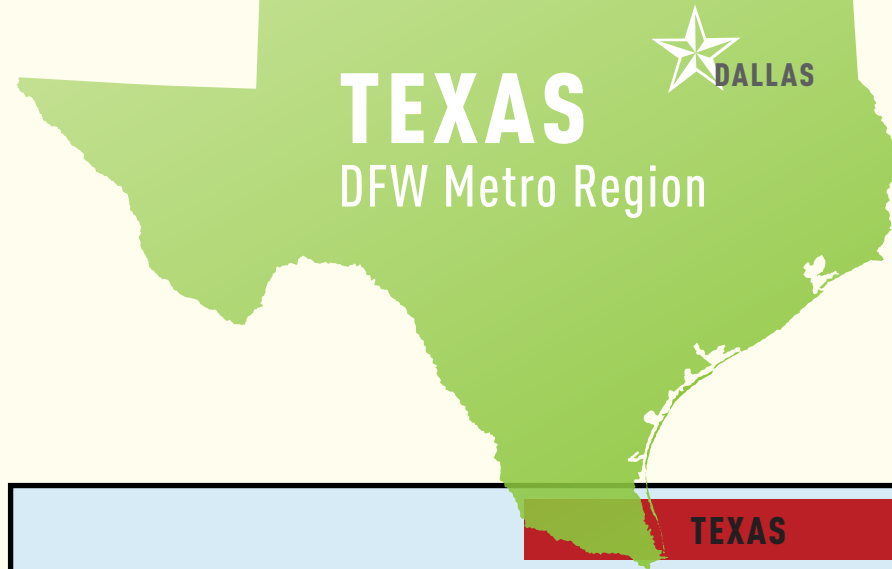


Corporate Business Climate Comparison

The Dallas area is home to a large and diverse array of corporate headquarters, and for good reason. Our region has a tremendous set of assets that companies look for when choosing where to base. We have much to sell, and our pitch is a good one, especially right now.

The U.S. economy and corporations are resetting. The difficult business climates in California, Illinois and other key states are viewed in stark contrast to the operating environment in the Dallas area and in Texas. Leading corporate location magazines (*Site Selection* and *Area Development*) have noticed and have named Texas the Top State for doing business.

A Great Place To Do Business



	TEXAS	CALIFORNIA		ILLINOIS	NEW YORK
CORPORATE INCOME TAX RATE	0%	8.84% ¹		7% ¹	7.1% ¹
PERSONAL INCOME TAX RATE	0%	12.3% ²		5% ²	8.82% ²
FRANCHISE TAX	1.0% ⁴	0%		0.1% ³	.015% ³
SALES TAX RATE	8.25% ⁵	10% ⁴		10.25% ⁴	8.875% ⁵
RIGHT TO WORK STATE	Yes	No		No	No
STATE LABOR FORCE ⁷	12,721,751	18,629,427		6,611,574	9,578,678
COST OF DOING BUSINESS ⁸	98.31	113.02		105.42	137.34
CNBC STATE BUSINESS RANK ⁹	#2	#47		#37	#42
CEO MAGAZINE BUSINESS CLIMATE RANK ¹⁰	#1	#50		#48	#46
COST OF LIVING INDEX ¹¹	95 (Dallas, TX)	143 (Los Angeles, CA)	141 (San Francisco, CA)	115 (Chicago, IL)	134 (Manhattan, NY)
HOUSING COST INDEX ¹²	79 (Dallas, TX)	198 (Los Angeles, CA)	310 (San Francisco, CA)	129 (Chicago, IL)	462 (Manhattan, NY)
AVERAGE PRICE/SQFT FOR CBD OFFICE ¹³	29.51	\$37.11 (Los Angeles)	\$61.30 (San Francisco)	\$34.56 (Chicago, IL)	\$76.45 (Manhattan, NY)
AVERAGE PRICE/SQFT FOR SUBURB OFFICE ¹³	30.11	\$40.84 (Los Angeles)	\$72.96 (San Francisco)	\$24.22 (Chicago, IL)	\$36.52 (Manhattan, NY)
AVERAGE PRICE/SQFT FOR INDUSTRIAL ¹³	3.56	\$6.24 (Los Angeles)	\$6.12 (San Francisco)	\$4.14 (Chicago, IL)	\$4.68 (Manhattan, NY)

TEXAS AND ALL STATES

⁴ Texas Franchise tax of margin for most taxable entities is applicable to any legal entity that is chartered or organized in Texas or doing business in Texas such as corporation, partnerships and business associations. The tax does not apply to sales proprietorships, general partnerships with individual owners, non profits or entities with \$1 million in gross receipts or less.
⁵ The State of New York sales tax rate is 4% + local rate up to 4.75%. NYC total, 8.875%.
⁶ The State of Texas sales tax rate 6.25% + local rate up to 2%
⁷ BLS Local Area Unemployment Statistics (LAUS), Not Seasonally Adjusted, Annual 2011 Data
⁸ Source: Moody's North American Business Cost Review, 2012 (U.S. Average = 100)
⁹ Source: CNBC America's Top States for Doing Business, 2012
¹⁰ Source: Chief Executive Magazine, 2012
¹¹ Source: ACCRA Cost of Living Index, Jan 2012 (US Average = 100)
¹² Source: ACCRA Cost of Living Index, Jan 2012 | Index Calculated using a 2,400 SF home with 4 bedrooms & 2 baths (US Average = 100)
¹³ Source: Jones Lang LaSalle Commercial Real Estate Rents, Q1 2013. In metros where multiple CBD and suburban submarkets exist, the submarket with the highest average price/SQFT is shown. In metros where multiple industrial submarkets exist, the submarket with the lowest average price/SQFT is shown.

CALIFORNIA

¹ Min. tax is \$800 (no min. for 1st yr of corps. Incorporated in CA after 12/31/99) S Corps. Pay 1.5%. Alternative min. tax (not S Corps.) is 6.65%.
² CA income tax had tax brackets ranging from 1% - 9.3%. A worker earning the median income of \$60,883 (US 2006 - 2010 Census Data) pays 9.3% (\$5,662.119).
⁴ The State of California allows up to 2.5% local tax.
CHICAGO
¹ 4.8% for 2010; 7% for 2011-2014; 5.25% for 2014-2024 and 4.8% for 2025 and subsequent yrs. Added personalty replacement tax: 2.5% on corporations; 1.5% on S Corps., partnerships and trusts
² 3% for 2010; 5% for 2011-2014; 3.75% for 2014-2024 and 3.25% for 2025 and subsequent yrs
³ 0.1% (0.15% 1st time or added paid-in capital) allocated paid in capital. Min \$25; Max \$2 million plus 0.05% 1st time capital. Filing fee \$75
⁵ State of Illinois sales tax rate 6.25% + local rate up to 4%

NEW YORK

¹ The State of New York's corporate income tax is 7.1% of entire net income. Other minimums: (a) 1.5% of apportioned minimum taxable income; (b) 1.78 mills on value of apportioned business and investment capital; (c) fixed dollar min. tax depending on receipts. Special rules apply for small business and S corporations. Added tax: 0.9 mills per \$1 subsidiary capital.
² The State of New York has a bracketed personal income tax structure with tax rates ranging from 4%-8.97%. The widest tax bracket is the 6.85% bracket for those with taxable incomes of \$40,000 to \$300,000.
³ 1.5 mills per \$1 on value of apportioned business and investment capital. Up to a max tax of \$350,000 for manufacturers and \$1 million for others.
⁵ The State of New York sales tax rate is 4% + local rate up to 4.75%. NYC total, 8.875%.