RESOLUTION NO. 61-2025

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS, APPROVING THE TERMS AND CONDITIONS OF A PROGRAM TO PROMOTE LOCAL ECONOMIC DEVELOPMENT AND STIMULATE BUSINESS AND COMMERCIAL ACTIVITY IN THE CITY; AUTHORIZING THE CITY MANAGER TO FINALIZE, EXECUTE, AND ADMINISTER A CHAPTER 380 ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT ("AGREEMENT") FOR SUCH PURPOSES BY AND BETWEEN THE CITY OF MESQUITE ("CITY") AND FRITZ INDUSTRIES, INC. ("COMPANY"), AND GRANTING TO THE COMPANY CERTAIN ECONOMIC DEVELOPMENT INCENTIVES; AND AUTHORIZING THE CITY MANAGER TO TAKE SUCH ACTIONS AND EXECUTE SUCH DOCUMENTS AS ARE NECESSARY OR ADVISABLE TO CONSUMMATE THE TRANSACTIONS CONTEMPLATED BY THE AGREEMENT, AND ADMINISTER THE AGREEMENT ON BEHALF OF THE CITY.

WHEREAS, Chapter 380 of the Texas Local Government Code authorizes the City of Mesquite, Texas (the "**City**"), and other municipalities to establish and provide for the administration of programs that promote local economic development and stimulate business and commercial activity; and

WHEREAS, the City Council has been presented with a proposed agreement providing economic incentives to Fritz Industries, Inc. ("**Company**"), to support the Company's expansion within Mesquite including consolidating its headquarters, research and development, and all Texas operational functions into a single central location on properties located at 500 North Sam Houston Road and 2900 Executive Boulevard, a copy of said agreement being attached hereto as Exhibit 1 and incorporated herein by reference (the "**Agreement**"); and

WHEREAS, the Agreement includes a one-time $100,000.00 cash grant in addition to the City providing an annual 25-percent incentive payment on the increased land and real property taxes paid above the 2023 base year for a period of 10 years, and a 50-percent incentive payment on increased business personal property taxes paid above the 2023 base year for a period of 10 years, both beginning with the 2025 tax year period; and

WHEREAS, the Agreement requires the Company to remain in continuous business operation in Mesquite for a minimum of 10 years from the date of execution and must maintain its headquarters, research and development, and manufacturing functions in Mesquite and continuously occupy both 500 North Sam Houston Road and 2900 Executive Boulevard; and

WHEREAS, the total and cumulative maximum incentive available to the Company under the Agreement is $600,000.00; and

WHEREAS, after holding a public hearing and upon full review and consideration of the Agreement and all matters attendant and related thereto, the City Council is of the opinion that the Agreement will assist in implementing a program whereby local economic development will be promoted, and business and commercial activity will be stimulated in the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS:

SECTION 1. That the City Council finds that the terms of the proposed Agreement by and between the City and the Company, a copy of which is attached hereto as Exhibit 1 and incorporated herein by reference, will benefit the City and will accomplish the public purpose of promoting local economic development and stimulating business and commercial activity in the City in accordance with Section 380.001 of the Texas Local Government Code.

SECTION 2. That the City Council hereby adopts an economic development program whereby, subject to the terms and conditions of the Agreement, the City will provide economic development incentives to the Company and take other specified actions as more fully set forth in the Agreement in accordance with the terms and subject to the conditions outlined in the Agreement.

SECTION 3. That the terms and conditions of the Agreement, having been reviewed by the City Council and found to be acceptable and in the best interest of the City and its citizens, are hereby approved.

SECTION 4. That the City Manager is hereby authorized to finalize and execute the Agreement and all other documents necessary to consummate the transactions contemplated by the Agreement.

SECTION 5. That the City Manager is further hereby authorized to administer the Agreement on behalf of the City including, without limitation, the City Manager shall have the authority to: (i) provide any notices required or permitted by the Agreement; (ii) approve amendments to the Agreement provided such amendments, together with all previous amendments approved by the City Manager, do not increase City expenditures under the Agreement in excess of $100,000; (iii) approve or deny any matter in the Agreement that requires the consent of the City provided, however, notwithstanding the foregoing, any assignment of the Agreement that requires the consent of the City pursuant to the terms of the Agreement shall require the approval of the City Council; (iv) approve or deny the waiver of performance of any covenant, duty, agreement, term or condition of the Agreement; (v) exercise any rights and remedies available to the City under the Agreement; and (vi) execute any notices, amendments, approvals, consents, denials and waivers authorized by this Section 5 provided, however, notwithstanding anything contained herein to the contrary, the authority of the City Manager pursuant to this Section 5 shall not include the authority to take any action that cannot be delegated by the City Council or that is within the City Council's legislative functions.

SECTION 6. That the sections, paragraphs, sentences, clauses, and phrases of this Resolution are severable and, if any phrase, clause, sentence, paragraph, or section of this Resolution should be declared invalid, illegal, or unenforceable by the final judgment or decree of any court of competent jurisdiction, such invalidity, illegality, or unenforceability shall not affect the validity, legality, or enforceability of any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Resolution and such remaining provisions shall remain in full force and effect and shall be construed and enforced as if the invalid, illegal, or unenforceable provision had never been included in this Resolution.

DULY RESOLVED by the City Council of the City of Mesquite, Texas, on the 15th day of December 2025.

Signed by:
Daniel Alemán, Jr.
D999585317D142B...

Daniel Alemán, Jr.
Mayor

ATTEST:

DocuSigned by:
Sonja Land
C2518095973F46A...

Sonja Land
City Secretary

APPROVED AS TO LEGAL FORM:

Signed by:
David L. Paschall
666E18891208434...

David L. Paschall
City Attorney

EXHIBIT 1

ECONOMIC DEVELOPMENT PROGRAM AGREEMENT

(Chapter 380 Agreement; Fritz Industries, Inc.)

This Economic Development Program Agreement ("**Agreement**") is made and entered into by and between the City of Mesquite, a Texas home rule municipality (the "**City**") and Fritz Industries, Inc., a domestic for-profit corporation authorized to do business in Texas (the "**Company**").

