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CITY OF AUSTIN - EGHSO

ECONOMIC DEVELOPMENT AGREEMENT BETWEEN THE CITY OF AUSTIN AND THE ADVISORY BOARD COMPANY

This Economic Development Agreement ("Agreement") is made and entered into as of July 25, 2011 (the "Effective Date") by and between The Advisory Board Company (the "Company"), a Delaware corporation qualified to do business in Texas, with its principal places of business in Washington, D.C., and the City of Austin, a home-rule municipal corporation situated in Hays, Travis and Williamson Counties acting by and through its duly authorized City Manager or his designee (the "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 the Company to (i) expand its software development center in Austin and make capital investments in the Desired Development Zone, (ii) invest certain amounts in certain years of this Agreement as set forth below, (iii) create new full-time jobs, and (iv) retain certain other jobs during certain years of this Agreement (the "Project").

The expansion of the Company's business in Austin will further state and local economic development and stimulate business and commercial activity in Austin. The Company accepts the City's grant and agrees to carry-out the Project, the terms of which are the subject of this Agreement.

The City and the Company agree as follows:

AGREEMENT

I. The Company's Obligations

1.01 Investment in the Desired Development Zone. The Company shall establish its Austin-based software development, sales and support center (the "Software Center") at a facility located within the City's Desired Development Zone. The Company shall ensure that after the Effective Date of this Agreement, and before December 31, 2017, the Company or its lessor, or landlord, or owner of the real property at which the Software Center is located, has invested at least Eight Million One Hundred Thousand and No/100 Dollars ($8,100,000.00) in the making of leasehold improvements to the Company's Austin-based Software Center.

1.02 Creation and Retention of New Full-Time Jobs. The Company shall create at least two hundred thirty-nine (239) New Full-Time Jobs (as hereafter defined), while retaining the Company's existing ninety-one (91) Full-Time Jobs located at the Company's Austin-based Software Center, by December 31, 2015. A "New Full-Time Job," is a full-time job created after the Effective Date of this Agreement that is performed at the Company's Austin-based Software

Center by employees of the Company, and created as the result of the improvements to and operation of the Software Center.

(a) The Company shall create and retain the New Full-Time Jobs as follows:
   (i) 50 New Full-time Jobs before December 31, 2011;
   (ii) 109 New Full-time Jobs before December 31, 2012;
   (iii) 159 New Full-time Jobs before December 31, 2013;
   (iv) 209 New Full-time Jobs before December 31, 2014; and
   (v) 239 New Full-time Jobs before December 31, 2015.

(b) The Company shall maintain the required New Full-Time Jobs as of December 31st of each year throughout the term of this Agreement.

(c) The expected average annual compensation, excluding health insurance and retirement benefits, of all New Full-Time Jobs is estimated to be Ninety Thousand and No/100 Dollars ($90,000.00).

(d) If the number of people employed in New Full-Time Jobs falls below the number of jobs required by Sections 1.02(a) & (b), the Company shall create or reinstate the requisite number of New Full-Time Jobs the required New Full-Time jobs within ninety (90) days after December 31st of the applicable year.

(e) If the Company fails to comply with the preceding Sections 1.02(a) through (d), the City, at its sole discretion, may terminate this Agreement in accordance with Section 3.08 (b) after giving the Company notice and an opportunity to cure said failure in accordance with Section 3.04 below.

1.03 Recruitment.

(a) In addition to its own efforts, the Company 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 Software Center. The Company shall adhere to the Fair Employment Policies and Practices attached as Exhibit "A".

(b) The Company shall make commercially reasonable efforts to employ residents of the Austin-Round Rock Metropolitan Statistical Area for its New Full-Time Jobs.

