



**CITY OF PLANO
COUNCIL AGENDA ITEM**

CITY SECRETARY'S USE ONLY				
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory				
Council Meeting Date:		4/11/11		
Department:		Finance		
Department Head		Denise Tacke		
Agenda Coordinator (include phone #): Katherine Crumbley x7479				
CAPTION				
<p>A Resolution of the City Council of the City of Plano, Texas, approving the assignment of a tax abatement agreement from KanAm Grund Kapitalanlagegesellschaft mbH, a German limited liability company to FSP Legacy Tennyson Circle LLC, a Delaware limited liability company and approving an amendment to the agreement reflecting same and removing the Lessee, Denbury Onshore LLC, a Delaware limited liability company from the Agreement; authorizing its execution by the City Manager or his authorized designee; and providing an effective date.</p>				
FINANCIAL SUMMARY				
<input checked="" type="checkbox"/> NOT APPLICABLE <input type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP				
FISCAL YEAR: 10-11	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget	0	0	0	0
Encumbered/Expended Amount	0	0	0	0
This Item	0	0	0	0
BALANCE	0	0	0	0
FUND(s): ECONOMIC DEVELOPMENT INCENTIVE FUND				
COMMENTS: This item has no fiscal impact.				
SUMMARY OF ITEM				
<p>KDC-Plano, the original owner of the real property, assigned the abatement to KanAm Grund Kapitalanlagegesellschaft mbH in 2008. Kan Am Grund is now requesting that the City approve an assignment of the abatement to FSP Legacy Tennyson Circle LLC.</p>				
List of Supporting Documents: Amended Tax Abatement Agreement			Other Departments, Boards, Commissions or Agencies	

A Resolution of the City Council of the City of Plano, Texas, approving the assignment of a tax abatement agreement from KanAm Grund Kapitalanlagegesellschaft mbH, a German limited liability company to FSP Legacy Tennyson Circle LLC, a Delaware limited liability company and approving an amendment to the agreement reflecting same and removing the Lessee, Denbury Onshore LLC, a Delaware limited liability company from the Agreement; authorizing its execution by the City Manager or his authorized designee; and providing an effective date.

WHEREAS, City Council approved a Tax Abatement Agreement by Resolution 2007-5-26(R) between KDC-Plano Investments I, LP, Denbury Onshore LLC and the City of Plano, Texas, the County of Collin, Texas and Collin County Community College District for a real property tax abatement and business personal property tax abatement respectively; and

WHEREAS, KDC-Plano Investment I, LP assigned their real property tax abatement to KanAm Grund Kapitalanlagegesellschaft mbH in 2008 as a purchaser of the property and Denbury Onshore LLC subsequently relocated to another property and is no longer receiving a business personal property tax abatement pursuant to the Agreement; and

WHEREAS, KanAm Grund Kapitalanlagegesellschaft mbH requests that the City approve the assignment of the real property tax abatement to FSP Legacy Tennyson Circle LLC, the purchaser of the real property; and

WHEREAS, the City Council finds that the assignment of the Tax Abatement Agreement is in the best interest of the City due to the fact that FSP Legacy Tennyson Circle, LLC is purchasing the real property the subject of the Agreement and the removal of the Lessee is in the best interest of the City due to their relocation to another property in the City; and

WHEREAS, upon full review and consideration of the First Amendment to 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 in his absence, a Deputy City Manager, 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:

Section I. The assignment of the Tax Abatement Agreement previously approved in Resolution No. 2007-5-26(R) from KanAm Grund Kapitalanlagegesellschaft mbH to FSP Legacy Tennyson Circle, LLC is hereby in all things approved.

Section II. The terms and conditions of the First Amendment to the Tax Abatement Agreement, including the removal of the Lessee from 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 III. The City Manager, or in his absence, a Deputy City Manager, is hereby authorized to execute the First Amendment 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 First Amendment to the Agreement attached hereto.

Section IV. This Resolution shall become effective from and after its passage.

DULY PASSED AND APPROVED this the 11th day of April, 2011.

