

Board Members:

Greg McWhorter
Paul Fortunato
Terry Henley
Julie Wheeler
Tiffany Gardner
Anthony Wise
Rick Gentry
Alvin Nance
Shannon Coleman Egle
Michael Wood
Mike George



The Industrial Development Board of the County of Knox

Regular Meeting

April 13, 2021, 4:00 p.m.

Zoom Video Conference Mtg. - In accordance with

Governor Lee's Executive Order No. 78

(an extension of Executive Order Nos. 16, 34, 51, 60, 65 and 71)

AGENDA

- I. Call to Order
- II. Approval of Minutes from Previous Meeting
 - ACTION** A) Regular Meeting – March 9, 2021
- III. Finance Report
 - ACTION**
- IV. Consideration of Budget for FY 2021-2022
 - ACTION**
- V. Review and Consideration of a Resolution Regarding a Training Grant in the Amount of \$150,000 on behalf of CGI, Inc.
 - ACTION**
- VI. Old Business
 - A) Discussion Regarding Farragut Town Center at Biddle Farms Project
- VII. New Business
- VIII. Adjourn

**MINUTES OF THE REGULAR MEETING OF
THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF KNOX**

March 9, 2021, 4:00 p.m.

The regular meeting of the Board of Directors of The Industrial Development Board of the County of Knox (the “Industrial Development Board” or “Board”) was held on Tuesday, March 9, 2021 at 4:00 p.m., pursuant to notice duly provided to the Directors and the public. The meeting was held via electronic method (Zoom Meeting), the Board’s Chair having determined on behalf of the Board that such was necessary to protect the health, safety, and welfare of Tennesseans in light of the COVID-19 outbreak.

The following Directors were present at the meeting, constituting a quorum, Greg McWhorter (Chair), Paul Fortunato (Vice Chair), Tiffany Gardner (Secretary), Mike George, Julie Wheeler, Rick Gentry, Michael Wood, Shannon Coleman Egle, Terry Henley, Anthony Wise, and Alvin Nance.

Also, in attendance were Todd Napier (The Development Corporation), Ray Christian (The Development Corp.), Brenda Wilson Spence (The Development Corporation), R. Christopher Trump (Legal Counsel – Egerton, McAfee, Armistead & Davis, P.C.), Susan L. Levine (Paralegal - Egerton, McAfee, Armistead & Davis, P.C.), John Huber with Huber Properties, LLC, the Applicant for the PILOT regarding Farragut Pointe, LLC, Attorney Jordana Katz Nelson, with Bass Berry & Sims, counsel for Applicant, Mark Bunch, the Developer for Farragut Pointe, LLC, Robert Jacks, the Traffic Engineer preparing the Traffic Impact Study for Farragut Pointe, LLC, Knox County Commissioner Carson Dailey, Knox County Commissioner John Schoonmaker, and the following Knox County residents:

Jane Skinner
John King
Christine Adams
Tina San Gil
Louise Poolin
Joe LaCroix
Mandi Benedict
Ron Garrett
Chris Brown

I. Greg McWhorter, the Board’s Chair, called the Industrial Development Board meeting to order. The Agenda of the Industrial Development Board meeting is attached hereto as Exhibit A. Mr. McWhorter stated that Item 4 of the Agenda is being deferred to a later date and asked the Board if there were any objections to adjourn the meeting at 4:15 p.m. and resume after the Health, Educational & Housing Facility Board meeting was held to alleviate the need of all additional parties having to stay. There were none. Upon a motion by Rick Gentry and a second by Mike George, the revisions to the meeting agenda was unanimously approved.

The Industrial Development Board then discussed the following matters and took the following actions as noted:

II. Review/ Approve Minutes from Previous Meeting. The Chair of the meeting asked if there were any changes to the minutes of the regular meeting held on February 9, 2021. There were none. Upon a motion by Paul Fortunato and a second by Anthony Wise, the minutes of the February 9, 2021, meeting were unanimously approved.

The Meeting was adjourned at 4:15 p.m. to proceed with the Health, Educational & Housing Facility Board meeting.

The Meeting was resumed at 5:10 p.m. and the Board discussed the following items:

III. Old Business.

A) Update Regarding Knox County Property Tax Incentive Program Policies. The Chair recognized Todd Napier who addressed the Board regarding the status of the revised policies and procedures applicable to the Board's Payment-in-Lieu-of-Tax Program for Jobs Recruitment Projects Policies and Procedures ("Jobs PILOT Policies"). Mr. Napier stated that the Ad Hoc Policy and Procedures Committee ("Committee") approved the draft Jobs PILOT Policies for presentation to the Board. Mr. Napier informed the Board that the draft Jobs PILOT Policies are an amalgamation of certain of the Board's prior policies and procedures, various policies and procedures utilized by Shelby County, Tennessee, and new and additional criteria discussed and recommended by the Committee, including, without limitation, the final scoring matrix developed by him based upon the Committee's recommendations and previously presented to the Board.

Mr. Napier then turned the presentation over to Chris Trump. Mr. Trump then presented a summary of each Section of the draft Jobs PILOT Policies, pausing between each Section to illicit feedback and answer questions from the Board members.

In reviewing the Jobs PILOT Policies Definitions Section, Mr. Trump highlighted the State's definition of "Disadvantage Business Entity" which incorporates one of the Committee's recommendations for incorporating bonus points for businesses owned by women and minorities. Mr. Trump stated that the laws pertaining to the State of Tennessee's procurement of goods and services had a broader definition of disadvantaged business entities that also includes, among other things, veterans with disabilities, persons with disabilities, and small businesses, and that the draft Jobs PILOT Policies incorporates the categories and definitions of the relevant State statutes, excluding only the small business category.

