



**COMMISSIONERS COURT  
COMMUNICATION**

COURT ORDER NUMBER \_\_\_\_\_

PAGE 1 OF 36

DATE: 12/3/2024

**SUBJECT: CONSIDERATION OF AMENDMENT NO. 1 TO THE PAYMENT IN LIEU OF TAXES AGREEMENT AND NEW LETTER OF CONCURRENCE REGARDING EXPANSION OF FOREIGN TRADE ZONE DESIGNATION FOR MOUSER ELECTRONICS, INC.**

**\*\*\* CONSENT AGENDA \*\*\***

**COMMISSIONERS COURT ACTION REQUESTED**

It is requested that the Commissioners Court consider Amendment No 1 to the Payment In Lieu of Taxes (PILOT) Agreement and new Letter of Concurrence for Tarrant County and Tarrant County Hospital District for the expansion of the Foreign Trade Zone boundary for Mouser Electronics, Inc.

**BACKGROUND**

Mouser Electronics, part of the Warren Buffett Berkshire Hathaway family of companies, is a leading worldwide distributor of semiconductors and electronic components, and a longtime fixture in the Mansfield business community. On November 7, 2017, the Commissioners Court, through Court Order #126477, approved the original PILOT Agreements and Letters of Concurrence for the site located at 1000 N. Main Street in Mansfield. On December 27, 2017, the facility was officially granted Foreign Trade Zone status as site number 24 by the Foreign-Trade Zones Board. Since 2013, Mouser has continually increased employment at its Mansfield facility and pays a competitive wage for employees.

With the recent expansion, Mouser almost doubled the size of their existing building and extended the boundaries of the property at 1000 N. Main Street. Because Mouser expanded beyond the originally approved site boundaries, they are required to submit a new Letter of Concurrence to the Foreign-Trade Zone Board in order to obtain the Foreign Trade Zone designation for the additional portion of the building. Mouser Electronics has agreed to execute the attached Amendment No. 1 to the PILOT agreements, committing to reimbursing Tarrant County and Tarrant County Hospital District for any additional County or Hospital District taxes exempted with the addition of the FTZ designation. The City of Mansfield, Mansfield ISD, and the College District have approved a similar Letter of Concurrence and Amendment to the PILOT agreement.

The Criminal District Attorney's Office has reviewed the letter and agreements as to form.

**FISCAL IMPACT**

There is no fiscal impact to Tarrant County associated with the expansion. The original PILOT Agreements for both Tarrant County and Tarrant County Hospital District provide for annual repayment of all additional taxes exempted due to the Foreign Trade Zone designation. Amendment No. 1 does not change this clause. Mouser has submitted payments each year to Tarrant County in a timely manner since execution of the original PILOT agreements and will continue to do so.

SUBMITTED BY	Administrator	PREPARED BY:	Maegan South
		APPROVED BY:	Chandler Merritt

**AMENDMENT NO. 1 TO PAYMENT IN LIEU OF TAXES (PILOT) AGREEMENT  
FOREIGN-TRADE ZONE SITE**

This Amendment to Payment in Lieu of Taxes (PILOT) Agreement ("Amendment") is entered into by and between Mouser Electronics, Inc., A Delaware Corporation ("Mouser"), and Tarrant County, Texas ("the County").

**RECITALS**

**WHEREAS**, Dallas Fort Worth Airport (DFW) is the Grantee of Foreign-Trade Zone ("FTZ") No. 39 created pursuant to the Foreign-Trade Zone ("FTZ") Act of 1934 codified in 19 U.S.C. §81 (the "Act").

**WHEREAS**, Mouser and the County entered into a Payment in Lieu of Taxes (PILOT) Agreement ("Agreement") Foreign Trade Zone Site on November 7, 2017, through Court Order #126477 and approved a Letter of Non-Objection covering Mouser's Foreign Trade Zone site located at 1000 North Main Street, Mansfield, Texas; and

**WHEREAS**, the original Agreement established boundaries for the FTZ site; and

**WHEREAS**, Mouser has expanded its facility beyond the original boundaries described in the Agreement, and Section C.4. "Boundaries" of the Agreement provides that the boundaries shall not be modified without express action of the Commissioners Court; and

**WHEREAS**, Mouser has also provided a new Letter of Non-Objection covering the expanded boundaries; and

**WHEREAS**, Mouser and the County desire to amend the Agreement to expand the boundaries of the FTZ and execute the new Letter of Non-Objection, which will be submitted to the Foreign-Trade Zones Board of the International Trade Administration; and

**WHEREAS**, defined terms and conditions in the original Agreement shall have the meaning as assigned to such terms in the Agreement, unless otherwise specifically defined in this Amendment.

In consideration of the mutual commitments expressed in this Amendment, the parties agree to the following:

1. **AMENDMENT TO FTZ SITE BOUNDARIES.** The FTZ Site boundaries described in Exhibit "B", of the Agreement are hereby amended to reflect the expansion of Mouser's facility at 1000 North Main Street, Mansfield, Texas. The amended boundaries of the FTZ Site are attached hereto and shown on the Amended Exhibit "B".

2. **LETTER OF NON-OBJECTION.** The County will execute a Letter of Non-Objection as described in the Amended Exhibit "A".
3. **CONSISTENCY OF TERMS.** Mouser agrees that the terms and conditions of the Agreement including, but not limited to, its obligations for PILOT Payments and reporting, shall also apply to the amended FTZ Site boundaries as

**Tarrant County:**

\_\_\_\_\_  
Tim O'Hare, County Judge

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Deputy County Clerk

APPROVED AS TO FORM\*

\_\_\_\_\_  
Assistant Criminal District Attorney

*\*By law, the District Attorney's Office may only approve contracts for its clients. We reviewed this document from our client's legal perspective. Other parties may not rely on this approval. Instead those parties should seek contract review from independent counsel.*

**Mouser Electronics, Inc.:**

\_\_\_\_\_

Printed Name \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Signature of Officer to Attest to Officer's Execution of Agreement  
(must be legally authorized to sign on behalf of Mouser Electronics, Inc.)

**EXHIBIT A**

December 3, 2024

Elizabeth Whiteman  
Executive Secretary  
Foreign-Trade Zones Board  
U.S. Department of Commerce  
1401 Constitution Ave., NW, Room 21013  
Washington, DC 20230

Re: Foreign Trade Zone Application—Mouser Electronics

Dear Ms. Whiteman:

The Tarrant County Commissioners Court has been provided information regarding the Mouser Electronics facility located at 1000 N. Main Street, Mansfield, Texas, which was granted Foreign Trade Zone designation as site number 24 on December 27, 2017 via FTZ Board Order S-204-2017. We understand that Mouser has expanded their existing facility beyond the originally approved site boundaries and as such requires FTZ designation for the additional portion of the building. Under Texas state law, activated Foreign Trade Zones in Tarrant County may be able to access certain property tax exemptions as they relate to Tarrant County and Tarrant County Hospital District ad valorem taxes.

The Commissioners Court does not object to the expanded Foreign Trade Zone (FTZ) status and expanded boundaries for Mouser Electronics at the aforementioned location, and are supportive of the application. We understand that this letter will be included as part of the Foreign Trade Zone Application.

Sincerely,

Tim O'Hare  
County Judge

# EXHIBIT B



**AMENDMENT NO. 1 TO PAYMENT IN LIEU OF TAXES (PILOT) AGREEMENT  
FOREIGN-TRADE ZONE SITE**

This Amendment to Payment in Lieu of Taxes (PILOT) Agreement ("Amendment") is entered into by and between Mouser Electronics, Inc., A Delaware Corporation ("Mouser"), and Tarrant County Hospital District ("the Hospital District").

**RECITALS**

**WHEREAS**, Dallas Fort Worth Airport (DFW) is the Grantee of Foreign-Trade Zone ("FTZ") No. 39 created pursuant to the Foreign-Trade Zone ("FTZ") Act of 1934 codified in 19 U.S.C. §81 (the "Act").

**WHEREAS**, Mouser and the Hospital District entered into a Payment in Lieu of Taxes (PILOT) Agreement ("Agreement") Foreign Trade Zone Site on November 7, 2017, through Court Order #126477 and approved a Letter of Non-Objection covering Mouser's Foreign Trade Zone site located at 1000 North Main Street, Mansfield, Texas; and

**WHEREAS**, the original Agreement established boundaries for the FTZ site; and

**WHEREAS**, Mouser has expanded its facility beyond the original boundaries described in the Agreement, and Section C.4. "Boundaries" of the Agreement provides that the boundaries shall not be modified without express action of the Commissioners Court; and

**WHEREAS**, Mouser has also provided a new Letter of Non-Objection covering the expanded boundaries; and

**WHEREAS**, Mouser and the Hospital District desire to amend the Agreement to expand the boundaries of the FTZ and execute the new Letter of Non-Objection, which will be submitted to the Foreign-Trade Zones Board of the International Trade Administration; and

**WHEREAS**, defined terms and conditions in the original Agreement shall have the meaning as assigned to such terms in the Agreement, unless otherwise specifically defined in this Amendment.

In consideration of the mutual commitments expressed in this Amendment, the parties agree to the following:

1. **AMENDMENT TO FTZ SITE BOUNDARIES.** The FTZ Site boundaries described in Exhibit "B", of the Agreement are hereby amended to reflect the expansion of Mouser's facility at 1000 North Main Street, Mansfield, Texas. The amended boundaries of the FTZ Site, which is inclusive of both the old perimeter and new perimeter, are attached hereto and shown on the Amended Exhibit "B".

2. **LETTER OF NON-OBJECTION.** The Hospital District will execute a Letter of Non-Objection as described in the Amended Exhibit "A".
3. **CONSISTENCY OF TERMS.** Mouser agrees that the terms and conditions of the Agreement including, but not limited to, its obligations for PILOT Payments and reporting, shall also apply to the amended FTZ Site boundaries as shown in Exhibit "B".

**Tarrant County Hospital District:**

\_\_\_\_\_  
Printed Name

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Deputy County Clerk

Tarrant County:

\_\_\_\_\_  
Tim O'Hare, County Judge

APPROVED AS TO FORM\*

\_\_\_\_\_  
Assistant Criminal District Attorney

*\*By law, the District Attorney's Office may only approve contracts for its clients. We reviewed this document from our client's legal perspective. Other parties may not rely on this approval. Instead those parties should seek contract review from independent counsel.*

**Mouser Electronics, Inc.:**

\_\_\_\_\_  
Printed Name \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Signature of Officer to Attest to Officer's Execution of Agreement  
(must be legally authorized to sign on behalf of Mouser Electronics, Inc.)

**EXHIBIT A**

December \_\_, 2024

Elizabeth Whiteman  
Executive Secretary  
Foreign-Trade Zones Board  
U.S. Department of Commerce  
1401 Constitution Ave., NW, Room 21013  
Washington, DC 20230

Re: Foreign Trade Zone Application—Mouser Electronics

Dear Ms. Whiteman:

The Tarrant County Hospital District has been provided information regarding the Mouser Electronics facility located at 1000 N. Main Street, Mansfield, Texas, which was granted Foreign Trade Zone designation as site number 24 on December 27, 2017, via FTZ Board Order S-204-2017. We understand that Mouser has expanded their existing facility beyond the originally approved site boundaries and as such requires FTZ designation for the additional portion of the building. Under Texas state law, activated Foreign Trade Zones in Tarrant County may be able to access certain property tax exemptions as they relate to Tarrant County and Tarrant County Hospital District ad valorem taxes.

Tarrant County Hospital District does not object to the expanded Foreign Trade Zone (FTZ) status and expanded boundaries for Mouser Electronics at the aforementioned location, and are supportive of the application. We understand that this letter will be included as part of the Foreign Trade Zone Application.

Sincerely,

# EXHIBIT B





COMMISSIONERS COURT  
COMMUNICATION

REFERENCE NUMBER 0

PAGE 1 OF 25

DATE: 11/07/2017

SUBJECT: **APPROVAL OF A LETTER OF CONCURRENCE REGARDING FOREIGN TRADE DESIGNATION FOR MOUSER ELECTRONICS, INC. AND APPROVAL OF A PAYMENT IN LIEU OF TAXES AGREEMENT WITH MOUSER ELECTRONICS, INC.**

**COMMISSIONERS COURT ACTION REQUESTED:**

It is requested that the Commissioners Court consider action as follows:

1. Approve the Letter of Concurrence to the Foreign Trade Zones Board allowing for the Foreign Trade Zone application by Mouser Electronics, Inc. for its facility at 1000 North Main Street, Mansfield, Texas; and
2. Approve the Payment In Lieu of Taxes agreement between Tarrant County and Mouser Electronics, Inc. and authorize the County Judge to execute the agreement; and
3. Approve and Recommend Approval by the Tarrant County Hospital District of the Payment In Lieu of Taxes agreement between Tarrant County Hospital District and Mouser Electronics, Inc. and authorize the County Judge to execute the agreement on behalf of Tarrant County.

**BACKGROUND:**

Mouser Electronics, part of the Warren Buffett Berkshire Hathaway family of companies, is a leading worldwide distributor of semiconductors and electronic components, and a longtime fixture in the Mansfield business community. Since 2013, Mouser has increased employment by 360 employees at its Mansfield facility, with current employment at 1,424. Average salaries run approximately \$57,219 for management positions, and \$33,699 (\$16.20/hour) for warehouse jobs. Mouser would like to utilize the benefits of a Foreign Trade Zone (FTZ) to expand their operations and reduce costs in order to remain competitive, and is requesting that its Mansfield location be added to the Dallas Fort Worth Airport Foreign Trade Zone #39. Mouser plans to invest over \$10,000,000 in facility expansion and \$3,000,000 in new equipment, and add 150 new jobs by the end of 2018.

Mouser Electronics is requesting Tarrant County approval of a "no objection" letter concurring with their application for Foreign Trade Zone designation. Mouser Electronics has agreed to execute the attached Payment In Lieu of Taxes (PILOT) agreements, committing to reimbursing Tarrant County and Tarrant County Hospital District for any additional County or Hospital District taxes exempted with the addition of the FTZ designation. The City of Mansfield and Mansfield ISD have approved a

SUBMITTED BY: Administrator's Office

PREPARED BY: Lisa McMillan

APPROVED BY:



## COMMISSIONERS COURT COMMUNICATION

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similar Letter of Concurrence and PILOT agreement. Tarrant County College District will consider the same action at a later date.

### **FISCAL IMPACT:**

Due to the slower nature of turnover of its inventory, Mouser currently receives limited benefit from existing Freeport Exemption. It is estimated that the Foreign Trade Zone designation will substantially add to the exemption of inventory value and reduce Tarrant County taxes by approximately \$641,000 annually, with a reduction of approximately \$583,000 per year from Hospital District taxes. The added facility investment is expected to produce approximately \$35,000 in additional tax revenue annually for County and \$30,000 for Hospital District. The attached PILOT Agreement provides for annual repayment of all additional taxes exempted due to the Foreign Trade Zone designation.



**B. GLEN WHITLEY**  
**COUNTY JUDGE**  
of  
**TARRANT COUNTY**

November 7, 2017

Mr. Andrew McGilvray  
Executive Secretary  
Foreign-Trade Zones Board  
US Department of Commerce  
1401 Constitution Ave., NW, Room 21013  
Washington, DC 20230

Re: Foreign Trade Zone Application—Mouser Electronics, Inc.