Phil Dyer, **MAYOR**

ATTEST:

Diane Zucco, CITY SECRETARY

APPROVED AS TO FORM:

Diane C. Wetherbee, CITY ATTORNEY

THE STATE OF TEXAS §
§
COUNTY OF COLLIN §

**First Amendment of Tax Abatement Agreement
by and between the City of Plano, Texas and
KanAm Grund Kapitalanlagegesellschaft mbH,
Denbury Onshore LLC, the City of Plano, Texas,
Collin County, Texas and Collin County
Community College District**

THIS First Amendment of Tax Abatement Agreement (“Amendment”) is made and entered into on this the _____ day of _____, 2011, by and between **KANAM GRUND KAPITALANLAGEGESELLSCHAFT MBH**, a German limited liability company, for the benefit of **KANAM US-GRUNDINVEST FONDS**, a German open-end real estate fund sponsored by **KANAM GRUND KAPITALANLAGEGESELLSCHAFT MBH** (“Former Owner”), **FSP LEGACY TENNYSON CIRCLE LLC** (“Owner”), the **CITY OF PLANO, TEXAS**, a home-rule municipal corporation (“City”), acting by and through its City Manager or his designee, the **COUNTY OF COLLIN TEXAS**, duly acting herein by and through its County Judge, and the **COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**, duly acting by and through its President of the Board of Trustee, hereinafter collectively referred to as “Taxing Units”.

WITNESSETH:

WHEREAS, City Council approved a Tax Abatement Agreement by Resolution 2007-5-26(R) (“Agreement”) (attached as Exhibit “A”) between KDC-Plano Investments I, LP, Denbury Onshore LLC and the taxing entities for a real property tax abatement and business personal property tax abatement respectively; and

WHEREAS, KDC-Plano Investment I, LP assigned their real property tax abatement to KanAm Grund Kapitalanlagegesellschaft mbH in 2008 as a purchaser of the property and Denbury Onshore LLC subsequently relocated to another property and is no longer receiving a business personal property tax abatement pursuant to the Agreement; and

WHEREAS, KanAm Grund Kapitalanlagegesellschaft mbH requests that the City approve the assignment of the real property tax abatement to FSP Legacy Tennyson Circle LLC, the purchaser of the real property; and

WHEREAS, the parties wish to amend the Agreement as set forth below to reflect the assignment and to remove the Lessee from any rights or responsibilities under the contract.

NOW, THEREFORE, in consideration of the terms and conditions hereinafter set forth, the Parties agree as follows:

Section 1. Pursuant to Section 8(a) of the Agreement, the City of Plano consents to KanAM Grund Kapitalanlagegesellschaft mbH’s request to assign the Agreement to FSP Legacy Tennyson Circle LLC and the Agreement is amended as follows:

a. FSP Legacy Tennyson Circle LLC agrees to be fully bound by all the terms, conditions, rights and responsibilities previously required of KanAm Grund Kapitalanlagegesellschaft mbH pursuant to the Agreement from and after the date of this Amendment until the Agreement expires or is otherwise terminated. Any reference in the Agreement to KanAm Kapitalanlagegesellschaft mbH shall, with respect to the period of time from and after the date of this Amendment, hereinafter be replaced by and refer to FSP Legacy Tennyson Circle LLC for the remainder of the term of the Agreement.

b. Section 13, Notices, of the Agreement is changed to reflect that notices to the owner should be sent to:

FSP Property Management LLC
401 Edgewater Place, Suite 200
Wakefield, MA 01190
Attn: John Donahue

with a copy to:

Venable LLP
1270 Avenue of the Americas
New York, New York 10020
Attn: Brian N. Gurtman, Esq.

c. Any reference to Denbury Onshore LLC and/or Lessee in the Agreement is hereby removed and Lessee and the taxing entities shall have no further rights or responsibilities pursuant to the Lessee provisions in the Agreement.

Section 2. Except as is explicitly amended hereby, the Agreement shall remain in full force and effect and is hereby restated, ratified and confirmed in accordance with its original terms as amended by this Amendment.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed in duplicate the day and year first above written.

