

**FIRST AMENDMENT TO ECONOMIC DEVELOPMENT  
PERFORMANCE AGREEMENT  
MARUICHI STAINLESS TUBE TEXAS CORPORATION**

This First Amendment to Performance Agreement (this “Amendment”) is entered into to be effective as of October 6, 2022, by and between the Seguin Economic Development Corporation, located in Guadalupe County, Texas, a Texas non-profit industrial development corporation under the Development Corporation Act and governed by TEX. LOC. GOV. CODE chapters 501, 502 and 504 and the Texas Non-Profit Corporation Act (hereinafter called “SEDC”), created by, and for the benefit of the City of Seguin, Texas (hereinafter the called the “City”), and Maruichi Stainless Tube Texas Corporation, a Delaware corporation authorized to do business in the State of Texas (hereinafter called “Company”; the SEDC and the Company collectively known as the “Parties” to this Amendment).

**RECITALS**

**WHEREAS**, the SEDC and Maruichi entered into that certain Economic Development Performance Agreement dated September 9, 2022 (the “Agreement”), wherein the SEDC agreed to provide certain incentives to Maruichi, to enable Maruichi to construct and operate a new manufacturing facility in the City of Seguin, Texas, and based upon the terms, obligations, and conditions provided in the Agreement; and

**WHEREAS**, concurrently with entering into the Agreement, the SEDC and Maruichi had entered into a purchase and sale agreement (PSA) for Maruichi to purchase certain SEDC-owned real property located consisting of approximately 33.23 acres of land, identified by the Guadalupe Appraisal District as Property ID numbers 51563 and 51121; and

**WHEREAS**, the SEDC and Maruichi agree to modify the PSA as it provides for the purchase price per acre, by excluding certain portions of the property encumbered by easement; and

**WHEREAS**, in conjunction with the modification to the PSA, the SEDC and Maruichi also agree to modify the Agreement as it provides for funding to the Company pursuant to a Performance-Based Cash Grant, as an incentive for the construction of the Company’s new facility and associated investment of new capital;

**NOW, THEREFORE**, in consideration of the mutual covenants, benefits and agreements described and contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and further described herein, the Parties agree as follows:

## **ARTICLE I**

1. Article V: Article V, “SEDC Obligations,” is hereby amended to read as follows:

### ***ARTICLE V SEDC OBLIGATIONS***

1. *PBC Grant. Subject to the conditions provided herein, the SEDC shall release incremental portions of the PBC Grant funds, which total \$958,064.74 to the Company in accordance with the following schedule:*
  - (a) *Distribution 1 – Commencement of Construction: A cash grant in the amount of \$239,516.18 shall be paid to the Company no later than 30 days following the receipt by the SEDC of the Compliance Reporting Form certifying the Commencement of Construction, as described above in Section IV(1)(a).*
  - (b) *Distribution 2 – Commencement of Business Operations: A cash grant in the amount of \$239,516.18 shall be paid to the Company no later than 30 days following the receipt by the SEDC of the Compliance Reporting Form certifying the Commencement of Business Operations, as described above in Section IV(1)(b).*
  - (c) *Distribution 3 – Employment and Payroll Obligation 1: A cash grant in the amount of \$239,516.18 shall be paid to the Company no later than 30 days following the receipt by the SEDC of the Compliance Reporting Form certifying that the Company has fulfilled the New Jobs obligation, as described above in Section IV(2)(a).*
  - (d) *Distribution 4 – Employment and Payroll Obligation 2: A cash grant in the amount of \$239,516.18 shall be paid to the Company no later than 30 days following the receipt by the SEDC of the Compliance Reporting Form certifying that the Company has fulfilled the New Jobs obligation, as described above in Section IV(2)(b).*

## **ARTICLE II**

2. Entire First Amendment. It is understood and agreed that this First Amendment contains the entirety of the amendments to the Agreement and the remainder of the Agreement remains unaffected and valid.

[SIGNATURE PAGE IMMEDIATELY FOLLOWING]

Amendment Executed on this 6<sup>th</sup> day of October, 2022

**COMPANY:**

Maruichi Stainless Tube Texas Corporation,

A Delaware corporation

By: O. Teshima

Name: Osamu Teshima

Title: President

Amendment Executed on this 6<sup>th</sup> day of October, 2022

**SEGUIN ECONOMIC  
DEVELOPMENT CORPORATION**

By: Joshua Schneuker

Name: Joshua Schneuker

Title: Executive Director

**APPROVED AS TO FORM:**

By: Allison A. Bastian-Rodriguez, SEDC Attorney

CITY OF SEGUIN

RESOLUTION NO. 2022R-152

STATE OF TEXAS

**A RESOLUTION OF THE CITY COUNCIL OF SEGUIN, TEXAS  
APPROVING THE SEGUIN ECONOMIC DEVELOPMENT  
CORPORATION'S AMENDMENT TO AN ECONOMIC INCENTIVE  
PACKAGE FOR MARUICHI STAINLESS TUBE TEXAS CORPORATION;  
AND DECLARING AN EFFECTIVE DATE**

