

Exhibit B

Certificate of Compliance

Company: Apple Inc.

Reporting Year: January 1 through December 31, 2013 Employment Year # 00 of 10

1.0 Investment

1.1 §1.01 of the Agreement states that after the Effective Date and before December 31, 2015, Apple shall invest at least \$56,500,000 in real property improvements and New Machinery and Equipment associated with Apple's Americas Headquarters ("Phase I Investment").

a. To date the City has not verified Apple's Phase I Investment.

b. Toward the Phase I Investment requirement, Apple has invested \$ 56,500,000 in real property improvements and New Machinery and Equipment associated with its Americas Headquarters for the reporting year ending December 31, 2013.

1.2 §1.01 of the Agreement states that after the Effective Date and before December 31, 2021, Apple shall invest an additional \$226,000,000 in real property improvements and New Machinery and Equipment associated with its Americas Headquarters ("Phase II Investment").

a. To date the City has not verified Apple's Phase II investment in real property improvements and New Machinery and Equipment.

b. Toward the Phase II Investment, Apple has invested \$ _____ in Phase II real property improvements and New Machinery and Equipment associated with its Americas Headquarters for the reporting year ending December 31, 20_____.

2.0 Employment

2.1 §1.02(a) of the Agreement requires Apple to retain 3,100 Existing Full-time Jobs and create 3,635 New Full-time Jobs by December 31st of Employment Year Ten, with the number of Contract Jobs not exceeding 25% of the total of Existing Full-time Jobs and New Full-time Jobs during any period. Apple must retain the requisite Existing Full-time Jobs and New Full-time Jobs throughout the Term of the Agreement. The job creation schedule is as follows:

- a. Retain 3,100 Existing Full-time Jobs and create 300 New Full-time Jobs by December 31st of Employment Year One;
- b. Retain 3,100 Existing Full-time Jobs and the 300 New Full-time Jobs created in Employment Year One and create 300 additional New Full-time Jobs by December 31st of Employment Year Two;
- c. Retain 3,100 Existing Full-time Jobs and the 600 New Full-time Jobs previously created and create 50 additional New Full-time Jobs by December 31st of Employment Year Three;
- d. Retain 3,100 Existing Full-time Jobs and the 650 New Full-time Jobs previously created by December 31st of Employment Year Four;
- e. Retain 3,100 Existing Full-time Jobs and the 650 New Full-time Jobs previously created by December 31st of Employment Year Five;
- f. Retain 3,100 Existing Full-time Jobs and the 650 New Full-time Jobs previously created by December 31st of Employment Year Six;
- g. Retain 3,100 Existing Full-time Jobs and the 650 New Full-time Jobs previously created by December 31st of Employment Year Seven;
- h. Retain 3,100 Existing Full-time Jobs and the 650 New Full-time Jobs previously created by December 31st of Employment Year Eight;

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- i. Retain 3,100 Existing Full-time Jobs and the 650 New Full-time Jobs previously created by December 31st of Employment Year Nine;
- j. Retain 3,100 Existing Full-time Jobs and the 650 New Full-time Jobs previously created, and create an additional 2,985 New Full-time Jobs by December 31st of Employment Year Ten.

2.2 Number of Existing Full-time Jobs retained as of December 31, 2013 3348

2.3 Number of New Full-time Jobs created and retained as of December 31, 2013 743

2.4 Number of Contract Jobs created and retained as of December 31, 2013 : total contract jobs = 674

2.5 As of December 31, 2013 did the number of Existing Full-time Jobs or New Full-time Jobs created and retained fall below the numbers required under §1.02(a) of the Agreement?

Yes No

If Apple answered "Yes" to question 2.3, did Apple re-establish the required numbers within 90 days after December 31, 2013 as required by §1.02(c) of the Agreement?

Yes No

2.6 §1.02(b) of the Agreement requires that the average annual wages, not including health insurance and retirement benefits, of the New Full-Time Jobs, excluding Contract Jobs, created and retained shall be as follows:

Year	Average Annual Wage
2014	\$54,000
2015	\$56,000
2016	\$58,000
2017	\$61,000
2018	\$63,000
2019	\$65,000
2020	\$67,000
2021	\$70,000
2022	\$72,000
2023	\$73,500

2.7 Did the average annual wages, not including health insurance and retirement benefits, of the New Full-Time Jobs created and retained during the year ended December 31, 2013 equal or exceed the requirements in §1.02(b) of the Agreement?

Yes No

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3.0 Recruitment

3.1 §1.03 of the Agreement requires Apple to:

- a. Make commercially reasonable efforts to work with non-profit organizations such as the Austin Asian American Chamber of Commerce, the Austin Gay and Lesbian Chamber of Commerce, the Capital City African American Chamber of Commerce, the Greater Austin Hispanic Chamber of Commerce, the Texas Asian Chamber of Commerce, the Austin/Travis County Reentry Roundtable, Minorities for Equality in Employment Education Liberty, the Texas Department of Assistive and Rehabilitative Services (DARS), the National Society of Black Engineers, the Society of Hispanic Professional Engineers and other appropriate organizations, to expand its pool of diverse candidates in recruiting efforts for jobs at Apple's Americas Headquarters;
- b. Adhere to its Equal Employment Policies and Practices attached as Exhibit A to the Agreement; and
- c. Make commercially reasonable efforts to recruit residents of the Austin area for its New Full-time Jobs.

