STATE OF TEXAS §
§
COUNTY OF CASS §

CHAPTER 381
ECONOMIC DEVELOPMENT AGREEMENT

between

CASS COUNTY, TEXAS

and

GRAPHIC PACKAGING INTERNATIONAL, LLC

This CHAPTER 381 ECONOMIC DEVELOPMENT AGREEMENT (the "AGREEMENT") is made, entered, and executed in duplicate originals by and between Cass County, Texas, a political subdivision of the state of Texas acting through its Commissioners Court ("COUNTY") and Graphic Packaging International, LLC, a Delaware limited liability company ("GPI"), as authorized by Chapter 381, Texas Local Government Code and is effective on the 28th day of December 2020 (the "Effective Date").

WHEREAS, Article 3, Section 52A, Texas Constitution, authorizes the Legislature to enable cities and counties to implement programs for the public purposes of economic development under which counties may provide financial incentives for the purposes of stimulating local economic development and business and commercial activity in the COUNTY; and

WHEREAS, Section 381.004, TEXAS LOCAL GOVERNMENT CODE, authorizes the Commissioners Court of a county to establish and provide for the administration of one or more programs in order to stimulate business and commercial activity in the COUNTY, including programs for making loans and grants of public money to promote local economic development; and

WHEREAS, COUNTY has established a program of economic development for the purposes of creation and retention of Jobs for the citizens of the COUNTY and region, to promote economic expansion, and to add to the tax base of the COUNTY; and

WHEREAS, COUNTY wishes to encourage GPI to select Cass County as the site for the proposed expansion and modernization by GPI and the GPI Affiliates (as defined below); and

WHEREAS, the proposed expansion and modernization by GPI and the GPI Affiliates will result in new economic development in the COUNTY, including retaining jobs, increasing sales tax revenues to the COUNTY and increasing *ad valorem* taxes within the COUNTY; and

WHEREAS, the proposed expansion and modernization by GPI and the GPI Affiliates will have a direct positive and measurable economic benefit to the COUNTY; and

WHEREAS, the COUNTY recognizes the positive economic impact the proposed expansion and modernization will have on the COUNTY and wishes to provide incentives to GPI to assist in the proposed expansion and modernization thereby contributing toward the further economic development and growth of the COUNTY; and

WHEREAS, the COUNTY finds this AGREEMENT embodies an eligible "program" and clearly promotes economic development in Cass County, Texas, and, as such, meets the requisites under Chapter 381 of the TEXAS LOCAL GOVERNMENT CODE and further is in the best interests of the COUNTY.

NOW, THEREFORE, for the mutual consideration set out below, the Parties hereto agree as follows:

I. AUTHORIZATION

COUNTY's execution and performance of this AGREEMENT is authorized by Section 381.004, TEXAS LOCAL GOVERNMENT CODE, and by the COUNTY's Chapter 381 Economic Development Policy, Guidelines and Criteria and constitutes the valid and binding obligation of the COUNTY from and after execution hereof by all Parties. GPI's execution and performance of this AGREEMENT has been duly authorized and constitutes the valid and binding obligation of GPI from and after execution hereof by all Parties.

II. DEFINITIONS

1. "*Ad Valorem* Taxes" means with respect to any property tax year, all *ad valorem* properly taxes collected by the COUNTY on the Eligible Property for that tax year. For the purposes of this AGREEMENT, *Ad Valorem* Taxes collected by the COUNTY shall not include penalties, interest, or attorneys' fees.

2. "Affiliate" of any specified person or entity means any other person or entity, which, (i) directly or indirectly, through one or more intermediaries, controls, or is controlled by, or (ii) is under direct or indirect common control with such specified person or entity. For the purposes of this definition, "control" when used with respect to any person or entity means (a) the ownership, directly or indirectly, of fifty percent (50%) or more of the voting securities of such person or entity; or (b) the right to direct the management and operations of such person or entity, directly or indirectly, whether through the ownership of (directly or indirectly) securities, by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

3. "Commercially Reasonable Efforts" means, as to a Party hereto, an undertaking by such Party to perform or satisfy an obligation or duty or otherwise act in a manner reasonably calculated to obtain the intended result by action or expenditure not disproportionate or unduly burdensome under the circumstances, which means, among other things, that such Party shall not be required to (i) expend funds other than for payment of the reasonable and customary costs and expenses of employees, contractors, counsel, consultants, representatives or agents of such Party

in connection with the performance or satisfaction of such obligation, duty or other action or (ii) institute or settle any litigation or arbitration as a part of its reasonable efforts.

4. "Eligible Property" means the buildings, structures, machinery and equipment, process units including all integral components necessary for operations, site improvements, infrastructure, and that office space and related fixed improvements necessary to the operations and administration of the Project. During the construction phase of the Eligible Property, GPI and/or the applicable GPI Affiliates may make such changes to the Eligible Property as are reasonably necessary to accomplish its intended use.

