

Location: 102 East I-20 Hwy
 Property Owner: VSCL Corporation
 2202 E Randol Mill Rd
 Arlington TX 76011

About the Project

Canales V.C Investments LLC, dba Canales Furniture, located its national headquarters and distribution facility to a renovated building at the corner of Matlock Road and I-20, former site of the Fry's Electronics store. Canales is a producer and distributor of home furniture and is looking to expand its presence throughout Texas. The facility is approximately 200,000 square feet and is expected to be home to 70 employees initially with growth during the 10-year term of this Agreement to over 100 employees. Canales also plans a \$3m renovation of the vacant big box building. The 380 Agreement requires Canales establish a 30% MWBE goal for design and construction of the renovations and achieve a minimum of \$5m in annual taxable sales at the location. The Agreement provides the following incentives: \$1k grant for every permanent position filled by an Arlington resident at the location, up to \$100k, and a \$1.5m reimbursement grant to assist in the renovation costs to be paid over three fiscal years. In addition, the City purchased approximately 4.5 acres of surplus property Canales is acquiring in conjunction with their acquisition of the former Fry's site but does not currently need for their operations. The purchase price is \$3.4m. The City will provide Canales with a five-year option to repurchase the 4.5 acres from the City for the purchase price; otherwise, the City will look to redevelop the site for a public purpose. NOTE: This agreement was later amended to add additional Canales family entities: VCSL Corporation, who purchased the real property and made exterior and interior renovations, and LIC Canales Enterprises LLC. All three entities are separate corporate entities that conduct the furniture sales and distribution business, and each is responsible for individual obligations under the Chapter 380 agreement while all three entities will share joint and severable

Goals of the Project

Corporate headquarter relocation; job creation

Current Status

Company is in the process of renovating the building.

Benefit to City

Redeveloped and filled a large, empty big box store, curing a blighted area, adding additional property and sales tax revenues to the City, and brought new jobs to the area.

Year Approved by Council	2021	
Base Year	n/a	
Beginning Year	2024	
Ending Year	2028	
Duration	5 years	
Base Year Value	n/a	
Property Tax Account Number(s)	06542581	Real property
	06542603	Real property
	11637234	Business personal property
	12717827	Business personal property
	13441450	Business personal property
	41453751	Business personal property
	14917128	Business personal property
Total Incentives Allowed	\$ 1,600,000	relocation grant + hiring grant
Total Estimated Investment by Company*	\$ 3,000,000	+ cost of relocation of its headquarters
Total Funds Distributed to Company To Date	\$ -	

Criteria Evaluated

- Owner shall purchase the premises no later than January 1, 2022
- Owner shall complete the project no later than December 31, 2024
- Owner shall relocated its business operations to the premises no later than January 1, 2025 and maintain its operations at the premises for the duration of the agreement
- Owner shall create and fill no less than 70 jobs at the premises by January 1, 2025, and create an additional 30 jobs (for a total of no less than 100 jobs) at Beginning in 2025 and for each calendar year thereafter and for the remainder of the agreement, owner shall produce no less than \$5,000,000 in annual Premises shall conform to all applicable building codes, zoning ordinances, and all other state, federal, or local laws, ordinances, and regulations, and will Owner shall not allow the ad valorem taxes owed to City on any property owned by the Owner and located within the City of Arlington to become Owner agrees to use diligent efforts to cause its contractors and subcontractors to purchase all goods and services from Arlington businesses whenever

Incentives Allowed

City agrees to waive all development fees including fees for plan review, building permit and inspection, irrigation review and inspection, early grading Three reimbursement grants, each in the amount of \$500k, not to exceed a total amount of \$1.5m. First grant payment within 30 days of owner receiving a Hiring grant: \$1k per new job filled by the owner at the premises during the coverage period by an Arlington resident, and where owner is compensated

Hiring Incentive Payments		Year	Annual Payments	TOTAL PAYMENTS
FY27	-			
FY28	-			
TOTAL	-			
		FY23 Permit		TOTAL
		FY23 2nd pmt		-
		FY24 3rd pmt		
		TOTAL	-	

Resolution No. 21-320

A resolution authorizing the execution of a Chapter 380 Performance Agreement by and between Canales V.C Investments LLC and the City of Arlington, Texas relative to development of a corporate headquarters, warehouse distribution facility, and retail showroom at 102 East I-20 in Arlington, Texas

- WHEREAS, CITY has found that providing a program of incentives to Canales V.C Investments LLC (hereinafter referred to as "OWNER") in exchange for OWNER'S completion of the project proposed by OWNER will promote local economic development and stimulate business and commercial activity and create jobs within the City of Arlington (hereafter referred to as "PROGRAM"); and
- WHEREAS, Chapter 380 of the Local Government Code provides statutory authority for establishing and administering the PROGRAM provided herein; and,
- WHEREAS, CITY has determined that the PROGRAM will directly establish a public purpose and that all transactions involving the use of public funds and resources in the establishment and administration of the PROGRAM contain controls likely to ensure that the public purpose is accomplished; and
- WHEREAS, the Arlington City Council has elected to participate in economic development incentives in accordance with V.T.C.A. Local Government Code, Chapter 380, and has adopted policy statements, guidelines, criteria and procedures for evaluating and considering applications and agreements for such incentives; NOW THEREFORE

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ARLINGTON, TEXAS:

I.

That all of the recitals contained in the preamble of this resolution are found to be true and are adopted as findings of fact by this governing body and as part of its official record.

II.

That the City Manager or his designee is authorized to execute a Chapter 380 Performance Agreement with OWNER to provide certain economic incentives associated with the development of a corporate headquarters, warehouse distribution facility, and retail showroom at 102 East I-20 in Arlington, Texas.

III.

In authorizing the execution of and in executing the referenced agreement, the City of Arlington, Texas, through its City Council and City officials, hereby exercises a governmental function in accordance with but not limited to Section 101.0215 of the Texas Civil Practices and Remedies Code.

IV.

A substantial copy of the Chapter 380 Performance Agreement is attached hereto as Exhibit "A" and incorporated herein for all intents and purposes.

PRESENTED AND PASSED on this the 14th day of December, 2021, by a vote of 8 ayes and 0 nays at a regular meeting of the City Council of the City of Arlington, Texas.



JIM R. ROSS, Mayor

ATTEST:



ALEX BUSKEN, City Secretary

APPROVED AS TO FORM:
TERIS SOLIS, City Attorney

BY 

Exhibit "A"



THE STATE OF TEXAS §
 §
COUNTY OF TARRANT §

Chapter 380 Performance Agreement

THIS Chapter 380 Performance Agreement (hereafter referred to as "Agreement") is executed on 29 December, 2021 (hereafter referred to as "Effective Date"), by and between CANALES V.C INVESTMENTS LLC, an entity duly authorized to do business in the State of Texas, acting by and through its authorized officer (hereafter referred to as "OWNER"), and the CITY OF ARLINGTON, TEXAS, a home-rule city and municipal corporation of Tarrant County, Texas, acting by and through its City Manager or his designee, (hereafter referred to as "CITY").

WITNESSETH:

WHEREAS, CITY has found that providing a program of incentives to OWNER in exchange for OWNER's completion of the Project (defined herein) and relocation of its Business Operations (defined herein) to the Premises (defined herein) will promote local economic development and stimulate business and commercial activity and retain jobs within the City of Arlington (hereafter referred to as the "Program"); and

WHEREAS, the CITY has determined that the Program will directly establish a public purpose and that all transactions involving the use of public funds and resources in establishment and administration of the Program contain controls likely to ensure that the public purpose is accomplished; and

WHEREAS, Chapter 380 of the Local Government Code provides statutory authority for establishing and administering the Program provided herein; NOW THEREFORE;

The CITY and OWNER, 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. "Annual Taxable Sales" is defined as the total of all Taxable Items sold by OWNER, that are sited at the Premises and result in local sales tax being paid to the CITY, during the applicable calendar year.
- B. "Business Operations" is defined as operation of OWNER's corporate headquarters, a warehouse and distribution facility, and a retail showroom.
- C. "Job" is defined as a permanent, full-time employment position that results in actual paid employment of an employee, not independent contractor, at the Project of at least 1,820 hours per position in a year. It shall not include part time employees.