W I T N E S S E T H:

WHEREAS, all capitalized terms used herein shall have the meanings set forth in this Agreement; and

WHEREAS, NL Ventures XII Mesquite LLC, a Delaware limited liability company ("**Landlord**"), is the owner of that certain tract of real property located in the City consisting of approximately 17.9997 acres and being commonly known as 500 N. Sam Houston Road, Mesquite, Texas 75149, and more particularly described in **Exhibit A**, attached hereto and incorporated herein for all purposes (the "**NL Ventures Land**"); and

WHEREAS, the NL Ventures Land is improved with industrial buildings containing approximately 330,158 square feet of floor space (the "**NL Ventures Buildings**"); and

WHEREAS, the Company is the owner of that certain tract of real property located in the City consisting of approximately 6.4907 acres and being commonly known as 2900 Executive Boulevard, Mesquite, Texas 75149, and more particularly described in Exhibit A (the "**Company Land**"); and

WHEREAS, the Company Land is improved with industrial buildings containing approximately 90,965 square feet of floor space (the "**Company Buildings**"); and

WHEREAS, the NL Ventures Land, NL Ventures Building, Company Land and Company Buildings are hereinafter sometimes collectively referred to as the "**Mesquite Facility**"; and

WHEREAS, the Company is an international manufacturing and distributing company that has developed and manufactured a wide array of products ranging from floor tile and aquarium products to specialty oilfield chemicals, as more particularly described on Company's website (www.fritzind.com) (the "**Company's Business**"); and

WHEREAS, the Company has conducted Company's Business in the City for decades and intends to maintain Company's corporate headquarters and continuously conduct Company's Business at the Mesquite Facility for an additional and minimum of ten (10) years; and

WHEREAS, conducting Company's Business at the Mesquite Facility will result in the productive use of industrial buildings in the City, resulting in an increase in the taxable value of the Mesquite Facility and an increase in the ad valorem real property taxes assessed and collected by the City, and provide employment opportunities in the City; and

WHEREAS, the Company has advised the City that a principal factor inducing the Company to maintain its corporate headquarters and continuously conducting Company's Business at the Mesquite Facility for the next ten (10) years is the agreement by the City to provide the Economic Development Incentives (as hereinafter defined) to the Company under the terms and conditions more fully set forth in this Agreement; and

WHEREAS, the City has established an Economic Development Program pursuant to Section 380.001 of the Texas Local Government Code and authorizes this Agreement as part of that Economic Development Program (the "**Program**"); and

WHEREAS, the Company desires to participate in the Program by entering into this Agreement; and

WHEREAS, the City Council finds and determines that this Agreement will effectuate the purposes set forth in the Program, and that the Company's performance of its obligations herein will promote local economic development in the City, increase employment opportunities in the City, stimulate business and commercial activity in the City, increase the amount of Ad Valorem Taxes assessed and collected by the City and benefit the City and its citizens.

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 and confessed, the Parties agree as follows:

ARTICLE I
Incorporation of Recitals

The foregoing recitals ("**Recitals**"), and the capitalized terms used therein, are incorporated into the body of this Agreement and shall be considered part of the mutual covenants, consideration and promises that bind the Parties.

ARTICLE II
Definitions

As used herein, the following terms shall have the following meanings, to-wit:

"**Ad Valorem Taxes**" shall mean those real property and tangible personal property taxes authorized, adopted, imposed or collected by or on behalf of the City pursuant to § 11.01 of the Texas Tax Code, as amended or replaced.

"**Agreement**" shall mean this Agreement together with all exhibits, if any, attached hereto.

"**Business Personal Property**" shall mean moveable items of personal property owned by the Company and used in the Company's ordinary course of business which are located at the Mesquite Facility but are not permanently affixed to, or part of, the Mesquite Facility and shall consist of machinery, equipment, rack shelving, furniture, computers, vehicles (but only if such vehicles are licensed and registered in Dallas County, Texas), and Taxable Inventory provided such items, other than Taxable Inventory, are considered capital assets under generally accepted accounting principles.

"**Certificate of Compliance**" shall mean a certificate in such form as is reasonably acceptable to the City executed on behalf of the Company by a duly authorized Company Representative certifying to the City: (i) that all Conditions Precedent have been satisfied and are then continuing; and (ii) that no Company Default then exists under the terms of this Agreement and that no event exists which, but for notice, the lapse of time, or both, would constitute a Company Default under the terms of this Agreement.

"**Certificate of Occupancy**" shall mean certificates of occupancy issued by the City to the Company authorizing the Company to occupy one hundred percent (100%) of the NL Ventures Building and one hundred percent (100%) of the Company Buildings.

"**City**" shall mean the City of Mesquite, a Texas home rule municipality.

"**City Default**" shall have the meaning set forth in Article VIII, Section 1 of this Agreement.

"**Company**" is defined in the introductory paragraph of this Agreement.

"**Company Buildings**" shall have the meaning set forth in the Recitals to this Agreement.

"**Company's Business**" shall have the meaning set forth in the Recitals of this Agreement.

"**Company Default**" shall have the meaning set forth in Article VIII, Section 1 of this Agreement.

"**Company Land**" shall have the meaning set forth in the Recitals to this Agreement.

"**Company Representative**" shall mean the President, Chief Executive Officer, Chief Financial Officer or any other duly authorized officer of the Company acting on behalf of the Company.

"**Condition Precedent**" and "**Conditions Precedent**" shall have the meanings set forth in Article VI of this Agreement.

"**Economic Development Incentive(s)**" shall mean the incentive(s) described in Article VII of this Agreement.

"**Economic Development Incentives Maximum**" shall have the meaning described in Article VII of this Agreement.

"**Effective Date**" shall mean the date the Company and the City execute this Agreement if the Company and the City execute this Agreement on the same date. If the Company and the City execute this Agreement on different dates, any reference to the "**Effective Date**" shall mean the later of the dates this Agreement is executed by the Company and the City.

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

"**Incentive Payment**" and "**Incentive Payments**" shall mean Economic Development Incentive(s) to be paid by the City to the Company pursuant to the terms and subject to the conditions and limitations set forth in this Agreement to provide economic development grants to the Company for the Incentive Period.

"**Incentive Period**" shall mean the period commencing on January 1, 2025 and continuing until the earlier of: (i) December 31, 2034, being ten (10) Incentive Tax Years, or (ii) the date this Agreement is terminated by the City or the Company pursuant to a right to terminate more fully set forth herein.

"**Incentive Tax Year**" shall mean the period consisting of three hundred and sixty five (365) calendar days [or three hundred and sixty six (366) calendar days for any calendar year that is a leap year] beginning on January 1, 2025, and ending on December 31, 2025, and continuing on January 1st and ending on December 31st of each calendar year thereafter during the Incentive Period.

"**Landlord**" shall mean NL Ventures XII Mesquite LLC, a Delaware limited liability company, its successors and assigns.

"**Lease**" shall mean that certain Lease Agreement executed by the Company and the Landlord relating to the right and obligation of the Company to occupy the NL Ventures Buildings and satisfying the Lease Requirement.

"**Lease Requirement**" shall have the meaning set forth in Article VI of this Agreement.