5. "GPI Affiliates" means those Affiliates of GPI that own the portions of the Project and/or the Property that are not owned by GPI.

6. "Force Majeure" means an event or occurrence caused by (a) provisions of law, or the operation or effect of rules, regulations or orders promulgated by any governmental authority having jurisdiction over GPI, the applicable GPI Affiliates, or the Project enacted or effective after the Effective Date hereof; (b) any demand or requisition, arrest, order, request, directive, restraint or requirement of any government or governmental agency whether federal, state, military, local or otherwise; (c) the action, judgment or decree of any court; (d) floods, storms, hurricanes, evacuation due to threats of hurricanes, lightning, earthquakes, washouts, high water, fires, acts of God or public enemies, wars (declared or undeclared), blockades, epidemics, riots or civil disturbances, insurrections, strikes, labor disputes (it being understood that nothing contained in this AGREEMENT shall require GPI or the applicable GPI Affiliates to settle any such strike or labor dispute), explosions, breakdown or failure of plant, machinery, equipment, lines of pipe or electric power lines (or unplanned or forced outages or shutdowns of the foregoing for inspections, repairs or maintenance), inability to obtain, renew or extend franchises, easements or rights of way, licenses or permits, loss, interruption, curtailment or failure to obtain electricity, gas, steam, water, wastewater disposal, waste disposal or other utilities or utility services, inability to obtain or failure of suppliers to deliver equipment, parts or material, or inability of GPI or the applicable GPI Affiliates to receive product into, or to ship or transport product out of their respective facilities; or (e) any other cause (except financial condition), whether similar or dissimilar, over which GPI or the applicable GPI Affiliate(s) have no reasonable control and which forbids or prevents performance.

7. "Parties" means collectively the COUNTY and GPI, and "Party" means the COUNTY or GPI, as the case may be.

8. "PILOT Payment" means the amounts provided in Section III.6 of this AGREEMENT.

9. "Project" means GPI's implementation of improvements to increase capacity and reduce the environmental impact of the Texarkana, TX mill, thus creating a state-of-the-art paper mill with increased capacity on the Property as more specifically set forth in attached Exhibit "A."

10. "Property" means the land on which the Project will be developed as depicted on the plat and map of the Reinvestment Zone attached hereto as Exhibit "B."

11. "Term" means the period commencing on the Effective Date and ending on the Termination Date.

12. "Termination Date" means December 31, 2030, however, GPI's obligations for payment hereunder shall survive the Termination Date.

III. GPI REPRESENTATIONS/OBLIGATIONS

GPI agrees as a condition of receiving the benefits of this AGREEMENT:

1. Project: To install, construct and/or upgrade, and/or to cause the GPI Affiliates to install, construct and/or upgrade the SBS facility on the Property as described in Exhibit "A" at the estimated installation and construction costs, based upon current estimated costs of labor and materials, set forth below:

Project $ 174 Million (Investment Period 2019-2023)[1]

[The anticipated investments for the Project are detailed in the table in Exhibit A, the timing of which may vary from year to year from the amounts currently anticipated for each year as reflected therein.]

2. Employment: To make reasonable efforts to maintain, from the Effective Date of this AGREEMENT until its Termination Date an employment level of eight hundred seventeen (817) full-time employees and/or an acceptable variance therefrom; and in any event shall maintain a base employment level of at least six hundred fifty-four (654) full-time employees to maintain qualification for Abatement. Calculation of Employment shall be computed as detailed in Exhibit D.

3. Reporting and Inspection: To certify annually to the COUNTY that GPI is in compliance with each applicable term of the AGREEMENT within thirty (30) days after the end of each calendar year. The COUNTY JUDGE AND/OR COMMISSIONER'S COURT shall annually, upon prior written notice given at least five (5) working days in advance, have access to the Project by COUNTY employees for inspection to ensure compliance with this AGREEMENT.

4. Local Sourcing: To make Commercially Reasonable Efforts, with respect to any contracts for the purchase of supplies and services in connection with construction of the Project that are let to bid after the Effective Date, to identify and ensure that qualified Cass County vendors, suppliers and sub-contractors are given the opportunity to bid on such contracts.

5. Administration Fee: To pay to the COUNTY an administration fee set forth on the respective PILOT Payment Schedules attached as Exhibit "C" and in the amount provided therein. The administration fee shall be due and payable on March 31st of each year following the PILOT Payment Dates set forth on Exhibit "C." This administration fee is considered payment for the Chapter 381 administrative services as provided in Section 381.004(c) of the TEXAS LOCAL GOVERNMENT CODE.

[1] During the Term of this Agreement, GPI is to invest $104.9 Million of the total investment into the Project.