- D. "Premises" is defined as the land and improvements located at 102 East I-20, Arlington, Texas 76018, as depicted in **Exhibit "A"** which is attached hereto and incorporated herein for all purposes.
- E. "Project" is defined as the exterior and interior renovation of the existing 200,000 square foot building at the Premises, as further detailed in **Exhibit "B"** which is attached hereto and incorporated herein for all purposes.
- F. "Surplus Property" is defined as the approximate 4.5 acres of land and improvements identified in Exhibit "C" which is attached hereto and incorporated herein for all purposes.
- G. "Taxable Items" has the meaning assigned by Section 151.010 of the Texas Tax Code.

II. **Term**

This Agreement shall be effective on the date of execution and shall expire on the tenth (10th) anniversary of the date OWNER completes the Project (the "Term"), unless otherwise sooner terminated in accordance with the terms of this Agreement.

III. **Conditions and Requirements**

- A. OWNER shall purchase the Premises by no later than January 1, 2022.
- B. OWNER shall complete the Project by no later than December 31, 2024. Completion of the Project shall be evidenced by the issuance of certificates of occupancy by the CITY for the OWNER's Business Operations at the Premises.
- B. OWNER shall relocate its Business Operations to the Premises by no later than January 1, 2025 and OWNER shall maintain its Business Operation at the Premises for the remainder of the Term of this Agreement.
- C. OWNER shall create and fill no less than 70 Jobs at the Premises by January 1, 2025. OWNER shall create and fill an additional 30 Jobs, for a total of no less than 100 Jobs, at the Premises by no later than January 1, 2028 and OWNER shall maintain a minimum of 100 Jobs at the Premises for the remainder of the Term of this Agreement.
- D. Beginning in 2025 and for each calendar year thereafter for the remainder of the Term, OWNER shall produce no less than Five Million Dollars (\$5,000,000) in Annual Taxable Sales through its Business Operations at the Premises. OWNER

agrees to provide a waiver of confidentiality, on a form promulgated or approved by the Texas Comptroller of Public Accounts, signed by an authorized officer of the OWNER that allows the Texas Comptroller of Public Accounts to release sales tax information to the CITY.

- E. Throughout the Term, all activity at the Premises shall conform to the applicable building codes, zoning ordinances, and all other state, federal, or local laws, ordinances, and regulations. OWNER shall apply for and obtain all necessary governmental permits and approvals for the Project and operation of the Premises.
- F. Throughout the Term, OWNER shall not fail to render for taxation any property owned by OWNER and located within the City of Arlington.
- G. Throughout the Term, OWNER shall not allow the ad valorem taxes owed to CITY on any property owned by OWNER and located within the City of Arlington to become delinquent beyond the last day they can be paid without assessment of penalty, as such date is generally extended to allow for any appeal.
- H. During design and construction of the Project OWNER agrees to use diligent efforts and to cause its contractors and subcontractors to use diligent efforts to purchase all goods and services from Arlington businesses whenever such goods and services are comparable in availability, terms, quality, and price. OWNER also agrees to develop a policy that establishes a goal of thirty percent (30%) use by OWNER of qualified contractors, subcontractors, and suppliers where at least fifty-one percent (51%) of the ownership of such contractors, subcontractors, or suppliers is vested in racial or ethnic minorities or women for design and construction of the Project, which such policy shall contain reasonable exclusions.

IV.

Incentive Program

In exchange for OWNER's development of the Project, CITY agrees to provide the following incentive program:

- A. Fee Waiver. If all Conditions and Requirements set forth in Article III are satisfied, to the extent applicable at that point in time, CITY agrees to waive all development fees owed to the CITY for the Project. Development fees shall include plan review fees, building permit and inspection fees, park fees, irrigation review and inspection fees, early grading permit fees, landscape plan review fees, public utilities inspection fees, fire alarm permit and inspection fees, sprinkler system permit and inspection fees, fire pump permit and inspection fees, certificate of occupancy fees, water and sewer tap fees, water activation fees, meter and detector check fees, water and sewer impact fees, and roadway impact fees.

- B. Reimbursement Grants. If all Conditions and Requirements set forth in Article III are satisfied, to the extent applicable at that point in time, CITY agrees to provide three reimbursement grants in the amounts and on the schedule identified below.
1. The reimbursement grants shall be in the following amounts and be paid by CITY to OWNER on the following schedule:
 - i. Reimbursement Grant Payment Number One: Within 30 days of OWNER receiving a building permit for the Project, the lesser of Five Hundred Thousand Dollars (\$500,000) or the actual costs, demonstrated through documentation provided to the CITY, incurred by OWNER to complete the PROJECT.
 - ii. Reimbursement Grant Payment Number Two: On or before October 31, 2022, the lesser of Five Hundred Thousand Dollars (\$500,000) or the actual costs, demonstrated through documentation provided to the CITY, incurred by OWNER to complete the PROJECT and not previously reimbursed through Reimbursement Grant Payment Number One.
 - iii. Reimbursement Grant Payment Number Three: On or before October 31, 2023, the lesser of Five Hundred Thousand Dollars (\$500,000) or the actual costs, demonstrated through documentation provided to the CITY, incurred by OWNER to complete the PROJECT and not previously reimbursed through Reimbursement Grant Payment Number One or Reimbursement Grant Payment Number Two.
 2. Under no circumstances shall the cumulative total amount of the reimbursement grants exceed One Million Five Hundred Thousand Dollars (\$1,500,000).
 3. The reimbursement grants payable in future budget years shall be subject to the appropriation by the City Council of the CITY in a future budget of funds to pay such reimbursement grants. The CITY's obligation under this Agreement to pay the reimbursement grants shall not constitute a general obligation of the CITY or indebtedness under the constitution or laws of the State of Texas.
- C. Hiring Grant. If the Improvement Conditions and Requirements set forth in Section III are satisfied, to the extent applicable at that point in time, CITY agrees to provide grant payments to OWNER calculated as follows:
1. One Thousand Dollars (\$1,000) per new Job filed by OWNER at the Premises, during the applicable Coverage Period, by an Arlington resident. Coverage Periods are defined in the chart below.

2. The calculation of new Jobs filled in any Coverage Period shall not include retention of an Arlington resident in a Job that was included in the calculation of Jobs filed in any prior Coverage Period.
3. In no circumstances shall the cumulative amount of grant payments provided to OWNER under this Section IV.C. exceed One Hundred Thousand Dollars (\$100,000).
4. The hiring grants shall be subject to the appropriation by the City Council of the CITY in a future budget of funds to pay such hiring grants. The CITY's obligation under this Agreement to pay the hiring grants shall not constitute a general obligation of the CITY or indebtedness under the constitution or laws of the State of Texas.

Grant Payment Number	Coverage Period	Certification Date	Payment No Later Than	CITY Fiscal Year
1	January 1, 2025 to December 31, 2025	April 1, 2026	June 1, 2026	FY 27
2	January 1, 2025 to December 31, 2025	April 1, 2027	June 1, 2027	FY 28

V.
Surplus Property

- A. OWNER and CITY agree to enter into a Purchase Agreement in which OWNER agrees to convey to CITY, by special warranty deed, the Surplus Property for the purchase price of Three Million Four Hundred Thousand Dollars (\$3,400,000) (hereafter the "Purchase Price") and the option to repurchase the property from CITY for the Purchase Price (hereafter the "Option.") The Option shall be for a period of five years, provided OWNER shall have the ability to extend the Option by two additional one-year periods upon the payment of Five Hundred Thousand Dollars (\$500,000) by the OWNER to the CITY for each additional year.
- B. The City Manager, in consultation with the City Attorney, is authorized to negotiate and execute the Purchase Agreement, Option, as well as any other documents necessary to effectuate the conveyance of the Surplus Property. Closing on such conveyance shall occur on or before March 31, 2022, unless such date is extended by mutual agreement of the CITY and OWNER.

VI.
Records, Audits and Inspections

- A. Additional Records and Information - Throughout the Term of this Agreement, OWNER shall furnish CITY any additional records and information reasonably requested to support the Improvement Conditions and Requirements set forth in Article III of this Agreement.
- B. Right to Audit Books and Records - CITY shall have the right to audit the books and records related to the Incentive Program provided for in Section IV. CITY shall notify OWNER in advance in writing of their intent to audit in order to allow OWNER adequate time to make such books and records available.
- C. Inspection - At all times throughout the Term of this Agreement, CITY shall have reasonable access to the Premises for the purpose of inspecting the Premises to ensure that the Project 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 operation of the Premises. The inspections shall be conducted within a reasonable time period after notice by CITY.

VII.
Use of Premises

The Premises at all times shall be used in a manner that is consistent with CITY's Unified Development Code and all other applicable federal, state, and local laws.