"**Maximum Lawful Rate**" shall mean the maximum lawful rate of non-usurious interest that may be contracted for, charged, taken, received or reserved by the City in accordance with the applicable laws of the State of Texas (or applicable United States federal law to the extent that such law permits the City to contract for, charge, take, receive or reserve a greater amount of interest than under Texas law).

"**Mesquite Facility**" shall have the meaning set forth in the Recitals in this Agreement.

"Mesquite Facility Business Personal Property Base Value" shall mean $78,617.84

"Mesquite Facility Real Property Base Value" shall meant $96,692.74.

"**Minimum Taxable Valuations**" shall mean the Business Personal Property and/or real property taxable value of the Mesquite Facility as appraised by the Dallas County Appraisal District for the year 2025.

"**NL Ventures Buildings**" shall have the meaning set forth in the Recitals to this Agreement.

"**NL Ventures Land**" shall have the meaning set forth in the Recitals to this Agreement.

"**Parties**" shall mean the Company and the City.

"**Party**" shall mean either the Company or the City.

"**Payment Request**" shall mean a written request executed by the Company and delivered to the City's Director of Finance requesting the payment of an Economic Development Incentive under the terms of this Agreement.

"**Person**" or "**Persons**" shall mean one or more individual(s) or corporation(s), general or limited partnership(s), limited liability company(s), trust(s), estate(s), unincorporated business(es), organization(s), association(s) or any other entity(s) of any kind.

"**Program**" shall have the meaning set forth in the Recitals to this Agreement.

"**Recitals**" shall have the meaning set forth in Article I of this Agreement.

"**Taxable Inventory**" shall mean taxable merchandise and supplies owned by the Company and located at the Mesquite Facility and shall include raw materials, work-in-process and finished goods but shall specifically exclude goods in transit, freeport goods and merchandise, supplies, materials or other goods that are non-taxable.

"**Term**" shall have the meaning set forth in Article IV of this Agreement.

"**Undocumented Workers**" shall mean individuals who, at the time of employment with the Company, are not: (i) lawfully admitted for permanent residence to the United States or are not authorized under law to be employed in that manner in the United States; and (ii) such other Persons as are included within the definition of undocumented workers pursuant to 8 U.S.C. § 1324a (f) or any other applicable law or regulation.

ARTICLE III
Authority for Agreement

This Agreement is authorized by Article III, Section 52-a of the Texas Constitution and Chapter 380 of the Texas Local Government Code. The City Council finds and determines that this Agreement will effectuate the purposes set forth in the Program and that the Company's performance of its obligations herein will increase the amount of Ad Valorem and Business Personal Property Taxes assessed and collected by the City, result in employment opportunities being created and maintained in the City, promote local economic development in the City, stimulate business and commercial activity in the City, and benefit the City and its citizens.

ARTICLE IV
Term

This term of this Agreement shall commence on January 1, 2026 and shall continue until the earliest of (a) December 31, 2035, or (b) the date this Agreement terminated sooner under the provisions hereof. Notwithstanding the foregoing, in the event this Agreement is not fully executed within sixty (60) days after approval by the City Council of the City of Mesquite, Texas, then this Agreement shall be null and void, and shall have no effect on either Party. This

Agreement may be terminated by the City if any subsequent federal or state legislation or any decision of a court of competent jurisdiction declares or renders this Agreement, or any part thereof, invalid, illegal or unenforceable (the "**Term**").

ARTICLE V
Company's Covenant Not to Employ Undocumented Workers

1. Covenant Not to Employ Undocumented Workers. The Company hereby certifies that the Company and each branch, division, and department of the Company does not employ any Undocumented Workers and the Company hereby covenants and agrees that the Company and each branch, division and department of the Company will not knowingly employ any Undocumented Workers during the Term of this Agreement.

2. Covenant to Notify City of Conviction for Undocumented Workers. The Company further hereby covenants and agrees to provide the City with written notice of any conviction of the Company, or any branch, division or department of the Company, of a violation under 8 U.S.C. § 1324a (f) within thirty (30) days from the date of such conviction.

3. Repayment of Economic Development Incentives in Event of Conviction for Employing Undocumented Workers. Notwithstanding any other provision of this Agreement, if, after receiving any Economic Development Incentive under the terms of this Agreement, the Company, or a branch, division or department of the Company, is convicted of a violation under 8 U.S.C. § 1324a (f), the Company shall pay to the City, not later than the 120^{th} day after the date the City notifies the Company of the violation, an amount equal to the total Economic Development Incentive previously paid by the City to the Company under the terms of this Agreement plus interest at the rate equal to the ***lesser*** of: (i) the Maximum Lawful Rate; or (ii) five percent (5%) per annum, such interest rate to be calculated on the amount of each Economic Development Incentive being recaptured from the date each Economic Development Incentive was paid by the City to the Company until the date repaid by the Company to the City and such interest rate shall adjust periodically as of the date of any change in the Maximum Lawful Rate.

4. Limitation on Economic Development Incentives. The City shall have no obligation to pay any Economic Development Incentives to the Company if the Company, or any branch, division or department of the Company is convicted of a violation under 8 U.S.C. § 1324a (f).

5. Remedies. Notwithstanding any other provision of this Agreement, the City shall have the right to exercise all remedies available by law to collect any sums due by the Company to the City pursuant to this Article V including, without limitation, all remedies available pursuant to Chapter 2264 of the Texas Government Code.

6. Limitation. Company is not liable for a violation of Article V of this Agreement by a subsidiary, affiliate, or franchisee of the Company, or by a person with whom the Company contracts.

7. Survival. The terms, provisions, covenants, agreements and obligations of the Company and the rights and remedies of the City set forth in Article V of this Agreement shall expressly survive the expiration or termination of this Agreement.

ARTICLE VI
Conditions Precedent to Payment of Economic Development Incentives

The Company and the City hereby expressly acknowledge and agree that the City's obligation to pay any of the Economic Development Incentives to the Company during the Term of this Agreement shall be conditioned upon the satisfaction of each and every one of the following conditions precedent (sometimes referred to singularly herein as a "**Condition Precedent**" and sometimes collectively referred to as the "**Conditions Precedent**"), to-wit:

1. <u>Payment Request.</u>

(a) The Company shall have submitted a Payment Request to the City no earlier than January 30th and no later than April 15th of the calendar year following the Incentive Tax Year for which the Payment Request is being made requesting payment of the Economic Development Incentive then due by the City to the Company pursuant to the terms of this Agreement. For example, the first such Payment Request shall be submitted no earlier than January 30, 2027, and no later than April 15, 2027, for the Economic Development Incentives for the second Incentive Tax Year, and subsequent Payment Requests shall be submitted no earlier than January 30th and no later than April 15th of each calendar year thereafter during the Incentive Period. Notwithstanding the foregoing and only for the Payment Request for the first Incentive Tax Year only, the Company shall have submitted a Payment Request to the City no earlier than sixty (60) days and no later than one hundred thirty-five days (135) after final determination of Landlord's pending protest of the Dallas Central Appraisal District's 2026 appraised value of the NL Ventures Land and Buildings.