CITY OF PLANO, TEXAS, a home rule city and municipal corporation

By: _____
Bruce D. Glasscock
CITY MANAGER

APPROVED AS TO FORM:

Diane C. Wetherbee, CITY ATTORNEY

**KANAM GRUND
KAPITALANLAGEGESELLSCHAFT MBH**, a
German limited liability company, for the benefit of
KanAm US-grundinvest Fonds, a German open-end
real estate fund sponsored by KanAm Grund
Kapitalanlagegesellschaft mbH

By: _____
Matti Kreutzer
MANAGING DIRECTOR

By: _____
Olivier Catusse
MANAGING DIRECTOR

FSP LEGACY TENNYSON CIRCLE LLC
a Delaware limited liability company

By: _____
George J. Carter
PRESIDENT

**COLLIN COUNTY COMMUNITY COLLEGE
DISTRICT**, a _____

By: _____
Dr. Carey A. Israel
PRESIDENT OF BOARD OF TRUSTEES

COUNTY OF COLLIN, TEXAS, a _____

By: _____
Keith Self
COUNTY JUDGE

ACKNOWLEDGMENTS

STATE OF TEXAS §
§
COUNTY OF COLLIN §

This instrument was acknowledged before me on the ____ day of _____, 2011 by **BRUCE D. GLASSCOCK**, City Manager of the **CITY OF PLANO, TEXAS**, a home-rule municipal corporation, on behalf of said corporation.

Notary Public, State of Texas

STATE OF _____ §
§
COUNTY OF _____ §

This instrument was acknowledged before me on the ____ day of _____, 2011 by _____, _____ of **KANAM GRUND KAPITALANLAGEGESELLSCHAFT MBH**, a German limited liability company, for the benefit of KanAm US-grundinvest Fonds, a German open-end real estate fund sponsored by KanAm Grund Kapitalanlagegesellschaft mbH.

Notary Public, State of

STATE OF _____ §
§
COUNTY OF _____ §

This instrument was acknowledged before me on the ____ day of _____, 2011 by **GEORGE J. CARTER**, President of **FSP LEGACY TENNYSON CIRCLE LLC**, a limited liability company, on behalf of said limited liability company.

Notary Public, State of

ACKNOWLEDGMENTS

STATE OF TEXAS §
 §
COUNTY OF COLLIN §

This instrument was acknowledged before me on the ____ day of _____, 2011 by **DR. CAREY A. ISRAEL**, President of the Board of Trustees of the **COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**, a _____, on behalf of said _____.

Notary Public, State of Texas

STATE OF TEXAS §
 §
COUNTY OF COLLIN §

This instrument was acknowledged before me on the ____ day of _____, 2011 by **KEITH SELF**, County Judge of the **COUNTY OF COLLIN, TEXAS**, a _____, on behalf of said _____.

Notary Public, State of Texas

STATE OF TEXAS §
 §
COUNTY OF COLLIN §

TAX ABATEMENT AGREEMENT

This Tax Abatement Agreement (this "**Agreement**") is entered into by and between the City of Plano, Texas, a home rule municipal corporation of Collin and Denton Counties, Texas, duly acting herein by and through its City Manager, hereinafter referred to as "**City**"; the County of Collin, Texas, duly acting herein by and through its County Judge, hereinafter collectively referred to as "**Taxing Units**", and **KDC-Plano Investments I, LP**, a Texas limited partnership, duly acting by and through its general partner, hereinafter referred to as "**Owner**," and **Denbury Onshore LLC**, a Delaware limited liability company, duly acting by and through its Senior Vice President and Chief Financial Officer, hereinafter referred to as "**Lessee**".