VIII.
Breach and Recapture

- A. Breach - Subject to Section B below, a breach of this Agreement by OWNER may result in termination or modification of this Agreement and recapture by CITY of grant payments made and fees waived, as further set forth in Subsection C below. OWNER's failure to satisfy any of the Conditions and Requirements as specified in Article III or OWNER's failure to provide records and information necessary to support the Improvement Conditions and Requirements as specified in Article VI shall constitute a breach of this Agreement.
- B. Notice of Breach - In the event that CITY makes a reasonable determination that OWNER has breached this Agreement, then CITY shall give OWNER written notice of such. OWNER has 60 days following receipt of said written notice to cure such breach or this Agreement may be terminated by CITY, and recapture of fees waived and grant payments made may occur pursuant to Subsection C below. Notice of breach and opportunity to cure shall be in writing and shall be delivered by personal delivery or certified mail to OWNER at its address provided in Article XI of this Agreement.

- C. Recapture - During the Term of this Agreement, should OWNER fail to timely cure a breach of this Agreement, subject to Subsection B above, CITY may terminate this Agreement and recapture all grant payments and fees waived under this Agreement. It shall be the duty of CITY to determine whether to require recapture and to demand payment of such. Repayment of grant payments and waived fees shall become due 60 days following receipt of such demand. The rights of CITY to require recapture and demand repayment of grants made and fees waived, and the obligation of OWNER to pay such, shall survive termination of this Agreement. The City Attorney has the authority, on behalf of the CITY, to initiate any litigation necessary to pursue payment of recaptured grants and fees waived pursuant to this Agreement.

IX.

Undocumented Workers

OWNER covenants and certifies that OWNER does not and will not knowingly employ an undocumented worker at the Project as that term is defined by section 2264.001(4) of the Texas Government Code. In accordance with section 2264.052 of the Texas Government Code, if OWNER is convicted of a violation under 8 U.S.D. Section 132a(f), OWNER shall repay to the CITY the full amount of the fees waived and grant payments provided under Article IV of this Agreement, plus 10% per annum from the date such fees were waived or grant payments were made. Repayment shall be paid within 120 days after the date following such conviction that OWNER receives notice of violation from the CITY as provided by 2264.101(c) of the Texas Government Code.

X.

Effect of Sale or Lease of Property

The incentive program authorized by this Agreement shall not be assignable to any new owner or lessee of all or a portion of the Premises unless such assignment is approved in writing by the CITY with approval of the City Council, which approval shall not be unreasonably withheld.

XI.

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:

OWNER: Canales V.C Investments LLC
2702 E Randall Mill Rd
Arlington, TX 76011

CITY: City of Arlington
Attention: City Manager's Office
Post Office Box 90231
Arlington, Texas 76004-3231

cc: City of Arlington
Attention: City Attorney's Office
Post Office Box 90231
Arlington, Texas 76004-3231

XII.
City Council Authorization

This Agreement was authorized by resolution of the City Council authorizing the City Manager or his designee to execute this Agreement on behalf of the CITY.

XIII.
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.

XIV.
Estoppel Certificate

Any party hereto may request an estoppel certificate from another party hereto, 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 OWNER, 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 grant payments in effect, and such other matters reasonably requested by the party(ies) to receive the certificates.

XV.
OWNER's Standing

OWNER, 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 OWNER shall be entitled to intervene in said litigation.

XVI.
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.

XVII.
Indemnification

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

XVIII.
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, civil commotion, acts of God, inclement weather, fire or other casualty, court injunction, necessary condemnation proceedings, acts of the other party, its affiliates/related entities and/or their contractors, or any actions or inactions of third parties 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, the party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such performance shall be extended for a period of time equal to the period such party was delayed.

XIX.
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.

XX.
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.

XXI.
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. No successor, executor, administrator, or assign is valid in the place of the parties to this Agreement without the written consent of CITY and such consent shall not be unreasonably withheld.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year written above.

CANALES V.C INVESTMENTS LLC

BY Liliana Mitchell
Signature Liliana Mitchell
Title President
Date 12-28-21

WITNESS:

[Signature]

CITY OF ARLINGTON, TEXAS

BY [Signature]
JIM PARAJON
Deputy City Manager
Date 12-22-21



ATTEST:

[Signature]
for ALEX BUSKEN, City Secretary

APPROVED AS TO FORM:
TERIS SOLIS, City Attorney

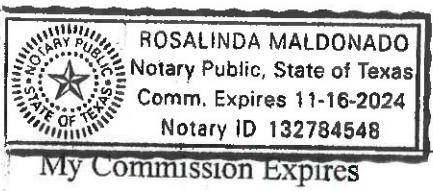
BY [Signature]

THE STATE OF TEXAS §
§
COUNTY OF DALLAS §

CANALES V.C INVESTMENTS LLC
Acknowledgment

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared Liliana Mitchell, known to me (or proved to me on the oath of _____ or through DRIVERS LICENSE (description of identity card or other document) 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 **CANALES V.C INVESTMENTS LLC**, an entity duly authorized to do business in the State of Texas, and as the President 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 28th day of December, 2021.



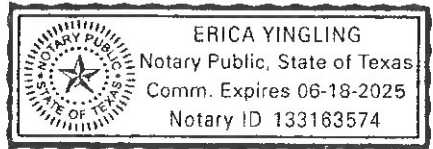
Rosalinda Maldonado
Notary Public in and for
The State of Texas
Rosalinda Maldonado
Notary's Printed Name

THE STATE OF TEXAS §
§
COUNTY OF TARRANT §

CITY OF ARLINGTON, TEXAS
Acknowledgment

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared **JIM PARAJON**, 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 the **CITY OF ARLINGTON, TEXAS**, a municipal corporation of Tarrant County, Texas, and as the **Deputy City Manager** 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 29th day of December, 2021.



Erica Yingling
Notary Public in and for
The State of Texas
Erica Yingling
Notary's Printed Name

