

## INDUSTRIAL DISTRICT AGREEMENT

THIS INDUSTRIAL DISTRICT AGREEMENT (this "Agreement") is entered into between Structural Metals, Inc. (the "Owner") and the City of Seguin, Texas (the "City").

WHEREAS, the Owner owns certain real properties (more particularly described on Exhibit "A", which is attached hereto and incorporated by reference herein), including all buildings and fixtures as they now exist or as added during the term of this Agreement that are located within the extraterritorial jurisdiction of the City (the "Property"); and

WHEREAS, pursuant to this Agreement and Texas Local Government Code Section 42.044, the City has designated the Property as an industrial district; and

WHEREAS, the Owner is the sole owner of the Property and has been authorized to sign this Agreement to legally bind the Owner; and

WHEREAS, the Owner and the City agree that it is in their mutual best interest to recognize that the use of the Property is for the melting, rolling, and finishing of steel products and the ancillary processes that support these functions; and

WHEREAS the Owner has provided its own utility services at considerable expense; and

WHEREAS, the Owner desires to show financial support for the City, without any obligation whatsoever on the part of the City to provide any municipal services to the Property; and

WHEREAS the Owner agrees to make certain payments to the City as hereinafter described, in lieu of paying taxes.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

1. For and in consideration of the Owner's payments to the City as hereinafter provided, the City hereby designates that portion of the City's extraterritorial jurisdiction that includes the Property as Industrial District Number 1 (the "District Property"); further, the City hereby guarantees the extraterritorial status of such District Property, and its immunity from annexation by the City for a period of 10 years from the date of this Agreement.

2. The City and the Owner agree that during the term of this Agreement, the City shall not require with respect to the Property compliance with the City's rules or regulations (a) governing zoning and platting of said Property or any additions thereto outside the City limits and in an industrial district; provided, however, Owner further agrees that it will in no way divide said land or additions thereto without complying with applicable State law and City ordinances governing subdivision of land; (b) prescribing any building, electrical, plumbing or inspection code or codes; or (c) prescribing any rules governing the method of operations of Owner's business, except as to those regulations relating to the delivery of utility services and industrial waste disposal through City owned facilities.

3. For the consideration hereinabove recited, the Owner hereby agrees to pay to the order of the City at Post Office Box 591, Seguin, Texas 78155-5643, an annual amount of \$550,452 which amount shall increase by approximately one percent per year and be paid according to the following schedule:

\$137,613 to be paid on October 1, 2020; January 1, 2021; April 1, 2021; and July 1, 2021  
\$138,989 to be paid on October 1, 2021; January 1, 2022; April 1, 2022; and July 1, 2022  
\$140,379 to be paid on October 1, 2022; January 1, 2023; April 1, 2023; and July 1, 2023  
\$141,783 to be paid on October 1, 2023; January 1, 2024; April 1, 2024; and July 1, 2024  
\$143,201 to be paid on October 1, 2024; January 1, 2025; April 1, 2025; and July 1, 2025  
\$144,633 to be paid on October 1, 2025; January 1, 2026; April 1, 2026; and July 1, 2026  
\$146,079 to be paid on October 1, 2026; January 1, 2027; April 1, 2027; and July 1, 2027  
\$147,540 to be paid on October 1, 2027; January 1, 2028; April 1, 2028; and July 1, 2028  
\$149,015 to be paid on October 1, 2028; January 1, 2029; April 1, 2029; and July 1, 2029  
\$150,505 to be paid on October 1, 2029; January 1, 2030; April 1, 2030; and July 1, 2030

Such payments shall be in lieu of the Owner's payment of taxes to the City during the term of this Agreement.

4. In the event that the Owner fails to make the timely payment of the quarterly installment amount at any time during the term of this Agreement, then and in that event the Owner shall be considered in default of this Agreement. In the event that such default is not timely cured within ninety days from written notice delivered by the City to the Owner, then and in that event this Agreement shall terminate. Upon termination of this Agreement, the parties hereto may exercise any rights and remedies thereafter as they may have by law.

5. The Owner hereby acknowledges and agrees that the City shall provide no municipal services whatsoever to the District Property during the term of this Agreement.

6. The term of this Agreement shall be for the payment period and shall expire on September 30, 2030, unless terminated earlier as hereinbefore provided. This Agreement may be extended for all or any portion of the District Property up to the maximum term authorized by state law by written consent of the then current owner of the District Property to be included in the Agreement and the City.

7. The term "Owner" includes the Owner's successors and assigns; and the term "City" includes the successors of the present City Council and shall also include any substitute of different governmental entity that may succeed to the duties and responsibilities for the existing City Council of the City of Seguin, Texas.


8. The City represents and warrants that this Agreement has been approved by ordinance or resolution duly adopted by the City Council in accordance with all applicable public notice

requirements (including, but not limited to, notices required by the Texas Open Meetings Act) and the individual executing this Agreement on behalf of the city has been duly authorized to do so. The Owner represents and warrants that this Agreement has been approved by appropriate action of the Owner and that the individual executing this Agreement on behalf of the Owner has been duly authorized to do so. Each party acknowledges and agrees that (a) this Agreement is binding upon such party and enforceable against such party in accordance with its terms and conditions; (b) the performance by the parties under this Agreement is authorized by Texas Local Government Code Sections 42.044 and 212.171; (c) this Agreement does not waive the Owner's Texas Local Government Code Chapter 43 or Chapter 245 vested rights.

9. This Agreement shall be recorded in the deed records of Guadalupe County, Texas.

EXECUTED on this the \_\_\_\_ day of October, 2019, to be effective on the date approved by the City Council.

STRUCTURAL METALS, INC.

By:   
William G. VanderWall  
Director of Mill Operations, Central Region

THE STATE OF TEXAS           §  
   §  
COUNTY OF GUADALUPE       §

Before me, the undersigned authority, on this day personally appeared William G. VanderWall, Director of Mill Operations, Central Region, Structural Metals, Inc., and acknowledged that he executed the same for the purposes and consideration herein expressed.

Given under my hand and seal of office this \_\_\_\_ day of October 2019.



  
Notary Public in and for the State of Texas

CITY OF SEGUIN, TEXAS.

By: \_\_\_\_\_  
Douglas G. Faseler, City Manager

THE STATE OF TEXAS       §  
  §  
COUNTY OF GUADALUPE   §

Before me, the undersigned authority, on this day personally appeared Douglas G. Faseler, City Manager for the City of Seguin, Texas, and acknowledged that she executed the same for the purposes and consideration herein expressed.

Given under my hand and seal of office this \_\_\_\_\_ day of October 2019.

\_\_\_\_\_  
Notary Public in and for the State of Texas