(b) Each Payment Request shall be accompanied by a Certificate of Compliance dated effective as of the date of the Payment Request and, as of the date of the Payment Request, all other Conditions Precedent set forth herein shall have been satisfied and are then continuing. In the event a Payment Request is not timely received by the City as required by the preceding subsection, then Company's rights to the applicable Incentive Payment for that Incentive Tax Year shall be deemed waived and the City shall have no duty or liability to pay the applicable Incentive Payment.

2. <u>Lease of NL Ventures Buildings</u>. The Company shall lease one hundred percent (100%) of the NL Ventures Buildings for a primary term commencing no later than January 1, 2026, and terminating no earlier than December 31, 2035 (the "**Lease Requirement**"). The Company shall deliver to the City a copy of the Lease satisfying the Lease Requirement on or before January 31, 2026.

3. <u>Ownership of Company Land and Buildings</u>. The Company shall own the Company Land and Buildings from January 1, 2026 through December 31, 2035.

4. <u>Certificate of Occupancy, Company's Business and Company's Headquarters</u>. From January 1, 2026 through December 31, 2035, the Company shall do all of the following: (a) have and maintain a Certificate of Occupancy for the NL Ventures Buildings and Company Buildings; (b) occupy one hundred percent (100%) of the NL Ventures Buildings and Company Buildings to conduct Company's Business; and (c) have and maintain Company's corporate headquarters at the Mesquite Facility during said time period.

5. Inspection. The Company shall provide the City, its agents and employees with access to the Mesquite Facility at such times as the City may reasonably request to conduct such inspections as the City deems necessary in order to confirm compliance by the Company with the representations, covenants and agreements of the Company as set forth in this Agreement provided the City has given the Company at least seventy-two (72) hours prior written notice of such inspection. The Company shall provide a representative of the Company to accompany the City during all inspections of the Mesquite Facility conducted by the City.

6. Timely Payment of Taxes. The Company shall timely pay, or ensure payment of, all applicable governmental taxes for the Mesquite Facility, or otherwise, including, but not limited to the Ad Valorem Taxes assessed against the NL Ventures Land and Buildings, Company Land and Buildings, and the tangible personal property located at the Mesquite Facility during the Term of this Agreement (including, without limitation, Business Personal Property), prior to the date such taxes become delinquent, and prior to the City making any Incentive Payment. Company understands and agrees that payment in full of the taxes described herein is a condition precedent of any and all Economic Development Incentives, regardless of whether Company is required to pay the taxes under its lease with Landlord.

7. Compliance with Laws. The Company shall comply with all applicable federal, state and local laws, ordinances and regulations during the Term of this Agreement.

8. Payment of Fees. The Company or the Landlord shall have timely paid to the City all permit, development, review, inspection fees and such other fees due and payable to the City in connection with the operation of Company's Business at the Mesquite Facility.

9. Maintenance Obligations. The Mesquite Facility shall, as of the date of the Payment Request, be in compliance with all applicable building codes, zoning ordinances and all other codes, ordinances and regulations of the City applicable to the Mesquite Facility.

10. Records and Reports. The Company shall have delivered to the City copies of such records and such other documentation as the City may reasonably request to confirm compliance by the Company with the Conditions Precedent.

11. Performance of this Agreement. The Company shall have timely kept and performed all terms, provisions, agreements, covenants, conditions and obligations to be kept or performed by the Company under the terms of this Agreement and no Company Default shall then exist and no event shall exist which, but for notice, the lapse of time, or both, would constitute a Company Default under the terms of this Agreement.

12. Performance of other Agreements. The Company shall have timely kept and performed all terms, provisions, agreements, covenants, conditions and obligations to be kept or performed by the Company under the terms of all other agreement(s) now and hereafter existing between the Company and the City, if any, and no default shall then exist under the terms of such agreement(s) and no event shall exist which, but for notice, the lapse of time, or both, would constitute a default by the Company under the terms of such agreement(s).

13. No Conviction for Undocumented Workers. As of the date of the Payment Request, and at all times during the Term of this Agreement prior to the Payment Request, the Company shall not have been convicted by a court of competent jurisdiction of knowingly employing

Undocumented Workers to work for the Company at the Mesquite Facility or at any other branch, division or department of the Company.

ARTICLE VII
Economic Development Incentives

1. Cash Grant. Provided the Conditions Precedent set forth in Article VI of this Agreement have been satisfied and are then continuing, the City hereby approves an economic development grant to the Company in the form of a cash grant in the sum of One Hundred Thousand Dollars ($100,000).

2. Grant of Economic Development Incentives for Real Property Ad Valorem Taxes on the Mesquite Facility. Provided the Conditions Precedent set forth in Article VI of this Agreement have been satisfied and are then continuing, and subject to the terms of this Agreement including but not limited to the Economic Development Incentives Maximum, the City hereby approves an economic development grant to the Company for each Incentive Tax Year during the Term of this Agreement from the revenue in the City's general funds. The amount of the Incentive Payment for each Incentive Tax Year during the Incentive Period shall be calculated annually upon timely receipt of a complete Payment Request by subtracting the Mesquite Facility Real Property Base Value from the total amount of real property (land and buildings) taxes paid to the City for the Mesquite Facility and collected by the City for the Incentive Tax Year for which the Incentive Payment is sought, and multiplying that sum by twenty-five percent (25%). For purposes of clarity and as an example only, if the City received the sum of $244,795.66 for Incentive Tax Year 2025 for the real property taxes owed on the Mesquite Facility, the amount of the Incentive Payment for Incentive Tax Year 2025 would be $37,025.73, calculated as follows: $244,795.66 - $ 96,692.74 = $148,102.92 x .25 = $37,025.73.

3. Grant of Economic Development Incentives for Business Personal Property Ad Valorem Taxes for the Mesquite Facility. Provided the Conditions Precedent set forth in Article VI of this Agreement have been satisfied and are then continuing, and subject to the terms of this Agreement including but not limited to the Economic Development Incentives Maximum, the City hereby approves an economic development grant to the Company for each Incentive Tax Year during the Term of this Agreement from the revenue in the City's general funds calculated upon timely receipt of a complete Payment Request by subtracting the Mesquite Facility Business Personal Property Base Value from the total amount of taxes paid to the City for Business Personal Property taxes for the Mesquite Facility and collected by the City for the Incentive Tax Year for which the Incentive Payment is sought, and multiplying that sum by fifty percent (50%). For purposes of clarity and as an example only, if the City received the sum of $122,979.66 for Incentive Tax Year 2025 for the Business Personal Property taxes owed on the Mesquite Facility, the amount of the Incentive Payment for Incentive Tax Year 2025 would be $22,180.91, calculated as follows: $ 122,979.66 - $78,617.84 = $44,361.82 x .50 = $22,180.91.