Dear Mr. McGilvray:

The Tarrant County Commissioners Court has been provided information regarding the application by Dallas Fort Worth Airport (DFW), Grantee of Foreign Trade Zone #39, for a Usage Driven Site for FTZ activation for Mouser Electronics, Inc. for a site located at 1000 North Main Street, Mansfield, Texas. We understand that under Texas state law, activated Foreign Trade Zones in Tarrant County may be able to access certain property tax exemptions as they relate to Tarrant County and Tarrant County Hospital District ad valorem taxes.

The Commissioners Court does not object to Foreign Trade Zone (FTZ) status for Mouser Electronics, Inc. at the aforementioned location, and are supportive of the FTZ designation. We understand that this letter will be included as part of the Foreign Trade Zone Application.

Sincerely,

B. Glen Whitley  
County Judge

**Tarrant  
County  
College  
District**



OFFICE OF THE  
VICE CHANCELLOR FOR  
FINANCIAL SERVICES

1500 Houston Street • Fort Worth, Texas 76102-6524 • 817-515-5203 • Fax 817-515-5050

November 15, 2017

Mr. Andrew McGilvray  
Executive Secretary Foreign-  
Trade Zones Board  
US Department of Commerce  
1401 Constitution Ave., NW, Room 21013  
Washington, DC 20230

Re: Foreign Trade Zone Application-Mouser Electronics, Inc.

Dear Mr. McGilvray:

We understand that Mouser Electronics, Inc. will be seeking foreign trade zone designation for its facility located within the City of Mansfield. Tarrant County College District does not object to this application. We understand that imported inventory and inventory held for export at the facility will be exempt from ad valorem tax.

Sincerely,

Mark E. McClendon, Ed.D.  
Vice Chancellor for Finance

**PAYMENT IN LIEU OF TAXES AGREEMENT  
FOREIGN-TRADE ZONE SITE**

THIS AGREEMENT ("Agreement") is entered into by and between Mouser Electronics, Inc., A Delaware Corporation ("Mouser"), and Tarrant County, Texas ("the County").

**A. RECITALS**

**WHEREAS**, Dallas Fort Worth Airport (DFW) is the Grantee of Foreign-Trade Zone ("FTZ") No. 39 created pursuant to the Foreign-Trade Zone Act of 1934 codified in 19 U.S.C. §81 (the "Act").

**WHEREAS**, Mouser desires participation in the FTZ program through the expansion of Foreign-Trade Zone No. 39 to include a usage-driven FTZ site located on tract(s) comprising a total of 28.994 acres at 1000 North Main Street, Mansfield, Texas, in the County, as described in Exhibit B (the "FTZ Site").

**WHEREAS**, Mouser seeks an executed Letter of Non-Objection ("Letter") from the County which is required to expedite designation as a FTZ Site, which the County shall provide only if Mouser contractually commits that no financial harm or lost revenue shall be incurred by the County as a result of the designation of the FTZ Site.

**WHEREAS**, inventory qualifying under the Act and held in activated FTZ is exempt from state and local ad valorem taxes.

**WHEREAS**, Mouser and the County desire that designation and activation of the FTZ Site cause no financial harm or lost revenue to the County.

In consideration of the mutual commitments expressed in this Agreement, the parties agree to the following:

**B. DEFINITIONS**

When used herein, the listed words have the following meanings:

"Act", "County", "Mouser", and "FTZ Site" have the meaning set forth in the Recitals.

"Activated" means the approval by Customs for FTZ operations at the FTZ site as specified in Customs Regulations, 19 CFR Part 146.

"Board" means Foreign-Trade Zones Board within U.S. Department of Commerce.

"Customs" means US Customs and Border Protection within U.S. Department of Homeland Security.

"FTZ Exemption" means the federal exemption provided by the Act pursuant to 19 USC § 81(o)(e) for certain inventory in a FTZ.

"FTZ Inventory" means any inventory held in the FTZ Site that qualifies for the FTZ Exemption.

"FTZ Site" means the tract(s) described in Exhibit B, owned and operated by Mouser.

"Interest" means an amount equal to penalty and interest and attorney's fees ("Collection Cost") for delinquent ad valorem tax payments assessed by the County pursuant to Texas Property Code, Sections 33.01, 33.07, and 33.048 or their successors.

"Letter" means executed Letter of Non-Objection from the County in the form attached as Exhibit "A."

"PILOT Payment" means the payment made pursuant to this Agreement in an amount equal to the aggregate ad valorem taxes lost to the County solely because of the FTZ designation of the FTZ site.

### **C. OBLIGATIONS of MOUSER**

**1. PILOT Payment.** Mouser understands that if any FTZ Inventory receives the FTZ Exemption, the County may suffer lost revenue. Therefore, Mouser agrees to the following PILOT Payment:

- a) Mouser agrees that with respect to each year of this Agreement that all or any portion of the FTZ Site is Activated on the valuation date for taxation purposes otherwise applicable to personal property inventory held by Mouser, or any affiliated or unaffiliated third party holding inventory within the FTZ site, Mouser will pay to the County an amount equal to:
  - (i) the Value of Net Exempted Inventory, divided by 100, times
  - (ii) the then current year tax rate adopted by the County.
- b) The following definitions shall be used to determine the Mouser payment:
  - (i) Value of FTZ Inventory means the value of inventory exempt from local taxation by the Act pursuant to 19 U.S. C. §81o(e), as incorporated into the annual certified tax roll of the Tarrant Appraisal District.

- (ii) Value of Otherwise Exempt Inventory means the portion of the Value of FTZ Inventory which, but for the existence of the foreign trade zone, would be exempt for local taxation pursuant to any other provision of law. For example, the value of inventory which would qualify for the Freeport Exemption pursuant to Texas Tax Code Section 11-251 if not already exempted by the Foreign-Trade Zones Act would be included in the Value of Otherwise Exempt Inventory.
  - (iii) Value of Net Exempted Inventory means the Value of FTZ Inventory, less the Value of Otherwise Exempt Inventory.
- c) Mouser agrees to disburse the annual PILOT Payment(s) specified above to the County, at the address set forth in Section J in the form of a check payable to "Tarrant County".
- d) Any adjustment to the Tarrant Appraisal District tax roll which results in change to the FTZ Exemption after the tax role has been certified will cause a recalculation of the PILOT Payment within 30 days of the adjustment, and additional payments or refunds will be made promptly.
- e) PILOT Payments made after January 31<sup>st</sup> shall be delinquent and incur Interest in the same manner as delinquent ad valorem taxes.
- f) The aggregate of: (1) the amounts payable by Mouser to the County under this Agreement, (2) the amount of ad valorem tax paid by Mouser to the County and (3) the amount of ad valorem taxes paid by any other party owning inventory in the FTZ Site to the County shall in no event exceed the amounts of ad valorem taxes that would have been payable to the County pursuant to the Texas Property Tax Code if the FTZ had not been created.

**2. Report.** By October 1, 2018 and by October 1 of each year thereafter, that the FTZ Site is Activated by Customs, Mouser will provide to the County:

- a) A completed Mouser FTZ PILOT worksheet in the format contained in Exhibit "C,"
- b) A copy of the Mouser rendition to the Tarrant Appraisal District for that year, including the Application for Freeport Exemption, and
- c) Copies of any relevant correspondence between Mouser and the Tarrant Appraisal District which resulted in a change between the Mouser rendered inventory value and the final inventory value appearing on the Tarrant Appraisal District certified tax roll.

**3. Termination of Activation.** Mouser agrees that this Agreement is necessary for the designation of the FTZ Site. Therefore, in the event of any violation by Mouser or a determination of the invalidity of this Agreement, Mouser agrees to request that Customs terminate Activation of the FTZ Site, within thirty (30) days after notification from the County that Mouser has violated the Agreement or the Agreement is invalid.

**4. Boundaries.** As long as this Agreement is in effect, Mouser shall not modify its FTZ Site boundaries as described in Exhibit B, or otherwise take any action allowing any party whether affiliated or unaffiliated to own inventory in the FTZ Site, unless the County, by express action of its Commissioners Court, enters into a new or modified PILOT Agreement with Mouser allowing the boundary modification and/or with such third party.

**5. Information to be Provided.** Any additional information that may be reasonably requested by the County to effectuate or facilitate Mouser's obligations under this Agreement must be furnished by Mouser within 15 business days thereafter.

**6. Security.** The parties recognize that but for the Activation of the FTZ Site, the FTZ Inventory would be subject to ad valorem taxes. The County would otherwise enjoy a priority lien on the FTZ Property imposed pursuant to Section 32.01 of the Texas Tax Code to secure payment of the ad valorem taxes. Therefore, so the County is not disadvantaged by entering into this Agreement, Mouser agrees to obtain and maintain for the term of this Agreement a bond or letter of credit payable to the County in an amount equal to no less than the annual PILOT Payment, in a form satisfactory to the Criminal District Attorney's Office and the County Auditor. The bond or letter of credit shall be payable to the County in the event Mouser fails to make the annual PILOT Payment and shall be provided to the County prior to the County's execution of the Letter of Non-Objection.

**7. Tax Obligations Unaffected.** Mouser acknowledges that this Agreement does not affect any other tax obligations of Mouser to the County.

#### **D. OBLIGATIONS OF COUNTY**

**1. Letter of Non-Objection.** Upon execution of this Agreement, the County shall furnish its Letter of Non-Objection, in the form shown in Exhibit A, based on the commitments of Mouser herein that the County will not suffer lost revenue given that Mouser agrees to make the PILOT Payments.

**2. Invoice.** On or before December 1 of each year, the County will invoice Mouser for the PILOT Payment due with respect to that year as determined pursuant to paragraph 1(a) of Section C. The PILOT Payment is due from Mouser to the County on or before January 31<sup>st</sup> of the year following the year for which payment is being made. Penalties, interest and statutory attorney's fees (collection costs) for late payments shall

be the same as that assessed by the County against delinquent taxpayers, pursuant to Texas Property Tax Code sections 33.01, 33.07, and 33.48, or their successor provisions.

#### **E. CHANGE IN LAW**

In the event that state legislation, judicial decisions, administrative interpretations by the Office of Texas State Comptroller including the Property Tax Division, in the sole judgment of the County, reasonably exercised, materially and detrimentally impacts the financial consequences to the County of the FTZ Site, the parties agree to renegotiate this Agreement in accordance with its original intent of protecting the County from financial loss.

#### **F. DEFAULT**

Unless stated elsewhere in this Agreement, a party shall be in default under this Agreement if such party breaches any term or condition of this Agreement. In the event that such breach remains uncured after thirty (30) calendar days following receipt of written notice from the non-defaulting party (or, if the defaulting party has diligently and continuously attempted to cure following receipt of such written notice but reasonably requires more than thirty (30) calendar days to cure, as determined by both parties mutually and in good faith), the non-defaulting party shall have the right to exercise any and all legal remedies available to it, including, but not limited to, the immediate termination of this Agreement upon provision of written notice to the non-defaulting party.

#### **G. INDEPENDENT CONTRACTOR**

It is expressly understood and agreed that Mouser shall operate as an independent contractor in each and every respect hereunder and not as an agent, representative or employee of the County. Mouser shall have the exclusive right to control all details and day-to-day operations relative to the FTZ Site and shall be solely responsible for the acts and omissions of its officers, agents, servants, employees, contractors, subcontractors, licensees, and invitees. Mouser acknowledges that the doctrine of respondeat superior will not apply as between the County and Mouser, its officers, agents, servants, employees, contractors, subcontractors, licensees, and invitees. Mouser further agrees that nothing in this Agreement will be construed as the creation of a partnership or joint enterprise between the County and Mouser.

#### **H. INDEMNIFICATION**

**Mouser, at no cost to the County agrees to defend, indemnify and hold the County, its officers, agents, servants, and employees, harmless against any and all claims, lawsuits, actions, costs, and expenses of any kind, including, but not limited to, those for property damage or loss (including alleged damage or loss to Mouser's business and any resulting lost profits) and/or personal injury,**

including death, that may relate to, arise out of or be occasioned by Mouser's breach or any of the terms or provisions of this Agreement.

#### **I. RIGHT OF OFFSET**

The parties recognize that the County has the option to enter into development incentive agreements with Mouser, and may do so in the future. The County may, at its option, offset any amounts due and payable to Mouser under any incentive agreement, economic development agreement or other obligation of the County to pay Mouser against any unpaid or delinquent PILOT Payment lawfully due to County from Mouser.

#### **J. NOTICES**

All written notices called for or required by this Agreement shall be addressed to the following, or such other party or address as either party designates in writing, by certified mail, postage prepaid, or by hand delivery:

##### **COUNTY:**

Tarrant County  
100 E. Weatherford  
Suite 404  
Fort Worth, Texas 76196  
ATTN: County Administrator

##### **MOUSER:**

Mouser Electronics, Inc.  
1000 North Main Street  
Mansfield, Texas 76063  
ATTN: Scott Brown

#### **K. APPLICABLE LAW**

This Agreement shall be construed under the laws of the State of Texas. Venue for any action under this Agreement shall be the State District Court of Tarrant County, Texas. This Agreement is performable in Tarrant County, Texas. It is understood that by execution of this Agreement, the County does not waive or surrender any of its governmental powers or immunities.

#### **L. WAIVER AND SEVERABILITY**

The failure of either party to insist upon the performance of any term or provision of this Agreement or to exercise any right granted hereunder shall not constitute a waiver of that party's right to insist upon appropriate performance or to assert any such right on any future occasion. If any provision of this Agreement is held to be invalid, illegal, or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired.

#### **M. NO THIRD PARTY RIGHTS**

The provisions and conditions of this Agreement are solely for the benefit of the County and Mouser, and any lawful assign or successor of Mouser, and are not

intended to create any rights, contractual or otherwise, to any other person or entity.

#### **N. ENTIRETY OF AGREEMENT**

This Agreement, including any exhibits attached hereto and any documents incorporated herein by reference, contains the entire understanding and agreement between the County and Mouser, and any lawful assign and successor of Mouser, as to the matters contained herein. Any prior or contemporaneous oral or written agreement is hereby declared null and void to the extent in conflict with any provision of this Agreement. Notwithstanding anything to the contrary herein, this Agreement shall not be amended unless executed in writing by both parties. This Agreement may be executed in multiple counterparts, each of which shall be considered an original, but all of which shall constitute one instrument.

#### **O. MISCELLANEOUS PROVISIONS**

**1. Binding Effect.** This Agreement shall extend to and be binding upon and inure to the benefit of the parties hereto, and their respective legal representatives and future occupants of the FTZ Site. It is agreed that the County is a beneficiary of this Agreement and shall be entitled to enforce its terms and seek damages for its breach.

**2. This Agreement Does Not Affect Other Rights, Obligations or Agreements.** This Agreement does not supersede, modify, or affect any other agreement that has been or may be entered into between Mouser and any other taxing jurisdiction or any other entity, except as otherwise expressly stated in this Agreement.

**3. Further Assurances.** The parties covenant and agree that they will execute such other and further documents as are or may become necessary or convenient to effectuate and carry out the purpose of this Agreement.

**4. Termination of Agreement.** This Agreement shall terminate upon the revocation of FTZ Site status by the Board, but such termination shall not relieve Mouser from paying any PILOT payments remaining due at termination.

