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CHAPTER 381 ECONOMIC DEVELOPMENT AGREEMENT BETWEEN HUNT COUNTY AND ZUME, INC.

FILED FOR RECORD at 11:50 o'clock A M
AUG 27 2019
JENNIFER LINDENZWEIG
By County Clerk, Hunt County, TX

STATE OF TEXAS

COUNTY OF HUNT

This Chapter 381 Agreement ("Agreement") is entered into on _____ ("Effective Date") by and between **HUNT COUNTY ("County"),** Texas, duly acting herein by and through its County Judge, and **ZUME INC.** ("**Company**") acting herein by and through their duly authorized officers.

WITNESSETH:

WHEREAS, in accordance with Article III, Section 52-a of the Texas Constitution and Chapter 381 of the Texas Local Government Code under which the County has the authority to make loans or grants of public funds for the purposes of promoting local economic development by stimulating business and commercial activity within the County for new, developing, and expanding businesses; and

WHEREAS, Company intends to locate equipment (personal property) in the County, which would increase the County's property tax base, and Company's operations in the region will create employment opportunities for residents of the County; and

WHEREAS, in order to encourage Company to locate an industrial perishable container manufacturing business with over 100 new manufacturing jobs in the County, County intends to provide Company a personal property tax rebate; and

WHEREAS, the County has concluded and hereby finds that this Agreement promotes economic development in the County and, as such, meets; the requirements under Chapter 381 and is in the best interests of the County; and

WHEREAS, on the Effective Date, the commitments contained in this Agreement shall become legally binding obligations of County and Company; and

NOW, THEREFORE, in consideration of the mutual benefits described in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, County and Company agree as follows:

1. **Definitions.** For the purposes of this Agreement, when not inconsistent with the context, words, used in the present tense include the future tense, words in the plural include the singular, and words in the singular include the plural, and the use of any gender shall be applicable to all genders whenever the sense requires. The words "shall" and "will" are mandatory and the word "may" is permissive. Words not defined in this Agreement shall be given their common and ordinary meaning. The following words shall be given the meanings designated.

   a. *Baseline Date or Baseline* shall mean the date from which Company's capital assessed value requirements shall be measured, which shall be January 1, 2019.

   b. *Property* shall refer to as tangible personal property.

2. **Capital Investment I Assessed Value.** Company represents that it will use its best efforts to make a capital investment in Property with a minimum assessed value of ten million dollars ($10,000,000) by December 31, 2020 and agrees to maintain during the term of the Agreement this minimum assessed value.

3. **Grant of Personal Property Tax Rebate.** In consideration of Company making a capital investment in Property in the County, the County agrees, subject to the terms and conditions contained herein, that Property shall be entitled to a Personal Property Tax Rebate of any property tax payable to Hunt County on the assessed value of any "freeport goods" as defined by Texas Tax Code § 11.251 ("Qualified Freeport Eligible Inventory Value"). Company shall be entitled to the Personal Property Tax Rebate each year for a term of 20 years beginning on January 1, 2020. Rebate Calculation shall be: Qualified Freeport Inventory Value (as certified by the Hunt County Chief Appraiser) divided by 100, times the current year County Tax Rate.

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4. **Payment of Rebate.** All Property Tax Rebate payments subject to this Agreement shall be paid to Company by the County no later than October 31st of each year following the January 1st assessment date for which the County receives a copy of the paid County Taxes receipt for the respective year. The first payment shall be due October 31, 2020.

5. **Facility Location.** The manufacturing plant must be located within the county of Hunt County at all times during the term of this Agreement.

6. **Compliance with Law.** Company agrees to abide by all applicable laws, ordinances, codes, rules, requirements, or regulations of the County and the State of Texas, and any subdivision, agency, or authority thereof in effect at the time of the development.

7. **Payment of Taxes and Assessments.** Company agrees to pay all property taxes that may be owed to the County or any other taxing entity prior to such taxes and/or assessments becoming delinquent; provided that Company shall have the right to contest in good faith the validity or application of any such property tax or assessment and shall not be considered in default hereunder so long as such contest is diligently pursued to completion.