1.04 Local Business Participation.

(a) In an effort to further stimulate and positively impact the local economy, the Company shall use commercially reasonable efforts to provide local minority-owned, women-owned and veteran-owned businesses an equal opportunity to

participate as suppliers for materials and services purchased by the Company exclusively for use at the Software Center. Within ninety (90) days of the effective date, the Company shall develop and submit to the City a reasonable supplier diversity policy regarding the Company's procurement of materials and services to be used exclusively at the Software Center, which policy may be reasonably modified from time to time by the Company. The Company further agrees to adhere to this policy for the procurement of materials and services at the Software Center with respect to any individual procurement of materials or services for which the cost is more than Five Thousand and No/100 Dollars ($5,000.00). With respect to any individual procurement of materials or services for which the cost is Five Thousand and No/100 Dollars ($5,000.00) or less, the Company is encouraged, but not required, to adhere to the requirements of this Section 1.04(a).

(b) The Company shall comply with the applicable standards and principles of Chapters 2-9A through 2-9D of the City Code regarding 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, construction of any leasehold improvements for the Software Center, the Company, its architect and its 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%

In the event that the Company enters into a build-to-suit lease or turn-key tenant improvement lease for the Software Center, it is the Company's responsibility to ensure that the landlord complies with this Section for all construction and design projects relating to the Company's move-in. If the Company, the landlord (in the event the Company has entered into a build-to-suit lease or turn-key tenant

improvement lease), the architect and the general contractor fail to meet each of these goals, the Company must submit documentation demonstrating its own, the landlord'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 the Company or at the Company's request, the architect or general contractor, from which the Company 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 the Company or at the Company'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 the Company , the architect or general contractor in soliciting M/WBE firms to provide bids. The Company shall apprise SMBR when the Company requires SBMR's services, as described in this Section. The Company is not required to solicit participation during a period in which the Company is not designing and/or constructing, but rather, requires the Company to incorporate the standards and principles of the City's M/WBE Program Ordinance including the foregoing M/WBE Participation goals into its design and/or construction process as and when such process exists.

(e) If the Company constructs the Software Center or enters into a build-to-suit lease or turn-key tenant improvement lease for the Software Center, during design and construction the Company shall provide monthly reports to SMBR to track (i) the utilization on a percentage basis of M/WBE firms in the design and construction of buildings or improvements; and (ii) a summary of the Company'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 the Company in submitting such reports.

1.05 Compliance with City Regulations. For the construction of leasehold improvements to the Company's Austin-based Software Center, or the construction or remodeling of any future facilities in the City's planning jurisdiction during the term of this Agreement, the Company will comply with all City Code regulations, including water quality regulations in effect at the time any site plan application is filed, unless the Company has negotiated an agreement with the City to comply with overall impervious cover limits and provide the currently required water quality controls. This means the Company will not assert possible Chapter 245 rights to avoid compliance with water quality regulations for development of the Software Center during the term of this Agreement. If, during the term of this Agreement, the Software Center development does not comply with water quality regulations in effect at the time any site plan application is filed for such development, after proper notice and opportunity to cure the deficiency in accordance with Section 3.04, below, the City may terminate this Agreement by giving the Company written notice of its election to terminate.

1.06 Certificate of Compliance and Inspection.

(a) Beginning March 31, 2012 and continuing each year thereafter during the term of this Agreement, the Company shall deliver to the City before March 31 of each year a Certificate of Compliance utilizing the form attached as Exhibit "B".

(b) In the Certificate of Compliance, the Company shall warrant 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 the Company 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, has the right to inspect all relevant records of the Company as are reasonably necessary to verify compliance with all requirements of this Agreement. Inspections shall be preceded by at least two week's notice in writing to the Company. Notwithstanding any other provisions to this Agreement, the City shall not publicly disclose or disseminate any information concerning the Company or the Company's operations that is excepted from required disclosure under Chapter 552 or the Texas Government Code or other law. This includes, without limitation, trade secrets obtained from the Company, information concerning the Company considered to be confidential by law, and commercial or financial information obtained from the Company the public disclosure or dissemination of which would cause substantial competitive harm to the Company.

1.07 Texas Government Code Chapter 2264. In accordance with Chapter 2264 of the Texas Government Code, the Company 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").

(a) During the term of this Agreement, the Company shall notify City of any complaint brought against the Company alleging that the Company has employed Undocumented Workers.