WITNESSETH:

WHEREAS, on the 29th day of May, 2007, the City Council of the City of Plano, Texas, passed Ordinance No. 2007-5-25 establishing Reinvestment Zone No. 107, for commercial/industrial tax abatement, hereinafter referred to as the "**Ordinance**", as authorized by V.T.C.A. Tax Code, Chapter 312.001, et seq., cited as the Property Redevelopment and Tax Abatement Act, hereinafter referred to as "**Act**"; and

WHEREAS, the **City** has adopted a revised policy statement for Tax Abatement by Resolution No. 2006-9-22(R) stating that it elects to be eligible to participate in tax abatement (the "**Policy Statement**"); and

WHEREAS, the Policy Statement sets forth appropriate guidelines and criteria governing tax abatement agreements to be entered into by the City as contemplated by the Act; and

WHEREAS, the tax abatement will maintain and enhance the commercial/industrial economic and employment base of the Plano area thereby benefiting both the City and the Taxing Units in accordance with the said Ordinance and Act; and

WHEREAS, the contemplated use of the Real Property, as hereinafter defined, the contemplated improvements to the Real Property in the amount as set forth in this Agreement and the other terms hereof are consistent with encouraging development of said Reinvestment Zone No. 107 in accordance with the purposes for its creation and are in compliance with the intent of the Policy Statement and the Ordinance and similar guidelines and criteria adopted by the City and all applicable law.

NOW THEREFORE, the parties hereto do mutually agree as follows:

1. The real property subject to this Agreement is described by metes and bounds in **EXHIBIT "A"** (the "**Real Property**") attached hereto and made a part hereof. At the time of this Agreement, KDC-Plano Investments I, LP, is the Owner of the Real Property. This Agreement shall be terminated should the Real Property not be leased by Lessee, its successors or affiliates, or should such lease be terminated during the term of this Agreement.

2. The tangible personal property subject to this Agreement shall be personal property, excluding inventory and supplies, used within Reinvestment Zone No. 107, which shall be hereinafter referred to as the "**Personalty**". The Personalty is estimated by Lessee to have an approximate taxable value of Five Hundred Thousand Dollars (\$500,000) by December 31, 2008, and an additional Five Hundred Thousand Dollars (\$500,000) by December 31, 2009, for a total of One Million Dollars (\$1,000,000), and is or will be owned by Lessee or its affiliates. Lessee shall timely render its personal property value each year to the Central Appraisal District

3. Lessee, as owner of the Personalty, may not relocate, for purposes of maintaining taxable situs of tangible personal property, the Personalty on the Real Property in other Reinvestment Zones in the City.

JOBS

4. Lessee estimates the proposed development of the Real Property as shown in **EXHIBIT "B"** (the "**Development**") will result in retaining the 200 full time positions currently in place and adding approximately 50 jobs at the Development in Plano within six (6) months after the Improvements (defined below) are completed and an additional 25 jobs at the Improvements within twelve (12) months thereafter.

IMPROVEMENTS

5. The Owner shall complete construction of improvements to the Real Property (hereinafter referred to as the "**Improvements**") consisting primarily of a new building consisting of approximately 100,000 gross square feet of office space on or before December 31, 2008, with an estimated as-built value of not less than Nineteen Million Dollars (\$19,000,000); provided that Owner shall have such additional time to complete the Improvements as may be required in the event of "force majeure" if Owner is diligently and faithfully pursuing the completion of the Improvements, or if in the reasonable opinion of the City, the Owner has made substantial progress toward completion of the initial phase of the Improvements. For this purpose, "**force majeure**" shall mean any contingency or cause beyond the reasonable control of Owner including, without limitation, acts of God or the public enemy, war, riot, civil commotion, insurrection, governmental or de facto governmental action (unless caused by acts or omissions of Owner), fire, shortages of material and/or labor, explosion or flood, and labor disturbances. The date of completion of the Improvements shall be defined as the date a Certificate of Occupancy is issued by the City of Plano.

6. The Owner agrees and covenants that it will diligently and faithfully in a good and workmanlike manner pursue the substantial completion of the Improvements as a good and valuable consideration of this Agreement. Owner further covenants and agrees that all construction of the Improvements will be in accordance with all applicable federal, state and local laws and regulations or valid waiver thereof. In further consideration, Owner shall from the date a Certificate of Occupancy is issued until the expiration or termination of this Agreement, operate and maintain the Real Property (or cause the same to be operated and maintained) for the following described purposes: production/manufacturing/office space referred to herein as the "Purposes".

