

**TAX ABATEMENT AGREEMENT
BY AND BETWEEN
THE CITY OF MANSFIELD, TEXAS
AND
MOUSER ELECTRONICS, INC.**

This Tax Abatement Agreement ("Agreement") is entered into by and between the CITY OF MANSFIELD, TEXAS ("City"), and MOUSER ELECTRONICS, INC., a Delaware Corporation ("Owner"). City and Owner are sometimes hereinafter referred to collectively as the "parties" and individually as a "party".

W I T N E S S E T H:

WHEREAS, the City Council of the City of Mansfield, Texas (the "City Council"), passed an Ordinance ("Ordinance") establishing Tax Abatement Reinvestment Zone No. 43 ("Zone"), for commercial/industrial tax abatement, as authorized by the Property Redevelopment and Tax Abatement Act, Chapter 312 of the Texas Tax Code, as amended ("Tax Code"); and

WHEREAS, the City has adopted guidelines and criteria for tax abatement (the "Tax Abatement Guidelines"); and

WHEREAS, the Tax Abatement Guidelines contain appropriate guidelines and criteria governing tax abatement agreements to be entered into by the City as contemplated by the Tax Code; and

WHEREAS, the City has adopted a resolution stating that it elects to be eligible to participate in tax abatement; and

WHEREAS, in order to maintain and enhance the commercial and industrial economic and employment base of the City, it is in the best interest of the City to enter into this Agreement in accordance with the Ordinance, the Tax Abatement Guidelines and the Tax Code; and

WHEREAS, Owner owns approximately 11 acres of land within the City, being more particularly described in the attached Exhibit "A" ("Land"), and intends to construct a building containing 50,000 square feet of office/commercial space (hereinafter defined as the "Improvements") on the Land; and

WHEREAS, the Owner intends to locate Tangible Personal Property (hereinafter defined) at the Improvements; and

WHEREAS, Owner's development efforts described herein will create permanent new jobs in the City; and

WHEREAS, the City Council finds that the contemplated use of the Premises (hereinafter defined), the contemplated Improvements, and the other terms of this Agreement are consistent with encouraging development of the Zone in accordance with the purposes for its creation; and

WHEREAS, the City Council finds that the Improvements sought are feasible and practicable and would be of benefit to the Premises to be included in the Zone and to the City after expiration of this Agreement; and

WHEREAS, a copy of this Agreement has been furnished, in the manner prescribed by the Tax Code, to the presiding officers of the governing bodies of each of the taxing units in which the Premises is located.

NOW, THEREFORE, in consideration of the mutual benefits and promises contained herein and for other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, including the expansion of primary employment, the attraction of major investment in the Zone, which contributes to the economic development of the City of Mansfield and the enhancement of the tax base in the City, the parties agree as follows:

ARTICLE 1 DEFINITIONS

Wherever used in this Agreement, the following terms shall have the meanings ascribed to them:

“Bankruptcy or Insolvency” shall mean the dissolution or termination of a party’s existence as a going business, insolvency, appointment of receiver for any part of a party’s property and such appointment is not terminated within ninety (90) days after such appointment is initially made, any general assignment for the benefit of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against such party, and such proceeding is not dismissed within ninety (90) days after the filing thereof.

“Base Year Taxable Value” shall mean the Taxable Value for the Land for the year in which the Tax Abatement Agreement is executed.

“Capital Investment” shall mean a minimum of \$10,000,000, which represents the actual cost incurred related to the construction of the Improvements, as the case may be, including the actual construction costs of all buildings, renovations, site preparation, structures, infrastructure, offsite improvements (if any), utilities, landscaping and onsite improvements, including labor and materials, engineering costs, surveying costs, fees of consultants, and permit and inspection fees. It does not include cost of land, insurance costs, legal fees and expenses, marketing costs or any interest paid to finance the cost of Capital Investment.

“Commencement of Construction” shall mean that: (i) the plans have been prepared and all approvals thereof and permits with respect thereto required by applicable governmental authorities have been obtained for construction of the Improvements; (ii) all necessary permits for the construction of the Improvements, on the Land pursuant to the respective plans therefore having been issued by all applicable governmental authorities; and (iii) the construction of the vertical elements of the Improvements has commenced.

