



COMMISSIONERS COURT  
COMMUNICATION

REFERENCE NUMBER

PAGE 1 OF 95

DATE: 04/18/2023

C.O. #140687

SUBJECT: APPROVAL OF TAX ABATEMENT AGREEMENT BETWEEN  
TARRANT COUNTY, PR CARTER DISTRIBUTION CENTER  
BUILDING F, LP AND RSI NORTH AMERICA INC., CITY OF FORT  
WORTH

**COMMISSIONERS COURT ACTION REQUESTED**

It is requested that the Commissioners Court approve the Resolution and Tax Abatement Agreement providing for Tarrant County's participation with the City of Fort Worth in the abatement of ad valorem taxes on the eligible real and personal property improvements made by RSI North America Inc. for the development of a 391,000 square foot Corporate Office and Manufacturing Facility located at 1501 Joel East Road, Building F, Fort Worth, Texas 76140, for a period of five (5) years at a maximum abatement percentage of forty percent (40%) as set forth in the Agreement, and authorize the County Judge, or his designee, to execute the Agreement.

**BACKGROUND**

RSI North America Inc. is a company that manufactures modular truck bed canopies. Founded in 2007, the company is based in Durban, South Africa. RSI is rapidly expanding its presence and market share in the United States. In addition to advanced manufacturing, functions within the new facility will include housing the North American headquarters operations as well as product design and prototyping. Following a multi-state site selection process, an existing facility located at 1501 Joel East Road, Building F in Fort Worth was identified for the 391,000 square foot manufacturing location. The property is owned by PR Carter Distribution Center Building F, LP and will be leased to RSI. In order to facilitate the establishment of RSI's U.S. Headquarters, the City of Fort Worth, along with the County proposes to provide a five (5) year tax abatement. RSI will invest over \$2.5 million in the new facility and locate an estimated \$52.5 million in business personal property to the facility. RSI is expected to bring 250 new full-time jobs by 2026, with an average salary of approximately \$65,800.00 annually. Healthcare and other benefits are provided at a reasonable cost to full-time employees.

The City of Fort Worth has approved a five (5) year tax abatement providing up to forty percent (40%) abatement of real and personal property taxes. Should Commissioners Court choose to participate in tax abatement for RSI North America Inc., staff proposes County participation in tax abatement at a maximum of forty percent (40%) of new real and personal property value for a period of five (5) years.

The Criminal District Attorney's Office has approved this tax abatement agreement as to form.

SUBMITTED BY:	Administrator's Office	PREPARED BY: APPROVED BY:	Maegan P. South
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# COMMISSIONERS COURT COMMUNICATION

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## **FISCAL IMPACT**

The current appraised value for the property is approximately \$20.1 million. In 2022, Tarrant County taxes paid for this property were \$45,219.93. Total new real and personal property value added from this project is estimated at over \$55 million (\$2.5 million for real property and \$52.5 million for business personal property). Based on current tax rates, should RSI North America Inc. earn the maximum tax abatement of forty percent (40%) for all five (5) years, the project could receive a total five (5) year tax abatement of approximately \$123,200.00 from the County. Hospital District taxes will not be abated.

Over that same period, the County will receive an equal amount or more in tax revenues from the unabated portion of the new improvements, as well as the current base value of the property. New tax revenues solely from the unabated portion of new improvements are expected to be approximately \$73,920.00 annually for the County.



THE STATE OF TEXAS §

**Tax Abatement Agreement**

COUNTY OF TARRANT §

THIS Agreement is executed by and between **TARRANT COUNTY, TEXAS**, acting by and through its County Judge or his designee, (hereafter referred to as "**COUNTY**"); **PR CARTER DISTRIBUTION CENTER BUILDING F, LP**, a Delaware limited partnership (hereafter referred to as "**CARTER**") and **RSI NORTH AMERICA INC.** a Texas corporation, acting by and through its authorized officer (hereafter referred to as "**COMPANY**")

WITNESSETH:

WHEREAS, the Tarrant County Commissioners Court has resolved that the COUNTY may elect to participate in tax abatement; and

WHEREAS, the Commissioners Court has adopted a Policy Statement for Tax Abatement, herein contained as **Exhibit "D"**, which constitutes appropriate guidelines and criteria governing tax abatement agreements to be entered into by the COUNTY; and

WHEREAS, the Premises (as hereafter defined) is, and the Eligible Property (as hereafter defined) will be, located in Reinvestment Zone No. 102 in the City of Fort Worth, Texas, established by Ordinance No. 25217-11-2021 (the "Ordinance") adopted on November 30, 2021, and further described in **Exhibit "A"**, being a commercial reinvestment zone for the purpose of tax abatement as authorized by Chapter 312 of the Texas Tax Code, as amended (the "Zone"); and

WHEREAS, the City Council of the City of Fort Worth has approved and authorized the execution and delivery of a Tax Abatement Agreement as to the Eligible Property thereon, attached hereto as **Exhibit "B"**; and

WHEREAS, COMPANY submitted an application for tax abatement to the County concerning the contemplated Improvements to the Premises (the "Application for Tax Abatement"), attached hereto and incorporated herein as **Exhibit "C"**; and

WHEREAS, CARTER is the owner of real property located within the Zone, more specifically described in **Exhibit "A"**. Contingent upon Company's receipt of the tax abatement herein, COMPANY will lease the Land from CARTER on terms and conditions that permit the development of a manufacturing facility planned to be approximately 391,000 square feet to support the COMPANY'S business operations, and in which COMPANY will install certain taxable business personal property on the Premises, all as more specifically set forth in this Agreement. The lease of the Premises between CARTER and COMPANY "Lease" will contain terms and conditions consistent with those outlined in **Exhibit "E"**, attached hereto and hereby made a part of this Agreement for all purposes; and

WHEREAS, Under the Lease, COMPANY is required to pay real property taxes on the Premises and all improvements thereon, including the Real Property Improvements. In order for the full tax abatement necessary to provide incentive for this project to be undertaken, the COUNTY has been requested to grant an abatement on real property taxes on improvements to the Premises as well as an abatement on taxes on New Tangible Personal Property (as defined below) located on the Premises. Because COMPANY must meet certain employment and spending commitments in order for the COUNTY to grant the full amount of abatement available hereunder on improvements to the Premises, and because COMPANY will be the owner or lessee of New Taxable Tangible Personal Property that is subject to abatement hereunder, it is necessary that both CARTER and COMPANY be parties to this Agreement.

WHEREAS, the Commissioners Court finds that the contemplated use of the Premises, the Eligible Property and the terms of this Agreement are consistent with encouraging development within the Zone;

NOW THEREFORE, the COUNTY, COMPANY, and CARTER, for and in consideration of the mutual premises and promises contained herein, do hereby agree, covenant and contract as set forth below:

**I.**  
**Definitions**

- A. "Abatement" means the abatement of a percentage (not to exceed forty percent (40%) in any given year of the Abatement Term) of the COUNTY'S incremental ad valorem real property taxes on any improvements located on the Premises (but not on the Land itself, which taxes will not be subject to Abatement hereunder) and of the COUNTY'S incremental ad valorem taxes on New Tangible Personal Property, all calculated in accordance with this Agreement.
- B. "Abatement Term" means the term of five (5) consecutive years, commencing on January 1 of the Second Operating Year and expiring on December 31<sup>st</sup> of the fifth (5<sup>th</sup>) year thereafter, in which CARTER and COMPANY will receive the Abatement in accordance with this Agreement.
- C. "Added Market Value" is defined as the market value of Eligible Property on the Premises above the Base Year Value.
- D. "Base Year Value" is defined as the tax year 2022 taxable value of real and personal property located on the Premises in City of Fort Worth Reinvestment Zone No. 102 on January 1, 2022, as finally determined by the Tarrant Appraisal District.
- E. "Completion Date" means the date as of which all occupiable space within the Real Property Improvements have received a permanent certificate of occupancy.
- F. "Completion Deadline" means June 30, 2026.

- G. "Construction Costs" are defined as site development and building costs, including, without limitation, actual site preparation and development and construction costs, signage costs, contractor fees, the costs of labor, supplies and materials, materials testing, engineering fees, architectural fees and other design, consulting, construction management and professional costs, and contractor, development and permitting fees expended directly in connection with the construction of the Real Property Improvements and landscape improvements.
- H. "DBE Companies" are defined as companies who are a Disadvantage Business Enterprise (DBE), and the term "DBE" shall mean:
- i. a corporation formed for the purpose of making a profit and at least 51 percent of all classes of the shares of stock or other equitable securities of which are owned by one or more persons who are socially or economically disadvantaged because of their identification as members of certain groups that have been subject to racial or ethnic prejudice or cultural bias without regard to their qualities as individuals or capabilities as a business, and whose ability to compete in the free enterprise system is impaired due to diminished opportunities to obtain capital and credit as compared to others in the same line of business who are not socially disadvantaged. "DBE" includes the State of Texas definition of historically underutilized businesses (HUBs) as defined in Section 2161.001 of the Texas Government Code, and as it may be updated.
  - ii. a sole proprietorship formed for the purpose of making a profit that is owned, operated, and controlled exclusively by one or more persons described in D.i. above.
  - iii. a partnership that is formed for the purpose of making a profit in which 51 percent of the assets and interest in the partnership is owned by one or more persons described by D.i. above, and in which minority or women partners have proportionate interest in the control, operation, and management of the partnership affairs.
  - iv. a limited liability company that is formed for the purpose of making a profit in which 51 percent of the assets and interest in the company is owned by one or more persons described by D.i. above.
- I. "Effective Date" is defined as the date as of which both the County, Company and Carter have executed this Agreement.
- J. "Eligible Property" is defined as Real Property Improvements and Personal Property Improvements made for expansion of the facility, constructed, renovated, delivered to, installed or placed on the Premises through December 31, 2026, as further described in the Application for Tax Abatement attached hereto as **Exhibit "C"**.
- K. "First Operating Year" means the first full calendar year following the year in which the Completion Date occurred.
- L. "Job" is defined as a permanent, full-time employment position with COMPANY on the Premises that results in employment of at least forty-hours per week per position. Part-time positions shall not be included in this definition.

- M. "Personal Property Improvements" are defined as tangible personal property (except inventory or supplies) delivered to, installed or located on the Premises.
- N. "Premises" are defined as the real property (land and improvements) as described in **Exhibit "A"** which existed on January 1, 2021 within City of Fort Worth Reinvestment Zone No. 102, that are owned and/or operated by CARTER/COMPANY.
- O. "Real Property Improvements" are defined as improvements to the Premises, and shall include structures or fixtures erected or affixed to the Premises.
- P. "Second Operating Year" means the second full calendar year following the year in which the Completion Date occurred.
- Q. "Supply and Service Expenditures" are defined as those local discretionary expenditures made by COMPANY directly for the operation and maintenance of Premises and any improvements thereon, excluding utility service costs.
- R. "Tarrant County Companies" are defined as any corporation, partnership, limited liability company or sole proprietorship maintaining an addressed office location within Tarrant County from which such entity conducts all or a substantial part of its business operations within Tarrant County.
- S. "Zone" as used herein is defined as the real property located in City of Fort Worth Reinvestment Zone No. 102 and described by City of Fort Worth Ordinance No. 25217-11-2021, substantially in the form included within **Exhibit "A"**.

## **II.** **General Provisions**

- A. The Premises are not in an improvement project financed by tax increment bonds.
- B. Neither the Premises nor any of the Improvements covered by this Agreement are owned or leased by any member of the Commissioners Court, or any member of the governing body of any taxing units joining in or adopting this Agreement.

## **III.** **Improvement Conditions and Requirements**

- A. CARTER (with respect to Real Property Improvements) and COMPANY (with respect to Personal Property Improvements) shall improve the Premises by completing the Eligible Real and Personal Property Improvements in accordance with this Agreement.
- B. CARTER and COMPANY shall provide for the completion of the Eligible Real Property Improvements no later than December 31, 2026, having a minimum Construction Cost upon completion of not less than Two Million Five Hundred Dollars (\$2,500,000). CARTER may perform this obligation in full by permitting COMPANY to make or cause to be made the Real Property Improvements pursuant to the Lease. Failure to meet the aforementioned obligation constitutes an Event of Default.

- C. COMPANY shall provide for the installation or location of the Eligible Personal Property Improvements no later than January 1, 2027, having a minimum initial cost of not less than Fifty-two Million Five Hundred Dollars (\$52,500,000). The Personal Property Improvement commitment is an obligation of the COMPANY only, and CARTER does not have any responsibility to ensure that the Personal Property Improvement Commitment is met.
- D. COMPANY shall expend or cause to be expended at least fifteen percent (15%) of all Construction Costs of Eligible Real Property Improvements with DBE Companies.
- E. COMPANY shall expend or cause to be expended at least twenty-five percent (25%) of all Construction Costs of Eligible Real Property Improvements with Tarrant County companies.
- F. COMPANY shall expend or cause to be expended at least twenty-five percent (25%) in annual Supply and Service Expenditures with Tarrant County Companies.
- G. COMPANY shall expend or cause to be expended at least fifteen percent (15%) in annual Supply and Service Expenditures with DBE companies.
- H. COMPANY will maintain employment of two hundred fifty (250) Jobs on the Premises throughout the term of this Agreement. Not later than December 31, 2026, COMPANY will add two hundred fifty (250) net new Jobs on the Premises. The overall employee commitment is an obligation of the COMPANY only, and CARTER does not have any responsibility to ensure that the overall employment commitment is met in any given year.
- I. COMPANY shall operate and maintain on the Premises the Eligible Property as a corporate headquarter and manufacturing facility for the duration of this Agreement.
- J. All proposed Eligible Property shall conform to the applicable building codes, zoning ordinances and all other ordinances and regulations of the City of Fort Worth and/or Tarrant County.
- K. The Premises and all Improvements must conform to all applicable state and federal laws and regulations to air pollution and air quality.

#### IV.

#### Abatement Allowed

- A. As set forth in this section, tax abatement allowed herein shall be for Tarrant County ad valorem real property and personal property taxes, relative to Added Market Value of the Eligible Property located on the Premises, subject to the following terms and conditions. **Tarrant County Hospital District ad valorem taxes are not subject to the provisions of this Agreement.**
- B. If the Improvement Conditions and Requirements set forth in Section III herein are met, COUNTY agrees to exempt from taxation up to forty percent (40%) of the Added Market Value of the Eligible Property in accordance with the various requirements established by terms of this Agreement and to be calculated as set forth below.

The abatement period shall be five (5) consecutive years commencing on January 1 of the Second Operating Year and expiring on December 31<sup>st</sup> of the fifth (5<sup>th</sup>) year thereafter, in which CARTER and COMPANY will receive the Abatement in accordance with this Agreement.

1. Base Abatement - If COMPANY (i.) improves the Premises and adds the required Eligible Property to the Premises as set forth in Section III A., B., and C., (ii.) maintains and adds employment as set forth in Section III. H., (iii.) employs Tarrant County residents for a minimum twenty-five percent (25%) of all Jobs, (iv.) makes expenditures for Construction Costs and annual Supply and Service Expenditures as set forth in Section III. D., E., F. and G., then COUNTY shall exempt from taxation forty percent (40%) of the Added Market Value of the Eligible Property.

Dollars spent with DBE Companies may also count as dollars spent with Tarrant County Companies, and vice versa, for the purposes of this Section if the DBE Company is also a Tarrant County Company as defined herein.

Failure to meet the minimum cost requirements set forth in Section III. B. and C. is a condition of Default and shall result in the termination of this Agreement in accordance with Section VII. Failure to meet the requirements for Jobs, Tarrant County resident employment, and use of DBE and Tarrant County Companies for Construction and Supply and Service Expenditures, as set forth in Section III, shall be cause for a reduction in the percentage abatement for any year in which the requirements are not met, as set forth in Section IV.B.2.

2. Reduction to Abatement

- a. Employment and Spending Deficiencies

In any year that employment and spending levels do not meet the minimum requirements set forth in Section IV.B.1., the COUNTY shall reduce the Base Abatement percentage for that year as set forth below. Each reduction is separate and individual and may be cumulative in any year.

- i. If the actual number of Jobs falls below the minimum Jobs requirements set forth in Section III.H., the Base Abatement percentage will be reduced by one percent (1%) for each five (5) Job deficiency, for that year.
- ii. If less than twenty-five percent (25%) of all Jobs are filled by Tarrant County residents, COMPANY will receive a ten percent (10%) reduction from the Base Abatement for that year.
- iii. If spending with DBE Companies is less than fifteen percent (15%) of total Construction Costs, as set forth in Section III.D., COMPANY will receive a reduction of one percent (1%) from the Base Abatement for each one percent (1%) spending deficiency, up to a maximum reduction of five percent (5%), for the life of the abatement.

- iv. If spending with Tarrant County Companies is less than twenty-five percent (25%) of total Construction Costs, as set forth in Section III.E., COMPANY will receive a reduction of one percent (1%) from the Base Abatement for each one percent (1%) spending deficiency, up to a maximum reduction of five percent (5%), for the life of the abatement.
- v. If spending with Tarrant County or DBE Companies for annual Supply and Services Expenditures is less than the minimum requirements set forth in Section III. F. and G., COMPANY will receive a one percent (1%) reduction in the Base Abatement percentage for each one percent (1%) deficiency from the minimum requirement, for that year.

**V.  
Reports, Audits and Inspections**

- A. Annual Certification and Reports - Pursuant to state law, COMPANY shall certify annually to taxing units that COMPANY is in compliance with the terms of the tax abatement agreement, and shall provide taxing units with reports and records reasonably necessary to support each year of the agreement, as follows:
  - 1. Certification - COMPANY shall complete and certify a Tax Abatement Evaluation Report to be provided by COUNTY for each year of the tax abatement agreement, to be due annually not later than April 30. This certification shall include information supporting job creation and retention requirements, reports on Eligible Property values, costs, and spending on construction and supply and services, a narrative description of the project's progress, and other submittals required by the tax abatement agreement.
  - 2. Eligible Property Reports - At a minimum, COMPANY shall make available upon request the following information annually on all Eligible Property for which COMPANY will seek tax abatement:
    - a. Property description;
    - b. Asset number/description;
    - c. Payment date for property located on Premises; and
    - d. Cost.
  - 3. Eligible Property Reports for Projects in Progress - COMPANY shall provide County, upon request, information on projects in progress for which fixed asset numbers have not been assigned. The report shall provide information in sufficient detail to identify the Eligible Property to be installed on the Premises. At a minimum, this information shall include:
    - a. Description of materials, machinery and equipment;
    - b. Vendor name, invoice date, invoice number and invoice amount; and
    - c. Payment date for property to be located on Premises.
  - 4. Reports on Equipment Replaced or Removed - Additionally, COMPANY agrees to provide COUNTY, upon request, information on Eligible Property for which COMPANY has received tax abatement and which has been

replaced or removed from the Premises. At a minimum, this information shall include:

- a. Property description;
  - b. Asset number/description; and
  - c. Approximate date of disposal.
5. Report Upon Project Completion - Within one-hundred eighty (180) days of completion of the Eligible Property, COMPANY shall provide COUNTY with a final Eligible Property Report that shall describe all Eligible Property for which the Company is granted tax abatement. The report may contemplate a reconciliation of the general ledger to the personal property rendition to satisfy this requirement.
6. Additional Reports - Additionally, throughout the term of this agreement, COMPANY shall furnish COUNTY any additional records and information reasonably requested to support the reports required by this agreement.
- B. Right to Audit Books and Records - COUNTY shall have the right to audit the COMPANY books and records related to the Eligible Property and supporting the Eligible Property reports. COUNTY shall notify COMPANY in advance in writing of their intent to audit in order to allow COMPANY adequate time to make such books and records available.
- C. Inspection - At all times throughout the term of this Agreement, COUNTY and the Tarrant Appraisal District (TAD) shall have reasonable access to the Premises for the purpose of inspecting the Premises to ensure that the Eligible Property is constructed, installed, maintained and operated in accordance with the terms of this Agreement. All inspections shall be conducted in a manner as to not unreasonably interfere with the installation of the Eligible Property or the operation of the Premises. The inspections shall be conducted within a reasonable time period after notice by COUNTY or TAD to COMPANY, provided, however, that all inspections shall be made with one (1) or more representative(s) of COMPANY present and in accordance with the safety standards of COMPANY.

## **VI.** **Use of Premises**

The Premises at all times shall be used in a manner that is consistent with the City of Fort Worth zoning ordinances and consistent with the general purpose of encouraging development within the Zone. COMPANY AND COUNTY acknowledge that the use of the Premises for an office/warehouse facility is in accordance with this Agreement is consistent with such purposes.