4. Other Taxing Entities. The Parties acknowledge and agree that Ad Valorem Taxes assessed or collected against the Mesquite Facility by the Mesquite Independent School District, the County of Dallas and/or any other taxing entity other than the City shall not be included in determining the amount of any Economic Development Incentive payable under the terms of this Agreement.

5. Payment of Economic Development Incentives. Provided all Conditions Precedent set forth in Article VI have been satisfied and are then continuing, the Economic Development Incentives set forth in this Article VII, Sections 1, 2 and 3 above, shall be payable by the City to the Company in annual payments (referred to herein as "**Incentive Payments**") on the later of: (i) June 1st of the calendar year following the Incentive Tax Year for which the Incentive Payment is payable; or (ii) sixty (60) days after all Conditions Precedent to the payment of such Incentive Payment have been satisfied. In no event shall the total and cumulative amount of Incentive Payments exceed the Economic Development Incentives Maximum.

6. Funds Available for Payment of Economic Development Incentives. The grants of Economic Development Incentives payable by the City to the Company as more fully set forth in this Agreement are not secured by a pledge of Ad Valorem Taxes or financed by the issuance of any bonds or other obligations payable from Ad Valorem Taxes of the City. The Economic Development Incentive payable hereunder shall be paid only from funds of the City authorized by Article III, Section 52-a, of the Texas Constitution and Texas Local Government Code Chapter 380. Each Incentive Payment shall be subject to the City's appropriation of funds for such purpose to be paid in the budget year for which the Incentive Payment is to be made. The provisions of this Article VII, Section 4 shall expressly survive the expiration or termination of this Agreement.

7. Economic Development Incentives Maximum. The total cumulative amount of the Economic Development Incentives made through Incentive Payments to the Company under Article VII, Sections 1 and 2, under this Agreement shall not exceed, under any circumstances whatsoever, the maximum and cumulative amount of Six Hundred Thousand Dollars ($600,000.00) (the "**Economic Development Incentives Maximum**"). In the event of any conflict between this provision and any other provision of this Agreement, this provision shall control.

8. Agreement Regarding Protest, Challenge or Appeal of Property Valuations. The Company acknowledges that a material consideration for the City's agreement to enter into this Agreement and to pay the Economic Development Incentives set forth herein is the City's expectation that the minimum real property and Business Personal Property taxable valuations of the Mesquite Facility will continue increasing and not decrease. The Company and/or the Landlord may protest, challenge or appeal the Business Personal Property and/or real property taxable value of the Mesquite Facility and/or Land for any Incentive Tax Year during the Term of this Agreement provided, however, in consideration of the City's agreement to enter into this Agreement and grant the Economic Development Incentives under the terms and conditions set forth herein, the Parties agree that if such protest, challenge or appeal results in a reduction in the valuation of the Land or Business Personal Property of the Mesquite Facility for such Incentive Tax Year to an amount less the Minimum Taxable Valuations, then no Incentive Payment will be due or payable by the City to the Company for that Incentive Tax Year and any other Incentive Tax Year in which the foregoing Minimum Taxable Valuations are not achieved.

ARTICLE VIII
Events of Default

1. Each of the following shall constitute a "**Company Default**" or "**City Default**", as applicable, under this Agreement:

(a) **General Event of Default.** Failure of Company or City to comply with or to timely perform any term, obligation, covenant or condition contained in this Agreement, or failure of Company or City to comply with or to perform any other term, obligation, covenant or condition contained in any other agreement by and between Company and City, if any.

(b) **False Statements.** A determination by the City that any warranty, representation, or statement made or furnished to the City by or on behalf of Company under this Agreement is false or misleading in any material respect, either now or at the time made.

(c) **Event of Bankruptcy or Insolvency.** The occurrence of an Event of Bankruptcy or Insolvency of either Party.

(d) **Ad Valorem Taxes.** Ad Valorem Taxes owed to the City become delinquent and Company fails to cure, and/or cause the Landlord to cure, such failure within thirty (30) days after written notice thereof from City or the applicable appraisal district, as applicable.

(e) **Payments of Fees**. Company or Landlord does not timely pay City all impact fees, permit fees, development fees, review fees, inspection fees and such other fees owed by Company or Landlord to City in connection with the Mesquite Facility.

(f) **Contract Compliance**. Company or City has breached a material provision of this Agreement beyond the notice and cure periods, if applicable, set forth herein.

(g) **Assignment.** Company assigns this Agreement, in whole or in part, in violation of Article XI, section 1 of this Agreement.

(h) **Business Closure**. Company permanently closes Company's Business at the Company Buildings or NL Ventures Buildings or otherwise ends the Company's Business at the Company Buildings or NL Ventures Buildings.

(i) Excepting and excluding Article VIII.1.(c) and (d) immediately above, in the Event of Default under this Article VIII, the non-defaulting Party shall give written notice to the other Party of any default, and the defaulting Party shall have thirty (30) days to cure said default. Should said default remain uncured, the non-defaulting Party shall have the right to terminate this Agreement or maintain a cause of action for damages, as limited herein, caused by the event(s) of default.

ARTICLE IX
Remedies

1. City Remedies. In the event of a Company Default that has continued uncured beyond any applicable grace or cure period, the City shall have no obligation to pay any Incentive Payment to the Company and the City shall have the right to: (a) if already paid, recapture the Incentive Payments paid by the City to the Company as more fully set forth herein; and (b) terminate this Agreement by written notice to the Company in which event neither Party hereto shall have any further rights or obligations hereunder except for those that expressly survive the termination of this Agreement. In the event of an uncured Company Default and should the City have already paid an Incentive Payment to Company, Company shall immediately pay to the City, at the City's address set forth in this Agreement, the amount of all Incentive Payments paid by City to Company plus interest at the rate equal to the lesser of: (i) the Maximum Lawful Rate; or

(ii) six percent (6%) per annum, such interest rate to be calculated on each Incentive Payment being recaptured from the date such Incentive Payment was paid by the City until the date repaid by the Company to the City and such interest rate shall adjust periodically as of the date of any change in the Maximum Lawful Rate. The remedies provided in this Section are in addition to any other rights and remedies available to the City under this Agreement and applicable law.