DEFAULT

7. Any of the following events shall be deemed a breach of this Agreement resulting in default:

- (a) The Improvements are not completed in accordance with this Agreement;
- (b) Owner or Lessee allows its real or personal property taxes owed the City or Taxing Units on the Real Property, Improvements, or Personalty to become delinquent and fails to timely and properly follow the legal procedures for protest and/or contest of any such ad valorem taxes;
- (c) Lessee fails to occupy the Improvements for the Purposes set forth in paragraph 6 above on or before December 31, 2008; or
- (d) The value of the Improvements and the value of Personalty placed on the improved Real Property by the dates indicated in Paragraphs 2 and 5 above, and maintained on the Real Property during the term of this Agreement is less than the minimum amounts set forth in Paragraphs 2 and 5 above; or
- (e) Lessee fails to employ at least 75% of its employee commitment as provided in Paragraph 4 above; or
- (f) Lessee fails to provide annual certification as required in Paragraph 10 below.

8. In the event that the Owner or Lessee defaults under this Agreement, then the City or Taxing Units shall give the Owner and Lessee written notice of such default and if the Owner or Lessee has not cured such default, or obtained a waiver thereof from the appropriate authority, within thirty (30) days of said written notice, this Agreement may be terminated by the City and Taxing Units. Notice shall be in writing as provided below. Upon the occurrence of an event of default other than under Paragraph 7(b) above and after Owner or Lessee fails to cure same in accordance herewith, this Agreement shall immediately terminate and all taxes due after the event of default shall be paid in full without the benefit of any abatement. The parties acknowledge that actual damages in the event of default and termination would be speculative and difficult to determine.

9. Upon the occurrence of an event of default by Owner under Paragraph 7(b) above and after Owner fails to cure same in accordance herewith, this Agreement shall immediately terminate with respect to Owner and all taxes, including previously abated taxes which would have been paid by Owner to the City and Taxing Units without the benefit of this Agreement, shall become due and owing to the City and Taxing Units, together with interest charged from the date of this Agreement at the statutory rate for delinquent taxes as determined by V.T.C.A., Tax Code § 33.01, but without the addition of penalty other than that mandated by V.T.C.A., § 33.01 or 33.07. Upon the occurrence of an event of default by Lessee under Paragraph 7(b) above and after Lessee fails to cure same in accordance herewith, this Agreement shall immediately terminate with respect to Lessee and all taxes, including previously abated taxes which would have been paid by Lessee to the City and Taxing Units without the benefit of this Agreement, shall become due and owing to the City and Taxing Units, together with interest charged from the date of this Agreement at the statutory rate for delinquent taxes as determined by V.T.C.A., Tax Code § 33.01, but without the addition of penalty other than that mandated by V.T.C.A., § 33.01 or 33.07.

ANNUAL CERTIFICATION

10. On or before the 1st day of November of each calendar year during the term of this Agreement, each of the Owner, or its successors or assigns, and Lessee must provide a separate annual certification (substantially in the form attached as **EXHIBIT "C"** hereto) to the Governing Body of the City certifying compliance with each applicable term of this Agreement.

ASSIGNMENT

11. The terms and conditions of this Agreement are binding upon the successors and assigns of all parties hereto. This Agreement cannot be assigned by Owner unless written permission is first granted by the City and Taxing Units, which permission by the City and Taxing Units will not be unreasonably withheld, delayed or conditioned, and provided further, the City and Taxing Units the following assignments by Owner are hereby approved:

(a) An assignment of this Agreement to Lessee or an affiliate of Lessee is permissible;

(b) A transfer or assignment of the Real Property and Improvements, or an assignment of this Agreement, by Owner to any successor or assign is permissible wherein the successor or assign agrees to be bound by the terms of this Agreement and Lessee shall continue to conduct business on the subject premises, and shall remain the primary tenant of the Improvements.

However, Owner and Lessee agree to give written notice to the City and Taxing Units of any assignment or transfer of interest allowed pursuant to subparagraphs (a) and (b) hereof.