## **VII.** **Breach and Recapture**

- A. Breach - A breach of this Agreement may result in termination or modification of this Agreement and recapture by COUNTY from COMPANY of taxes which otherwise would have been paid since the execution of this Agreement to COUNTY without the benefit of the Abatement, as set forth in Sections VII.B. and VII.C. Penalty and interest

on recaptured taxes will be charged to COMPANY at the statutory rate for delinquent taxes as determined by Section 33.01 of the Property Tax Code of the State of Texas, and such taxes shall become due sixty (60) days following notice of breach and after the expiration of any cure period as provided in Section VII.B. The following conditions shall constitute a breach of this Agreement:

1. COMPANY terminates the use of the Premises as an corporate headquarters/manufacturing facility and related activities at any time during the term of the Agreement; or
  2. COMPANY fails to meet the Abatement Conditions and Requirements as specified in Section III, A., B., C., or I., herein; or
  3. COMPANY allows its ad valorem taxes on any property located within Tarrant County owed to COUNTY to become delinquent.
- B. Notice of Breach - In the event that COUNTY makes a reasonable determination that COMPANY has breached this Agreement, then COUNTY shall give COMPANY written notice of such default. COMPANY has sixty (60) days following receipt of said written notice to reasonably cure such breach, or this Agreement may be terminated by COUNTY, and recapture of abated taxes from COMPANY may occur. Notice of default shall be in writing and shall be delivered by personal delivery or certified mail to COMPANY at its address provided in Section IX of this Agreement. It shall be the duty of COUNTY to determine whether to require recapture and payment of abated taxes and to demand payment of such.
- C. Recapture - Should COMPANY commit a breach of this Agreement according to items A.1, 2, or 3 of this Section VII, and COMPANY does not cure as provided in VII.B. above during the cure period, COUNTY may terminate this Agreement and recapture from COMPANY taxes abated for all years during which the breach is committed.
- D. Tax Lien Not Impaired - It is expressly agreed and acknowledged between the parties to this Agreement that nothing in this Agreement shall be deemed or construed to affect the lien for taxes against the property established by Section 32.01 of the Tax Code of the State of Texas. Such lien shall secure the payment of all taxes, penalties and interest ultimately imposed on the property, including any taxes abated and subject to recapture under this Agreement. Any such lien may be fully enforced pursuant to the provisions of the Code. For purposes of this Subsection, "property" refers to the Premises and Eligible Property described herein. Provided, however, for the avoidance of doubt, personal property taxes on COMPANY'S Personal Property Improvements are not and shall not be secured by CARTER's Premises and Real Property Improvements.

### **VIII. Assignment and Effect of Sale or Lease of Property**

COMPANY may assign this Agreement and all or any portion of the benefits provided hereunder to an Affiliate, without the consent of COUNTY, provided that COMPANY provides COUNTY with written notice of such assignment, which notice shall include (a) the name and full contact information for the Affiliate, and (b) written agreement from an Affiliate

assuming all terms and conditions of COMPANY under this Agreement. For purposes of this Agreement, an "Affiliate" means all entities, incorporated or otherwise, under direct or indirect common control with COMPANY, controlled by COMPANY, or controlling COMPANY. For purposes of this definition, "control" means ten percent (10%) or more ownership determined by either value or vote. Except as provided herein, the abatement granted by this Agreement shall not be otherwise assignable to any new owner or new lessee of all or a portion of the Premises or Eligible Property unless such assignment is approved in writing by the COUNTY.

**IX.**  
**Notice**

All 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:

COMPANY: RSI North America, Inc.  
Mark G. Roe-Scott  
1024 Winters Parkway  
Dayton, NV 89403

CARTER: PR Carter Distribution Center Building F, LP  
Daniel Kane  
180 N. Stetson Ave., Suite 5400  
Chicago, IL 60601

COUNTY: Tarrant County  
Maegan South  
County Administrator's Office  
100 E. Weatherford  
Fort Worth, Texas 76196

**X.**  
**Commissioners Court Authorization**

This Agreement was authorized by resolution of the Commissioners Court authorizing the County Judge or his designee to execute this Tax Abatement Agreement on behalf of the COUNTY.

**XI.**  
**Severability**

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

**XII.**  
**Estoppel Certificate**

Any party hereto may request an estoppel certificate from another party hereto (other than CARTER), so long as the certificate is requested in connection with a bona fide business purpose. The certificate, which if requested will be addressed to a subsequent purchaser or assignee of COMPANY, shall include, but not necessarily be limited to statements that this Agreement is in full force and effect without default (or if default exists the nature of same), the remaining term of this Agreement, the levels and remaining term of the abatement in effect and such other matters reasonably requested by the party(ies) to receive the certificates.

**XIII.**  
**Company's Standing**

COMPANY, as a party to this Agreement, shall be deemed a proper and necessary party in any litigation questioning or challenging the validity of this Agreement or any of the underlying ordinances, resolutions or City Council actions authorizing same, and COMPANY shall be entitled to intervene in said litigation.

**XIV.**  
**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's District Court of Tarrant County, Texas. This Agreement is performable in Tarrant County, Texas.

**XV.**  
**Indemnification**

It is understood and agreed between the parties that the COMPANY, in performing its obligations hereunder, is acting independently, and COUNTY assumes no responsibility or liability to third parties in connection therewith, and COMPANY agrees to indemnify and hold harmless COUNTY from any such responsibility or liability. It is further understood and agreed among the parties that COUNTY, in performing its obligations hereunder, is acting independently, and the COMPANY assumes no responsibility or liability to third parties in connection therewith, and COUNTY agrees to the extent allowed by law to indemnify and hold harmless COMPANY from any such responsibility or liability.

**XVI.**  
**Force Majeure**

It is expressly understood and agreed by the parties to this Agreement that the parties shall not be found in default of this Agreement if any party's failure to meet the requirements of this Agreement is delayed by reason of war, Act of God, fire or other casualty of a similar nature.

**XVII.**  
**Knowing Employment of Undocumented Workers**

COMPANY acknowledges that the COUNTY is required to comply with Chapter 2264 of the Texas Government Code, enacted by House Bill 1196 (80th Texas Legislature), which relates to restrictions on the use of certain public subsidies. COMPANY hereby certifies that COMPANY, and any branches, divisions, or departments of COMPANY, does not and will not knowingly employ an undocumented worker, as that term is defined by Section 2264.001(4) of the Texas Government Code. In the event that COMPANY, or any branch, division, or department of COMPANY, is convicted of a violation under 8 U.S.C. Section 1324a(f) (relating to federal criminal penalties and injunctions for a pattern or practice of employing unauthorized aliens), subject to any appellate rights that may lawfully be available to and exercised by COMPANY, COMPANY shall repay, within one hundred twenty (120) calendar days following receipt of written demand from the COUNTY, the aggregate amount of the value of the abatement received by COMPANY hereunder, if any, plus Simple Interest at a rate of four percent (4%) per annum. COMPANY shall not be considered in violation of this section for any actions of a subsidiary, Affiliate, franchisee of COMPANY or a person or entity with whom COMPANY contracts.

**XVIII.**  
**No Other Agreement**

This Agreement embodies all of the agreements of the parties relating to its subject matter as specifically set out herein, supersedes all prior understandings and agreements regarding such subject matter, and may be amended, modified or supplemented only by an instrument or instruments in writing executed by the parties.

Provided, however, and notwithstanding the foregoing, as between CARTER and COMPANY, this Agreement shall not affect the Lease or any other agreement between or binding CARTER and COMPANY. COMPANY hereby releases CARTER from and, COMPANY, at no cost to CARTER, agrees to defend, indemnify and hold CARTER, and its respective officers, agents, servants, representatives, 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 COMPANY's business and any resulting lost profits) and personal injury, including death, that may relate to, arise out of or be occasioned by COMPANY's breach of any of the terms or provisions of this Agreement or by COMPANY's or COUNTY's performance or non-performance of this Agreement. This paragraph will survive any termination or expiration of this Agreement.

**XIX.**  
**Recordation of Agreement**

A certified copy of this Agreement in recordable form shall be recorded in the Deed Records of Tarrant County, Texas.

**XX.**  
**Signatories**

This Agreement is effective and binding on those parties that have duly signed below.

**XXI.**  
**Headings**

The headings of this Agreement are for the convenience of reference only and shall not affect in any manner any of the terms and conditions hereof.

**XXII.**  
**Successors and Assigns**

The parties to this Agreement each bind themselves and their successors, executors, administrators and assigns to the other party of this Agreement and to the successors, executors, administrators and assigns of such other party in respect to all covenants of this Agreement.

**XXIII.**  
**Termination**

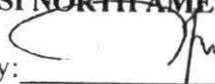
This Agreement shall terminate, in accordance with the terms of this Agreement, unless extended by written agreement of the parties or a written instrument signed by all parties evidencing a delay by force majeure; provided however, that the period of abatement may not extend beyond ten (10) years.

**XXIV.**  
**Compliance With Laws**

In providing the services required by this Agreement, COMPANY must observe and comply with all applicable federal, state, and local statutes, ordinances, rules, and regulations, including, without limitation, workers' compensation laws, minimum and maximum salary and wage statutes and regulations, and non-discrimination laws and regulations. COMPANY shall be responsible for ensuring its compliance with any laws and regulations applicable to its business, including maintaining any necessary licenses and permits.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the last date written below.

**RSI NORTH AMERICA INC.**

By:   
Name: M.C. ROE-SCOTT  
Title: CEO

Date: 3<sup>RD</sup> APRIL 2023

**TARRANT COUNTY, TEXAS**

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

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

**PR CARTER DISTRIBUTION CENTER BUILDING F, LP. ATTEST:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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

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

APPROVED AS TO FORM\*:

\_\_\_\_\_  
Asst. Criminal District Attorney

*\*By law, the Criminal 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.*

THE STATE OF TEXAS §

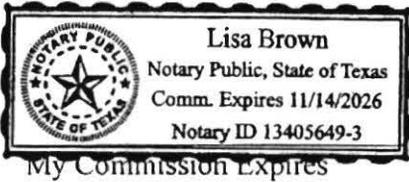
**RSI North America Inc.**

**Acknowledgment**

COUNTY OF TARRANT §

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared Mark Roe-Scott, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed same for and as the act and deed of **RSI North America Inc.**, and as the CFO thereof, and for the purposes and consideration therein expressed, and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 3<sup>rd</sup> day of April, 2023.



Lisa Brown  
Notary Public in and for  
The State of Texas

Lisa Brown  
Notary's Printed Name

THE STATE OF TEXAS §

**PR Carter Distribution Center Building F, LP**

**Acknowledgment**

COUNTY OF TARRANT §

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared \_\_\_\_\_, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed same for and as the act and deed of **PR Carter Distribution Center Building F, LP.** and as the \_\_\_\_\_ thereof, and for the purposes and consideration therein expressed, and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the \_\_\_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
Notary Public in and for  
The State of \_\_\_\_\_

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary's Printed Name

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the last date written below.

**RSI NORTH AMERICA INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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

**TARRANT COUNTY, TEXAS**

By:   
Tim O'Hare, County Judge

Date: April 18, 2023

**PR CARTER DISTRIBUTION CENTER BUILDING F, LP.**

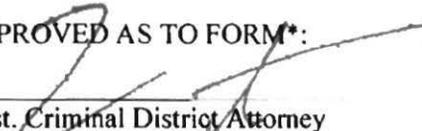
By:   
Name: DANIEL KAVE  
Title: JP

Date: 4/9/2023

**ATTEST:**

  
Deputy Tarrant County Clerk

**APPROVED AS TO FORM\*:**

  
Asst. Criminal District Attorney

*\*By law, the Criminal 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.*

THE STATE OF TEXAS §  
COUNTY OF TARRANT §

**RSI North America Inc.**  
**Acknowledgment**

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared \_\_\_\_\_, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed same for and as the act and deed of **RSI North America Inc.**, and as the \_\_\_\_\_ thereof, and for the purposes and consideration therein expressed, and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the \_\_\_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
Notary Public in and for  
The State of \_\_\_\_\_

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary's Printed Name

THE STATE OF TEXAS §  
COUNTY OF TARRANT §

**PR Carter Distribution Center Building F., LP**  
**Acknowledgment**

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared \_\_\_\_\_, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed same for and as the act and deed of **PR Carter Distribution Center Building F, LP.** and as the \_\_\_\_\_ thereof, and for the purposes and consideration therein expressed, and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 4<sup>th</sup> day of April, 2023.

Meghan Cooney  
\_\_\_\_\_  
Notary Public in and for  
The State of Illinois

Feb. 14, 2025  
My Commission Expires

Meghan Cooney  
\_\_\_\_\_  
Notary's Printed Name



THE STATE OF TEXAS §

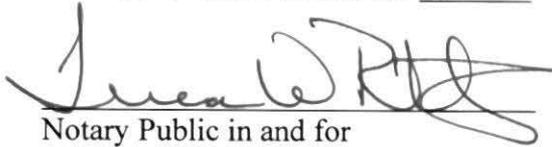
Tarrant County, Texas

Acknowledgment

COUNTY OF TARRANT §

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared **TIM O'HARE**, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed same for and as the act and deed of **TARRANT COUNTY, TEXAS**, as the **County Judge** thereof, and for the purposes and consideration therein expressed, and in the capacity therein expressed.

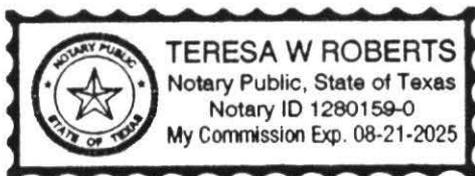
GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 18<sup>th</sup> day of April, 2023.



Notary Public in and for  
The State of Texas

8-21-2025  
My Commission Expires

Teresa W Roberts  
Notary's Printed Name





**EXHIBIT "A"**

**DESCRIPTION OF PREMISES AND  
REINVESTMENT ZONE NO. 102**

**ORDINANCE NO. 25217-11-2021**

**AN ORDINANCE DESIGNATING A CERTAIN AREA IN THE CITY OF FORT WORTH AS "TAX ABATEMENT REINVESTMENT ZONE NUMBER ONE HUNDRED AND TWO, CITY OF FORT WORTH, TEXAS"; PROVIDING THE EFFECTIVE AND EXPIRATION DATES FOR THE ZONE AND A MECHANISM FOR RENEWAL OF THE ZONE; AND CONTAINING OTHER MATTERS RELATED TO THE ZONE.**

**WHEREAS**, pursuant to the City of Fort Worth's ("City") Tax Abatement Policy, which was adopted by the City Council to be effective on January 29, 2021 by way of Resolution No. 5342-02-2021 ("**Tax Abatement Policy**"), the City has elected to be eligible to participate in tax abatement and has established guidelines and criteria governing tax abatement agreements entered into between the City and various third parties, as authorized by and in accordance with the Property Redevelopment and Tax Abatement Act, codified in Chapter 312 of the Texas Tax Code ("**Code**");

**WHEREAS**, the City Council desires to promote the development of the area in the City more specifically described in Exhibit "A" of this Ordinance ("**Zone**") through the creation of a reinvestment zone for the purpose of supporting new business investment or expansion, as authorized by and in accordance with Chapter 312 of the Code;

**WHEREAS**, RSI North America, Inc., or an Affiliate, ("**Company**") wishes to expend or cause to be expended at least \$2.5 million in real property improvements for the development of Company's manufacturing operations and corporate office to be located in the Zone, and Company intends to install new taxable tangible business personal property at the facility worth at least \$52.5 million that will ultimately result in a combined real and personal property investment of at least \$55 million (collectively, the "**Improvements**");

**WHEREAS**, Company has applied for real and business personal property tax abatements from the City in return for the installation of the Improvements in the Zone and compliance with certain other employment and spending requirements;

**WHEREAS**, to foster economic development in the Zone, and the City, in general, it is anticipated that the City will enter a tax abatement agreement(s) for one or more Improvements within the Zone;

**WHEREAS**, on November 30, 2021, the City Council held a public hearing regarding the creation of the Zone, received information concerning the Improvements proposed for the Zone, and afforded a reasonable opportunity for all interested persons to speak and present evidence for, or against, the creation of the Zone ("**Public Hearing**"), as required by Section 312.201(d) of the Code;

**WHEREAS**, notice of the Public Hearing was published in a newspaper of general circulation in the City at least seven (7) days prior to the Public Hearing, which satisfies the requirement of Section 312.201(d)(1) of the Code; and

**WHEREAS**, in accordance with Sections 312.201(d)(2) and (e) of the Code, notice of the Public Hearing was also delivered, in writing, to the presiding officer of the governing body of each taxing unit that includes in its boundaries real property that is to be included in the proposed Zone not later than the seventh day before the date of the public hearing.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FORT WORTH, TEXAS:**

**SECTION 1.  
FINDINGS.**

That, after reviewing all information before it regarding the establishment of the Zone and after conducting the Public Hearing and affording a reasonable opportunity for all interested persons to speak and present evidence for, or against, the creation of the Zone, the City Council hereby makes the following findings of fact:

- 1.1. The statements and facts set forth in the recitals of this Ordinance are true and correct. Therefore, the City has met the notice and procedural requirements established by the Code for creation of the Zone under Chapter 312 of the Code.
- 1.2. The Improvements proposed for the Zone, as more specifically outlined in the Public Hearing, are feasible and practical and, once completed will benefit the land included in the Zone as well as the City for a period of more than ten (10) years, which is the statutory maximum term of any tax abatement agreement entered into under the Chapter 312 of the Code.
- 1.3. As a result of designation as a reinvestment zone, the area within the Zone is reasonably likely to contribute to the expansion of primary employment and to attract major investment in the Zone that will be a benefit to property in the Zone and will contribute to the economic development of the City.

**SECTION 2.  
DESIGNATION OF ZONE**

That the City Council designates the Zone described in the boundary description attached hereto as **Exhibit "A"** and made a part of this Ordinance for all purposes as a reinvestment zone for purposes permitting tax abatement as may be found desirable by the City or any other eligible taxing units for purposes authorized by and in accordance with Chapter 312 of the Code. This Zone will be known as "Tax Abatement Reinvestment Zone Number One Hundred and Two, City of Fort Worth, Texas." This project is eligible

for commercial/industrial tax abatements per Section 4 of the Tax Abatement Policy because it concerns a Target Industry (Corporate and Regional Headquarters).

**SECTION 3.  
TERM OF ZONE**

The Zone takes effect upon the effective date of this Ordinance and expires five (5) years thereafter. The Zone may be renewed by the City Council for one or more subsequent terms not to exceed five years, unless otherwise allowed by law.

**SECTION 4.  
SEVERABILITY**

If any portion, section, or part of a section of this Ordinance is subsequently declared invalid, inoperative, or void for any reason by a court of competent jurisdiction, the remaining portions, sections or parts of sections of this Ordinance will remain in full force and effect and shall not in any way be impaired or affected by such decision, opinion, or judgment.

**SECTION 5.  
IMMEDIATE EFFECT.**

That this Ordinance takes effect upon its adoption.

**APPROVED AS TO FORM AND LEGALITY:**

*Tyler Wallach*

\_\_\_\_\_  
Tyler F Wallach  
Senior Assistant City Attorney

**ATTESTED BY:**

*Jannette S. Goodall*

\_\_\_\_\_  
Jannette S. Goodall [Dec 2, 2021 07:38 CST]

Jannette Goodall  
City Secretary

ADOPTED AND EFFECTIVE: November 30, 2021

M&C: 21-0879

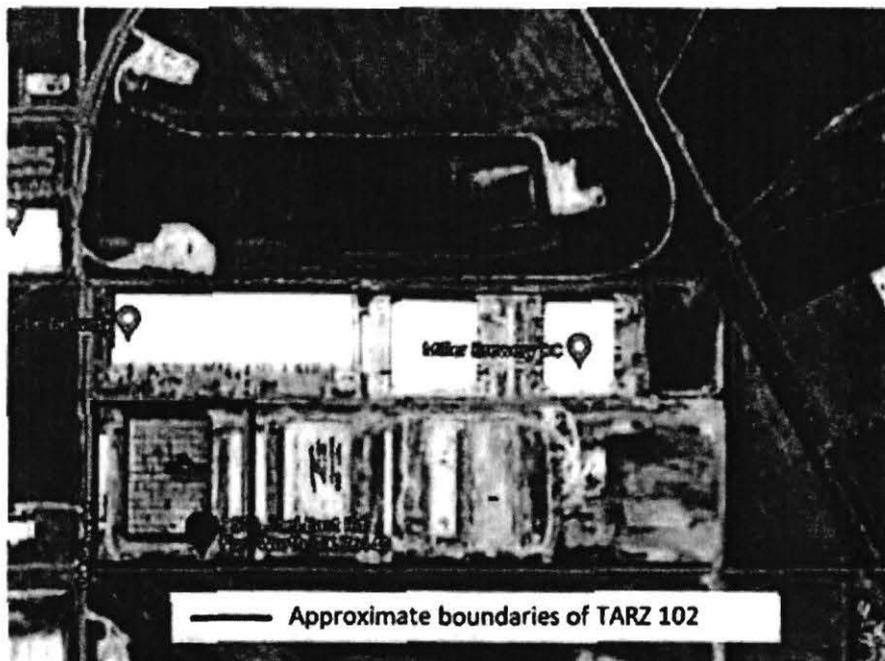


**EXHIBIT "A"**

**BOUNDARY DESCRIPTION OF ZONE**

BEING Lot 1, Block A, Carter Distribution, an addition to the City of Fort Worth, Tarrant County, Texas, according to the plat thereof recorded in Instrument Number D219111864, Plat Records of Tarrant County, Texas.