2. Company Remedies. Upon the occurrence of a City Default that has continued uncured beyond any applicable grace or cure period, Company shall have the right as its sole remedies to: (a) terminate this Agreement by written notice to the City in which event neither Party hereto shall have any further rights or obligations hereunder except for those that expressly survive the termination of this Agreement; or (b) recover from the City the amount of any Economic Development Incentive then earned, owed and unpaid by the City as its exclusive damages in accordance with the following provisions. The recovery of damages against the City shall not include attorney's fees, court costs, or consequential, punitive, exemplary, or speculative damages including, but not limited to, lost profits. The City and Company acknowledge and agree that this Agreement is not a contract for goods or services and the City's immunity from suit is not waived pursuant to Subchapter I of Chapter 271, V.T.C.A., Local Government Code, as amended. Alternatively, if and only in the event a court of competent jurisdiction determines the City's immunity from suit is waived under Subchapter I of Chapter 271, V.T.C.A., Local Government Code, the Parties hereby acknowledge and agree that in a suit against the City for breach of this Agreement or otherwise to recover damages:

(a) the total amount of damages, if any, awarded against the City shall be limited to actual damages in an amount not to exceed that of the Incentive Payment then earned by the Company, owed and unpaid by the City;

(b) any Incentive Payment past due and not paid following the required notice and cure period shall accrue interest at the lesser of: (i) the Maximum Lawful Rate; or (ii) six percent (6%) per annum beginning the day after expiration of the cure period until paid, and such interest rate shall adjust periodically as of the date of any change in the Maximum Lawful Rate; and

(c) the recovery of damages against the City shall not include attorneys' fees, court costs, or consequential, punitive, exemplary, or speculative damages including, but not limited to, lost profits.

3. Survival. All terms, provisions, agreements, covenants, conditions, obligations, rights and remedies of each Party pursuant to this Article shall expressly survive the expiration or termination of this Agreement.

ARTICLE X
Unilateral Release by Company of City

1. Company alleges City overbilled Company for utilities, that Company paid City for utilities that were not owed by Company, and that City now owes Company for the alleged overbilled amount paid by Company. In consideration of the City entering into this Agreement, Company desires to release all claims against the City.

2. City's Consideration. City's execution of this Agreement and agreement to pay the Economic Development Incentives to Company is the consideration for Company's release. By execution of this Agreement by Company's authorized representative, Company acknowledges receipt and adequacy of this consideration.

3. Release by Company. Company, its agents, officers, directors, representatives, members, attorneys, predecessors, successors, assigns, insurance carriers, partners, and employees, for good and valuable consideration received, hereby releases and forever discharges the City, its agents, representatives, officers and officials, attorneys, predecessors, successors, assigns, insurance carriers, risk pools, and employees (the "**Released Parties**"), of and from each and every, any and all claims for relief, causes of actions, demands, debt, liability, damages, expense or cost of any and every character and nature whatsoever, whether known or unknown, direct or indirect, arising prior to Company's execution of this Agreement (the "**Released Claims**"). The Released Claims include but are not limited to any and all claims arising out of the law of contracts, torts or property rights, whether arising under statutory law, constitutional law or common law, at law or in equity, including, but not limited to, claims for breach of contract, trespass, takings, negligence, lost profits, exemplary damages, attorneys' fees, court costs, pre-judgment interest and post-judgment interest.

4. Finality of Release. If a Party hereafter discovers facts different from or in addition to those which he or it now knows or believes to be true with respect to the subject matter of this Agreement or any other matter released herein, excepting and excluding any representations and warranties made herein, the releases contained herein shall be and remain effective in all respects, notwithstanding such different or additional facts or the discovery thereof. The Parties intend that the release provisions of this Article be unilateral, being of and from Company. The Parties further understand and agree that these releases specifically exclude all claims of every nature and kind whatsoever, whether known or unknown, which arise as the result of the breach by any Party of their obligations, representations or warranties under this Agreement. The releases of this Article shall be binding on Company, its heirs, legatees, executors, administrators, representatives, successors and assigns. It shall serve as a contract with legal consequences and is entered into freely and without coercion. Company acknowledges its authorized representative has read this document carefully before signing for and on behalf of Company.

5. Indemnification. COMPANY AGREES TO INDEMNIFY AND HOLD HARMLESS THE RELEASED PARTIES AGAINST THE FULL AMOUNT OF ANY LIABILITY, LOSS, CLAIM, DAMAGE OR EXPENSE (INCLUDING ATTORNEYS' FEES INCURRED AND ANY JUDGMENT REQUIRED TO BE PAID) IN CONNECTION WITH EACH AND EVERY, ANY AND ALL CLAIMS OR DEMANDS MADE AGAINST THE RELEASED PARTIES, WHICH CLAIMS OR DEMANDS ARISE OUT OF, BY, THROUGH OR FROM THE RELEASED CLAIMS.

6. **Ownership and No Assignment**. Company does hereby represent and expressly warrants to the City that Company is the owner of the Released Claims and that such claims, rights, title and any interest therein have not been assigned, transferred, pledged, encumbered or otherwise alienated in any way and no liens against such claims exist.

ARTICLE XI
Miscellaneous Provisions

1. Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties hereto, their respective successors and permitted assigns provided, however, except as described below, notwithstanding anything contained herein to the contrary, this Agreement may not be assigned or transferred without the express written consent of the other Party. No assignment of this Agreement shall contain any terms in contravention of any provisions of this Agreement. No assignment of this Agreement shall be effective unless: (i) the assignment is in writing signed by the assignor and the assignee; (ii) the assignee assumes the assignor's obligation to timely keep and perform all terms, provisions, agreements, covenants, conditions and obligations of the assignor under the terms of this Agreement; (iii) a true and correct copy of such assignment has been provided to the City; and (iv) the City has approved such assignment in writing. Every assignee shall be subject to and bound by all the provisions, covenants, and conditions of this Agreement and shall be required to obtain the prior written consent of the City with respect to any future or further assignment. Any attempted assignment in violation of the terms and provisions of this Agreement shall be void and shall constitute a material breach of this Agreement by Company and in the event Company attempts to assign this Agreement in violation of this section, the City shall have the right to terminate this Agreement with Company for cause by written notice to Company.