“Completion of Construction” shall mean a final certificate of occupancy has been issued by the City for occupancy of the Improvements by the Owner.

“Effective Date” shall mean the last date of execution of this Agreement, unless the context indicates otherwise.

“First Year of Abatement” shall mean January 1 of the calendar year immediately following the date of Completion of Construction.

“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, adverse weather, government or de facto governmental action (unless caused by acts or omissions of such party), fires, explosions or floods, strikes, slowdowns or work stoppages.

“Freeport Goods” shall have the same meaning as assigned by Section 11.251 of the Tax Code and Article VIII, Section 1-j of the Texas Constitution and located on the Property. Freeport Goods does not include “Goods in Transit” as defined by Tax Code, Section 11.253.

“Goods in Transit” shall have the same meaning assigned by Tax Code, Section 11.253.

“Improvements” shall mean the building containing approximately 50,000 square feet of office and warehouse/distribution space to be constructed on the Land, as more particularly shown on the attached Exhibit “B,” and other ancillary facilities, such as reasonably required parking and landscaping more fully described in the submittals filed by Owner with the City, from time to time, in order to obtain a building permit(s).

“Land” means the real property described in Exhibit “A”.

“Owner” shall mean Mouser Electronics, Inc., a Delaware corporation.

“Premises” shall mean collectively, the Land and Improvements following construction thereof, but excluding the Tangible Personal Property.

“Related Agreement” shall mean any other agreement by and between the City and the Owner, its parent company, and any affiliated or related entity owned or controlled by the Owner or its parent company relating to the Land and the Improvements.

“Required Use” shall mean Owner’s continuous occupancy of the Improvements and the continuous operation of an office supporting warehouse/distribution at the Improvements.

“Tangible Personal Property” shall have the same meaning assigned by Texas Tax Code, Section 1.04, and shall mean Tangible Personal Property owned by Owner and added to the Property after the Effective Date of this Agreement. Tangible Personal Property does not include inventory, supplies, Freeport Goods, or Goods in Transit.

“Taxable Value” means the appraised value as certified by the Tarrant Appraisal District as of January 1 of a given year.

ARTICLE 2 GENERAL PROVISIONS

2.1 Owner is the owner of the Land, which Land is located within the city limits of the City and within the Zone. Owner intends to construct the Improvements on the Land, and to locate Tangible Personal Property on the Land.

2.2 The Premises are not in an improvement project financed by tax increment bonds.

2.3 This Agreement is entered into subject to the rights of the holders of outstanding bonds of the City.

2.4 The Premises and Tangible Personal Property are not owned or leased by any member of the Mansfield City Council or any member of the Mansfield Planning and Zoning Commission.

2.5 Owner shall before May 1 of each calendar year that the Agreement is in effect, certify in writing to the City that it is in compliance with each term of the Agreement.

2.6 The Land and the Improvements constructed thereon at all times shall be used in the manner (i) that is consistent with the City’s Comprehensive Zoning Ordinance, as amended, and (ii) that, during the period taxes are abated hereunder, is consistent with the general purposes of encouraging development or redevelopment of the Zone.

ARTICLE 3 TAX ABATEMENT

3.1 Tax Abatement. Subject to the terms and conditions of this Agreement, as of January 1 of the First Year of Abatement, the City hereby grants Owner an abatement of thirty percent (30%) of the Taxable Value of the Improvements and an abatement of thirty percent (30%) of the Taxable Value of the Tangible Personal Property, for a period of ten (10) consecutive years, beginning with the First Year of Abatement. The actual percentage of Taxable Value of the Improvements subject to abatement for each year this Agreement is in effect will apply only to the portion of the Taxable Value of the Improvements that exceeds the Base Year Taxable Value. The actual percentage of Taxable Value of the Tangible Personal Property subject to abatement for each year this Agreement is in effect will apply only to the Tangible Personal Property that is added to the Improvements subsequent to the execution of this Agreement.

3.2 Tax Abatement Period. The period of tax abatement herein authorized shall be for a period of ten (10) consecutive years.