EXECUTED on the dates set forth below, but effective as of the last date executed by all the Parties.

**Tarrant County:**

\_\_\_\_\_  
B. Glen Whitley, County Judge

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Deputy County Clerk

APPROVED AS TO FORM\*

\_\_\_\_\_  
Assistant Criminal District Attorney

*\*By law, the District Attorney's Office may only approve contracts for its clients. We reviewed this document from our client's legal perspective. Other parties may not rely on this approval. Instead those parties should seek contract review from independent counsel.*

**Mouser Electronics, Inc.:**

\_\_\_\_\_  
Printed Name \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Signature of Officer to Attest to Officer's Execution of Agreement  
(must be legally authorized to sign on behalf of Mouser Electronics, Inc.)

EXHIBIT A

November 7, 2017

Mr. Andrew McGilvray  
Executive Secretary  
Foreign-Trade Zones Board  
US Department of Commerce  
1401 Constitution Ave., NW, Room 21013  
Washington, DC 20230

Re: Foreign Trade Zone Application—Mouser Electronics, Inc.

Dear Mr. McGilvray:

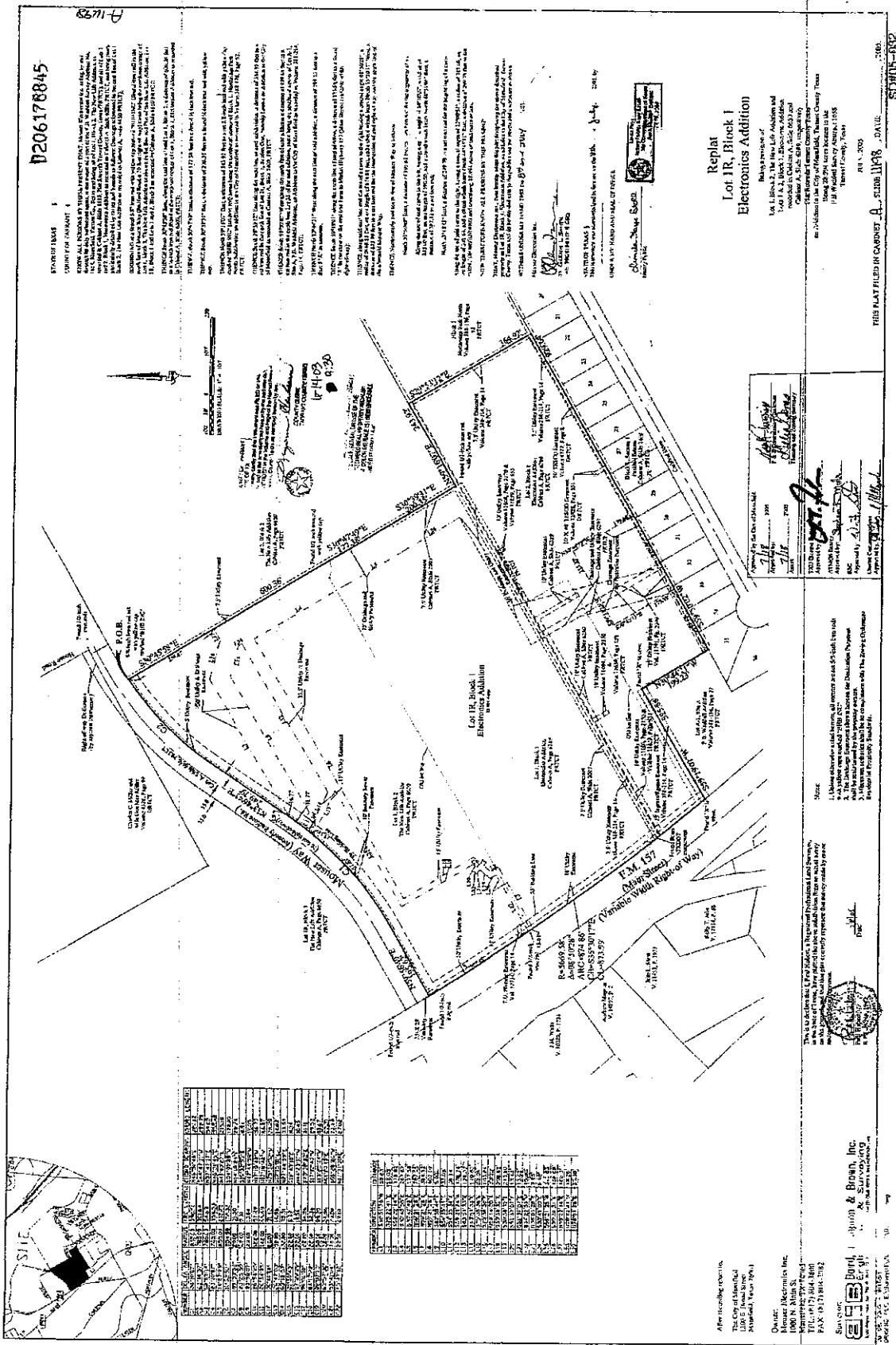
The Tarrant County Commissioners Court has been provided information regarding the application by Dallas Fort Worth Airport (DFW), Grantee of Foreign Trade Zone #39, for a Usage Driven Site for FTZ activation for Mouser Electronics, Inc. for a site located at 1000 North Main Street, Mansfield, Texas. We understand that under Texas state law, activated Foreign Trade Zones in Tarrant County may be able to access certain property tax exemptions as they relate to Tarrant County and Tarrant County Hospital District ad valorem taxes.

The Commissioners Court does not object to Foreign Trade Zone (FTZ) status for Mouser Electronics, Inc. at the aforementioned location, and are supportive of the FTZ designation. We understand that this letter will be included as part of the Foreign Trade Zone Application.

Sincerely,

B. Glen Whitley  
County Judge

# EXHIBIT B



D206178845

**EXHIBIT B**  
**REPLAT**  
**Lot 1R, Block 1**  
**Electronics Addition**

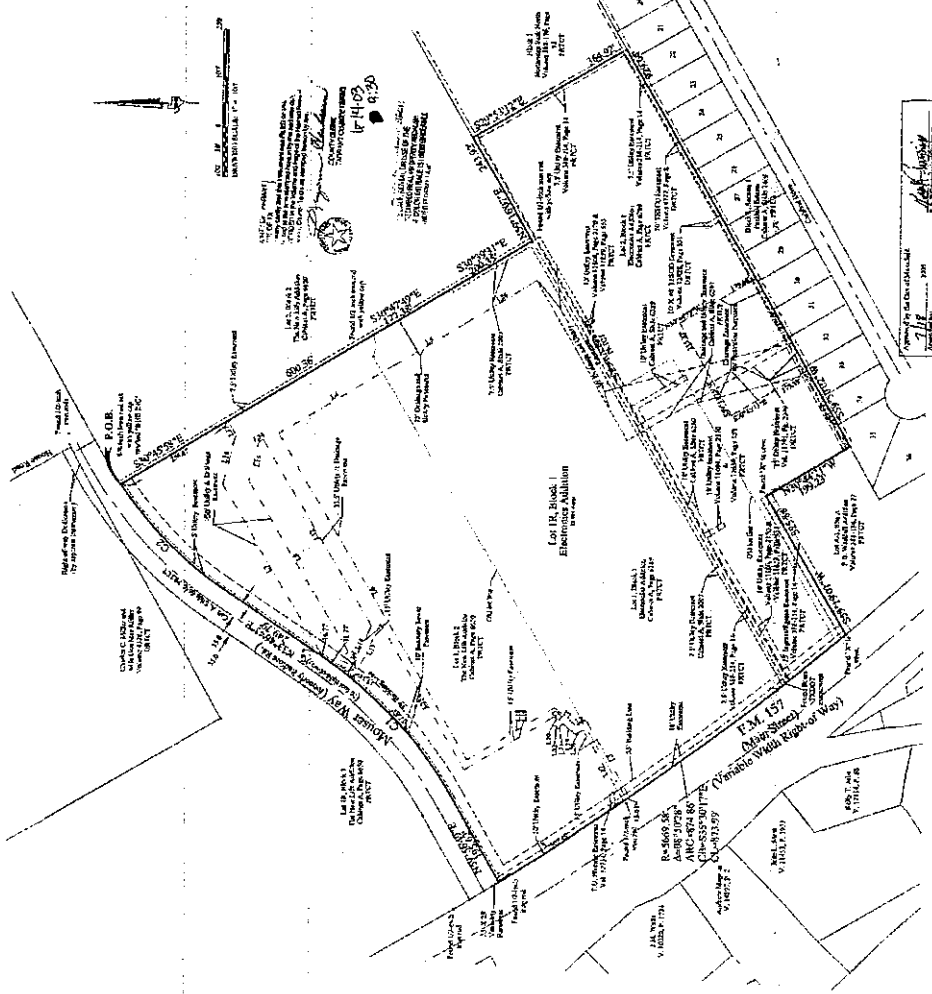
THIS PLAT IS A REPLAT OF THE LOT 1R, BLOCK 1, ELECTRONICS ADDITION, AS SHOWN ON THE PLAT DATED AND RECORDED IN THE PUBLIC RECORDS OF THE COUNTY OF HENRY, MISSOURI, UNDER RECORD NUMBER 118845, AND IS SUBJECT TO THE EASEMENTS AND RESTRICTIONS THEREON.

**SECTION 1**  
 THIS PLAT IS A REPLAT OF THE LOT 1R, BLOCK 1, ELECTRONICS ADDITION, AS SHOWN ON THE PLAT DATED AND RECORDED IN THE PUBLIC RECORDS OF THE COUNTY OF HENRY, MISSOURI, UNDER RECORD NUMBER 118845, AND IS SUBJECT TO THE EASEMENTS AND RESTRICTIONS THEREON.

**SECTION 2**  
 THIS PLAT IS A REPLAT OF THE LOT 1R, BLOCK 1, ELECTRONICS ADDITION, AS SHOWN ON THE PLAT DATED AND RECORDED IN THE PUBLIC RECORDS OF THE COUNTY OF HENRY, MISSOURI, UNDER RECORD NUMBER 118845, AND IS SUBJECT TO THE EASEMENTS AND RESTRICTIONS THEREON.

**SECTION 3**  
 THIS PLAT IS A REPLAT OF THE LOT 1R, BLOCK 1, ELECTRONICS ADDITION, AS SHOWN ON THE PLAT DATED AND RECORDED IN THE PUBLIC RECORDS OF THE COUNTY OF HENRY, MISSOURI, UNDER RECORD NUMBER 118845, AND IS SUBJECT TO THE EASEMENTS AND RESTRICTIONS THEREON.

**SECTION 4**  
 THIS PLAT IS A REPLAT OF THE LOT 1R, BLOCK 1, ELECTRONICS ADDITION, AS SHOWN ON THE PLAT DATED AND RECORDED IN THE PUBLIC RECORDS OF THE COUNTY OF HENRY, MISSOURI, UNDER RECORD NUMBER 118845, AND IS SUBJECT TO THE EASEMENTS AND RESTRICTIONS THEREON.



Lot No.	Area (Acres)	Area (Sq. Ft.)
1	0.125	5,400
2	0.125	5,400
3	0.125	5,400
4	0.125	5,400
5	0.125	5,400
6	0.125	5,400
7	0.125	5,400
8	0.125	5,400
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97	0.125	5,400
98	0.125	5,400
99	0.125	5,400
100	0.125	5,400

**Signature Block**  
 James M. Brown, Inc.  
 Surveyors  
 Missouri  
 License No. 118845

**Notes**  
 1. This plat is a replat of the lot 1R, block 1, electronics addition, as shown on the plat dated and recorded in the public records of the county of Henry, Missouri, under record number 118845, and is subject to the easements and restrictions thereon.  
 2. The survey was conducted in accordance with the provisions of the Missouri Surveying Act, Chapter 456, R.S.Mo., and the rules and regulations of the Missouri Board of Surveyors.  
 3. The survey was conducted on the 15th day of August, 2010, at the office of the surveyor, James M. Brown, Inc., in the city of Kansas City, Missouri.

**Professional Seal**  
 James M. Brown, Inc.  
 Surveyors  
 Missouri  
 License No. 118845

**Owner**  
 Replat  
 Lot 1R, Block 1  
 Electronics Addition  
 James M. Brown, Inc.  
 Surveyors  
 Missouri  
 License No. 118845

THIS PLAT FILED IN CABINET A, SLIP 118845, DATE 8/15/10 BY 2160

8/15/10

8/15/10

8/15/10

8/15/10

**Exhibit C**

**Mouser FTZ PILOT Worksheet**

**Required Information**

Inventory on January 1

(a) Taxable inventory value (from rendition)	\$
(b) Value of FTZ exempt inventory	\$
(c) <u>Freeport exempt inventory value (from rendition)</u>	\$ _____
(d) Total inventory value	\$

Freeport goods information

(e) Freeport goods percentage (from Freeport Exemption Application)	%
--	---

FTZ inventory information

(f) Percentage of inventory imported from outside the US	%
(g) Percentage of US sourced inventory held for export	%
(h) <u>Percentage of US sourced inventory held for US sale</u>	%
	_____
	100%

**PILOT Calculation**

Step 1: Calculate Value of Otherwise Exempt Inventory (x)<sup>1</sup>

Value of FTZ exempt inventory (b)	\$
<u>multiplied by Freeport goods percentage (e)</u>	%
(x) Value of Otherwise Exempt Inventory	\$

Step 2: Calculate Value of Net Exempted Inventory (y)

Value of FTZ exempt inventory (b)	\$
<u>minus Value of Otherwise Exempt Inventory (x)</u>	\$ _____
(y) Value of Net Exempted Inventory	\$

Step 3: Calculate PILOT payment

Value of Net Exempted Inventory (y)	\$
divided by 100	
<u>multiplied by current year tax rate</u>	_____

**PILOT Payment** \$ \_\_\_\_\_

<sup>1</sup> Assumes the only exemption otherwise applicable to Mouser inventory is the Freeport Exemption. If other exemptions become available, the calculation would be altered, if approved by the County Council of the County of Mansfield, Texas.

**PAYMENT IN LIEU OF TAXES AGREEMENT  
FOREIGN-TRADE ZONE SITE**

THIS AGREEMENT ("Agreement") is entered into by and between Mouser Electronics, Inc., A Delaware Corporation ("Mouser"), and Tarrant County Hospital District, Texas ("the Hospital District").

**A. RECITALS**

**WHEREAS**, Dallas Fort Worth Airport (DFW) is the Grantee of Foreign-Trade Zone ("FTZ") No. 39 created pursuant to the Foreign-Trade Zone Act of 1934 codified in 19 U.S.C. §81 (the "Act").

**WHEREAS**, Mouser desires participation in the FTZ program through the expansion of Foreign-Trade Zone No. 39 to include a usage-driven FTZ site located on tract(s) comprising a total of 28.994 acres at 1000 North Main Street, Mansfield, Texas, in Tarrant County, as described in Exhibit B (the "FTZ Site").

**WHEREAS**, Mouser seeks an executed Letter of Non-Objection ("Letter") from the Hospital District which is required to expedite designation as a FTZ Site, which the Hospital District shall provide only if Mouser contractually commits that no financial harm or lost revenue shall be incurred by the Hospital District as a result of the designation of the FTZ Site.

