# COURT ORDER 2022-0292

**Authorize the provision of a ten-year 50% abatement on real property increases and a 50% abatement on business personal property for the same period to CBRE Inc., for the construction of improvements for their Corporate Headquarters in Dallas County, specifically in the City of Dallas, effective no later than January 1, 2025.**

On a motion made by Commissioner JJ Koch, and seconded by Commissioner Dr. Theresa Daniel, the following order was passed and adopted by the Commissioners Court of Dallas County, State of Texas:

BRIEFING DATE: March 8, 2022

Be it resolved and ordered that the Dallas County Commissioners Court does hereby approve the provision of a ten-year, 50% abatement on real property increases and 50% abatement on business personal property to CBRE Inc., for the establishment of a Dallas headquarters office in Dallas County, effective no later than January 1, 2025.

Done in open Court March 8, 2022 by the following vote:

| | |
|---|---|
| IN FAVOR: | County Judge Clay Jenkins, Commissioner Dr. Theresa Daniel, Commissioner JJ Koch, and Commissioner John Wiley Price |
| OPPOSED: | Commissioner Dr. Elba Garcia |
| ABSTAINED: | None |
| ABSENT: | None |

M-33

Dallas County

# BRIEFING / COURT ORDER

Commissioners Court - Mar 08 2022

☐ Resolution
☐ Solicitation/Contract
☐ Executive Session
☐ Addendum

## Authorize the provision of a ten-year 50% abatement on real property increases and a 50% abatement on business personal property for the same period to CBRE Inc., for the construction of improvements for their Corporate Headquarters in Dallas County, specifically in the City of Dallas, effective no later than January 1, 2025.

| | |
|---|---|
| **Briefing Date:** | Mar 8 2022 |
| **Funding Source:** | |
| **Originating Department:** | Planning and Development |
| **Prepared by:** | Luis Tamayo, Planning and Development Director |
| **Recommended by:** | Luis Tamayo, Planning and Development Director |

**BACKGROUND INFORMATION:**

In November of 2019, Dallas County presented CBRE Inc., a non-binding offer to assist with the selection of the County as the site for a major office and employment hub. In October of 2020, CBRE Inc., announced the relocation of its headquarters to Dallas. Due to the effects of the COVID-19 global pandemic, these efforts were put on hold as CBRE downsized from 1,300 Dallas employees to approximately 700. With a smaller workforce, CBRE is now prepared to locate new offices in Dallas County, and it has requested that the County formally authorize the proposed abatement to assist in creation of their headquarters.

**OPERATIONAL IMPACT:**

The offices proposed by CBRE Inc., is considered to be an economically significant project under the County's abatement policy. As such projects must increase the County's tax base by at least $100 million within three years to be eligible, this project is anticipated to increase the County's tax base by $130 million by January 1, 2025.

**FINANCIAL IMPACT:**

It is estimated that over the life of the proposed abatement, the County would abate on average approximately $129,359 per year in tax revenue that does not presently exist. Likewise, the County would receive on average the same amount per year in new revenue.

In so doing, the project would increase in total the estimated amount of property the County would abate in tax year 2025 from approximately $674 million to $804 million. The impact of increase will not significantly change the estimated total percentage of the County's tax base that would be abated in 2025, currently projected to remain at 0.31%. This percentage is near the historical average, and on the low end of the range of a high of 1% in 2006 to a low of 0.13% in 2020.

**PROJECT SCHEDULE:**

Under this abatement request, CBRE would have a new office facility located in the Uptown neighborhood of Dallas, at the intersection of Maple Street and McKinney Avenue, where they would

lease space for their Dallas headquarters. The project would phase-in employment, where starting in 2025, CBRE would create and maintain 120 new jobs then adding new positions for total of 250 new jobs by January 1, 2028. CBRE currently employs 700 full-time employees in the city of Dallas which it would retain at the new Dallas headquarters. The average wage of the new positions and the retained jobs would be a minimum of $88,000 annually. This project will increase the County's tax base by at least $130 million. Additionally, CBRE will establish and maintain an internship program in collaboration with Paul Quinn College, the University of North Texas Dallas (UNT Dallas), and/or other regional or statewide educational institution(s). The internship program will provide a minimum of 20 paid interns with training, networking, and career development in the commercial real estate field during an academic year.

**SBE PARTICIPATION:**

SBE information pertaining to CBRE is provided to the Court under separate cover.

**ADMINISTRATIVE PLAN COMPLIANCE:**

The County's administrative plan recommends that the County undertake activities which will allow it to become the destination of choice for businesses and residents. Facilitating the establishment of a biologics manufacturing and plasma processing facility with higher than prevailing wages is consistent with this plan.

**RECOMMENDATION:**

Authorize the provision of a ten-year 50% abatement on real property increases and a 50% abatement on business personal for the same period to CBRE Inc., for the establishment of a Dallas headquarters office in Dallas County.

**MOTION:**

**On a motion made by TBD, and seconded by TBD, the following order will be voted on by the Commissioners Court of Dallas County, State of Texas:**

**Be it resolved and ordered that the Dallas County Commissioners Court does hereby approve the provision of a ten-year, 50% abatement on real property increases and 50% abatement on business personal property to CBRE Inc., for the establishment of a Dallas headquarters office in Dallas County, effective no later than January 1, 2025.**

**ATTACHMENTS:**

CBRE Tax abatement Agreement [UPDATED FEV 2.2.2022 - signed by CBRE, LT and DA Civil]
2022 Tax Abatement Policy

# CBRE
# TAX ABATEMENT AGREEMENT

**STATE OF TEXAS** §

**COUNTY OF DALLAS** §

This Tax Abatement Agreement ("*Agreement*") is made and entered into as of the 8th day of March, 2022, by and among Dallas County, Texas a political subdivision of the State of Texas, duly acting by and through its Commissioners Court, (hereinafter referred to as the "*County*"), CBRE, Inc., a Delaware corporation ("*Tenant*"), and 2401 McKinney, LLC, a Delaware limited liability company, doing business in the County as 2401 McKinney Venture, LLC ("*Owner*"), duly acting by and through each of their authorized officers for the purposes and considerations stated below. The County, Owner and Tenant are sometimes referred to herein collectively as the "parties" and each individually as a "party".