In reviewing the Ineligible Projects Section of the Jobs PILOT Policies, Mr. Trump highlighted the revisions and discussed the ability of the Board to consider projects from contiguous counties if the Applicant could provide the Board with supporting credible evidence that East Tennessee would lose the project.

In reviewing the updated Payments Section of the Jobs PILOT Policies, Mr. Trump highlighted the modification to application and agenda fees and the inclusion of the Committee's recommendation for requiring PILOT Recipients to pay late fees for nonperformance of reporting,

payments, and other mandatory requirements under the draft Jobs PILOT Policies. Mr. Napier stated that PILOT Payments are now based upon 100% abatement of property taxes, but the draft Jobs PILOT now limits the abatement at 50% - 60%, such being consistent with the practices of most other counties within Tennessee.

Mr. Trump and Mr. Napier then highlighted the remaining Sections of the Jobs PILOT policies including the application, reporting and post-closing processes.

Mr. Napier then stated that he believes it is important to finalize the revisions to the policies and procedures for the Board's Community Redevelopment PILOT program before submission of the Jobs PILOT Policies to the Knox County Commission. In doing so, any public workshops can be conducted at the same time for both sets of policies. Mr. Napier doesn't believe this will significantly alter the timeline and wanted to be judicious with the County's time and resources.

The Chair then asked the Board if the draft Jobs PILOT Policies were ready for presentation to Knox County. Discussion was had.

Upon a motion by Tiffany Gardner and a second by Julie Wheeler the Board voted unanimously to present the final draft of the Jobs PILOT Program to Knox County for a public workshop once the draft Community Redevelopment PILOT Policies and Procedures were finalized. A copy of the draft Jobs PILOT Policies and Procedures, as so approved for presentation, is attached hereto as Exhibit B.

IV. New Business.

A) Discussion Regarding Farragut Town Center at Biddle Farms project. This Item was removed from the Agenda.

V. Next Meeting. The next regular meeting of The Industrial Board of the County of Knox is scheduled for April 13, 2021, at 4:00 p.m. at the offices of The Development Corporation of Knox County located at 17 Market Square, #201, Knoxville, Tennessee.

VI. Adjournment. No further business having come before the Board and upon motion duly made and seconded, the Board voted unanimously to adjourn the meeting at 5:35 p.m.

Date

Secretary

EXHIBITS

Exhibit A Agenda – March 9, 2021

Exhibit B Draft Payment-in-Lieu-of-Tax Program for Jobs
Recruitment Projects Policies and Procedures

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The Industrial Development Board of the County of Knox
Balance Sheet with Prior Year Comparison
As of March 31, 2021

	As of March 31, 2021	As of March 31, 2020 (PY)
ASSETS		
Current Assets		
Bank Accounts		
100-000 Cash - Regions Bank	436,685	299,700
112-000 Grassy Creek Project Fund	465	1,585,088
113-000 Northshore TC TIF Fund - City	543,862	111
114-000 Northshore TC TIF Fund - County	76,012	75,956
Total Bank Accounts	\$1,057,024	\$1,960,856
Accounts Receivable		
125-000 Accounts Receivable (A/R)	5,748	3,748
Total Accounts Receivable	\$5,748	\$3,748
Other Current Assets		
127-000 Prepaid Insurance	3,438	3,349
Total Other Current Assets	\$3,438	\$40,808
Total Current Assets	\$1,066,210	\$2,005,411
Other Assets		
170-000 Loan to TDC	450,000	450,000
180-000 Long-Term Closing Fee - Knox High	74,919	74,919
Total Other Assets	\$524,919	\$524,919
TOTAL ASSETS	\$1,591,129	\$2,530,330
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
200-000 Accounts Payable	267,151	108,853
Total Accounts Payable	\$267,151	\$108,853
Other Current Liabilities		
218-000 Accrued Expenses	12,293	0.00
246-000 Northshore TC TIF - Liability	619,874	76,067
247-000 Grassy Creek Project Fund Liability	465	1,585,088
Total Other Current Liabilities	\$632,632	\$1,661,156
Total Current Liabilities	\$899,783	\$1,770,009
Total Liabilities	\$899,783	\$1,770,009
Equity		
300-000 Opening Balance Equity	18,401	18,401
320-000 Retained Earnings	741,921	787,634
Net Income	(68,976)	(45,714)
Total Equity	\$691,346	\$760,321
TOTAL LIABILITIES AND EQUITY	\$1,591,129	\$2,530,330