(b) If the Company, or a branch, division or department of the Company 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 five percent (5%) from the date of each payment of an economic development grant, shall be repaid by the Company to the City not later than the one hundred twentieth (120th) day after the date the City notifies the Company of the violation.

(c) 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. The Company shall not be liable for a violation of Chapter 2264 by a subsidiary, affiliate, or franchisee, or by a person with whom the Company contracts

1.08 Failure to Meet Obligations. In the event that the Company fails to fulfill its obligations under the performance of its obligations under this Agreement, and does not cure such failure

after City sends notice of an Event of Default (as hereafter defined) to the Company and expiration of the cure period described in Section 3.04 below, City may, at its option, terminate this Agreement in accordance with Section 3.08 (b) below. Upon termination of this Agreement for the Company's failure to cure an Event of Default, the City shall not be required to further pay, and the Company shall not be entitled to receive any further payments under this Agreement. The foregoing sentence shall not release the City from its obligation to make payment for any prior year(s) of this Agreement during which the Company did fulfill its obligations under the performance guidelines set forth in Sections 1.01 though 1.07, above.

1.09 Completion of Obligations. The Company's obligations to the City pursuant to this Agreement shall be completed whenever the Company has (i) made the required investment as provided in Section 1.01, and (ii) fulfilled the requirements in Section 1.02 to receive the maximum payment of Three Hundred Seventy-Two Thousand Five Hundred Ninety and No/100 Dollars ($372,590.00) from the City as provided in Section 2.01(a).

II. City Obligations

2.01 Economic Development Incentive. As consideration for the Company's performance of its obligations under this Agreement, City shall pay to the Company an annual economic development grant calculated according to the following formula:

(a) The City's total obligation to the Company under this Agreement shall not exceed Three Hundred Seventy-Two Thousand Five Hundred Ninety and No/100 Dollars ($372,590.00).

(b) For the Company obligations performed during calendar years 2011 through 2020, the City shall pay the Company One Hundred Ninety and No/100 Dollars ($190.00) for each New Full-Time Job created and retained as of December 31st of the applicable year and for each New Full-Time Job created during a prior year during the term of this Agreement and retained for the entire applicable year if the Company has complied with all of its obligations under this Agreement.

2.02 The City's first payment shall be made on or before October 31, 2012 for the Company's performance for the year ending December 31, 2011. The City's final payment shall be in consideration for the Company's performance during the year ending December 31, 2020. The City shall make the payments required under this section on or before October 31 of each qualifying year. The City is not obligated to make a grant payment for any year which does not qualify (*i.e.*, the City has determined that the Company has failed to meet the required performance measure or condition applicable to the Company for that year) and has provided written notice to the Company of such determination on or before October 31st of the following year and has given the Company at an opportunity to cure such failure in accordance with Section 3.04 below.

III. General Terms

3.01 Term. The anticipated term for this Agreement is ten (10) calendar years. This Agreement shall become enforceable upon execution and delivery by the City and the Company.

Unless this Agreement is terminated earlier in accordance with Section 3.08, the Company's obligations to perform under this Agreement shall be completed on December 31, 2020 and the City shall make its final payment to the Company 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 the Company.

(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 payment(s) to be made to the Company, or other expenditure(s) 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, Chapter 380 of the Texas 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 a given fiscal year for payments due or expenditures under this Agreement, the City shall not be liable to the Company for such payments or expenditures unless and until appropriation of the necessary funds is made; provided, however, that the Company, in its sole discretion, shall have the right, but not the obligation, to terminate this Agreement and shall have no obligations under this Agreement for the year in which the City is unable to appropriate the necessary funds.

(d) To the extent there is a conflict between this Section 3.01 and any other language or covenant in this Agreement, this Section 3.01 shall control.

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

3.04 Event of Default. If either the City or the Company should fail in the performance of any of its obligations under this Agreement, such failure or omission to perform shall constitute an "Event of Default" under this Agreement. When an Event of Default occurs, the non-defaulting party shall provide the defaulting party with written notice of the alleged Event of Default (pursuant to Section 3.09, below), and allow the defaulting party a minimum period of ninety (90) calendar days after the receipt of this notice to cure such Event of Default, prior to

terminating this Agreement, instituting an action for breach of contract or pursuing any other remedy for the event of 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 to the Parties' obligations are superseded by this Agreement. This Agreement may only be modified, altered or revoked by written amendment signed by the City and the Company .

