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WHEREAS, the City of Dallas ("City") recognizes the importance of its role in local economic development and the provision of mixed-income housing; and

WHEREAS, investment decisions made by business owners, developers, and property owners are often significantly influenced by a municipality's ability to provide economic development incentives; and

WHEREAS, on May 26, 2021, the City Council adopted the Economic Development Policy 2022-2032 ("Policy") by Resolution No. 21-0927, as amended; and

WHEREAS, on January 25, 2023, in furtherance of the new Policy goals, the City Council authorized a new Economic Development Incentive Policy ("Incentive Policy") effective for the period January 1, 2023 through December 31, 2024, by Resolution No. 23-0220, as amended; and

WHEREAS, the Incentive Policy establishes certain guidelines and criteria for the use of City incentive programs for private development projects and establishes programs for making loans and grants of public money to promote local economic development and stimulate business and commercial activity in the City pursuant to Chapter 380 of the Texas Local Government Code; and

WHEREAS, in late 2024, NexPoint Diversified Real Estate Trust ("NexPoint") submitted a development incentive application to the City's Office of Economic Development for gap funding to support four separate phases of a proposed real estate development project involving the development/redevelopment of the Cityplace Tower and surrounding undeveloped land at 2711 North Haskell Avenue; and

WHEREAS, on April 10, 2025, a Letter of Intent for the proposed economic development incentive as described herein was executed by and between NexPoint and the City's Director of the Office of Economic Development; and

WHEREAS, pursuant to the City's Incentive Policy, the proposed project is located in an Economic Development Target Area; and

WHEREAS, the proposed project is located in Neighborhood Empowerment Zone Number 21 ("NEZ No. 21") as designated on January 25, 2023 by the City Council Resolution No. 23-0220; and

WHEREAS, the City finds that the proposed project will not be undertaken within the City of Dallas without an offer of economic development incentives from the City; and

WHEREAS, the City finds that the proposed project will significantly advance the public purpose of economic development within the city; and

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WHEREAS, consistent with the authority granted under the Incentive Policy, staff recommends that the City Council authorize the proposed economic development incentive for the proposed project; and

WHEREAS, in furtherance of its governmental function as a political subdivision of the State of Texas, and consistent with the authority granted under Chapter 378 of the Texas Local Government Code, it is in the City's best interest to enter into real property tax abatement agreements as part of the City's ongoing efforts to promote local economic development and to stimulate business and commercial activity and provide new affordable housing units within the city; and

WHEREAS, Chapter 378 of the Texas Local Government Code empowers municipalities to enter into agreements abating municipal property taxes on property within designated neighborhood empowerment zones, subject to the duration limits of the Property Redevelopment and Tax Abatement Act, Section 312.204; and

WHEREAS, the City Council finds that the City is: (i) acting in its governmental capacity and its performance hereunder is pursuant to authority granted by the State of Texas, its sovereign or for the benefit of the sovereign; (ii) authorizing this agreement to primarily benefit the public at large; or (iii) performing functions closely related to or essential to the performance of governmental activities; and

WHEREAS, on May 5, 2025, the Economic Development Committee of the City Council was briefed regarding the proposed project and economic development incentive; and

WHEREAS, to provide gap funding to make the proposed project financially feasible, the City desires to execute (1) a real property tax abatement agreement and all necessary documents with CP Land Owner, LLC and/or affiliate ("Cityplace Phase 1 Owner") for a period of ten (10) years in an amount equal to the City's taxes assessed on ninety percent (90%) of the added taxable value to the real property resulting from and in consideration of Cityplace Phase 1 Owner's real property investment in and delivery of Phase 1: The Apron ("Cityplace Phase 1 Project") on approximately 5.3 acres of unimproved land addressed as 2711 North Haskell in the City of Dallas NEZ No. 21; (2) a real property tax abatement agreement and all other necessary documents with CP Tower Owner, LLC and/or affiliate ("Cityplace Phase 2A Owner") for a period of ten (10) years in an amount equal to the City's taxes assessed on ninety percent (90%) of the added taxable value to the real property resulting from and in consideration of Cityplace Phase 2A Owner's real property investment in and delivery of Phase 2A: The Tower ("Cityplace Phase 2A Project") on approximately 3.3 acres of improved land addressed as 2711 North Haskell in the City of Dallas NEZ No. 21; (3) a real property tax abatement agreement and all other necessary documents with CP Tower Owner, LLC and/or affiliate ("Cityplace Phase 2B Owner") for a period of ten (10) years in an amount equal to the City's taxes assessed on ninety percent (90%) of the added taxable value to the real property resulting from and in consideration of the Cityplace Phase 2B Owner's real property investment in and