**The Industrial Development Board of the County of Knox
Budget Variance Report**

For the 12 Periods Ended March 31, 2021

	Mar-21			April 2020 - March 2021			April 2020 - March 2021	
	Actual	Budget	Variance	Actual	Budget	Variance	Budget	% Remaining
Income								
410-000 Interest Revenue	4	8	(4)	60	100	(40)	100	39.85%
420-000 Base Rent Revenue	0	725	(725)	8,700	8,700	0	8,700	0.00%
435-000 Application Revenue	0	333	(333)	0	4,000	(4,000)	4,000	100.00%
444-000 Closing Revenue	0	0	0	11,325	0	11,325	0	0.00%
445-000 Agenda Fee	0	0	0	500	0	500	0	0.00%
447-000 Appropriation from Retained Earnings	0	5,672	(5,672)	68,976	68,064	912	68,064	-1.34%
Total Income	\$4	\$6,739	(\$6,734)	\$89,561	\$80,864	\$8,697	\$80,864	-10.76%
Expenses								
502-001 Operating Expenses	66	125	(59)	890	1,500	(610)	1,500	40.65%
503-001 Advertising Expense	49	100	(51)	1,971	1,200	771	1,200	-64.26%
507-001 Insurance Expense	313	305	7	3,661	3,664	(3)	3,664	0.08%
509-001 Professional Services	0	83	(83)	345	1,000	(655)	1,000	65.50%
511-001 Accounting Expense	0	792	(792)	9,400	9,500	(100)	9,500	1.05%
512-001 Legal Expense	13,293	1,250	12,043	24,293	15,000	9,293	15,000	-61.95%
519-001 Administrative Expense	4,083	4,083	0	49,000	49,000	(0)	49,000	0.00%
Total Expenses	\$17,804	\$6,739	\$11,065	\$89,561	\$80,864	\$8,697	\$80,864	-10.75%
Net Operating Income	(\$17,799)	\$0	(\$17,799)	\$0	\$0	\$0		

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The Industrial Development Board of the County of Knox
Income Statement with Prior Year Comparison
For the 12 Periods Ended March 31, 2021

	<u>April 2020 - March 2021</u>	<u>April 2019 - March 2020 (PY)</u>
Income		
410-000 Interest Revenue	60	173
420-000 Base Rent Revenue	8,700	8,700
435-000 Application Revenue	0	22,000
444-000 Closing Revenue	11,325	0
445-000 Agenda Fee	500	500
Total Income	\$20,585	\$31,373
Gross Profit	\$20,585	\$31,373
Expenses		
502-001 Operating Expenses	890	887
503-001 Advertising Expense	1,971	1,036
507-001 Insurance Expense	3,661	3,663
509-001 Professional Services	345	300
511-001 Accounting Expense	9,400	9,200
512-001 Legal Expense	24,293	13,000
519-001 Administrative Expense	49,000	49,000
Total Expenses	\$89,561	\$77,086
Net Operating Income	(\$68,976)	(\$45,714)
Other Income		
430-000 PILOT Revenue	365,333	407,849
449-000 Oakwood Rent- Restricted	77,000	77,000
Total Other Income	\$442,333	\$484,849
Other Expenses		
587-001 PILOT Payment Expense	365,333	407,849
950-001 Transfer to TDC - Restricted Funds	77,000	77,000
Total Other Expenses	\$442,333	\$484,849
Net Income	(\$68,976)	(\$45,714)

The Industrial Development Board of the County of Knox
Proposed Budget
Fiscal Year April 1, 2021 - March 31, 2022

	<u>Prior FY Budget</u> <u>Apr 2020 - Mar 2021</u>	<u>Prior FY Actual</u> <u>Apr 2020 - Mar 2021</u>	<u>Proposed Budget¹</u> <u>Mar 2021 - Apr 2022</u>
REVENUE:			
Application Revenue	4,000	-	4,000
Closing Revenue (PILOT Transactions)	-	11,325	-
Interest Revenue ²	100	60	100
Base Rent Revenue	8,700	8,700	8,700
Agenda Fee	-	500	-
Appropriation from Retained Earnings/Fund Balance ³	68,064	68,975	78,151
Total Revenue	\$ 80,864	\$ 89,560	\$ 90,951
EXPENSE:			
Insurance Expense (D & O)	3,664	3,661	3,751
Accounting Expense ⁴	9,500	9,400	9,500
Administrative Expense (TDC)	49,000	49,000	49,000
Advertising Expense (Public Notices) ⁵	1,200	1,971	1,200
Legal Expense	15,000	12,000	15,000
Policies Update	-	12,293	10,000
Professional Services Expense	1,000	345	1,000
Operating Expense ⁶	1,500	890	1,500
Total Expense	\$ 80,864	\$ 89,560	\$ 90,951
NET OPERATING INCOME	-	-	-
Other Income			
PILOT Revenue	407,849	407,849	407,849
Oakwood Rent - Restricted	77,000	77,000	77,000
Total Other Income	484,849	484,849	484,849
Other Expenses			
PILOT Payment Expense	407,849	407,849	407,849
Transfer to TDC - Restricted Funds	77,000	77,000	77,000
Total Other Expenses	484,849	484,849	484,849
NET INCOME	-	-	-

¹Budget is estimated actual costs - additional projects will incur additional revenue/expense.

²Proposed Budget for Interest Revenue estimated for \$200,000 investment @ .05% for 1 year.

³Deficit coverage (if any) is proposed to be funded from retained earnings/fund balance.

⁴Accounting Expense is for the annual audit fee.

⁵Advertising Expense is expense incurred for public notices and affidavits.

⁶Operating Expense is expense incurred for copies, postage, fedex, etc.