Exhibit "A"
PREMISES

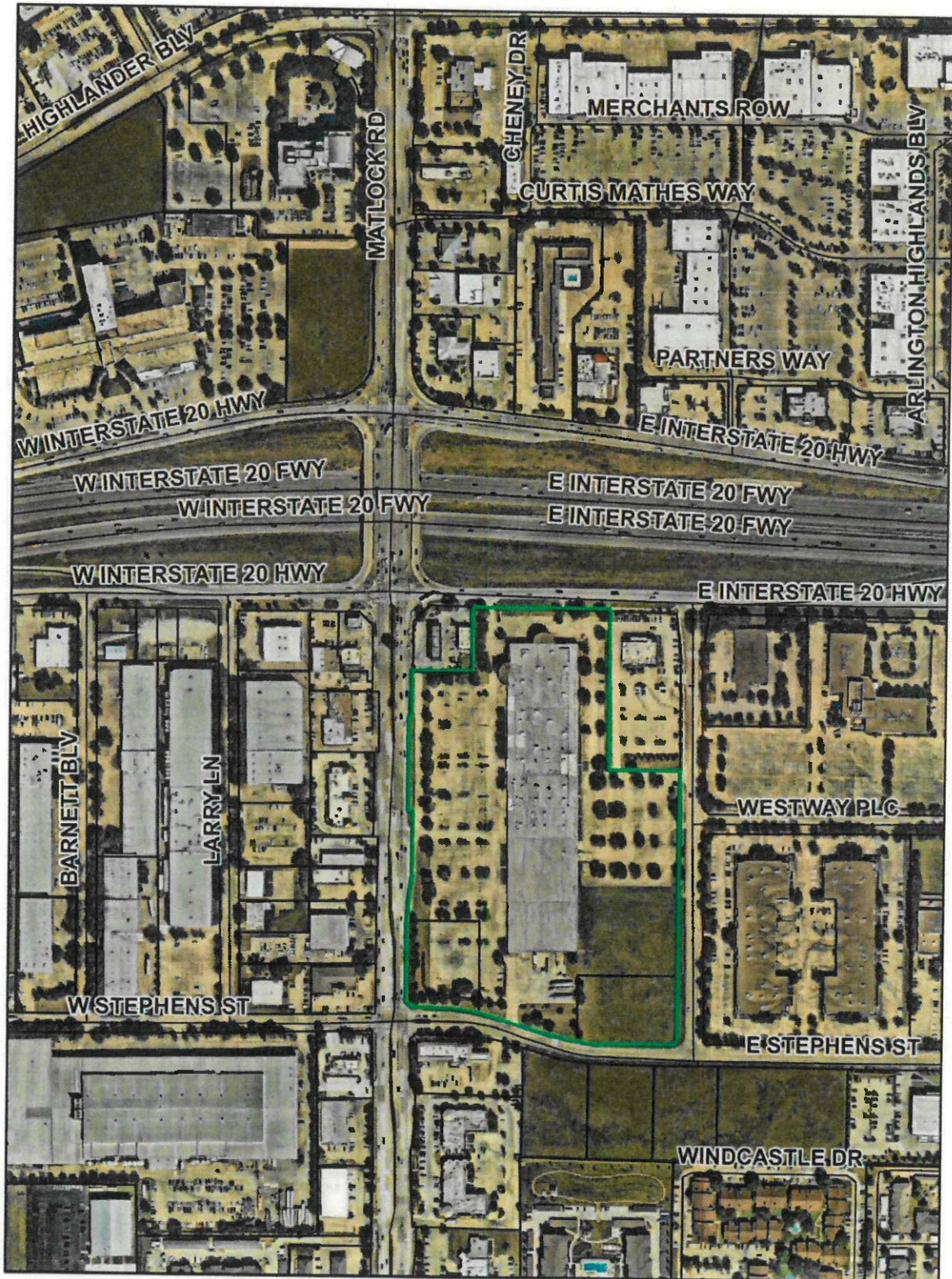


Exhibit "B"
PROJECT

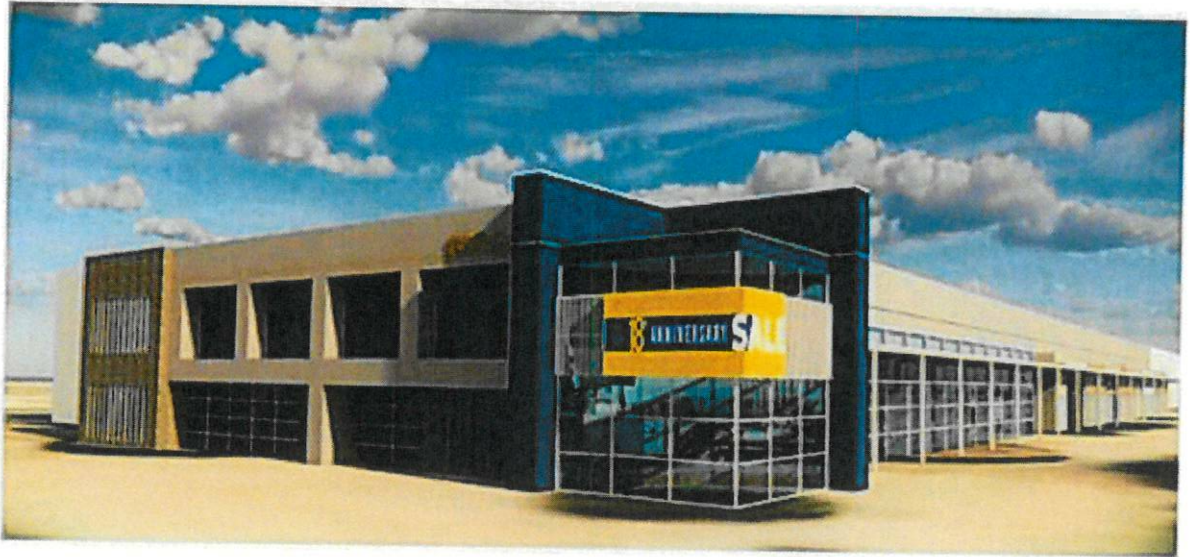


Exhibit "C"
SURPLUS PROPERTY



Resolution No. 22-254

A resolution authorizing the execution of the First Amended and Restated Chapter 380 Performance Agreement by and between Canales V.C Investments, LLC, VSCL Corporation, LIC Canales Enterprises LLC, and the City of Arlington, Texas relative to development of a corporate headquarters, warehouse distribution facility, and retail showroom at 102 East I-20 in Arlington, Texas

WHEREAS, on December 14, 2021, by Resolution No. 21-320, City Council authorized the execution of a Chapter 380 Performance Agreement (“the Agreement”) with Canales V.C Investments, LLC, relative to the purchase construction and renovation of 200,000 square feet of real commercial property located at 102 East I-20, Arlington, TX 76018 (“the Project”); and

WHEREAS, VSCL Corporation, a partner entity with Canales V.C Investments, LLC, purchased the property and has begun both the interior and exterior renovations; and

WHEREAS, pursuant to the Agreement, the City purchased surplus land at the premise from VSCL Corporation; and

WHEREAS, the remaining obligations of the agreement will be fulfilled by Canales V.C Investments, LLC, VSCL Corporation, and LIC Canales Enterprises LLC in partnership sharing joint and severable liability; and

WHEREAS, each entity seeks to amend the Agreement to join each entity with complete joint and severable liability as to the obligations contained thereto; NOW THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ARLINGTON, TEXAS:

I.

That all of the recitals contained in the preamble of this resolution are found to be true and are adopted as findings of fact by this governing body and as part of its official record.

II.

That the City Manager or his designee is authorized to execute the First Amended and Restated Chapter 380 Performance Agreement with Canales V.C Investments, LLC, VSCL Corporation, LIC Canales Enterprises LLC to provide certain economic incentives

associated with the development of a corporate headquarters, warehouse distribution facility, and retail showroom at 102 East I-20 in Arlington, Texas.

III.

In authorizing the execution of and in executing the referenced agreement, the City of Arlington, Texas, through its City Council and City officials, hereby exercises a governmental function in accordance with but not limited to Section 101.0215 of the Texas Civil Practices and Remedies Code.

IV.

A substantial copy of the First Amended and Restated Chapter 380 Performance Agreement is attached hereto as Exhibit "A" and incorporated herein for all intents and purposes.

PRESENTED AND PASSED on this the 6th day of September, 2022, by a vote of 9 ayes and 0 nays at a regular meeting of the City Council of the City of Arlington, Texas.



JIM R. ROSS, Mayor

ATTEST:



ALEX BUSKEN, City Secretary

APPROVED AS TO FORM:
MOLLY SHORTALL, City Attorney

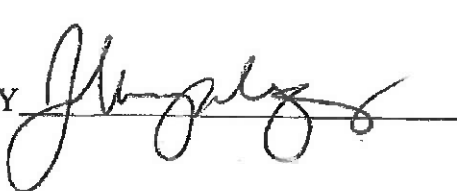
BY 

Exhibit "A"

THE STATE OF TEXAS § **First Amended and Restated**
 § **Chapter 380 Performance Agreement**
COUNTY OF TARRANT §

THIS First Amended and Restated Chapter 380 Performance Agreement (hereafter referred to as “Agreement”) is executed on 9/15, 2022 (hereafter referred to as “Effective Date”), by and between CANALES V.C INVESTMENTS, LLC, VSCL CORPORATION, and LIC CANALES ENTERPRISES LLC, each entities duly authorized to do business in the State of Texas, acting by and through their authorized officers (hereafter collectively referred to as “OWNERS”), and the CITY OF ARLINGTON, TEXAS, a home-rule city and municipal corporation of Tarrant County, Texas, acting by and through its City Manager or his designee, (hereafter referred to as “CITY”).

WITNESSETH:

WHEREAS, the CITY has found that providing a program of incentives to OWNERS in exchange for OWNERS’ completion of the Project (defined herein) and relocation of their Business Operations (defined herein) to the Premises (defined herein) will promote local economic development and stimulate business and commercial activity and retain jobs within the City of Arlington (hereafter referred to as the “Program”); and

WHEREAS, the CITY has determined that the Program will directly establish a public purpose and that all transactions involving the use of public funds and resources in establishment and administration of the Program contain controls likely to ensure that the public purpose is accomplished; and

WHEREAS, Chapter 380 of the Local Government Code provides statutory authority for establishing and administering the Program provided herein; NOW THEREFORE;

The CITY and OWNERS, 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. “Annual Taxable Sales” is defined as the total of all Taxable Items sold by OWNERS and/or Tenants of VSCL Corporation, that are sited at the Premises and result in local sales tax being paid to the CITY, during the applicable calendar year.
- B. “Business Operations” is defined as operation of OWNERS’ corporate headquarters, a warehouse and distribution facility, and a retail showroom.