**WHEREAS**, inventory qualifying under the Act and held in activated FTZ is exempt from state and local ad valorem taxes.

**WHEREAS**, Mouser and the Hospital District desire that designation and activation of the FTZ Site cause no financial harm or lost revenue to the Hospital District.

In consideration of the mutual commitments expressed in this Agreement, the parties agree to the following:

**B. DEFINITIONS**

When used herein, the listed words have the following meanings:

"Act", "Hospital District", "Mouser", and "FTZ Site" have the meaning set forth in the Recitals.

"Activated" means the approval by Customs for FTZ operations at the FTZ site as specified in Customs Regulations, 19 CFR Part 146.

"Board" means Foreign-Trade Zones Board within U.S. Department of Commerce.

"Customs" means US Customs and Border Protection within U.S. Department of Homeland Security.

"FTZ Exemption" means the federal exemption provided by the Act pursuant to 19 USC § 81(o)(e) for certain inventory in a FTZ.

"FTZ Inventory" means any inventory held in the FTZ Site that qualifies for the FTZ Exemption.

"FTZ Site" means the tract(s) described in Exhibit B, owned and operated by Mouser.

"Interest" means an amount equal to penalty and interest and attorney's fees ("Collection Cost") for delinquent ad valorem tax payments assessed by the Hospital District pursuant to Texas Property Code, Sections 33.01, 33.07, and 33.048 or their successors.

"Letter" means executed Letter of Non-Objection from the Hospital District in the form attached as Exhibit "A."

"PILOT Payment" means the payment made pursuant to this Agreement in an amount equal to the aggregate ad valorem taxes loss to the Hospital District solely because of the FTZ designation of the FTZ site.

### **C. OBLIGATIONS of MOUSER**

**1. PILOT Payment.** Mouser understands that if any FTZ Inventory receives the FTZ Exemption, the Hospital District may suffer lost revenue. Therefore, Mouser agrees to the following PILOT Payment:

- a) Mouser agrees that with respect to each year of this Agreement that all or any portion of the FTZ Site is Activated on the valuation date for taxation purposes otherwise applicable to personal property inventory held by Mouser, or any affiliated or unaffiliated third party holding inventory within the FTZ site, Mouser will pay to the Hospital District an amount equal to:
  - (i) the Value of Net Exempted Inventory, divided by 100, times
  - (ii) the then current year tax rate adopted by the Hospital District.
- b) The following definitions shall be used to determine the Mouser payment:
  - (i) Value of FTZ Inventory means the value of inventory exempt from local taxation by the Act pursuant to 19 U.S. C. §81o(e), as

incorporated into the annual certified tax roll of the Tarrant Appraisal District.

- (ii) Value of Otherwise Exempt Inventory means the portion of the Value of FTZ Inventory which, but for the existence of the foreign trade zone, would be exempt for local taxation pursuant to any other provision of law. For example, the value of inventory which would qualify for the Freeport Exemption pursuant to Texas Tax Code Section 11-251 if not already exempted by the Foreign-Trade Zones Act would be included in the Value of Otherwise Exempt Inventory.
- (iii) Value of Net Exempted Inventory means the Value of FTZ Inventory, less the Value of Otherwise Exempt Inventory.
- c) Mouser agrees to disburse the annual PILOT Payment(s) specified above to the Hospital District, at the address set forth in Section J in the form of a check payable to "Tarrant County Hospital District".
- d) Any adjustment to the Tarrant Appraisal District tax roll which results in change to the FTZ Exemption after the tax role has been certified will cause a recalculation of the PILOT Payment within 30 days of the adjustment, and additional payments or refunds will be made promptly.
- e) PILOT Payments made after January 31<sup>st</sup> shall be delinquent and incur Interest in the same manner as delinquent ad valorem taxes.
- f) The aggregate of: (1) the amounts payable by Mouser to the Hospital District under this Agreement, (2) the amount of ad valorem tax paid by Mouser to the Hospital District and (3) the amount of ad valorem taxes paid by any other party owning inventory in the FTZ Site to the Hospital District shall in no event exceed the amounts of ad valorem taxes that would have been payable to the Hospital District pursuant to the Texas Property Tax Code if the FTZ had not been created.

**2. Report.** By October 1, 2018 and by October 1 of each year thereafter, that the FTZ Site is Activated by Customs, Mouser will provide to the Hospital District:

- a) A completed Mouser FTZ PILOT worksheet in the format contained in Exhibit "C,"
- b) A copy of the Mouser rendition to the Tarrant Appraisal District for that year, including the Application for Freeport Exemption, and
- c) Copies of any relevant correspondence between Mouser and the Tarrant

Appraisal District which resulted in a change between the Mouser rendered inventory value and the final inventory value appearing on the Tarrant Appraisal District certified tax roll.

**3. Termination of Activation.** Mouser agrees that this Agreement is necessary for the designation of the FTZ Site. Therefore, in the event of any violation by Mouser or a determination of the invalidity of this Agreement, Mouser agrees to request that Customs terminate Activation of the FTZ Site, within thirty (30) days after notification from the Hospital District that Mouser has violated the Agreement or the Agreement is invalid.

**4. Boundaries.** As long as this Agreement is in effect, Mouser shall not modify its FTZ Site boundaries as described in Exhibit B, or otherwise take any action allowing any party whether affiliated or unaffiliated to own inventory in the FTZ Site, unless the Hospital District, by express action of its Commissioners Court, enters into a new or modified PILOT Agreement with Mouser allowing the boundary modification and/or with such third party.

**5. Information to be Provided.** Any additional information that may be reasonably requested by the Hospital District to effectuate or facilitate Mouser's obligations under this Agreement must be furnished by Mouser within 15 business days thereafter.

**6. Security.** The parties recognize that but for the Activation of the FTZ Site, the FTZ Inventory would be subject to ad valorem taxes. The Hospital District would otherwise enjoy a priority lien on the FTZ Property imposed pursuant to Section 32.01 of the Texas Tax Code to secure payment of the ad valorem taxes. Therefore, so the Hospital District is not disadvantaged by entering into this Agreement, Mouser agrees to obtain and maintain for the term of this Agreement a bond or letter of credit payable to the Hospital District in an amount equal to no less than the annual PILOT Payment, in a form satisfactory to the Hospital District Attorney and the Finance Director. The bond or letter of credit shall be payable to the Hospital District in the event Mouser fails to make the annual PILOT Payment and shall be provided to the Hospital District prior to the Hospital District's execution of the Letter of Non-Objection.

**7. Tax Obligations Unaffected.** Mouser acknowledges that this Agreement does not affect any other tax obligations of Mouser to the Hospital District.

#### **D. OBLIGATIONS OF HOSPITAL DISTRICT**

**1. Letter of Non-Objection.** Upon execution of this Agreement, the Hospital District shall furnish its Letter of Non-Objection, in the form shown in Exhibit A, based on the commitments of Mouser herein that the Hospital District will not suffer lost revenue given that Mouser agrees to make the PILOT Payments.

**2. Invoice.** On or before December 1 of each year, the Hospital District will

invoice Mouser for the PILOT Payment due with respect to that year as determined pursuant to paragraph 1(a) of Section C. The PILOT Payment is due from Mouser to the Hospital District on or before January 31<sup>st</sup> of the year following the year for which payment is being made. Penalties, interest and statutory attorney's fees (collection costs) for late payments shall be the same as that assessed by the Hospital District against delinquent taxpayers, pursuant to Texas Property Tax Code sections 33.01, 33.07, and 33.48, or their successor provisions.

#### **E. CHANGE IN LAW**

In the event that state legislation, judicial decisions, administrative interpretations by the Office of Texas State Comptroller including the Property Tax Division, in the sole judgment of the Hospital District, reasonably exercised, materially and detrimentally impacts the financial consequences to the Hospital District of the FTZ Site, the parties agree to renegotiate this Agreement in accordance with its original intent of protecting the Hospital District from financial loss.

#### **F. DEFAULT**

Unless stated elsewhere in this Agreement, a party shall be in default under this Agreement if such party breaches any term or condition of this Agreement. In the event that such breach remains uncured after thirty (30) calendar days following receipt of written notice from the non-defaulting party (or, if the defaulting party has diligently and continuously attempted to cure following receipt of such written notice but reasonably requires more than thirty (30) calendar days to cure, as determined by both parties mutually and in good faith), the non-defaulting party shall have the right to exercise any and all legal remedies available to it, including, but not limited to, the immediate termination of this Agreement upon provision of written notice to the non-defaulting party.

#### **G. INDEPENDENT CONTRACTOR**

It is expressly understood and agreed that Mouser shall operate as an independent contractor in each and every respect hereunder and not as an agent, representative or employee of the Hospital District. Mouser shall have the exclusive right to control all details and day-to-day operations relative to the FTZ Site and shall be solely responsible for the acts and omissions of its officers, agents, servants, employees, contractors, subcontractors, licensees, and invitees. Mouser acknowledges that the doctrine of respondeat superior will not apply as between the Hospital District and Mouser, its officers, agents, servants, employees, contractors, subcontractors, licensees, and invitees. Mouser further agrees that nothing in this Agreement will be construed as the creation of a partnership or joint enterprise between the Hospital District and Mouser.

#### **H. INDEMNIFICATION**

**Mouser, at no cost to the Hospital District agrees to defend, indemnify and hold the Hospital District, its officers, agents, servants, and employees, harmless against any and all claims, lawsuits, actions, costs, and expenses of any kind, including, but not limited to, those for property damage or loss (including alleged damage or loss to Mouser's business and any resulting lost profits) and/or personal injury, including death, that may relate to, arise out of or be occasioned by Mouser's breach or any of the terms or provisions of this Agreement.**

#### **I. RIGHT OF OFFSET**

The parties recognize that Tarrant County and the Hospital District has the option to enter into development incentive agreements with Mouser, and may do so in the future. The Hospital District may, at its option, offset any amounts due and payable to Mouser under any incentive agreement, economic development agreement or other obligation of the Hospital District to pay Mouser against any unpaid or delinquent PILOT Payment lawfully due to Hospital District from Mouser.

#### **J. NOTICES**

All written notices called for or required by this Agreement shall be addressed to the following, or such other party or address as either party designates in writing, by certified mail, postage prepaid, or by hand delivery:

**HOSPITAL DISTRICT:**

Tarrant County Hospital District  
Administration Office  
1500 South Main Street  
Fort Worth, Texas 76104  
ATTN: President, Chief Executive Officer

**MOUSER:**

Mouser Electronics, Inc.  
1000 North Main Street  
Mansfield, Texas 76063  
ATTN: Scott Brown

*With a copy to:*

Tarrant County  
100 E. Weatherford  
Suite 404  
Fort Worth, Texas 76196  
ATTN: County Administrator

#### **K. APPLICABLE LAW**

This Agreement shall be construed under the laws of the State of Texas. Venue for any action under this Agreement shall be the State District Court of Tarrant County, Texas. This Agreement is performable in Tarrant County, Texas. It is understood that by execution of this Agreement, the Hospital District does not waive or surrender any of its governmental powers or immunities.

## L. WAIVER AND SEVERABILITY

The failure of either party to insist upon the performance of any term or provision of this Agreement or to exercise any right granted hereunder shall not constitute a waiver of that party's right to insist upon appropriate performance or to assert any such right on any future occasion. If any provision of this Agreement is held to be invalid, illegal, or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired.

## M. NO THIRD PARTY RIGHTS

The provisions and conditions of this Agreement are solely for the benefit of the Hospital District and Mouser, and any lawful assign or successor of Mouser, and are not intended to create any rights, contractual or otherwise, to any other person or entity.

## N. ENTIRETY OF AGREEMENT

This Agreement, including any exhibits attached hereto and any documents incorporated herein by reference, contains the entire understanding and agreement between the Hospital District and Mouser, and any lawful assign and successor of Mouser, as to the matters contained herein. Any prior or contemporaneous oral or written agreement is hereby declared null and void to the extent in conflict with any provision of this Agreement. Notwithstanding anything to the contrary herein, this Agreement shall not be amended unless executed in writing by both parties. This Agreement may be executed in multiple counterparts, each of which shall be considered an original, but all of which shall constitute one instrument.

## O. MISCELLANEOUS PROVISIONS

- 1. Binding Effect.** This Agreement shall extend to and be binding upon and inure to the benefit of the parties hereto, and their respective legal representatives and future occupants of the FTZ Site. It is agreed that the Hospital District is a beneficiary of this Agreement and shall be entitled to enforce its terms and seek damages for its breach.
- 2. This Agreement Does Not Affect Other Rights, Obligations or Agreements.** This Agreement does not supersede, modify, or affect any other agreement that has been or may be entered into between Mouser and any other taxing jurisdiction or any other entity, except as otherwise expressly stated in this Agreement.
- 3. Further Assurances.** The parties covenant and agree that they will execute such other and further documents as are or may become necessary or convenient to effectuate and carry out the purpose of this Agreement.
- 4. Termination of Agreement.** This Agreement shall terminate upon the revocation of FTZ Site status by the Board, but such termination shall not relieve Mouser from paying any PILOT payments remaining due at termination.

EXECUTED on the dates set forth below, but effective as of the last date executed by all the Parties.

**Tarrant County Hospital District:**

\_\_\_\_\_

Printed Name \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_

**Tarrant County:**

\_\_\_\_\_  
B. Glen Whitley, County Judge

Date: \_\_\_\_\_

APPROVED AS TO FORM

\_\_\_\_\_  
Hospital District Attorney

**Mouser Electronics, Inc.:**

\_\_\_\_\_

Printed Name \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Signature of Officer to Attest to Officer's Execution of Agreement  
(*must be legally authorized to sign on behalf of Mouser Electronics, Inc.*)

**EXHIBIT A**

November \_\_\_\_, 2017

Mr. Andrew McGilvray  
Executive Secretary  
Foreign-Trade Zones Board  
US Department of Commerce  
1401 Constitution Ave., NW, Room 21013  
Washington, DC 20230

Re: Foreign Trade Zone Application—Mouser Electronics, Inc.

Dear Mr. McGilvray:

The Tarrant County Hospital District has been provided information regarding the application by Dallas Fort Worth Airport (DFW), Grantee of Foreign Trade Zone #39, for a Usage Driven Site for FTZ activation for Mouser Electronics, Inc. for a site located at 1000 North Main Street, Mansfield, Texas. We understand that under Texas state law, activated Foreign Trade Zones in Tarrant County may be able to access certain property tax exemptions as they relate to Tarrant County and Tarrant County Hospital District ad valorem taxes.

Tarrant County Hospital District does not object to Foreign Trade Zone (FTZ) status for Mouser Electronics, Inc. at the aforementioned location, and are supportive of the FTZ designation. We understand that this letter will be included as part of the Foreign Trade Zone Application.

