

**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. 44 (“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 47 acres of land within the City, being more particularly described in the attached Exhibit “A” (“Land”), on which there is an existing warehouse industrial building; and

WHEREAS, Owner intends to construct an expansion to the existing warehouse facility, said expansion being 127,000 square feet of additional warehouse industrial space (hereinafter defined as the “Improvements”) on the Land; 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 \$15,000,000, 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 expansion containing approximately 127,000 square feet of 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.

“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 warehouse/distribution at the Improvements.

“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.

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 is 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, 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.

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 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, 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. 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 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 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.

[Signatures on following page]

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

Legal Descriptions Mouser Electronics

Mansfield, Texas

Warehouse Addition:

Lot 1R1, Block 1, Electronics Addition, Mansfield, Texas – Document D214164756, Deed Records,
Tarrant County, Texas

PARKING TABULATION

	WAREHOUSE FAX	OFFICE FAX	TRUCK TOTAL RECEIVED	TRUCK TOTAL PROPOSED	COMBINATION TOTALS RECEIVED	COMBINATION TOTALS PROPOSED	PERCENTAGE PLACING
EXISTING	304,221	111,808	474	862	474	862	28
PHASE 1	124,000	--	42	189	516	1,048	28
PHASE 2	127,500	--	43	345	559	1,393	28
TOTALS	555,721	111,808	559	1,393	559	1,393	28

BASES OF PARKING:	
OFFICE SPACE:	1 SPACE PER 300 SQ. FT.
WAREHOUSE SPACE:	1 SPACE PER 3,000 SQ. FT.

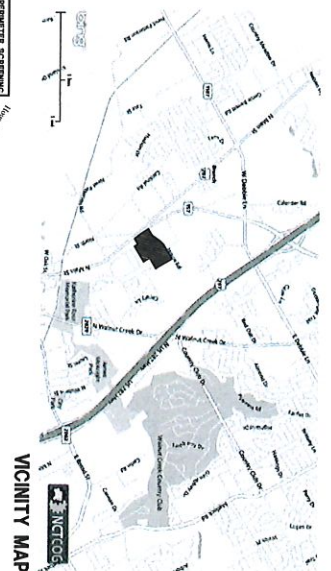
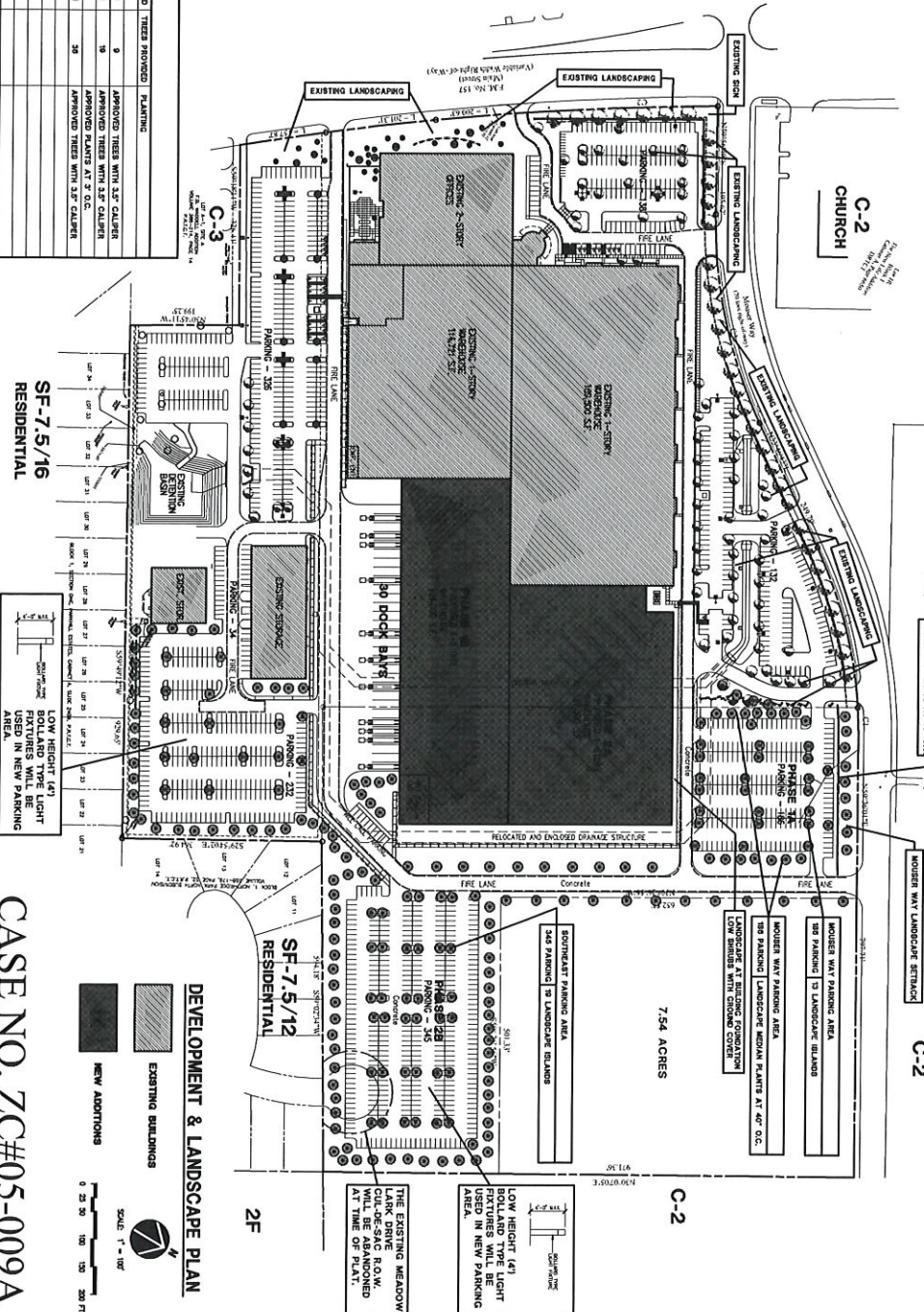
PARKING WILL BE CONSTRUCTED AS NEEDED UP TO THE SCOPE SHOWN FOR THIS PHASE.