# DEPICTION OF TARZ 102



City of Fort Worth, Texas

# Mayor and Council Communication

DATE: 11/30/21

M&C FILE NUMBER: M&C 21-0879

LOG NAME: 17EDTARIZ102

## SUBJECT

(CD 8) Conduct Public Hearing and Adopt the Attached Ordinance Designating Tax Abatement Reinvestment Zone No. 102, City of Fort Worth, Texas, for Property Located at 1501 Joel East Road for the Development of a Manufacturing Facility for RSI North America, Inc.

(PUBLIC HEARING - a. Report of City Staff: Kelly Baggett; b. Public Presentations; c. Council Action: Close Public Hearing and Act on M&C)

## RECOMMENDATION:

It is recommended that the City Council:

1. Conduct Public Hearing concerning the designation of Tax Abatement Reinvestment Zone No. 102, City of Fort Worth, Texas, for property located at 1501 Joel East Road for the development of a manufacturing facility for RSI North America, Inc., or an Affiliate;
2. Find that the intended improvements, which are set forth in more detail below, are feasible and practical and would be a benefit to the land to be included in Tax Abatement Reinvestment Zone No. 102 and to the City after the expiration of any tax abatement agreements; and
3. Adopt the attached ordinance designating Tax Abatement Reinvestment Zone No. 102, City of Fort Worth, Texas, pursuant to and in accordance with Chapter 312 of the Texas Tax Code.

## DISCUSSION:

The proposed Tax Abatement Reinvestment Zone No. 102, City of Fort Worth, Texas (TARZ 102) is for the property located at 1501 Joel East Road in Fort Worth, Texas (Property). A more detailed description of the Property is included as Exhibit A to the attached Ordinance. RSI North America, Inc., or an affiliate, (Company) is considering leasing approximately 391,000 square feet of existing manufacturing space on the Property to develop a manufacturing facility. The proposed project is anticipated to result in at least \$55 million in real and business personal property investment (\$2.5 million in construction costs and \$52.5 million in business personal property that will be installed at the facilities), along with the creation of at least 250 full-time jobs with a minimum salary of \$65,800.00.

Designating this area as a reinvestment zone allows the City the option to enter into a tax abatement agreement with the Company to help facilitate development within this area.

As required by Chapter 312 of the Texas Tax Code, a public hearing must be conducted regarding the creation or expansion of a Reinvestment Zone. Notice of this hearing was delivered to the governing body of each affected taxing unit and published in a newspaper of general circulation at least seven days prior to this hearing.

Pursuant to Chapter 312 of the Texas Tax Code, the area encompassing the proposed TARZ 102 meets the statutory criteria for designation as a Tax Abatement Reinvestment Zone because the area is likely, as a result of the designation, to contribute to the retention or expansion of primary employment or to attract major investment in TARZ 102 that would be a benefit to the Property and that would contribute to the economic development of the City. Further, the proposed improvements and investments are feasible and practical and would be a benefit to the land to be included in the TARZ 102 and to the City after the expiration of any tax abatement agreement.

The term of TARZ 102 will be five years from the date of adoption of the attached Ordinance and may be renewed for periods not to exceed five years each unless otherwise allowed by law.

The proposed zone is located in COUNCIL DISTRICT 8.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

## FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that approval of these recommendations will have no material effect on City funds.

Submitted for City Manager's Office by: Jay Chapa 5804

Originating Business Unit Head: Robert Sturns 2663

Additional Information Contact: Kelly Baggett 2617

**EXHIBIT "B"**

**CITY OF FORT WORTH TAX ABATEMENT AGREEMENT**

CITY SECRETARY  
CO. RACT NO. 58678

STATE OF TEXAS §

COUNTY OF TARRANT §

### TAX ABATEMENT AGREEMENT

This **TAX ABATEMENT AGREEMENT** (“**Agreement**”) is entered into by and between the **CITY OF FORT WORTH, TEXAS** (“**City**”), a home-rule municipality organized under the laws of the State of Texas; **PR CARTER DISTRIBUTION CENTER BUILDING F, LP**, a Delaware limited partnership (“**Carter**”) and **RSI NORTH AMERICA, INC.** a Delaware corporation (“**Company**”).

#### RECITALS

**A.** On January 29, 2019, the City Council adopted Resolution No. 5337-01-2021, stating that the City elects to be eligible to participate in tax abatement and setting forth guidelines and criteria governing tax abatement agreements entered into between the City and various parties, entitled “**General Tax Abatement Policy**” (“**Policy**”), which is incorporated herein by reference and hereby made a part of this Agreement for all purposes.

**B.** The Policy contains appropriate guidelines and criteria governing tax abatement agreements to be entered into by the City as contemplated by Chapter 312 of the Texas Tax Code, as amended (“**Code**”).

**C.** On November 30, 2021, the City Council adopted Ordinance No. 25217-11-2021 (“**Ordinance**”) establishing Tax Abatement Reinvestment Zone No. 102, City of Fort Worth, Texas (“**Zone**”).

**D.** Carter owns property located at 1501 Joel East Road, which is located within the Zone and is more specifically described in Exhibit “A” (“**Land**”), attached hereto and hereby made a part of this Agreement for all purposes. Contingent upon Company’s receipt of the tax abatement herein, Carter will lease the Land to Company on terms and conditions that permit the development of a manufacturing facility of at least 391,000 square feet (more specifically defined herein as the “**Real Property Improvements**”) to support Company’s business operations, and in which Company will install certain taxable business personal property on the Land, all as more specifically set forth in this Agreement. The lease of the Land between Carter and Company (“**Lease**”) will contain terms and conditions consistent with those outlined in Exhibit “B”, attached hereto and hereby made a part of this Agreement for all purposes.

**E.** Under the Lease, Company is required to pay real property taxes on the Land and all improvements thereon, including the Real Property Improvements. In order for the full tax abatement necessary to provide incentive for this project to be undertaken, the City has been requested to grant an abatement on real property taxes on improvements to the Land as well as an abatement on taxes on New Taxable Tangible Personal Property (as defined in Section 2) located on the Land. Section 312.204(a) of the Texas Tax Code permits the City to enter into an agreement with the owner of the Land to abate taxes on the value of improvements located on the Land, or of tangible personal property located on the Land, or both. Because Company must meet certain employment and spending commitments in order for the City to grant the full amount of abatement available hereunder on improvements to the Land, and because Company will be the owner of

OFFICIAL RECORD  
CITY SECRETARY  
FT WORTH, TX

lessee of New Taxable Tangible Personal Property that is subject to abatement hereunder, it is necessary that both Carter and Company be parties to this Agreement.

**F.** As of September 16, 2021, one or more applications for tax abatement (whether one or more, “**Applications**”) to the City concerning plans for development of the Land, including construction of the Real Property Improvements, and taxes payable by Carter and Company, which Applications are attached hereto as **Exhibit “C”** and hereby made a part of this Agreement for all purposes.

**G.** The contemplated use of the Land and the terms of this Agreement are consistent with encouraging development of the Zone and generating economic development and increased employment opportunities in the City, in accordance with the purposes for creation of the Zone, and are in compliance with the Policy, the Ordinance and other applicable laws, ordinances, rules and regulations.

**H.** Under this Agreement, Company is committed to invest a total of at least \$55 million as follows: at least \$2.5 million in Construction Costs for the Real Property Improvements and at least \$52.5 million in New Taxable Tangible Personal Property to be installed on the Land in connection with manufacturing business operations within the Real Property Improvements. Company is also committing to provide new Full-time Jobs whose average annual Salaries will equal at least \$65,800.00. Therefore, the provisions of this Agreement, as well as the proposed use of the Land and nature of the proposed Real Property Improvements, as defined herein, satisfy the eligibility criteria for commercial/industrial tax abatement pursuant to Section 4 of the Policy.

**I.** Written notice that the City intends to enter into this Agreement, along with a copy of this Agreement, have been furnished in the manner prescribed by the Code to the presiding officers of the governing bodies of each of the taxing units that have jurisdiction over the Land.

**NOW, THEREFORE**, in consideration of the mutual benefits and promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

## **AGREEMENT**

### **1. INCORPORATION OF RECITALS.**

The City Council has found, and the City, Carter, and Company agree, that the recitals set forth above are true and correct and form the basis upon which the parties have entered into this Agreement.

### **2. DEFINITIONS.**

In addition to terms defined in the body of this Agreement, the following terms have the definitions ascribed to them as follows:

**Abatement** means the abatement of a percentage (not to exceed forty percent (40%) in any year of the Abatement Term) of the City’s incremental ad valorem real property taxes on any improvements located on the Land (but not on the Land itself, which taxes will not be subject to Abatement hereunder) and of the City’s incremental ad valorem taxes on New Taxable Tangible Personal Property, all calculated in accordance with this Agreement.

**Abatement Term** means the term of five (5) consecutive years, commencing on January 1 of the Second Operating Year and expiring on December 31 of the fifth (5th) year thereafter, in which Carter and Company will receive the Abatement in accordance with this Agreement.

**Affiliate** means all entities, incorporated or otherwise, under common control with, controlled by, or controlling Company. For purposes of this definition, “control” means fifty percent (50%) or more of the ownership determined by either value or vote.

**Annual Salary Commitment** has the meaning ascribed to it in Section 4.6.1.

**Annual Salary Percentage** has the meaning ascribed to it in Section 6.5.

**Applications** has the meaning ascribed to it in Recital F.

**Business Equity Firm(s) (“BEFs”)** has the meaning assigned to it in the City of Fort Worth’s Business Equity Ordinance, as amended (Chapter 20, Article X of the City Code).

**BEF Construction Commitment** has the meaning ascribed to it in Section 4.4.

**BEF Construction Percentage** has the meaning ascribed to it in Section 6.3.

**Certificate of Completion** has the meaning ascribed to it in Section 5.

**Code** has the meaning ascribed to it in Recital B.

**Completion Date** means the date as of which all occupiable space within the Real Property Improvements have received a permanent certificate of occupancy.

**Completion Deadline** means June 30, 2026.

**Compliance Auditing Term** means the term of five (5) consecutive years, commencing on January 1 of the First Operating Year and expiring on December 31 of the fifth (5th) year thereafter, in which the City will verify and audit Carter’s and Company’s compliance with the various commitments set forth in Section 4 that form the basis for calculation of the amount of each annual Abatement percentage hereunder.

**Construction Costs** means the following costs expended directly for the Real Property Improvements: actual site development and construction costs, including directly-related contractor fees, plus costs of supplies and materials, engineering fees, architectural and design fees, and permit fees. Construction Costs specifically excludes any real property acquisition costs or rent payments or other costs required by the Lease.

**Director** means the director of the City’s Economic Development Department.

**Effective Date** has the meaning ascribed to it in Section 3.

**Event of Default** means a breach of this Agreement by a party, either by act or omission, as more specifically set forth in Section 7 of this Agreement.

**First Operating Year** means the first full calendar year following the year in which the Completion Date occurred.

**Full-time Job** means a job provided to one (1) individual by Company on the Land for at least forty (40) hours per week.

**Land** has the meaning ascribed to it in Recital D.

**Legal Requirements** means federal, state and local laws, ordinances, rules and regulations, including, but not limited to, all provisions of the City's charter and ordinances, as amended.

**New Job** has the meaning ascribed to it in Section 4.5.2.

**New Taxable Tangible Personal Property** means any personal property other than inventory or supplies that (i) is subject to ad valorem taxation by the City; (ii) is located on the Land; (iii) is owned or leased by Company and used by Company for the business purposes outlined in this Agreement; and (iv) was not located in the City prior to the period covered by this Agreement.

**Ordinance** has the meaning ascribed to it in Recital C.

**Overall Employment Commitment** has the meaning ascribed to it in Section 4.5.1.

**Overall Employment Percentage** has the meaning ascribed to it in Section 6.4.

**Overall Improvement Percentage** has the meaning ascribed to it in Section 6.2.

**Personal Property Improvement Commitment** has the meaning ascribed to it in Section 4.2.

**Policy** has the meaning ascribed to it in Recital A.

**Real Property Improvement Commitment** has the meaning ascribed to it in Section 4.1.

**Real Property Improvements** means a manufacturing facility constructed on the Land consisting of at least 391,000 square feet, as verified in the Certificate of Completion issued by the Director in accordance with this Agreement.

**Records** has the meaning ascribed to it in Section 4.9.

**Salary** means the cash payment or remuneration made to a person holding a Full-time Job, including paid time off, commissions, and non-discretionary bonuses. A Salary does not include any benefits, such as health insurance or retirement contributions, reimbursements for employee expenses, or any discretionary bonuses.

**Second Operating Year** means the second full calendar year following the year in which the Completion Date occurred.

**Term** has the meaning ascribed to it in Section 3.

Zone has the meaning ascribed to it in Recital C.

3. **TERM.**

The effective date of this Agreement is December 1, 2021 (“**Effective Date**”) and, unless terminated earlier in accordance with its terms and conditions, expires simultaneously upon expiration of the Abatement Term (“**Term**”).

4. **OBLIGATIONS AND COMMITMENTS RELATED TO ABATEMENT.**

4.1. **Real Property Improvements.**

4.1.1 Carter and Company must expend or cause to be expended at least Two Million, Five Hundred Thousand Dollars and Zero Cents (\$2,500,000.00) in Construction Costs for the Real Property Improvements by the Completion Date, and the Completion Date for the Real Property Improvements must occur on or before the Completion Deadline (“**Real Property Improvement Commitment**”). Carter may perform this obligation in full by permitting Company to make or cause to be made the Real Property Improvements pursuant to the Lease. Failure to meet the aforementioned obligation constitutes an Event of Default.

4.2. **Personal Property Improvements.**

4.2.1. New Taxable Tangible Personal Property having a value of at least Fifty-Two Million, Five Hundred Thousand Dollars and Zero Cents (\$52,500,000.00) (“**Personal Property Improvement Commitment**”) must be in place on the Land by January 1, 2027. Failure to meet the meet this obligation constitutes an Event of Default.

4.2.2. The Personal Property Improvement Commitment is an obligation of the Company only, and Carter does not have any responsibility to ensure that the Personal Property Improvement Commitment is met.

4.2.3. The value of the New Taxable Tangible Person Property is determined solely by the appraisal district having jurisdiction over the Land at the time and reflected in the certified appraisal roll received by the City from such appraisal district in such year.

4.4. **Construction Spending Commitment for BEFs.**

By the Completion Date, Company must expend or caused to be expended at least fifteen percent (15%) of all Construction Costs for the Real Property Improvements with BEFs, regardless of the total amount of such Construction Costs (“**BEF Construction Commitment**”).

4.5. **Employment Commitment.**

4.5.1. Company must employ and retain a minimum of 250 Full-Time Jobs on the Land by December 31, 2026 and retain such jobs for the Term of this Agreement (“**Overall Employment Commitment**”). The Overall Employment Commitment is an obligation of the Company only, and Carter does not have any

responsibility to ensure that the Overall Employment Commitment is met in any given year.

**4.5.2** Company must retain at least 250 Full-Time Jobs on the Land for the Term of this Agreement (each a “**New Job**”). A Full-Time Job will be considered new if the individual was hired on or after November 30, 2021.

**4.5.3** Determination each year of compliance with the following Employment Commitment will be based on the employment data provided by Company to the City for the year under evaluation.

**4.6 Average Annual Salary.**

**4.6.1** In each year of the Compliance Auditing Term, the average annual Salary, measured on a calendar year basis, for at least 250 Full-Time Jobs provided and filled on the Land, regardless of the total number of such Full-time Jobs, must equal at least Sixty-five Thousand Eight Hundred Dollars and Zero Cents (\$65,800.00) (“**Annual Salary Commitment**”). The Annual Salary Commitment is an obligation of the Company only, and Carter does not have any responsibility to ensure that the Annual Salary Commitment is met in any given year.

**4.6.2.** Determination each year of compliance with the following Annual Salary Commitment will be based on the employment data provided by Company to the City for the year under evaluation.

**4.7. Reports and Filings.**

**4.7.1. Final Construction Report.**

Within sixty (60) calendar days following the Completion Date, in order for the City to assess whether Carter and Company expended or caused to be expended at least Two Million, Five Hundred Thousand Dollars and Zero Cents (\$2,500,000.00) in Construction Costs for the Real Property Improvements, and the extent to which the BEF Construction Commitment was met, Carter and Company must provide the Director with a report in a form reasonably acceptable to the City that specifically outlines the total Construction Costs expended for the Real Property Improvements and the total Construction Costs expended with BEFs for the Real Property Improvements, together with supporting invoices and other documents necessary to demonstrate that such amounts were actually paid, including, without limitation, final lien waivers signed by the general contractor for the Real Property Improvements.

**4.7.2. Annual Employment Report.**

On or before February 1 of the Second Operating Year, and of each year thereafter for the remainder of the Compliance Auditing Term, in order for the City to assess the degree to which Company met in the previous year the Overall Employment Commitment and the Annual Salary Commitment, Company must provide the Director with a report in a form reasonably acceptable to the City that

sets forth the total number of individuals who held Full-Time Jobs on the Land, as well as the Salary of each, all as of December 31 (or such other date requested by Company and reasonably acceptable to the City) of the previous calendar year, together with reasonable supporting documentation.

**4.7.3. General.**

Company will supply any additional information reasonably requested by the City that is pertinent to the City's evaluation of compliance with each of the terms and conditions of this Agreement.

**4.8. Inspections of Land and Improvements**

**4.8.1.** At any time during Company's normal business hours throughout the Term, the City will have the right to inspect and evaluate the Land, and any improvements thereon, and Company will provide full access to the same, in order for the City to monitor compliance with the terms and conditions of this Agreement. Company will use reasonable efforts to cooperate fully with the City during any such inspection and evaluation. City shall provide reasonable notice, being no less than 24 hours, to Company prior to visiting the Land for the purposes under this paragraph. City and Company shall work in good faith to coordinate such visits at a time and in a manner that minimizes disruption to the Company's operation.

**4.8.2.** Notwithstanding the foregoing, Company may require that any representative of the City be escorted by a Company representative or security personnel during any such inspection and evaluation and abide by any site policies and protocols regarding health, safety, and treatment of Company's confidential information. In addition, upon request of the City at any time during the Term and the year following the Term, and following reasonable advance notice.

**4.9. Audits.**

The City has the right throughout the Term to audit the financial and business records of Company that relate to the Real Property Improvements, Personal Property, and the Land and any other documents necessary to evaluate Company's compliance with this Agreement or with the commitments set forth in this Agreement, including, but not limited to construction documents and invoices (collectively, "**Records**"). Company must make all Records available to the City on the Land or at another location in the City acceptable to both parties following prior notice and will otherwise use reasonable efforts to cooperate fully with the City during any audit.

**4.10. Use of Land.**

The Land and any improvements thereon, including, but not limited to, the Real Property Improvements, must be used at all times during the Term of this Agreement for Company's lawful business operations, as set forth in this Agreement, and otherwise in a manner that is consistent with the general purposes of encouraging development or redevelopment of the Zone.

**4.11. Abatement Application Fee.**

4.11.1. The City acknowledges receipt from Company of the required Application fee of Five Thousand Dollars (\$5,000.00). Of such amount, Two Thousand Dollars (\$2,000.00) is strictly nonrefundable and will be used by the City for the purposes set forth in the Policy.

4.11.2. If construction work on the Real Property Improvements begins within one (1) year from the later date of the Applications, the remaining Three Thousand Dollars (\$3,000.00) of such fee will be credited to Company's benefit against any permit, impact, inspection or other lawful fee required by the City in connection with the Real Property Improvements.

4.11.3. If construction work for the Real Property Improvements does not begin within one (1) year from the later date of the Applications, Company will not receive a credit or refund of any portion of the fee.

4.11.4. If there is a balance of any of the remaining Application fee funds after the date on which the Director issues a Certificate of Completion in accordance with Section 5, Company will be entitled to a refund of such remaining Application fee funds, but only if Company submits a letter to the Director requesting such refund within ninety (90) calendar days following the date of issuance of the Certificate of Completion.