**WITNESSETH:**

**WHEREAS**, the County has adopted a Tax Abatement Policy ("*Policy*"), by the passage of Dallas County Commissioners Court Order 2022-0126 on the 1st day of February, 2022 that contains the guidelines and criteria used to determine the provision of tax abatement assistance from the County under Chapter 312 of the Texas Tax Code and Chapter 381 of the Texas Local Government Code; and

**WHEREAS**, the County's current Policy is attached hereto as **Exhibit "A"**; and

**WHEREAS**, Owner owns and maintains or will own and maintain on or before January 1, 2024 certain real property within the County, currently addressed as 2401 McKinney Avenue in Dallas, Texas; and

**WHEREAS**, the Owner Parties (defined herein) anticipate undertaking certain Economic Activity on or about the Property (as hereinafter defined), including, without limitation, (i) construction of Improvements on the Property for the Tenant's Corporate Headquarters (as hereinafter defined); (ii) generating and retaining employment opportunities on or related to the Property as more particularly described herein; and (iii) making certain Business Personal Property (hereinafter defined) investments with respect to the Property, and the County finds that the terms hereof are consistent with encouraging development in accordance with Court Orders 2022-0126 and 2022-__, Chapter 312 of the Texas Tax Code, Chapter 381 of the Texas Local Government Code and all applicable laws; and

**WHEREAS**, the County finds that the Owner Parties' contemplated construction of the Improvements on the Property, the Tenant's anticipated use of the Property as its Corporate Headquarters, the contemplated generation and retention of employment opportunities on or related to the Property, and the contemplated real property

Improvements and Business Personal Property investments on or about the Property are feasible and practical and will be of significant benefit to the County and its citizens; and

**WHEREAS**, the County finds that the terms of this Agreement and the Property and proposed Improvements and investments, as hereinafter described, meet the applicable guidelines and criteria of the Policy; and

**WHEREAS,** Court Orders 2012-0126 and 2022-0292 authorize the County to enter into this Agreement with the Owner Parties.

**NOW THEREFORE**, the County, for good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, which consideration includes the attraction of new investment, retained employment, and increased job generation that contributes to the economic development of the County and the enhancement of the County's tax base; and the Owner Parties, for good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, which consideration includes the tax abatement set forth herein below, as authorized by Court Orders 2012-0126 and 2022-0292, do hereby contract, covenant, and agree as follows:

## SECTION I.
## DEFINITIONS

Wherever used in this Agreement, the following capitalized terms shall have the meanings ascribed to them:

1. "*Affiliate*" shall mean a person or entity directly or indirectly controlling, being controlled by, or under common control with Owner or Tenant.

2. "*Base Value*" shall mean the appraised value of the respective Property and the Business Personal Property as determined by DCAD as of January 1, 2022.

3. *"Business Personal Property"* shall include all personal property owned or leased by an Owner Party or a Successor Entity located on or re-located to the Property used in connection with operation of the Improvements and for which an Owner Party or a Successor Entity is responsible for paying any applicable property taxes, but excluding any business personal property that is exempt from ad valorem taxation as Freeport goods pursuant to Section 11.251 of the Texas Tax Code and Article VIII, Section 1-j of the Texas Constitution.

4. *"Corporate Headquarters"* shall mean the location of the principle office of the Tenant's chief executive officer, which must also be designated as the Tenant's corporate headquarters in corporate news releases, reports, letterhead, website, etc. For the sake of clarity, the chief executive officer may work out of more than one office, but the Corporate Headquarters is the location of the principle office and otherwise considered by Tenant as the Tenant's corporate headquarters.

5. "*Economic Activity*" shall mean the following acts undertaken by or on behalf of the Owner Parties: (i) construction of the Improvements and the use of the Improvements (or a portion thereof) as Tenant's Corporate Headquarters; (ii) the creation of 120 Full-Time Permanent Positions (as hereinafter defined) and/or Full-Time Equivalent Permanent Positions (as hereinafter defined) to be located on or related to the Property, such creation of employment opportunities being more particularly described in the Job Creation Requirement (defined below), by January 1, 2025 with this number increasing to 250 by January 1, 2028; (iii) the retention of 700 Full-Time Permanent Positions that already existed within the County as of January 1, 2021, such retention being more particularly described in the Job Retention Requirement (defined below); and (iv) the investment of funds with regard to certain real property improvements and Business Personal Property located on the Property.

6. "*Eligible Business Personal Property Value*" shall mean the value, as annually established by the Dallas Central Appraisal District ("*DCAD*"), of all Business Personal Property, excluding any freeport-eligible inventory, within the Property less the Business Personal Property's Base Value, as defined herein and as established by DCAD.

7. "*Eligible Real Property Value*" shall mean the value, as annually established by DCAD, of all Property and Improvements within the Property less the Property's Base Value, as defined herein and as established by DCAD.

8. *"Full-Time Equivalent Permanent Position"* has the meaning ascribed to that term in Section III(1)(d).

9. *"Full-Time Permanent Position"* has the meaning ascribed to that term in Section III(1)(d).

10. "*Improvements*" shall mean those certain real property improvements constructed or installed, or to be constructed or installed on or about the Property. The Improvements shall be used in connection with the Economic Activity undertaken by the Owner Parties.