- C. "Job" is defined as a permanent, full-time employment position that results in actual paid employment of an employee, not independent contractor, at the Premises of at least 1,820 hours per position in a year. It shall not include part time employees.
- D. "Premises" is defined as the land and improvements located at 102 East I-20, Arlington, Texas 76018, as depicted in Exhibit "A" which is attached hereto and incorporated herein for all purposes.
- E. "Project" is defined as the exterior and interior renovation of the existing 200,000 square foot building at the Premises, as further detailed in Exhibit "B" which is attached hereto and incorporated herein for all purposes.
- F. "Surplus Property" is defined as the approximate 4.5 acres of land and improvements identified in Exhibit "C" which is attached hereto and incorporated herein for all purposes.
- G. "Taxable Items" has the meaning assigned by Section 151.010 of the Texas Tax Code.
- H. "Tenants" shall mean any person or business entity with a leasehold interest in the premises, which has authority to do business in the State of Texas, and has provided a waiver of confidentiality, on a form promulgated or approved by the Texas Comptroller of Public Accounts, signed by an authorized officer.

II. **Term**

This Agreement shall be effective from December 28, 2021 and shall expire on the tenth (10th) anniversary of the date OWNERS complete the Project (the "Term"), unless otherwise sooner terminated in accordance with the terms of this Agreement.

III. **Conditions and Requirements**

- A. VSCL CORPORATION shall purchase the Premises by no later than January 1, 2022.
- B. VSCL CORPORATION shall complete the Project by no later than December 31, 2024. Completion of the Project shall be evidenced by the issuance of a certificate of occupancy by the CITY for CANALES LEGACY.
- B. OWNERS shall relocate their Business Operations to the Premises by no later than January 1, 2025 and OWNERS shall maintain their Business Operations at the Premises for the remainder of the Term of this Agreement.

- C. OWNERS shall create and fill no less than 70 Jobs at the Premises by January 1, 2025. OWNERS shall create and fill an additional 30 Jobs, for a total of no less than 100 Jobs, at the Premises by no later than January 1, 2028 and OWNERS shall maintain a minimum of 100 Jobs at the Premises for the remainder of the Term of this Agreement.
- D. Beginning in 2025 and for each calendar year thereafter for the remainder of the Term, VSCL CORPORATION and its tenants at the defined Premises collectively and together shall produce no less than Five Million Dollars (\$5,000,000) in Annual Taxable Sales through its Business Operations at the Premises. VSCL CORPORATION agrees to provide a waiver of confidentiality, on a form promulgated or approved by the Texas Comptroller of Public Accounts, signed by an authorized officer of the VSCL CORPORATION that allows the Texas Comptroller of Public Accounts to release sales tax information to the CITY. VSCL CORPORATION shall be responsible for obtaining the same waiver of confidentiality from any Tenants. It is further understood that the only accounting for this requirement shall come from the Texas Comptroller of Public Accounts. Information from any other source or report, including internal reports, shall not be deemed reliable for purposes of achieving this Annual Taxable Sales requirement and condition. Under no circumstances shall information from any other source be deemed to support compliance with this condition nor shall information from any other source be deemed to cure a breach with this requirement. A copy of this waiver is attached hereto as Exhibit "D".
- E. Throughout the Term, all activity at the Premises shall conform to the applicable building codes, zoning ordinances, and all other state, federal, or local laws, ordinances, and regulations. OWNERS shall apply for and obtain all necessary governmental permits and approvals for the Project and operation of the Premises.
- F. Throughout the Term, OWNERS shall not fail to render for taxation any property owned by OWNERS and located within the City of Arlington.
- G. Throughout the Term, OWNERS shall not allow the ad valorem taxes owed to CITY on any property owned by OWNERS and located within the City of Arlington to become delinquent beyond the last day they can be paid without assessment of penalty, as such date is generally extended to allow for any appeal.
- H. During design and construction of the Project OWNERS agrees to use diligent efforts and to cause its contractors and subcontractors to use diligent efforts to purchase all goods and services from Arlington businesses whenever such goods and services are comparable in availability, terms, quality, and price. OWNERS also agrees to develop a policy that establishes a goal of thirty percent (30%) use by OWNER of qualified contractors, subcontractors, and suppliers where at least fifty-one percent (51%) of the ownership of such contractors, subcontractors, or suppliers is vested in racial or ethnic minorities or women for design and construction of the Project, which such policy shall contain reasonable exclusions.

IV.
Incentive Program

In exchange for OWNERS' development of the Project, CITY agrees to provide the following incentive program:

- A. **Fee Waiver.** If all Conditions and Requirements set forth in Article III are satisfied, to the extent applicable at that point in time, CITY agrees to waive all development fees owed to the CITY for the Project. Development fees shall include plan review fees, building permit and inspection fees, park fees, irrigation review and inspection fees, early grading permit fees, landscape plan review fees, public utilities inspection fees, fire alarm permit and inspection fees, sprinkler system permit and inspection fees, fire pump permit and inspection fees, certificate of occupancy fees, water and sewer tap fees, water activation fees, meter and detector check fees, water and sewer impact fees, and roadway impact fees.
- B. **Reimbursement Grants.** If all Conditions and Requirements set forth in Article III are satisfied, to the extent applicable at that point in time, CITY agrees to provide three reimbursement grants in the amounts and on the schedule identified below, payable to VSCL CORPORATION.
1. The reimbursement grants shall be in the following amounts and be paid by CITY to VSCL CORPORATION on the following schedule:
 - i. Reimbursement Grant Payment Number One: Within 30 days of VSCL CORPORATION receiving a building permit for the Project, the lesser of Five Hundred Thousand Dollars (\$500,000) or the actual costs, demonstrated through documentation provided to the CITY, incurred by VSCL CORPORATION to complete the PROJECT.
 - ii. Reimbursement Grant Payment Number Two: On or before October 31, 2022, the lesser of Five Hundred Thousand Dollars (\$500,000) or the actual costs, demonstrated through documentation provided to the CITY, incurred by VSCL CORPORATION to complete the PROJECT and not previously reimbursed through Reimbursement Grant Payment Number One.
 - iii. Reimbursement Grant Payment Number Three: On or before October 31, 2023, the lesser of Five Hundred Thousand Dollars (\$500,000) or the actual costs, demonstrated through documentation provided to the CITY, incurred by VSCL CORPORATION to complete the PROJECT and not previously reimbursed through Reimbursement Grant Payment Number One or Reimbursement Grant Payment Number Two.

2. Under no circumstances shall the cumulative total amount of the reimbursement grants exceed One Million Five Hundred Thousand Dollars (\$1,500,000).
 3. The reimbursement grants payable in future budget years shall be subject to the appropriation by the City Council of the CITY in a future budget of funds to pay such reimbursement grants. The CITY's obligation under this Agreement to pay the reimbursement grants shall not constitute a general obligation of the CITY or indebtedness under the constitution or laws of the State of Texas.
- C. Hiring Grant. If the Improvement Conditions and Requirements set forth in Section III are satisfied, to the extent applicable at that point in time, CITY agrees to provide grant payments to CANALES V.C INVESTMENTS, LLC or LIC CANALES ENTERPRISES LLC calculated as follows:
1. One Thousand Dollars (\$1,000) per new Job filed by CANALES V.C INVESTMENTS, LLC or LIC CANALES ENTERPRISES LLC at the Premises, during the applicable Coverage Period, by an Arlington resident. Coverage Periods are defined in the chart below.
 2. The calculation of new Jobs filed in any Coverage Period shall not include retention of an Arlington resident in a Job that was included in the calculation of Jobs filed in any prior Coverage Period.
 3. In no circumstances shall the cumulative amount of grant payments provided to CANALES V.C INVESTMENTS, LLC and LIC CANALES ENTERPRISES LLC under this Section IV.C. exceed One Hundred Thousand Dollars (\$100,000).
 4. The hiring grants shall be subject to the appropriation by the City Council of the CITY in a future budget of funds to pay such hiring grants. The CITY's obligation under this Agreement to pay the hiring grants shall not constitute a general obligation of the CITY or indebtedness under the constitution or laws of the State of Texas.

Grant Payment Number	Coverage Period	Certification Date	Payment No Later Than	CITY Fiscal Year
1	January 1, 2025 to December 31, 2025	April 1, 2026	June 1, 2026	FY 27
2	January 1, 2025 to December 31, 2025	April 1, 2027	June 1, 2027	FY 28

V.