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF KNOX
APPROVING THE GRANT FUNDING AGREEMENT FOR EMPLOYEE TRAINING
WITH CGI FEDERAL INC.**

WHEREAS, CGI Federal Inc. (collectively with applicable affiliates, “CGI”), is a Delaware corporation and is a leading global information technology and business consulting services firm; and

WHEREAS, CGI is seeking to grow and geographically expand its United States (U.S.) operations to include a new multi-use, multi-tier delivery center into which it would locate its strategic business units for its “United States Federal” operations and its “Commercial and State Government” operations (“Delivery Center”); and

WHEREAS, CGI desires to locate its new Delivery Center in Knoxville, Tennessee, with the expectation of creating 300 new jobs with an average annual salary for all such jobs equal to approximately \$68,000; and

WHEREAS, The Industrial Development Board of the County of Knox (“IDB”) is authorized by law to donate and convey its properties to fulfill its statutory purposes, including without limitation, increasing employment opportunities available to the citizens of Knox County, Tennessee (“Knox County”) by inducing commercial enterprises to locate in the state and promoting industry and commerce; and

WHEREAS, IDB has agreed to grant funds (“Grant”) in an amount up to \$150,000.00 (“Grant Amount”) to reimburse CGI for a portion of costs associated with the delivery of in-house computer skills training (the “Employee Training”) to Qualified Employees located at the Delivery Center, such Grant being found by the IDB to have the effect of maintaining and increasing employment and otherwise promoting new industry, commerce and trade in Tennessee and Knox County, in particular (the “Grant”); and

WHEREAS, Funding for the Grant shall be provided pursuant to a contribution of funds by Knox County to IDB; and

WHEREAS, IDB wishes to enter into an Agreement with CGI to outline the process whereby IDB will use Grant Funds to reimburse CGI for a portion of the costs incurred for the Employee Training, a copy of which has been submitted to the Board of Directors in connection with its consideration of this Resolution; and

WHEREAS, the Board of Directors of IDB wish to authorize it's representative to execute and deliver all documents and instruments necessary to accomplish the Grant.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF KNOX:

1. The Industrial Development Board of the County of Knox is hereby authorized to assist CGI and reimburse CGI for a portion of its costs associated with the delivery of in-house computer skills training using the Grant. The Directors hereby find that such assistance and the Grant shall have the effect of maintaining and increasing employment and otherwise promoting new industry, commerce and trade in Tennessee and Knox County, in particular.

2. The officers of the Board of Directors of the IDB, or Todd Napier, President and CEO of The Development Corporation of Knox County (which provides staff for the IDB), or any of them, are authorized and directed to receive the above described contribution of funds from Knox County and to execute and deliver the Grant Agreement, together with any and all other documents as may be necessary to provide such assistance and to provide the Grant to CGI, with such completions, omissions, insertions and changes as may be approved by the officers or other representatives of the IDB executing them, their execution to constitute conclusive evidence of their approval of the form of such documents.

3. The officers of the Board of Directors of the IDB or Todd Napier, President and CEO of The Development Corporation of Knox County (which provides staff for the IDB), or any of them, are hereby authorized and directed to execute and deliver all certificates and instruments and to take all such further actions as they may consider necessary or desirable in connection with providing such assistance and completing the Grant.

4. All other acts of the officers or other representatives of the IDB which are in conformity with the purposes and intent of this resolution and in furtherance of accomplishing the completion and funding of the Grant are hereby approved and confirmed.

(Signature Page to Follow)

[Signature Page to CGI Federal Grant Resolution dated April 13, 2021]

**STATE OF TENNESSEE
COUNTY OF KNOX**

I, Tiffany E. Gardner, Secretary of THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF KNOX (the “Board”) do hereby certify that the foregoing is a true and complete extract of the minutes of the Board of Directors of the Board at a meeting duly called and held on April 13, 2021, and sets forth so much of said minutes as in any way relates to the introduction, consideration and passage of the resolution therein set forth. Public notice of said meeting was given pursuant to and in compliance with all provisions of law.

THE INDUSTRIAL DEVELOPMENT BOARD
OF THE COUNTY OF KNOX

Tiffany E. Gardner, Secretary

Dated: April 13, 2021

GRANT FUNDING AGREEMENT FOR EMPLOYEE TRAINING

This Agreement (this "Agreement") is made and entered into as of the ___ day of _____, 202__ by and between **THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF KNOX**, a Tennessee public nonprofit corporation ("IDB") and CGI Federal Inc. (herein referred to as "CGI" or the "Company"). All references to CGI Federal Inc., "CGI" or the "Company" herein shall be deemed to include any and all parent companies, affiliates, and subsidiaries of CGI Federal Inc.

W I T N E S S E T H:

CGI is a leading global information technology (IT) and business consulting services firm.

CGI is seeking to grow and geographically expand its United States (U.S.) operations to include a new multi-use, multi-tier delivery center into which it would locate its strategic business units for its "United States Federal" operations and its "Commercial and State Government" operations ("Delivery Center").

CGI desires to locate its new Delivery Center in Knoxville, Tennessee, with the expectation of creating 300 new jobs with an average annual salary for all such jobs equal to approximately \$68,000.

IDB is authorized by law to donate and convey its properties to fulfill its statutory purposes, including without limitation, increasing employment opportunities available to the citizens of Knox County, Tennessee ("Knox County") by inducing commercial enterprises to locate in the state and promoting industry and commerce.

In addition to any such other economic assistance which may be provided by the IDB, the IDB has agreed to grant funds ("Grant Funds") in an amount up to \$150,000.00 ("Grant Amount") to reimburse CGI for a portion of costs associated with the delivery of in-house computer skills training (the "Employee Training") to Qualified Employees (as defined below) located at the Delivery Center, such Grant being found by the IDB to have the effect of maintaining and increasing employment and otherwise promoting new industry, commerce and trade in Tennessee and Knox County, in particular (the "Grant").

Funding for the Grant shall be provided pursuant to a contribution of funds by Knox County to IDB.