2. Notices. Any notice and/or certificate or statement required or permitted to be given to any Party under the terms of this Agreement shall be in writing and shall be considered properly given if sent by United States electronically tracked certified mail, return receipt requested, in a postage paid envelope addressed to the respective Party at the following addresses or by delivery of the notice in person to the intended addressee by hand delivery or by a nationally recognized courier service for overnight delivery having the ability to track shipping and delivery of notices including but not limited to services such as Federal Express or United Parcel Service (UPS). Notices mailed by certified mail as set forth above shall be effective three (3) business days after deposit in the United States mail. Notices sent by a nationally recognized courier service as set forth above shall be effective one (1) business day after deposit with the nationally recognized courier service. Notices given in any other manner shall be effective only if and when received by the addressee. For purposes of notice, the addresses of the Parties shall be as set forth below; provided, however, that any Party shall have the right to change such Party's address for notice purposes by giving the other Party at least thirty (30) days prior written notice of such change of address in the manner set forth herein:

(a) For purposes of notice, the address of the Company shall be as follows:

COMPANY: Fritz Industries, Inc.
230 N. Sam Houston Road
Mesquite, TX 75149-2715
Attn: Dan Montgomery
Phone: _______________
Email: ________________

(b) For purposes of notice, the address of the City shall be as follows:

CITY: City of Mesquite
1515 N. Galloway Avenue
Mesquite, TX 75149
Attention: City Manager

With a copies to:

Director of Economic Development
City of Mesquite
1515 N. Galloway Ave.
Mesquite, Texas 75149

City Attorney
City of Mesquite
1515 N. Galloway Ave.
Mesquite, Texas 75149

3. Right to Offset. The City shall have the right to offset any amounts due and payable by the City under this Agreement against any debt (including taxes) lawfully due and owing by the Company to the City regardless of whether the amount due arises pursuant to the terms of this Agreement or otherwise, and regardless of whether the debt has been reduced to judgment by a court.

4. Remedies Cumulative. The Parties hereby agree that each right and remedy of the Parties provided for in this Agreement shall be cumulative.

5. Authority. The Company represents that it is duly formed, validly existing and in good standing under the laws of the State of its formation and is duly authorized to transact business in the State of Texas. The Company represents that it has the full power and authority to enter into and fulfill its obligations under this Agreement and that the Person signing this Agreement on behalf of the Company has the authority to sign this Agreement on behalf of the Company. This Agreement was authorized by resolution of the City Council approved at a duly noticed City Council meeting.

6. No Acceleration. All amounts due pursuant to this Agreement and any remedies under this Agreement are not subject to acceleration.

7. Captions. The descriptive captions of this Agreement are for convenience of reference only and shall in no way define, describe, limit, expand or affect the scope, terms, conditions, or intent of this Agreement.

8. Sovereign Immunity. No Party hereto waives any statutory or common law right to sovereign or governmental immunity by virtue of its execution hereof.

9. Modification. No alteration of or amendment to this Agreement shall be effective unless in writing and signed by the Party or Parties sought to be charged or bound by the alteration or amendment.

10. Interpretation. Regardless of the actual drafter of this Agreement, this Agreement shall, in the event of any dispute over its meaning or application, be interpreted fairly and reasonably, and neither more strongly for or against any Party.

11. Waivers. Except as otherwise provided herein, all waivers, to be effective, must be in writing and signed by the waiving Party. No failure by any Party to insist upon the strict or timely performance of any covenant, duty, agreement, term or condition of this Agreement shall constitute a waiver of any such covenant, duty, agreement, term or condition. No delay or omission in the exercise of any right or remedy accruing to any Party upon a default of this Agreement shall impair such right or remedy or be construed as a waiver of any such breach or a waiver of any breach theretofore or thereafter occurring.

12. Governing Law; Venue. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Texas (without giving effect to any conflict of law principles that would result in the application of the laws of any state other than Texas). The Parties agree that venue of any suit to construe or enforce this Agreement shall lie exclusively in state courts in Dallas County, Texas.

13. **WAIVER OF CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR SPECULATIVE DAMAGES. THE COMPANY AND THE CITY AGREE THAT, IN CONNECTION WITH ANY ACTION, SUIT OR PROCEEDING ARISING FROM OR RELATING TO THIS AGREEMENT, EACH PARTY MUTUALLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY CLAIM FOR CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR SPECULATIVE DAMAGES. THIS SUBSECTION SHALL EXPRESSLY SURVIVE THE EXPIRATION OR TERMINATION OF THIS AGREEMENT.**

14. Severability. The sections, paragraphs, sentences, clauses, and phrases of this Agreement are severable and, if any phrase, clause, sentence, paragraph, or section of this Agreement should be declared invalid, illegal or unenforceable by the final judgment or decree of any court of competent jurisdiction, such invalidity shall not affect the validity or enforceability of any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Agreement and such remaining provisions shall remain in full force and effect and shall be construed and enforced as if the invalid provision had never been included in the Agreement.

15. No Partnership or Joint Venture. Nothing contained in this Agreement shall be deemed or construed by the Parties hereto, nor by any third party, as creating the relationship of partnership or joint venture between the Parties.

16. No Third Party Beneficiaries. The Parties to this Agreement do not intend to create any third party beneficiaries of the contract rights contained herein, including but not limited to the Landlord. This Agreement shall not create any rights in any individual or entity that is not a signatory hereto. No Person who is not a party to this Agreement may bring a cause of action pursuant to this Agreement as a third party beneficiary.

17. Number and Gender. Whenever used herein, unless the context otherwise provides, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all other genders.

18. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same document.

19. Entire Agreement. This Agreement sets forth the entire agreement between the Parties with respect to the subject matter hereof, and all prior discussions, representations, proposals, offers, and oral or written communications of any nature are entirely superseded hereby and extinguished by the execution of this Agreement. There are no oral agreements between the Parties.

20. Usury Savings Clause. The Company and the City intend to conform strictly to all applicable usury laws. All agreements of the City and the Company are hereby limited by the provisions of this subsection which shall override and control all such agreements, whether now existing or hereafter arising and whether written or oral. In no event shall any interest contracted for, charged, received, paid or collected under the terms of this Agreement exceed the Maximum Lawful Rate or amount of non-usurious interest that may be contracted for, taken, reserved, charged, or received under applicable law. If, from any possible development of any document, interest would otherwise be payable to City in excess of the Maximum Lawful Rate, any such construction shall be subject to the provisions of this subsection and such document shall be automatically reformed and the interest payable to the City shall be automatically reduced to the Maximum Lawful Rate, without the necessity of execution of any amendment or new document. If the City shall ever receive anything of value which is characterized as interest under applicable law and which would apart from this provision be in excess of the Maximum Lawful Rate, an amount equal to the amount which would have been excessive interest shall at the option of the City be refunded to Company or applied to the reduction of the principal amount owing under this Agreement or such document in the inverse order of its maturity and not to the payment of interest. The right to accelerate any indebtedness does not include the right to accelerate any interest which has not otherwise accrued on the date of such acceleration, and City does not intend to charge or receive any unearned interest in the event of acceleration. All interest paid or agreed to be paid to the City shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full stated term (including any renewal or extension) of such indebtedness so that the amount of interest on account of such indebtedness does not exceed the Maximum Lawful Rate.