8. **Submission of Reports**

   a. Company shall submit to the County, on an annual basis on or before March 31st, the information or reports necessary for the monitoring of the performance criteria established in this Agreement for Company.

   b. Because of the highly competitive nature of the industry in which Company does business, the County agrees that the reports which Company is required to submit may contain information which Company considers to be valuable proprietary information. As such, the County agrees to keep any and all reports provided by Company as confidential information to the extent the documents are not public information under the Public Information Act, Chapter 552, TEXAS GOVERNMENT CODE, as amended.

8. **Default.** The County shall provide Company written notice of Company 's default. If such default is not cured within thirty (30) days from the date written notice is received by Company from the County, then the County may at the County's sole option, terminate this Agreement.

   If Company believes that a notice of default pursuant to this paragraph was improperly issued, Company may file suit in the Hunt County district courts appealing such notice of default within thirty (30) days of the issuance of such notice by the County, in which case the cure period currently running will toll, and shall not be considered for any purpose as having run, until the issuance of a final court decision or other final resolution of such court proceeding and subsequent appeals.

9. **Term.** The term of this Agreement shall be from the Effective Date through December 31, 2039, unless this Agreement is extended by the County, which would extend the term of this Agreement through December 31, 2048

10. **Miscellaneous.**

   a. **Severability.** If any provision of this Agreement is held to be illegal, invalid, or unenforceable under the present or future laws effective while this Agreement is in effect, such provision shall be automatically deleted from this Agreement and the legality, validity, and enforceability of the remaining provision, there shall be added automatically as part of this Agreement a provision that is similar in terms and substance to such deleted provision as may be possible and yet be legal, valid, and enforceable. The failure of the County to approve this Agreement does not affect the legality, validity or enforceability of this Agreement for the County or Company.

   b. **Texas Law to Apply.** This Agreement shall be construed under and in accordance with the laws of the State of Texas and all obligations of the parties created hereunder are performable in Hunt County, Texas. In the event of litigation, jurisdiction shall lie in Hunt County. Texas

   c. **Amendments.** No amendment, modification or alteration of the terms hereof shall be binding unless the same shall be in writing, dated subsequent to the date hereof and duly executed by

the parties hereto.

d. **No Waiver.** No waiver by any party to this Agreement in any event of default, or breach of any covenant, condition or stipulation herein contained shall be treated as a waiver of any subsequent default or breach of the same or any other covenant, condition, or stipulation.

e. **Assignment.** Company may not assign this Agreement without the prior written consent of the County, which consent shall not be unreasonably withheld or delayed; provided, however, that Company may assign this Agreement to an Affiliate or to a party which acquires all or substantially all of the capital stock of Company, upon written notice to the County but without the requirement of prior consent.

f. **Binding.** This Agreement is binding on the parties herein their successor, assigns, parent corporations and subsidiaries.

g. **Notice.** All notices by this Agreement (i) shall be in writing, (ii) shall be addressed to the parties as set forth below unless notified in writing of a change in address, and (iii) shall be deemed to have been delivered either when personally delivered or, if sent by mail, in which event it shall be send by registered or certified mail, return receipt requested, three (3) business days after mailing. The addresses of the parties are as follows:

ZUME, INC.
ADDRESS: 250 Polaris Avenue
Mountain View, CA 94043
Attn: President, Zume Source Packaging

with copies to: Zume, Inc.
Legal Department
403 Columbia St., Suite 200
Seattle, WA 98104
Attn: General Counsel

ATTENTION:

HUNT COUNTY

ADDRESS:

ATTENTION: COUNTY JUDGE BOBBY STOVALL

The parties hereto have executed or caused to be executed by their duly authorized officials, this Agreement in multiple counterparts, each of equal dignity.

ZUME, INC.

By: DocuSigned by: Timothy Cleary 198E2AC3E1DE4AC...
Name: Timothy Cleary
Title: Vice President
Date: 8/27/2019

HUNT COUNTY
By: [signature]
Name: Bobby W. Stovall
Title: County Judge
Date: Aug. 27, 2019