NOTES:

- [illegible]

LANDSCAPE REQUIREMENTS

LOCATION	AREA	TREES REQUIRED	TREES PROVIDED	PLANTING
MOORE'S WAY LANDSCAPE RETEAK	267 FT. X 20 FT.	9		APPROVED TREES WITH 3" CALIPER
MOORE'S WAY PARKING AREA	106 SPACES	19 (1 PER 50')	19	APPROVED TREES WITH 3" CALIPER
PALMWOOD LOT PERIMETER SCREENING				APPROVED PLANT AT 3' O.C.
MOORE'S WAY PARKING AREA	248 SPACES	34 (1 PER 50')	34	APPROVED TREES WITH 3" CALIPER



DEVELOPMENT & LANDSCAPE PLAN

CASE NO. ZC#05-009A

MOUSER ELECTRONICS
1000 NORTH MAIN STREET

TELEPHONE: (877) 804-3888
FACSIMILE: (877) 804-3899

ARCHITECT:
ERS DESIGN GROUP INC

ARCHITECTURE/PLANNING/INTER
1201 RIVER RUN ROAD, SUITE 11
FORT WORTH, TEXAS 76107

FACSIMILE (877) 394-0897

FRANK W. NEAL & ASSOCIATES

PORT WORTH, TEXAS 76104
TELEPHONE: (817) 332-1844
FACSIMILE: (817) 336-8820

CIVIL AND MEP ENGINEERING
RADIO, TELEVISION & RECORDING

6500 REGULA PLACE, SUITE 700
FORT WORTH, TEXAS 76116
TEL: (817) 331-1177



MOUSER
ELECTRONICS 

DISTRIBUTION AND ASSEMBLY FACILITY
A PHASED APPROACH TO PROPOSED EXPANSION
500 NORTH MAIN STREET MARSHFIELD, MASS 01901

LOT R, BLOCK 1 ELECTRONICS ADDITION
CABINET A, PAGE 1195 PRICED
AND
LOT 2, BLOCK 2 THE NEW LIFE ADDITION
CABINET A, PAGE 9650 PRICED

PROJECT & LANDSCAPE PLAN

DATE: _____

Revised _____

0107

Exhibit

LAND

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FRS DESIGN GROUP