20189938 61 Total Pages: 11

TAX ABATEMENT AGREEMENT
BETWEEN
WICHITA COUNTY, TEXAS
AND
CRYOVAC, INC.
(Food Films Extrusion Line)

This Tax Abatement Agreement (this "Agreement") is entered into by and between Wichita County, Texas (the "County"), duly acting herein by and through its County Judge, and Cryovac, Inc. ("Owner"), a Delaware corporation, authorized to do business in the State of Texas, acting by and through its duly authorized officers.

Recitals

WHEREAS, on May 7, 2018 the Commissioners Court of the County (the "Commissioners Court") adopted an order (the "Enabling Resolution") establishing certain guidelines and criteria for the designation of reinvestment zones and the entering into of tax abatement agreements pursuant to the Texas Property Redevelopment and Tax Abatement Act, as contained in Chapter 312 of the Local Taxation Title of the Tax Code of the State of Texas (the "Code"); and

WHEREAS, the Enabling Resolution constitutes appropriate guidelines and criteria governing tax abatement agreements to be entered into by the County as contemplated by the Code; and

WHEREAS, the Enabling Resolution included a statement by the County that it elects to be eligible to participate in tax abatement; and

WHEREAS, effective as of June 20, 2016, the Commissioners Court adopted an order creating and designating Cryovac Reinvestment Zone No. 1 (the "Zone") in the County for commercial-industrial tax abatement as authorized by the Code; and

WHEREAS, it is in the best interest of the County and its taxpayers, in order to maintain and enhance the commercial and industrial economic and employment base of the Wichita County area, to enter into this Agreement in accordance with the Enabling Resolution and the Code; and

WHEREAS, the Commissioners Court finds that the contemplated use of the Premises (as hereinafter defined), the contemplated improvements to the Premises in the description and amount as set forth in this Agreement and the other terms hereof, are consistent with encouraging development of the Zone in accordance with the purposes for its creation and are in compliance with the Enabling Resolution and all applicable law; and

WHEREAS, a copy of this Agreement has been furnished in the manner prescribed by the Code to the presiding officers of the governing bodies of each of the taxing units in which the Premises to be subject to this Agreement are located;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

That the County, for good and valuable consideration, the adequacy and receipt of which are hereby acknowledged, which consideration includes the retention or expansion of

primary employment and the attraction of major investment in the Zone, which contributes to the economic development of the County and the enhancement of the tax base in the County, and the Owner, for good and valuable consideration, the adequacy and receipt of which are hereby acknowledged, which consideration includes the tax abatement set forth herein as authorized by the Code, as amended, do hereby contract, covenant and agree as follows:

1. General Provisions

1.1: The Owner is the owner of the land described on Exhibit A, attached hereto and made a part hereof for all purposes (the "Premises").

1.2: The Premises are located entirely within the boundaries of the County and within the Zone, and no part of the Premises is located in the taxing jurisdiction of a municipality.

1.3: The Premises are not in an improvement project financed by tax increment bonds.

1.4: This Agreement is entered into subject to the rights of the holders of outstanding bonds of the County.

1.5: The Premises are not owned or leased by any member of the Commissioners Court or by any member of the governing body of any taxing unit joining in or adopting this Agreement.

2. Improvements

2.1: The Owner owns and operates a plant on the Premises which manufactures bags and film used in the wholesale and retail packaging of food products. The Owner plans to make a significant investment in equipment to be located at the plant in 2018 and 2019. The investment planned by the Owner involves the purchase and installation of a food films extrusion line and supporting converting equipment as well as modifications to the facilities to accommodate this equipment. The total cost of this project is expected to be approximately $19,517,413.

The substantial completion of this project may (but is not required to) create up to 16 new jobs at the Premises.

As a result of this investment, the Owner anticipates retaining all primary employment positions at this plant.

A more detailed description of the improvements, including the kind and number of the proposed personal property additions, all of which will be located on the Premises, is set forth in the attached Exhibit B, to which reference is here made for all purposes. Owner shall have the right to make alterations or substitutions to the project, and the equipment included therein, so long as the cost, scope and projected economic impact of the project is not substantially reduced.

3. Rate and Duration of Tax Abatement

3.1: (a) The period of tax abatement for the improvements pursuant to this Agreement shall commence on January 1, 2020 and shall continue for a period of 10 years thereafter.