Sincerely,



## Exhibit C

### Mouser FTZ PILOT Worksheet

#### Required Information

##### Inventory on January 1

(a) Taxable inventory value (from rendition)	\$
(b) Value of FTZ exempt inventory	\$
(c) <u>Freeport exempt inventory value (from rendition)</u>	\$ _____
(d) Total inventory value	\$

##### Freeport goods information

(e) Freeport goods percentage (from Freeport Exemption Application)	%
--	---

##### FTZ inventory information

(f) Percentage of inventory imported from outside the US	%
(g) Percentage of US sourced inventory held for export	%
(h) <u>Percentage of US sourced inventory held for US sale</u>	%
	_____
	100%

#### PILOT Calculation

Step 1: Calculate Value of Otherwise Exempt Inventory (x)<sup>1</sup>

Value of FTZ exempt inventory (b)	\$
<u>multiplied by Freeport goods percentage (e)</u>	%
(x) Value of Otherwise Exempt Inventory	\$

Step 2: Calculate Value of Net Exempted Inventory (y)

Value of FTZ exempt inventory (b)	\$
<u>minus Value of Otherwise Exempt Inventory (x)</u>	\$
(y) Value of Net Exempted Inventory	\$

Step 3: Calculate PILOT payment

Value of Net Exempted Inventory (y)	\$
divided by 100	
<u>multiplied by current year tax rate</u>	_____

**PILOT Payment**

\$ \_\_\_\_\_

<sup>1</sup> Assumes the only exemption otherwise applicable to Mouser inventory is the Freeport Exemption. If other exemptions become available, the calculation would be altered, if approved by the County Council of the County of Mansfield, Texas.

CO# 144352



COMMISSIONERS COURT  
COMMUNICATION

COURT ORDER NUMBER

PAGE 1 OF

DATE:

36

12/3/2024

**SUBJECT: CONSIDERATION OF AMENDMENT NO. 1 TO THE PAYMENT IN LIEU OF TAXES AGREEMENT AND NEW LETTER OF CONCURRENCE REGARDING EXPANSION OF FOREIGN TRADE ZONE DESIGNATION FOR MOUSER ELECTRONICS, INC.**

**\*\*\* CONSENT AGENDA \*\*\***

**COMMISSIONERS COURT ACTION REQUESTED**

It is requested that the Commissioners Court consider Amendment No 1 to the Payment In Lieu of Taxes (PILOT) Agreement and new Letter of Concurrence for Tarrant County and Tarrant County Hospital District for the expansion of the Foreign Trade Zone boundary for Mouser Electronics, Inc.

**BACKGROUND**

Mouser Electronics, part of the Warren Buffett Berkshire Hathaway family of companies, is a leading worldwide distributor of semiconductors and electronic components, and a longtime fixture in the Mansfield business community. On November 7, 2017, the Commissioners Court, through Court Order #126477, approved the original PILOT Agreements and Letters of Concurrence for the site located at 1000 N. Main Street in Mansfield. On December 27, 2017, the facility was officially granted Foreign Trade Zone status as site number 24 by the Foreign-Trade Zones Board. Since 2013, Mouser has continually increased employment at its Mansfield facility and pays a competitive wage for employees.

With the recent expansion, Mouser almost doubled the size of their existing building and extended the boundaries of the property at 1000 N. Main Street. Because Mouser expanded beyond the originally approved site boundaries, they are required to submit a new Letter of Concurrence to the Foreign-Trade Zone Board in order to obtain the Foreign Trade Zone designation for the additional portion of the building. Mouser Electronics has agreed to execute the attached Amendment No. 1 to the PILOT agreements, committing to reimbursing Tarrant County and Tarrant County Hospital District for any additional County or Hospital District taxes exempted with the addition of the FTZ designation. The City of Mansfield, Mansfield ISD, and the College District have approved a similar Letter of Concurrence and Amendment to the PILOT agreement.

The Criminal District Attorney's Office has reviewed the letter and agreements as to form.

**FISCAL IMPACT**

There is no fiscal impact to Tarrant County associated with the expansion. The original PILOT Agreements for both Tarrant County and Tarrant County Hospital District provide for annual repayment of all additional taxes exempted due to the Foreign Trade Zone designation. Amendment No. 1 does not change this clause. Mouser has submitted payments each year to Tarrant County in a timely manner since execution of the original PILOT agreements and will continue to do so.

SUBMITTED BY	Administrator	PREPARED BY:	Maegan South
		APPROVED BY:	Chandler Merritt

**AMENDMENT NO. 1 TO PAYMENT IN LIEU OF TAXES (PILOT) AGREEMENT  
FOREIGN-TRADE ZONE SITE**

This Amendment to Payment in Lieu of Taxes (PILOT) Agreement ("Amendment") is entered into by and between Mouser Electronics, Inc., A Delaware Corporation ("Mouser"), and Tarrant County, Texas ("the County").

**RECITALS**

**WHEREAS**, Dallas Fort Worth Airport (DFW) is the Grantee of Foreign-Trade Zone ("FTZ") No. 39 created pursuant to the Foreign-Trade Zone ("FTZ") Act of 1934 codified in 19 U.S.C. §81 (the "Act").

**WHEREAS**, Mouser and the County entered into a Payment in Lieu of Taxes (PILOT) Agreement ("Agreement") Foreign Trade Zone Site on November 7, 2017, through Court Order #126477 and approved a Letter of Non-Objection covering Mouser's Foreign Trade Zone site located at 1000 North Main Street, Mansfield, Texas; and

**WHEREAS**, the original Agreement established boundaries for the FTZ site; and

**WHEREAS**, Mouser has expanded its facility beyond the original boundaries described in the Agreement, and Section C.4. "Boundaries" of the Agreement provides that the boundaries shall not be modified without express action of the Commissioners Court; and

**WHEREAS**, Mouser has also provided a new Letter of Non-Objection covering the expanded boundaries; and

**WHEREAS**, Mouser and the County desire to amend the Agreement to expand the boundaries of the FTZ and execute the new Letter of Non-Objection, which will be submitted to the Foreign-Trade Zones Board of the International Trade Administration; and

**WHEREAS**, defined terms and conditions in the original Agreement shall have the meaning as assigned to such terms in the Agreement, unless otherwise specifically defined in this Amendment.

In consideration of the mutual commitments expressed in this Amendment, the parties agree to the following:

1. **AMENDMENT TO FTZ SITE BOUNDARIES.** The FTZ Site boundaries described in Exhibit "B", of the Agreement are hereby amended to reflect the expansion of Mouser's facility at 1000 North Main Street, Mansfield, Texas. The amended boundaries of the FTZ Site are attached hereto and shown on the Amended Exhibit "B".

2. **LETTER OF NON-OBJECTION.** The County will execute a Letter of Non-Objection as described in the Amended Exhibit "A".
3. **CONSISTENCY OF TERMS.** Mouser agrees that the terms and conditions of the Agreement including, but not limited to, its obligations for PILOT Payments and reporting, shall also apply to the amended FTZ Site boundaries as

**Tarrant County:**

\_\_\_\_\_  
Tim O'Hare, County Judge

Date: \_\_\_\_\_

ATTEST:

  
\_\_\_\_\_  
Deputy County Clerk

APPROVED AS TO FORM\*

  
\_\_\_\_\_  
Assistant Criminal District Attorney

*\*By law, the District Attorney's Office may only approve contracts for its clients. We reviewed this document from our client's legal perspective. Other parties may not rely on this approval. Instead those parties should seek contract review from independent counsel.*

**Mouser Electronics, Inc.:**

\_\_\_\_\_

Printed Name \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Signature of Officer to Attest to Officer's Execution of Agreement  
(must be legally authorized to sign on behalf of Mouser Electronics, Inc.)

**EXHIBIT A**

December 3, 2024

Elizabeth Whiteman  
Executive Secretary  
Foreign-Trade Zones Board  
U.S. Department of Commerce  
1401 Constitution Ave., NW, Room 21013  
Washington, DC 20230

Re: Foreign Trade Zone Application—Mouser Electronics

Dear Ms. Whiteman:

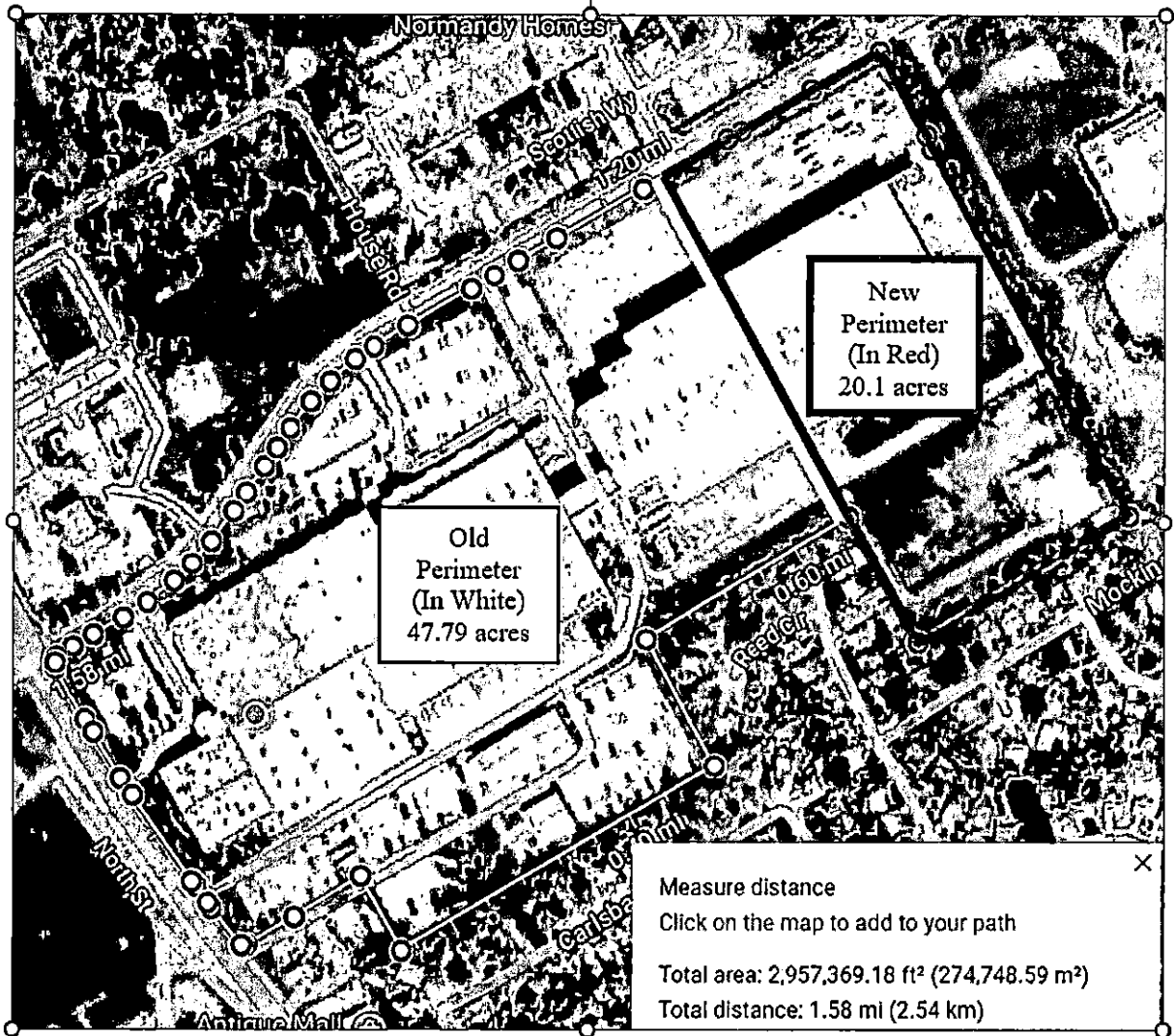
The Tarrant County Commissioners Court has been provided information regarding the Mouser Electronics facility located at 1000 N. Main Street, Mansfield, Texas, which was granted Foreign Trade Zone designation as site number 24 on December 27, 2017 via FTZ Board Order S-204-2017. We understand that Mouser has expanded their existing facility beyond the originally approved site boundaries and as such requires FTZ designation for the additional portion of the building. Under Texas state law, activated Foreign Trade Zones in Tarrant County may be able to access certain property tax exemptions as they relate to Tarrant County and Tarrant County Hospital District ad valorem taxes.

The Commissioners Court does not object to the expanded Foreign Trade Zone (FTZ) status and expanded boundaries for Mouser Electronics at the aforementioned location, and are supportive of the application. We understand that this letter will be included as part of the Foreign Trade Zone Application.

Sincerely,

Tim O'Hare  
County Judge

**EXHIBIT B**



**AMENDMENT NO. 1 TO PAYMENT IN LIEU OF TAXES (PILOT) AGREEMENT  
FOREIGN-TRADE ZONE SITE**

This Amendment to Payment in Lieu of Taxes (PILOT) Agreement ("Amendment") is entered into by and between Mouser Electronics, Inc., A Delaware Corporation ("Mouser"), and Tarrant County Hospital District ("the Hospital District").

**RECITALS**

**WHEREAS**, Dallas Fort Worth Airport (DFW) is the Grantee of Foreign-Trade Zone ("FTZ") No. 39 created pursuant to the Foreign-Trade Zone ("FTZ") Act of 1934 codified in 19 U.S.C. §81 (the "Act").

**WHEREAS**, Mouser and the Hospital District entered into a Payment in Lieu of Taxes (PILOT) Agreement ("Agreement") Foreign Trade Zone Site on November 7, 2017, through Court Order #126477 and approved a Letter of Non-Objection covering Mouser's Foreign Trade Zone site located at 1000 North Main Street, Mansfield, Texas; and

**WHEREAS**, the original Agreement established boundaries for the FTZ site; and

**WHEREAS**, Mouser has expanded its facility beyond the original boundaries described in the Agreement, and Section C.4. "Boundaries" of the Agreement provides that the boundaries shall not be modified without express action of the Commissioners Court; and

**WHEREAS**, Mouser has also provided a new Letter of Non-Objection covering the expanded boundaries; and

**WHEREAS**, Mouser and the Hospital District desire to amend the Agreement to expand the boundaries of the FTZ and execute the new Letter of Non-Objection, which will be submitted to the Foreign-Trade Zones Board of the International Trade Administration; and

**WHEREAS**, defined terms and conditions in the original Agreement shall have the meaning as assigned to such terms in the Agreement, unless otherwise specifically defined in this Amendment.

In consideration of the mutual commitments expressed in this Amendment, the parties agree to the following:

1. **AMENDMENT TO FTZ SITE BOUNDARIES.** The FTZ Site boundaries described in Exhibit "B", of the Agreement are hereby amended to reflect the expansion of Mouser's facility at 1000 North Main Street, Mansfield, Texas. The amended boundaries of the FTZ Site, which is inclusive of both the old perimeter and new perimeter, are attached hereto and shown on the Amended Exhibit "B".

2. **LETTER OF NON-OBJECTION.** The Hospital District will execute a Letter of Non-Objection as described in the Amended Exhibit "A".
3. **CONSISTENCY OF TERMS.** Mouser agrees that the terms and conditions of the Agreement including, but not limited to, its obligations for PILOT Payments and reporting, shall also apply to the amended FTZ Site boundaries as shown in Exhibit "B".

**Tarrant County Hospital District:**

\_\_\_\_\_  
Printed Name

Date: \_\_\_\_\_

ATTEST:

  
\_\_\_\_\_  
Deputy County Clerk

Tarrant County:

\_\_\_\_\_  
Tim O'Hare, County Judge

APPROVED AS TO FORM\*

  
\_\_\_\_\_  
Assistant Criminal District Attorney

*\*By law, the District Attorney's Office may only approve contracts for its clients. We reviewed this document from our client's legal perspective. Other parties may not rely on this approval. Instead those parties should seek contract review from independent counsel.*

**Mouser Electronics, Inc.:**

\_\_\_\_\_

Printed Name \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Signature of Officer to Attest to Officer's Execution of Agreement  
(must be legally authorized to sign on behalf of Mouser Electronics, Inc.)