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delivery of Phase 2B: The Tower ("Cityplace Phase 2B Project") on approximately 3.3 acres of improved land addressed as 2711 North Haskell in the City of Dallas NEZ No. 21; and (4) a real property tax abatement agreement and all other necessary documents with CP Tower Owner, LLC and/or affiliate ("Cityplace Phase 2C Owner") for a period of ten (10) years in an amount equal to the City's taxes assessed on ninety percent (90%) of the added taxable value to the real property resulting from and in consideration of the Cityplace Phase 2C Owner's real property investment in and delivery of Phase 2C: The Tower ("Cityplace Phase 2C Project") on approximately 3.3 acres of improved land addressed as 2711 North Haskell in the City of Dallas NEZ No. 21, in accordance with the City's Economic Development Incentive Policy.

Now, Therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That the City Manager is hereby authorized, upon approval as to form by the City Attorney, to execute **(1)** a real property tax abatement agreement and all necessary documents with CP Land Owner, LLC and/or affiliate ("Cityplace Phase 1 Owner") for a period of ten years in an amount equal to the City's taxes assessed on ninety percent of the added taxable value to the real property resulting from and in consideration of Cityplace Phase 1 Owner's real property investment in and delivery of Phase 1: The Apron ("Cityplace Phase 1 Project") on approximately 5.3 acres of unimproved land addressed as 2711 North Haskell in the City of Dallas Neighborhood NEZ No. 21; **(2)** a real property tax abatement agreement and all other necessary documents with CP Tower Owner, LLC and/or affiliate ("Cityplace Phase 2A Owner") for a period of ten years in an amount equal to the City's taxes assessed on ninety percent of the added taxable value to the real property resulting from and in consideration of Cityplace Phase 2A Owner's real property investment in and delivery of Phase 2A: The Tower ("Cityplace Phase 2A Project") on approximately 3.3 acres of improved land addressed as 2711 North Haskell in the City of Dallas NEZ No. 21; **(3)** a real property tax abatement agreement and all other necessary documents with CP Tower Owner, LLC and/or affiliate ("Cityplace Phase 2B Owner") for a period of ten years in an amount equal to the City's taxes assessed on ninety percent of the added taxable value to the real property resulting from and in consideration of the Cityplace Phase 2B Owner's real property investment in and delivery of Phase 2B: The Tower ("Cityplace Phase 2B Project") on approximately 3.3 acres of improved land addressed as 2711 North Haskell in the City of Dallas NEZ No. 21; and **(4)** a real property tax abatement agreement and all other necessary documents with CP Tower Owner, LLC and/or affiliate ("Cityplace Phase 2C Owner") for a period of ten years in an amount equal to the City's taxes assessed on ninety percent of the added taxable value to the real property resulting from and in consideration of the Cityplace Phase 2C Owner's real property investment in and delivery of Phase 2C: The Tower ("Cityplace Phase 2C Project") on approximately 3.3 acres of improved land addressed as 2711 North Haskell in the City of Dallas NEZ No.21, in accordance with the City's Economic Development Incentive Policy.

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SECTION 2. That the tax abatement agreements are hereby expressly made subject to all of the following requirements, terms, and conditions, which must be performed or occur:

A. Required Minimum Investment. The owner of each phase of the Project shall invest (or cause to be invested) and provide documentation to the Office of Economic Development (OED) Director evidencing a minimum investment expenditure for the delivery of each phase of the Project ("Required Minimum Investment") as described in Table 1 below. See **Exhibit A** for a detailed list of investment expenditures eligible to be counted toward the Required Minimum Investment. Construction management costs may be included in the Required Minimum Investment calculation if the construction management services are directly related to ensuring the quality of the construction of the Project and are performed by an independent and unaffiliated third-party. Construction management costs must be evidenced by invoices with detailed descriptions of services performed. Site acquisition cost, developer fees, legal fees, marketing fees, financing fees, leasing commissions, carrying costs, reserves, operating deficits through stabilization and other similar costs shall not be considered an eligible investment expenditure. With the exception of professional fees, environmental assessments and other eligible due diligence costs, no expenditures made prior to execution of the Letter of Intent on April 10, 2025 may be included in the Required Minimum Investment calculation.