(b) Subject to the terms and conditions set forth in this Agreement, the tangible personal property and other improvements located on the Premises shall be exempt from taxation by the County in accordance with this Section 3.1, provided, however, in accordance with Section 312.204(a) of the Code, the tax abatement set forth herein is subject to the following: (i) with respect to real property, the abatement shall only be applicable to the extent the value of the real property, including the improvements described herein, exceeds its value for the year in which this Agreement is executed; and (ii) with respect to tangible personal property located on the real property covered by this Agreement, the abatement shall be applicable to all tangible personal property located on such real property constituting a part of the improvements described herein other than tangible personal property located on the real property prior to the commencement of the improvements described herein.

(c) The percentage of the increased value of the Premises and the appraised value of tangible personal property which will be exempt from ad valorem taxes during each year of the applicable tax abatement period pursuant to this Agreement is as follows:

Year	**Percentage**
1	100%
2	90%
3	80%
4	70%
5	60%
6	50%
7	40%
8	30%
9	20%
10	10%

3.2: Notwithstanding anything in this Agreement which might be deemed to be to the contrary, the Owner shall have the right to protest and contest any appraisal or assessment of the Premises, or any improvements or tangible personal property or both located thereon, and the tax abatement provided for herein for such improvements and/or tangible personal property shall be applied to the amount of taxes finally determined, as a result of such protest or contest, to be due for such property.

4. Records and Cost

4.1: The kind, number and location of all proposed improvements are described in Section 2.1 and Exhibit B. Prior to April 15, 2020, Owner shall furnish to the County a certificate signed by a duly authorized representative of the Owner setting forth a general description and cost of the personal property and improvements added to the Premises since the date of the commencement of the improvements. The Owner shall at all times cooperate with

representatives of the County so as to enable such representatives to verify the addition of improvements to the Premises and the cost thereof.

4.2: At all times during the term of this Agreement, the County and the Wichita Appraisal District (the "Appraisal District") shall have access to the Premises by County or Appraisal District employees or other representatives for the purpose of inspecting the Premises to verify the addition of equipment and improvements as contemplated by this Agreement; provided, however, that the County or the Appraisal District, as applicable, shall notify the Owner at least 2 days in advance of any such inspection and such inspections shall not interfere with the business operations and safety policies of the Owner with respect to the Premises.

4.3: The Premises and the tangible personal property additions and improvements thereto shall at all times during the term of this Agreement be used in a manner that is consistent with the County's general purpose of encouraging development of the Zone.

4.4: No later than February 28, 2020, Owner shall provide the County and the Appraisal District with an interim report setting forth the status of the improvements, including the description, historical cost and current value of the tangible personal property and other improvements added to the Premises as of December 31, 2019 for which Owner is claiming tax abatement pursuant to this Agreement. Within 180 days after substantial completion of the project described in Section 2.1 but no later than December 31, 2020, Owner shall provide the County with a final report setting forth the final description, historical cost and current value of the tangible personal property and other improvements added to the Premises for which Owner is claiming tax abatement pursuant to this Agreement.

4.5: Throughout the term of this Agreement, Owner shall furnish the County and the Appraisal District with such additional records and information as the County or the Appraisal District may reasonably request to support Owner's tax abatement. This information shall include, but is not necessarily limited to, information regarding improvements for which Owner has received tax abatement and which has been replaced or removed from the Premises. At a minimum, this information shall include a property description, an asset number (if applicable), and the date such property was removed or replaced.

4.6: The County and the Appraisal District shall have the right to review and audit at its expense the books and records of the Owner relating to the Premises and the improvements thereon. The County or the Appraisal District shall notify the Owner in advance in writing of its intent to review and audit such records in order to allow the Owner adequate time to make such books and records available on the Premises.

4.7: INTENTIONALLY LEFT BLANK

4.8: On or before April 15 each year (or such extended date, if any, permitted by law), the Owner shall render the Premises and all of Owner's personal property located thereon to the Appraisal District for ad valorem tax purposes in accordance with applicable law.

4.9: On or before April 1 each year, Owner shall certify to the governing body of the County that the Owner is in compliance with each applicable term of this Agreement.

4.10: In accordance with the requirements of Section 11.43 of the Texas Property Tax Code, in order to qualify for tax abatement pursuant to this Agreement, the Owner must apply for the applicable exemption prior to May 1 each year. The applicable

exemption application form must be filed with the Chief Appraiser for the Appraisal District.