11. *"Job Creation Requirement"* shall refer to Tenant's agreement to (i) initially annually employ and/or cause the employment by an Affiliate or subsidiary of an aggregate number of a minimum of 120 persons in Full-Time Permanent Positions and/or Full-Time Equivalent Permanent Positions (*"Initial Job Creation Requirement"*) to be located on or based out of the Property, or based out of an office within a half (1/2) mile radius of the Property (in addition to the 700 positions required for the Job Retention Requirement) with the average annual salary of these 120 positions counted for purposes of the Initial Job Creation Requirement, including all bonuses, being at least Eighty-Eight Thousand Dollars ($88,000) by January 1, 2025; and (ii) to annually employ and/or cause the employment by an Affiliate or subsidiary of an aggregate number of a minimum of 250 persons in Full-Time Permanent Positions and/or Full-Time Equivalent Permanent Positions

("*Total Job Creation Requirement*") to be located on or based out of the Property, or based out of an office within a half (1/2) mile radius of the Property (in addition to the 700 positions required for the Job Retention Requirement) with the average annual salary of the 250 positions counted for purposes of the Total Job Creation Requirement, including all bonuses, being at least Eighty-Eight Thousand Dollars ($88,000.00) by January 1, 2028 and being maintained thereafter for the remainder of the Tax Abatement Periods. Full-Time Permanent Positions and/or Full-Time Equivalent Permanent Positions (each, a "Position") counted for purposes of the Total Job Creation Requirement shall have a hire date after the Effective Date (as defined herein). A Position shall be considered "based out of" a location if the Position is on the payroll at such location and may include remote employees. The Job Creation Requirement shall be cumulative, so that the Total Job Creation Requirement includes the Initial Job Creation Requirement (i.e., only 250 total new positions are required by January 1, 2028, which may include the positions counted for the Initial Job Creation Requirement). The same Full-Time Permanent Positions and/or Full-Time Equivalent Permanent Positions do not need to be maintained (i.e., there can be turnover within Positions and/or different types of Positions created) so long as Tenant meets the Initial Job Creation Requirement each year of the Tax Abatement Periods after January 1, 2025 and the Total Job Creation Requirement each year of the Tax Abatement Periods after January 1, 2028.

12. "*Job Retention Requirement*" shall refer to Tenant's agreement to annually retain or cause the retention of at least 700 Full-Time Permanent Positions and/or Full-Time Equivalent Permanent Positions that it, its Affiliates or its subsidiaries already had within the County on January 1, 2022. The 700 Full-Time Permanent Positions and Full-Time Equivalent Permanent Positions counted for purposes of the Job Retention Requirement may be employed by Tenant, an Affiliate, a subsidiary, or a combination of these entities.

13. "*Owner Party*" shall mean and refer individually to (i) Owner and its permitted assign(s), or (ii) Tenant and its permitted assign(s); and "*Owner Parties*" shall mean and refer collectively to (i) Owner and its permitted assign(s), and (ii) Tenant and its permitted assign(s), which own from time to time the Property and/or Business Personal Property that is subject to tax abatement hereunder.

14. "*Property*" shall mean that parcel of land physically located at 2401 McKinney Avenue in Dallas, Texas and more fully described in **Exhibit "B"**, attached hereto and incorporated by reference. The County relies on the attached Exhibit "B", provided by Owner to be a full, complete and accurate legal description of said parcel, and to the extent that any portion(s) of the land are not included in the description on Exhibit "B", such portion(s) not included on Exhibit "B" are excluded from any abatement provided for hereunder.

15. "*Successor Entity*" shall mean (i) any entity which is a successor or assign to Owner or Tenant by merger, consolidation, assignment or reorganization; (ii) a

purchaser of all or substantially all of either Owner's or Tenant's assets; or (iii) as it relates solely to Owner or Tenant, any Affiliate or subsidiary.

## SECTION II.
## GENERAL PROVISIONS

1. The County has adopted guidelines and criteria governing tax abatement agreements such that it is authorized to enter into this Agreement.

2. The Property is not located in an improvement project financed by tax increment bonds.

3. This Agreement is entered into subject to the rights of the holders of outstanding bonds of the County.

4. The Property is not owned or leased by any member of the Dallas County Commissioners Court.

5. The Owner Parties covenant and agree that the construction of the Improvements and the use of the Property and Business Personal Property subject to this Agreement will be in accordance with and will comply with all applicable federal, state and local laws and regulations, statutes, ordinances, including all federal and state laws relating to nondiscrimination, including but not limited to, Title VI of the Civil Rights Act of 1964, as amended.

6. During the Tax Abatement Periods (hereinafter defined), the Owner Parties shall be subject to all County taxation not specifically abated or exempted.

7. The Owner Parties, as applicable, shall have the right to protest and/or contest DCAD appraisals of the Property, the Improvements and/or Business Personal Property over and above the respective Base Value of the Property, the Improvements and/or the Business Personal Property, as the case may be, under the procedures in place by the Tax Code of the State of Texas. The Tax Abatement (as hereinafter defined) shall be applied to the amount of taxes finally determined by DCAD to be due as a result of any such protest and/or contest by any of the Owner Parties, as applicable.

## SECTION III.
## RATE AND CONDITIONS OF TAX ABATEMENT

1. The Owner shall receive the Real Property Tax Abatement (hereinafter defined) and the Tenant shall receive the Business Personal Property Tax Abatement (hereinafter defined) upon the joint satisfaction of all of the conditions set forth in Section III(1)(a)-(e) below. For purposes of this Agreement, the Real Property Tax Abatement and the Business Personal Property Tax Abatement shall be

collectively referred to herein as the "*Tax Abatement*". The Owner shall receive a fifty percent (50%) abatement of the taxes assessed on the Eligible Real Property Value (the *"Real Property Tax Abatement"*) and the Tenant shall receive a fifty percent (50%) abatement on the Eligible Business Personal Property Value (the *"Business Personal Property Tax Abatement"*) from the County for each qualifying year during the Tax Abatement Periods subject to the terms of this Agreement.

(a) Owner and/or Tenant shall construct and/or cause the construction of Improvements on or about the Property, which Improvements (or portion thereof) will include Improvements to be used as Tenant's Corporate Headquarters.

(b) The aggregate of the Eligible Real Property Value and the Eligible Business Personal Property Value by January 1 of each year during the Tax Abatement Periods, as determined by DCAD, shall be at least equal to the aggregate value for the applicable year set forth at **Exhibit "C"** (*"Aggregate Value Condition"*), which is attached hereto.