3.3 Continuous Occupancy. During the term of this Agreement beginning on the date of Completion of Construction of the Improvements and continuing until the expiration of the term, unless sooner terminated, Owner shall continuously own and occupy the Premises.

3.4 Term. The term of this Agreement shall begin on the Effective Date and shall continue until March 1 of the calendar year following the tenth (10th) anniversary date of the First Year of Abatement, unless sooner terminated as provided herein.

3.5 Required Use. During the term of this Agreement beginning on the date of Completion of Construction of the Improvements and continuing until the expiration of the term, unless sooner terminated, Owner shall not allow the operation of the Improvements in conformance with the Required Use to cease for more than thirty (30) days except in connection with, and to the extent of an event of Force Majeure or Casualty.

ARTICLE 4 IMPROVEMENTS

4.1 Tax abatement of the Improvements and the Tangible Personal Property is subject to and conditioned upon the following:

- (a) Commencement of Construction of the Improvements occurring within six (6) calendar months after the Effective Date;
- (b) Completion of Construction of the Improvements occurring within 24 calendar months after the Effective Date; and
- (c) Owner achieving the Capital Investment prior to Completion of Construction.

4.2 Construction plans for the Improvements constructed on the Land will be filed with and approved by the City, which shall be deemed to be incorporated by reference herein and made a part hereof for all purposes.

4.3 Owner agrees to construct and maintain the Improvements during the term of this Agreement in accordance with the City-approved construction plans and all applicable federal, state, and local laws, codes, and regulations.

4.4 The City, its agents and employees shall have the right of access to the Premises during construction to inspect the Improvements at reasonable times and with reasonable notice to Owner, and in accordance with visitor access and security policies of the Owner, in order to ensure that the construction of the Improvements are in accordance with this Agreement and all applicable state and local laws and regulations.

ARTICLE 5 DEFAULT AND RECAPTURE

5.1 In the event Owner (i) fails to achieve Commencement of Construction of the Improvements, Completion of Construction of the Improvements, or the Capital Investment as required by Section 4.1 of this Agreement; (ii) has delinquent ad valorem or sales taxes owed to the City; (iii) has an event of Bankruptcy or Insolvency; or (iv) breaches any of the terms and conditions of this Agreement or a Related Agreement, then Owner will be in default of this Agreement.

5.2 Upon default by Owner of any of the terms, conditions and obligations under this Agreement, the City shall notify the Owner in writing, who shall have thirty (30) days from receipt of the notice in which to cure any such default.

5.3 If the Owner fails to cure the default within the time provided as specified above or, as such time period may be extended, then the City shall have the right to terminate this Agreement by providing written notice to the Owner.

5.4 Upon termination of this Agreement by City, all tax abated as a result of this Agreement shall become a debt to the City as liquidated damages, and shall become due and payable not later than thirty (30) days after a notice of termination is provided. The parties acknowledge that actual damages in the event of default would be speculative and difficult to determine. The City shall have all remedies for the collection of the abated tax provided in the Tax Code for the collection of delinquent property tax. The City at its sole discretion has the option to provide a repayment schedule. The computation of the abated tax for the purposes of the Agreement shall be based upon the full Taxable Value of the Improvements and the Tangible Personal Property, without tax abatement for the years in which tax abatement hereunder was received by the Owner, as determined by the Tarrant Appraisal District, multiplied by the tax rate of the years in question. The liquidated damages shall constitute a tax lien against the Premises and the Tangible Personal Property. Further, the liquidated damages shall incur penalties and interest as provided for delinquent taxes and shall commence to accrue after expiration of the thirty (30) day payment period.

ARTICLE 6 ANNUAL APPLICATION FOR TAX EXEMPTION

It shall be the responsibility of the Owner pursuant to the Tax Code, to file an annual exemption application form for the Improvements and Tangible Personal Property with the Tarrant Appraisal District in which the eligible taxable property has situs. A copy of the respective exemption application shall be submitted to the City upon request.

ARTICLE 7
ANNUAL RENDITION

The Owner shall annually render the value of the Improvements and the Tangible Personal Property to the Tarrant Appraisal District, and to provide a copy of the same to the City upon written request.