Surplus Property

- A. Canales V.C Investments, LLC and CITY agree to enter into a Purchase Agreement in which Canales V.C Investments, LLC agrees to convey to CITY, by special warranty deed, the Surplus Property for the purchase price of Three Million Four Hundred Thousand Dollars (\$3,400,000) (hereafter the "Purchase Price") and the option to repurchase the property from CITY for the Purchase Price (hereafter the "Option.") The Option shall be for a period of five years, provided Canales V.C Investments, LLC shall have the ability to extend the Option by two additional one-year periods upon the payment of Five Hundred Thousand Dollars (\$500,000) by the Canales V.C Investments, LLC to the CITY for each additional year.
- B. The City Manager, in consultation with the City Attorney, is authorized to negotiate and execute the Purchase Agreement, Option, as well as any other documents necessary to effectuate the conveyance of the Surplus Property. Closing on such conveyance shall occur on or before March 31, 2022, unless such date is extended by mutual agreement of the CITY and Canales V.C Investments, LLC.
- C. VSCL Corporation agrees to sign a warranty convey the surplus property to Canales V.C Investments, LLC for purposes of completed the transaction contemplated in this subsection. A copy of this warranty deed is attached hereto as Exhibit "E".

VI.

Records, Audits and Inspections

- A. Additional Records and Information - Throughout the Term of this Agreement, OWNERS shall furnish CITY any additional records and information reasonably requested to support the Improvement Conditions and Requirements set forth in Article III of this Agreement.
- B. Right to Audit Books and Records - CITY shall have the right to audit the books and records related to the Incentive Program provided for in Section IV. CITY shall notify OWNERS in advance in writing of their intent to audit in order to allow OWNERS adequate time to make such books and records available.
- C. Inspection - At all times throughout the Term of this Agreement, CITY shall have reasonable access to the Premises for the purpose of inspecting the Premises to ensure that the Project 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 operation of the Premises. The inspections shall be conducted within a reasonable time period after notice by CITY.

VII.
Use of Premises

The Premises at all times shall be used in a manner that is consistent with CITY's Unified Development Code and all other applicable federal, state, and local laws.

VIII.
Breach and Recapture

- A. **Breach** - Subject to **Section B** below, a breach of this Agreement by OWNERS', separately or jointly, may result in termination or modification of this Agreement and recapture by CITY of grant payments made and fees waived, as further set forth in Subsection C below. OWNERS's failure to satisfy any of the Conditions and Requirements as specified in **Article III** or OWNERS' failure to provide records and information necessary to support the Improvement Conditions and Requirements as specified in **Article VI** shall constitute a breach of this Agreement.
- B. **Notice of Breach** - In the event that CITY makes a reasonable determination that OWNERS have breached this Agreement, then CITY shall give OWNERS written notice of such. OWNERS has 60 days following receipt of said written notice to cure such breach or this Agreement may be terminated by CITY, and recapture of fees waived and grant payments made may occur pursuant to Subsection C below. Notice of breach and opportunity to cure shall be in writing and shall be delivered by personal delivery or certified mail to OWNERS at its address provided in **Article XI** of this Agreement.
- C. **Recapture** - During the Term of this Agreement, should OWNERS fail to timely cure a breach of this Agreement, subject to Subsection B above, CITY may terminate this Agreement and recapture all grant payments and fees waived under this Agreement. It shall be the duty of CITY to determine whether to require recapture and to demand payment of such. Repayment of grant payments and waived fees shall become due 60 days following receipt of such demand. The rights of CITY to require recapture and demand repayment of grants made and fees waived, and the obligation of OWNERS to pay such, shall survive termination of this Agreement. The City Attorney has the authority, on behalf of the CITY, to initiate any litigation necessary to pursue payment of recaptured grants and fees waived pursuant to this Agreement.

IX.
Undocumented Workers

OWNERS covenant and certify that OWNERS do not and will not knowingly employ an undocumented worker at the Project as that term is defined by section 2264.001(4) of the Texas Government Code. In accordance with section 2264.052 of the Texas Government Code, if VSCL CORPORATION, CANALES V.C INVESTMENTS, LLC or LIC CANALES ENTERPRISES LLC are convicted of a violation under 8

U.S.D. Section 132a(f), OWNER shall repay to the CITY the full amount of the fees waived and grant payments provided under Article IV of this Agreement, plus 10% per annum from the date such fees were waived or grant payments were made. Repayment shall be paid within 120 days after the date following such conviction that OWNER receives notice of violation from the CITY as provided by 2264.101(c) of the Texas Government Code.

X.
Effect of Sale or Lease of Property

The incentive program authorized by this Agreement shall not be assignable to any new owner or lessee of all or a portion of the Premises unless such assignment is approved in writing by the CITY with approval of the City Council, which approval shall not be unreasonably withheld.

XI.
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:

OWNERS: Canales V.C Investments, LLC
102 E I-20
Arlington, TX 76018

LIC Canales Enterprises LLC
102 E I-20
Arlington, TX 76018

VSCL Corporation
102 E I-20
Arlington, TX 76018

cc: Mark K. Vasquez, Attorney
10501 N. Central Expressway, Suite 250
Dallas, Texas 75231

CITY: City of Arlington
Attention: City Manager's Office
Post Office Box 90231
Arlington, Texas 76004-3231

cc: City of Arlington
Attention: City Attorney's Office
Post Office Box 90231
Arlington, Texas 76004-3231

XII.
City Council Authorization

This Agreement was authorized by resolution of the City Council authorizing the City Manager or his designee to execute this Agreement on behalf of the CITY.

XIII.
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.

XIV.
Estoppel Certificate

Any party hereto may request an estoppel certificate from another party hereto, 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 OWNERS, 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 grant payments in effect, and such other matters reasonably requested by the party(ies) to receive the certificates.

XV.
OWNERS' Standing

VSCL CORPORATION, CANALES V.C INVESTMENTS, LLC, AND LIC CANALES ENTERPRISES LLC, as a parties to this Agreement, shall be deemed proper and necessary parties 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 shall be entitled to intervene in said litigation.

XVI.
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.

XVII.
Indemnification

It is understood and agreed between the parties that the OWNERS, in performing its obligations hereunder, are acting independently, and CITY assumes no responsibility or liability to third parties in connection therewith, and OWNERS agree to indemnify and hold harmless CITY from any such responsibility or liability. It is further understood and agreed among the parties that CITY, in performing its obligations hereunder, is acting independently, and the OWNERS assumes no responsibility or liability to third parties in connection therewith.

XVIII.
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, civil commotion, acts of God, inclement weather, fire or other casualty, court injunction, necessary condemnation proceedings, acts of the other party, its affiliates/related entities and/or their contractors, or any actions or inactions of third parties 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, the party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such performance shall be extended for a period of time equal to the period such party was delayed.

XIX.
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.

XX.
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.

XXI.
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. No successor, executor, administrator, or assign is valid in

the place of the parties to this Agreement without the written consent of CITY and such consent shall not be unreasonably withheld.

XXII.

Joint and Severable Liability

Each obligation described herein of VSCL CORPORATION, CANALES V.C INVESTMENTS, LLC, AND LIC CANALES ENTERPRISES LLC and/or their subsidiaries, as the case may be, shall be a joint and several obligation of VSCL CORPORATION, CANALES V.C INVESTMENTS, LLC, AND LIC CANALES ENTERPRISES LLC and their subsidiaries. If requested by CITY, then VSCL CORPORATION, CANALES V.C INVESTMENTS, LLC, AND LIC CANALES ENTERPRISES LLC shall cause any of their subsidiaries to sign a counterpart signature page to this Agreement to evidence such **joint and several liability**.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year written above.

VSCL CORPORATION

BY Julia Mitchell
Signature
Title President
Date 9/14/2022

WITNESS:

[Signature]

CANALES V.C INVESTMENTS, LLC

BY Julia Mitchell
Signature
Title President
Date 9/14/2022

WITNESS:

[Signature]

LIC CANALES ENTERPRISES LLC

BY Julia Mitchell
Signature
Title President
Date 9/14/2022

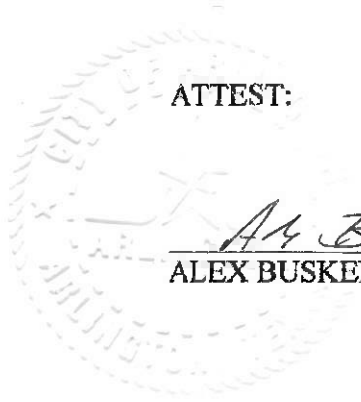
WITNESS:

[Signature]

CITY OF ARLINGTON, TEXAS

BY Trey Yelverton
TREY YELVERTON
City Manager
Date 9/15/2022

ATTEST:



Alex B

ALEX BUSKEN, City Secretary

APPROVED AS TO FORM:
MOLLY SHORTALL, City Attorney

BY

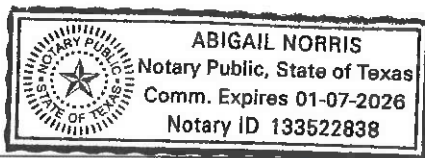
Molly Shortall

THE STATE OF TEXAS §
§
COUNTY OF Tarrant §

VSCL CORPORATION
Acknowledgment

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared Liliana Mitchell, known to me (or proved to me on the oath of _____ or through Drivers License (description of identity card or other document) 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 VSCL CORPORATION, an entity duly authorized to do business in the State of Texas, and as the President 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 14th day of September, 2022.



