding Texas Government code Chapter 2264.