5. **CERTIFICATE OF COMPLETION.**

Within ninety (90) calendar days following receipt by the City of the final construction spending report for the Real Property Improvements submitted in accordance with this Agreement, and assessment by the City of the information contained therein, if the City is able to verify that Construction Costs of at least Two Million, Five Hundred Thousand Dollars and Zero Cents (\$2,500,000.00) were expended for Real Property Improvements by the Completion Date and that the Completion Date occurred on or before Completion Deadline, the Director will issue Carter and Company a certificate stating the amount of Construction Costs expended for the Real Property Improvements, as well as the amount of Construction Costs expended for the Real Property Improvements specifically with BEFs ("**Certificate of Completion**"). The Certificate of Completion will serve as the basis for determining whether the BEF Construction Commitment was met.

6. **TAX ABATEMENT.**

6.1. **Generally.**

6.1.2. Subject to the terms and conditions of this Agreement, provided that the Real Property Improvement Commitment and Personal Property Improvement Commitment have been met, then the City will grant an Abatement in each year of the Abatement Term.

6.1.3. The amount of each Abatement that the City grants during such years will be a percentage of the City's ad valorem taxes on any improvements located on the Land (but not on the Land itself, which taxes will not be subject to Abatement hereunder) and on New Taxable Tangible Personal Property attributable to increases in the value of such

improvements and New Taxable Tangible Personal Property, which percentage will equal the sum of the Overall Improvement Percentage, the BEF Construction Percentage, the Overall Employment Percentage, and the Annual Salary Percentage, as set forth below (not to exceed forty percent (40%)).

**6.2. Real Property Improvement and Personal Property Commitments (20%).**

City will grant an abatement to Company equal to twenty percent (20%) of the overall Abatement (“**Overall Improvement Percentage**”) if Company meets both the Real Property Improvement Commitment and Personal Property Commitment.

**6.3. BEF Construction Cost Spending (10%).**

A percentage of the Abatement will be based on the whether the Company met the BEF Construction Commitment (“**BEF Construction Percentage**”). If Company meets the BEF Construction Commitment, the BEF Construction Percentage for each Abatement hereunder will be ten percent (10%). If the Company does not meet the BEF Construction Commitment, the BEF Construction Percentage for each Abatement hereunder will be zero percent (0%).

**6.4. Overall Employment (Up to 5%).**

**6.4.1.** A percentage of the Abatement will be based on the extent to which the Company meets the Overall Employment Commitment (“**Overall Employment Percentage**”). The Overall Employment Percentage in a given year will equal the product of five percent (5%) multiplied by the percentage by which the Company met the Overall Employment Commitment in the previous calendar year, which will be calculated by dividing the actual number of Full-Time Jobs provided on the Land in the previous year by the number of Full-Time Jobs constituting the Overall Employment Commitment for that year.

**6.4.2.** For example, if Company only employed 200 individuals with Full-Time Jobs on the Land in 2028 instead of the required 250, the Overall Employment Percentage for the following year would be 4% instead of 5% (or  $.05 \times [200/250]$ ), or  $.05 \times .80$ , or  $.04$ . If the Overall Employment Commitment is met or exceeded in any given year, the Overall Employment Percentage for the Abatement in the following year will be five percent (5%).

**6.5. Annual Salary (5%).**

A percentage of the Abatement will be based on whether Company meets the Annual Salary Commitment (“**Annual Salary Percentage**”). If Company met the Annual Salary Commitment in a given year, the Annual Salary Percentage for the Abatement in the following year will be five percent (5%). If Company does not meet the Annual Salary Commitment in a given year, Company and Carter will forfeit the entire Abatement to which they would otherwise have been entitled in the following year.

**6.6. Abatement Limitations.**

**6.6.1.** In accordance with Section 15.5 of the Policy and notwithstanding anything to the contrary herein, the Abatement granted in any given year of the Abatement Term will be based on the following:

**6.6.1.1** On the increase in the real property value of improvements on the Land over their value as of December 31, 2022, if any, up to a maximum increase of Two Million Five Hundred Thousand Dollars and Zero Cents (\$2,500,000.00); and

**6.6.1.2** On the increase in the value of New Taxable Tangible Personal Property located on the Land since January 1, 2022, if any, up to a maximum increase of Fifty-Two Million Five Hundred Thousand Dollars and Zero Cents (\$52,500,000.00).

**6.6.2.** In other words, with regard to the real property tax Abatement, in any year in which the taxable value of improvements on the Land exceeds (i) any value of improvements on the Land as of December 31, 2022, if any, plus (ii) \$2,500,000.00, the real property tax Abatement granted for that tax year will be capped and calculated as if the increase in the value of improvements on the Land since December 31, 2022 had only been \$2,500,000.00.

**6.6.2.1** By way of example only, if in a given year of the Abatement Term the value of improvements on the Land is \$3,000,000.00 over their value as of December 31, 2022, the maximum real property tax Abatement that could be granted would be forty percent (40%) of \$2,500,000.00 in valuation for that year and would pay full taxes on the \$500,000.00 difference over the cap. Along the same lines, if the value of New Taxable Tangible Personal Property located on the Land in a given year of the Abatement Term is \$60,000,000.00 over the value of that Property as of January 1, 2022, the maximum Abatement on New Taxable Tangible Personal Property that could be granted would be forty percent (40%) of \$52,500,000.00 in valuation for that year and would pay full taxes on the \$7,500,000.00 difference over the cap.

**7. DEFAULT, TERMINATION AND FAILURE TO MEET VARIOUS DEADLINES AND COMMITMENTS.**

**7.1. Failure to Meet Real Property Improvement and Personal Property Commitments.**

Notwithstanding anything to the contrary herein, if the Company does not meet both the Real Property Improvement Commitment and Personal Property Commitment, an Event of Default will occur and the City will have the right to terminate this Agreement, effective immediately, by providing written notice to Carter and Company without further obligation to Carter or Company hereunder.

**7.2 Failure to Meet BEF Construction Commitment.**

If the Company does not meet the BEF Construction Commitment, or the Overall Employment Commitment in any given year, such event will not constitute an Event of

Default hereunder or provide the City with the right to terminate this Agreement, but, rather, will only cause the percentage or amount of Abatement available pursuant to this Agreement to be reduced in accordance with this Agreement.

**7.3 Forfeiture for Failure to Meet Overall Employment or Annual Salary Commitments.**

Notwithstanding anything to the contrary herein, if the Company fails to meet the Annual Salary Commitments in any year of the Compliance Auditing Term, an Event of Default will not occur, but Carter and Company will forfeit the entirety of the Abatement that would otherwise have been granted in the following year. In this event, an Abatement will be deemed to have been granted in that year for purposes of calculating the remaining number of years in the Abatement Term and the number of future Abatements that Carter and Company will be entitled to receive.

**7.4. Knowing Employment of Undocumented Workers.**

Company acknowledges that effective September 1, 2007, the City is required to comply with Chapter 2264 of the Texas Government Code, enacted by House Bill 1196 (80th Texas Legislature), which relates to restrictions on the use of certain public subsidies. *Company hereby certifies that Company, and any branches, divisions, or departments of Company, does not and will not knowingly employ an undocumented worker, as that term is defined by Section 2264.001(4) of the Texas Government Code. In the event that Company, or any branch, division, or department of Company, is convicted of a violation under 8 U.S.C. Section 1324a(f) (relating to federal criminal penalties and injunctions for a pattern or practice of employing unauthorized aliens) and such violation occurs during the Term of this Agreement:*

- *if such conviction occurs during the Term of this Agreement, this Agreement will terminate contemporaneously upon such conviction (subject to any appellate rights that may lawfully be available to and exercised by Company) and Company must repay, within one hundred twenty (120) calendar days following receipt of written demand from the City, the aggregate amount of Abatement received by Company hereunder, if any, plus Simple Interest at a rate of two percent (2%) per annum based on the amount of Abatement received in each previous year as of December 31 of the tax year for which the Abatement was received; or*
- *if such conviction occurs after expiration or termination of this Agreement, subject to any appellate rights that may lawfully be available to and exercised by Company, Company must repay, within one hundred twenty (120) calendar days following receipt of written demand from the City, the aggregate amount of Abatement received by Company hereunder, if any, plus Simple Interest at a rate of two percent (2%) per annum based on the amount of Abatement received in each previous year as of December 31 of the tax year for which the Abatement was received.*

For the purposes of this Section 7.6, “Simple Interest” is defined as a rate of interest applied only to an original value, in this case the aggregate amount of Abatement. This rate of interest can be applied each year, but will only apply to the aggregate amount of Abatement and is

not applied to interest calculated. For example, if the aggregate amount of Abatement is \$10,000 and it is required to be paid back with two percent (2%) interest five years later, the total amount would be  $\$10,000 + [5 \times (\$10,000 \times 0.02)]$ , which is \$11,000. This Section 7.6 does not apply to convictions of any subsidiary or affiliate entity of Company, by any franchisees of Company, or by a person or entity with whom Company contracts. Notwithstanding anything to the contrary herein, the parties agree that the Abatement is a "public subsidy" (as that term is defined in Section 2264.001, Texas Government Code) for the benefit of Company and that, accordingly, this Section 7.6 does not apply to Carter. This Section 7.6 will survive the expiration or termination of this Agreement.

**7.5. Foreclosure on Land or Real Property Improvements.**

Subject to Section 11, the City will have the right to terminate this Agreement immediately upon provision of written notice to Carter and Company of any of the following events: (i) the conveyance of the Land or the Real Property Improvements pursuant to an action to foreclose or otherwise enforce a lien, mortgage or deed of trust on the Land or the Real Property Improvements; (ii) the involuntary conveyance to a third party of the Land or the Real Property Improvements; (iii) execution of any assignment of the Land or Real Property Improvements or deed in lieu of foreclosure to the Land or Real Property Improvements; or (iv) appointment of a trustee or receiver for the Land or Real Property Improvements and such appointment is not terminated within one hundred twenty (120) calendar days after the appointment occurs.

**7.6. Failure to Pay Taxes or Non-Compliance with Other Legal Requirements.**

An Event of Default will occur if any ad valorem taxes owed to the City by Company become delinquent and Company does not timely and properly follow the legal procedures for protest or contest of any such ad valorem taxes, or Company is in violation of any material Legal Requirement due to any act or omission connected with Company's operations on the Land; provided, however, that an Event of Default will not exist under this provision unless Company fails to cure the applicable failure or violation within thirty (30) calendar days (or such additional time as may be reasonably required) after Company receives written notice of such failure or violation.

**7.7. General Breach.**

In addition to Sections 7.1 – 7.6 and subject to Section 7.4, an Event of Default under this Agreement will occur if either party breaches any term or condition of this Agreement, in which case the non-defaulting party must provide the defaulting party with written notice specifying the nature of the Default. Subject to Sections 7.1, 7.2, and 7.3, in the event that any Event of Default hereunder remains uncured after thirty (30) calendar days following receipt of such written notice (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, then such additional amount of time as is reasonably necessary to effect cure, as determined by both parties mutually and in good faith), the non-defaulting party will have the right to terminate this Agreement, effective immediately, by providing written notice to the defaulting party.

**7.11. Statutory Damages.**

7.11.1 Company acknowledges and agrees that termination of this Agreement due to an Event of Default by Company will (i) harm the City's economic development and redevelopment efforts on the Land and in the vicinity of the Land; (ii) require unplanned and expensive additional administrative oversight and involvement by the City; and (iii) be detrimental to the City's general economic development programs, both in the eyes of the general public and by other business entities and corporate relocation professionals, and Company agrees that the exact amounts of actual damages sustained by the City therefrom will be difficult or impossible to ascertain.

7.11.2 Therefore, upon termination of this Agreement for any Event of Default, and as authorized by Section 312.205(b)(6) of the Code, Company must pay the City, as damages authorized by the Code, an amount equal to all taxes that were abated in accordance with this Agreement for each year in which an Event of Default existed and which otherwise would have been paid to the City in the absence of this Agreement.

7.11.3 The City and Company agree that the above-stated amount is a reasonable approximation of actual damages that the City will incur as a result of an uncured Event of Default and that this Section 7.11 is intended to provide the City with compensation for actual damages, as authorized by the Code, and is not a penalty.

7.11.4 The above-stated amount may be recovered by the City through adjustments made to Company's ad valorem property tax appraisal by the appraisal district that has jurisdiction over the Land and over any taxable tangible personal property located thereon. Otherwise, this amount will be due, owing, and paid to the City within sixty (60) calendar days following the effective date of termination of this Agreement.

7.11.5 In the event that all or any portion of this amount is not paid to the City within sixty (60) days following the effective date of termination of this Agreement, Company will also be liable for all penalties and interest on any outstanding amount at the statutory rate for delinquent taxes, as determined by the Code at the time of the payment of such penalties and interest (currently, Section 33.01 of the Code).

## **8. INDEPENDENT CONTRACTOR.**

It is expressly understood and agreed that Carter and Company will operate as independent contractors in each and every respect hereunder and not as agents, representatives or employees of the City. As to the City, Carter and Company will have the exclusive right to control all details and day-to-day operations relative to the Land and any improvements thereon and will be solely responsible for the acts and omissions of their officers, agents, servants, employees, contractors, subcontractors, licensees and invitees. Carter and Company acknowledge that the doctrine of *respondeat superior* will not apply as between the City and Carter or Company, their officers, agents, servants, employees, contractors, subcontractors, licensees, and invitees. Carter and Company further agree that nothing in this Agreement will be construed as the creation of a partnership or joint enterprise between the City and Carter or Company.

## **9. INDEMNIFICATION.**

9.1 COMPANY, AT NO COST TO THE CITY, AGREES TO DEFEND, INDEMNIFY AND HOLD THE CITY, AND ITS RESPECTIVE OFFICERS, AGENTS SERVANTS, REPRESENTATIVES, 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 COMPANY'S BUSINESS AND ANY RESULTING LOST PROFITS) AND PERSONAL INJURY, INCLUDING DEATH, THAT MAY RELATE TO, ARISE OUT OF OR BE OCCASIONED BY (i) COMPANY'S OR CARTER'S BREACH OF ANY OF THE TERMS OR PROVISIONS OF THIS AGREEMENT OR (ii) ANY NEGLIGENT ACT OR OMISSION OR INTENTIONAL MISCONDUCT OF CARTER OR COMPANY, ITS OFFICERS, AGENTS, ASSOCIATES, EMPLOYEES, CONTRACTORS (OTHER THAN THE CITY) OR SUBCONTRACTORS, RELATED TO THE REAL PROPERTY IMPROVEMENTS; THE LAND AND ANY OPERATIONS AND ACTIVITIES THEREON; OR THE PERFORMANCE OR NON-PERFORMANCE OF THIS AGREEMENT OTHERWISE. THIS SECTION WILL SURVIVE ANY TERMINATION OR EXPIRATION OF THIS AGREEMENT.

9.2 COMPANY HEREBY RELEASES CARTER FROM, AND COMPANY, AT NO COST TO CARTER, AGREES TO DEFEND, INDEMNIFY AND HOLD CARTER, AND ITS RESPECTIVE OFFICERS, AGENTS SERVANTS, REPRESENTATIVES, 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 COMPANY'S BUSINESS AND ANY RESULTING LOST PROFITS) AND PERSONAL INJURY, INCLUDING DEATH, THAT MAY RELATE TO, ARISE OUT OF OR BE OCCASIONED BY COMPANY'S BREACH OF ANY OF THE TERMS OR PROVISIONS OF THIS AGREEMENT OR BY COMPANY'S OR THE CITY'S PERFORMANCE OR NON-PERFORMANCE OF THIS AGREEMENT. THIS SECTION WILL SURVIVE ANY TERMINATION OR EXPIRATION OF THIS AGREEMENT.

10. NOTICES.

All written notices called for or required by this Agreement must 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:

<p><b>City:</b></p> <p>City of Fort Worth          Attn: City Manager          200 Texas Street          Fort Worth, Texas 76102</p> <p>With copies to:</p> <p>City Attorney at the same address and the Director at:</p> <p>City of Fort Worth</p>	<p><b>Company:</b></p> <p>RSI North America Inc.          Attn: Mark Roe-Scott          Address: 1024 Winters Parkway          Dayton, NV 89403</p> <p>With copies to:</p> <p>PR Carter Distribution Center Building F, LP          Attn: Dan Kane, Vice President</p>
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Attn: Director Economic Development 1150 South Freeway Fort Worth, Texas 76104	Address: 180 N. Stetson Ave., Suite 5400 Chicago, IL 60601
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**11. EFFECT OF SALE OF LAND AND/OR REAL PROPERTY IMPROVEMENTS; ASSIGNMENT AND SUCCESSORS.**

**11.1.** Carter may assign this Agreement without the consent of the City Council, provided that Carter gives written notice to the City of the name and contact information for Carter assignee or successor in interest. Any lawful assignee or successor in interest of Carter of its rights under this Agreement will be deemed "Carter" for all purposes under this Agreement, and any such lawful assignee or successor will assume, and without further action by any party, Carter will be released from, all future liability and responsibility, if any, of "Carter" under this Agreement that accrues from and after the effective date of such assignment.

**11.2** Company may assign this Agreement, and all or any of the benefits provided hereunder, without the consent of the City Council to (a) an Affiliate that leases, owns or takes title to the Land and owns or leases any New Taxable Tangible Personal Property or (b) a successor to Company by merger or consolidation only if (i) prior to or contemporaneously with the effectiveness of such assignment, Company provides the City with written notice of such assignment, which notice must include the name of the Affiliate and a contact name, address and telephone number for the Affiliate, and (ii) the Affiliate agrees in writing to assume all terms and conditions of Company under this Agreement.

**11.3** Otherwise, Company may not assign, transfer or otherwise convey any of its rights or obligations under this Agreement to any other person or entity without the prior consent of the City Council, which consent will not be unreasonably withheld, conditioned on (i) the proposed assignee or successor agrees and proceeds to lease or take title to the Land and any New Taxable Tangible Personal Property; (ii) the proposed assignee or successor is financially capable of meeting the terms and conditions of this Agreement; and (iii) prior execution by the proposed assignee or successor of a written agreement with the City under which the proposed assignee or successor agrees to assume and be bound by all covenants and obligations of Company under this Agreement. Any attempted assignment without the City Council's prior consent constitutes an Event of Default under this Agreement. Any lawful assignee or successor in interest of Company of all rights under this Agreement will be deemed "Company" for all purposes under this Agreement.

**12. COMPLIANCE WITH LAWS, ORDINANCES, RULES AND REGULATIONS.**

This Agreement is subject to all applicable Legal Requirements.

**13. GOVERNMENTAL POWERS.**

It is understood that by execution of this Agreement, the City does not waive or surrender any of its governmental powers or immunities.

**14. SEVERABILITY.**

If any provision of this Agreement is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired.

**15. NO WAIVER.**

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 will not constitute a waiver of that party's right to insist upon appropriate performance or to assert any such right on any future occasion.

**16. VENUE AND CHOICE OF LAW.**

If any action, whether real or asserted, at law or in equity, arises on the basis of any provision of this Agreement, venue for such action will lie in state courts located in Tarrant County, Texas or the United States District Court for the Northern District of Texas – Fort Worth Division. This Agreement will be construed in accordance with the laws of the State of Texas.

**17. NO THIRD PARTY RIGHTS.**

The provisions and conditions of this Agreement are solely for the benefit of the City, Carter, and Company, and any lawful assign or successor of Carter or Company, and are not intended to create any rights, contractual or otherwise, to any other persons or entities.

**18. FORCE MAJEURE.**

It is expressly understood and agreed by the parties to this Agreement that if the performance of any obligations hereunder is delayed by reason of war, government action or inaction, orders of the government, epidemics, pandemics, civil commotion, acts of God, strike, inclement weather, shortages or unavailability of labor or materials, unreasonable delays by the City (based on the then-current workload of the City department(s) responsible for undertaking the activity in question) in issuing any permits, consents, or certificates of occupancy or conducting any inspections of or with respect to the Land and Project Improvements, or other circumstances which are reasonably beyond the control of the party obligated or permitted under the terms of this Agreement to do or perform the same, regardless of whether any such circumstance is similar to any of those enumerated or not, the party so obligated or permitted will be excused from doing or performing the same during such period of delay, so that the time period applicable to such design or construction requirement and the Completion Deadline will be extended for a period of time equal to the period such party was delayed. Notwithstanding anything to the contrary herein, it is specifically understood and agreed that any failure to obtain adequate financing necessary to meet the Real Property Improvement Commitment or the Personal Property Commitment will not be deemed to be an event of force majeure and that this Section 18 will not operate to extend the Completion Deadline in such an event.

**19. INTERPRETATION.**

In the event of any dispute over the meaning or application of any provision of this Agreement, this Agreement will be interpreted fairly and reasonably, and neither more strongly for or against any party, regardless of the actual drafter of this Agreement. In the event of any conflict between the body of this Agreement and the Applications, the body of this Agreement will control.

**20. CAPTIONS.**

Captions and headings used in this Agreement are for reference purposes only and will not be deemed a part of this Agreement.

**21. ELECTRONIC SIGNATURES.**

This Agreement may be executed by electronic signature, which will be considered as an original signature for all purposes and have the same force and effect as an original signature. For these purposes, "electronic signature" means electronically scanned and transmitted versions (e.g. via pdf file or facsimile transmission) of an original signature, or signatures electronically inserted via software such as Adobe Sign.