IDB and CGI are entering into this Agreement to outline the process whereby IDB will use Grant Funds to reimburse CGI for a portion of the costs incurred for the Employee Training.

NOW THEREFORE, in consideration of the mutual covenants contained herein the parties do hereby agree as follows:

1. The Grant. The IDB shall reimburse CGI for costs incurred by CGI for Employee Training of Qualified Employees in accordance with the attached training funding allowance

schedule (**Exhibit A**), such allowances representing the minimum cost incurred by CGI for each such element of training described therein (“Employee Training Costs”). Reimbursement payments from Grant Funds shall be limited to a maximum of \$4,000 per individual Qualified Employee. IDB shall have no obligation to contribute funds to CGI in excess of the Grant Amount.

2. Conditions to Grant Funds Disbursement; Qualified Employees Defined. The disbursement of Grant Funds by the IDB to CGI shall be conditioned upon CGI having satisfied each of the following conditions:

a. IDB having received the contribution from the County in an amount equal to the Grant Amount;

b. The term “Qualified Employees” shall mean employees for which CGI has provided training and for which CGI is seeking reimbursement pursuant to each Grant Funds Request (as defined below), provided each such employee’s annual salary shall be greater than or equal to \$40,000 and such employees shall reside in the area identified as the East Tennessee Development District as it exists as of February 1, 2021; and

c. Recognizing that discussions have been ongoing and CGI’s interest in beginning operations, any jobs meeting the requirements of this Section in Knoxville filled in Knoxville after February 1st, 2021 but before execution of this Agreement shall be Qualifying Employees under this Agreement.

d. CGI shall have complied with the Grant Funds disbursement requirements set forth in Section 3 below;

e. With respect to any portion of the Grant Funds disbursed following such date, CGI shall have commenced operations in the Delivery Center by _____, 20____.

3. Grant Funds Disbursement Requirements. Grant Funds will be disbursed to CGI for reimbursement of Employee Training Costs incurred by CGI within twenty-one (21) days following request of CGI (“Grant Funds Request”), provided each such request is made in accordance with the following:

a. CGI shall submit to IDB a written request for Grant Funds disbursement to reimburse CGI for Employee Training Costs in the form attached hereto as **Exhibit A** (“Grant Funds Request Form”).

b. The Grant Funds Request Form shall be accompanied by a certification of an authorized officer of CGI which certifies to IDB the Employee Training for which reimbursement is being requested and the identity of each Qualified Employees to which such Employee Training was provided, such certification being in the form attached hereto as **Exhibit B**.

c. CGI shall provide any and all supporting documentation reasonably requested by IDB to evidence CGI’s compliance with the requirements of this Agreement as such pertains to such Grant Fund Request.

- d. CGI will request Grant Funds disbursement no more than once per month, and each such request must be in minimum aggregate increments of Twenty-five Thousand and No/100 Dollars (\$25,000) except for the final request, which may be less.

IDB, in its sole discretion, is responsible for determining if the submitted Grant Funds Request and the Employees Training Costs for which reimbursement is sought qualifies for reimbursement and otherwise complies with the terms of this Agreement. All Grant Funds payment decisions made by IDB are final. CGI must submit all Grant Funds Requests no later than two (2) years after the commencement date of CGI's PILOT Lease Agreement with the IDB for the Delivery Center ("Lease Agreement"), but not later than three and one-half (3.5) years from the date of this Agreement. The failure to make such request by that date will relieve IDB of any obligation to fund the Grant Funds.

4. Minimum Number of Jobs by CGI. CGI intends to employ three hundred (300) employees on a full-time basis with each job (a) receiving full benefits associated with the industry in which CGI operates (which shall include company provided retirement contributions and health insurance), (b) receiving a minimum salary for each job (based upon the Form W-2 issued to each job holder) of Thirty-One Thousand, Two Hundred and No/100 Dollars (\$31,200), and (c) held by a person residing in the area identified as the East Tennessee Development District as it exists as of February 1, 2021 (such jobs referred to hereinafter as the "Qualifying Jobs"). Qualifying Jobs may include jobs situated in Knoxville as part of the Project which are staffed by employees of a client of CGI which has requested such employees of the client deliver their services from the Project working with CGI; provided, however, such employees shall be counted towards any economic development incentive plan of any kind only one time. Qualifying Jobs can exist only if the employer is CGI except as otherwise permitted in this Agreement and defined in this section. CGI shall annually so long as this Agreement is in effect submit proof of the number of Qualifying Jobs to the IDB in the Proof of Employment form, as attached hereto as **Exhibit C**. Within thirty (30) days after five years from the commencement date of the Lease Agreement (the "Job Measurement Date"), CGI shall submit to IDB proof to determine the number of jobs existing at the time of the Job Measurement Date using the form attached hereto as **Exhibit C**. Subject to execution of this Agreement by CGI on or before May 30, 2021, Qualifying Jobs meeting the requirements of this Section filled in Knoxville after February 1, 2021, but before execution of this Agreement, shall meet the requirements of Qualifying Jobs under this Agreement.

5. The Project. The Project shall consist of the expansion of CGI's U.S. operations, including federal, commercial and state government operations, to the City of Knoxville, Tennessee by entering into the Lease Agreement. CGI shall be solely responsible for the scope of the Project, for the design of the Project, for hiring the Project team, for the execution of all work, and for all of the costs related thereto. CGI shall be solely liable for all costs of the Project. The IDB shall not be liable for and shall not pay any of the costs of the Project.