(c) For each year of the Tax Abatement Periods, the Owner Parties shall file or cause to be filed the annual exemption application (the "*Exemption Application*") forms with DCAD for the Real Property Tax Abatement and the Business Personal Property Tax Abatement that each Owner Party believes it is eligible to receive under this Agreement.

(d) Tenant shall comply with the Job Creation Requirement and Job Retention Requirement. Employment positions applied toward satisfaction of the Job Creation Requirement and the Job Retention Requirement shall include Full-Time Permanent Positions and/or Full-Time Equivalent Permanent Positions (as such terms are hereinafter defined). A *"Full-Time Permanent Position"* means a "position for which an individual is scheduled to work at least 1,800 hours in a twelve-month period for Tenant, its subsidiaries, or its Affiliates as an employee." A *"Full-Time Equivalent Permanent Position"* means "two or more part-time positions filled by individuals working with or for Tenant, its subsidiaries, or its Affiliates a combined total of at least 35 hours per week as an employee" which together shall be counted as one Full-Time Equivalent Permanent Position.

(e) Tenant shall maintain an internship program in collaboration with Paul Quinn College, the University of North Texas Dallas (UNT Dallas), and/or other regional or statewide educational institution(s). The internship program will provide its interns with training, networking, and career development in the commercial real estate field during an academic year. Tenant, Owner and/or their Affiliates shall collectively provide or cause to be provided paid internships for a minimum of 20 interns by December 31, 2024 and maintain the internship program and the minimum number of interns set forth herein by December 31st of each remaining year of the Tax Abatement Periods (hereinafter referred to as the "*Internship*

*Requirement*").

## SECTION IV.

## ABATEMENT PERIODS

The Real Property Tax Abatement and the Business Personal Property Tax Abatement provided under this Agreement are each for a period of ten (10) years (the "*Tax Abatement Periods*"), which shall run concurrently. The Tax Abatement Periods will jointly begin no later than January 1, 2025. The Owner Parties and the County shall have no further obligations under this Agreement upon expiration of the Tax Abatement Periods, except as otherwise provided herein.

## SECTION V.

## RECORDS AND AUDITS

1. No later than March 31 of the first year that the Tax Abatement goes into effect (i.e., the first year of the Tax Abatement Periods) and January 31 of each applicable year thereafter during the Tax Abatement Periods, Tenant shall submit to the County in writing, a certification as to:

   (a) the number of Full-Time Permanent Positions and Full-Time Equivalent Permanent Positions that are located on or based out of the Property, or based out of a location that is within a half (1/2) mile radius of the Property as of January 1 of such year;

   (b) the average annual salary of the 120 Positions counted for purposes of meeting the Initial Job Creation Requirement for years such requirement is applicable;

   (c) the average annual salary of the 250 Positions counted for purposes of meeting the Total Job Creation Requirement, for years such requirement is applicable;

   (d) the number of other Full-Time Permanent Positions and Full-Time Equivalent Permanent Positions that Tenant, its subsidiaries or its Affiliates has otherwise within or based out of the County as of January 1 of such year; and

   (e) in the second through tenth years of the Tax Abatement Periods, the Owner Parties' compliance with the commitment listed in Section III(1)(e) in the prior calendar year, including the number of paid internships provided.

2. At all times throughout the Tax Abatement Periods, the County shall have reasonable access during normal business hours to the Property by County employees (upon providing one-week prior written notice to the Owner Parties) for

the purpose of inspecting same to ensure that the Property is being used for the required Economic Activity in accordance with the specifications and conditions of this Agreement; provided that the Owner Parties or representatives of the Owner Parties shall have the right to accompany County employees on any such inspection. In no event shall such inspections interfere with Owner's ownership and the Owner Parties' operation of the Property.

3. The Property at all times during the Tax Abatement Periods shall be used in a manner consistent with Court Orders 2022-0126 and 2022-_____ and shall be consistent with the general purpose of encouraging economic development within the County.

## SECTION VI.
## DEFAULT

1. Subject to the cure provisions of this Section VI and except as otherwise expressly provided in this Agreement, a default under this Agreement occurs in the event that the Owner Parties: (i) allow their ad valorem real property taxes and/or tangible business personal property taxes owed to the County from the Property associated with this Agreement as well as from other property the Owner Parties may own within the County to become delinquent during the Tax Abatement Periods and fail to timely and properly follow the legal procedures for protest and/or contest of any such taxes; (ii) fail to file an annual Exemption Application; (iii) fail to meet the Aggregate Value Condition for each relevant year; (iv) fail to comply with both the Job Creation Requirement and Job Retention Requirement during the years in which such requirements are applicable; (v) are convicted of a violation under 8 USC Section 1324a(f); (vi) fail to comply with the Internship Requirement during the years in which such requirement is applicable; or (vii) fail to materially comply with any of the terms or conditions set forth in this Agreement. In the event that the Owner Parties default in their performance as set forth in any of (i), (ii), (iii), (iv), (vi), or (vii) above, the County or DCAD shall give the Owner Parties written notice of such default. If the Owner Parties have not cured a default under (i), (ii), (vi), or (vii) within ninety (90) days of said written notice or if a default under (iii) or (iv) occurs, an event of default (an "*Event of Default*") shall exist and this Agreement shall terminate (and the Owner Parties shall not receive any tax abatements for years after such Event of Default, it being understood that, an Event of Default shall not entitle County to reclaim or receive a repayment right with respect to any tax abatement for any year before the Event of Default occurs, and that the sole remedy by the County for an Event of Default which results from a failure by the Owner Parties to meet a condition pursuant to this section is the termination of this Agreement and not damages or specific performance or any other remedy). In the event that the Owner Parties cure any such default within the applicable cure period or prior to termination of this Agreement, no Event of Default shall exist and this Agreement shall continue in full force and effect, without penalty to the Owner Parties.