6. PILOT Payments: To pay the initial PILOT Payment for the Project in the amount of $321,500.00 as provided in Exhibit "C", to the COUNTY on or before January 31, 2022, and each subsequent PILOT Payment will be paid in the tax years provided in Exhibit "C."

7. PILOT Payment Adjustments: To pay to the COUNTY any adjustments to the PILOT payments due to GPI's failure to meet performance and/or job retention thresholds set forth in attached Exhibit "D." Any adjustments to the PILOT Payments will be determined on an annual basis such that performance in any given year will not impact other years. Any such adjustments shall be due and payable on January 31st following any such period of non-compliance unless otherwise provided herein below.

IV. ABATEMENT AND TERM OF AGREEMENT

1. Abatement: During the Term of this AGREEMENT, there shall be granted and allowed hereunder to GPI by the COUNTY, and any taxing districts for which the COUNTY by statute levies the *Ad Valorem* Taxes or approves the tax rate, a one hundred percent (100%) property tax abatement on the Eligible Property for the Project in consideration for the payment of the agreed PILOT Payments in Exhibit "C" and contingent upon GPI's compliance with the terms and conditions set forth in this AGREEMENT.

2. Effective Date: The Abatement provided for in this AGREEMENT for the Project shall be effective on the January 1, 2021 tax valuation date for the Project, as authorized by Sec. 312.007 of the TEXAS TAX CODE and Section 381.004(g) of the TEXAS LOCAL GOVERNMENT CODE.

3. Abatement Term: In no event shall the abatement period for the Project exceed a period of ten (10) years in accordance with state law.

4. Payment in Lieu of Tax: During the Abatement, in lieu of the property taxes abated pursuant to the terms of this AGREEMENT, GPI shall pay to the COUNTY an amount, per tax year set forth in the schedule of payments attached hereto as Exhibit "C." Neither GPI nor its successors and assigns shall claim, demand, sue for or otherwise seek to recover any amounts paid to the COUNTY pursuant to this AGREEMENT; provided the foregoing shall in no event prevent GPI from exercising all of its rights and remedies (including contest of such appraised value and the taxable value so abated) with respect to the determination by the Chief Appraiser of the Cass County Appraisal District of the Certified Appraised Value of the Property and the taxable value abated pursuant hereto.

5. Role of Chief Appraiser: The Chief Appraiser of the Cass County Appraisal District shall annually determine (i) the taxable value of the Eligible Property pursuant to the abatement terms of this AGREEMENT; and (ii) the full taxable value of the Eligible Property without the abatement terms provided herein. The Chief Appraiser shall record both the abatement taxable value and the full taxable value in the appraisal records. The full taxable value listed in the appraisal records shall be used to compute any recapture. Each year GPI shall furnish the Chief Appraiser with the information required by Chapter 22, TEXAS TAX CODE. Such information shall also be provided to the COUNTY in the preparation of its annual evaluation for compliance with

this AGREEMENT. In the event that a recapture of taxes is instituted under Section VI.4 of this AGREEMENT, the total of all payments made by GPI according to the schedules of payment attached hereto as Exhibit "C" shall be credited as an offset against all tax payments sought to be recaptured by the COUNTY.

V. LIABILITY

1. No Assumption: By this AGREEMENT, GPI assumes no obligation, duty or other responsibility with regard to any governmental function or service for which the COUNTY is responsible that is not otherwise addressed by this AGREEMENT. In addition, GPI assumes no legal liability for the actions of the COUNTY through the execution of this AGREEMENT. The COUNTY individually assumes no obligation, duty or other responsibility with regard to any duty, right, obligation or responsibility associated with the Project for which GPI is responsible that is not otherwise addressed by this AGREEMENT. In addition, the COUNTY assumes no legal liability for the actions of GPI or its successors or assigns by virtue of its execution of this AGREEMENT.

2. Agents: Each Party to this AGREEMENT agrees that it shall have no liability for the actions or omissions of the employees, agents, directors, members, trustees or representatives of any other Party, and each Party is solely responsible for the actions and omissions of its own employees, agents, directors, members, trustees or representatives.

VI. DEFAULT

1. Events of Default: During the Term, the COUNTY may declare a default hereunder by GPI if GPI (i) fails to commence construction of the Project within one (1) year after the Effective Date, (ii) refuses or neglects to comply with any of the terms of this AGREEMENT, or (iii) if any representation made by GPI in this AGREEMENT is false or misleading in any material respect.

2. Notice and Cure: If the COUNTY declares GPI to be in default of this AGREEMENT, the COUNTY shall notify GPI in writing prior to the end of the annual abatement period during which such default occurred, and if such default is not cured within sixty (60) days from the date of such notice (such sixty (60) day period, or such longer period as is provided for in this Section VI.2 being referred to as the "Cure Period"), then this AGREEMENT may be terminated or modified; provided, however, that in the case of a default for causes beyond GPI's reasonable control which cannot with due diligence be cured within such sixty (60) day period, the Cure Period shall be deemed extended if GPI (i) shall immediately, upon the receipt of such notice, advise the COUNTY of GPI's intention to institute all steps necessary to cure such default and (ii) shall proceed to cure.