6. Deficiencies in the Project.

- a. **Deficiencies in Submitted Expenses.** If the IDB determines CGI failed to perform any of the conditions described **in Section 2**, and if IDB provides thirty (30) days prior written notice to CGI of such failure, the IDB will have no

obligation to reimburse CGI for any of the expenses submitted by CGI for payment from the Grant Funds.

- b. **Deficiencies in Created Jobs.** If the IDB determines CGI failed to create the required number of Qualifying Jobs according to the requirements described herein, CGI shall reimburse the IDB pursuant to the Claw Back provision hereinafter defined in **Section 7** of this Agreement.

7. Claw Back of Reimbursement to CGI. In the event that it is discovered by IDB that CGI failed to qualify for any portion of the Grant Funds disbursed to CGI under the requirements set forth in 2.c., CGI shall promptly upon demand of IDB repay the same to IDB.

In addition to any other remedies provided to the IDB herein, CGI will repay a portion of the Training Grant Funds received if at the Job Measurement Date CGI has not achieved a PERFORMANCE PCT of 90%. The amount repaid by CGI shall equal the amount determined as follows: (MISS PCT x FUNDS RECEIVED). CGI shall reimburse the IDB within thirty (30) days of demand by IDB in the event CGI fails to accomplish the PERFORMANCE PCT OF 90%. For purposes of making the foregoing determination, the following definitions will be used.

DEFINITIONS:

FUNDS RECEIVED: total amount of Grant Funds received by CGI under this Agreement.

TARGET JOBS: 300 Qualifying Jobs as defined in Section 3.

ACTUAL JOBS: The actual number of Qualifying Jobs as defined in Section 3 as of the Job Measurement Date.

TARGET SALARY: \$60,000

AVERAGE ANNUAL SALARY: The average annual salary of the Qualifying Jobs as of the Job Measurement Date.

(1) TARGET PERFORMANCE is (300 Target jobs x \$60,000 Target Salary) or \$18,000,000.

(2) ACTUAL PERFORMANCE is ACTUAL JOBS x Average Annual Salary.

(3) PERFORMANCE PCT is ACTUAL PERFORMANCE / TARGET PERFORMANCE

(4) MISS PCT is (TARGET PERFORMANCE - ACTUAL PERFORMANCE) / TARGET PERFORMANCE

For purpose of clarification the following chart provides examples of the application of these terms.

	TARGET SALARY	TARGET JOBS	(1) TARGET PERFORMANCE		
TARGET	\$60,000	300	\$ 18,000,000		
	Average Salary	Qualifying JOBS	(2) ACTUAL PERFORMANCE	(3) PERFORMANCE PCT	(4) MISS PCT
EXAMPLES					
EXAMPLE 1 – No Repayment Required, 90% or greater Performance PCT	\$60,000	270	\$ 16,200,000	90.0%	N/A

EXAMPLE 2 – No Repayment Required, 90% or greater Performance PCT	\$59,000	275	\$ 16,225,000	90.1%	N/A
EXAMPLE 3 - Repayment of \$40,800 Required (10.2% * \$400,000)	\$61,000	265	\$ 16,165,000	89.8%	10.2%

8. Agreement to Provide Additional Information; Right to Audit Books and Records. Upon the request of IDB, CGI shall provide IDB any and all supporting documentation and other information reasonably requested by IDB to determine CGI’s eligibility for reimbursement, and to substantiate CGI’s satisfaction of the requirements set forth in, this Agreement. Further, IDB shall have the right to audit, at CGI’s expense, the books and records of CGI respecting the same. CGI acknowledges that IDB is subject to the Tennessee Public Records Act under Tennessee Code 10-7-101 et. seq. (the “Records Act”). CGI will identify and appropriately mark any and all confidential information required to be provided to IDB under this Agreement that it requests to be withheld from public disclosure under the Records Act, provided that CGI acknowledges and agrees that IDB may only withhold such confidential information from public disclosure to the extent that such is permitted pursuant to applicable law.

9. Request, Acknowledgment and Release. CGI represents and warrants to the IDB that the information now or hereafter provided by CGI to the IDB in connection with the Project and the Grant is true and correct in all respects. CGI acknowledges that the IDB has not made any representations, warranties or commitments to CGI, except as set forth in this Agreement. CGI hereby releases and fully discharges the IDB, its officers, directors, agents and employees from any and all claims, causes of action, demands, damages or costs, known or unknown, now existing or which may hereafter accrue, arising out of or in any way relating to the Grant, other than the specific obligations of the IDB set forth herein.

10. Indemnification. CGI shall forever indemnify and hold harmless the IDB of and from any and all claims, causes of action, suits, demands, damages, costs, expenses, judgments, attorney fees and expenses, and other liabilities incurred by IDB and associated with or arising out of CGI’s breach of this Agreement, the Grant, relocation of personnel, training or supervision of employees, relocation of equipment and/or the Delivery Center and its design and construction, whether sounding in contract, tort, warranty or any other legal theory.

11. Governing Law. This Agreement shall be construed by and governed in accordance with the laws of the State of Tennessee (excluding principles of conflicts of laws).

12. Forum Selection. The Circuit Court for Knox County, Tennessee and the United States District Court for the Eastern District of Tennessee shall have exclusive jurisdiction over any and all disputes between the parties to this Agreement, whether in law or equity, arising out of or relating to this Agreement and the parties consent to and agree to submit to the jurisdiction of such courts. Each of the parties hereby waives and agrees not to assert in any such dispute, to the fullest extent permitted by applicable law, any claim that (i) such party is not personally subject to the jurisdiction of such courts, (ii) such party and such party’s property is immune from any legal process issued by such courts or (iii) any litigation or other proceeding commenced in such courts is brought in an inconvenient forum.

