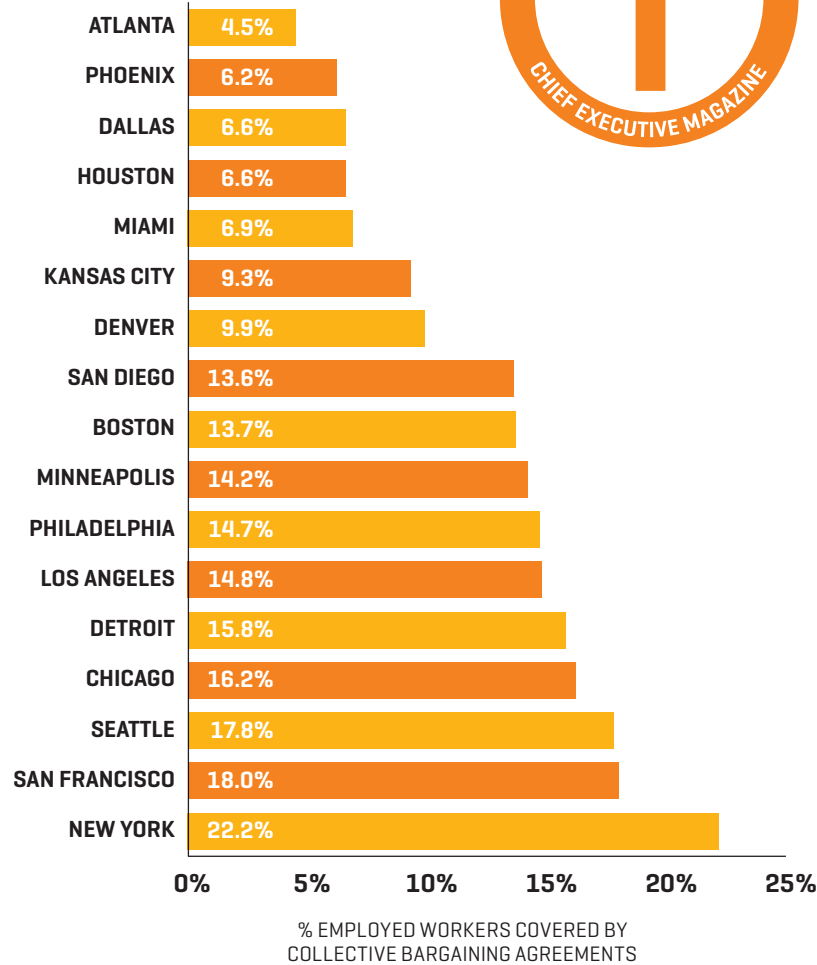


TAXES AND UNION ACTIVITY

Rising business costs and constrictive regulatory environments raise the risks and costs to a business. Stability of the political, economic and legal systems is vital for success. The tax burdens and labor requirements imposed on businesses create barriers to market entry and real estate development. Texas is a low-tax, business-friendly state attracting large numbers of companies from all over the United States and globally due to the low cost of doing business. As a "right-to-work" state, Texas places high in favorable tax climate rankings while the Dallas-Fort Worth metro area exhibits extremely low union activity.

UNION ACTIVITY IN SELECTED METROS



SALES TAX RATE

STATE: 61/4% (0.0625)
CITY: 1/4% (0.0025) - 2% (0.02), depending on local option rate
COUNTY: 1/2% (0.0025) - 11/2% (0.015), depending on local option rate
TRANSIT: 1/4% (0.0025) - 1% (0.01), depending on local option rate
SPECIAL PURPOSE DISTRICTS: 1/8% (0.00125) - 2% (0.02), depending on local option rate

DFW COMMUNITIES SALES TAX SAMPLE

CITY	STATE RATE	CITY RATE	OTHER RATE	OTHER TYPE	TOTAL RATE
PLANO	0.0625	0.0100	0.0100	MTA	0.0825
DALLAS	0.0625	0.0100	0.0100	MTA	0.0825
DENTON	0.0625	0.0150	0.0050	CTA	0.0825
FORT WORTH	0.0625	0.0100	0.0050	MTA	0.0825
			0.0050	CCD	

MTA = Metropolitan Transit Authority; CCD = Crime Control District; CTA = County Transit Authority
 Source: Texas Comptroller's Office

TEXAS FRANCHISE TAX

Applicable to any legal entity that is chartered/organized in Texas or doing business in Texas such as corporations, partnerships and business associations. The tax does not apply to sole proprietorships, general partnerships with individual owners, nonprofits, or entities with \$1 million in gross receipts or less.