TABLE 1

Phase	Minimum Required Investment	Required Deadline for Meeting Minimum Required Investment
1	\$145,000,000.00	December 31, 2028
2A	\$100,000,000.00	December 31, 2028
2B	\$28,000,000.00	December 31, 2029
2C	\$53,000,000.00	December 31, 2030

B. Required Project Components. Each phase of the Project shall include the following ("Required Project Components") for the issuance of a tax abatement. It is understood that each independent phase of Phase 2: The Tower (i.e. Cityplace Phase 2A Project; Cityplace Phase 2B Project; Cityplace Phase 2C Project) is optional. If owner does not choose to complete Cityplace Phase 2A Project, Cityplace Phase 2B Project, and/or Cityplace Phase 2C Project, then owner will not earn a tax abatement for that specific phase. However, the tax

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abatement for Cityplace Phase 1 Project must be earned in order for any of the tax abatement(s) for Cityplace Phase 2A Project, Cityplace Phase 2B Project, and Cityplace Phase 2C Project to be earned.

1. Phase 1: The Apron (Cityplace Phase 1 Project): Required Project Components:
 - a. new ground-up construction of a minimum of 465 mixed-income multi-family residential units (rental), of which a minimum of 20% (93 units) shall be set aside as affordable and leased in accordance with Section 2.C
 - b. a minimum of 15,000 net rentable square feet of ground floor retail/commercial space throughout the Cityplace Phase 1 Project buildings in accordance with **Exhibit B**
 - c. tenant amenities, to be shared with hotel, including rooftop pool, fitness center, and social activity spaces
 - d. site improvements (public and private) necessary to complete Cityplace Phase 1 Project which shall include modernization of and safety improvements for the interface between Cityplace Tower and the underground Cityplace/Uptown DART station in coordination with DART's improvement efforts, renovation and structural enhancement of the six underground parking garages, landscaping improvements, and all necessary utilities, lighting, signage, and streetscape to complete the Cityplace Phase 1 Project
2. Phase 2A: The Tower (Cityplace Phase 2A Project): Required Project Components:
 - a. conversion of floors 15-21, 32-36, and 39-41 to deliver a minimum of 240 mixed-income multi-family residential units (rental), of which a minimum of 20% (48 units) shall be set aside as affordable and leased in accordance with Section 2.C
 - b. construction of amenity floor within the Cityplace Tower consisting of fitness center and swimming pool to be accessible to all residents of Cityplace Phase 2A Project, Cityplace Phase 2B Project, and Cityplace Phase 2C Project

SECTION 2. (continued)

3. Phase 2B: The Tower (Cityplace Phase 2B Project): Required Project Components:
 - a. conversion of floors 27-28 and 37-38 to deliver a minimum of 115 multi-mixed-income multi-family residential units (rental), of which a minimum of 20% (23 units) shall be set aside as affordable and leased in accordance with Section 2.C
4. Phase 2C: The Tower (Cityplace Phase 2C Project): Required Project Components:
 - a. conversion of floors 22-26 and 29-31 to deliver a minimum of 150 mixed-income multi-family residential units (rental), of which a minimum of 20% (30 units) shall be set aside as affordable and leased in accordance with Section 2.C

C. Affordability Requirement. Of the rental multi-family residential units constructed in each phase, as described in Table 2, at least 20% of the units shall be set aside and leased solely to those households earning at/below 80% of AMI, as determined by the U.S. Department of Housing and Urban Development (“HUD”), for a minimum of 15 years beginning after each phase of the Project has reached Substantial Completion as defined in Section 2.G and has been placed in service (the “Affordability Period”).

TABLE 2

Phase	Minimum Required Multi-Family Residential Units	Minimum Required Multi-Family Residential Units Reserved at/below 80% AMI
1	465	93
2A	240	48
2B	115	23
2C	150	30

The affordable units shall be of identical finish-out and materials as market rate units and shall not be segregated or concentrated in any one floor or area of each phase of the Project but shall be dispersed throughout all of the residential portions of each phase of the Project. For the term of the Affordability Period, the affordability requirements as described herein shall be impressed upon the applicable portion of the property by deed restriction prior to Substantial Completion of each phase. After Substantial Completion as defined in Section 2.G herein and throughout the Affordability Period, owner shall monitor and submit reports twice a year to the OED Director on the status of its compliance with the Affordability Requirement.