ARTICLE 8
MISCELLANEOUS

8.1 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 on the day actually received if sent by courier or otherwise hand delivered:

Owner: Mouser Electronics, Inc.
1000 North Main Street
Mansfield, Texas 76063
ATTN: Peter F. Shopp, Jr.,
Senior Vice President, Business Operations

City: Mansfield Economic Development Corporation
301 South Main Street
Mansfield, Texas 76063
Attn: Director

With a copy to: Mansfield City Attorney
Taylor, Olson, Adkins, Sralla & Elam, LLP
6000 Western Place, Suite 200
Fort Worth, Texas 76107

8.2 Authorization. This Agreement was authorized by resolution of the City Council.

8.3 Severability. In the event any section, subsection, paragraph, sentence, phrase or word herein is held invalid, illegal or unconstitutional, the balance of this Agreement shall stand, shall be enforceable and shall be read as if the parties intended at all times to delete said invalid section, subsection, paragraph, sentence, phrase or word.

8.4 Governing Law. This Agreement shall be governed by the laws of the State of Texas without regard to any conflict of law rules. Exclusive venue for any action under this Agreement shall be the State District Court of Tarrant County, Texas. The parties agree to submit to the personal and subject matter jurisdiction of said court.

8.5 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

8.6 Entire Agreement. This Agreement embodies the complete agreement of the parties hereto, superseding all oral or written previous and contemporary agreements between the parties and relating to the matters in this Agreement, and except as otherwise provided herein cannot be modified without written agreement of the parties to be attached to and made a part of this Agreement.

8.7 Recitals. The determinations recited and declared in the preamble to this Agreement are hereby incorporated herein as part of this Agreement.

8.8 Exhibits. All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

8.9 Assignment. This Agreement shall be binding on and inure to the benefit of the parties to it and their respective heirs, executors, administrators, legal representatives, successors, and permitted assigns. This Agreement may not be assigned by the Owner without the prior written consent of the City.

8.10 Employment of Undocumented Workers. During the term of this Agreement, the Owner agrees not to knowingly employ any undocumented workers and if convicted of a violation under 8 U.S.C. Section 1324a (f), the Owner shall repay the taxes abated herein and any other funds received by the Owner from the City as of the date of such violation within 120 days after the date the Owner is notified by the City of such violation, plus interest at the rate of 6% compounded annually from the date of violation until paid.

8.11 Right of Offset. The City may at its option, offset any amounts due and payable under this Agreement against any debt (including abated taxes) lawfully due to the City from the Owner, regardless of whether the amount due arises pursuant to the terms of this Agreement or otherwise and regardless of whether or not the debt due the City has been reduced to judgment by a court.

8.12 Governmental Function. The Parties agree that this Agreement concerns tax collection and serves the public purpose of contributing to the retention or expansion of primary employment or to attraction of major investment in the Zone that would be a benefit to the Land and that would contribute to the economic development of the City and the State of Texas, and is for all purposes a governmental function of the City for the benefit of the citizens of City and the State of Texas. The parties further agree that this Agreement is entered into for the purpose of carrying out essential governmental functions which are enjoined on the City by law and given to it by the State of Texas as part of the State's sovereignty.

8.13. Limitation of Liability. The parties further agree that neither party will be liable to the other under this Agreement for special, consequential (including lost profits), or exemplary damages.

8.14 Attorney's Fees. In the event it should become necessary to take legal action to interpret or enforce the terms of this Agreement, the prevailing party in such action shall be entitled to recover from the non-prevailing party reasonable attorney's fees and costs of court.