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

3.07 Assignment. Except as provided below, the Company may not assign its rights or obligations under this Agreement to a third party without prior written approval of the City. The City's approval of the assignment shall not be unreasonably withheld, conditioned or delayed. Notwithstanding anything to the contrary, the Company may assign all or part of its rights and obligations under this Agreement without the prior consent of the City to an affiliate of the Company in which the Company owns at least a fifty percent (50%) interest, or to a third party lender advancing funds for the acquisition, construction or operation of the Company's Software Center facility.

3.08 Termination.

(a) Termination by the Company for convenience. In the event the Company elects not to proceed with the Project as contemplated by this Agreement, the Company 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.

(b) Termination for Cause. If either Party to this Agreement fails to meet its obligations under this Agreement, and the non-defaulting party provides notice of the Event of Default as set forth in Section 3.03, above, and the Event of Default is not cured within the ninety (90) calendar day cure period, this Agreement may be terminated by the non-defaulting party after expiration of the ninety (90) calendar day cure period.

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:

To the Company:

The Advisory Board Company
Attn: General Counsel
2445 M Street NW
Washington, D.C. 20037
Phone: (202) 266-5600
Fax: (202) 266-5700
Re: Economic Development Agreement

To the City:

City of Austin
Attn: City Manager
301 West 2nd Street
Austin, Texas 78701
(P.O. Box 1088, Austin, Texas 78767)
Phone: (512) 974-2200
Fax :(512) 974-2833

with copies to:

City of Austin
Attn: Director, Economic Growth and Redevelopment Services Office
301 West 2nd Street
Austin, Texas 78704
Phone: (512) 974-7802
Fax: (512) 974-7825

City of Austin
Attn: Megan Crump, Assistant City Attorney
301 West 2nd Street, 4th Floor
Austin, Texas 78701
Phone: (512) 974-2268
Fax: (512) 974-2894

Either party may designate a different address at any time upon 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 be interpreted as being drafted by both Parties in conjunction with the other, neither more strongly for, nor against any party.

3.11 Applicable Law and Venue. This Agreement is made, and shall be construed and interpreted, under the laws of the State of Texas. Venue for any dispute arising under this Agreement shall lie in the state courts of Travis County, Texas.

3.12 Severability. In the event any provision(s) of this Agreement is deemed illegal, invalid or unenforceable under present or future law(s) by a court of competent jurisdiction, 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 will be substituted by written amendment to this Agreement which is legal, valid or enforceable and similar in terms to the provision deemed 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, current and future officers, elected officials, employees and agents do not assume any responsibilities or liabilities to any third party in connection with the Software Center or the design, construction or operation of any portion thereof.

3.16 Public and Confidential Information. Information provided by or on behalf of the Company under or pursuant to this Agreement that the Company considers as proprietary 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 the Company 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 Counterparts. This Agreement may be executed in several identical counterparts by the Parties on separate counterparts, and each counterpart, when so executed and delivered, shall constitute an original instrument, and all such separate counterparts combined shall constitute one (1) original agreement.

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

THE ADVISORY BOARD COMPANY,
a Delaware corporation

By: _____
Pete Macleod
Associate General Counsel
Human Resources and Corporate Services

Date: 7/12/ _____, 2011

CITY OF AUSTIN,
a home-rule municipal corporation

By: _____
Marc A. Ott
City Manager

Date: 7.25.11 _____, 2011

Approved as to form:

_____
Assistant City Attorney

EXHIBITS:

Exhibit "A": Fair Employment Policies and Practices

Exhibit "B": Certificate of Compliance

EXHIBIT "A"
Fair Employment Policies and Practices

Discrimination and Harassment

DISCRIMINATION AND HARASSMENT

Policy

The Advisory Board Company is committed to providing equal employment and advancement opportunities to all individuals. All employment decisions at the Company will be based on merit, qualifications, and abilities. The Company does not discriminate in employment opportunities or practices on the basis of race, color, religion, sex (including pregnancy, childbirth or related medical conditions), national origin, age, disability, veteran status, marital status, sexual orientation, personal appearance, family responsibilities, matriculation, political affiliation or any other characteristic protected by applicable law. The policy governs all aspects of employment, including selection, job assignment, compensation, discipline, termination, and access to benefits and training.