TEXAS FRANCHISE TAX RATES

- 1.0% (0.01) of margin for most taxable entities
- 0.5% (0.005) for qualifying wholesalers and retailers
- 0.575% (0.00575) for those entities with \$10 million or less in Total Revenue (annualized per 12-month period on which the report is based)

More information is available by contacting the Texas Comptroller of Public Accounts at 1-800-252-1381 or visiting <http://www.window.state.tx.us/taxinfo/franchise/>

TEXAS DOES NOT COLLECT

- Personal Income Tax (State or Local)
- Local Occupation Tax
- Local Wage Tax
- State Property Tax

2014 DALLAS-FORT WORTH PROPERTY TAX RATES

COUNTIES	RATE	COUNTIES	RATE	COUNTIES	RATE
Collin (CCD)	\$0.319460	Grapevine	\$0.332439	Southlake	\$0.462000
Dallas (CCD, HD, SET)	\$0.663875	Haltom City	\$0.699990	Sunnyvale	\$0.407962
Denton	\$0.272200	Haslet	\$0.292785	The Colony	\$0.672500
Tarrant (CCD, HD, WD)	\$0.661397	Hickory Creek	\$0.401367	Trophy Club	\$0.490000
		Highland Park	\$0.220000	University Park	\$0.269790
		Highland Village	\$0.439000	Van Alstyne	\$0.612639
		Hurst	\$0.606000	Watauga	\$0.591216
		Hutchins	\$0.710907	Westlake	\$0.156340
		Irving	\$0.594100	Westworth Village	\$0.492000
		Justin	\$0.660000	White Settlement	\$0.690660
		Keller	\$0.437190	Wilmer	\$0.436600
		Kennedale	\$0.747500	Wylie	\$0.878900
		Krugerville	\$0.389450		
		Krum	\$0.647489	SCHOOLS	
		Lake Dallas	\$0.701929	Aledo ISD	\$1.425200
		Lake Worth	\$0.467828	Allen ISD	\$1.640000
		Lakeside	\$0.379260	Anna ISD	\$1.540000
		Lancaster	\$0.867500	Argyle ISD	\$1.570050
		Lavon	\$0.455700	Arlington ISD	\$1.348110
		Lewisville	\$0.436086	Aubrey ISD	\$1.510000
		Little Elm	\$0.664970	Azle ISD	\$1.203000
		Lowry Crossing	\$0.229777	Birdville ISD	\$1.435000
		Lucas	\$0.320661	Bland ISD	\$1.516300
		Mansfield	\$0.710000	Blue Ridge ISD	\$1.597500
		McKinney	\$0.583000	Burleson ISD	\$1.540000
		Melissa	\$0.610000	Carroll ISD	\$1.400000
		Mesquite	\$0.640000	Carrollton-Farmers Branch ISD	\$1.303300
		Murphy	\$0.550000	Castleberry ISD	\$1.399700
		North Richland Hills	\$0.610000	Cedar Hill ISD	\$1.525000
		Northlake	\$0.295000	Celina ISD	\$1.640000
		Oak Point	\$0.573000	Collin College (CCD)	\$0.081960
		Pantego	\$0.420000	Community ISD	\$1.615000
		Parker	\$0.350984	Coppell ISD	\$1.449000
		Pelican Bay	\$0.898499	Crowley ISD	\$1.650000
		Pilot Point	\$0.644349	Dallas County Community College (CCD)	\$0.081960
		Plano	\$0.488600	Dallas ISD	\$1.282085
		Ponder	\$0.563485	Denton ISD	\$1.540000
		Princeton	\$0.721800	DeSoto ISD	\$1.470000
		Prosper	\$0.520000	Duncanville ISD	\$1.410000
		Richardson	\$0.635160	Eagle Mountain-Saginaw ISD	\$1.540000
		Richland Hills	\$0.528094	Era ISD	\$1.145000
		River Oaks	\$0.850351	Everman ISD	\$1.510000
		Roanoke	\$0.375120	Farmersville ISD	\$1.430895
		Royse City	\$0.677100	Ferris ISD	\$1.325000
		Rowlett	\$0.747173	Fort Worth ISD	\$1.322000
		Sachse	\$0.770819	Frisco ISD	\$1.460000
		Saginaw	\$0.510000	Garland ISD	\$1.253300
		Sanger	\$0.679500	Godley ISD	\$1.195500
		Sansom Park	\$0.704741		
		Seagoville	\$0.713800		
		Shady Shores	\$0.314625		

SOURCES: Collin, Dallas, Denton and Tarrant County Appraisal Districts

SAMPLE PROPERTY TAX INFORMATION FOR DFW COMMUNITIES 2015 RATE Per \$100 of Taxable Valuation

CITY	CITY RATE	COUNTY	COUNTY RATE	SCHOOL DISTRICT	SCHOOL DISTRICT RATE	OTHER TYPE	OTHER TYPE RATE	TOTAL RATE
PLANO	\$0.488600	COLLIN	\$0.237500	PLANO ISD	\$1.448000	CCD	\$0.081960	\$2.256060
						SET	\$0.010000	\$2.742960
DALLAS	\$0.797000	DALLAS	\$0.243100	DALLAS ISD	\$1.282085	HD	\$0.286000	
						CCD	\$0.124775	
DENTON	\$0.689750	DENTON	\$0.272200	DENTON ISD	\$1.540000			\$2.501950
						WD	\$0.020000	\$2.838397
FORT WORTH	\$0.855000	TARRANT	\$0.264000	FORT WORTH ISD	\$1.322000	HD	\$0.227897	\$2.838397
						CCD	\$0.149500	

SET = School Equalization Tax; HD = Hospital District; WD = Water District; CCD = Community College District