

**FIRST AMENDMENT TO THE
ECONOMIC DEVELOPMENT PERFORMANCE
AGREEMENT BY AND BETWEEN
PFLUGERVILLE COMMUNITY DEVELOPMENT CORPORATION
AND MDC VACUUM PRODUCTS, LLC**

WHEREAS, the Pflugerville Community Development Corporation, a Texas Type B Economic Development Corporation ("PCDC") and MDC VACUUM PRODUCTS, LLC, ("MDC"), who may hereinafter be referred to collectively as the "Parties" and sometimes individually referred to as a "Party, entered into that certain economic development & performance agreement entitled "Economic Development Performance Agreement By and Between Pflugerville Community Development Corporation MDC VACUUM PRODUCTS, LLC, ("the Agreement") effective on or about March 4, 2021 and attached hereto as Exhibit "A" and incorporated herein for all purposes; and

WHEREAS, due to a cyclical downturn in the semiconductor industry due to overcapacity following Covid in 2023, MDC had difficulty meeting its performance obligations for certain years as outlined in the Agreement; and

WHEREAS, in consideration of MDC's continued investment in Pflugerville, the PCDC and MDC wish to amend the Agreement (the "First Amendment") to suspend MDC's job requirement and capital investment requirements for Year 3 (Fiscal Year 2024) and extend MDC's time for performance of its economic development obligations to the PCDC by one year and suspend the PCDC's incentive obligations by one year; and

WHEREAS, the Agreement provides that the Parties may amend the Agreement by a written amendment by mutual consent;

NOW, THEREFORE, in consideration of the mutual covenants contained within the Agreement and this First Amendment and other good and valuable consideration, the receipt of which is hereby acknowledged, including the mutual covenants herein contained, the PCDC and MDC agree to amend the Agreement as follows:

1. The Recitals as set forth above are declared true and correct and are hereby incorporated as part of this Agreement.
2. Section 4 of the Agreement is deleted in its entirety, and a new Section 4 is adopted to read as follows:

"SECTION 4-MDC PERFORMANCE REQUIREMENTS

(a) MDC covenants and agrees that while this EDPA is in effect, it shall be obligated to comply with all the terms and conditions of the EDPA and perform the following obligations during each year of the Term:

1. **Year One (Fiscal Year 2022):**

- A. MDC shall enter into a lease of the building in the City of Pflugerville for a minimum of five years;
- B. MDC shall invest \$650,000.00 in capital improvements, equipment expenses, personal property, and the lease agreement;
- C. MDC shall relocate or create a minimum of twenty (20) FTE jobs in the City of Pflugerville with an average annual wage of no less than \$42,000.00 plus medical benefits;
- D. MDC shall obtain a Certificate of Occupancy for the building from the City of Pflugerville;
- E. MDC shall meet all City rules for permitting and occupancy; and
- F. MDC shall provide receipts for the Capital/tenant improvements & equipment expenses of up to \$650,000.00.

2. Year Two (Fiscal Year 2023):

- A. MDC shall maintain residency and leasehold in Pflugerville;
- B. MDC shall invest an additional \$650,000.00 in personal property and capital improvements.
- C. MDC shall create up to 20 new FTE jobs and maintain the 20 jobs from Year One, each with an average annual wage of no less than \$42,000.00 plus medical benefits.
- D. MDC shall provide receipts for the Capital/tenant improvements & equipment expenses of up to \$650,000.00.

3. Year Three (Fiscal Year 2024):

- A. MDC shall maintain residency and leasehold in Pflugerville;
- B. Additional jobs and capital investment obligations extended to Fiscal Year 2025.

4. Year Four (Fiscal Year 2025):

- A. MDC shall maintain residency and leasehold in Pflugerville;
- B. MDC shall invest an additional \$900,000.00 in personal property and capital improvements;
- C. MDC shall create up to 20 new FTE jobs and maintain the 40 FTE jobs from previous years, each with an average annual wage of no less than \$42,000.00 plus medical benefits.
- D. MDC shall provide receipts for the additional Capital/tenant improvements & equipment expenses of up to \$900,000.00.

5. Year Five (Fiscal Year 2026):

- A. MDC shall maintain residency and leasehold in Pflugerville;
- B. MDC shall invest an additional \$1,500,000.00 in personal property and capital improvements;
- C. MDC shall create up to 20 new FTE jobs and maintain the 60 FTE jobs from previous years, each with an average annual wage of no less than

- D. \$42,000.00 plus medical benefits;
MDC shall provide receipts for the additional Capital/tenant improvements & equipment expenses of up to \$1,500,000.00.

6. Year Six (Fiscal Year 2027):

- A. MDC shall maintain residency and leasehold in Pflugerville;
- B. MDC shall invest an additional \$750,000.00 in personal property and capital improvements;
- C. MDC shall create up to 10 new FTE jobs and maintain the 80 FTE jobs from previous years, each with an average annual wage of no less than \$42,000.00 plus medical benefits.
- D. MDC shall provide receipts for the additional Capital/tenant improvements & equipment expenses of up to \$750,000.00.”

3. Section 5(a) of the Agreement is amended as follows:

“(a)The PCDC covenants and agrees that while this EDPA is in effect and so long as MDC is in full compliance with its obligations thereunder, the PCDC shall provide MDC with a possible maximum financial incentive of \$250,000.00 over the term of this EDPA, the annual amounts being paid annually and capped, and will perform or accomplish the following during each year of that term:

1. Year One (Fiscal Year 2022): PCDC shall pay MDC a Relocation Grant of up to \$75,000.00;
 2. Year Two (Fiscal Year 2023): PCDC shall pay MDC a Jobs Grant of \$2500.00 per new job created, up to a maximum of \$50,000.00 for Year Two;
 3. Year Three (Fiscal Year 2024): PCDC shall owe no payments under the Agreement.
 4. Year Four (Fiscal Year 2025): PCDC shall pay MDC a Jobs Grant of \$2500.00 per new job created, up to a maximum of \$50,000.00 for Year Four;
 5. Year Five (Fiscal Year 2026): PCDC shall pay MDC a Jobs Grant of \$2500.00 per new job created, up to a maximum of \$50,000.00 for Year Five.
 6. Year Six (Fiscal Year 2027): PCDC shall pay MDC a Jobs Grant of \$2500.00 per new job created, up to a maximum of \$25,000.00 for Year Six.”
4. Any other deadline in the Agreement not addressed in this First Amendment is also extended by one year if such existing deadline is incompatible with this First Amendment.
 5. All other provisions of the Agreement shall remain in full force and effect.
 6. The effective date of this First Amendment shall be the date it is last signed by all parties.

**AGREED TO AND APPROVED BY THE PCDC AND MDC AS EVIDENCED BY
THE SIGNATURES BELOW.**

SIGNATURES:

By: _____

Paul Downey, CFO
MDC Vacuum Products, LLC
A Texas Corporation

Date: _____

SIGNATURES:

By: _____

Jeff Thompson, President of the Board of Directors
Pflugerville Community Development Corporation

Date: _____

Attest: _____