The Company will make reasonable accommodations in response to requests from applicants and employees as required by law, including reasonable accommodations for qualified individuals with known disabilities, unless doing so would result in an undue hardship.

Anti-Harassment

The Company prohibits, and will not tolerate, harassment of applicants or employees on the basis of race, color, religion, sex, national origin, age, disability, veteran status, marital status, sexual orientation, personal appearance, family responsibilities, matriculation, political affiliation or any other characteristic protected by applicable law, by anyone, including any supervisor, co-worker, vendor, visitor or customer. Conduct prohibited by this policy is unacceptable in the workplace or any other work-related setting, such as business trips, meetings and conferences.

Harassment is unwelcome verbal, physical or visual conduct, based upon a person's protected characteristic, that denigrates or shows hostility or aversion toward the person because of such characteristic, and which affects the person's employment opportunities or benefits, has the purpose or effect of unreasonably interfering with the person's work performance, or has the purpose or effect of creating an intimidating, hostile or offensive working environment.

Sexual harassment has a special legal definition. Unwelcome sexual advances, requests for sexual favors, and other verbal, physical or visual conduct of a sexual nature constitute sexual harassment when (1) submission to such conduct is made either explicitly or implicitly a term or condition of the individual's employment; (2) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or (3) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment. Sexual harassment can include, for example, sexual propositions, suggestive comments, sexually oriented jokes, crude or vulgar language or gestures, display or distribution of obscene materials, and physical contact such as patting, pinching, or brushing against someone's body.

In addition, although conduct may not be prohibited by law, it may nonetheless be inappropriate for the workplace or other work-related setting and therefore prohibited by this policy.

Complaint Procedure

It is the responsibility of each employee to enforce and comply with the Equal Employment Opportunity and Anti Harassment Policy. If you believe you have been harassed or discriminated against, or have witnessed harassment or discrimination, in violation of this policy, you must immediately notify Mary van Hoose, Managing Director of Career Management (2445 M Street, NW, Washington, DC, 20037, 202 / 266-6778). You should not hesitate to make a complaint, regardless of the identity or position of the alleged offender. If you believe that the Managing Director of Career Management is responsible for the conduct about which you are complaining, you should immediately notify Frank Williams.

In addition to notifying the Managing Director of Career Management or Frank WIlliams, you are encouraged, where feasible, to advise the alleged offender that his or her conduct is unwelcome and ask him or her to stop. This is not a substitute for making a complaint under this policy.

The Company will conduct a thorough and prompt investigation of all complaints. Employees may be asked to provide a written statement as part of an investigation. Upon completion of the investigation, if any harassment or discrimination in violation of this policy is found to have occurred, the Company will take effective remedial action to stop the harassment or discrimination, including, without limitation, disciplining and/or discharging employees who have violated the policy. If a non-employee is found to have violated the policy, the Company will also take effective remedial action to the fullest extent feasible.

In addition, any employee who willfully makes a false allegation under this policy will be subject to appropriate disciplinary action, which may include termination of employment.

The Company cannot be expected to respond to a violation of this policy unless it is reported. Thus, each employee is obligated to report any violation in a timely manner. Employees can raise concerns and make reports without fear of reprisal, harassment, intimidation, threats, or coercion.

The Company strictly prohibits retaliation in any form against anyone who has exercised his or her rights under applicable law, who has reported harassment or discrimination, or who has participated in any manner in an investigation under this policy. No one has the authority to deprive any employee of any tangible job benefit in retaliation for engaging in these activities. Any person who believes that he or she has been improperly retaliated against in violation of this policy (or threatened with retaliation) should follow the complaint procedure set forth above.