2. Upon the occurrence of a conviction of a violation of Section VI(1)(v) set forth above, all taxes which otherwise would have been paid to the County without the benefit of the Tax Abatement by Owner and/or Tenant, as applicable (depending on which party is convicted of the violation), including interest and penalties thereon (*"Recapture Liability"*), will become a debt to the County and shall be due, owing, and paid to the County by the party that is convicted of such a violation within one hundred twenty (120) calendar days of a final determination by a court of competent jurisdiction that Owner and/or Tenant, as applicable, has violated 8 USC 1324a(f) as the sole remedy of the County, subject to any and all lawful offsets, settlements, deductions, or credits to which Owner and/or Tenant may be entitled, and subject to the rights of the Owner and/or Tenant, as applicable, under applicable law to contest an assertion that a violation of Section VI(1)(v) has occurred. The Recapture Liability interest and penalties shall be charged at the statutory rate for delinquent taxes as determined by Section 33.01 of the Property Tax Code of the State of Texas. If Owner is convicted of a violation of Section VI(1)(v) as described herein, Owner shall be solely responsible for the Recapture Liability for taxes that otherwise would have been paid. If Tenant is convicted of a violation of Section VI(1)(v) as described herein, Tenant shall be solely responsible for the Recapture Liability for taxes that otherwise would have been paid.

3. This Agreement inures to the benefit of the County and the Owner Parties. The County has the right to prosecute or take appropriate action, at law or in equity, against the Owner Parties to enforce any other covenant or provision (but not a condition) contained within this Agreement. If the County prevails in a legal proceeding to enforce this Agreement against the Owner Parties, the County is further entitled to recover damages (except as limited by Section VI(1)), reasonable attorney's fees, and court costs from the Owner Parties. Any payment due to the County under this Agreement is a lien, which attaches to the Property on January 1 of each year to enforce the payment of all taxes, penalties, and interest ultimately imposed for the year on the Property.

## SECTION VII.
## EFFECT OF SALE, ASSIGNMENT, OR LEASE OF PROPERTY

The terms and conditions of this Agreement are binding upon the successors and assigns of all parties hereto. The Owner Parties each, respectively, including any Successor Entity, may assign their rights and responsibilities under this Agreement, in whole or in part, including the right to receive the Real Property Tax Abatement and/or the Business Personal Property Tax Abatement to (1) any parent, subsidiary, or Affiliate of an Owner Party or Successor Entity, or (2) any new entity created as a result of a merger, acquisition or other corporate restructure or reorganization of an Owner Party or Successor Entity acquiring title to the Property or a leasehold interest in the Property and/or the Improvements located thereon, without the prior approval of the County so long as the entity that will succeed to Owner Parties or Successor Entity's rights and responsibilities under this Agreement enters into a written agreement with the County agreeing to assume, perform, and be bound by all of the covenants, obligations, and agreements contained within this Agreement to the extent of the rights and obligations so assigned.

Should either of the Owner Parties or any Successor Entity assign such rights and responsibilities under this Agreement, the Owner Parties or Successor Entity shall give County prior written notice of such assignment at least sixty (60) calendar days prior to such assignment. Except as otherwise provided herein, the Owner Parties may assign this Agreement with the consent of the County, which consent shall not be unreasonably withheld, conditioned or delayed. The Owner Parties agree that such an assignment will in no way relieve them from any obligation created under this Agreement attributable to the period prior to the assignment. Each Owner Party may collaterally assign its rights under this Agreement to a third party providing financing for the Improvements and/or the Property, without the prior approval of the County, but should either of the Owner Parties assign its rights and responsibilities under this Agreement, to a financial institution or other lender for purposes of granting a security interest in the Property and/or Improvements thereon, such Owner Party shall give the County prior written notice of such assignment at least sixty (60) calendar days prior to such assignment.

## SECTION VIII.
## NOTICE

All notices called for or required by this Agreement shall be reduced to writing and shall be given by (a) electronic mail; and (b) at least one of the following: (i) U.S. mail postage prepaid, by certified or registered mail, return receipt requested; (ii) a nationally recognized overnight delivery service; or (iii) personal delivery, with signed acceptance by the person designated below. In order to be effective, notice shall be addressed to the person shown at the respective addresses set forth below, or such other party or address as a party designates in writing, and shall be deemed properly given: (i) on the third (3rd) business day after being deposited in the U.S. mail postage prepaid, by certified or registered mail, return receipt requested; (ii) on the first (1st) business day after being deposited into the custody of a nationally recognized overnight delivery service; or (iii) on the date personally delivered, with signed acceptance thereof by the person designated below.

**OWNER**:

2401 McKinney, LLC
c/o Trammell Crow Company
2100 McKinney Avenue, Suite 800
Dallas, Texas 75201
Attn: Scott Krikorian
E-mail: skrikorian@trammellcrow.com

**TENANT**:

CBRE, Inc.
Attn: John Lenio, Executive Vice President
2575 E. Camelback Road, Suite 500
Phoenix, Arizona 85016
Email: john.lenio@cbre.com

and to:

CBRE, Inc.
Attn: Eric Stavriotis, Executive Vice President
321 N. Clark Street, Suite 3400
Chicago, Illinois 60654
Email: eric.stavriotis@cbre.com

and to:

CBRE, Inc.
Attn: Chris Kirk, Global Chief Operating Officer
2100 McKinney Avenue
Dallas, TX 75201
Email: chris.kirk@cbre.com

with a copy to:

Winstead PC
Attn: Laura Hoffmann
500 Winstead Building
2728 N. Harwood St.
Dallas, Texas 75201
lhoffmann@winstead.com

**COUNTY**:

Director of Planning & Development
Dallas County Commissioners Court
411 Elm Street, 3rd Floor
Dallas, Texas 75202
E-mail: Luis.Tamayo@dallascounty.org

Copies to:

Dallas County District Attorney's Office
Chief, Civil Division
Records Building
500 Elm Street, Suite 6300
Dallas, Texas 75202
E-mail: Russell.Roden@dallascounty.org

and to:

CBRE, Inc.
Attn: Nancy Westphal, Deputy General Counsel
2100 McKinney Avenue, Suite 900
Dallas, Texas 75201
Email: nancy.westphal@cbre.com

## SECTION IX.
## COUNTY AUTHORIZATION

This Agreement is authorized by Court Orders 2022-0126 and 2022-0292 approved at the Commissioners Court meetings of the 1st day of February, 2022 and the 8th day of March, 2022, respectively.