3. Delinquent *Ad Valorem* Taxes: In the event GPI allows its *Ad Valorem* Taxes owed to the COUNTY, that are subject to this agreement, to become delinquent and fails to timely and properly follow the legal procedures for their protest and appeal, or if GPI violates any of the terms and conditions of this AGREEMENT and fails to cure during the Cure Period, this AGREEMENT may then be terminated.

4. Recapture: In the event GPI (i) allows its *Ad Valorem Taxes* owed to the COUNTY, that are subject to this agreement, to become delinquent or fails to timely and properly follow the legal procedures for the protest and appeal of the *Ad Valorem* Taxes or (ii) defaults under this AGREEMENT and fails to cure, this AGREEMENT may then be terminated. In the event of termination of this AGREEMENT pursuant to the provisions of this paragraph, all taxes that could have been abated by virtue of this AGREEMENT for the year in which the default leading to termination and each year thereafter during the Term will be recaptured by the COUNTY and paid by GPI either within sixty (60) days of termination for those taxes already due and payable for the year in which the default leading to termination occurred, or paid by GPI when due and payable for future years during the Term. In no event, however, will the amount of taxes paid by GPI to the COUNTY be less than the PILOT Payments due under the terms of this Agreement.

In the event GPI's Average Actual Performance ("AAP") falls below the requirements as provided in Exhibit "D", all taxes in the year that GPI does not meet the performance requirement will be paid and not abated as required by the TEXAS TAX CODE. In no event, however, will the amount of taxes paid by GPI to the COUNTY for any such year be less than the PILOT Payments due for any such year under the terms of this Agreement. A single year performance default is not cause for termination of this Agreement.

5. Termination: If, after notice of default and failure to cure, the COUNTY terminates this AGREEMENT, it shall provide GPI written notice of such termination. If GPI believes that such termination was improper, GPI may file suit in the Cass County District Court appealing such termination within sixty (60) days after receipt from the COUNTY of written notice of the termination. If such a suit is filed, GPI shall remit to the COUNTY, within ninety (90) days after receipt of the notice of termination, any additional *Ad Valorem* Taxes as may be payable during the pendency of the litigation pursuant to the payment provisions of Section 42.08, TEXAS TAX CODE. If the final determination of the appeal increases GPI's tax liability above the amount of tax paid, GPI shall remit the additional tax to the COUNTY pursuant to Section 42.42, TEXAS TAX CODE. If the final determination of the appeal decreases GPI's tax liability, the COUNTY shall refund to GPI the difference between the amount of tax paid and the amount of tax for which GPI is liable pursuant to Section 42.43, TEXAS TAX CODE. The prevailing party in any litigation brought under this Section VI.5 shall be entitled to recover its reasonable attorneys' fees and costs. In no event, however, will the amount of taxes paid by GPI to the COUNTY be less than the PILOT Payments due under the terms of this Agreement.

VII. NOTICE

Any notice and/or statement required and permitted to be delivered shall be deemed delivered by depositing the same in the United States mail, certified with return receipt requested, postage prepaid, addressed to the appropriate Party at the following addresses:

Notices to GPI shall be addressed to:

Graphic Packaging International, LLC
1500 Riveredge Parkway, Suite 100
Atlanta, GA 30328

Attn: Andrew Johnson
Fax: 770.644.2929

Notices to CASS COUNTY shall be addressed to:

County Judge of Cass County
P.O. Box 825
Linden, Texas 75563
Fax: 903/756-5732

With copies to:

Cass County Appraisal District
Attn: Chief Appraiser
502 North Main Street
Linden, Texas 75563
Fax: 903/756-3270

Either Party may change its address for receipt of notices under this AGREEMENT from time to time by delivering at least ten (10) days prior written notice of such change to the other Party in the manner prescribed above.

VIII. MISCELLANEOUS PROVISIONS

1. Disclaimer: Nothing herein shall confer upon any person, firm or other entity other than the Parties hereto any benefit or any legal or equitable right, remedy or claim under this AGREEMENT. All obligations hereunder of the Parties shall be binding upon their respective successors and assigns.

2. Amendments to Agreement: Waivers: This AGREEMENT may not be modified or amended except by an instrument or instruments in writing signed by all the Parties. Waiver of any term, condition or provision of this AGREEMENT by any Party shall only be effective if in writing and shall not be construed as a waiver of any subsequent breach of, or failure to comply with, the same term, condition or provision, or a waiver of any other term, condition or provision of this AGREEMENT.