**22. COUNTERPARTS.**

This Agreement may be executed in multiple counterparts, each of which will be considered an original, but all of which will constitute one instrument.

**23. BONDHOLDER RIGHTS.**

The Real Property Improvements will not be financed by tax increment bonds. This Agreement is subject to the rights of holders of outstanding bonds of the City.

**24. CONFLICTS OF INTEREST.**

Neither the Land nor any improvements thereon are owned or leased by any member of the City Council, any member of the City Plan or Zoning Commission or any member of the governing body of any taxing unit with jurisdiction in the Zone.

**25. NO LIABILITY TO CARTER**

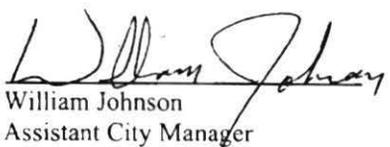
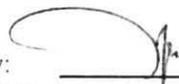
Carter is consenting to the provisions of this Agreement as an accommodation to, and at the request of, Company. Accordingly, notwithstanding anything to the contrary contained herein, in no event will Carter be responsible for any damages, clawbacks, fees, penalties, interest, or increase in ad valorem taxes as a result of any default under this Agreement.

26. ENTIRETY OF AGREEMENT.

This Agreement, including any exhibits attached hereto and any documents incorporated herein by reference, contains the entire understanding and agreement as between (i) the City, and (ii) Carter; and Company (together with any lawful assign and successor of Carter or Company), as to the matters contained herein. Any prior or contemporaneous oral or written agreement between (i) the City (on one hand), and (ii) Carter and Company (on the other hand), 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 will not be amended by the City, and no amendment shall be binding on the City, unless executed in writing by both parties and approved by the City Council of the City in an open meeting held in accordance with Chapter 551 of the Texas Government Code. Notwithstanding the foregoing, as between Carter and Company, this Agreement shall not affect the Lease or any other agreement between or binding Carter and Company.

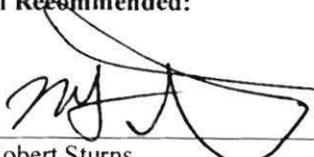
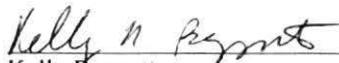
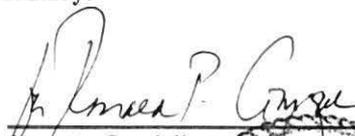
**EXECUTED** as of the last date indicated below:

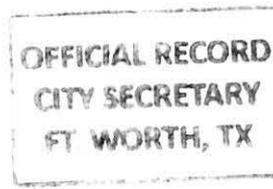
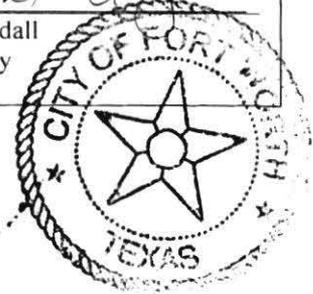
[SIGNATURES IMMEDIATELY FOLLOW ON NEXT THREE (3) PAGES]

<p><b>CITY:</b></p> <p>By:  William Johnson Assistant City Manager</p> <p>Date: <u>12/16/22</u></p>	<p><b>RSI NORTH AMERICA, INC.,</b> A Delaware corporation</p> <p>By: </p> <p>Name: <u>MARK G REEL</u></p> <p>Title: <u>CEO</u></p> <p>Date: <u>28 NOVEMBER 2022</u></p>
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	<p><b>PR CARTER DISTRIBUTION CENTER BUILDING F, LP,</b> A Delaware limited partnership</p> <p>By: <b>PR Carter Distribution Center Building F GP, LLC,</b> A Delaware limited liability company and its general partner</p> <p>By:  Name: <u>DANIEL KANE</u> Title: <u>VP</u></p> <p>Date: <u>12/2/2022</u></p>
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FOR CITY OF FORT WORTH INTERNAL PROCESSES:

<p><b>Approval Recommended:</b></p> <p>By:  Name: Robert Sturns Title: Director, Economic Development</p> <p><b>Approved as to Form and Legality:</b></p> <p>By:  Name: Tyler F. Wallach Title: Assistant City Attorney</p> <p><b>Contract Authorization:</b> M&amp;C: 21-0880 Form 1295: 2021-816800 and 2021-803282</p>	<p><b>Contract Compliance Manager:</b> By signing, I acknowledge that I am the person responsible for the monitoring and administration of this contract, including ensuring all performance and reporting requirements.</p> <p>By:  Name: Kelly Baggett Title: Innovation Coordinator</p> <p><b>City Secretary:</b></p> <p>By:  Name: Jannette Goodall Title: City Secretary</p>
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STATE OF TEXAS §

COUNTY OF TARRANT §

BEFORE ME, the undersigned authority, on this day personally appeared **William Johnson**, Assistant City Manager of the **CITY OF FORT WORTH**, a municipal corporation organized under the laws of the State of Texas, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the act of the **CITY OF FORT WORTH**, that he was duly authorized to perform the same by appropriate resolution of the City Council of the City of Fort Worth and that he executed the same as the act of the **CITY OF FORT WORTH** for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 16<sup>th</sup> day of December, 2022.

Linda M. Hirtlinger  
Notary Public in and for  
the State of Texas  
Linda M. Hirtlinger  
Notary's Printed Name



**RSI NORTH AMERICA, INC.**  
a Delaware corporation:

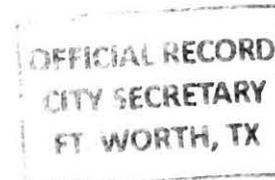
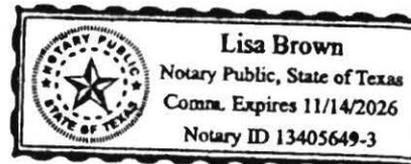
STATE OF Texas §

COUNTY OF Tarrant §

BEFORE ME, the undersigned authority, on this day personally appeared Mark Roe-Scott, CFO of **RSI NORTH AMERICA, INC.**, a Delaware corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that s/he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of **RSI NORTH AMERICA, INC.**

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 28 day of November, 2022.

Lisa Brown  
Notary Public in and for  
the State of TEXAS  
Lisa Brown  
Notary's Printed Name



STATE OF Illinois §

COUNTY OF COOK §

BEFORE ME, the undersigned authority, on this day personally appeared DAVEEL  
KANE, VP of **PR Carter Distribution Center Building F GP, LLC, a Delaware limited liability company**, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that s/he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of **PR Carter Distribution Center Building F GP, LLC**.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 2<sup>nd</sup> day of December, 2022.

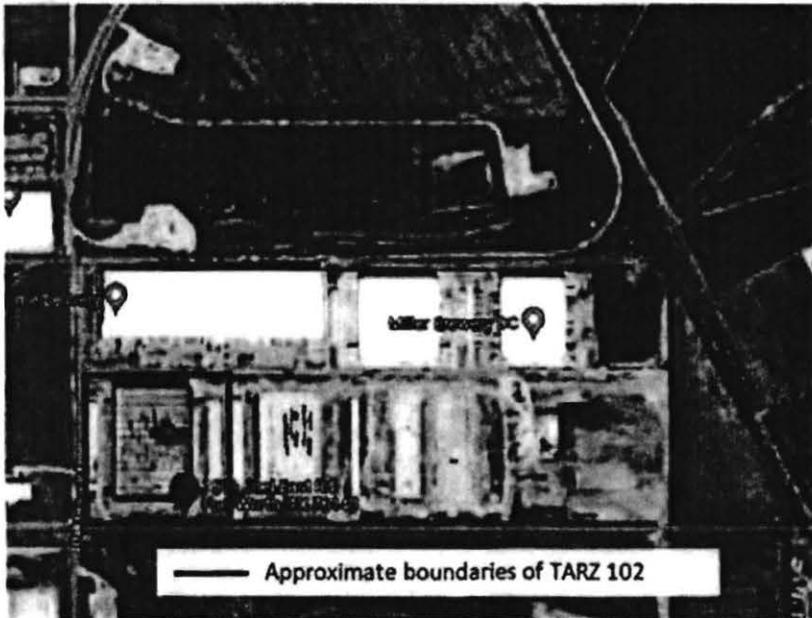
Meghan Cooney  
Notary Public in and for  
the State of IL

Meghan Cooney  
Notary's Printed Name



**EXHIBIT A**  
**DESCRIPTION AND MAP DEPICTING THE LAND**

BEING Lot 1, Block A, Carter Distribution, an addition to the City of Fort Worth, Tarrant County, Texas, according to the plat thereof recorded in Instrument Number D219111864, Plat Records of Tarrant County, Texas.



**EXHIBIT B  
LEASE TERMS**

**LEASE ABSTRACT**

**Property Address:** 1501 Joel East Road  
Fort Worth, TX 76134

**Property Owner:** PR Carter Distribution Center Building F, LP

**Tenant:** RSI North America Inc.

**Commencement Date:** May 1, 2022

**Expiration Date:** July 31, 2029

**Rentable Area:** 391,540 square feet

**Lease Term:** 87 months

**Responsible Party:** NNN  
Property Taxes (Tenant)  
Property Insurance (Tenant)  
CAM (Tenant)

**Landlord's  
Notice Address:** PGIM Inc.  
Attn: Dan Kane, Vice President  
180 N. Stetson Ave., Suite 5400  
Chicago, IL 60601

**Tenant's  
Notice Address:** RSI North America Inc.  
Attn: Mark Roe-Scott, CFO  
1024 Winters Parkway  
Dayton, NV 89403

EXHIBIT C  
TAX ABATEMENT APPLICATIONS



**Economic Development  
Incentive Application**

Economic Development Department  
1150 South Freeway  
Fort Worth, Texas 76104  
(817) 871-6021

# Incentive Application

## I. APPLICANT INFORMATION

Date Sep 15, 2021

Company Name RSI North America, Inc

Company Address 1024 Writers Parkway

City Dayton

State NV

Zip 89403

Contact Person Jacob Everett

Title/Position Consultant - Site Selection & Incentives

Telephone Number \_\_\_\_\_

Mobile Telephone Number 765-425-9291

Fax Number \_\_\_\_\_

E-Mail Address jeverett@mcguresponse1.com

**1. If the applicant represents a Company: (If a Developer and not a Company, proceed to #2.)**

A. Company Ownership (check one):  Publicly Traded Stock  Privately Held

B. Form of Business (choose one): Corporation

C. How long has the company been in operation (Years)? Parent 14 years, US entity 2 years

D. Company Industry Manufacturing

E. Describe the Company's principal business:

SmartCap is the world's first modular stainless steel truck cap system. From its 5-piece modular design, to its seamlessly integrated accessories, SmartCap lets customers build and organize their truck beds to meet their exact needs.

F. Describe the Company's international presence, if any:

Company is currently headquartered and products are manufactured in South Africa. Items currently sold in North America are imported and sold through distributors.

G. Describe the Company's corporate citizenship practices:

The company takes \$15 from the sale of every SmartCap and SmartCap Flat Bed and invests in early childhood development programs in disadvantaged communities. By better preparing children with the tools they need to succeed in school, the company is helping transform the individual lives of each of these kids. And that transforms their communities.

**2. If the applicant represents a Developer:**

A. Describe the Developer's experience and background. Please include similar projects that you have constructed including the project type and location (attach additional sheets as necessary):

B. Development Partners (Architect, Engineering Team, Interior Design, General Contract, etc.)

## II. PROJECT INFORMATION

Please include below the project description, project benefits and how the project positively impacts the community. Any incentives given by the City should be considered only "gap" financing and should not be considered a substitute for debt and equity. However, **the City is under no obligation to provide gap financing just because a gap exists.** In order for a Company or Developer to be eligible to receive incentives for a project, the Company/Developer

- A. Must complete and submit this application and the application fee to the City;
- B. Company/Developer or Company/Developer's principals must not be delinquent in paying property taxes for any property owned in Fort Worth;
- C. Company/Developer or Company/Developer's principals must not have ever been subject to the City of Fort Worth's Building Standards Commission's Review;
- D. Company/Developer or Company/Developer's principals must not have any City of Fort Worth liens filed against any other property owned by the applicant property owner/developer. "Liens" includes, but is not limited to, weed liens, demolition liens, board-up/open structure liens and paving liens.

### 1. Project Description (attach additional sheets as necessary):

Company is looking to add a US manufacturing facility to serve North America (all products are currently imported from South Africa). The chosen location will become the North American headquarters. Product design and prototyping will also happen in this facility.

### 2. In what way will the project benefit the surrounding area or serve as a catalyst for additional development and/or business opportunities for the local economy (i.e. attract suppliers or customers)?

The company will be establishing a new supply chain to feed this facility. This will create potential opportunities in the local area.

### 3. Describe how the project positively impacts the community.

This project is estimated to support 387 additional jobs in the area in addition to the 250 employed in the facility (2.55 multiplier).

## III. PROJECT DETAILS

1. Proposed Project Site Address: 1501 Joel East Road, Building F, Fort Worth, TX 76134

2. Proposed Project Site Land Size (Acres): 21.173

3. Will environmental remediation be required? No

4. Is this an existing facility or will a new facility be constructed?  New  Existing

A. If new, what is the construction: Anticipated Start Date \_\_\_\_\_ Anticipated Completion Date \_\_\_\_\_

B. If existing, is this an adaptive reuse? No

5. Type of Project (choose one): Commercial/Industrial

6. Building Area (Square Feet) Requirements

(a) Office 15000

(b) Manufacturing 376000

(c) Warehouse \_\_\_\_\_

(d) Showroom/Retail \_\_\_\_\_

(e) Other \_\_\_\_\_

Total Area (a+b+c+d+e) 391000 SF

7. Will this facility be LEED certified, and if so, at what level? no

8. Public open space included within the proposed project site: No SF/Acres

**III. PROJECT DETAILS (Continued)**

9. If the applicant represents a Company: (If a Developer and not a Company, proceed to #10.)

A. Is the Company expanding its existing local operations or relocating its operations from somewhere else to our area?

Expansion  Relocation

B. If a relocation, where is the company currently located? South Africa This will be the first North American footprint

C. Does the company plan to lease or own the facility in Fort Worth?  Lease  Own

D. If the company is planning to lease space in Fort Worth, what is the lease term? 7 Years

E. Describe the specific operations and services to be provided or products to be manufactured at the proposed Fort Worth facility (attach additional sheets as necessary)

Company will manufacture truck cap systems in this facility. These products convert truck beds into customized, valuable tools for recreational or commercial uses. Product design and prototyping will also happen in this facility.

10. Development requests that will be sought for the project (select all that apply)

Replat

Rezoning Current Zoning \_\_\_\_\_ Requested Zoning \_\_\_\_\_

Variances If yes, please describe \_\_\_\_\_

Downtown Design Review Board

Landmark Commission

Public Infrastructure Assistance

11. Real Estate Investment

A. Current Assessed Valuation of Land \$ 1,383,453 Improvements \$ 22,108,947

B. Total Construction Costs \$ 2.5 million

C. Hard Construction Costs \$ \_\_\_\_\_

12. Business Personal Property and Inventory

A. Business Personal Property

Total investment on equipment, machinery, furnishing, etc. \$ \_\_\_\_\_  Lease  Purchase

\*Estimated taxable value of equipment, machinery, furnishing, etc. \$ 52.5 million

\*This is the value that will be on the tax rolls which includes all tangible property.

B. Inventory and Supplies

Value of Inventory \$ TBD Value of Supplies \$ \_\_\_\_\_

Percent of inventory eligible for Freeport Exemption (inventory, exported from Texas within 175 days) \_\_\_\_\_ %

13. Total Capital Investment (Real Estate and Business Personal Property) \$ 55 million (2021 - 2026)

**IV. EMPLOYMENT AND JOB CREATION**

On the Project Site

1. How many persons are currently employed? 0

2. What percent of current employees above are Fort Worth residents? \_\_\_\_\_ %

3. What percent of current employees above are Central City residents? \_\_\_\_\_ %

**IV. EMPLOYMENT AND JOB CREATION (Continued)**

4. Please complete the following table for new jobs to be created from direct hire by applicant.

	Currently	At Completion	Estimated By Fifth Year	Estimated By Tenth Year
Retained Jobs	n/a			
New Jobs to be Created			250	
Total Jobs at Project Site			250	
% of Net Jobs to be filled by Fort Worth Residents			TBD	
% of Net Jobs to be filled by Central City residents			TBD	

5. Please attach a description of the jobs to be created, tasks to be performed for each and wage rate for each classification

6. Does the applicant provide the following benefits:  Retirement  Health  Dental  Domestic Partner

7. Average wage paid to employees to be located at the project site: \$ 65,800

8. Describe the Company's talent recruitment efforts

Likely to include a combination of local vocational schools, community colleges/universities, and NTEA & SEMA websites

**V. INCENTIVES REQUEST**

Incentive(s) Requested:  Tax Abatement  Chapter 380 Economic Development Program Grant

Do you intend to pursue abatement of County taxes?  Yes  No

*If requesting a Tax Abatement, please refer to the Tax Abatement Policy for a comprehensive explanation of eligibility requirements*

**VI. LOCAL COMMITMENTS**

**During Construction**

1. What percent of the total construction costs described in Section III, Question 11 will be committed to

A. Fort Worth businesses? \_\_\_\_\_ %

B. Fort Worth Certified Minority and Women Business Enterprises? <sup>15</sup> \_\_\_\_\_ %

**For Annual Supply and Service Needs**

Regarding discretionary supply and service expenses (i.e. landscaping, office or manufacturing supplies, janitorial services, etc., excluding utilities)

2. What is the annual amount of discretionary supply and service expenses? \$ TBD

3. What percentage will be committed to Fort Worth businesses? \_\_\_\_\_

4. What percentage will be committed to Fort Worth Certified Minority and Women Business Enterprises? \_\_\_\_\_

**VII. DISCLOSURES**

Is any person or firm receiving any form of compensation, commission or other monetary benefit based on the level of incentive obtained by the applicant from the City of Fort Worth? If yes, please explain and/or attach details

#### VIII. ADDITIONAL INFORMATION (TO BE ATTACHED)

These documents must be submitted with the application, otherwise the application will be deemed incomplete and will not be reviewed:

- a.) Attach a site plan of the project.
- b.) Explain why incentives are necessary for the success of this project. Include a business pro-forma or other documentation to substantiate your request.
- c.) Describe any environmental impacts associated with this project.
- d.) Describe the infrastructure improvements (water, sewer, streets, etc.) that will be constructed as part of this project.
- e.) Attach a talent recruitment plan, if applicable.
- f.) Attach a legal description or surveyor's certified metes and bounds description.
- g.) Attach a copy of the most recent property tax statement from the appropriate appraisal district for all parcels involved in the project.
- h.) Attach a brief description of the employee benefit package(s) offered (i.e. health insurance, retirement, public transportation assistance, day care provisions, etc.) including portion paid by employee and employer respectively.
- i.) Attach a plan for the utilization of Fort Worth Certified M/WBE companies.
- j.) Attach a listing of the applicant's Board of Directors, if applicable.
- k.) Attach a copy of Incorporation Papers noting all principals, partners, and agents and all Fort Worth properties owned by each.
- l.) Attach the purchasing representative's company contact information if known.

The company is responsible for paying \$5,000 as an application fee. If the application is withdrawn before the project is presented to City Council in Executive Session the fee is refunded. Upon presentation to City Council in Open Session \$2,000 is non-refundable and is applied to offset costs incurred by the Economic Development Department. Upon approval by City Council the balance of \$3,000 can be credited towards required building permits, inspections fees, replating fees and other costs of doing business with the City related to the development. Any unused credit balance upon completion of the project will be refunded upon request from the company.

#### IX. CERTIFICATION

On behalf of the applicant, I certify the information contained in this application, including all attachments to be true and correct. I further certify that, on behalf of the applicant, I have read the current Incentive Policy and all other pertinent City of Fort Worth policies and I agree with the guidelines and criteria state therein.