3.2 Did Apple comply with the recruiting requirements in §1.03 of the Agreement during the year ended December 31, 2013

Yes

No

4.0 Local Business Participation

4.1 §1.04(a) of the Agreement requires Apple to:

- a. Use commercially reasonable efforts to provide local certified minority-owned and women-owned business enterprises ("M/WBEs") an equal opportunity to participate as suppliers for materials and services purchased by Apple exclusively for use at the company's Americas Headquarters, and to fulfill this requirement Apple shall contact the City's Department of Small and Minority Business Resources ("SMBR") for a list of available City certified M/WBEs;
- b. Develop and submit to the City a reasonable supplier diversity policy regarding Apple's procurement of materials and services to be used exclusively at the Americas Headquarters within 90 days of the Effective Date of the Agreement;
- c. Adhere to this policy for the procurement of materials and services at the Americas Headquarters with respect to any individual procurement of materials or services for which the cost is more than \$5,000 and there are qualified local certified M/WBE suppliers; and
- d. Provide documentation of its efforts to comply with §1.04(a) to SMBR upon request of SMBR.

4.2 Did Apple comply with the local business participation requirements in §1.04(a) of the Agreement during the year ended December 31, 2013

Yes

No

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- 4.3 Was there any design or construction work at Apple's Americas Headquarters during the year ended December 31, 2013

Yes

No

If not, skip to Section 5.0.

- 4.4 §1.04(b) of the Agreement requires Apple to comply with the applicable standards and principles of Chapters 2-9A through 2-9D of the City's MWBE Program Ordinance in the design and construction of its Americas Headquarters.

- 4.5 §1.04(c) of the Agreement requires that with respect to any design or construction projects at the Americas Headquarters, including, but not limited to, leasehold improvements, Apple, its architect and general contractor shall meet the following ethnic-specific participation goals:

	Design 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 an effort to meet the ethnic-specific MWBE utilization goals, Apple shall implement an outreach program designed to solicit participation of MWBEs. These outreach efforts should also target small businesses generally. Apple may seek the assistance of the City's Department of Small and Minority Business Resources ("SMBR") in these outreach efforts as described in Section 1.04(d).

For any year in which Apple, the architect and the general contractor fail to meet each of these goals, Apple, the architect and the general contractor must demonstrate good faith efforts to meet the goals as described in the City's MWBE Program Ordinance. Apple shall submit periodic documentation demonstrating its own and the general contractor's good faith efforts to meet the goals as is required under Section 1.04(e).

- 4.6 §1.04(d) of the Agreement requires Apple, the architect and its general contractor to apprise SMBR when Apple desires assistance from SMBR in its efforts to meet the ethnic specific MWBE utilization goals.
- 4.7 §1.04(e) of the Agreement requires Apple to provide monthly reports to SMBR, on forms provided by SMBR, to track (i) the utilization on a percentage basis of MWBE firms in the design and construction of buildings or improvements; and (ii) a summary of Apple's efforts to implement the standards and principles of the City's MWBE Program Ordinance.
- 4.8 Did Apple comply with the requirements in §1.04(b), 1.04(c), 1.04(d) and §1.04(e) of the Agreement during the year ended December 31, 2013

Yes

No

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5.0 Additional Covenants

- 5.1 Did Apple timely submit this Certificate of Compliance as is required under Section 1.06 of the Agreement during the year ended December 31, 2013 *certificate not due during 2013*
 Yes No *NA*
- 5.2 Did Apple comply with the other provisions of the Agreement during the year ended December 31, 2013
 Yes No

6.0 Chapter 380 Payment Request

6.1 The Agreement provides annual Chapter 380 payment for up to ten Employment Years based on Apple's performance during the ten year period. For Apple's performance during Employment Years One through Six, the Agreement provides for annual Chapter 380 payments equal to 100% of the City property taxes paid by Apple on New Improvements and New Machinery and Equipment, as those terms are defined in the Agreement.

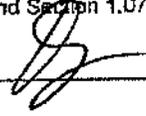
Real Property Business Personal Property

City property taxes paid for January 1, 2013 valuation: \$57,516.48 base year

Chapter 380 Payment Request: not yet available

6.2 Attach Property Tax Notice.

I, the authorized representative for Apple, hereby certify that the above information is correct and accurate pursuant to the terms of the Agreement. I further certify that Apple complied fully with the Chapter 380 Economic Development Agreement during the year ended December 31, 2013, including Section 1.05 regarding Compliance with City Regulations and Section 1.07 regarding Texas Government Code Chapter 2264.

Signature: 

Printed Name: Terry Ryan

Title (Chief Financial Officer or equivalent): SR Tax Director

Date: 3/14/14