21. Non-Collusion. The Company represents and warrants that neither the Company, nor anyone on the Company's behalf has given, made, promised or paid, nor offered to give, make, promise or pay any gift, bonus, commission, money or other consideration to any employee, agent, representative or official of the City as an inducement to or in order to obtain the benefits to be provided by the City under this Agreement.

22. Date for Performance. If the time period by which any act required hereunder must be performed falls on a Saturday, Sunday, legal or City holiday, then such time period shall be automatically extended through the close of business on the next regularly scheduled business day.

23. Form 1295 Certificate. The Company agrees to comply with Texas Government Code, § 2252.908 and in connection therewith, the Company agrees to go online with the Texas Ethics Commission to complete a Form 1295 Certificate and further agree to print the completed certificate and execute the completed certificate in such form as is required by Texas Government Code, § 2252.908 and the rules of the Texas Ethics Commission and provide to the City, at the

time of delivery of an executed counterpart of this Agreement, a duly executed completed Form 1295 Certificate.

24. Execution of Agreement by Parties. If this Agreement is not executed by the Company and City within sixty (60) days after approval by the City Council of the City of Mesquite, Texas, this Agreement will be null and void and of no force or effect.

25. Time is of the Essence. THE PARTIES SPECIFICALLY AGREE THAT TIME IS OF THE ESSENCE OF EACH AND EVERY PROVISION OF THIS AGREEMENT AND EACH PARTY HEREBY WAIVES ANY RULE OF LAW OR EQUITY WHICH WOULD OTHERWISE GOVERN TIME OF PERFORMANCE.

26. Non-Boycott of Israel Provision. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under §§ 2271.001-002 TEX. GOV'T. CODE, Company and its parent company, wholly or majority- owned subsidiaries, and other affiliates, if any, verifies that it (1) does not boycott Israel; and (2) will not boycott Israel during the term of the agreement. Chapter 2271 of the Texas Government Code does not apply to a (1) a business that is a sole proprietorship; (2) a business that has fewer than ten (10) full-time employees; or (3) the contract has a value of less than One Hundred Thousand Dollars ($100,000.00). The foregoing verification is made solely to comply with Chapter 2271, TEX. GOV'T. CODE, to the extent the appliable provision in Chapter 2271.001, TEX. GOV'T. CODE does not contravene applicable Texas or federal law. As used in the foregoing verification, "boycott Israel" shall have the meaning assigned to such term in § 808.001(1), TEX. GOV'T. CODE. Company understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Company and exists to make a profit.

27. Prohibition on Contracts with Certain Companies Provision. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under §§ 2252.151-.154 TEX. GOV'T. CODE, Company hereby certifies that Company is not on a list maintained by the State Comptroller's office prepared and maintained pursuant to § 2252.153 of the Texas Government Code.

28. Firearm Entity or Trade Association. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under § 2274.002 (b) TEX. GOV'T. CODE, (i) the Company verifies that it does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and (ii) the Company will not discriminate during the term of the contract against a firearm entity or firearm trade association. The foregoing verification is made solely to comply with Chapter 2274, TEX. GOV'T. CODE, to the extent the appliable provision in Chapter 2274.002, TEX. GOV'T. CODE does not contravene applicable Texas or federal law. As used in the foregoing verification, "firearm entity or firearm trace association" shall have the meaning assigned to the terms in § 2274.001 (6), (7), TEX.GOV'T.CODE. Company understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Company and exists to make a profit

29. Energy Boycott. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under §§ 2276.002(b)(1),(2) TEX. GOV'T. CODE, Company hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to

comply with § 2274.002, TEX. GOV'T. CODE, as amended, to the extent § 2274.002, TEX. GOV'T. CODE does not contravene applicable Texas or federal law. As used in the foregoing verification, "boycott energy companies" shall have the meaning assigned to the term "boycott energy company" in § 809.001, TEX.GOV'T.CODE. Contractor understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Company and exists to make a profit.

30. Report Agreement to Comptroller's Office. City covenants and agrees to report this Agreement to the State Comptroller's office within fourteen (14) days of the Effective Date of this Agreement, in accordance with § 380.004 of the Texas Government Code, as added by Texas House Bill 2404, 87th Tex. Reg. Session (2021) (effective September 1, 2021).

31. Reservation of Legislative Authority. Notwithstanding any provision in this Agreement, this Agreement does not control, waive, limit or supplant the legislative authority or discretion of the City Council of the City of Mesquite.

32. City Council Authorization. This Agreement must be authorized and approved by resolution of the City Council at a City Council meeting.

33. Dispute Resolution. Any controversy or claim ("**Claim**") arising from or relating to this Agreement or a breach thereof shall be subject to non-binding mediation, as a condition precedent to the institution of legal or equitable proceedings by any Party unless the institution of such legal or equitable proceeding is necessary to avoid the running of an applicable statute of limitation. The Parties shall endeavor to resolve their claims by non-binding mediation for a period not to exceed sixty days from the date of the Claim. The mediation shall be held in Dallas County, Texas and the Parties shall share the costs of mediation equally.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement by their duly authorized agents, officers and/or officials on the dates set forth below.

<u>CITY</u>:

CITY OF MESQUITE, TEXAS,
A Texas home-rule municipality

____
Cliff Keheley, City Manager

ATTEST:

____
Sonja Land
City Secretary

STATE OF TEXAS §
§
COUNTY OF DALLAS §

This instrument was acknowledged before me on the ___ day of December 2025 by Cliff Keheley, as City Manager of the City of Mesquite, Texas, a Texas home rule municipality, on behalf of said municipality.

____
Notary Public, State of Texas

<u>COMPANY</u>:

Fritz Industries, Inc., a Texas corporation

By: _________________________________
Dan Montgomery
Its: President and Chief Executive Officer

STATE OF TEXAS §
§
COUNTY OF DALLAS §

This instrument was acknowledged before me on the ___ day of December 2025, by <u>Dan</u> Montgomery, as President and Chief Executive Officer of Fritz Industries, Inc., a Texas corporation, on behalf of said corporation.

____
Notary Public, State of Texas

Exhibit A
Land Legal Description

NL Ventures Land
500 N. Sam Houston Road
Mesquite, TX 75149
DCAD Account No. 381921000A22R0000
Skyline Industrial Village No. 1
Blk A Lt 22R ACS 17.9997

Company Land
2900 Executive Blvd.
Mesquite, TX 75149
DCAD Account No. 381925000B2R10000
Blk B Lt 2R1 ACS 6.4907