



## CITY OF PLANO COUNCIL AGENDA ITEM

<b>CITY SECRETARY'S USE ONLY</b>					
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory					
Council Meeting Date:		08/13/12			
Department:		Economic Development			
Department Head		Sally Bane			
Agenda Coordinator (include phone #): <b>Linda Thomason x8301</b>					
<b>CAPTION</b>					
A Resolution of the City Council of the City of Plano, Texas, approving the terms and conditions of an Amended and Restated Economic Development Incentive Agreement by and between the City of Plano, Texas, and Denbury Onshore, LLC, a Delaware limited liability company; authorizing its execution by the City Manager or his designee; and providing an effective date.					
<b>FINANCIAL SUMMARY</b>					
<input type="checkbox"/> NOT APPLICABLE <input checked="" type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP					
FISCAL YEAR:	<b>2011-12 through 2024-25</b>	<b>Prior Year (CIP Only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Budget		0	18,967,420	0	<b>18,967,420</b>
Encumbered/Expended Amount		0	-8,745,675	-3,915,418	<b>-12,661,093</b>
This Item		0	-250,000	0	<b>-250,000</b>
BALANCE		0	9,971,745	-3,915,418	<b>6,056,327</b>
<b>FUND(S):    ECONOMIC DEVELOPMENT INCENTIVE FUND</b>					
<b>COMMENTS:</b> Strategic Plan Goal: Providing economic development incentives relates to the City's goal of Strong Local Economy.					
<b>SUMMARY OF ITEM</b>					
A proposed Amended and Restated Economic Development Incentive Agreement by and between the City of Plano, Texas, and Denbury Onshore, LLC, a Delaware limited liability company, to lease additional office space in a minimum amount of 61,000 square feet and add real property improvements of approximately Ten Million Dollars (\$10,000,000.00) and add or relocate business personal property of approximately Two Million Dollars (\$2,000,000.00) at their expanded location at 5360 Legacy Drive, Plano, Texas, and create or maintain of a minimum of 750 and up to 800 full time jobs on the Property.					
List of Supporting Documents:			Other Departments, Boards, Commissions or Agencies		
Resolution Economic Development Incentive Agreement					

**A Resolution of the City Council of the City of Plano, Texas, approving the terms and conditions of an Amended and Restated Economic Development Incentive Agreement by and between the City of Plano, Texas, and Denbury Onshore, LLC, a Delaware limited liability company; authorizing its execution by the City Manager or his designee; and providing an effective date.**

**WHEREAS**, the City Council has been presented a proposed Amended and Restated Economic Development Incentive Agreement by and between the City of Plano, Texas and Denbury Onshore, LLC, a Delaware limited liability company, a substantial copy of which is attached hereto as Exhibit "A" and incorporated herein by reference (hereinafter called "Agreement"); and

**WHEREAS**, upon full review and consideration of the Agreement, and all matters attendant and related thereto, the City Council is of the opinion that the terms and conditions thereof should be approved, and that the City Manager or his designee shall be authorized to execute it on behalf of the City of Plano.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, THAT:**

**Section I.** The terms and conditions of the Agreement, having been reviewed by the City Council of the City of Plano and found to be acceptable and in the best interests of the City of Plano and its citizens, are hereby in all things approved.

**Section II.** The City Manager, or his designee, is hereby authorized to execute the Agreement and all other documents in connection therewith on behalf of the City of Plano, substantially according to the terms and conditions set forth in the Agreement.

**Section III.** This Resolution shall become effective immediately upon its passage.

**DULY PASSED AND APPROVED** this the 13th day of August, 2012.

\_\_\_\_\_  
Phil Dyer, MAYOR

ATTEST:

\_\_\_\_\_  
Diane Zucco, CITY SECRETARY

APPROVED AS TO FORM:

\_\_\_\_\_  
Diane C. Wetherbee, CITY ATTORNEY

## AMENDED AND RESTATED

### ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT

This Amended and Restated Economic Development Incentive Agreement (“Agreement”) is made by and between the City of Plano, Texas (the “City”), and Denbury Onshore, LLC, a Delaware limited liability company, (hereinafter referred to as the “Company”), acting by and through its respective authorized officers and representatives.