3. Approvals or Consents: Approvals or consents required or permitted to be given under this AGREEMENT shall be evidenced by an ordinance, resolution, or minute order adopted by the governing body or board of the appropriate Party or by a certificate executed by a person, firm or entity previously authorized to give such approval or consent on behalf of a Party. Approvals and consents shall be effective without regard to whether given before or after the time required for giving such approvals or consents.

4. Assignment: GPI may assign this AGREEMENT in whole or in part to an Affiliate or a new owner or lessee of the Property or the Project, or any portion thereof, provided that GPI shall provide written notice of such assignment to the COUNTY. Upon such assignment, GPI's

assignee will be liable to the COUNTY for outstanding taxes or other obligations arising under this AGREEMENT with respect to the applicable portion of the Property or the Project. The COUNTY shall not assign its rights or obligations under this AGREEMENT to any other person or party.

5. Parties in Interest: This AGREEMENT shall be for the sole and exclusive benefit of the Parties hereto and shall not be construed to confer any rights upon any third parties.

6. Supplementation: In the event any further documentation or information is required for this AGREEMENT to be valid, then the Parties to this AGREEMENT shall provide or cause to be provided such documentation or information. The Parties shall execute and deliver such documentation, including but not limited to any amendments, corrections, deletions or additions as necessary to this AGREEMENT provided however that the Parties shall not be required to do anything that has the effect of changing the essential economic terms of this AGREEMENT or imposing greater liability on the Parties. The Parties further agree that they shall do anything necessary to comply with any requirements to enable the full effect of this AGREEMENT; provided, however, that the Parties shall not be required to do anything that has the effect of changing the essential economic terms of this AGREEMENT or imposing greater liability on the Parties.

7. Merger: This AGREEMENT contains all the terms and conditions of the understanding of the Parties relating to the subject matter hereof. All prior negotiations, discussions, correspondence, and preliminary understandings between the Parties and others relating hereto are superseded by this AGREEMENT.

8. Governing Law: This AGREEMENT and the transactions contemplated hereby shall be governed by and interpreted in accordance with the laws of the State of Texas without giving effect to principles thereof relating to conflicts of law or rules that would direct the application of the laws of another jurisdiction. Venue in any legal proceeding shall be in the State District Court of Cass County, Texas.

In entering into this AGREEMENT, GPI verifies that it (i) does not boycott Israel; and (ii) will not boycott Israel during the term of the AGREEMENT as prohibited under section 2270.002 of the Texas Government Code.

9. Authorization: Each of the Parties represent and warrant that its undersigned representative is duly authorized to execute this AGREEMENT for and on behalf of such Party.

10. Severability: If any term, provision or condition of this AGREEMENT, or any application thereof, is held invalid, illegal or unenforceable in any respect under any Law (as hereinafter defined), this AGREEMENT shall be reformed to the extent necessary to conform, in each case consistent with the intention of the Parties, to such Law, and to the extent such term, provision or condition cannot be so reformed, then such term, provision or condition (or such invalid, illegal or unenforceable application thereof) shall be deemed deleted from (or prohibited under) this AGREEMENT, as the case may be, and the validity, legality and enforceability of the remaining terms, provisions and conditions contained herein (and any other application such term,

provision or condition) shall not in any way be affected or impaired thereby. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this AGREEMENT in a mutually acceptable manner so as to effect the original intent of the Parties as closely as possible to the end that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Section VIII.10, the term "Law" shall mean any acceptable statute, law (including common law), ordinance, regulation, rule, ruling, order, writ, injunction, decree or other official act of or by any federal, state or local government, governmental department, commission, board, bureau, agency, regulatory authority, instrumentality, or judicial or administrative body having jurisdiction over the matter or matters in question.

11. Payment of Expenses: GPI agrees to reimburse the COUNTY for reasonable legal fees and expenses incurred in connection with the negotiation, preparation, consummation, and monitoring of this AGREEMENT in the amount of $10,000.00. Said reimbursement shall be paid in full within thirty (30) days of the execution of this AGREEMENT. Except the foregoing reimbursement provision, or as covered by the application fee, (i) each of the Parties shall pay its own costs and expenses relating to this AGREEMENT, including, but not limited to, its costs and expenses of the negotiations leading up to this AGREEMENT, and of its performance and compliance with this AGREEMENT, and (ii) in the event of a dispute between the Parties in connection with this AGREEMENT, the prevailing Party in the resolution of any such dispute. whether by litigation or otherwise shall be entitled to full recovery of all attorneys' fees (including a reasonable hourly fee for in-house legal counsel), costs and expenses incurred in connection therewith, including costs of court, from the non-prevailing Party to the extent allowed by law.