4.11: In the event that: (a) the improvements for which an abatement has been granted herein are not completed in accordance with this Agreement (having due regard for the possible alterations or substitutions described in Section 2.1); or (b) Owner (and its affiliates) fails to maintain primary employment at the Premises at or near current levels for so long as the equipment constituting part of the improvements described in Section 2.1 and Exhibit B remains in place and operational; or (c) Owner allows its ad valorem taxes owed to the County to become delinquent and fails to timely and properly follow the legal procedures for protest or contest of such ad valorem taxes; or (d) Owner breaches any of the terms or conditions of this Agreement, then this Agreement shall be in default. In the event that Owner defaults in its performance of (a), (b), (c) or (d) above, then the County may give Owner written notice of such default, and if Owner has not cured such default within 30 days after receipt of said written notice, or if such default cannot be cured by the payment of money and cannot with due diligence be cured within a 90-day period owing to any cause beyond the control of Owner, this Agreement may be terminated by the County. As liquidated damages in the event of default and termination of this Agreement, all taxes which otherwise would have been paid to the County without the benefit of abatement pursuant to this Agreement (together with interest charged at the statutory rate for delinquent taxes as determined by Section 33.01 of the Property Tax Code of the State of Texas, but without the addition of a penalty) will be reinstated and will become a debt to the County and shall be due, owing and paid by Owner to the County within 60 days of the expiration of the above described cure period as a sole remedy of the County, subject to any and all lawful offsets, settlements, deductions or credits to which Owner may be entitled. The parties acknowledge that actual damages in the event of default and termination would be speculative and difficult to determine.

5. Sale, Assignment or Lease of Property

5.1: The tax abatement provided for herein shall vest in the Owner upon completion of the real property and personal property additions and improvements described in Section 2.1, but, except as hereinafter provided, such tax abatement is not assignable to any new owner or lessee of all or any portion of the Premises without the prior written approval of the County, which approval will not be unreasonably withheld. Notwithstanding the foregoing, the tax abatement provided for herein shall be assignable without prior approval by the County: (i) to any parent, affiliate, subsidiary or other entity in which the Owner has direct or indirect control or (ii) in connection with any sale of the Premises, or a portion thereof, which are then leased back (for a period at least equal to the remaining term of this Agreement) by the Owner or a parent, affiliate, subsidiary or other entity in which the Owner is in control. For purposes of this Article 5, the term "control" means either: (i) the ownership of 50% or more of the beneficial or economic interest or voting power of the appropriate entity or (ii) the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of the controlled entity.

6. Miscellaneous Provisions

6.1: All notices or other communications required or permitted by this Agreement shall be in writing and shall be deemed to be properly given when delivered personally to any of the hereinafter designated addressees or the named representatives thereof, or when mailed by prepaid certified mail, return receipt requested, addressed to such party at the respective addresses set forth below:

If to the County:

Wichita County, Texas
Room 260
Wichita County Courthouse
Wichita Falls, TX 76301
Attention: County Judge

If to the Owner:

Cryovac, Inc.
1301 W. Magnolia Ave.
Iowa Park, TX 76367
Attention: General Manager

with a copy to:

Sealed Air Corporation
2415 Cascade Point Blvd.
Charlotte, NC 28208
Attention: General Counsel

6.2: This Agreement was authorized by an order of the Commissioners Court adopted at its meeting on June 18, 2018 authorizing the County Judge to execute this Agreement on behalf of the County.

6.3: This Agreement was entered into by the Owner acting through one or more duly authorized officers of the Owner.

6.4: In the event any section, subsection, paragraph, sentence, phrase or word herein is held invalid, illegal or unconstitutional, the balance of this Agreement shall stand, shall be enforceable and shall be read as if the parties intended at all times to delete said invalid section, subsection, paragraph, sentence, phrase or word.

6.5: Any party hereto may request an estoppel certificate from another party hereto so long as the certificate is requested in connection with a bona fide business purpose. The certificate shall include, but not necessarily be limited to, statements that this Agreement is in full force and effect without default if such is the case, the remaining term of this Agreement, the levels of tax abatement then in effect, and such other matters reasonably requested by the parties to receive the certificate.

6.6: The Owner, as a party to this Agreement, shall be deemed a proper and necessary party in any litigation questioning or challenging the validity of this Agreement or any part hereof or any of the underlying ordinances, resolutions, or Commissioners Court actions authorizing the same, and the Owner shall be entitled to intervene in any such litigation.