#### WITNESSETH:

**WHEREAS**, the Company is engaged in the business of acquisition, development and exploration of oil and gas and anticipates that it will further expand their business in Plano, Texas, and lease additional office space in a minimum amount of 61,000 square feet and add additional real property improvements of approximately Ten Million Dollars (\$10,000,000.00) and add or relocate business personal property of approximately Two Million Dollars (\$2,000,000.00) at their expanded location at 5360 Legacy Drive, Plano, Texas; and

**WHEREAS**, the City and Company entered into an initial economic development incentive agreement approved by the City Council in Resolution No. 2007-5-17 on May 29, 2007 for the creation of 275 Job Equivalents which was replaced by a second economic development incentive agreement approved by the City Council in Resolution No. 2010-5-8 on May 10, 2010 which addressed a relocation of Company within the City and additional job creation commitments; and

**WHEREAS**, Company has created or transferred 600 Job Equivalents to the City and met all of its commitments under the prior agreements referenced above and intends to continue to expand their business in the City by acquiring and improving additional office space and creating additional Job Equivalents; and

**WHEREAS**, the Company has advised the City that a contributing factor that would induce the Company to maintain and expand its business and commercial activities in the City, thereby generating additional local sales tax revenues and increasing ad valorem tax values for the City, would be an agreement by the City to provide an additional economic development grant to the Company; and

**WHEREAS**, the occupancy of 61,000 additional square feet of commercial space and the creation or maintenance of a minimum of 750 and up to 800 full time jobs on the Property will promote economic development, stimulate commercial activity and enhance the tax base and economic vitality of the City; and

**WHEREAS**, the City has adopted programs for promoting economic development; and

**WHEREAS**, the City is authorized by TEX. LOC. GOV'T CODE §380.001 *et seq.* to provide economic development grants to promote local economic development and to stimulate business and commercial activity in the City; and

**WHEREAS**, the City has determined that making an economic development grant to the Company in accordance with the terms and conditions set forth in this Agreement will further the objectives of the City, will benefit the City and the City's inhabitants and will promote local economic development and stimulate business and commercial activity in the City; and

**WHEREAS**, the Agreement herein restating and further amending the terms and conditions between the parties are in all things approved by the City Council and this Agreement supersedes and replaces the prior Agreements approved by the City Council in Resolution Nos. 2007-5-17 and 2010-5-8.

**NOW THEREFORE**, in consideration of the mutual covenants and obligations herein, and for other good and valuable consideration, the parties agree that this Agreement restates, amends, supersedes and replaces all prior agreements signed by the parties as follows:

### **Article I Definitions**

For purposes of this Agreement, each of the following terms shall have the meaning set forth herein unless the context clearly indicates otherwise:

“Baseline Job Equivalents” shall mean Six Hundred (600) Job Equivalents which includes Five Hundred Twenty-Five (525) Job Equivalents that the Company has received a grant payment for pursuant to the Economic Development Agreements approved by the City Council in Resolution Nos. 2007-5-17 and 2010-5-8 plus Seventy-Five (75) additional Job Equivalents added by the Company subsequent to the aforementioned Agreements and prior to this Agreement. The Baseline Job Equivalents shall be used as a benchmark for calculating additional Job Equivalent requirements for purposes of the third grant payment pursuant to Section 4.02 herein.

“Commencement Date” shall mean the earlier of the occupancy of the Property or March 1, 2011, whichever occurs first.

“Effective Date” shall mean the last date on which all of the parties hereto have executed this Agreement.

“Event of Force Majeure” shall mean any contingency or cause beyond the reasonable control of a party including, without limitation, acts of God or the public enemy, war, riot, civil commotion, insurrection, government or de facto governmental action (unless caused by the intentionally wrongful acts or omissions of the party), fires, explosions or floods, strikes, slowdowns or work stoppages any of which event(s) directly impact the Company's operations in Plano.

“Job Equivalent” shall mean one or more Company job positions located at the Property which individually or when combined total 2,080 hours annually.

“Real Property” or “Property” shall mean 5320 and/or 5360 Legacy Drive, Plano, Texas 75024.

## **Article II Term**

The term of this Agreement shall begin on the Commencement Date and continue until September 30, 2025, unless sooner terminated as provided herein.