My Commission Expires

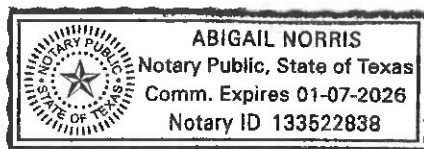
Abigail Norris
Notary Public in and for
The State of Texas
Abigail Norris
Notary's Printed Name

THE STATE OF TEXAS §
§
COUNTY OF Tarrant §

CANALES V.C INVESTMENTS, LLC
Acknowledgment

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared Liliana Mitchell, known to me (or proved to me on the oath of _____ or through Drivers License (description of identity card or other document) 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 CANALES V.C INVESTMENTS, LLC, an entity duly authorized to do business in the State of Texas, and as the President 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 14th day of September, 2022.



My Commission Expires

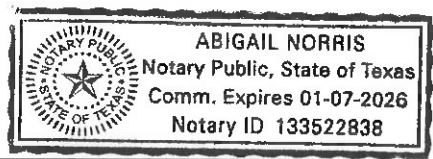
Abigail Norris
Notary Public in and for
The State of Texas
Abigail Norris
Notary's Printed Name

THE STATE OF TEXAS §
§
COUNTY OF Tarrant §

LIC CANALES ENTERPRISES LLC
Acknowledgment

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared Liliana Mitchell, known to me (or proved to me on the oath of _____ or through Drivers License (description of identity card or other document) 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 **LIC CANALES ENTERPRISES LLC**, an entity duly authorized to do business in the State of Texas, and as the President 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 14th day of September, 2022.



My Commission Expires

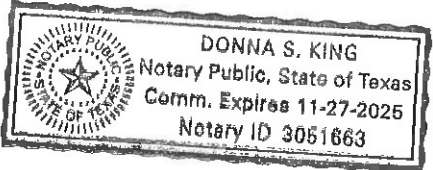
Abigail Norris
Notary Public in and for
The State of Texas
Abigail Norris
Notary's Printed Name

THE STATE OF TEXAS §
§
COUNTY OF TARRANT §

CITY OF ARLINGTON, TEXAS
Acknowledgment

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared **TREY YELVERTON**, 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 the **CITY OF ARLINGTON, TEXAS**, a municipal corporation of Tarrant County, Texas, and as the **City Manager** thereof, and for the purposes and consideration therein expressed, and in the capacity therein expressed.

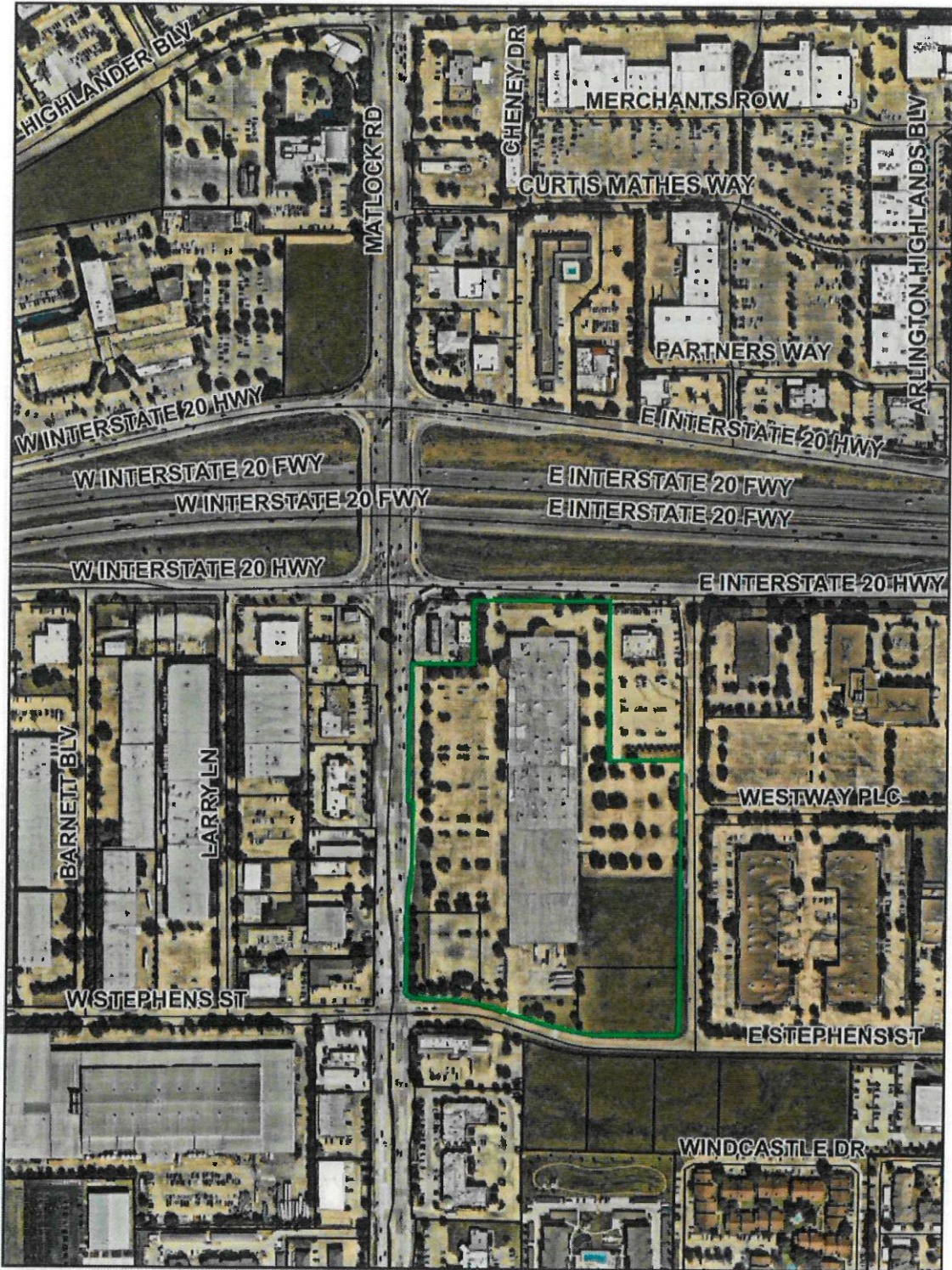
GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 15th day of September, 2022.



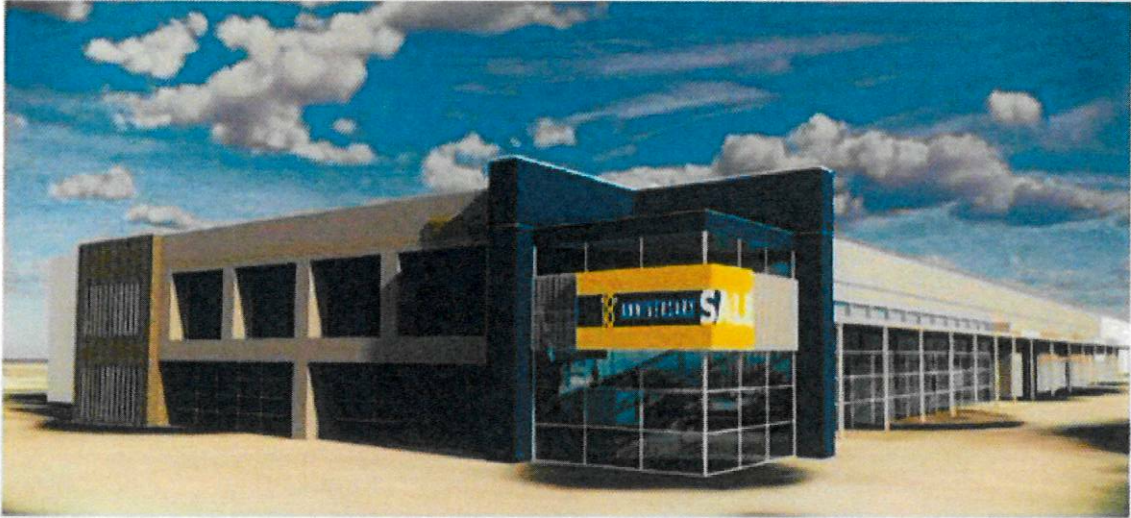
11/27/25
My Commission Expires

Donna S. King
Notary Public in and for
The State of Texas
Donna S. King
Notary's Printed Name