**EXHIBIT A**

December \_\_, 2024

Elizabeth Whiteman  
Executive Secretary  
Foreign-Trade Zones Board  
U.S. Department of Commerce  
1401 Constitution Ave., NW, Room 21013  
Washington, DC 20230

Re: Foreign Trade Zone Application—Mouser Electronics

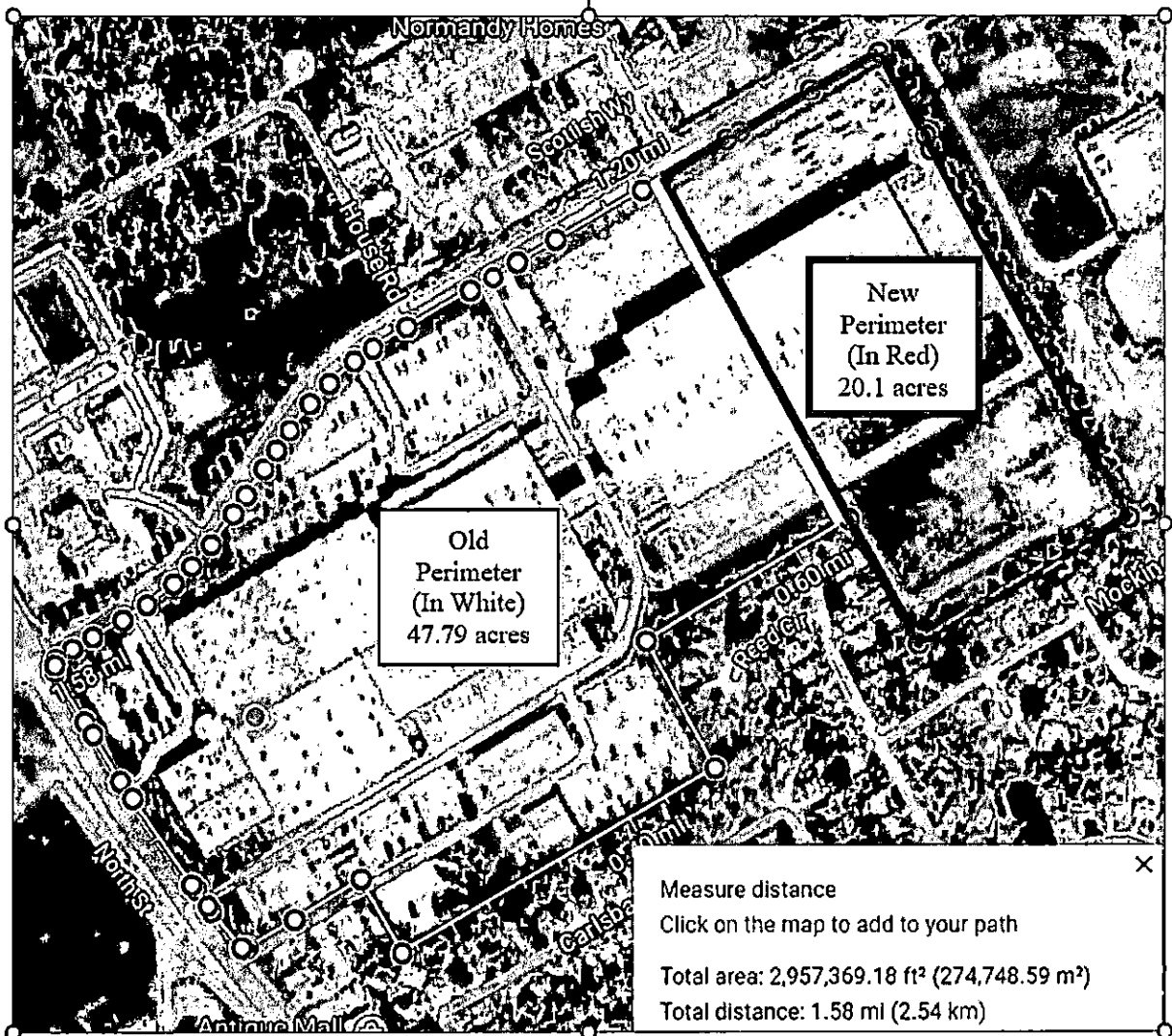
Dear Ms. Whiteman:

The Tarrant County Hospital District has been provided information regarding the Mouser Electronics facility located at 1000 N. Main Street, Mansfield, Texas, which was granted Foreign Trade Zone designation as site number 24 on December 27, 2017, via FTZ Board Order S-204-2017. We understand that Mouser has expanded their existing facility beyond the originally approved site boundaries and as such requires FTZ designation for the additional portion of the building. Under Texas state law, activated Foreign Trade Zones in Tarrant County may be able to access certain property tax exemptions as they relate to Tarrant County and Tarrant County Hospital District ad valorem taxes.

Tarrant County Hospital District does not object to the expanded Foreign Trade Zone (FTZ) status and expanded boundaries for Mouser Electronics at the aforementioned location, and are supportive of the application. We understand that this letter will be included as part of the Foreign Trade Zone Application.

Sincerely,

**EXHIBIT B**





COMMISSIONERS COURT  
COMMUNICATION

REFERENCE NUMBER 0

PAGE 1 OF 25

DATE: 11/07/2017

**SUBJECT: APPROVAL OF A LETTER OF CONCURRENCE REGARDING FOREIGN TRADE DESIGNATION FOR MOUSER ELECTRONICS, INC. AND APPROVAL OF A PAYMENT IN LIEU OF TAXES AGREEMENT WITH MOUSER ELECTRONICS, INC.**

**COMMISSIONERS COURT ACTION REQUESTED:**

It is requested that the Commissioners Court consider action as follows:

1. Approve the Letter of Concurrence to the Foreign Trade Zones Board allowing for the Foreign Trade Zone application by Mouser Electronics, Inc. for its facility at 1000 North Main Street, Mansfield, Texas; and
2. Approve the Payment In Lieu of Taxes agreement between Tarrant County and Mouser Electronics, Inc. and authorize the County Judge to execute the agreement; and
3. Approve and Recommend Approval by the Tarrant County Hospital District of the Payment In Lieu of Taxes agreement between Tarrant County Hospital District and Mouser Electronics, Inc. and authorize the County Judge to execute the agreement on behalf of Tarrant County.

**BACKGROUND:**

Mouser Electronics, part of the Warren Buffett Berkshire Hathaway family of companies, is a leading worldwide distributor of semiconductors and electronic components, and a longtime fixture in the Mansfield business community. Since 2013, Mouser has increased employment by 360 employees at its Mansfield facility, with current employment at 1,424. Average salaries run approximately \$57,219 for management positions, and \$33,699 (\$16.20/hour) for warehouse jobs. Mouser would like to utilize the benefits of a Foreign Trade Zone (FTZ) to expand their operations and reduce costs in order to remain competitive, and is requesting that its Mansfield location be added to the Dallas Fort Worth Airport Foreign Trade Zone #39. Mouser plans to invest over \$10,000,000 in facility expansion and \$3,000,000 in new equipment, and add 150 new jobs by the end of 2018.

Mouser Electronics is requesting Tarrant County approval of a "no objection" letter concurring with their application for Foreign Trade Zone designation. Mouser Electronics has agreed to execute the attached Payment In Lieu of Taxes (PILOT) agreements, committing to reimbursing Tarrant County and Tarrant County Hospital District for any additional County or Hospital District taxes exempted with the addition of the FTZ designation. The City of Mansfield and Mansfield ISD have approved a

SUBMITTED BY: Administrator's Office

PREPARED BY: Lisa McMillan

APPROVED BY:



## COMMISSIONERS COURT COMMUNICATION

REFERENCE NUMBER: 0Error! Reference source not found. DATE: 11/07/2017 PAGE 2 OF 25

similar Letter of Concurrence and PILOT agreement. Tarrant County College District will consider the same action at a later date.

### **FISCAL IMPACT:**

Due to the slower nature of turnover of its inventory, Mouser currently receives limited benefit from existing Freeport Exemption. It is estimated that the Foreign Trade Zone designation will substantially add to the exemption of inventory value and reduce Tarrant County taxes by approximately \$641,000 annually, with a reduction of approximately \$583,000 per year from Hospital District taxes. The added facility investment is expected to produce approximately \$35,000 in additional tax revenue annually for County and \$30,000 for Hospital District. The attached PILOT Agreement provides for annual repayment of all additional taxes exempted due to the Foreign Trade Zone designation.



**B. GLEN WHITLEY**  
**COUNTY JUDGE**  
**of**  
**TARRANT COUNTY**

November 7, 2017

Mr. Andrew McGilvray  
Executive Secretary  
Foreign-Trade Zones Board  
US Department of Commerce  
1401 Constitution Ave., NW, Room 21013  
Washington, DC 20230

Re: Foreign Trade Zone Application—Mouser Electronics, Inc.

Dear Mr. McGilvray:

The Tarrant County Commissioners Court has been provided information regarding the application by Dallas Fort Worth Airport (DFW), Grantee of Foreign Trade Zone #39, for a Usage Driven Site for FTZ activation for Mouser Electronics, Inc. for a site located at 1000 North Main Street, Mansfield, Texas. We understand that under Texas state law, activated Foreign Trade Zones in Tarrant County may be able to access certain property tax exemptions as they relate to Tarrant County and Tarrant County Hospital District ad valorem taxes.

The Commissioners Court does not object to Foreign Trade Zone (FTZ) status for Mouser Electronics, Inc. at the aforementioned location, and are supportive of the FTZ designation. We understand that this letter will be included as part of the Foreign Trade Zone Application.

Sincerely,

B. Glen Whitley  
County Judge

**Tarrant  
County  
College  
District**



OFFICE OF THE  
VICE CHANCELLOR FOR  
FINANCIAL SERVICES

1500 Houston Street • Fort Worth, Texas 76102-6524 • 817-515-5203 • Fax 817-515-5050

November 15, 2017

Mr. Andrew McGilvray  
Executive Secretary Foreign-  
Trade Zones Board  
US Department of Commerce  
1401 Constitution Ave., NW, Room 21013  
Washington, DC 20230

Re: Foreign Trade Zone Application-Mouser Electronics, Inc.

Dear Mr. McGilvray:

We understand that Mouser Electronics, Inc. will be seeking foreign trade zone designation for its facility located within the City of Mansfield. Tarrant County College District does not object to this application. We understand that imported inventory and inventory held for export at the facility will be exempt from ad valorem tax.

Sincerely,

Mark E. McClendon, Ed.D.  
Vice Chancellor for Finance

**PAYMENT IN LIEU OF TAXES AGREEMENT  
FOREIGN-TRADE ZONE SITE**

THIS AGREEMENT ("Agreement") is entered into by and between Mouser Electronics, Inc., A Delaware Corporation ("Mouser"), and Tarrant County, Texas ("the County").

**A. RECITALS**

**WHEREAS**, Dallas Fort Worth Airport (DFW) is the Grantee of Foreign-Trade Zone ("FTZ") No. 39 created pursuant to the Foreign-Trade Zone Act of 1934 codified in 19 U.S.C. §81 (the "Act").

**WHEREAS**, Mouser desires participation in the FTZ program through the expansion of Foreign-Trade Zone No. 39 to include a usage-driven FTZ site located on tract(s) comprising a total of 28.994 acres at 1000 North Main Street, Mansfield, Texas, in the County, as described in Exhibit B (the "FTZ Site").

**WHEREAS**, Mouser seeks an executed Letter of Non-Objection ("Letter") from the County which is required to expedite designation as a FTZ Site, which the County shall provide only if Mouser contractually commits that no financial harm or lost revenue shall be incurred by the County as a result of the designation of the FTZ Site.

**WHEREAS**, inventory qualifying under the Act and held in activated FTZ is exempt from state and local ad valorem taxes.

**WHEREAS**, Mouser and the County desire that designation and activation of the FTZ Site cause no financial harm or lost revenue to the County.

In consideration of the mutual commitments expressed in this Agreement, the parties agree to the following:

**B. DEFINITIONS**

When used herein, the listed words have the following meanings:

"Act", "County", "Mouser", and "FTZ Site" have the meaning set forth in the Recitals.

"Activated" means the approval by Customs for FTZ operations at the FTZ site as specified in Customs Regulations, 19 CFR Part 146.

"Board" means Foreign-Trade Zones Board within U.S. Department of Commerce.

"Customs" means US Customs and Border Protection within U.S. Department of Homeland Security.

"FTZ Exemption" means the federal exemption provided by the Act pursuant to 19 USC § 81(o)(e) for certain inventory in a FTZ.

"FTZ Inventory" means any inventory held in the FTZ Site that qualifies for the FTZ Exemption.

"FTZ Site" means the tract(s) described in Exhibit B, owned and operated by Mouser.

"Interest" means an amount equal to penalty and interest and attorney's fees ("Collection Cost") for delinquent ad valorem tax payments assessed by the County pursuant to Texas Property Code, Sections 33.01, 33.07, and 33.048 or their successors.

"Letter" means executed Letter of Non-Objection from the County in the form attached as Exhibit "A."

"PILOT Payment" means the payment made pursuant to this Agreement in an amount equal to the aggregate ad valorem taxes loss to the County solely because of the FTZ designation of the FTZ site.

### **C. OBLIGATIONS of MOUSER**

1. **PILOT Payment.** Mouser understands that if any FTZ Inventory receives the FTZ Exemption, the County may suffer lost revenue. Therefore, Mouser agrees to the following PILOT Payment:

- a) Mouser agrees that with respect to each year of this Agreement that all or any portion of the FTZ Site is Activated on the valuation date for taxation purposes otherwise applicable to personal property inventory held by Mouser, or any affiliated or unaffiliated third party holding inventory within the FTZ site, Mouser will pay to the County an amount equal to:
  - (i) the Value of Net Exempted Inventory, divided by 100, times
  - (ii) the then current year tax rate adopted by the County.
- b) The following definitions shall be used to determine the Mouser payment:
  - (i) Value of FTZ Inventory means the value of inventory exempt from local taxation by the Act pursuant to 19 U.S. C. §81o(e), as incorporated into the annual certified tax roll of the Tarrant Appraisal District.

- (ii) Value of Otherwise Exempt Inventory means the portion of the Value of FTZ Inventory which, but for the existence of the foreign trade zone, would be exempt for local taxation pursuant to any other provision of law. For example, the value of inventory which would qualify for the Freeport Exemption pursuant to Texas Tax Code Section 11-251 if not already exempted by the Foreign-Trade Zones Act would be included in the Value of Otherwise Exempt Inventory.
- (iii) Value of Net Exempted Inventory means the Value of FTZ Inventory, less the Value of Otherwise Exempt Inventory.
- c) Mouser agrees to disburse the annual PILOT Payment(s) specified above to the County, at the address set forth in Section J in the form of a check payable to "Tarrant County".
- d) Any adjustment to the Tarrant Appraisal District tax roll which results in change to the FTZ Exemption after the tax role has been certified will cause a recalculation of the PILOT Payment within 30 days of the adjustment, and additional payments or refunds will be made promptly.
- e) PILOT Payments made after January 31<sup>st</sup> shall be delinquent and incur interest in the same manner as delinquent ad valorem taxes.
- f) The aggregate of: (1) the amounts payable by Mouser to the County under this Agreement, (2) the amount of ad valorem tax paid by Mouser to the County and (3) the amount of ad valorem taxes paid by any other party owning inventory in the FTZ Site to the County shall in no event exceed the amounts of ad valorem taxes that would have been payable to the County pursuant to the Texas Property Tax Code if the FTZ had not been created.