## **Article III Obligations of Company**

3.01 In consideration for the grant of public funds as set forth in Section 4.01 below, the Company agrees to the following:

(a) Occupy not less than 274,000 square feet of commercial space at 5320 Legacy Drive, Plano, Texas on or before March 1, 2011; and

(b) Occupy not less than an additional 61,000 square feet of commercial space at 5360 Legacy Drive, Plano, Texas on or before April 30, 2013; and

(c) Transfer at least 275 Job Equivalents from the Company's prior location at Lot 2, Block 1 of Denbury Addition, Plano, Texas to the Property on or before March 1, 2011; and

(d) Create at least 125 new Job Equivalents at the Property on or before March 1, 2011 such that the total number of Job Equivalents at the Property on March 1, 2011 shall total at least 400 Job Equivalents; and

(e) Add at least an additional 125 new Job Equivalents at the Property on or before December 31, 2011 such that the total number of Job Equivalents at the Property on December 31, 2011 shall total at least 525 Job Equivalents; and

(f) Company may create an additional minimum of 150 and up to an additional 200 Job Equivalents above the Baseline Job Equivalents at the property for a total minimum of 750 and up to 800 Job Equivalents at the Property on or before April 30, 2015; and

(g) Maintain all created or transferred Job Equivalents for which Company has received a grant payment on the Property for the remainder of the term of this Agreement; and

(h) Use reasonable efforts to place all Company-managed hotel room nights, related to the Company's business activities, at facilities located in the City of Plano.

## **Article IV Economic Development Grant**

4.01 **Grant.** In consideration of the Company successfully fulfilling the obligations as set forth in Article III above, the City agrees to provide the Company a cash grant of up to Eight Hundred Thirty-Seven Thousand, Five Hundred Dollars (\$837,500.00). This grant includes Five Hundred Eighty-Seven Thousand, Five Hundred Dollars (\$587,500.00) the Company has already

received pursuant to the Economic Development Agreements approved by the City Council in Resolution Nos. 2007-5-17 and 2010-5-8 for the 525 previous Job Equivalents referenced in Article III (c), (d) and (e) above. The Company agrees to maintain on the Property the transferred or created Job Equivalents for which a cash grant has been paid by the City to the Company throughout the term of this Agreement as provided in Section 4.03 below.

4.02 **Grant Payments.** In addition to the Five Hundred Eighty-Seven Thousand, Five Hundred Dollars (\$587,500.00) which the Company has already received, the Company shall be entitled to a payment of up to Two Hundred Fifty Thousand Dollars (\$250,000.00) subject to the following terms:

(a) By April 30, 2013, Company shall occupy not less than 61,000 gross square feet of additional office and warehouse space at 5360 Legacy Drive, Plano, Texas; and

(b) By April 30, 2015, the Company shall transfer or create at least an additional 150 Job Equivalents in addition to the Baseline Job Equivalents to the Real Property for a total minimum of 750 Job Equivalents to be eligible to receive an additional grant payment of One Hundred Eighty-Seven Thousand, Five Hundred Dollars (\$187,500.00). The payment will not be pro-rated. If the Company exceeds the minimum number of Job Equivalents by April 30, 2015, it will be paid One Thousand Two Hundred Fifty Dollars (\$1,250.00) for each additional Job Equivalent up to a maximum number of 200 additional Job Equivalents in addition to the Baseline job Equivalents for a total additional maximum of 800 Job Equivalents and a maximum additional grant payment of Two Hundred Fifty Thousand Dollars (\$250,000.00). The total amount of all grants paid pursuant to the Agreement shall not exceed Eight Hundred Thirty-Seven Thousand, Five Hundred Dollars (\$837,500.00) including all prior amounts paid to Company by the City. Job Equivalents added subsequent to April 30, 2015 shall not be compensated. **Company must submit the Certification form attached hereto as Exhibit "A" certifying compliance with the obligations set forth in Article III (b) and (f) not later than August 1, 2015. A failure to provide this form by that date is an event of default and, if not cured, results in an immediate and complete forfeiture of the grant in this Section 4.02(b).**

City will make the payment within thirty (30) days of receipt of the Exhibit "A" certification unless the City reasonably objects to the certification but in no event shall the payment be made before April 30, 2015.

(c) Beginning January 1, 2013, Company must submit an annual certification on the form attached hereto as Exhibit "B" not later than January 31 of each year for the duration of this Agreement certifying compliance with all of the obligations set out in Article III above. A failure to file the annual certification by the January 31 deadline during the remaining years of the Agreement shall be an event of default and, if not cured, results in the City's right to a full refund, including damages, as set out in Section 4.03.

(d) All certifications must be executed by the Company's chief executive or financial officer.