13. Waiver of Jury Trial. EACH OF THE PARTIES TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVES, AND AGREES TO CAUSE ITS AFFILIATES TO WAIVE, ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

14. Binding Agreement. This Agreement shall be binding upon and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereto.

15. Limitation of Liability. This Agreement and the obligations of the IDB hereunder shall be non-recourse as to the IDB, and the IDB shall have absolutely no personal or individual liability with respect to any of the terms, covenants and conditions of this Agreement. This exculpation of the IDB's personal liability is absolute and without any exception whatsoever. CGI acknowledges that the IDB is a governmental entity and is subject to the protection of the Tennessee Governmental Tort Liability Act, Tennessee Code Annotated § 29-20-101 through 29-20-408 (as amended from time to time), and nothing contained herein shall constitute a waiver or release of the IDB's rights and protections under said Act. CGI's liability hereunder shall be limited to those amounts set forth in Section 2, and any reasonable direct damages IDB may incur as a result of CGI's breach of this Agreement. CGI shall in no way be liable for any indirect, incidental, or consequential damages under this Agreement.

16. Section Headings. Section headings contained in this Agreement have been inserted for reference purposes only, and shall not be construed as part of this Agreement.

17. Amendments. No modification or amendment to this Agreement shall be valid unless in writing signed by each of the parties hereto.

18. Notices. All notices, requests, demands, and other communications hereunder shall be in writing and shall be deemed to have been duly given when delivered personally, with receipt acknowledged, or in the case of overnight delivery service or registered or certified mail, return receipt requested, postage prepaid, on the date shown on the receipt therefore, to the parties at the following addresses (or at such other address for a party as shall be specified in like notice)

If to CGI, to:

CGI Federal Inc.
Attn: Vice President of U.S. Onshore Delivery
538 Cajundome Blvd.
Lafayette, LA 70503

With a copy to:

CGI Federal Inc.
Attn: General Counsel
12601 Fair Lakes Cir
Fairfax VA 22033

If to IDB:

The Industrial Development Board of the County of Knox
c/o The Development Corporation of Knox County
17 Market Square, Ste. 201
Knoxville, Tennessee 37902

With a copy to:

Egerton, McAfee, Armistead & Davis, P.C.
1400 Riverview Tower
Knoxville, Tennessee 37902
Attn: R. Christopher Trump
Telephone: (865) 546-0500

19. Counterparts. This Agreement may be executed in one or more counterparts, but all such counterparts shall constitute but one and the same instrument. This Agreement may also be executed and delivered by facsimile transmission, pdf or similar electronic transmission which shall be deemed to be an original signature. This Agreement shall be effective only upon execution by all parties hereto.

20. Legal Fees. If any legal action, suit or proceeding is commenced between the parties regarding their respective rights and obligations under this Agreement, the prevailing party shall be entitled to recover, in addition to damages or other relief, costs and expenses, attorneys' fees and court costs (including, without limitation, expert witness fees). As used herein, the term "prevailing party" shall mean the party which obtains the principal relief it has sought, whether by compromise, settlement or judgment. If the party which commenced or instituted the action, suit or proceeding shall dismiss or discontinue it without the concurrence of the other party, such other party shall be deemed the prevailing party.

[Remainder of page intentionally left blank; signatures on the following page.]

IN WITNESS WHEREOF, the IDB and CGI have executed this Agreement effective as of date first set forth above.

IDB:

**THE INDUSTRIAL DEVELOPMENT BOARD
OF THE COUNTY OF KNOX**

By: _____
Name: _____
Title: _____

CGI:

CGI FEDERAL INC.