ABATEMENT PROVISIONS

12. Subject to the terms and conditions of this Agreement, and subject to the rights of holders of any outstanding bonds of the City and Taxing Units, a portion of ad valorem real and personal property taxes from the Real Property, Improvements, and Personalty otherwise owed to the City and taxing Units shall be abated as follows:

(a) The tax abatements as to the Real Property, Improvements, and Personalty, as provided for herein, shall be for a period of ten (10) tax years, from January 1, 2008, through December 31, 2017.

(b) In accordance with all applicable federal, state, and local laws and regulations, the abatement for each tax year from January 1, 2008 through December 31, 2017, shall be based on amounts equal to (i) twenty-five percent (25%) of the value of the improved value of the Real Property and Improvements, (ii) twenty-five percent (25%) of the Personalty.

(c) The Owner and Lessee shall have the right to protest and/or contest any assessment of the Real Property, Improvements or Personalty, and the abatement shall be applied to the amount of taxes finally determined to be due as a result of any such protest and/or contest.

NOTICE

13. Notices required to be given to any party to this Agreement shall be given personally or by registered or certified mail, return receipt requested, postage prepaid, addressed to the party at its address as set forth below, and, if given by mail, shall be deemed delivered as of the date deposited in the United States mail:

For City by notice to:

City of Plano
Attention: Mr. Thomas H. Muehlenbeck
City Manager
P.O. Box 860358
Plano, Texas 75086-0358

With copy to:

City of Plano
Attention: Ms. Diane C. Wetherbee
City Attorney
P.O. Box 860358
Plano, Texas 75086-0358

For Taxing Units by notice to:

County of Collin, Texas
Attention: The Honorable Ron Harris
County Judge
Collin County Commissioners' Court
210 S. McDonald, Ste. 626
McKinney, Texas 75069

For Owner by notice to:

KDC-Plano Investments I, LP
Attention: Mr. Tobin C. Grove,
President
8115 Preston Road, Suite 700
Dallas, Texas 75225

For Lessee by notice to:

Denbury Onshore, LLC
Attention: Mr. Phil Rykhoek,
Senior Vice President and Chief Financial Officer
5100 Tennyson Parkway, Ste. 1200
Plano, Texas 75024

Any party may change the address to which notices are to be sent by giving the other parties written notice in the manner provided in this paragraph.

MISCELLANEOUS PROVISIONS

14. The Owner and Lessee further agree that the City and Taxing Units, their agents and employees, shall have reasonable right (upon reasonable prior notice to Owner and Lessee) to access the Real Property to inspect the Improvements and Personalty in order to insure that the construction of the Improvements and locations of the Personalty are in accordance with this Agreement and all applicable federal, state, and local laws and regulations. After completion of the Improvements, and City and Taxing Units shall have the continuing right (upon reasonable prior notice to Owner and Lessee) to inspect the Real Property and Personalty to insure that the Real Property and Personalty is thereafter maintained, operated and occupied in accordance with this Agreement.

15. It is understood and agreed between the parties that the Owner and Lessee, in performing their separate obligations hereunder, are acting independently and the City and Taxing Units assume no responsibilities or liabilities in connection therewith to third parties. Lessee agrees to indemnify and hold harmless City and Taxing Units from any and all claims, suits, and causes of

actions, including attorneys' fees, of any nature whatsoever arising out of Lessee's default of its obligations hereunder. Owner agrees to indemnify and hold harmless City and Taxing Units from any and all claims, suits, and causes of actions, including attorneys' fees, of any nature whatsoever arising out of Owner's default of its obligations hereunder.

16. The City and the Taxing Units each represent and warrant that the Real Property, Improvements and Personalty do not include any property that is owned by a member of their respective councils or boards, agencies, commissions, or other governmental bodies approving, or having responsibility for the approval of this Agreement.

17. This Agreement was authorized by Resolution of the City Council at its Council meeting on the 29th day of May, 2007, authorizing the City Manager to execute the Agreement on behalf of the City.

18. This Agreement was authorized by the minutes of the Commissioners' Court of Collin County, Texas, at its meeting on the 23rd day of July, 2007, whereupon it was duly determined that the County Judge would execute the Agreement on behalf of Collin County.

19. This Agreement was entered into by Owner pursuant to authority granted by its general partner, whereby the general partner of the limited partnership was authorized to execute this Agreement on behalf of Owner.