4.03 **Refunds.** In the event the Company allows Job Equivalents at the Property to fall below the number of Job Equivalents for which it has received a grant payment for more than one hundred eighty (180) consecutive days during the term of this Agreement, not the result of an Event of Force Majeure, the Company shall refund to the City an amount equal to the amount paid for the lost Job Equivalent as follows:

(a) (i) If Company's Job Equivalents drop below the range of eight hundred (800) down to six hundred one (601) Job Equivalents for more than 180 consecutive days during the term of this Agreement, the Company shall reimburse the City in an amount equal to One Thousand Two Hundred Fifty Dollars (\$1,250.00) for each lost Job Equivalent; and

(ii) If Company's Job Equivalents drop below the range of six hundred (600) down to five hundred twenty-six (526) Job Equivalents for more than 180 consecutive days during the term of this Agreement, the Company shall not be required to reimburse the City for those Job Equivalents due to the Company not receiving any grant money for these Job Equivalents from the City; and

(iii) If Company's Job Equivalents drop below the range of five hundred twenty-five (525) down to two hundred seventy-six (276) Job Equivalents for more than 180 consecutive days during the term of this Agreement, the Company shall reimburse the City in an amount equal to One Thousand Two Hundred Fifty Dollars (\$1,250.00) for each lost Job Equivalent; and

(iv) If Company's Job Equivalents drop below the range of two hundred seventy-five (275) down to zero (0) Job Equivalents for more than 180 consecutive days during the term of this Agreement, the Company shall reimburse the City in an amount equal to One Thousand Dollars (\$1,000.00) for each lost Job Equivalent.

For the purposes of determining whether the City is due a refund under this section, the Company shall certify to the City as set out in Section 4.02(c) above the actual number of Job Equivalents at the Real Property for the compliance period using the form attached as Exhibit "B". A failure to make the refund payment prior to or at the time of filing certification shall constitute an event of default. If a refund has been paid for one or more Job Equivalent(s), Company is not entitled to any future payment for that lost Job Equivalent(s) notwithstanding that it subsequently complies with the Job Equivalent requirements of this Agreement at a later date. In no event shall Company be required to pay for a Job Equivalent for which it never received a grant payment.

(b) If the Company defaults on the payment of any refund or fails to timely provide any certification as required by Section 4.02(c), the full amount of the entire grant paid shall be refunded by Company to the City. City may use any efforts to collect such sums owed and Company agrees to pay any and all interest, and expenses, including attorney fees and costs incurred by City. This obligation shall survive termination of this Agreement.

(c) At any time during the term of this Agreement the Company is convicted of a violation under 8 U.S.C. Section 1324a(f) regarding the unlawful employment of undocumented workers, it shall reimburse the City all grant funds paid pursuant to this

Agreement together with interest charged from the date of payment of the funds at the statutory rate for delinquent taxes as determined by V.T.C.A., Tax Code § 33.01, but without the addition of penalty. Repayment of grant funds and interest shall be due not later than 120 days after the date the City notifies the Company of the conviction.

## **Article V Termination**

5.01 **Events of Termination.** This Agreement terminates upon any one or more of the following:

(a) By expiration of the term and where no defaults have occurred; or

(b) If a party defaults or breaches any of the terms or conditions of this Agreement and such default or breach is not cured within thirty (30) days after written notice thereof by the non-defaulting party unless a longer period is provided. Any default under this provision and right to recover any claims, refunds, damages and/or expenses shall survive the termination of the Agreement.

The City Manager is authorized on behalf of the City to send notice of default and to terminate this Agreement for any default that is not cured.

5.02 **Effect of Termination/Survival of Obligations.** The rights, responsibilities and liabilities of the parties under this Agreement shall be extinguished upon the applicable effective date of termination of this Agreement, except for any obligations or default(s) that existed prior to such termination or as otherwise provided herein and those liabilities and obligations shall survive the termination of this Agreement, including the refund provision, maintenance of records, and access thereto.

## **Article VI Retention and Accessibility of Records**

6.01 Company shall maintain the fiscal records and supporting documentation for expenditures of funds associated with this Agreement. Company shall retain such records, and any supporting documentation for the greater of: (1) five (5) years from the end of the Agreement period; or (2) the period required by other applicable laws and regulations.