Printed Name: Dan Beauclair

Title: Vice President

Date: Sep 16, 2021

Signature: 

**Project Rugged Projected Staffing Plan**

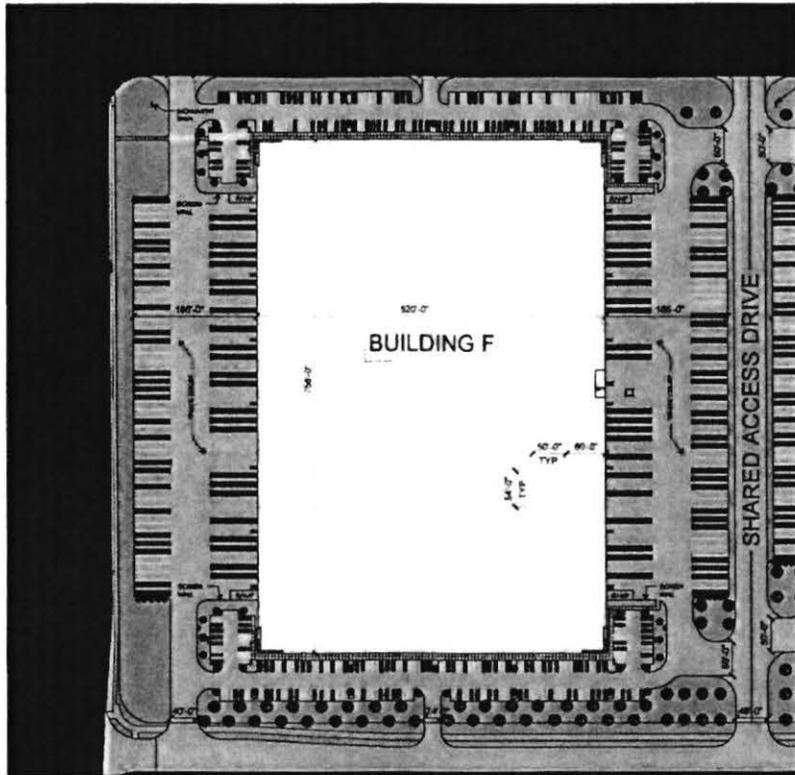
Headcount projections at calendar year end:

- 2022: 100
- 2023: 125
- 2024: 150
- 2025: 200
- 2026: 250

Planned positions:

- Professional, Skilled, and Production: 242 jobs
  - Accountant
  - Accounting Clerk
  - Assembly
  - Bending
  - Decoiling + Laser
  - Factory Shift Manager
  - Finance Manager
  - HR Clerk
  - HR Manager
  - IT Support
  - Logistics Manager
  - Paint
  - Prepping
  - Purchasing Manager
  - Regional Sales Associate
  - Sales Support
  - Team Leaders
  - Warehouse Assistant
  - Warranty Associate
  - Warranty Manager
  - Welding
- Corporate: 8
- average annual pay across the operation is expected to be \$65,800

Site Plan



#### Incentive Requirement

The company is evaluating multiple location options. Evaluation includes real estate, direct and indirect tax, incentives, and labor factors across location options.

The fact that Texas taxes personal property and inventory (unlike many other locations), especially given the significant amount of planned investment in equipment for this project, would have a significant negative impact on the operation's profitability. This issue is important to investors in the project when determining where to put their capital to work.

Recent inflation is driving material, equipment, construction, and other costs to historical highs. This is putting significant pressure on cash flow in the years following capital projects and making the capital allocation process more competitive than ever. The tax phase in will help address some of these issues by allowing the operation to better adjust to rising costs while scaling up and reaching profitability requirements over time.

LEGAL DESCRIPTION OF REAL PROPERTY

Building F

Tract 1: (FEE SIMPLE)

BEING Lot 1, Block A, Carter Distribution, an addition to the City of Fort Worth, Tarrant County, Texas, according to the plat thereof recorded in Instrument Number D219111864, Plat Records of Tarrant County, Texas.

Tract 2: (EASEMENT ESTATE)

Easement appurtenant to and for the benefit of Tract 1, over and across the land described therein: Non-exclusive easements as created by that certain Declaration of Covenants, Conditions and Restrictions Applicable to Carter Distribution Center Phase I, dated June 17, 2014, executed by Amon G. Carter Foundation, a Texas non-profit corporation, filed of record June 20, 2014 and recorded under Clerk's File No. D214129686, Real Property Records, Tarrant County, Texas; As affected by Supplemental Declaration for Carter Distribution Center Phase I, filed of record March 24, 2017 and recorded under Clerk's File No. D217065523, Real Property Records, Tarrant County, Texas, as affected by Second Supplemental Declaration for Carter Distribution Center Phase I, filed June 21, 2019, recorded under Clerk's File No. D219134435, Real Property Records Tarrant County, Texas.



2021 PROPERTY VALUE NOTICE

05-14-2021

TARRANT APPRAISAL DISTRICT  
2500 HANDLEY-EDERVILLE ROAD  
FORT WORTH, TX 76118

★ ACCOUNT NUMBER: 42549424 ★

To file a protest and see additional value,  
exemption and sales information, go to:  
[www.TAD.org](http://www.TAD.org)  
Your online PIN is: ~~XXXXXXXXXX~~

**Duplicate of Original**  
PR CARTER DISTRIBUTION CENTER BUILDING F  
C/O PGIM REAL ESTATE  
7 GIRALDA FARMS FLOOR  
MADISON NJ 07940  
Property Description and Address  
CARTER DISTRIBUTION CENTER BLOCK A LOT 1  
ELEVATION



**JUNE 14, 2021  
IS YOUR PROTEST DEADLINE**

<b>2020 Market Value</b> 1,383,453	<b>For Questions Please Call:</b> Values (817) 284-2025 Address (817) 284-4063 Exemptions (817) 284-4063	<b>2021 Market Value</b> 1,383,453 LAND 22,108,947 IMPR 23,492,400 TOTAL	<b>2021 Appraised Value</b> 23,492,400 TOTAL	<b>Messages</b> For estimated taxes and rate information go to: <a href="http://www.TarrantTaxInfo.com">www.TarrantTaxInfo.com</a>
<p>IF YOU ARE THE CURRENT OWNER OF THIS PROPERTY OR THE AUTHORIZED AGENT YOU MAY VIEW A COMPLETE COPY OF THIS VALUE NOTICE ONLINE. TO DO SO, PLEASE <b>LOGIN</b> TO YOUR EXISTING ONLINE ACCOUNT TO VIEW THIS AND OTHER DOCUMENTS ON 'MY DASHBOARD'. FOR ASSISTANCE PLEASE <b>GO HERE</b> AND / OR CALL THE PHONE NUMBER ABOVE ON THIS NOTICE.</p>				

If you disagree with the proposed value contact the TARRANT APPRAISAL DISTRICT (TAD) at (817) 284-2025. If the APPRAISAL DISTRICT cannot resolve the problem you have the right to appeal to the APPRAISAL REVIEW BOARD (ARB). **IN ORDER TO APPEAL YOU MUST FILE A WRITTEN PROTEST WITH THE ARB NO LATER THAN JUNE 14, 2021.** Please refer to the enclosed instructions for details on how to file a valid protest. A protest form for the subject property has been printed on the reverse side of this notice. The ARB hearings begin June 1, 2021 at 2500 Handley-Ederville Road and will continue until all valid protests have been heard. If you file a protest you will receive notice of your hearing date and time at least 15 days before the hearing. TAD phone lines are very busy during the time Value Notices are produced. Please keep trying.

**Employee Benefits Package**

Specifics are still being developed at this time, but there will likely be medical, dental, vision, 401k, vacation and PTO. Married Domestic Partners are expected to be covered by the benefits.

**Fort Worth Business Equity Firm Utilization**

Once a general contractor is selected for the Real Property Improvements – if the general contractor itself is not a Business Equity Firm – the company will work with the general contractor to expend at least 15% of the construction costs with Certified Business Equity Firms.

# Delaware

The First State

Page 1

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE RESTATED CERTIFICATE OF "RSI NORTH AMERICA, INC.", FILED IN THIS OFFICE ON THE TWENTY-NINTH DAY OF SEPTEMBER, A.D. 2020, AT 2:46 O`CLOCK P.M.



7471720 8100  
SR# 20207542699

You may verify this certificate online at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)

Handwritten signature of Jeffrey W. Bullock, Secretary of State of Delaware, written in black ink over a horizontal line.

Jeffrey W. Bullock, Secretary of State

Authentication: 203766322

Date: 09-30-20

RESTATED CERTIFICATE OF INCORPORATION

OF

RSI NORTH AMERICA, INC.

(Pursuant to Sections 242 and 245 of the General Corporation Law of the State of Delaware)

RSI North America, Inc., a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the "*DGCL*").

**DOES HEREBY CERTIFY:**

1. That the name of this corporation is RSI North America, Inc., and that this corporation was originally incorporated pursuant to the DGCL on June 17, 2019 under the name RSI North America, Inc.

2. That the Board of Directors duly adopted resolutions proposing to further amend and restate the Certificate of Incorporation of this corporation, declaring said amendment and restatement to be advisable and in the best interests of this corporation and its stockholders, and authorizing the appropriate officers of this corporation to solicit the consent of the stockholders therefor, which resolution setting forth the proposed amendment and restatement is as follows:

**RESOLVED**, that the Certificate of Incorporation of this corporation be further amended and restated in its entirety to read as follows:

**FIRST:** The name of the corporation is: RSI North America, Inc. (the "*Corporation*").

**SECOND:** Its registered office in the State of Delaware is located at 16192 Coastal Highway, Lewes, Delaware 19958, County of Sussex. The registered agent in charge thereof is Harvard Business Services, Inc.

**THIRD:** The purpose of the corporation is to engage in any lawful activity for which corporations may be organized under the General Corporation Law of Delaware.

**FOURTH:** The total number of shares of stock which the corporation is authorized to issue is 150,000 shares having a par value of \$0.0100000 per share. No dividend shall be declared or paid until all claims against the Corporation by any stockholder for amounts credited to such stockholder's loan account with the Corporation have been repaid in full. Thereafter, the board of directors of the Corporation (the "*Board*") may declare and pay dividends upon the outstanding shares of stock of the corporation from time to time and to such extent as they deem advisable, in the manner and upon the terms and conditions provided by the DGCL and the Bylaws of the Corporation.

**FIFTH:** The business and affairs of the corporation shall be managed by or under the direction of the Board, and the directors of the Corporation need not be elected by ballot unless required by the bylaws of the corporation.

1

**SIXTH:** The Corporation shall be perpetual unless otherwise decided by a majority of the Board.

**SEVENTH:** In furtherance and not in limitation of the powers conferred by the laws of Delaware, the Board is authorized to amend or repeal the bylaws.

**EIGHTH:** The Corporation reserves the right to amend or repeal any provision in this Certificate of Incorporation in the manner prescribed by the laws of Delaware.

**NINTH:** The incorporator is Harvard Business Services, Inc., whose mailing address is 16192 Coastal Highway, Lewes, DE 19958.

**TENTH:** To the fullest extent permitted by the DGCL a director of this corporation shall not be liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director.

I, the undersigned, do make and file this restated certificate, and do certify that the facts herein stated are true; and have accordingly signed below, this August 5, 2020.

Signed and Attested to by:



Name: Michael Voss  
Title: President

# Mayor and Council Communication

DATE: 11/30/21

M&C FILE NUMBER: M&C 21-0880

LOG NAME: 17RSINORTHAMERICATA

## SUBJECT

(CD 8) Authorize Execution of a Five-Year Tax Abatement Agreement with RSI North America, Inc. and PR Carter Distribution Center Building F, LP, or Affiliates, for the Development of a 391,000 Square Foot Corporate Office and Manufacturing Facility Having a Cost of at Least \$55 Million on Property Located at 1501 Joel East Road in Tax Abatement Reinvestment Zone No. 102, City of Fort Worth, Texas

## RECOMMENDATION:

It is recommended that the City Council:

1. Authorize the execution of a five-year Tax Abatement Agreement with RSI North America, Inc. and PR Carter Distribution Center Building F, LP, or Affiliates, for the development of a 391,000 square foot corporate office and manufacturing facility having a cost of at least \$55 million on property located at 1501 Joel East Road in Tax Abatement Reinvestment Zone No. 102, City of Fort Worth, Texas; and
2. Find that the terms of, and the property subject to, the Tax Abatement Agreement meet the criteria and guidelines set forth in the City's General Tax Abatement Policy (Resolution No. 5337-01-2021).

## DISCUSSION:

RSI North America (RSI) is a company that manufactures modular truck bed canopies. Founded in 2007, the company is based in Durban, South Africa. RSI is rapidly expanding its presence and market share in the United States (U.S). In addition to advanced manufacturing, functions within the City of Fort Worth (City) facility will include housing the North American headquarters operations as well as product design and prototyping.

Following a multi-state site selection process, an existing facility located at 1501 Joel East Road (Project Site) in Fort Worth was identified for the 391,000 square foot manufacturing location. The property is owned by PR Carter Distribution Center Building F, LP and will be leased to RSI.

In order to facilitate the establishment of RSI's U.S. headquarters, the City proposes to provide five annual tax abatements to RSI with an estimated total value of \$737,508.00. The tax abatement will be tied to the amount of investment made by RSI and satisfaction of other project and spending requirements, as follows:

### Investment:

1. RSI must expend a minimum of \$2,500,000.00 in total construction costs at the Project Site on or before December 31, 2026;
2. RSI must locate taxable business personal property (BPP) that is new to the City at the Project Site having a minimum taxable appraised value of \$52,500,000.00 by January 1, 2027; and
3. RSI will be required to spend 15 percent of hard and soft construction costs with contractors that are Business Equity Firms. Failure to meet this requirement will result in a reduction of the grant by 10 percent.

RSI North America must provide a minimum of 250 full-time jobs on the Project Site as of December 31, 2026 and maintain a minimum total of 250 full-time jobs on the Project Site for the term of the agreement.

Average annual salary for all full-time jobs must be a minimum of \$65,800.00. "Salary" includes direct pay and planned bonuses, but not benefits, expense reimbursements, or discretionary bonuses.

### City Commitments:

1. The City will enter into a Tax Abatement Agreement with RSI for a term of five years;
2. The amount of real property and BPP taxes to be abated in a given year will be equal to up to forty percent (40%) of the incremental value of the property as determined by the Tarrant Appraisal District multiplied by the applicable tax rate for the year. At no time will the cumulative amount of the abatement exceed the lesser of (i) \$737,508.00 or (ii) one hundred fifty percent (150%) of the amount of the minimum capital investment expenditure for the Real Property Improvements and BPP. The percentage abatement will be calculated per the table below; and
3. The first year in which RSI will be eligible to receive a tax abatement is the 2027 tax year, based on RSI's compliance with minimum construction costs for the development and compliance with all other commitments during 2026.

**TABLE I Maximum Potential Abatement with Corresponding Components:**

Property Owner or Company Commitment	Potential Abatement
Base Commitment: Real and Business Personal Property Investment = \$55M	20 percent

BEF Commitments (15% of Total Construction Costs)	10 percent
Annual Commitments:	
Average Annual Salary for 250 Full-Time Jobs > \$65,800.00	5 percent
Overall Employment >= 250 (as applicable)	5 percent
<b>Total</b>	<b>40 percent</b>

This project is located in COUNCIL DISTRICT 8.

**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that approval of this agreement will have no material effect on the Fiscal Year 2022 Budget. While no current year impact is anticipated from this action, any effect on expenditures and revenues will be budgeted in future Fiscal Years and will be included in the long-term financial forecast.

**Submitted for City Manager's Office by:** Jay Chapa 5804

**Originating Business Unit Head:** Robert Stums 2663

**Additional Information Contact:** Kelly Baggett 2617

**EXHIBIT "C"**

**TARRANT COUNTY TAX ABATEMENT APPLICATION**



# Tarrant County

## Application for Tax Abatement/Reinvestment Zone

### I. APPLICANT INFORMATION

**Applicant/Property Owner:** RSI North America Inc.

**Company/Project Name:** Project Rugged

**Mailing Address:** 1024 Winters Parkway, Dayton, NV 89403

**Telephone:** 775-636-9664                      **Fax:**

**Applicant's Representative for contact regarding abatement request:**

**Name and Title:** Jacob Everett

**Mailing Address:** 201 N. Illinois St. Suite 1000, Indianapolis, IN 46204

**Telephone:** 765-425-9291              **Fax:**                      **E-mail:** jeverett@mcguiresponsel.com

### II. PROPERTY AND PROJECT DESCRIPTION

**Address and legal description of property to be considered for Tax Abatement/Reinvestment Zone:**

1501 Joel East Road, Building F, Fort Worth, TX 76134

Building F

Tract 1: (FEE SIMPLE)

BEING Lot 1, Block A, Carter Distribution, an addition to the City of Fort Worth, Tarrant County, Texas, according to the plat thereof recorded in Instrument Number D219111864, Plat Records of Tarrant County, Texas.

Tract 2: (EASEMENT ESTATE)

Easement appurtenant to and for the benefit of Tract 1, over and across the land described therein:

Non-exclusive easements as created by that certain Declaration of Covenants, Conditions and Restrictions Applicable to Carter Distribution Center Phase I, dated June 17, 2014, executed by Amon G. Carter Foundation, a Texas non-profit corporation, filed of record June 20, 2014 and recorded under Clerk's File No. D214129686, Real Property Records, Tarrant County, Texas; As affected by Supplemental Declaration for Carter Distribution Center Phase I, filed of record March 24, 2017 and recorded under Clerk's File No. D217065523, Real Property Records, Tarrant County, Texas, as affected by Second Supplemental Declaration for Carter Distribution Center Phase I, filed June 21, 2019, recorded under Clerk's File No. D219134435, Real Property Records Tarrant County, Texas.

**Project Description:** Company is looking to add a US manufacturing facility to serve North America (all products are currently imported from South Africa). The chosen location will become the North American headquarters. Product design and prototyping will also happen in this facility.

**Description of activities, products, or services produced and/or provided at project location:** Company will manufacture truck cap systems in this facility. These products convert truck beds into customized, valuable tools for recreational or commercial uses. Product design and prototyping will also happen in this facility.

**Current Assessed Value: Real Property:** \$23 million **Personal Property:** \$0

**Estimated start date of construction/site improvements:** Q4 2021

**Projected date of occupancy/commencement of operations at project site:** Q1 - Q2 2022

**Please indicate dates for phases if applicable:**

**Location of existing company facilities:** Company is currently headquartered and products are manufactured in South Africa. Items currently sold in North America are imported and sold through distributors.

**Requested level of Tax Abatement:** 40% of eligible property for 5 years.

**Explain why tax abatement is necessary for the success of this project. Include business pro-formas or other information to substantiate your request.**

The company is evaluating multiple location options. Evaluation includes real estate, direct and indirect tax, incentives, and labor factors across location options.

The fact that Texas taxes personal property and inventory (unlike many other locations), especially given the significant amount of planned investment in equipment for this project, would have a significant negative impact on the operation's profitability. This issue is important to investors in the project when determining where to put their capital to work.

Recent inflation is driving material, equipment, construction, and other costs to historical highs. This is putting significant pressure on cash flow in the years following capital projects and making the capital allocation process more competitive than ever. The tax phase in will help address some of these issues by allowing the operation to better adjust to rising costs while scaling up and reaching profitability requirements over time.

### III. PROJECTED VALUE OF IMPROVEMENTS

**Estimated Value of Real Property Improvements** \$2.5 million

**Estimated Value of Personal Property Improvements** \$52.5 million

**Will any infrastructure improvements (roads, drainage, etc.) be requested of Tarrant County for this project?**

Yes  No

**If yes, describe requested infrastructure improvements:** n/a

**Detail any direct benefits to Tarrant County as a result of this project (i.e., inventory tax, etc.):**

International business attraction, North American headquarters, 250 new jobs, significant new assessed value, additional inventory tax, and opportunities for local businesses to establish supplier relationships with the company.

#### IV. EMPLOYMENT IMPACT AT PROJECT LOCATION

##### A. NEW EMPLOYMENT

Projected number of new jobs created as a result of the proposed improvements:

Full-time 250 Part-Time n/a

Provide types of jobs created and average salary levels:

**Professional, Skilled, and Production: 242 jobs**

- Accountant
- Accounting Clerk
- Assembly
- Bending
- Decoiling + Laser
- Factory Shift Manager
- Finance Manager
- HR Clerk
- HR Manager
- IT Support
- Logistics Manager
- Paint
- Prepping
- Purchasing Manager
- Regional Sales Associate
- Sales Support
- Team Leaders
- Warehouse Assistant
- Warranty Associate
- Warranty Manager
- Welding

**Corporate: 8**

average annualized salary for 250 full-time jobs: \$65,800

**Start date and annual payroll of new permanent positions (if positions to be phased in, provide figures for each phase year):**

2022: 100 employees, \$6.58 million annualized payroll

2023: 125, \$8.225 million

2024: 150, \$9.87 million

2025: 200, \$13.16 million

2026: 250, \$16.45 million

**Percentage of new jobs too be filled be Tarrant County residents:** TBD

**Number of employees transferring from other company locations:** approx. 5

**B. CONSTRUCTION RELATED EMPLOYMENTS**

**Projected number of construction related jobs:** “[Response]”%

**Estimated total construction payroll:** \$ “[Response]”

**Commitment as to percentage of construction dollars to be spent with Tarrant County contractors or subcontractors:**

**Commitment as to percentage & total dollars of construction contracts to be awarded to DBE:**

**C. CURRENT COMPANY/PROJECT LOCATION EMPLOYMENT**

**Current Number of Employees:** 0    **Full-time** n/a    **Part-time** n/a

**Average annual payroll:** \$ n/a

**Detail on workforce diversity – percentage breakdown of current employees by gender and ethnicity:** n/a

**D. COMPANY SPONSORED HEALTH CARE BENEFITS ARE AVAILABLE**

Full-time Employees  Part-time Employees  Employee Dependents  Not Available

**Average monthly employee cost for health care benefits:** Individual: \$ TBD Family: \$ TBD

**Other employee benefits provided or offered:** Specifics are still being developed at this time, but there will likely be medical, dental, vision, 401k, vacation and PTO. Married Domestic Partners are expected to be covered by the benefits.