20. This Agreement was entered into by Lessee pursuant to authority granted by its Board of Directors whereby the Senior Vice President and Chief Financial Officer of the corporation was authorized to execute this Agreement on behalf of Lessee.

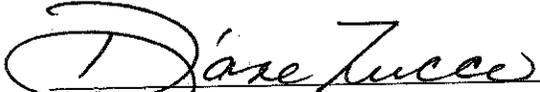
21. This instrument shall constitute a valid and binding agreement between the City, Owner, and Lessee when executed in accordance herewith, regardless of whether any other **TAXING UNIT** executes this Agreement. This instrument shall constitute a valid and binding Agreement between such **TAXING UNITS**, Owner and Lessee when executed on behalf of said parties, for the abatement of such **TAXING UNIT's** taxes in accordance therewith.

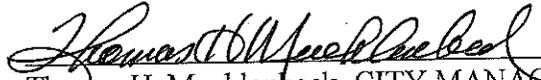
22. Severability. If any term or provision of this Agreement shall, to any extent, be invalid or unenforceable, the remainder of this Agreement (or the application of such term or provision, to persons or circumstances other than those in respect of which it is invalid or unenforceable) except those terms or provisions, which are made subject to or conditioned upon such invalid or unenforceable term or provision, shall not be affected thereby, and each other term or provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

This Agreement is performable in Collin County, Texas. Signed this 29th day of May, 2007.

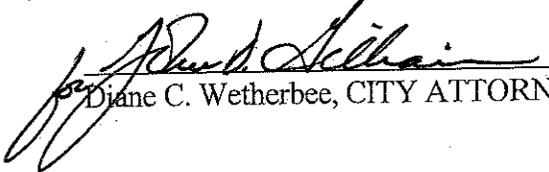
ATTEST:

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

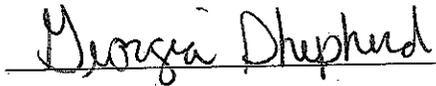

Diane Zucco, CITY SECRETARY


Thomas H. Muehlenbeck, CITY MANAGER

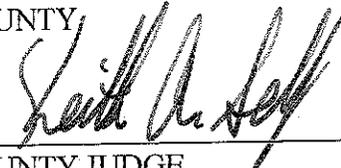
APPROVED AS TO FORM:


Diane C. Wetherbee, CITY ATTORNEY

ATTEST:


Georgia Shepherd

COMMISSIONERS' COURT OF COLLIN
COUNTY


COUNTY JUDGE

OWNER:

KDC-PLANO INVESTMENTS I, LP,
a Texas limited partnership

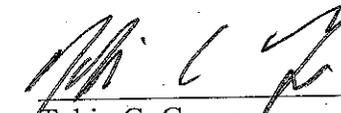
By: KDC-Plano Investments I GP, LLC, a
Texas limited liability company, its
general partner

By: Koll Development Company I, L.P., a
Delaware limited partnership, its
member

By: SWV, LLC, a Delaware limited liability
company, its general partner

ATTEST:



By: 
Tobin C. Grove
President

LESSEE:

DENBURY ONSHORE LLC, a Delaware
limited liability company

ATTEST:



By:



Phil Rykhoek
Senior Vice President and Chief
Financial Officer

EXHIBIT "A"
LEGAL DESCRIPTION
REINVESTMENT ZONE NO. 107
Real Property
Legal Description

BEING a tract of land located in the Mario C. Vela Survey, Abstract No. 935, and the Obediah Epps Survey, Abstract No. 297, and being all of Lot 2, Block 1 of the "Denbury Addition", an addition to the City of Plano, Texas, as recorded in Cabinet L, Page 133, Map Records of Collin County, Texas (M.R.C.C.T.) and being part of a tract of land described by instrument to EDS Information Services L.L.C., a Delaware limited liability company, as recorded in Volume 4853, Page 2203, of the Deed Records of Collin County, Texas (D.R.C.C.T.), and being more particularly described as follows:

BEGINNING at a found City of Plano concrete monument for a corner located at the intersection of the east right-of-way line of Windcrest Drive (60 feet wide), as recorded in Cabinet K, Page 327, M.R.C.C.T., and the south right-of-way line of Tennyson Parkway (121 feet wide), said point bears North 68 degrees 41 minutes 00 seconds West, a distance of 2,353.71 feet from EDS monument No. 10 (found brass disk in concrete), said corner being on a circular curve to the left having a radius of 1,382.71 feet and whose chord bears South 61 degrees 53 minutes 40 seconds East, a distance of 399.81 feet;

THENCE Southeasterly, along said south right-of-way line, and along said curve through a central angle of 16 degrees 37 minutes 32 seconds, an arc distance of 401.22 feet to a found PK nail for a corner;

THENCE South 13 degrees 48 minutes 17 seconds West, departing said south right-of-way line, distance of 463.90 feet to a ¼ - inch set iron rod with yellow plastic cap stamped "HALFF ASSOC. INC." (hereinafter referred to as "with cap") for a corner, said corner being on a circular curve to the right having a radius of 1,844.71 feet and whose chord bears North 64 degrees 10 minutes 25 seconds West, a distance of 483.92 feet;

THENCE Northwesterly, along said curve through a central angle of 15 degrees 04 minutes 25 seconds, an arc distance of 485.32 feet to a 1-inch found iron rod for a corner, said corner being on the east right-of-way line of said Windcrest Drive;

THENCE North 00 degrees 40 minutes 46 seconds West, along said east right-of-way line, a distance of 28.88 feet to a 1-inch set iron rod for the point of curvature of a tangent circular curve to the right having a radius of 470.00 feet;

THENCE Northerly, continuing along said east right-of-way line, and along said curve through a central angle of 38 degrees 45 minutes 20 seconds, an arc distance of 317.91 feet to a 1-inch found iron rod for the point of tangency;

THENCE North 38 degrees 04 minutes 33 seconds East, continuing along said east right-of-way line, a distance of 129.35 feet to a 1-inch found iron rod for a corner;

THENCE North 82 degrees 21 minutes 02 seconds East, continuing along said east right-of-way line, a distance of 14.32 feet to the POINT OF BEGINNING AND CONTAINING 222,538 square feet or 5.109 acres of land, more or less.

EXHIBIT "C"
OWNER'S CERTIFICATE OF COMPLIANCE
REINVESTMENT ZONE NO. 107

This letter certifies that KDC-Plano Investments I, LP, is in compliance with each applicable term as set forth in the Agreement to Resolution No. 2007-5-26(R) as of _____ . The term of this Agreement is January 1, 2008 through December 31, 2017. This form is due on November 1 of each year this tax abatement is in force.

KDC-PLANO INVESTMENTS I, LP, a Texas limited partnership

By: KDC-Plano Investments I GP, LLC, a Texas limited liability company, its general partner

By: Koll Development Company I, L.P., a Delaware limited partnership, its member

By: SWV, LLC, a Delaware limited liability company, its general partner

ATTEST:

By: _____
Tobin C. Grove
President

Date

NOTE: This certification form should be mailed to

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

EXHIBIT "C"
LESSEE'S CERTIFICATE OF COMPLIANCE
REINVESTMENT ZONE NO. 107

This letter certifies that Denbury Onshore LLC, is in compliance with each applicable term as set forth in the Agreement to Resolution No. 2007-5-26(R) as of _____. The term of this Agreement is January 1, 2008 through December 31, 2017. If the taxable value of the Personalty as determined for ad valorem tax purposes for the current year is less than the amount specified in paragraph 2 of the Agreement, this letter further certifies that the taxable value of the Personalty as determined for ad valorem tax purposes is not less than the amount specified in paragraph 2 of the Agreement as the result of the owner (Lessee's) **filing a protest of the values or** causing or allowing the removal of any Personalty from Reinvestment Zone 107. This form is due on November 1 of each year this tax abatement is in force.

ATTEST:

DENBURY ONSHORE LLC, a Delaware limited liability company

By:

Phil Rykhoek
Senior Vice President and Chief Financial Officer

Date

NOTE: This certification form should be mailed to

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