## SECTION X.
## OWNER PARTIES' AUTHORIZATION

The execution and performance of this Agreement by the Owner Parties has been duly authorized by each of their governing authorities, respectively and does not require the consent or approval of any other person which has not been obtained. Additionally, the person or persons executing this Agreement on behalf of the Owner Parties represent, warrant, assure and guarantee that he, she or they have full legal authority to execute this Agreement on behalf of the Owner or Tenant, as applicable, and to bind Owner or Tenant to all terms, performances, and provisions herein contained.

## SECTION XI.
## SEVERABILITY

In the event any section, subsection, paragraph, sentence, phrase, or word is held invalid, illegal, or unconstitutional, the balance of this Agreement shall stand, shall be enforceable, and shall be read as if the parties intended at all times to delete said invalid section, subsection, paragraph, sentence, phrase, or word.

## SECTION XII.
## ESTOPPEL CERTIFICATE

Any party hereto may request an estoppel certificate from the other party hereto so long as the certificate is requested in connection with a bona fide business purpose. The certificate, which, if requested, will be addressed to a lender, subsequent purchaser or assignee of an Owner Party, and shall include, but not necessarily be limited to, statements that this Agreement is in full force and effect without default (or if default exists, the nature of default and curative action which should be undertaken to cure same), the remaining Term of this Agreement, the levels of tax abatement in effect, and such other matters reasonably requested by the party to receive the certificate.

## SECTION XIII.
## APPLICABLE LAW AND VENUE

The validity and interpretation of this Agreement, and the rights and obligations of the parties hereunder, shall be governed by and construed in accordance with the laws of the State of Texas. This Agreement is performable and enforceable in Dallas County, Texas where the principal office of County is located and the federal and state courts physically located in Dallas County, Texas shall be the sole and exclusive venue for any litigation, special proceeding, or other proceeding as between the parties that may be brought, or arise out of, in connection with, or by reason of this Agreement.

## SECTION XIV.
## SOVEREIGN IMMUNITY

**THIS AGREEMENT IS EXPRESSLY MADE SUBJECT TO THE COUNTY'S SOVEREIGN IMMUNITY, TITLE 5 OF THE TEXAS CIVIL PRACTICES AND REMEDIES CODE, AND ALL APPLICABLE FEDERAL AND STATE LAW. THE PARTIES EXPRESSLY AGREE THAT NO PROVISION OF THIS AGREEMENT IS IN ANY WAY INTENDED TO CONSTITUTE A WAIVER OF ANY IMMUNITIES FROM SUIT OR FROM LIABILITY THAT THE COUNTY HAS BY OPERATION OF LAW. NOTHING IN THIS AGREEMENT IS INTENDED TO BENEFIT ANY THIRD PARTY BENEFICIARY.**

## SECTION XV.
## AMENDMENTS AND CHANGES IN THE LAW

No modification, amendment, novation, renewal or other alteration of this Agreement shall be effective unless mutually agreed upon in writing and executed by the parties hereto. Any alteration, addition, or deletion to the terms of this Agreement which are required by changes in federal or State law are automatically incorporated herein without written amendment to this Agreement and shall be effective on the date designated by said law.

## SECTION XVI.
## INDEMNIFICATION

**THE OWNER PARTIES, INCLUDING THEIR ASSIGNS, SUCCESSORS, AFFILIATES, SUBSIDIARIES, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, INVITEES, SUBCONTRACTORS AND REPRESENTATIVES (COLLECTIVELY "OWNER" for purposes of this Section XVI) AGREE TO DEFEND, PROTECT, INDEMNIFY, AND HOLD HARMLESS THE COUNTY INCLUDING ITS COMMISSIONERS, ELECTED OFFICIALS, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, ASSIGNS AND REPRESENTATIVES (COLLECTIVELY "COUNTY") AGAINST AND FROM ANY AND ALL CLAIMS, CAUSES OF ACTION, LIENS, SUITS, LOSSES, COSTS, DAMAGES, JUDGMENTS, OR EXPENSES, (INCLUDING WITHOUT LIMITATION, COURT COSTS, REASONABLE ATTORNEY'S FEES AND COSTS OF INVESTIGATION) OR OTHERWISE OF ANY NATURE, KIND OR DESCRIPTION DIRECTLY OR**

**INDIRECTLY, ARISING OUT OF, RESULTING FROM OR RELATED TO (IN WHOLE OR IN PART), THE BREACH OF ANY OF THE REQUIREMENTS AND PROVISIONS OF THIS AGREEMENT BY THE OWNER OR ANY FAILURE OF OWNER, IN ANY RESPECT TO COMPLY WITH AND PERFORM ALL OF THE REQUIREMENTS AND PROVISIONS HEREOF. THIS PROVISION SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.**

**NO INDEMNIFICATION BY COUNTY: OWNER PARTIES ACKNOWLEDGE AND AGREE THAT COUNTY DOES NOT HAVE THE ABILITY UNDER ARTICLE XI, SECTION 7 OF THE TEXAS CONSTITUTION TO INDEMNIFY OWNER OR TENANT OR ANY OTHER THIRD PARTY FOR DAMAGES ARISING UNDER THIS AGREEMENT.**

**SURVIVAL. THESE PROVISIONS IN SECTION XVI SHALL SURVIVE TERMINATION, EXPIRATION, OR CANCELLATION OF THIS AGREEMENT, OR ANY DETERMINATION THAT THIS AGREEMENT OR ANY PORTION HEREOF (except for this Section XVI) IS VOID, VOIDABLE, INVALID, OR UNENFORCEABLE.**

## SECTION XVII.
## CONTRA PROFERENTUM

The doctrine of contra proferentum shall not apply to this Agreement. If an ambiguity exists in this Agreement, this Agreement shall not be construed against the party who drafted this Agreement, and such party shall not be responsible for the language used.