**WHEREAS**, on September 6, 2022, the City Council approved the Performance Agreement between the Seguin Economic Development Corporation (the "SEDC") and Maruichi Stainless Tube Texas Corporation ("Maruichi") and

**WHEREAS**, the Performance Agreement was based, in part, on the price paid for land being purchased from the SEDC for the Maruichi Facility; and

**WHEREAS**, the SEDC and Maruichi amended the land Purchase Agreement to exclude the price basis of certain land that was not useable by Maruichi; and

**WHEREAS**, the reduction in acreage resulted in a reduction of the purchase price and the resulting grant from the SEDC from \$1,013,249.13 to \$955,865.32; and

**WHEREAS**, in accordance with the reduced grant the performance distributions were also reduced from \$253,312.29 to \$238,966.33; and

**WHEREAS**, on September 29, 2022, by Resolution 2022-17 the Board of Directors for the Seguin Economic Development Corporation approved the amendment to the Performance Agreement with Maruichi.


**NOW THEREFORE BE IT RESOLVED by the City Council of Seguin, Texas:**

**PART ONE.** The City Council approves the amendment to the Performance Agreement with Maruichi Stainless Tube Texas Corporation that is attached to this resolution and as approved by the Seguin Economic Development Corporation.

**PASSED AND APPROVED** on this 3<sup>rd</sup> day of October, 2022.

  
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**DONNA DODGEN**  
**MAYOR**

**ATTEST:**

  
\_\_\_\_\_  
**Naomi Manski**  
**City Secretary**



**SEDC Resolution NO. 2022-17**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
SEGUIN ECONOMIC DEVELOPMENT CORPORATION  
AUTHORIZING A FIRST AMENDMENT TO THE  
PERFORMANCE AGREEMENT FOR ECONOMIC  
DEVELOPMENT INCENTIVES WITH MARUICHI STAINLESS  
TUBE TEXAS CORPORATION.**

**WHEREAS,** the Seguin Economic Development Corporation (the “SEDC”) is a public instrumentality and non-profit industrial development corporation duly established and operating under Texas Local Government Code, Chapters 501 and 504, *et seq.*, as amended, known as the Development Corporation Act of 1979 (the “Act”); and

**WHEREAS,** Maruichi Stainless Tube Texas Corporation (“Maruichi”) has proposed an amendment to the purchase and sale agreement dated September 9, 2022 wherein Maruichi purchased certain real property from the SEDC (the “PSA”) for the construction of a new 125,000 square-foot manufacturing facility in order to expand its business operations and create at least 106 full-time jobs, resulting in a minimum capital investment of at least fifty-five million dollars (\$55,000,000.00) (the “Project”); and

**WHEREAS,** Maruichi also entered into a Performance Agreement with the SEDC dated September 9, 2022, through which Maruichi requested economic development incentives in the form of a “Performance-Based Cash Grant” to assist it in constructing the facility, creating jobs, and promoting and enhancing economic development in the City of Seguin; and

**WHEREAS,** in consideration of the proposed amendment by Maruichi to the PSA, the SEDC has proposed revisions to the economic development incentives as originally provided in the Performance Agreement; and

**WHEREAS,** the SEDC has reviewed the terms of this Amendment, and finds that it is in the best interests of the SEDC and Maruichi to authorize the Amendment to the Performance Agreement;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE  
SEGUIN ECONOMIC DEVELOPMENT CORPORATION THAT:**

**SECTION 1.** The Board of Directors hereby finds that all the recitals above are true and correct and are incorporated herein as if restated in full.

**SECTION 2.** The Board approves the Amendment and agrees to the amended terms and the incentives included as Exhibit A.

**SECTION 3.** The Board of Directors authorizes the Director of Economic Development to take all necessary actions and to execute the Amendment as approved by the SEDC attorney, and any necessary subsequent documents to effectuate the performance of this Resolution.

**SECTION 4.** This Resolution is effective upon passage.

**PASSED AND APPROVED** on the 29<sup>th</sup> day of September 2022 by the Board of Directors of the Seguin Economic Development Corporation.



Carlos Moreno, President

ATTEST:

  
Robert Meservey, Secretary