**V. LOCAL BUSINESS & DISADVANTAGED BUSINESS ENTERPRISES (DBE) IMPACT**

**Estimated amount of annual supply and services expenses:** \$ TBD

**Detail any supply/services expenses that are sole source:**

**Percentage of total supplier/services expenses committed to Tarrant County businesses:**

**Percentage of total supplier and services expenses committed to DBE:**

**VI. ENVIRONMENTAL IMPACT OF PROJECT**

Indicate if development, construction, equipment, distribution methods, and/or operational processes may impact the environment in the following areas, attach detail if necessary:

- Air Quality  Water Quality  Solid Waste Disposal  Storm/Water Runoff   
Floodplain/Wetlands  Noise levels  Other (specify)  "[Response]"

Provide detail on existing and new fleet vehicles, specifying types of vehicles, quantities and fuel used (gasoline, diesel, LP gas, CNG, etc.): n/a

#### VII. ADDITIONAL INFORMATION (TO BE ATTACHED)

- Letter addressing Economic Qualifications and additional criteria for abatement, Section III (h) and (i) of Tarrant County Tax Abatement Policy
- Descriptive list and value of real and personal property improvements
- Plat/Map of Project Location
- Project Time Schedule
- Owner's policy regarding use of disadvantaged Business Enterprises
- Owner's policy addressing regional air quality/non-attainment status (use of alternative fuels, employee trip reduction, etc.) and plan for participation in regional Ozone Action Program
- Tax Certificate showing property taxes paid for most recent year

#### VIII. CERTIFICATION

Upon receipt of a completed application, Tarrant County may require such financial and other information as may be deemed appropriate for evaluating the financial capacity and other factors of the applicant.\*

I certify the information contained in this application (including all attachments) to be true and correct to the best of my knowledge. I further certify that I have read the "Tarrant County Tax Abatement Policy" and agree to comply with the guidelines and criteria stated therein.

  
\_\_\_\_\_  
Signature

\_\_\_\_\_  
Advisor  
Title

Jacob Everett  
\_\_\_\_\_  
Printed Name

Nov 22, 2021  
\_\_\_\_\_  
Date

Return completed application and attachments to:  
Economic Development Coordinator

Tarrant County Administrator's Office  
100 E. Weatherford Street, Suite 404  
Fort Worth, Texas 76196-0609

You may also forward an electronic copy of the completed report to:

[lmcmillan@tarrantcounty.com](mailto:lmcmillan@tarrantcounty.com)

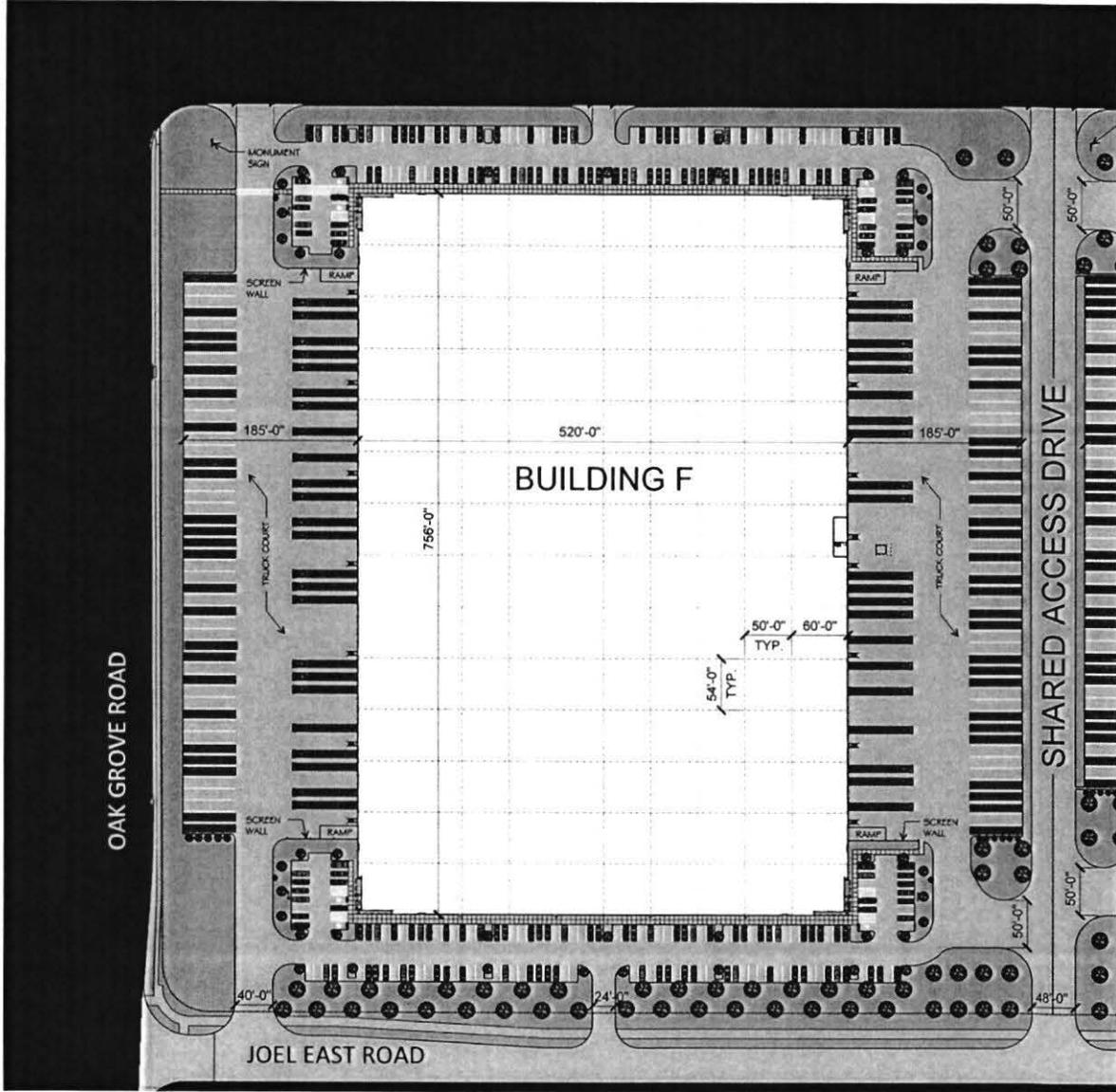
Please note that if you do submit this form electronically, you must also submit an original hard copy of the report to the above stated physical address for proper filing and review.

For assistance call: (817) 884-2643

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\* As per Section IV (f) of the Tarrant County Tax Abatement Policy Guidelines and Criteria, this application must be filed prior to commencement of construction or installation of improvements in order to be eligible for County tax abatement.

# Project Location



## Project Time Schedule

Projected operations: beginning Q1 – Q2 2022

Projected headcounts at calendar year end

- 2022: 100
- 2023: 125
- 2024: 150
- 2025: 200
- 2026: 250

Projected Equipment/Personal Property capex by calendar year

- 2021 – 2022: \$30mm
- 2023: \$10mm
- 2024: \$5mm
- 2026: \$7.5mm

Real estate improvements capex:

- 2021 – 2022: \$2.5mm

# TARRANT COUNTY, TEXAS

## Property Tax Record

**NEW SEARCH**

<b>Account:</b> 00042549424	<b>Acres:</b> 21.173	<b>2020 Values</b>
<b>APD:</b> 6537 A 1	<b>Yr Built:</b> 0	Land 1383453
<b>Location:</b> 0001501 JOEL EAST RD	<b>Frozen Yr:</b> NONE	<b>2020 Exemptions</b>
<b>Legal:</b> CARTER DISTRIBUTION BLOCK A LOT 1	<b>Frozen Amt:</b> \$0.00	<b>Overlapping District Accounts</b>
<b>Owner:</b> PR CARTER DISTRIBUTION CENTER BUILDING F LP C/O PGIM REAL ESTATE 7 GIRALDA FARMS FLOOR MADISON NJ 07940-	<b>Sq Ft:</b> 0	-6537----A----1 TC
	<b>Def. Start:</b> NONE	
	<b>Def. End:</b> NONE	
	<b>Roll:</b> R	

\*In keeping with Texas Tax Code Section 25.027, this website does not indicate that a property owner is 65 years of age or older

**VIEW TAD INFORMATION (EXTERNAL LINK)**

**DISCLAIMER**

External links are being provided as a convenience and for informational purposes only; they do not constitute an endorsement or an approval by Tarrant County of any of the products, services or opinions of the corporation or organization or individual. Tarrant County bears no responsibility for the accuracy, legality or content of the external site or for that of subsequent links. Contact the external site for answers to questions regarding its content.

Click on the e-Statement button to view Total Tax Due.

Click on the e-Payment button to make a credit card or eCheck payment.

CURRENT YEAR

TAX ESTIMATOR

E-PAYMENT

ALL YEARS

E-STATEMENT

PAPERLESS

Year	Unit	Levy Amount	Amount Paid	Levy Due	Penalty	Interest	Col Penalty	Total Due	Receipt Date
2020	026	10,341.31	10,341.31	0.00	0.00	0.00	0.00	0.00	1/15/2021
2020	220	3,237.28	3,237.28	0.00	0.00	0.00	0.00	0.00	1/15/2021
2020	223	397.05	397.05	0.00	0.00	0.00	0.00	0.00	1/15/2021
2020	224	3,104.87	3,104.87	0.00	0.00	0.00	0.00	0.00	1/15/2021
2020	225	1,800.84	1,800.84	0.00	0.00	0.00	0.00	0.00	1/15/2021
2020	905	19,069.52	19,069.52	0.00	0.00	0.00	0.00	0.00	1/15/2021
<b>2020 Totals</b>		<b>37,950.87</b>	<b>37,950.87</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
2019	026	787.42	787.42	0.00	0.00	0.00	0.00	0.00	8/18/2020
2019	220	246.49	246.49	0.00	0.00	0.00	0.00	0.00	8/18/2020
2019	223	30.24	30.24	0.00	0.00	0.00	0.00	0.00	8/18/2020
2019	224	236.41	236.41	0.00	0.00	0.00	0.00	0.00	8/18/2020
2019	225	137.12	137.12	0.00	0.00	0.00	0.00	0.00	8/18/2020
2019	905	1,350.46	1,350.46	0.00	0.00	0.00	0.00	0.00	8/18/2020
<b>2019 Totals</b>		<b>2,788.14</b>	<b>2,788.14</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
2018	026	867.64	867.64	0.00	0.00	0.00	0.00	0.00	8/18/2020
2018	220	258.63	258.63	0.00	0.00	0.00	0.00	0.00	8/18/2020
2018	223	21.45	21.45	0.00	0.00	0.00	0.00	0.00	8/18/2020
2018	224	248.05	248.05	0.00	0.00	0.00	0.00	0.00	8/18/2020
2018	225	150.39	150.39	0.00	0.00	0.00	0.00	0.00	8/18/2020
2018	905	1,494.32	1,494.32	0.00	0.00	0.00	0.00	0.00	8/18/2020
<b>2018 Totals</b>		<b>3,040.48</b>	<b>3,040.48</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
2017	026	931.31	931.31	0.00	0.00	0.00	0.00	0.00	8/18/2020
2017	220	282.28	282.28	0.00	0.00	0.00	0.00	0.00	8/18/2020
2017	223	22.44	22.44	0.00	0.00	0.00	0.00	0.00	8/18/2020
2017	224	259.64	259.64	0.00	0.00	0.00	0.00	0.00	8/18/2020
2017	225	162.04	162.04	0.00	0.00	0.00	0.00	0.00	8/18/2020
2017	905	1,564.15	1,564.15	0.00	0.00	0.00	0.00	0.00	8/18/2020
<b>2017 Totals</b>		<b>3,221.86</b>	<b>3,221.86</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
<b>Grand Totals</b>		<b>47,001.35</b>	<b>47,001.35</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	



**WENDY BURGESS**  
**TARRANT COUNTY**  
**TAX ASSESSOR-COLLECTOR**

@TarrantCoTax  
 Facebook.com/TarrantCountyTAC

100 E. Weatherford, Fort Worth, TX 76196  
 (817) 884-1100  
 e-mail:taxoffice@tarrantcounty.com  
 web:www.tarrantcounty.com

DATE: 07/07/2021

**2020 TAX STATEMENT**

IN GOD WE TRUST

V1.10

ACCOUNT: 00042549424

LEGAL: CARTER DISTRIBUTION BLOCK A  
 LOT 1

**e-STATEMENT**



Visit our website for online credit card and eCheck payments  
 Pay by phone at 817-884-1110

OWNER: PR CARTER DISTRIBUTION CENTER BUILDING F LP

PARCEL ADDRESS: 0001501 JOEL EAST RD

EXEMPTIONS:

LAND VALUE	APPRAISED VAL					
1,383,453	1,383,453					
TAXING ENTITIES	APPRAISED VALUE	EXEMPTION AMOUNT	TAXABLE VALUE	TAX RATE PER \$100	BASE TAX	TAXES DUE CURRENTLY
FT WORTH CITY	1,383,453	0	1,383,453	0.747500	10341.31	0.00
TARRANT COUNTY	1,383,453	0	1,383,453	0.234000	3237.28	0.00
REG WATER DIST	1,383,453	0	1,383,453	0.028700	397.05	0.00
T C HOSPITAL	1,383,453	0	1,383,453	0.224429	3104.87	0.00
T C COLLEGE	1,383,453	0	1,383,453	0.130170	1800.84	0.00
FT WORTH ISD	1,383,453	0	1,383,453	1.378400	19069.52	0.00
<b>TOTAL TAXES</b>					<b>37,950.87</b>	<b>0.00</b>

**TOTAL AMOUNT DUE INCLUDES PAYMENTS RECEIVED 0.00**

IF YOU ARE 65 YEARS OF AGE OR OLDER OR ARE DISABLED, AND YOU OCCUPY THE PROPERTY DESCRIBED IN THIS DOCUMENT AS YOUR RESIDENCE HOMESTEAD, YOU SHOULD CONTACT THE APPRAISAL DISTRICT REGARDING ANY ENTITLEMENT YOU MAY HAVE TO A POSTPONEMENT IN THE PAYMENT OF THESE TAXES.

**\*\*YOUR CHECK WILL BE CONVERTED INTO AN ELECTRONIC FUND TRANSFER\*\***

PR CARTER DISTRIBUTION CENTER BUILDING F LP

RETURN WITH PAYMENT

\*00042549424\*  
 \*00042549424\*

<b>PAY THIS AMOUNT</b>	
	<b>\$0.00</b>
Delinquent after: 1/31/2021	

00042549424 2020

\*83672747\*  
 \*83672747\*

IF PAID IN	AMOUNT DUE
AUG	0.00
SEP	0.00

PR CARTER DISTRIBUTION CENTER  
 BUILDING F LP C/O PGIM REAL ESTATE  
 7 GIRALDA FARMS FLOOR  
 MADISON, NJ 07940

Make checks payable to:  
 WENDY BURGESS, TAX-ASSESSOR-COLLECTOR  
 PO BOX 961018  
 FORT WORTH TX 76161-0018

00042549424      000000000      000000000      000000000      0707202100000

**EXHIBIT "D"**

**TARRANT COUNTY TAX ABATEMENT POLICY AND GUIDELINES**

# TARRANT COUNTY TAX ABATEMENT POLICY

## TARRANT COUNTY POLICY & PROCEDURES SUMMARY

### TARRANT COUNTY POLICY:

Minimum investment - New business: \$5,000,000 Expansion: \$3,000,000.

1. Applicable to new construction and expansions/modernization.
2. Abatement on eligible real and fixed personal property.
  - a) Minimum job requirements include 25 jobs for new business and sustained employment level for existing business expansions.
  - b) Abatement for companies moving within the County; considered if agreeable to both cities.
3. Additional evaluation criteria:
  - a) Environmental impacts of project (company must show intent to participate in regional air quality program educating employees on the Ozone Action Program );
  - b) Diversity of employment base and commitment to a diversified workforce;
  - c) Minimum of 25% of new jobs created filled by Tarrant County residents (includes transferring employees who move to and reside in Tarrant County);
  - d) Use of minimum 15% DBE and 25% Tarrant County contractors in total annual construction/suppliers/services contract costs;
  - e) Provision of health care benefits at rate reasonable to allow access by majority of employees.
4. County approval of a tax abatement applies to both County and Hospital District ad valorem taxes.
5. Value of existing personal property currently on tax rolls will remain taxable and be included in base value, even if it is moved to a new abated location or replaced due to modernization or expansion.

6. Project is ineligible for abatement if the application for County abatement was filed after the commencement of construction, alteration or installation of new improvements.

#### **GENERAL PROCEDURES:**

1. Company begins negotiations with City; City makes County aware of request and invites County comments during negotiations. County makes City aware of concerns/changes prior to final action by City.
2. Company makes application to County for participation in abatement. County negotiates additional performance criteria with Company required for County participation.
3. Once an abatement agreement is approved by City, County action to participate at terms specified by City agreement take place with 90 days of the execution date of the municipal abatement agreement.

### **GUIDELINES AND CRITERIA**

#### **I. GENERAL PURPOSE AND OBJECTIVES**

As authorized under Chapter 312 of the Texas Tax Code, Tarrant County has established this policy so as to work in concert with other taxing authorities as part of an overall publicly supported incentive program designed to create job opportunities that bring new economic advantages or strengthen the current economic base of our community.

It is the intent of the Commissioners Court to consider approval or denial of any request for tax abatement for projects in unincorporated Tarrant County or participation in any tax abatement agreement agreed to and adopted by an incorporated city, which meets the minimum eligibility criteria as set forth in this policy, following the filing of a formal application for tax abatement from the County. As prescribed by Section 312.206 of the Tax Code, the Commissioners Court may approve participation with a municipality in a tax abatement agreement no later than the 90th day after the date the municipal agreement is executed. Further it is the intent of Tarrant County that the County will not approve nor join an abatement agreement that provides one Tarrant County city a competitive advantage over another Tarrant County city seeking the same project or encourages an applicant to move from one Tarrant County city to another, unless such agreement is agreeable to both such incorporated cities and both parties have indicated their approval in writing to Tarrant County.

In the case where the property is located within a municipality's extraterritorial jurisdiction, the municipality shall be the initiating taxing entity unless expressly deferred to the County. For those areas within Tarrant County that are not located within the boundaries of an incorporated municipality and a municipality has deferred to the County or in unincorporated areas not located in a municipality's extraterritorial jurisdiction, the guidelines and criteria contained in this policy

will be applied by the Commissioners Court when considering the establishment of a reinvestment zone and the adoption of an abatement agreement.