By: _____
Name: _____
Title: _____

EXHIBIT A

TRAINING COST ALLOWANCES

REIMBURSEMENT VALUES for CGI INTERNAL TRAINING	
COMPLETION OF THE FOLLOWING DEVELOPMENT TRAINING: \$1,500	COMPLETION OF THE FOLLOWING CLOUD TRAINING: \$1,500
Agile Development with Scrum	Architecting with Google Kubernetes Engine
ASP.NET	Architecting with Google Cloud Platform: Design and Process
Developing Java EE Web Applications plus JPA and REST	Developing Applications with Google Cloud Platform
Introduction to Python 3.x	Data Engineering on Google Cloud Platform
Introduction to Spring 5, Spring Boot, and Spring REST	Advanced Developing on AWS
Java	Microsoft Azure Administrator
MOC 10975 A Introduction to .NET Programming	Developing Solutions for Microsoft Azure
MOC 20480 C Programing in HTML5 with JavaScript and CSS3	Microsoft Azure Architect Technologies
MOC 20483 C: Programming in C#	Microsoft Azure Architect Design
Python	Designing and Implementing a Data Science Solution on Azure
	Designing and Implementing an Azure AI Solution
COMPLETION OF THE FOLLOWING PLATFORM-SPECIFIC TRAINING: \$2,000	Microsoft Azure technologies for AWS architects
Salesforce Certified Sales Cloud Consultant	Administering Relational Database on Microsoft Azure
Salesforce Certified Service Cloud Consultant	Developing Windows Azure and Web Services
Salesforce.com: Administrator	Integrating On-Premises Core Infrastructure with Microsoft Azure
NETAPP-NCDA BC	Microsoft Certified: Azure Data Engineer Associate
NETAPP-ONTAP	<i>Moving to the Citrix Virtual Apps and Desktops Service on Citrix Cloud w/ Microsoft Azure</i>
NETAPP-ONTAP-ANCD A	Configuring and Operating a Hybrid Cloud with Microsoft Azure Stack
NETAPP-ONTAP-CIFS	Developing Solutions for Microsoft Azure
NETAPP-ONTAP-CL8	Microsoft Azure Security Technologies
NETAPP-ONTAP-NFS	Implementing an Azure Data Solution
NETAPP-ONTAP-SAN	Microsoft Azure Administrator
NETAPP-ONTAP-SAN6	Migrating Application Workloads to Azure
NETAPP-PAF	Azure Sentinel
NETAPP-NPSA	Microsoft Azure IoT Developer
NETAPP-OPS 4.0	Planning and Administering Microsoft Azure for SAP Workloads - AZ-120T00-A
NETAPP-SIW	Microsoft Azure technologies for AWS architects
NETAPP-VMW-NEW	AWS Certified Solutions Architect - Associate (Architecting on AWS)
NETAPP-EXCH	AWS Certified Developer – Associate (Developing on AWS)
NETAPP -SQL	AWS Certified Sysops Administrator - Associate (Systems Operations on AWS)
	AWS Certified Solutions Architect – Professional (Advanced Architecting on AWS)
COMPLETION OF THE FOLLOWING BUSINESS CONSULTING TRAINING: \$1,000	AWS Certified Data Analytics - Specialty (Big Data on AWS)
Agile Development with Scrum	AWS Certified DevOps Engineer – Professional (DevOps Engineering on AWS)
PMP Certification	AWS Certified Security – Specialty (Security Engineering on AWS)
CBAP Certification Training Course	Planning and Designing Databases on AWS (AWS-PD-DB)
Systems Analysis and Design	DevOps Engineering on AWS (AWS-DEV-OPS)
Preparation for the CBAP	Architecting on AWS (AWS-ARCH)
Business Analysis: Concepts, Tools and Techniques	Architecting with Google Compute Engine
Business Analysis Overview	
Business Process Analysis	
The Agile Business Analyst	
Scrummaster Certification Workshop (CSM)	
Advanced ScrumMaster Certification (A-CSM)	
Certified Scrum Product Owner (CSPO)	
Advanced Certified Product Owner (A-CSPO)	
DevOps Foundation Certificate Program	
DevSecOps Foundation (DSOF)	
Microservices DevOps with Kubernetes	
Agile Testing—ISTQB Software Testing Certification Training	

EXHIBIT B

**REQUEST FOR PAYMENT PURSUANT
TO GRANT FUNDING AGREEMENT FOR EMPLOYEE TRAINING BY AND
BETWEEN THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF
KNOX AND CGI FEDERAL INC.**

DATE: _____

TO: The Industrial Development Board of the County of Knox
c/o The Development Corporation of Knox County
17 Market Square, Ste. 201
Knoxville, Tennessee 37902

FROM: _____

AMOUNT REQUESTED: \$ _____

Pursuant to the above-referenced Grant Funding Agreement, the Undersigned hereby requests payment in the amount specified above and certifies that the training specified has been completed by the Qualified Employee(s) specified on the attached Schedule 1 and as required per the Grant Funding Agreement and represents a cost that the Industrial Development Board (“IDB”) has committed to reimburse under the Agreement.

CGI FEDERAL INC. (“CGI”) further certifies that it has satisfied all conditions and obligations required of it under the terms of the Grant Funding Agreement precedent to payment of funds by IDB and that CGI continues to be qualified to do business in the State of Tennessee, Knox County, and the City of Knoxville and is in good standing with the State, County, and City.

CGI FEDERAL INC.

By: _____

Its: _____

EXHIBIT C

**CERTIFICATE OF JOB CREATION
MADE BY CGI FEDERAL INC.**

**TO
THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF KNOX**

This certificate is made by the undersigned, on behalf of CGI Federal Inc., (referred to hereinafter as the "CGI"), as its duly authorized representative.

Pursuant to the terms of the Economic Development Funding Agreement (the "Agreement"), CGI shall employ a minimum of two hundred and seventy (270) pursuant to the terms in the Agreement and provide proof thereof to The Industrial Development Board of the County of Knox ("IDB").

Accordingly, CGI hereby certifies to IDB as follows:

1. This Certificate is given by CGI in order to allow CGI to comply with the terms of the Agreement.
2. The representative of CGI executing this Certificate has been authorized by the Board of Directors of CGI to execute and deliver this Certificate on behalf of CGI. The undersigned is a duly appointed officer of CGI and is familiar with the organization, activities and operations, including, but not limited to, employment matters in connection with the Project.
3. To the best of the undersigned's actual knowledge, each of the representations and warranties made on behalf of CGI in this Certificate are true, accurate and complete in all material respects.
4. As of the date hereof, there are _____ Qualifying Jobs, as defined in the Agreement, at CGI as a result of the Project.
5. If requested by IDB, CGI shall attach hereto proof of employment, details of compensation, explanation of employee benefits, and any other information requested by IDB, to similar agreements that substantiate the foregoing.

IN WITNESS WHEREOF, the undersigned authorized representative of CGI has executed and delivered this Certificate as of the ____ day of _____, 20__.

CGI Federal Inc.

By: _____

Name: _____

Title: _____