6.02 Company gives City, its designee, or any of their duly authorized representatives, access to and the right to examine relevant books, accounts, records, audit reports, reports, files, documents, written or photographic material, videotape and other papers, things, or personal and Real Property belonging to or in use by Company pertaining to the Economic Development Program Grant (the "Records") upon receipt of ten (10) business days written notice from the City. The City's access to Company's books and records will be limited to information needed to verify that Company is and has been complying with the terms of this Agreement. Any information that is not required by law to be made public shall be kept confidential by City. In no event shall City's access to Company's Records include any access to any personal and/or

medical data of any employees of Company except to confirm payroll information compliance for Job Equivalents. Company shall not be required to disclose to the City any information that by law Company is required to keep confidential. Should any good faith dispute or question arise as to the validity of the data provided, the City reserves the right to require Company to obtain an independent firm to verify the information. This certified statement by an independent firm shall be provided at the sole cost of Company. The rights to access the Records shall terminate five (5) years after the termination or expiration of this Agreement. Failure to provide reasonable access to the Records to authorized City representatives shall give the City the right to suspend or terminate this Agreement as provided for in Section 5 above, or any portion thereof, for reason of default. All Records shall be retained by Company for a period of five (5) years after all performance requirements are achieved for audit purposes until such audits or other administrative, civil or criminal matters including, but not limited to, investigations, lawsuits, administrative inquiries and open record requests are completed. Company agrees to maintain the Records in an accessible location.

## **Article VII Assignment**

This Agreement may not be assigned without the express written consent of the non-assigning party, except that the Company may assign this Agreement without obtaining the City's consent (a) to one of its wholly owned affiliates, or (b) to any person or entity that directly or indirectly acquires, through merger, sale of stock, purchase or otherwise, all or more than ninety (90) percent of the assets of the Company as long as the Company gives sixty (60) days prior written notice to the City and the assignee executes an agreement with the City to be bound to all the terms and conditions of this Agreement and be responsible for any default(s) that occurred prior to or after the assignment.

For any assignment not covered by (a) or (b) in the preceding paragraph, the Company must obtain the prior approval of the City through its City Manager and the assignee must agree to be bound to all the terms and conditions of this Agreement and to accept all liability for any default that occurred prior to and/or after the assignment.

Any assignment agreement must be furnished in a form acceptable to the City and be provided at least thirty (30) days prior to the effective assignment date. City agrees to notify the potential assignee of any known default, but such notification shall not excuse defaults that are not yet known to the City.

## **Article VIII Miscellaneous**

8.01 **No Joint Venture.** It is acknowledged and agreed by the parties that the terms of this Agreement are not intended to and shall not be deemed to create a partnership or joint venture among the parties. Neither party shall have any authority to act on behalf of the other party under any circumstances by virtue of this Agreement.

8.02 **Notice of Bankruptcy.** In the event Company files for bankruptcy, whether involuntarily or voluntary, Company shall provide written notice to the City within three (3) business days of such event.

8.03 **Authorization.** Each party represents that it has full capacity and authority to grant all rights and assume all obligations that are granted and assumed under this Agreement.

8.04 **Notice.** Any notice required or permitted to be delivered hereunder shall be deemed received three (3) days thereafter sent by United States Mail, postage prepaid, certified mail, return receipt requested, addressed to the party at the address set forth below (or such other address as such party may subsequently designate in writing) or on the day actually received if sent by courier or otherwise hand delivered.

If intended for the City:  
City of Plano, Texas  
Attention: Mr. Bruce D. Glasscock  
City Manager  
1520 Avenue K  
P.O. Box 860358  
Plano, TX 75086-0358

With a copy to:  
City of Plano, Texas  
Attention: Ms. Diane C. Wetherbee  
City Attorney  
1520 Avenue K  
P. O. Box 860358  
Plano, TX 75086-0358

If intended for the Company:  
Denbury Onshore LLC  
Attention: Mr. Phil Rykhoek  
5320 Legacy Drive  
Plano, TX 75024

With a copy to  
Denbury Onshore LLC  
Attention: Legal Department  
5320 Legacy Drive  
Plano, TX 75024

Denbury Onshore, LLC  
Attention: Mr. Tony Burgess  
Tax Department  
5320 Legacy Drive  
Plano, TX 75024

8.05 **Entire Agreement.** This Agreement is the entire Agreement between the parties with respect to the subject matter covered in this Agreement. There is no other collateral oral or written agreement between the parties that in any manner relates to the subject matter of this Agreement.