## II. DEFINITIONS

- (a) "Abatement" means the full or partial exemption from ad valorem taxes of certain real and/or personal property in a reinvestment zone designated for economic development purposes.
- (b) "Eligible Jurisdiction" means Tarrant County and any municipality, school district, college district, or other entity, which is located in Tarrant County, that levies ad valorem taxes upon and provides services to property located within the proposed or existing reinvestment zone.
- (c) "Agreement" means a contractual agreement between a property owner and/or lessee and an eligible jurisdiction for the purposes of tax abatement.
- (d) "Base Year Value" means the assessed value of the applicant's real and personal property located in a designated reinvestment zone on January 1 of the year of the execution of the agreement, plus the agreed upon value of real and personal property improvements made after January 1, but before the execution of the agreement.
- (e) "Economic Life" means the number of years a property improvement is expected to be in service in a facility.
- (f) "Deferred Maintenance" means improvements necessary for continued operations which do not improve productivity or alter the process technology.
- (g) "Disadvantaged Business Enterprise (DBE)" means:
  - (1) a corporation formed for the purpose of making a profit and at least 51 percent of all classes of the shares of stock or other equitable securities of which are owned by one or more persons who are socially or economically disadvantaged because of their identification as members of certain groups that have been subject to racial or ethnic prejudice or cultural bias without regard to their qualities as individuals or capabilities as a business, and whose ability to compete in the free enterprise system is impaired due to diminished opportunities to obtain capital and credit as compared to others in the same line of business who are not socially disadvantaged. "DBE" includes the State of Texas definition of historically underutilized businesses (HUBs) as defined in Texas Government Code 407.101 and as it may be updated.
  - (2) a sole proprietorship formed for the purpose of making a profit that is owned, operated, and controlled exclusively by one or more persons described in paragraph (1);

- (3) a partnership that is formed for the purpose of making a profit in which 51 percent of the assets and interest in the partnership is owned by one or more persons described by paragraph (1), and in which minority or women partners have proportionate interest in the control, operation, and management of the partnership affairs.
- (h) "Expansion" means the addition of buildings, structures, fixed machinery and equipment, and fixed personal property for the purposes of increasing production capacity.
- (i) "Facility" means property improvements completed or in the process of construction which together comprise an integral whole.
- (j) "Fixed Machinery and Equipment and/or Personal Property" means tangible machinery, equipment, or personal property that is securely placed or fastened and stationary within a building or structure, or which is movable but remains at and is used solely at the project site.
- (k) "Manufacturing Facility" means buildings and structures, including fixed machinery and equipment, and fixed personal property, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change.
- (l) "Modernization" means the replacement and upgrading of existing facilities which increases the productive input or output, updates the technology or substantially lowers the unit cost of the operation, and extends the economic life of the facility. Modernization may result from the construction, alteration or installation of buildings, structures, fixed machinery and equipment, and fixed personal property. It shall not be for the purpose of reconditioning, refurbishing, repairing, or completion of deferred maintenance.
- (m) "New Facility" means a property previously undeveloped which is placed into service by means other than or in conjunction with expansion or modernization.
- (n) "Other Basic Industry" means buildings and structures including fixed machinery and equipment, and fixed personal property not elsewhere described, used or to be used for the production of products or services which primarily serve a market outside Tarrant County [or the Fort Worth Consolidated Metropolitan Statistical Area] and result in the creation of new permanent jobs and bring new wealth in to Tarrant County.
- (o) "Regional Distribution Center Facility" means building and structures, including fixed machinery and equipment, and fixed personal property, used or to be used primarily to receive, store, service or distribute goods or materials owned by the facility operator.

- (p) "Non-Manufacturing Facilities" means buildings and structures, used to service and/or house individuals on a permanent or temporary basis.
- (q) "Regional Service Facility" means building and structures, including fixed machinery and equipment, and fixed personal property, used or to be used to service goods.
- (r) "Reinvestment Zone" is an area designated as such for the purpose of tax abatement as authorized by Chapter 312 of the Texas Tax Code.
- (s) "Regional Entertainment Facility" means buildings and structures, including machinery and equipment, used or to be used to provide entertainment through the admission of the general public where the majority of the users reside at least 100 miles from its location in the County.
- (t) "Regional Retail Facility" means buildings and structures including fixed machinery and equipment used or to be used to provide retail services from which a large portion of the revenues generated by the activity at the facility are derived from users outside the County.
- (u) "Research Facility" means building and structures, including fixed machinery and equipment, and fixed personal property, used or to be used primarily for research or experimentation to improve or develop new tangible goods or materials or to improve or develop the production processes thereto.

### III. ABATEMENT AUTHORIZED

- (a) Authorized Facility. A facility may be eligible for abatement if it is a Manufacturing Facility, a Research Facility, a Regional Distribution Center Facility, A Regional Service Facility, a Regional Entertainment Facility, Regional Retail Facility, a Non-Manufacturing Facility, or Other Basic Industry as defined. The economic life of a facility and any improvements must exceed the life of the abatement agreement.
- (b) Creation of New Value. Abatement may be only granted for the additional value of eligible property improvements made subsequent to and listed in an abatement agreement between the County and the property owner and lessee, subject to such limitations as Commissioners Court may require.
- (c) New and Existing Facilities. Abatement may be granted for new facilities and improvements to existing facilities for purposes of modernization or expansion.
- (d) Eligible Property. Abatement may be extended to the value above the Base Year Value of buildings, structures, fixed machinery and equipment, fixed personal property, and site improvements plus that office space and related fixed improvements necessary to the operation and administration of the facility.

- (e) Ineligible Property. The following types of property shall be fully taxable and ineligible for abatement: land; inventories; supplies; tools; furnishings, and other forms of movable personal property; vehicles; vessels; private aircraft; deferred maintenance investments; property to be rented or leased except as provided in Section 3 (f); also, any property included in the calculation of base year value as defined.
- (f) Owned/Leased Facilities. If a leased facility is granted abatement the agreement shall be executed with the lessor and the lessee.
- (g) Value and Term of Abatement. Abatement shall be granted effective with the execution of the agreement. The value of the abatement will be determined based on the merits of the project, including, but not limited to, total capital investment value and added employment. Up to one hundred percent of the value of new eligible properties may be abated for a total term of abatement not to exceed ten years. However, a project must provide an extraordinary economic benefit to the County to be considered for a one hundred percent abatement.
- (h) Economic Qualification. In order to be eligible for designation as a County reinvestment zone and/or receive County tax abatement, the planned improvement:
- (1) for new businesses, must be reasonably expected to produce a minimum added value of Five Million Dollars (\$5,000,000) in real and personal property to Tarrant County and create and sustain a minimum of 25 new full-time jobs.
  - (2) for expansions or modernizations of existing businesses, must be reasonably expected to produce a minimum added value of Three Million Dollars (\$3,000,000) in real and personal property improvements to Tarrant County, and sustain existing employment levels.
  - (3) must not be expected to solely or primarily have the effect of transferring employment from one part of Tarrant County to another without a majority vote of approval from the Commissioners Court.
  - (4) must be necessary for expansion and/or modernization because the capacity cannot be provided efficiently utilizing existing improved property when reasonable allowance is made for necessary improvements.
  - (5) the above investment and employment minimums may be waived at the discretion of the Commissioners Court for projects located in Federal or State designated Enterprise Zones.
- (i) Additional Criteria For Abatement. To be eligible for abatement, the project must be expected to meet the specific goals and requirements as noted below. If a company is unable to meet the minimum requirements of this section, a variance must be

requested with a detailed explanation as to the circumstances that preclude the company from meeting the minimum requirements.

- (1) Use of DBE and Tarrant County Businesses. The project must provide for the utilization of Disadvantaged Business Enterprises for a minimum of 15% of the total costs for construction contracts and annual supply and service contracts. Additionally, the project must provide for the utilization of Tarrant County businesses for a minimum of 25% of the total costs for construction contracts and annual supply and services contracts.
  - (2) Tarrant County Employment. The company must hire Tarrant County residents for a minimum of 25% of the new full time jobs to be created by the project. Residents, for the purpose of this policy, are those employees who reside in Tarrant County, whether through relocation or existing residency.
  - (3) Environmental Impacts. Environmental impact information must be provided, noting any anticipated impacts of the project on the environment, including, but not limited to, water quality, storm water and runoff, floodplain and wetlands, solid waste disposal, noise levels, and air quality. Additionally, the company must provide a written company policy on air quality mitigation, the company's plan for participation in the region's Ozone Action Program, and a report of employer assistance in encouraging alternative commute programs and employee trip reductions. For companies new to the region, the above policies and plan must be completed and presented within the first year of the abatement.
  - (4) Employee Benefits. The company must offer a health benefit plan to its full-time employees at a rate that is reasonable to the majority of its employees and which allows access to the plan by the employees' dependents. For additional consideration, the company may provide information on other employee benefits provided, such as retirement/pension programs and subsidies for education, job-training, transportation assistance and child/elderly care.
- (j) Taxability. From the execution of the abatement to the end of the agreement period taxes shall be payable as follows:
- (1) The value of ineligible property as provided in Section III (e) shall be fully taxable;
  - (2) The base year value of existing eligible property shall be fully taxable, as well as the value of any existing personal property currently on the tax rolls in Tarrant County that is either moved to a new abated location or is replaced due to modernization or expansion.

- (3) The additional value of new eligible property shall be taxable in the manner and for the period provided for in the abatement agreement, subject to the terms described in Section III (g); and
- (4) The additional value of new eligible property shall be fully taxable at the end of the abatement period.

#### **IV. APPLICATION**

- (a) Download a copy of the Tax Abatement Application
- (b) Any present or potential owner of taxable property in Tarrant County may request the creation of a reinvestment zone and/or tax abatement by filing a written request with the County Judge.
- (c) The application shall consist of a completed application form including, but not limited to: a general description of the new improvements to be undertaken; a descriptive list of the improvements for which an abatement is requested; a list of the kind, number and location of all proposed improvements of the property; a map and property description; a time schedule for undertaking and completing the proposed improvements; employment and contract information; the location of existing company locations in Tarrant County and the surrounding counties and the expected number of transferring employees; details of the environmental impacts of the project, and employee benefit information. In the case of modernization a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The County may require such financial and other information as deemed appropriate for evaluating the financial capacity and other factors pertaining to the applicant, to be attached to the application.
- (d) All applications for creation of reinvestment zones or abatements shall incorporate a feasibility study estimating the economic effect of the proposed reinvestment zone and tax abatement on Tarrant County, other eligible participating jurisdictions, and the applicant.
- (e) Upon receipt of a completed application for creation of a reinvestment zone, the County Judge shall notify in writing and provide a copy of the application to the presiding officer of the governing body of each eligible jurisdiction.
- (f) Upon receipt of a completed application and/or request to participate with a municipality in an abatement agreement, Tarrant County Administrator's Office must review and provide recommendation to the Commissioners Court within 30 days and before the public hearing.
- (g) The County shall not establish a reinvestment zone, nor participate in an abatement, if it finds that the application for County reinvestment zone/tax abatement was filed

after the commencement of construction, alteration, or installation of improvements related to the proposed modernization, expansion or new facility.

- (h) Variance. Request for variance from the provisions of this policy must be made in written form to the County Judge and submitted with the application for abatement, provided, however, the total duration of an abatement shall in no instance exceed ten years. Such request shall include a complete description of the circumstances explaining why the applicant should be granted a variance. Request for variance must be approved by a majority vote of the Commissioners Court.

## **V. PUBLIC HEARINGS AND APPROVAL**

- (a) For projects in unincorporated Tarrant County, the Commissioners Court may not adopt a resolution designating a County reinvestment zone until it has held a public hearing at which interested persons are entitled to speak and present evidence for or against the designation. Notice of the hearing shall be clearly identified on the Commissioners Court agenda at least 30 days prior to the hearing. The presiding officers of eligible jurisdictions shall be notified in writing at least 15 days prior to the hearing.
- (b) Prior to entering into a tax abatement agreement the Commissioners Court may, at its option, hold a public hearing at which interested persons shall be entitled to speak and present written materials for or against the approval of the tax abatement agreement.
- (c) In order to enter into a tax abatement agreement, the Commissioners Court must find that the terms of the proposed agreement meet these Guidelines and Criteria and that:
  - (1) there will be no substantial adverse affect on the provision of the jurisdiction's service or tax base: and
  - (2) the planned use of the property will not constitute a hazard to public safety, health or morals.
- (d) Any application requesting a variance under Section IV (g) shall be approved by a majority vote of the Commissioners Court. No application which deviates from the requirements of these Guidelines and Criteria shall be approved unless accompanied by a request for variance as provided under Section IV (g).

## **VI. AGREEMENT**

- (a) After approval the County shall formally pass a resolution and execute an agreement with the owner of the facility and lessee as required. The Court Order shall include:
  - (1) estimated value of real and personal property to be abated and the base year value;

- (2) percent of value to be abated each year as provided in Section III (g);
- (3) the commencement date and the termination date of abatement;
- (4) the proposed use of the facility; nature of construction, time schedule, map, property description and improvement list as provide in Section IV (b);
- (5) contractual obligations in the event of default, violation of terms or conditions, delinquent taxes, recapture, administration and assignment as provided in Sections III (a), III (e), III (g) VII, VIII, and IX, or other provisions that may be required for uniformity or by state law, and;
- (6) a statement of the facility owner's policy regarding Disadvantaged Business Enterprises (DBEs), and the estimated dollar amount and percentage of total contracts to be awarded to DBEs for construction, professional services, purchases of equipment and supplies and other services required for the abated improvements;
- (7) amount of investment and average number of jobs involved; and
- (8) an assessment of the environmental impacts of the project, including a statement of the owner's policy addressing regional air quality and information on the use of alternative fuels in fleet vehicles.
- (9) a statement indicating the provision of a health care benefit plan for employees and dependents.

Such agreement shall normally be executed within 60 days after the applicant has forwarded all necessary information and documentation to the County.

(b) Participation in tax abatement agreements with municipalities requires additional information to be included in the Court Order approving the agreement, as follows:

- (1) a copy of the agreement between the applicant and municipality shall be attached and made apart of the Court Order for all purposes;
- (2) authorization for the County Judge to execute a signatory page on behalf of the Commissioners Court which shall be attached and made part of the original agreement.

## **VII. RECAPTURE**

Commissioners Court reserves the right to review compliance for full or partial recapture in the event that the applicant fails to perform in "good faith." If a project is not completed as specified in the tax abatement agreement, the County has the right to cancel the abatement agreement and abated taxes shall become due to the County and other affected taxing units as provided by law.

If any of the provisions contained in the tax abatement agreement, i.e., employment, amount of investment, etc., are not met, the County shall have the right to reduce or cancel the abatement agreement. If a project granted a tax abatement ceases to operate or is no longer in conformance with the tax abatement agreement, the agreement shall not be in effect for the period of time during which the project is not operating or is not in conformance.

## **VIII. ADMINISTRATION**

- (a) The Chief Appraiser of the County shall annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year, the company or individual receiving abatement shall furnish the assessor with such information as may be necessary for the abatement. Once value has been established, the chief Appraiser shall notify the affected jurisdictions which levies taxes of the amount of the assessment.
- (b) The agreement shall stipulate that employees and/or designated representatives of the County will have access to the reinvestment zone during the term of the abatement to inspect the facility to determine if the terms and conditions of the agreement are being met. All inspections will be made only after the giving of twenty-four (24) hours prior notice and will only be conducted in such manner as to not unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the company or individual and in accordance with its safety standards.
- (c) Upon completion of construction the County and/or the jurisdiction creating the reinvestment zone shall annually (or at such other times as deemed appropriate by the Commissioners Court) evaluate each facility receiving abatement to ensure compliance with the agreement and report possible violations to the contract and agreement to the Commissioners Court and the District Attorney. On or before April 30th of every year during the life of the abatement agreement, the company or individual receiving the abatement shall complete and file a Tax Abatement Evaluation Report, along with other required written documentation, detailing and certifying the abatement recipient's compliance with the terms of the abatement agreement. Failure to provide information requested in the compliance evaluation by the prescribed deadline may result in taxes abated in the prior year being due and payable. The company or individual receiving a tax abatement shall provide information to the County for the evaluation which shall include, but not be limited to, the following:
  - (1) the number and dollar amounts of all construction contracts and subcontracts awarded on the project;
  - (2) the total number of employees of the company, their gross salaries, and the number of employees residing in Tarrant County and their gross salaries, reported in job classifications appropriate to the employee;

- (3) the gross dollars spent on supplier and professional service contracts, indicating the amounts by contract awarded and performed by Tarrant County business and individuals;
- (4) the dollar amount of contracts awarded to Disadvantaged Business Enterprises;
- (5) detail of actions taken to mitigate any adverse environmental impacts of the project, if applicable; and
- (6) should the dollars, percentages, or actions not meet the original or modified requirements of the abatement agreement, a statement shall be provided explaining the reason for the failure to meet the requirements and a recommended course of rectification.

#### **IX. ASSIGNMENT**

Tax abatement agreements may be assigned to a new owner or lessee of the facility with the written consent of the Commissioners Court, which consent shall not be unreasonably withheld. Any assignment shall provide that the assignee shall irrevocably and unconditionally assume all the duties and obligations of the assignor upon the same terms and conditions as set out in the agreement. Any assignment of a tax abatement agreement shall be to an entity that contemplates the same improvements or repairs to the property, except to the extent such improvements or repairs have been completed. No assignment shall be approved if the assignor or the assignee are indebted to the County for ad valorem taxes or other obligations.

#### **X. SUNSET PROVISION**

These Guidelines and Criteria are effective on January 1 of the year following the date of their adoption and will remain in force for two years, at which time all reinvestment zones and tax abatement contracts created pursuant to its provisions will be reviewed by the County to determine whether the goals have been achieved. Based on that review, the guidelines and Criteria will be modified, renewed or eliminated. These Guidelines and Criteria may be amended by Commissioners Court at any time during their effective period.

**EXHIBIT "E"**  
**LEASE AGREEMENT**

## LEASE ABSTRACT

**Property Address:** 1501 Joel East Road  
Fort Worth, TX 76134

**Property Owner:** PR Carter Distribution Center Building F, LP

**Tenant:** RSI North America Inc.

**Commencement Date:** May 1, 2022

**Expiration Date:** July 31, 2029

**Rentable Area:** 391,540 square feet

**Lease Term:** 87 months

**Responsible Party:** NNN  
Property Taxes (Tenant)  
Property Insurance (Tenant)  
CAM (Tenant)

**Landlord's  
Notice Address:** PGIM, Inc.  
Attn: Dan Kane, Vice President  
180 N. Stetson Ave., Suite 5400  
Chicago, IL 60601

**Tenant's  
Notice Address:** RSI North America Inc.  
Attn: Mark Roe-Scott, CFO  
1024 Winters Parkway  
Dayton, NV 89403



## RESOLUTION

### PARTICIPATION IN TAX ABATEMENT FOR RSI NORTH AMERICA INC., FORT WORTH, TX

**WHEREAS**, RSI North America Inc., a Texas corporation, acting by and through its authorized officers (hereafter referred to as "Company"), plans to occupy a 391,000 square foot building and construct a corporate headquarters and manufacturing facility on real property under its ownership, more particularly described in the Tax Abatement Agreement attached hereto and incorporated herein by reference ("Real Property"); and

**WHEREAS**, the Real Property is located within Tarrant County (the "County"), a political subdivision of the State of Texas, which Real Property is located within the City of Fort Worth; and

**WHEREAS**, the Real Property and all improvements and tangible personal property thereon, whether now existing or hereinafter to be constructed or installed, are subject to ad valorem taxation by the City of Fort Worth and the County; and

**WHEREAS**, the City Council of the City of Fort Worth has adopted Ordinance No. 25217-11-2021 establishing Tax Abatement Reinvestment Zone No. 102, City of Fort Worth, and has approved and executed a Tax Abatement Agreement as it relates to improvements made on the Real Property; and

**WHEREAS**, the Tax Abatement Agreement (the "Agreement") between Tarrant County and Company, provides for the construction and installation of certain improvements at an estimated cost of \$55,000,000 to be completed by December 31, 2026; and

**WHEREAS**, the Agreement with the Company is conditioned upon specific real and personal property improvements, continued operation of the facility and the addition of new jobs; and

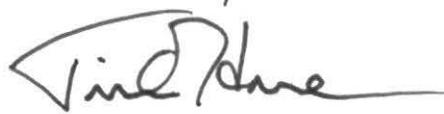
**WHEREAS**, the Commissioners Court has been requested by the Company to take the steps required pursuant to the Code to permit tax abatement with respect to that portion of the Real Property and the improvements thereon which are subject to the taxing jurisdiction of the County, and has further requested that the County enter in the Agreement; and

**WHEREAS**, the County has approved the Tarrant County Tax Abatement Policy Statement Guidelines and Criteria for granting tax abatement in reinvestment zones in Tarrant County;

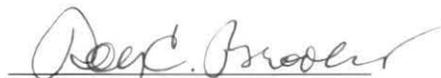
**NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED** by the Commissioners Court of Tarrant County, Texas:

1. That all recitals set forth in the preamble are hereby found to be true and correct;
2. That the Commissioners Court shall have prudently reviewed each tax abatement agreement approved by a municipality having taxing jurisdiction with respect to property located in the County and within a reinvestment zone designated by such municipality or the state; and according to the here adopted guidelines and criteria for tax abatement of the County, shall prudently review and consider each proposed County tax abatement agreement providing participation in tax abatement with a municipality; and shall, solely at its discretion, approve those tax abatement agreements that it finds meet all constitutional and statutory criteria and requirements, and which it finds to be in the best interest of the taxpayers and citizens of the County; and
3. That the Commissioners Court hereby finds that the terms and conditions of the Agreement substantially meet its guidelines and criteria; that the Agreement for the abatement of certain Tarrant County taxes be and is hereby approved; that the County and its Commissioners Court hereby agree to enter into the Agreements as a party thereto; and the County Judge of the County be and is hereby authorized and directed to execute and deliver said Agreement on behalf of the County and its Commissioners Court, substantially in the form attached hereto, and carry out the terms thereof at the appropriate time(s).

**PASSED AND APPROVED, IN OPEN COURT**, this 18<sup>th</sup> day of April, 2023, through Court Order No. 140687.



Tim O'Hare, County Judge



Roy C. Brooks  
Commissioner, Precinct 1



Alisa Simmons  
Commissioner, Precinct 2



Gary Fickes  
Commissioner, Precinct 3



Manny R. Ramirez  
Commissioner, Precinct 4