All complaints under this policy, information received during the course of investigations, and resolutions of investigations will be kept confidential and divulged only to those with a legitimate need to know, as determined by the Company in its sole discretion, unless required by law to be divulged. (In most cases, it will be necessary to share the identity of the complainant

and the substance of the complaint with the accused individual as part of a proper investigation. The accused individual will be reminded of the Company's prohibition against retaliation.)

Any employees with questions or concerns about any type of discrimination or harassment are encouraged to bring these issues to the attention of Mary Van Hoose, Managing Director of Career Management (2445 M Street, NW, Washington, DC, 20037, 202 /266-6778).

Exhibit B

Certificate of Compliance

Company Name: The Advisory Board Company

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

1.0 Investment

1.1 The Agreement states that after the Effective Date and before December 31, 2017, The Advisory Board shall invest at least $8,100,000 in the making of leasehold improvements to The Advisory Board's Austin-based Development Center.

$_____ has been invested in leasehold improvements to The Advisory Board's Austin-based Development Center for the reporting year ending December 31, 20____.

2.0 Employment

2.1 The Agreement requires The Advisory Board to create 239 New Full-time Jobs by December 31, 2015 (Section 1.02), while retaining the existing 91 Full-time jobs for the entire term of this agreement. The job creation and retention schedule is as follows (Section 1.02(a)):

(i) 50 New & 91 Retained Full-time Jobs before December 31, 2011;
(ii) 109 New & 91 Retained Full-time Jobs before December 31,2012;
(iii) 159 New & 91 Retained Full-time Jobs before December 31, 2013;
(iv) 209 New & 91 Retained Full-time Jobs before December 31, 2014;
(v) 239 New & 91 Retained Full-time Jobs before December 31, 2015;
(vi) 239 New & 91 Retained Full-time Jobs before December 31, 2016;
(vii) 239 New & 91 Retained Full-time Jobs before December 31, 2017;
(viii) 239 New & 91 Retained Full-time Jobs before December 31, 2018;
(ix) 239 New & 91 Retained Full-time Jobs before December 31, 2019;
(x) 239 New & 91 Retained Full-time Jobs before December 31, 2020:

a. Number of New Full-time Jobs created and retained as of December 31, 20____.

Total jobs created and retained: _____

2.2 As of December 31, 20____ did the number of New Full-time Jobs and 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))?

Year	Average Annual Wage
2011	$ 90,000
2012	$ 90,000
2013	$ 90,000
2014	$ 90,000
2015	$ 90,000
2016	$ 90,000
2017	$ 90,000
2018	$ 90,000
2019	$ 90,000
2020	$ 90,000

☐ Yes ☐ No

3.0 Recruitment

3.1 The Agreement states that The Advisory Board 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 The Advisory Board 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 The Advisory Board 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 The Advisory Board shall use commercially reasonable efforts to provide local small businesses and minority-, women- and veteran-owned businesses, an equal opportunity to participate as suppliers for materials and services purchased by The Advisory Board exclusively for use at the company's office located in Austin and that The advisory Board 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 The Advisory Board 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 office located in Austin, including, but not limited to, leasehold improvements (Section 1.04 (b)). Attach correspondence and/or documentation showing compliance with Section 1.04 (b).

4.3 The Agreement states that with respect to any design or construction projects at the company's Austin based office, but not limited to, leasehold improvements, The Advisory Board , it's architect and general contractor must meet the following ethnic-specific participation goals 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 The Advisory Board, the architect and the general contractor fail to meet each of these goals, The Advisory Board must submit documentation demonstrating its own, 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 $372,590 (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 for 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 The Advisory Board's performance during calendar years 2011 through 2020, the economic development incentive shall be $190 per New Full-Time Job created and retained during the term of this Agreement (Section 2.01 (a)) and not to exceed $372,590 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 The Advisory Board, hereby certify that the above information is correct and accurate pursuant to the terms of the Agreement. I further certify that The Advisory Board 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.

The Advisory Board Company

Signature:

_____

Printed Name:

_____

Title (Chief Financial Officer or equivalent):

_____

Date:

_____