8.06 **Governing Law.** This Agreement shall be governed and construed in accordance with the laws of the State of Texas, without giving effect to any conflicts of law rule or principle that might result in the application of the laws of another jurisdiction. Venue for any action concerning this Agreement, the transactions contemplated hereby or the liabilities or obligations imposed hereunder shall be in the State District Court of Collin County, Texas.

8.07 **Amendment.** This Agreement may only be amended by the mutual written agreement of the parties.

8.08 **Severability.** In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions, and it is the intention of the parties to this Agreement that in lieu of each provision that is found to be illegal, invalid, or unenforceable, a provision shall be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

8.09 **Recitals.** The recitals to this Agreement are incorporated herein.

8.10 **Authorized to Bind.** The persons who execute their signatures to this Agreement represent and agree that they are authorized to sign and bind their respective parties to all of the terms and conditions contained herein.

8.11 **Counterparts.** This Agreement may be executed in counterparts. Each of the counterparts shall be deemed an original instrument, but all of the counterparts shall constitute one and the same instrument.

This Agreement shall be effective upon the last date on which all parties have executed this agreement.

ATTEST:

CITY OF PLANO, TEXAS, a home-rule  
municipal corporation

\_\_\_\_\_  
Diane Zucco, CITY SECRETARY

\_\_\_\_\_  
Bruce D. Glasscock, CITY MANAGER  
Date: \_\_\_\_\_

Signatures continued on next page

APPROVED AS TO FORM:

\_\_\_\_\_  
Diane C. Wetherbee, CITY ATTORNEY

ATTEST:

DENBURY ONSHORE, LLC, a Delaware  
limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
Phil Rykhoek  
CHIEF EXECUTIVE OFFICER  
Date: \_\_\_\_\_

**EXHIBIT "A"**

**CERTIFICATE OF COMPLIANCE FOR GRANT PAYMENT**

**Please check one of the following before signing and returning the certification:**

\_\_\_\_\_ a. I hereby certify that Denbury Onshore, LLC has created \_\_\_\_\_ Job Equivalents at the property by April 30, 2015 in addition to the base Job Equivalents at the Property and is in compliance with each applicable term as set forth in Article III of the Amended and Restated Economic Development Agreement and is entitled to receive payment under the terms of the Agreement. The total number of job equivalents at the Property as of April 30, 2015 was \_\_\_\_\_. I further certify that Job Equivalents at the Property have not fallen below the number of Job Equivalents for which Denbury Onshore, LLC has received a grant payment for more than one hundred eighty (180) consecutive days during the term of the Agreement. Denbury Onshore, LLC is entitled to an additional grant payment pursuant to Section 4.02 of the Agreement.

\_\_\_\_\_ b. I hereby certify that Denbury Onshore, LLC has not created at least 150 additional Job Equivalents above the Base Job Equivalents at the Property by April 30, 2015 and is not entitled to an additional grant payment.

ATTEST:

DENBURY ONSHORE, LLC, a Delaware limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
Date

NOTE:

**This Certificate of Compliance is due by August 1, 2015 and should be mailed to:**

City of Plano  
Finance Department  
P.O. Box 860358  
Plano, Texas 75086-0358

**EXHIBIT "B"**

**ANNUAL CERTIFICATE OF COMPLIANCE**

**Please select one of the options below before signing and returning the certification:**

\_\_\_\_\_ a. I hereby certify that Denbury Onshore, LLC is in compliance with each applicable term as set forth in the Agreement and the transferred or added number of Job Equivalents has not fallen below the number for which Denbury Onshore, LLC has received a grant payment in accordance with the terms and conditions set out in Article IV. I further certify that as of December 31 of the prior year, the number of Job Equivalents was \_\_\_\_\_.

\_\_\_\_\_ b. I hereby certify that Denbury Onshore, LLC is not in compliance with each applicable term as set forth in the Agreement and the transferred or added number of Job Equivalents has fallen below the number for which Denbury Onshore, LLC has received a grant payment. I further certify that as of December 31 of the prior year, the number of Job Equivalents was \_\_\_\_\_ and that that the City of Plano has been refunded the appropriate amount as required by Article IV, Section 4.03 of the Agreement.

ATTEST:

DENBURY ONSHORE, LLC, a Delaware limited liability company

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
Date

NOTE:

**This form is due by January 31 of each year beginning on January 31, 2013, and as long as this Agreement is in effect and should be mailed to:**

City of Plano  
Finance Department  
P.O. Box 860358  
Plano, Texas 75086-0358