CITY OF MANSFIELD, TEXAS

By: _____
David Cook, Mayor

Date: _____

ATTEST:

City Secretary

MOUSER ELECTRONICS, INC.,
a Delaware corporation

By: _____
Peter F. Shopp, Jr.
Senior Vice President, Business Operations

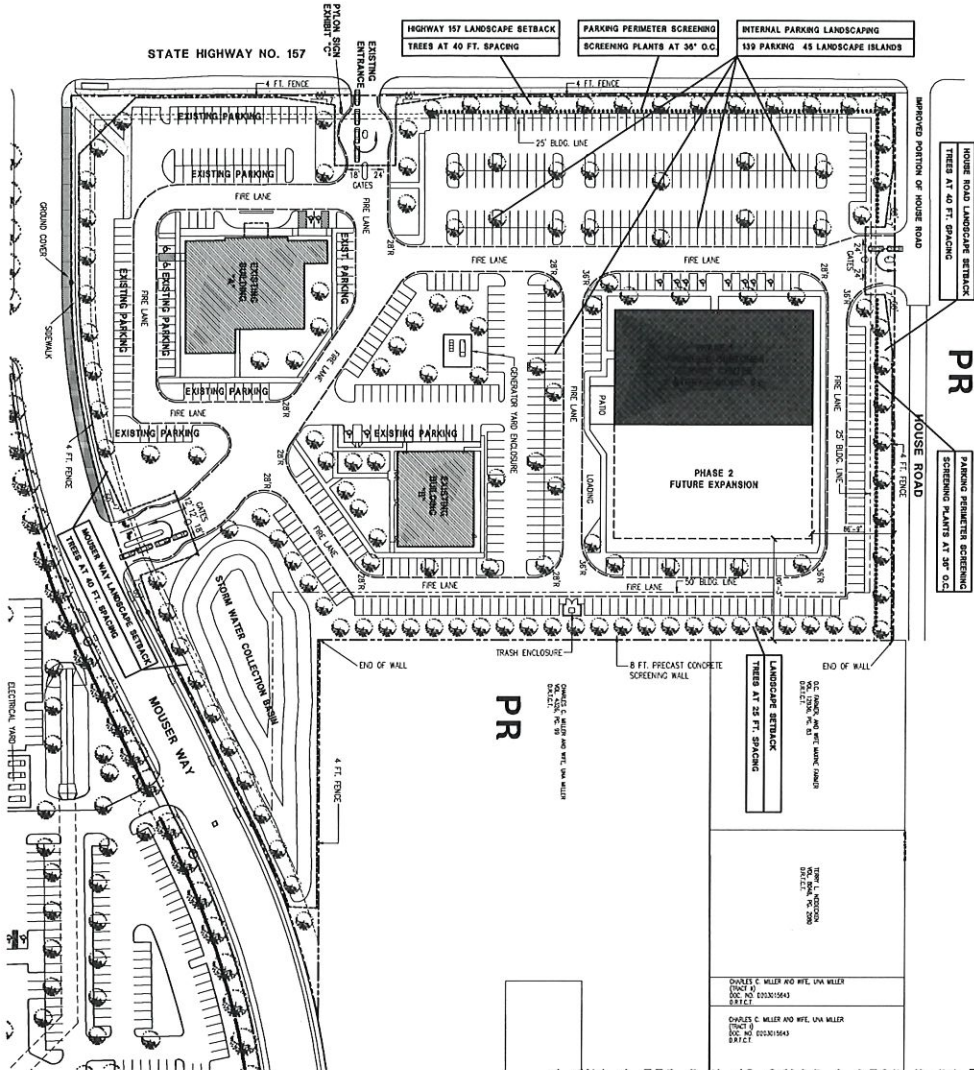
Date: _____

Exhibit A

Customer Service Center:

Lot 1R, Block 1, The New Life Addition, Mansfield, Texas – Document D201107177, Deed
Records, Tarrant County, Texas

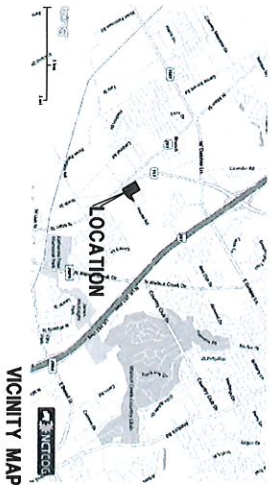
LANDSCAPE REQUIREMENTS			
LOCATION	AREA	TREES REQUIRED	PLANTING
STATE HIGHWAY 157 LANDSCAPE SETBACK	500 FT. X 20 FT.	15 (1 PER 40')	APPROVED TREES WITH 3" CALIPER
MOUSER WAY LANDSCAPE SETBACK	500 FT. X 20 FT.	21 (1 PER 40')	APPROVED TREES WITH 3" CALIPER
NEW BUILDING PARKING SPACES	100 FT. X 20 FT.	14 (1 PER 40')	APPROVED TREES WITH 3" CALIPER
MOUSER WAY PARKING SPACES	100 FT. X 20 FT.	23 (1 PER 40')	APPROVED TREES WITH 3" CALIPER
LANDSCAPE SETBACK - EAST PROPERTY LINE	500 FT. X 20 FT.	23 (1 PER 40')	APPROVED TREES WITH 3" CALIPER
PARKING LOT PERIMETER SCREENING			APPROVED PLANTS AT 3' O.C.