12. ForceMajeure: In the event either Party is rendered unable, wholly or in part, by Force Majeure to carry out any of its obligations under this AGREEMENT, except the obligation to pay amounts owed or required to be paid pursuant to the terms of this AGREEMENT because of financial condition (and not some other cause such as weather or computer system malfunction that prevents banking transactions, then the obligations of such Party, to the extent affected by such Force Majeure and to the extent that due diligence is being used to resume performance at the earliest practicable time, shall be suspended during the continuance of any inability so caused to the extent provided but for no longer period. As soon as reasonably possible after the occurrence of the Force Majeure relied upon, the Party whose contractual obligations are affected thereby shall give notice and full particulars of such Force Majeure to the other Party. Such cause, as far as possible, shall be remedied with all reasonable diligence.

13. Interpretation: When a reference is made in this AGREEMENT to a Section, Article or Exhibit, such reference shall be to a Section or Article of, or Exhibit to, this AGREEMENT unless otherwise indicated. The headings contained in this AGREEMENT are for reference purposes only and shall not affect in any way the meaning or interpretation of this AGREEMENT. The words "include," "includes" and "including" when used in this AGREEMENT shall be deemed in such case to be followed by the phrase "but not limited to." Words used in this AGREEMENT, regardless of the number or gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context shall require. This AGREEMENT is the joint product of the Parties and each provision of this AGREEMENT has been subject to the mutual

consultation, negotiation and agreement of each Party and shall not be construed for or against any Party.

14. Execution of Counterparts: This AGREEMENT may be executed in multiple counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute but one and the same instrument, which may be sufficiently evidenced by one counterpart.

15. Waiver: Failure of any Party hereto to insist on the strict performance of any of the agreements herein or to exercise any rights or remedies accruing thereunder upon default or failure of performance shall not be considered a waiver of the right to insist on and to enforce by an appropriate remedy, strict compliance with any other obligation hereunder exercise any right or remedy occurring as a result of any future default or failure of performance.

16. Governmental Immunity: Consent to Suit: Nothing in this AGREEMENT shall constitute a waiver by the COUNTY of its governmental or sovereign immunity. Nothing in this AGREEMENT shall be construed as express or implied consent by the COUNTY to being sued.

17.

Executed in duplicate this the 28th day of December 2020.

CASS COUNTY:

By: Becky Wilbanks
(Signature)

Becky Wilbanks
(Printed Name)

County Judge
(Title)

GRAPHIC PACKAGING INTERNATIONAL, LLC

By:
(Signature)

Stephen R. Scherger
(Printed Name)

EVP, Chief Financial Officer
(Title)

EXHIBIT "A"

Graphic Packaging International, LLC's capital investment will upgrade and modernize the Texarkana paper mill. The investments will modernize the mill into a state-of-the-art facility with increased capacity. Improvements will primarily be focused on upgrading equipment, increasing capacity and reducing environmental impacts. The intended market is global. The table below details the projects that have been identified to support this project. Please note that the projects and timing are subject to change.