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Owner further agrees to complete the Affirmative Fair Housing Marketing Plan (“AFHMP”) and submit the plan to the Fair Housing division within the City’s Office of Equity and Inclusion for approval. Owner shall submit a copy of the approved AFHMP to the OED Director within thirty (30) days of approval and shall market the residential units pursuant to the approved AFHMP. Should City request amendments from time to time to the AFHMP to improve its effectiveness, owner shall cooperate in good faith to reach mutual agreement on reasonable modifications.

- D. Vouchers. In accordance with Section 20A-4.1(b) of the Dallas City Code, owner shall make best efforts to lease up to ten percent (10%) of each phase of the Project’s residential units to voucher holders during the Affordability Period. Owner shall register with a minimum of one (1) local provider of housing vouchers at least 12 months prior to Substantial Completion of each phase of the Project. Should Chapter 20A of the Dallas City Code be further amended prior to Substantial Completion of any phase of the Project, owner shall abide by such amended terms. Pursuant to Section 20A-4.1(a) of the Dallas City Code, owner shall not discriminate against holders of any housing vouchers, and owner shall comply with Section 20A-28 of the Dallas City Code regarding tenant selection. This requirement shall also be impressed upon the applicable portion of the property by deed restriction prior to Substantial Completion of each Project phase.
- E. Phase 1: The Apron (Cityplace Phase 1 Project): Ground Floor Retail/Commercial Space. As a specific requirement for the tax abatement for Cityplace Phase 1 Project, owner shall construct or cause to be constructed a minimum of 15,000 square feet of net rentable square feet of ground floor retail/commercial use within Cityplace Phase 1 Project in accordance with the plans as shown in **Exhibit B**. Owner may propose alternative active uses for a maximum of 5,000 square feet of the net rentable commercial space, but such alternative active uses must receive written approval in advance by the OED Director.
- F. Building Permit Deadline. For each phase of the Project, owner shall obtain a building permit, which may include a foundation permit, if applicable, in accordance with the Building Permit Deadline as shown in Table 3 below. A grading permit shall not meet this requirement.

SECTION 2. (continued)

G. Substantial Completion Deadline. For each phase of the Project, owner shall cause the construction of the Required Project Components to be completed and all portions of the buildings shall be occupiable, as applicable, in accordance with the Substantial Completion Deadlines shown in Table 3 below, as evidenced by certificate(s) of occupancy, letter(s) of acceptance, certificate(s) of completion, and/or similar documentation issued by the City ("Substantial Completion"). For Cityplace Phase 1 Project, all portions of the ground floor retail/commercial space as described in Section 2.B, modernization of and safety improvements for the interface between Cityplace Tower and the underground Cityplace/Uptown DART station, renovation and structural enhancement of the 6 underground parking garages, and site improvements as described in Section 2.B shall be complete at time of Cityplace Phase 1 Project Substantial Completion, and such improvements are a material condition of the tax abatement for Cityplace Phase 1 Project.

TABLE 3

Phase	Building Permit Deadline	Substantial Completion Deadline
1	December 31, 2026	December 31, 2028
2A	December 31, 2026	December 31, 2028
2B	December 31, 2027	December 31, 2029
2C	December 31, 2028	December 31, 2030

- H. Property Management. The proposed property management group for the Project, which may be an affiliate of owner, must be submitted at least three (3) months prior to Substantial Completion of Cityplace Phase 1 Project for review by the OED Director to consider acceptance based on the management entity's comparable experience managing other multi-family properties, such approval not being unreasonably withheld. Should the management group for the residential component and commercial component of the Cityplace Phase 1 Project be separate groups, both management groups shall be accepted by the OED Director. Any replacement or successor property management group must be approved by OED Director.
- I. Operating and Maintenance Agreement. If applicable, and prior to Substantial Completion of Cityplace Phase 1 Project, owner shall execute an Operating and Maintenance Agreement (defined below) for any Non-Standard Public Improvements (defined below) associated with the Project that will be owned by the City but maintained by the owner (the "Operating and Maintenance Agreement"). If necessary, owner shall obtain a license from City for the purpose of maintaining any improvements in the public right-of-way. "Non-Standard Public