PARKING TABULATION			
AREA	PHASE TOTALS	COMBINED TOTALS	DEVELOPMENT SCHEDULE
EXISTING "A"	13,800	47	
EXISTING "B"	8,000	27	
PHASE 1	50,800	170	244
PHASE 2	50,800	70	414
TOTALS	123,500	414	584
BASIS OF PARKING: 1 SPACE PER 300 SQ. FT.			
AT MINIMUM, PARKING WILL BE CONSTRUCTED AS NEEDED UP TO THE SCORE REQUIRED FOR PHASES 1 & 2.			
*ALL PARKING WILL BE PROVIDED IN PHASE 1 CONSTRUCTION.			

NOTES:

1. TRASH ENCLOSURE & GENERATOR ENCLOSURE TO COMPLY WITH THE ARCHITECTURAL AND SCREENING REQUIREMENTS OF THE ZONING ORDINANCE.
2. FIRE HYDRANTS: REFERENCE SITE UTILITY DRAWINGS FOR LOCATIONS.
3. THE PROPOSED DEVELOPMENT WILL BE IN COMPLETE ACCORDANCE WITH THE PROVISIONS OF THE APPROVED PLANNED DEVELOPMENT DISTRICT AND ALL DEVELOPMENT PLANS AND ASSIGNED, AND SHALL LIMIT AND CONTROL ALL BUILDING PERMITS.
4. BASE ZONING: PD FOR C-2 COMMUNITY BUSINESS DISTRICT USES.
5. FOR PORTIONS NOTED OF THE PROPERTY ABUTTING PR, RESIDENTIALLY ZONED PROPERTY, A 6' HIGH NON-PRECAST CONCRETE SCREEN WALL MEETING SCREEN WALL STANDARDS WITH ALL CITY REGULATIONS, INSPECTED AND APPROVED BY THE CITY PRIOR TO THE COMPLETION OF THE FIRST PHASE OF CONSTRUCTION.
6. THE PARAPET WALLS WILL BE AT LEAST 1 FOOT TALLER THAN THE HIGHEST POINT OF THE ROOFTOP MECHANICAL EQUIPMENT.
7. 4' FT. FENCE NOTED ON THE PLAN IS BLACK WROUGHT IRON FENCE.
8. ALL PAVING ON SITE SHALL BE IN COMPLIANCE WITH THE SPECIFICATIONS INDICATED IN EXHIBIT C OF THIS PD. ALL WALL SIGNAGE WILL BE IN COMPLIANCE WITH THE STANDARDS FOR C-2 ZONED PROPERTIES AS STATED IN THE ZONING ORDINANCE.
9. FLOOR AREA RATIO = 72,700/58,425 = 0.14
10. EXTERIOR MATERIALS AND ATTACHMENT OF WALLS TO SPARE FROM REQUIREMENTS OF ZONING SECTIONS 4900A AND 4900E IN ORDER TO MATCH AND BE VISUALLY CONSISTENT WITH MOUSER ELECTRONICS MAIN BUILDING.
12. ELECTRONIC GATES AT ENTRANCES WILL BE OPEN DURING BUSINESS HOURS.



ZC#18-009

FRS DESIGN GROUP

Exhibit B

Revised April 5, 2016

DATE: 4/5/16

PROJECT NO.: 18001

TITLE: DEVELOPMENT & LANDSCAPE PLAN

CLIENT: NEW CUSTOMER SERVICE CENTER

PROJECT NO.: 18001

DATE: 4/5/16

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