Texarkana Mill CapEx Summary

Date: 09/04/2019

Year	Category	Investment Details	Potential Investment Amt	Year	Potential Investment / Year	Cumulative Potential Investment
2019	Energy	#2 Recovery Rebuild	$21.1			
2019	Energy	Cooling Tower Replacement	$4.0			
2019	Energy	Paper Machine Roof Replacement (Phase II)	$0.0			
2019	Energy	Powerhouse header control	$1.1			
2019	Environmental	No. 1 precoat filter Replacement	$2.6			
2019	Productivity	T1 Fourdrinier Table Upgrade	$0.0			
2019	Productivity	T3 Drive Replacement Phase I	$4.0			
2019	Safety	lighting	$1.2			
2019	Safety	Truck docks and levelers	$1.6	2019	$35.6	$35.6
2020	Energy	#2 Surface Condenser Replacement	$3.4			
2020	Energy	No. 1 Power Boiler Generating Section	$2.0			
2020	Energy	No. 2 Power Boiler New Grates and Seals	$2.5			
2020	Energy	T3 Calender Dryer Upgrade	$1.5			
2020	Energy	TG1 Optimization (Steam Efficiency)	$5.0			
2020	Environmental	72 Acre Spoils Basin Modification	$0.0			
2020	Productivity	7 Extruder screw drive	$1.0			
2020	Productivity	Outlet Barking Drum Replacement	$4.0			
2020	Productivity	PM3 Tail threading	$1.2			
2020	Productivity	T3 Headbox replacement	$13.0	2020	$33.6	$69.2
2021	Energy	No 2 Set 5th Evap Body	$2.3			
2021	Energy	RB1 Floor Replacement	$4.0			
2021	Energy	T3 6th Section Dryer Upgrade	$4.0			
2021	Environmental	5B Bleach Washer	$3.2			
2021	Environmental	RB1 Replace Precipitator Field	$2.0			
2021	Environmental	Water Plant Clarifiers	$2.0			
2021	Other	Paper Machine Roof Replacement (Phase III)	$2.0			
2021	Productivity	RB1 Primary Economizer Replacement	$2.0			
2021	Productivity	T1 First Coater Replacement	$6.0			
2021	Productivity	T3 Drive Replacement Phase II	$2.0			
2021	Productivity	T3 Top Wire Former	$7.0			
2021	Productivity	T3 Winder Auto Set Upgrade	$5.3	2021	$41.8	$111.0
2022	Energy	6th Effect Dome Replacement	$2.6			
2022	Energy	Demin Upgrade	$2.3			
2022	Energy	New Woodyard Bark Crusher	$0.0			
2022	Energy	PB1 Rebuild and Otimization	$3.0			
2022	Energy	Power Infrastructure upgrade	$4.0			
2022	Energy	Sandfilters Replacement	$0.0			
2022	Energy	Starch Cooker Replacement	$1.5			
2022	Environmental	Mill Sewer Modifications	$2.7			
2022	Environmental	Pulp Mill - Fines Screen Upgrade	$2.5			
2022	Environmental	RB2 Replace Precipitator Field	$2.0			
2022	Productivity	B-Decker Drum Replacement	$2.4			
2022	Productivity	New Wrap Line	$0.0			
2022	Productivity	No. 1 Mud Washer Rebuild and Optimization	$1.3			
2022	Productivity	T3 Clendar Stack Shower Bar	$1.0			
2022	Productivity	T3 Rod Metering Size Press	$3.5			
2022	Productivity	T3 Sym CD Roll	$4.5			
2022	Productivity	T3 Top Former	$8.0	2022	$41.3	$152.3
2023	Energy	1B Evaporator Body Replacement	$0.0			
2023	Energy	PB2 Electric Drives (Fans/FW)	$0.0			
2023	Environmental	No. 1 Main Oil Lube System	$1.5			
2023	Environmental	RB1 DCS Completion	$1.5			
2023	Productivity	Consoloidate Winders Replace #7 Winder & Eliminate #8	$0.0			
2023	Productivity	Extruder Line Drives	$3.5			
2023	Productivity	Pulp Mill MC Pulp on A-Line	$1.5			
2023	Productivity	T1 Reel Section	$4.3			
2023	Productivity	T1 Top Former	$7.0			
2023	Productivity	T1 Winder Drive Upgrade	$2.5	2023	$21.8	$174.1
		Total	$174.1			

EXHIBIT "B"

RESOLUTION ON DESIGNATION OF REINVESTMENT ZONE

WHEREAS, the creation and retention of job opportunities that bring new wealth is the highest civic priority; and

WHEREAS, new jobs and investment will benefit the area economy, provide needed opportunities, strengthen the real estate market and generate tax revenue to support local services; and

WHEREAS, the designation of a Reinvestment Zone under Chapter 312 of the Tax Code within the boundaries of the attached map/plat for commercial industrial tax abatement could attract jobs and investments; and

WHEREAS, the designation of a Reinvestment Zone is being made following proper notice and a public hearing on the designation; and

WHEREAS, the designated area is reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or to attract major investment in the zone that would benefit the property and would contribute to the economic development of Cass County;

NOW THEREFORE BE IT RESOLVED that Cass County designates the Reinvestment Zone. The designation of this Reinvestment Zone for commercial industrial tax abatement shall expire five years after the date of said designation and may be renewed for periods not to exceed five years. The expiration of the designation does not affect any existing tax abatement agreements under Chapter 312, Subchapter B of the Tax Code.

REVIEWED AND APPROVED THIS 24th DAY OF NOVEMBER, 2020.