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Improvements" shall be defined as those public infrastructure improvements which exceed the City's standard design requirements, as determined by the City, and shall include specially designed street/pedestrian lighting, brick pavers, bollards, sidewalks, public art, fountains, landscaping and irrigation. With the exception of specially designed street/pedestrian lighting, public art work and fountains, City shall retain ownership of such public improvements and may at its sole option, if owner fails to maintain such public improvements after notice from City, perform such maintenance and invoice owner for the costs, which costs owner shall pay within thirty 30 days of notice. Owner shall submit documentation evidencing that an executed Notice of Operating and Maintenance Agreement specifying the existence of an executed Operating and Maintenance Agreement for the Non-Standard Public Improvements was recorded with the Dallas County Clerk's Office. The term for the Operating and Maintenance Agreement shall be twenty 20 years. The terms and conditions of the Operating and Maintenance Agreement are binding upon the successors and assigns of all parties hereto and may be assignable, subject to OED Director approval, in whole or in part, to a new owner of all or a portion of the Project. Owner shall remain responsible for the maintenance of the Non-Standard Public Improvements for a term of twenty 20 years even if owner chooses to forgo the City incentive or does not fully earn the City incentive as a result of uncured default.

- J. Public Access to Infrastructure not owned by City. Prior to earning the tax abatement for Cityplace Phase 1 Project and at no cost to City, owner shall provide reasonable public access easements, deed restrictions, or other instruments reasonably acceptable to the OED Director if any street, utility, or open space improvements associated with the Cityplace Phase 1 Project remain in non-City ownership but require public access.
- K. M/WBE Inclusion in Construction of Project. For each phase of the Project, owner shall make a good faith effort to comply with the City's Business Inclusion and Development ("BID") goal of 32% participation by certified Minority/Women-owned Business Enterprises ("M/WBE") for all hard construction expenditures (public and private improvements) for each phase of the Project and meet all process and reporting requirements of the City's BID program. Compliance shall be coordinated with the City's Office of Procurement Services.
- L. Quarterly Reporting. For each phase of the Project, until all Required Project Components have passed final building inspection and owner has submitted all required paperwork documenting Substantial Completion to the OED Director, owner shall submit to OED Director quarterly status reports for ongoing work on each phase of the Project in the form to be attached to the tax abatement

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agreement. Such status reports shall be due within 30 calendar days following the end of each calendar quarter.

- M. Urban Design. The Urban Design Peer Review Panel (“UDPRP”) is an independent group of professional designers selected by the City Manager with expertise in architecture, landscape architecture, engineering, and urban planning. Following a formal review of the Project’s preliminary conceptual drawings and renderings (**Exhibit B**) on March 21, 2025, the UDPRP provided advice (**Exhibit C**). A response to UDPRP’s advice and updated plans that satisfy UDPRP’s advice shall be required to be provided to the City’s Planning and Development Department (“PUD”) prior to City’s execution of the tax abatement agreement for Cityplace Phase 1 Project. Final review of the plans shall be provided to PUD and attached to the tax abatement agreement for each Project phase. Compliance with the updated plans are a material requirement for the City incentive.

Additionally, for each phase of the Project, prior to submitting construction plans as part of a building permit application to the City’s PUD, owner shall submit a set of construction drawings to the Preservation and Urban Design staff of PUD and OED Director for a final staff review to ensure that the specific phase of the Project (public and private improvements) will be constructed in substantial conformance with the final approved conceptual drawings and renderings attached to the tax abatement agreement. PUD and OED staff shall complete the final staff review within ten (10) business days of submission.

For each phase of the Project, allowable minor modifications to the urban design may include those required to comply with development regulations administered by the City’s PUD or other City departments, federal, state and local laws, codes and regulations, including those changes described in Section 2.S below. Prior to making any urban design changes that would be considered minor in nature, owner shall notify the OED Director and submit proposed changes to the OED Director for review and approval. OED staff shall complete the review within 10 business days of submission by the owner.