**2. Report.** By October 1, 2018 and by October 1 of each year thereafter, that the FTZ Site is Activated by Customs, Mouser will provide to the County:

- a) A completed Mouser FTZ PILOT worksheet in the format contained in Exhibit "C,"
- b) A copy of the Mouser rendition to the Tarrant Appraisal District for that year, including the Application for Freeport Exemption, and
- c) Copies of any relevant correspondence between Mouser and the Tarrant Appraisal District which resulted in a change between the Mouser rendered inventory value and the final inventory value appearing on the Tarrant Appraisal District certified tax roll.

**3. Termination of Activation.** Mouser agrees that this Agreement is necessary for the designation of the FTZ Site. Therefore, in the event of any violation by Mouser or a determination of the invalidity of this Agreement, Mouser agrees to request that Customs terminate Activation of the FTZ Site, within thirty (30) days after notification from the County that Mouser has violated the Agreement or the Agreement is invalid.

**4. Boundaries.** As long as this Agreement is in effect, Mouser shall not modify its FTZ Site boundaries as described in Exhibit B, or otherwise take any action allowing any party whether affiliated or unaffiliated to own inventory in the FTZ Site, unless the County, by express action of its Commissioners Court, enters into a new or modified PILOT Agreement with Mouser allowing the boundary modification and/or with such third party.

**5. Information to be Provided.** Any additional information that may be reasonably requested by the County to effectuate or facilitate Mouser's obligations under this Agreement must be furnished by Mouser within 15 business days thereafter.

**6. Security.** The parties recognize that but for the Activation of the FTZ Site, the FTZ Inventory would be subject to ad valorem taxes. The County would otherwise enjoy a priority lien on the FTZ Property imposed pursuant to Section 32.01 of the Texas Tax Code to secure payment of the ad valorem taxes. Therefore, so the County is not disadvantaged by entering into this Agreement, Mouser agrees to obtain and maintain for the term of this Agreement a bond or letter of credit payable to the County in an amount equal to no less than the annual PILOT Payment, in a form satisfactory to the Criminal District Attorney's Office and the County Auditor. The bond or letter of credit shall be payable to the County in the event Mouser fails to make the annual PILOT Payment and shall be provided to the County prior to the County's execution of the Letter of Non-Objection.

**7. Tax Obligations Unaffected.** Mouser acknowledges that this Agreement does not affect any other tax obligations of Mouser to the County.

#### **D. OBLIGATIONS OF COUNTY**

**1. Letter of Non-Objection.** Upon execution of this Agreement, the County shall furnish its Letter of Non-Objection, in the form shown in Exhibit A, based on the commitments of Mouser herein that the County will not suffer lost revenue given that Mouser agrees to make the PILOT Payments.

**2. Invoice.** On or before December 1 of each year, the County will invoice Mouser for the PILOT Payment due with respect to that year as determined pursuant to paragraph 1(a) of Section C. The PILOT Payment is due from Mouser to the County on or before January 31<sup>st</sup> of the year following the year for which payment is being made. Penalties, interest and statutory attorney's fees (collection costs) for late payments shall

be the same as that assessed by the County against delinquent taxpayers, pursuant to Texas Property Tax Code sections 33.01, 33.07, and 33.48, or their successor provisions.

#### **E. CHANGE IN LAW**

In the event that state legislation, judicial decisions, administrative interpretations by the Office of Texas State Comptroller including the Property Tax Division, in the sole judgment of the County, reasonably exercised, materially and detrimentally impacts the financial consequences to the County of the FTZ Site, the parties agree to renegotiate this Agreement in accordance with its original intent of protecting the County from financial loss.

#### **F. DEFAULT**

Unless stated elsewhere in this Agreement, a party shall be in default under this Agreement if such party breaches any term or condition of this Agreement. In the event that such breach remains uncured after thirty (30) calendar days following receipt of written notice from the non-defaulting party (or, if the defaulting party has diligently and continuously attempted to cure following receipt of such written notice but reasonably requires more than thirty (30) calendar days to cure, as determined by both parties mutually and in good faith), the non-defaulting party shall have the right to exercise any and all legal remedies available to it, including, but not limited to, the immediate termination of this Agreement upon provision of written notice to the non-defaulting party.

#### **G. INDEPENDENT CONTRACTOR**

It is expressly understood and agreed that Mouser shall operate as an independent contractor in each and every respect hereunder and not as an agent, representative or employee of the County. Mouser shall have the exclusive right to control all details and day-to-day operations relative to the FTZ Site and shall be solely responsible for the acts and omissions of its officers, agents, servants, employees, contractors, subcontractors, licensees, and invitees. Mouser acknowledges that the doctrine of respondeat superior will not apply as between the County and Mouser, its officers, agents, servants, employees, contractors, subcontractors, licensees, and invitees. Mouser further agrees that nothing in this Agreement will be construed as the creation of a partnership or joint enterprise between the County and Mouser.

#### **H. INDEMNIFICATION**

**Mouser, at no cost to the County agrees to defend, indemnify and hold the County, its officers, agents, servants, and employees, harmless against any and all claims, lawsuits, actions, costs, and expenses of any kind, including, but not limited to, those for property damage or loss (including alleged damage or loss to Mouser's business and any resulting lost profits) and/or personal injury,**

including death, that may relate to, arise out of or be occasioned by Mouser's breach or any of the terms or provisions of this Agreement.

#### I. RIGHT OF OFFSET

The parties recognize that the County has the option to enter into development incentive agreements with Mouser, and may do so in the future. The County may, at its option, offset any amounts due and payable to Mouser under any incentive agreement, economic development agreement or other obligation of the County to pay Mouser against any unpaid or delinquent PILOT Payment lawfully due to County from Mouser.

#### J. NOTICES

All written notices called for or required by this Agreement shall be addressed to the following, or such other party or address as either party designates in writing, by certified mail, postage prepaid, or by hand delivery:

**COUNTY:**

Tarrant County  
100 E. Weatherford  
Suite 404  
Fort Worth, Texas 76196  
ATTN: County Administrator

**MOUSER:**

Mouser Electronics, Inc.  
1000 North Main Street  
Mansfield, Texas 76063  
ATTN: Scott Brown

#### K. APPLICABLE LAW

This Agreement shall be construed under the laws of the State of Texas. Venue for any action under this Agreement shall be the State District Court of Tarrant County, Texas. This Agreement is performable in Tarrant County, Texas. It is understood that by execution of this Agreement, the County does not waive or surrender any of its governmental powers or immunities.

#### L. WAIVER AND SEVERABILITY

The failure of either party to insist upon the performance of any term or provision of this Agreement or to exercise any right granted hereunder shall not constitute a waiver of that party's right to insist upon appropriate performance or to assert any such right on any future occasion. If any provision of this Agreement is held to be invalid, illegal, or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired.

#### M. NO THIRD PARTY RIGHTS

The provisions and conditions of this Agreement are solely for the benefit of the County and Mouser, and any lawful assign or successor of Mouser, and are not

intended to create any rights, contractual or otherwise, to any other person or entity.

#### **N. ENTIRETY OF AGREEMENT**

This Agreement, including any exhibits attached hereto and any documents incorporated herein by reference, contains the entire understanding and agreement between the County and Mouser, and any lawful assign and successor of Mouser, as to the matters contained herein. Any prior or contemporaneous oral or written agreement is hereby declared null and void to the extent in conflict with any provision of this Agreement. Notwithstanding anything to the contrary herein, this Agreement shall not be amended unless executed in writing by both parties. This Agreement may be executed in multiple counterparts, each of which shall be considered an original, but all of which shall constitute one instrument.

#### **O. MISCELLANEOUS PROVISIONS**

**1. Binding Effect.** This Agreement shall extend to and be binding upon and inure to the benefit of the parties hereto, and their respective legal representatives and future occupants of the FTZ Site. It is agreed that the County is a beneficiary of this Agreement and shall be entitled to enforce its terms and seek damages for its breach.

**2. This Agreement Does Not Affect Other Rights, Obligations or Agreements.** This Agreement does not supersede, modify, or affect any other agreement that has been or may be entered into between Mouser and any other taxing jurisdiction or any other entity, except as otherwise expressly stated in this Agreement.

**3. Further Assurances.** The parties covenant and agree that they will execute such other and further documents as are or may become necessary or convenient to effectuate and carry out the purpose of this Agreement.

**4. Termination of Agreement.** This Agreement shall terminate upon the revocation of FTZ Site status by the Board, but such termination shall not relieve Mouser from paying any PILOT payments remaining due at termination.

EXECUTED on the dates set forth below, but effective as of the last date executed by all the Parties.

**Tarrant County:**

\_\_\_\_\_  
B. Glen Whitley, County Judge

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Deputy County Clerk

APPROVED AS TO FORM\*

\_\_\_\_\_  
Assistant Criminal District Attorney

*\*By law, the District Attorney's Office may only approve contracts for its clients. We reviewed this document from our client's legal perspective. Other parties may not rely on this approval. Instead those parties should seek contract review from independent counsel.*

**Mouser Electronics, Inc.:**

\_\_\_\_\_

Printed Name \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Signature of Officer to Attest to Officer's Execution of Agreement  
(must be legally authorized to sign on behalf of Mouser Electronics, Inc.)

**EXHIBIT A**

November 7, 2017

Mr. Andrew McGilvray  
Executive Secretary  
Foreign-Trade Zones Board  
US Department of Commerce  
1401 Constitution Ave., NW, Room 21013  
Washington, DC 20230

Re: Foreign Trade Zone Application—Mouser Electronics, Inc.

Dear Mr. McGilvray:

The Tarrant County Commissioners Court has been provided information regarding the application by Dallas Fort Worth Airport (DFW), Grantee of Foreign Trade Zone #39, for a Usage Driven Site for FTZ activation for Mouser Electronics, Inc. for a site located at 1000 North Main Street, Mansfield, Texas. We understand that under Texas state law, activated Foreign Trade Zones in Tarrant County may be able to access certain property tax exemptions as they relate to Tarrant County and Tarrant County Hospital District ad valorem taxes.

The Commissioners Court does not object to Foreign Trade Zone (FTZ) status for Mouser Electronics, Inc. at the aforementioned location, and are supportive of the FTZ designation. We understand that this letter will be included as part of the Foreign Trade Zone Application.

Sincerely,

B. Glen Whitley  
County Judge



**Exhibit C**

**Mouser FTZ PILOT Worksheet**

**Required Information**

Inventory on January 1

(a) Taxable inventory value (from rendition)	\$
(b) Value of FTZ exempt inventory	\$
(c) <u>Freeport exempt inventory value (from rendition)</u>	\$ _____
(d) Total inventory value	\$

Freeport goods information

(e) Freeport goods percentage (from Freeport Exemption Application)	%
--	---

FTZ inventory information

(f) Percentage of inventory imported from outside the US	%
(g) Percentage of US sourced inventory held for export	%
(h) <u>Percentage of US sourced inventory held for US sale</u>	%
	_____
	100%

**PILOT Calculation**

Step 1: Calculate Value of Otherwise Exempt Inventory (x)<sup>1</sup>

Value of FTZ exempt inventory (b)	\$
<u>multiplied by Freeport goods percentage (e)</u>	%
(x) Value of Otherwise Exempt Inventory	\$

Step 2: Calculate Value of Net Exempted Inventory (y)

Value of FTZ exempt inventory (b)	\$
<u>minus Value of Otherwise Exempt Inventory (x)</u>	\$ _____
(y) Value of Net Exempted Inventory	\$

Step 3: Calculate PILOT payment

Value of Net Exempted Inventory (y)	\$
divided by 100	
<u>multiplied by current year tax rate</u>	_____

**PILOT Payment**

\$ \_\_\_\_\_

<sup>1</sup> Assumes the only exemption otherwise applicable to Mouser inventory is the Freeport Exemption. If other exemptions become available, the calculation would be altered, if approved by the County Council of the County of Mansfield, Texas.

**PAYMENT IN LIEU OF TAXES AGREEMENT  
FOREIGN-TRADE ZONE SITE**

THIS AGREEMENT ("Agreement") is entered into by and between Mouser Electronics, Inc., A Delaware Corporation ("Mouser"), and Tarrant County Hospital District, Texas ("the Hospital District").

**A. RECITALS**

**WHEREAS**, Dallas Fort Worth Airport (DFW) is the Grantee of Foreign-Trade Zone ("FTZ") No. 39 created pursuant to the Foreign-Trade Zone Act of 1934 codified in 19 U.S.C. §81 (the "Act").

**WHEREAS**, Mouser desires participation in the FTZ program through the expansion of Foreign-Trade Zone No. 39 to include a usage-driven FTZ site located on tract(s) comprising a total of 28.994 acres at 1000 North Main Street, Mansfield, Texas, in Tarrant County, as described in Exhibit B (the "FTZ Site").

**WHEREAS**, Mouser seeks an executed Letter of Non-Objection ("Letter") from the Hospital District which is required to expedite designation as a FTZ Site, which the Hospital District shall provide only if Mouser contractually commits that no financial harm or lost revenue shall be incurred by the Hospital District as a result of the designation of the FTZ Site.

**WHEREAS**, inventory qualifying under the Act and held in activated FTZ is exempt from state and local ad valorem taxes.

**WHEREAS**, Mouser and the Hospital District desire that designation and activation of the FTZ Site cause no financial harm or lost revenue to the Hospital District.

In consideration of the mutual commitments expressed in this Agreement, the parties agree to the following:

**B. DEFINITIONS**

When used herein, the listed words have the following meanings:

"Act", "Hospital District", "Mouser", and "FTZ Site" have the meaning set forth in the Recitals.

"Activated" means the approval by Customs for FTZ operations at the FTZ site as specified in Customs Regulations, 19 CFR Part 146.

"Board" means Foreign-Trade Zones Board within U.S. Department of Commerce.

"Customs" means US Customs and Border Protection within U.S. Department of Homeland Security.

"FTZ Exemption" means the federal exemption provided by the Act pursuant to 19 USC § 81(o)(e) for certain inventory in a FTZ.

"FTZ Inventory" means any inventory held in the FTZ Site that qualifies for the FTZ Exemption.

"FTZ Site" means the tract(s) described in Exhibit B, owned and operated by Mouser.

"Interest" means an amount equal to penalty and interest and attorney's fees ("Collection Cost") for delinquent ad valorem tax payments assessed by the Hospital District pursuant to Texas Property Code, Sections 33.01, 33.07, and 33.048 or their successors.

"Letter" means executed Letter of Non-Objection from the Hospital District in the form attached as Exhibit "A."

"PILOT Payment" means the payment made pursuant to this Agreement in an amount equal to the aggregate ad valorem taxes loss to the Hospital District solely because of the FTZ designation of the FTZ site.