Exhibit "A"
PREMISES



**Exhibit "B"
PROJECT**



CONCEPTUAL DESIGN

Exhibit "C"
SURPLUS PROPERTY



PENDING FINAL SURVEY

Exhibit "D"
WAIVER OF SALES TAX CONFIDENTIALITY

Waiver of Sales Tax Confidentiality

Date: 9/14/2022

I authorize the Comptroller of Public Accounts to release sales tax information pertaining to the taxpayer indicated below to the City of Arlington, Texas. I understand that this waiver applies strictly to Taxpayer's place of business located at 102 E. I20, Arlington, Texas 76018. This waiver is in effect for the duration of the agreement which is December 28, 2021 - December 28, 2031

Canales V.C Investments, LLC, LLC Canales Enterprises LLC, VSCL Corporation

Name of Taxpayer as Shown on Texas Sales Tax Permit

Canales Furniture, LLC

Name Under Which Taxpayer is Doing Business (dba or Outlet Name)

10501 N. Central EXPY STE 250, Dallas, TX 75231

Taxpayer Mailing Address

102 E. I20, Arlington, TX. 76018

Physical Location of Business Permitted for Sales Tax in Arlington, Texas

32084508095

Texas Taxpayer ID Number

Tax Outlet Number

Jilina Mitchell

Authorized Signature

Liliana Mitchell

Printed Name

President

Position Title

817 996 52 83

Telephone Number

The authorized signature must be an officer, director, or general partner of the taxpayer. If you have any questions concerning this waiver of confidentiality, please contact the Texas Comptroller of Public Accounts at 800.531.5441.

Exhibit "E"
WARRANTY DEED

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

GF NO: 2000642200236

**WARRANTY DEED
(All Cash)**

DATE: August ____, 2022

GRANTOR: VSCL Corp, a Texas corporation joined herein by Canales Furniture, a Texas corporation

GRANTOR'S MAILING ADDRESS: 2015 Belton Court
Arlington, Tarrant County, TX 76018

GRANTEE: Canales V.C. Investments, LLC, a Texas limited liability company

GRANTEE'S MAILING ADDRESS : 2015 Belton Court
Arlington, Tarrant County, TX 76018

CONSIDERATION: TEN AND NO/100 (\$10.00) DOLLARS and other valuable consideration to the undersigned paid by Grantee herein named, the receipt of which is hereby acknowledged

PROPERTY:

As set forth on Exhibit A attached hereto.

RESERVATIONS: none

EXCEPTIONS:

This conveyance is made subject to any and all easements, restrictions, and mineral reservations affecting said property that are filed for record in the office of the County Clerk of Tarrant County, Texas.

Grantor, being the owner of the Property, for the consideration and subject to the reservations from and exceptions to conveyance and warranty, grants, sells, and conveys to Grantee the property, together with all and singular the rights and appurtenances thereto in any wise belonging, to have and hold it to Grantee, Grantee's heirs, executors, administrators, successors, or assigns forever. Grantor hereby binds Grantor and Grantor's heirs, executors, administrators, and successors to warrant and forever defend all and singular the property to Grantee and Grantee's heirs, executors,

administrators, successors, and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, except as to the reservations from and exceptions to warranty,

When the context requires, singular nouns and pronouns include the plural.

NOTICE: This document affects your legal rights. Read it carefully before signing.

**VSCL Corp, a Texas corporation joined herein by
Canales Furniture, a Texas corporation**

By: *Liliana Mitchell*
Liliana Mitchell, President

(Acknowledgment)

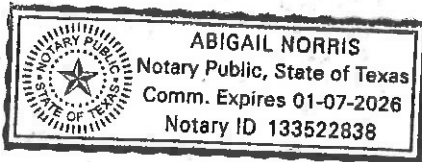
THE STATE OF TEXAS

§
§
§

COUNTY OF TARRANT

9-14-22 AN

This instrument was acknowledged before me on this 14 day of August, 2022, by Liliana Mitchell in her capacity as President of VSCL Corp., a Texas corporation.



Abigail Norris
Notary Public, State of Texas

**Prepared in the Law Offices of:
WILLIAM K. ROSENBERRY
1400 W. Abram Street
Arlington, TX 76013**

**AFTER RECORDING RETURN DOC. TO:
Canales V. C. Investments, LLC
2015 Belton Court
Arlington, TX**

EXHIBIT A

BEING a tract of land situated in the Lewis Crotz Survey, Abstract No. 361, also being a portion of Lot 2-B-R, Block 1, and all of Lot 4, Block 1, Westway, an addition to the City of Arlington, Tarrant County, Texas, as recorded in Cabinet A, Slide 996, Plat Records of Tarrant County, Texas (PRTCT), said tract being a portion of that called 21.462 acre tract conveyed to VSCL COPORATION dba CANALES FURNITURE, a Texas corporation according to the deed recorded in Instrument Number D222000089, Deed Records of Tarrant County, Texas (DRTCT), and being more particularly described as follows:

BEGINNING at a 1/2 inch iron rod found with a plastic cap stamped "WAI" said iron rod at the most easterly southeast corner of said Lot 4, Block 1, Westway, said iron rod also being in the west line of Interway Place (a called 60 foot right of way) as recorded in Volume 388-158, Page 99, PRTCT;

THENCE South 45°00'00" West, with a corner clip for the west right of way line for Interway Place and the north right of way line for Stephens Street (a called 70 foot right of way) as recorded in Volume 388-158, Page 99, PRTCT, with the southeast line of said Lot 4, a distance of 20.98 feet to a 1/2 inch iron rod found with a plastic cap stamped "WAI", for corner;

THENCE North 89°22'53" West, with the south line of said Lot 4, and the north right of way line of Stephens Street, a distance of 223.67 feet to a 1/2 inch iron rod found with a plastic cap stamped "WAI", said iron rod at the beginning of a curve to the right;

THENCE in a northwesterly direction with the north right of way line of Stephens Street, and along said curve to the right having a central angle of 15°01'47", a radius of 565.00 feet, a tangent length of 74.53 feet, and a chord which bears North 81°51'59" West a chord distance of 147.79 feet, at an arc length of 68.42 feet passing the southwest corner of said Lot 4 and a 1/2 inch iron rod found with a plastic cap stamped "JNT", said iron rod also being the southeast corner of Lot 2-B-R, Block 1, Westway, in all an arc length of 148.21 feet, to a 1/2 inch iron rod found with a plastic cap stamped "WAI", at the end of said curve;

THENCE North 74°21'06" West, with the south line of the aforementioned Lot 2-B-R and the north right of way line of said Stephens Street, a distance of 126.45 feet to an "X" cut in concrete set, for corner;

THENCE North 00°38'53" West, departing the north right of way line of Stephens Street, across Lot 2-B-R, a distance of 40.43 feet to an "X" cut in concrete set, for corner;

THENCE North 89°14'37" East, a distance of 193.66 feet to a 1/2 inch iron rod set with a plastic cap stamped "DTS 8172753361", for corner;

THENCE North 00°43'40" West, a distance of 385.03 feet to a 1/2 inch iron rod set with a plastic cap stamped "DTS 8172753361", for corner;

THENCE North 89°20'45" East, a distance of 233.21 feet to 1/2 inch iron rod set with a plastic cap stamped "DTS 8172753361", for corner;

THENCE North 00°4'09" West, a distance of 218.85 feet to an "X" cut in concrete set, for corner;

THENCE North 89°13'40" East, a distance of 80.35 feet to an "X" cut in concrete set, from which a 5/8 inch iron rod with a plastic cap stamped "KHA" bears North 00°37'06" West a distance of 39.00 feet, said iron rod located at the southeast corner of Lot 3, Block 1, Westway, also in the west right of way line of said Interway Place, and the most easterly northeast corner of said Lot 2-B-R, for corner;

THENCE South 00°37'06" East, with the west right of way line of Interway Place, a distance of 800.74 feet to the POINT OF BEGINNING, containing 4.386 acres (191,054 square feet) of land.