- N. Local Hiring. For all permanent employment opportunities created by operation of each phase of the Project, owner shall submit to the City a written plan (“Local Hiring Plan”) describing (a) how owner or its property management group shall use and document commercially reasonable efforts to recruit and hire residents of the City of Dallas and (b) how owner or its property management group shall cause all non-residential tenants of all buildings in the Project to use and document commercially reasonable efforts to recruit and hire residents of the

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City of Dallas. At a minimum, the Local Hiring Plan shall describe how owner, its property management group, and/or tenants will target local recruitment through local advertisement, community outreach, local engagement, participation in local job fairs, and/or coordination with local hiring sources. The Local Hiring Plan shall be subject to approval by the OED Director to ensure that employment opportunities are targeted to Dallas residents and that commercially reasonable efforts are made to promote the hiring of neighborhood residents for any new permanent jobs created. No tax abatement shall be earned by owner for any phase of the Project until the OED Director approves the Local Hiring Plan. Within 30 calendar days of OED Director's receipt of the Local Hiring Plan, the OED Director shall either approve the Local Hiring Plan or give written notification to the Owner of the OED Director's disapproval, specifying the reasons for such disapproval. Compliance with the approved Local Hiring Plan shall be a material requirement for the tax abatement agreement(s).

- O. Property Maintenance and Inspection. For each phase of the Project, owner shall ensure that the specific phase of the Project is maintained in accordance with all applicable City property standards for the duration of the term of each tax abatement agreement. City will verify maintenance to these standards through on-site inspections at a minimum of every two years and reserves the right to inspect more frequently if City deems it necessary, in its sole discretion.
- P. Annual Application/Certification for Tax Exemption. It shall be the responsibility of owner, pursuant to V.T.C.A., Tax Code, §11.43, to file an annual exemption application form with the chief appraiser of the Dallas Central Appraisal District. In addition, owner shall certify in a written report to the City by April 15 of each year throughout the term of each tax abatement agreement that owner is in compliance with each applicable term in each tax abatement agreement executed by the City and owner, including but not limited to, providing a notarized affidavit of compliance and evidence of the payment of real property taxes and business personal property taxes owed to the City by owner. The exemption application and certification report shall be submitted to the OED Director for review and approval prior to submission of the exemption application to the Dallas Central Appraisal District. Failure of owner to obtain OED Director's approval for the exemption application may result in the loss of the tax exemption for the year.
- Q. Minimum Ground Floor Occupancy Requirement for Phase 1: The Apron (Cityplace Phase 1 Project). Prior to commencement of the tax abatement for Cityplace Phase 1 Project, owner shall provide evidence that a minimum of 50% of the minimum of 15,000 net rentable square feet of ground floor retail/commercial space is leased and occupied pursuant to Section 2.B. For the avoidance of doubt, owner shall provide evidence that a minimum of 7,500 square

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feet of ground floor retail/commercial space is leased and occupied prior to commencement of the tax abatement for Cityplace Phase 1 Project.

- R. Ongoing Ground Floor Occupancy Requirement for Phase 1: The Apron (Cityplace Phase 1 Project). After commencement of the tax abatement for Cityplace Phase 1 Project and for the duration of the term of the tax abatement agreement for Cityplace Phase 1 Project ("Ground Floor Occupancy Compliance Period"), owner shall immediately notify City in writing if ground floor occupancy falls below the minimum requirement described in Section 2.B above ("Ground Floor Occupancy Default"). Such notice shall specify the nature of the Ground Floor Occupancy Default, the period of existence thereof, and the action owner is taking or proposes to take with respect to curing the Ground Floor Occupancy Default. Failure of owner to cure the Ground Floor Occupancy Default within 180 calendar days following written notice by owner or City shall constitute an uncured Ground Floor Occupancy Default ("Uncured Ground Floor Occupancy Default"). If owner is making a good faith effort to cure by taking commercially reasonable and continuous steps to cure any Ground Floor Occupancy Default, the 180-calendar day cure period may be extended by the OED Director in his/her sole discretion.
- S. Minor Modifications. For each phase of the Project, the OED Director may authorize minor modifications, including but not limited to, adjustment in unit type, unit mix, set-aside duration, qualifying Area Median Income, and/or an extension of material dates and deadlines up to 12 months.
- T. Deadline for Execution of Agreement. Owner shall execute the tax abatement agreement for Cityplace Phase 1 Project with City by June 30, 2026.
- U. Re-verification of underwriting for Cityplace Phase 2B Project and Cityplace Phase 2C Project. Prior to City's execution of a tax abatement agreement for Cityplace Phase 2B Project and a tax abatement agreement for Cityplace Phase 2C Project, owner shall submit updated sources, uses, and operating assumptions for City to conduct an updated verification of underwriting to ensure that the gap funding assistance offered in this resolution for Cityplace Phase 2B Project and Cityplace 2C Project is still reasonable to support owner's completion and delivery of Cityplace Phase 2B Project and Cityplace Phase 2C Project.