### **C. OBLIGATIONS of MOUSER**

**1. PILOT Payment.** Mouser understands that if any FTZ Inventory receives the FTZ Exemption, the Hospital District may suffer lost revenue. Therefore, Mouser agrees to the following PILOT Payment:

- a) Mouser agrees that with respect to each year of this Agreement that all or any portion of the FTZ Site is Activated on the valuation date for taxation purposes otherwise applicable to personal property inventory held by Mouser, or any affiliated or unaffiliated third party holding inventory within the FTZ site, Mouser will pay to the Hospital District an amount equal to:
  - (i) the Value of Net Exempted Inventory, divided by 100, times
  - (ii) the then current year tax rate adopted by the Hospital District.
- b) The following definitions shall be used to determine the Mouser payment:
  - (i) Value of FTZ Inventory means the value of inventory exempt from local taxation by the Act pursuant to 19 U.S. C. §81o(e), as

incorporated into the annual certified tax roll of the Tarrant Appraisal District.

- (ii) Value of Otherwise Exempt Inventory means the portion of the Value of FTZ Inventory which, but for the existence of the foreign trade zone, would be exempt for local taxation pursuant to any other provision of law. For example, the value of inventory which would qualify for the Freeport Exemption pursuant to Texas Tax Code Section 11-251 if not already exempted by the Foreign-Trade Zones Act would be included in the Value of Otherwise Exempt Inventory.
- (iii) Value of Net Exempted Inventory means the Value of FTZ Inventory, less the Value of Otherwise Exempt Inventory.
- c) Mouser agrees to disburse the annual PILOT Payment(s) specified above to the Hospital District, at the address set forth in Section J in the form of a check payable to "Tarrant County Hospital District".
- d) Any adjustment to the Tarrant Appraisal District tax roll which results in change to the FTZ Exemption after the tax role has been certified will cause a recalculation of the PILOT Payment within 30 days of the adjustment, and additional payments or refunds will be made promptly.
- e) PILOT Payments made after January 31<sup>st</sup> shall be delinquent and incur Interest in the same manner as delinquent ad valorem taxes.
- f) The aggregate of: (1) the amounts payable by Mouser to the Hospital District under this Agreement, (2) the amount of ad valorem tax paid by Mouser to the Hospital District and (3) the amount of ad valorem taxes paid by any other party owning inventory in the FTZ Site to the Hospital District shall in no event exceed the amounts of ad valorem taxes that would have been payable to the Hospital District pursuant to the Texas Property Tax Code if the FTZ had not been created.

**2. Report.** By October 1, 2018 and by October 1 of each year thereafter, that the FTZ Site is Activated by Customs, Mouser will provide to the Hospital District:

- a) A completed Mouser FTZ PILOT worksheet in the format contained in Exhibit "C,"
- b) A copy of the Mouser rendition to the Tarrant Appraisal District for that year, including the Application for Freeport Exemption, and
- c) Copies of any relevant correspondence between Mouser and the Tarrant

Appraisal District which resulted in a change between the Mouser rendered inventory value and the final inventory value appearing on the Tarrant Appraisal District certified tax roll.

**3. Termination of Activation.** Mouser agrees that this Agreement is necessary for the designation of the FTZ Site. Therefore, in the event of any violation by Mouser or a determination of the invalidity of this Agreement, Mouser agrees to request that Customs terminate Activation of the FTZ Site, within thirty (30) days after notification from the Hospital District that Mouser has violated the Agreement or the Agreement is invalid.

**4. Boundaries.** As long as this Agreement is in effect, Mouser shall not modify its FTZ Site boundaries as described in Exhibit B, or otherwise take any action allowing any party whether affiliated or unaffiliated to own inventory in the FTZ Site, unless the Hospital District, by express action of its Commissioners Court, enters into a new or modified PILOT Agreement with Mouser allowing the boundary modification and/or with such third party.

**5. Information to be Provided.** Any additional information that may be reasonably requested by the Hospital District to effectuate or facilitate Mouser's obligations under this Agreement must be furnished by Mouser within 15 business days thereafter.

**6. Security.** The parties recognize that but for the Activation of the FTZ Site, the FTZ Inventory would be subject to ad valorem taxes. The Hospital District would otherwise enjoy a priority lien on the FTZ Property imposed pursuant to Section 32.01 of the Texas Tax Code to secure payment of the ad valorem taxes. Therefore, so the Hospital District is not disadvantaged by entering into this Agreement, Mouser agrees to obtain and maintain for the term of this Agreement a bond or letter of credit payable to the Hospital District in an amount equal to no less than the annual PILOT Payment, in a form satisfactory to the Hospital District Attorney and the Finance Director. The bond or letter of credit shall be payable to the Hospital District in the event Mouser fails to make the annual PILOT Payment and shall be provided to the Hospital District prior to the Hospital District's execution of the Letter of Non-Objection.

**7. Tax Obligations Unaffected.** Mouser acknowledges that this Agreement does not affect any other tax obligations of Mouser to the Hospital District.

#### **D. OBLIGATIONS OF HOSPITAL DISTRICT**

**1. Letter of Non-Objection.** Upon execution of this Agreement, the Hospital District shall furnish its Letter of Non-Objection, in the form shown in Exhibit A, based on the commitments of Mouser herein that the Hospital District will not suffer lost revenue given that Mouser agrees to make the PILOT Payments.

**2. Invoice.** On or before December 1 of each year, the Hospital District will

invoice Mouser for the PILOT Payment due with respect to that year as determined pursuant to paragraph 1(a) of Section C. The PILOT Payment is due from Mouser to the Hospital District on or before January 31<sup>st</sup> of the year following the year for which payment is being made. Penalties, interest and statutory attorney's fees (collection costs) for late payments shall be the same as that assessed by the Hospital District against delinquent taxpayers, pursuant to Texas Property Tax Code sections 33.01, 33.07, and 33.48, or their successor provisions.

#### **E. CHANGE IN LAW**

In the event that state legislation, judicial decisions, administrative interpretations by the Office of Texas State Comptroller including the Property Tax Division, in the sole judgment of the Hospital District, reasonably exercised, materially and detrimentally impacts the financial consequences to the Hospital District of the FTZ Site, the parties agree to renegotiate this Agreement in accordance with its original intent of protecting the Hospital District from financial loss.

#### **F. DEFAULT**

Unless stated elsewhere in this Agreement, a party shall be in default under this Agreement if such party breaches any term or condition of this Agreement. In the event that such breach remains uncured after thirty (30) calendar days following receipt of written notice from the non-defaulting party (or, if the defaulting party has diligently and continuously attempted to cure following receipt of such written notice but reasonably requires more than thirty (30) calendar days to cure, as determined by both parties mutually and in good faith), the non-defaulting party shall have the right to exercise any and all legal remedies available to it, including, but not limited to, the immediate termination of this Agreement upon provision of written notice to the non-defaulting party.

#### **G. INDEPENDENT CONTRACTOR**

It is expressly understood and agreed that Mouser shall operate as an independent contractor in each and every respect hereunder and not as an agent, representative or employee of the Hospital District. Mouser shall have the exclusive right to control all details and day-to-day operations relative to the FTZ Site and shall be solely responsible for the acts and omissions of its officers, agents, servants, employees, contractors, subcontractors, licensees, and invitees. Mouser acknowledges that the doctrine of respondeat superior will not apply as between the Hospital District and Mouser, its officers, agents, servants, employees, contractors, subcontractors, licensees, and invitees. Mouser further agrees that nothing in this Agreement will be construed as the creation of a partnership or joint enterprise between the Hospital District and Mouser.

#### **H. INDEMNIFICATION**

**Mouser, at no cost to the Hospital District agrees to defend, indemnify and hold the Hospital District, its officers, agents, servants, and employees, harmless against any and all claims, lawsuits, actions, costs, and expenses of any kind, including, but not limited to, those for property damage or loss (including alleged damage or loss to Mouser's business and any resulting lost profits) and/or personal injury, including death, that may relate to, arise out of or be occasioned by Mouser's breach or any of the terms or provisions of this Agreement.**

#### **I. RIGHT OF OFFSET**

The parties recognize that Tarrant County and the Hospital District has the option to enter into development incentive agreements with Mouser, and may do so in the future. The Hospital District may, at its option, offset any amounts due and payable to Mouser under any incentive agreement, economic development agreement or other obligation of the Hospital District to pay Mouser against any unpaid or delinquent PILOT Payment lawfully due to Hospital District from Mouser.

#### **J. NOTICES**

All written notices called for or required by this Agreement shall be addressed to the following, or such other party or address as either party designates in writing, by certified mail, postage prepaid, or by hand delivery:

##### **HOSPITAL DISTRICT:**

Tarrant County Hospital District  
Administration Office  
1500 South Main Street  
Fort Worth, Texas 76104  
ATTN: President, Chief Executive Officer

##### **MOUSER:**

Mouser Electronics, Inc.  
1000 North Main Street  
Mansfield, Texas 76063  
ATTN: Scott Brown

*With a copy to:*

Tarrant County  
100 E. Weatherford  
Suite 404  
Fort Worth, Texas 76196  
ATTN: County Administrator

#### **K. APPLICABLE LAW**

This Agreement shall be construed under the laws of the State of Texas. Venue for any action under this Agreement shall be the State District Court of Tarrant County, Texas. This Agreement is performable in Tarrant County, Texas. It is understood that by execution of this Agreement, the Hospital District does not waive or surrender any of its governmental powers or immunities.

#### **L. WAIVER AND SEVERABILITY**

The failure of either party to insist upon the performance of any term or provision of this Agreement or to exercise any right granted hereunder shall not constitute a waiver of that party's right to insist upon appropriate performance or to assert any such right on any future occasion. If any provision of this Agreement is held to be invalid, illegal, or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired.

#### **M. NO THIRD PARTY RIGHTS**

The provisions and conditions of this Agreement are solely for the benefit of the Hospital District and Mouser, and any lawful assign or successor of Mouser, and are not intended to create any rights, contractual or otherwise, to any other person or entity.

#### **N. ENTIRETY OF AGREEMENT**

This Agreement, including any exhibits attached hereto and any documents incorporated herein by reference, contains the entire understanding and agreement between the Hospital District and Mouser, and any lawful assign and successor of Mouser, as to the matters contained herein. Any prior or contemporaneous oral or written agreement is hereby declared null and void to the extent in conflict with any provision of this Agreement. Notwithstanding anything to the contrary herein, this Agreement shall not be amended unless executed in writing by both parties. This Agreement may be executed in multiple counterparts, each of which shall be considered an original, but all of which shall constitute one instrument.

#### **O. MISCELLANEOUS PROVISIONS**

- 1. Binding Effect.** This Agreement shall extend to and be binding upon and inure to the benefit of the parties hereto, and their respective legal representatives and future occupants of the FTZ Site. It is agreed that the Hospital District is a beneficiary of this Agreement and shall be entitled to enforce its terms and seek damages for its breach.
- 2. This Agreement Does Not Affect Other Rights, Obligations or Agreements.** This Agreement does not supersede, modify, or affect any other agreement that has been or may be entered into between Mouser and any other taxing jurisdiction or any other entity, except as otherwise expressly stated in this Agreement.
- 3. Further Assurances.** The parties covenant and agree that they will execute such other and further documents as are or may become necessary or convenient to effectuate and carry out the purpose of this Agreement.
- 4. Termination of Agreement.** This Agreement shall terminate upon the revocation of FTZ Site status by the Board, but such termination shall not relieve Mouser from paying any PILOT payments remaining due at termination.

EXECUTED on the dates set forth below, but effective as of the last date executed by all the Parties.

**Tarrant County Hospital District:**

\_\_\_\_\_

Printed Name \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_

**Tarrant County:**

\_\_\_\_\_

B. Glen Whitley, County Judge

Date: \_\_\_\_\_

APPROVED AS TO FORM

\_\_\_\_\_

Hospital District Attorney

**Mouser Electronics, Inc.:**

\_\_\_\_\_

Printed Name \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_

Signature of Officer to Attest to Officer's Execution of Agreement  
(must be legally authorized to sign on behalf of Mouser Electronics, Inc.)

**EXHIBIT A**

November \_\_\_\_, 2017

Mr. Andrew McGilvray  
Executive Secretary  
Foreign-Trade Zones Board  
US Department of Commerce  
1401 Constitution Ave., NW, Room 21013  
Washington, DC 20230

Re: Foreign Trade Zone Application—Mouser Electronics, Inc.

Dear Mr. McGilvray:

The Tarrant County Hospital District has been provided information regarding the application by Dallas Fort Worth Airport (DFW), Grantee of Foreign Trade Zone #39, for a Usage Driven Site for FTZ activation for Mouser Electronics, Inc. for a site located at 1000 North Main Street, Mansfield, Texas. We understand that under Texas state law, activated Foreign Trade Zones in Tarrant County may be able to access certain property tax exemptions as they relate to Tarrant County and Tarrant County Hospital District ad valorem taxes.

Tarrant County Hospital District does not object to Foreign Trade Zone (FTZ) status for Mouser Electronics, Inc. at the aforementioned location, and are supportive of the FTZ designation. We understand that this letter will be included as part of the Foreign Trade Zone Application.

Sincerely,



**Exhibit C**

**Mouser FTZ PILOT Worksheet**

**Required Information**

**Inventory on January 1**

(a) Taxable inventory value (from rendition)	\$
(b) Value of FTZ exempt inventory	\$
(c) <u>Freeport exempt inventory value (from rendition)</u>	\$ _____
(d) Total inventory value	\$

**Freeport goods information**

(e) Freeport goods percentage (from Freeport Exemption Application)	%
--	---

**FTZ inventory information**

(f) Percentage of inventory imported from outside the US	%
(g) Percentage of US sourced inventory held for export	%
(h) <u>Percentage of US sourced inventory held for US sale</u>	%
	_____
	100%

**PILOT Calculation**

Step 1: Calculate Value of Otherwise Exempt Inventory (x)<sup>1</sup>

Value of FTZ exempt inventory (b)	\$
<u>multiplied by Freeport goods percentage (e)</u>	%
(x) Value of Otherwise Exempt Inventory	\$ _____

Step 2: Calculate Value of Net Exempted Inventory (y)

Value of FTZ exempt inventory (b)	\$
<u>minus Value of Otherwise Exempt Inventory (x)</u>	\$ _____
(y) Value of Net Exempted Inventory	\$ _____

Step 3: Calculate PILOT payment

Value of Net Exempted Inventory (y)	\$
divided by 100	
<u>multiplied by current year tax rate</u>	_____

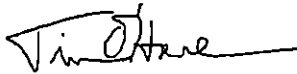
**PILOT Payment** \$ \_\_\_\_\_

<sup>1</sup> Assumes the only exemption otherwise applicable to Mouser inventory is the Freeport Exemption. If other exemptions become available, the calculation would be altered, if approved by the County Council of the County of Mansfield, Texas.

Consideration of Amendment No. 1 to the Payment In Lieu of Taxes Agreement and New Letter of Concurrence Regarding Expansion of Foreign Trade Zone Designation for Mouser Electronics, Inc.

**SIGNED AND EXECUTED** this 3 day of December, 2024.

**COUNTY OF TARRANT  
STATE OF TEXAS**

A handwritten signature in black ink, appearing to read "Tim O'Hare", with a horizontal line extending to the right.

Tim O'Hare  
County Judge  
12/6/2024