## SECTION XVIII.
## ENTIRE AGREEMENT

This Agreement, including all Exhibits, Attachments, Addendums, and determinations recited and declared in the preamble of this Agreement are hereby incorporated as part of this Agreement and together constitutes the entire agreement between the parties hereto and supersedes any other agreement concerning the subject matter of this transaction, whether oral or written, by and among the Owner Parties and the County.

## SECTION XIX.
## NUMBER/GENDER AND HEADINGS

Words of any gender used in this Agreement shall be held and construed to include any other gender and any words in the singular shall include the plural and vice versa, unless the context clearly requires otherwise. Headings herein are for the convenience of reference only and shall not be considered in any interpretation of this Agreement.

## SECTION XX.
## EFFECTIVE DATE OF AGREEMENT

This Agreement shall become effective on the date on which the last of the parties signs this Agreement (the "*Effective Date*") and shall continue until the expiration of the Tax

Abatement Periods (the "*Term*") unless terminated earlier in accordance with its terms and conditions. The Owner Parties may terminate this Agreement for any reason and without cause prior to the beginning of the Tax Abatement Periods with sixty (60) days prior written notice to the County, and upon such termination this Agreement shall be null and void and the parties shall have no further rights or obligations with respect hereto. This Agreement may be signed and executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

## SECTION XXI.
## FORCE MAJEURE

It is expressly understood and agreed by the parties to this Agreement that if a party's ability to satisfy any obligation under this Agreement including, but not limited to the substantial completion of the Improvements is delayed by reason of war, civil commotion, acts of God, inclement weather, governmental restrictions, regulations, or interferences, delays caused by franchised utilities or their contractors, fire or other casualty, delays related to declared national, County or other governmental emergencies (including without limitation COVID-19 or other pandemic or epidemic events), resulting in shortages or unavailability of labor, supplies or materials specifically needed for completion of the Improvements under this Agreement, court injunction, necessary condemnation proceedings, or any circumstances which are reasonably beyond the control of the party obligated or permitted under the terms of this Agreement to do or perform the same, regardless of whether any such circumstances are similar to any of those enumerated or not, the party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such performance shall be extended for a period of time equal to the period such party was delayed, but in no event shall the abatement of taxes exceed more than ten years.

## SECTION XXII.
## CERTIFICATION

TEXAS GOVERNMENT CODE CHAPTER 2264 CERTIFICATION. The Owner Parties, by execution of this Agreement and in accordance with Chapter 2264 of the Texas Government Code, each certify that it does not and will not knowingly employ any undocumented workers at the Property during the Term of this Agreement and that if the Owner or Tenant is convicted of a violation under 8 U.S.C. Section 1324a(f), Owner or Tenant, as applicable (depending on which party is convicted of such a violation), shall repay all taxes which otherwise would have been paid to the County by Owner or Tenant, as applicable, without the benefit of the tax abatement, including interest and penalties thereon within the time period set forth in Section VI(2) of this Agreement. Owner is not liable for a violation of this section by Tenant, or by a subsidiary, Affiliate, or franchisee or by a person with whom Owner contracts. Tenant is not liable for a violation of this section by Owner, or by a subsidiary, Affiliate, or franchisee, or by a person with whom Tenant contracts.

## SECTION XXIII.
## NON-WAIVER OF DEFAULT

Failure of any party, at any time, to enforce a provision of this Agreement, shall in no way constitute a waiver of that provision, nor in any way affect the validity of this Agreement, any part hereof, or the right of the party thereafter to enforce each and every provision hereof. No term of this Agreement shall be deemed waived or breach excused unless the waiver shall be in writing and signed by the party claimed to have waived. Furthermore, any consent to or waiver of a breach will not constitute consent to or waiver of or excuse of any other different or subsequent breach. It is not a waiver of default if the non-defaulting party fails to immediately declare a default or delays in taking any action. The rights and remedies provided by this Agreement are cumulative, and either party's use of any right or remedy will not preclude or waive its right to use any other remedy at law or in equity. These rights and remedies are in addition to any other rights the parties may have by law, statute, ordinance or otherwise. The parties have a duty to reasonably mitigate damages.

## SECTION XXIV.
## NOTICE TO OTHER GOVERNING BODIES

At least seven (7) days prior to the execution of this Agreement, notice of the County's intention to enter into this Agreement shall be delivered to the governing bodies of each other taxing unit that includes in its boundaries the real property that is the subject of this Agreement.

## SECTION XXV.
## NON-BOYCOTT OF ISREAL PROVISION

In accordance with Section 2271.002 of the Texas Government Code, the Owner Parties verify that they do not boycott Israel and will not boycott Israel during the Term of this Agreement.

## SECTION XXVI.
## PROHIBITION ON CONTRACT WITH CERTAIN COMPANIES PROVISION

In accordance with Section 2252.152 of the Texas Government Code, the Owner Parties covenant and agree that Owner and Tenant are not on a list maintained by the State Comptroller's office prepared and maintained pursuant to Section 806.051, 807.051, or 2252.153 of the Texas Government Code.

**[SIGNATURES ON FOLLOWING PAGE]**

IN WITNESS WHEREOF, **the parties hereto have executed this Tax Abatement Agreement on the last date written below.**

**DALLAS COUNTY:**

By: _____
Clay Lewis Jenkins, County Judge

Date: 3/8/2022

**OWNER:**

**2401 McKinney, LLC**,
a Delaware limited liability company

By: TCDFW Office Development, Inc.,
a Delaware corporation
its sole member

By: _____
Name: Scott Krikorian
Title: President & CEO
Date: 02/01/2022

**TENANT:**

**CBRE, Inc.**,
a Delaware corporation

By: _____
Name: Peter Van Emburgh
Title: SVP, Global Head of Real Estate
Date: 02/01/2022

RECOMMENDED BY:

Luis Tamayo 2/4/2022
Luis Tamayo
Director of Planning & Development

APPROVED AS TO FORM:*
John Creuzot
Dallas County Criminal District Attorney

Russell Roden
Chief, Civil Division

By: Tina R. Patel
Tina R. Patel
Assistant District Attorney, Civil Division

Digitally signed by Tina R. Patel
DN: cn=Tina R. Patel, o=Dallas County District Attorney's Office, ou=Civil Division, email=Tina.Patel@dallascounty.org, c=US
Date: 2022.02.04 13:23:41 -06'00'