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- V. Recapture Liability and Taxes Retroactively Due. In the event of uncured default for (a) failure to complete each phase of the Project in accordance with the tax abatement agreement(s) or (b) the conviction for a violation under 8 U.S.C. Section 1324a(f), all taxes which otherwise would have been paid to the City without the benefit of the tax abatement(s) (but were in fact not paid by reason of the tax abatement), including statutory interest and statutory penalties thereon (collectively with such taxes, "Recapture Liability"), will become a debt to the City from owner and shall be due, owing and paid to the City by owner within 60 calendar days of the expiration of the cure period. Such Recapture Liability shall be equal to all taxes which would otherwise have been paid to the City from the beginning of the tax abatement period to the date of termination (interest and penalties will 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).

Owner shall pay liquidated damages to the City in the event of uncured default for any of the following occurrences: (c) owner allows its real property taxes and/or business personal property taxes owed the City to become delinquent, (d) owner fails to certify in a written report to the City by April 15 of each year throughout the term of the tax abatement agreement(s) that owner is in compliance with each applicable tax abatement agreement(s), (e) owner fails to obtain OED Director approval for owner's assignment of all or a portion of the property to a new owner, (f) owner allows an Uncured Ground Floor Occupancy Default, or (g) owner breaches any other term or condition of the tax abatement agreement(s). Such liquidated damages shall be in an amount equal to all taxes for the year (or years) in which such default occurs, which otherwise would have been paid to the City without the benefit of the tax abatement (but were in fact not paid by reason of the tax abatement), including interest and penalties thereon charged at the statutory rate for delinquent taxes as determined by Section 33.01 of the Property Tax Code of the State of Texas). The eligibility of the owner to obtain the benefit of the tax abatement(s) shall resume in the subsequent years after the event of default is cured.

The tax abatement agreement for each phase shall be independent of the other(s). There shall be no cross default between phases.

- W. Force Majeure. Notwithstanding Section 2.S or any other provision of this resolution to the contrary, in the event the OED Director determines a specific phase of the Project has been delayed as a result of Force Majeure, after being provided written notice by owner, owner shall have additional time to complete the specific phase, as may be required in the event of Force Majeure, defined herein, so long as, within ten (10) business days, owner provides OED Director notice of such event and is diligently and faithfully pursuing completion of the

SECTION 2. (continued)

phase, as determined by the OED Director. Extension of material deadlines as a result of Force Majeure shall not require City Council approval. "Force Majeure" shall mean any contingency or cause actually impacting the Project and beyond the reasonable control of and in no way caused, directly or indirectly, by the acts or omissions of owner, as reasonably determined by the OED Director including, without limitation, acts of nature or the public enemy, war, riot, civil commotion, insurrection, state, federal or municipal government, or de facto governmental action (unless caused by acts or omissions of owner), fires, explosions, floods, pandemics, epidemics, or viral outbreaks, shortages in labor or materials, delays in or damages caused by delivery of materials, and strikes. In the event of Force Majeure, owner shall be excused from doing or performing the same during such period of delay, so that the material dates/deadlines applicable to such performance shall be extended for a period equal to the period of time owner was delayed, subject to OED Director's approval.

SECTION 3. That, until Substantial Completion of a specific phase of the Project, an assignment of the tax abatement agreement for that specific phase shall only be allowed to a direct affiliate of owner with the prior written approval of the OED Director, not to be unreasonably withheld.

After Substantial Completion of a specific phase of the Project, owner may assign its rights or obligations under the tax abatement agreement to any entity with the prior written approval of the OED Director.

SECTION 4. That the City Council finds that the facts and recitations contained in the preamble of this resolution are hereby found and declared to be true and correct.

SECTION 5. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.