Becky Wilbanks
County Judge

Brett Fitts
Commissioner, Precinct 1

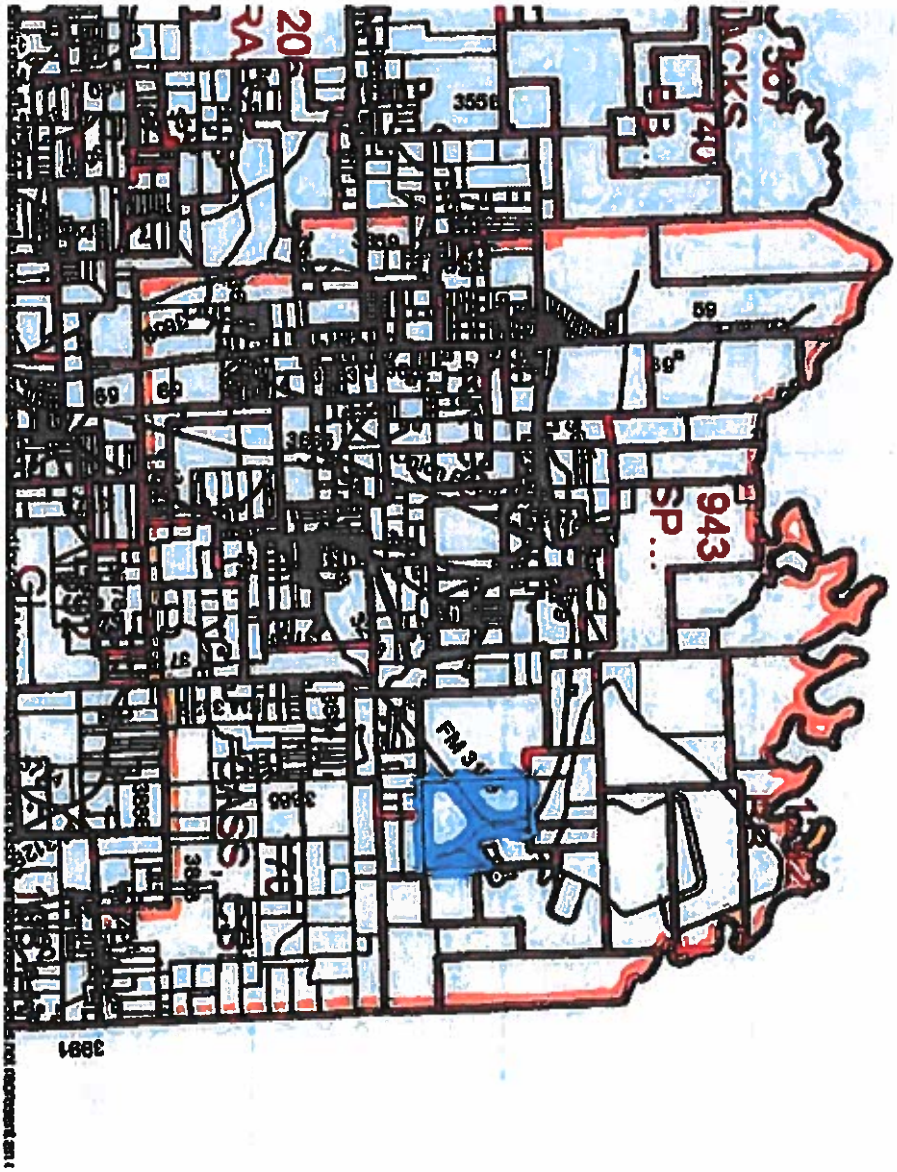
Danny Shaddix
Commissioner, Precinct 2

Paul Cothren
Commissioner, Precinct 3

Darrell Godwin
Commissioner, Precinct 4

ATTEST:
Amy L. Varnell
County Clerk, Cass County

CASS COUNTY



Map #4 Blue Area is PID: 12380

EXHIBIT "C"

PILOT Payment Schedule

Tax Year	PILOT Payment Amount	PILOT Payment Date
2021	$321,500.00	1/31/2022
2022	$321,500.00	1/31/2023
2023	$321,500.00	1/31/2024
2024	$321,500.00	1/31/2025
2025	$321,500.00	1/31/2026
2026	$321,500.00	1/31/2027
2027	$321,500.00	1/31/2028
2028	$321,500.00	1/31/2029
2029	$321,500.00	1/31/2030
2030	$321,500.00	1/31/2031

In addition to the PILOT payments set forth in this Exhibit C, administrative costs of $5,000.00 per year shall be due and payable to the COUNTY by GPI on or before March 31 of each year in which PILOT payments become due and payable.

EXHIBIT "D"

ADJUSTMENT TO THE PILOT DUE TO PERFORMANCE AND JOB RETENTION

Step 1: Formula for the Average Actual Performance for the project:

Step 1.1

- Total Jobs During Performance Period (Monthly Average)/Baseline Employment (817) = Percentage of Committed Jobs Retained
- Aggregate Capital Investment made in the Project by the end of the Current Year/ Total Aggregate Investment Commitment for the Year = Percentage of Committed New Investment.

Step 1.2

- Percentage of Committed Jobs Retained + Percentage of Committed New Investment = Percentage of Commitments Met

Step 1.3

- Percentage of Commitment Met / 2 = Average Actual Performance ("AAP")

Step 2: Repayment Amount Calculation: (Triggered if AAP is less than 96% or greater than 74%, i.e. between 95% and 75%.)

Step 2.1

- 100% - AAP = Percentage Increase to PILOT Payment

Step 2.2

- PILOT Payment for Year * (100% + Percentage Increase to PILOT Payment) = Adjusted PILOT Payment for Year

Example (For Illustrative Purposes Only)

AAP = 70%, PILOT Payment for Year = $100,000

- **Step 2.1:** 100% - 70% = 30%;
- **Step 2.2:** $100,000 * (100% + 30%) = $130,000

Step 3: Loss of Property Tax Abatement for Year performance requirement was not meet: (Triggered if AAP is less than 75% or Percentage of Jobs Retained falls below 80%)