**By law, the District Attorney's office may only advise or approve a contract or legal document on behalf of its clients. Our review of this document was conducted solely from the legal perspective of our client. Our approval of this document was offered solely for the benefit of our client. Other parties should not rely on this approval, and should seek review and approval by their own respective attorney(s).*

# EXHIBIT A

## DALLAS COUNTY TAX ABATEMENT POLICY

(see attached)

# EXHIBIT B
# PROPERTY DESCRIPTION

**LEGAL DESCRIPTION**

BEING a 2.256 acre (98,274 square foot) tract of land situated in the John Grigsby Survey, Abstract Number 495, City of Dallas, Dallas County, Texas, City of Dallas Block Number 949, and being all of a called 1.0959 acre tract of land described as "Tract 1" in Special Warranty Deed with Vendor's Lien to Murphy Plaza, LLC, recorded in Instrument Number 201100235322 of the Official Public Records of Dallas County, Texas (O.P.R.D.C.T.), and being all of a tract of land described in Special Warranty Deed to Elk Financial, Inc., recorded in Instrument Number 201900272000, O.P.R.D.C.T., and being all of Lot 1A, Block 1/949 of The James P. Leake Addition, an addition to the City of Dallas, Dallas County, Texas, recorded in Volume 94089, Page 4668, Deed Records of Dallas County, Texas (D.R.D.C.T.), and being more particularly described as follows:

**BEGINNING** at a set "X" cut in concrete for the east corner of said Tract 1 and at the intersection of the southwest right-of-way line of Fairmount Street (a 50-foot wide right-of-way) and the west right-of-way line of McKinney Avenue (a variable width right-of-way);

THENCE South 14 degrees 44 minutes 35 seconds West, with the east line of said Tract 1 and the west right-of-way line of said McKinney Avenue, a distance of 165.91 feet to a 1/2-inch set iron rod with yellow plastic cap stamped "HALFF" (hereinafter referred to as "with cap") for the south corner of said Tract 1;

THENCE North 45 degrees 51 minutes 45 seconds West, with the southwest line of said Tract 1 and the west right-of-way line of said McKinney Avenue, a distance of 0.65 of a foot to the northeast corner of said Leake Addition, from which a 1/2-inch found iron rod with yellow plastic cap stamped "Bury & Partners" bears North 14 degree 04 minutes 54 seconds East, a distance of 2.09 feet;

THENCE South 14 degrees 04 minutes 54 seconds West, with the east line of said Leake Addition and the west right-of-way line of said McKinney Avenue, a distance of 174.36 feet to a found "X" cut in concrete for the east corner of the northwest corner clip at the west right-of-way line of said McKinney Avenue and the northeast right-of-way line of Maple Avenue (a variable width right-of-way) and an "ell" corner of said Leake Addition;

THENCE South 73 degrees 45 minutes 24 seconds West, with the southeast line of said Leake Addition and said corner clip, a distance of 33.55 feet to a set "X" cut in concrete for an "ell" corner of said Leake Addition and at the south corner of said corner clip at the intersection of said west right-of-way line and the northeast right-of-way line of said Maple Avenue;

THENCE North 45 degrees 52 minutes 49 seconds West, with the southwest line of said Leake Addition and the northeast right-of-way line of said Maple Avenue, a distance of 303.37 feet to a 5/8-inch found iron rod with cap stamped "STANTEC" for the west corner of said Leake Addition and the south corner of a called 0.2046 acre tract of land described

in deed to Pasha & Sina, Inc., recorded in Instrument Number 2011100192788, O.P.R.D.C.T.;

THENCE North 45 degrees 03 minutes 53 seconds East, with the northwest line of said Leake Addition and the southeast line of said 0.2046 acre tract, a distance of 180.20 feet to the east corner (not monumented) of said 0.2046 acre tract and on the southwest line of said Tract 1, from which a 1/2-inch found iron rod bears South 45 degrees 03 minutes 53 seconds West, a distance of 2.21 feet;

THENCE North 45 degrees 51 minutes 45 seconds West, with the southwest line of said Tract 1 and the northeast line of said 0.2046 acre tract, passing at distance of 51.80 feet to the north corner of said 0.2046 acre tract and the east corner of a called 0.4121 acre tract of land described in deed to Pasha & Sina, Inc., recorded in Instrument Number 201300140731, O.P.R.D.C.T., and continuing with southwest line of said Tract 1 and the east line of said 0.4121 acre tract, for a total distance of 140.60 feet to a 1/2-inch found iron rod for the southwest corner of said Tract 1 and the south corner of a called 0.1659 acre tract of land described in deed to LWO Real Estate II, LLC, recorded in Instrument Number 201400236824, O.P.R.D.C.T.;

THENCE North 44 degrees 08 minutes 15 seconds East, with the northwest line of said Tract 1 and the southeast line of said 0.1659 acre tract, a distance of 144.55 feet to a found "X" cut in concrete for the north corner of said Tract 1, the northeast corner of said 0.1659 acre tract, and on the southwest right-of-way line of said Fairmount Street;

THENCE South 45 degrees 51 minutes 45 seconds East, with the northeast line of said Tract 1 and southwest right-of-way line of said Fairmount Street, a distance of 289.52 feet to the **POINT OF BEGINNING AND CONTAINING** 2.256 acres (98,274 square feet) of land, more or less.

# EXHIBIT C

## MINIMUM AGGREGATE VALUE SCHEDULE

| Year of the Tax Abatement Periods | Aggregate Value Requirement |
|---|---|
| 1 | $50 million |
| 2 | $75 million |
| 3 | $100 million |
| 4 | $130 million |
| 5 | $130 million |
| 6 | $130 million |
| 7 | $130 million |
| 8 | $130 million |
| 9 | $130 million |
| 10 | $130 million |