6.7: After the Owner has satisfied the conditions set forth in this Agreement, the tax abatement provided for herein shall continue for the duration of this Agreement and shall not be

lost through force majeure events such as acts of God, fire, tornado, earthquake or other events or circumstances beyond the Owner's reasonable control.

6.8: This Agreement shall be governed by and construed in accordance with the laws of the State of Texas. Venue for any action pursuant to this Agreement shall be in a state district court in Wichita County, Texas. This Agreement is fully performable in Wichita County, Texas.

6.9: An executed copy of this Agreement in recordable form shall be recorded in the Real Property Records of Wichita County, Texas.

6.10: Other taxing units in which the Premises are located may join in the execution of this Agreement by executing a signatory page acknowledging the joinder of such taxing unit and granting tax abatement by such taxing unit in accordance with the terms and conditions hereof; an executed and acknowledged copy of each such signatory page shall be attached to this Agreement.

6.11: This Agreement may be executed in multiple counterparts, none of which must be signed by all of the parties hereto, but all of which, taken together, shall constitute one and the same agreement.

[Reminder of page intentionally left blank; signature page to follow]

WICHITA COUNTY, TEXAS

By _____
Woodrow W. Gossom, Jr., County Judge

ATTEST:

Lori Bohannon, County Clerk
Wichita County, Texas

By _____, Deputy
Clerk

THE STATE OF TEXAS §
§
COUNTY OF WICHITA §

BEFORE ME, the undersigned authority, a notary public in and for the State of Texas, on this day personally appeared Woodrow W. Gossom, Jr., County Judge of Wichita County, Texas, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said Wichita County, Texas, that he was duly authorized to perform the same by appropriate order of the Commissioners Court of Wichita County, and that he executed the same as the act of the said county for the purpose and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 18th day of June, 2018.

NOTARY PUBLIC'S SEAL:

JOYCE GILLELAND
Notary Public, State of Texas
Notary I.D. # 12963427-0
My Commission Expires 11-21-2021

_____
Notary Public for the
State of Texas

CRYOVAC, INC.

By _____
Name: Fred Schrock
Title: Plant Manager, Iowa Park

THE STATE OF TEXAS)
)
COUNTY OF WICHITA)

BEFORE ME, the undersigned authority, a notary public in and for the State of Texas, on this day personally appeared Fred Schrock, _____ of Cryovac, Inc., a Delaware corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said Cryovac, Inc. and that (s)he executed the same as the act of said corporation for the purpose and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 21 day of June, 2018.

NOTARY PUBLIC'S SEAL:

NOTARY PUBLIC STATE OF TEXAS
CHARLIE FEARS
Notary ID 12487396-7
My Commission Expires
March 26, 2020

_____
Notary Public for the
State of Texas

EXHIBIT A

Real Property Description

PARCEL NO. 2:

A tract of land out of Block 19, Tarrant County School Lands, Wichita County, Texas, known as the Industrial Development Corporation lands as recorded in Volume 1080, Page 444, Wichita County Deed Records and being more specifically described as metes and bounds as follows:

BEGINNING at an iron rod in the West line of Block 19 and in the East line of Block 20, Tarrant County School Lands, said iron rod bears South 00° 04' West 818.0 feet from the Northwest corner of the Southwest quarter of said Block 19;

THENCE East 1109.30 feet along the South line of a public road (said public road being called the Old Iowa Park-Electra Highway or the Westward extension of West Magnolia Avenue) to an iron rod for the Northeast corner of this tract;

THENCE South 00° 15' East 894.02 feet to an iron rod in the North right-of-way line of the Fort Worth and Denver (F.W. & D.) Railroad for the Southeast corner of this tract;

THENCE North 79° 23' West 1133.40 feet along the North right-of-way line of the F.W.&D. Railroad to an iron rod in the West line of Block 19 and the East line of Block 20, Tarrant County School Lands, said iron rod also lies in the centerline of a public road;

THENCE North 00° 04' East 685.20 feet along the West line of said Block 19 and the East line of said Block 20, and along the centerline of said public road to the place of beginning and containing 20.147 acres, more or less.

PARCEL NO. 3:

A tract of land out of Block 19, Tarrant County School Lands, Wichita County, Texas, known as the W. F. George Estate Lands as recorded in Vol. 303, Page 459, Wichita County Deed Records and being more specifically described by metes and bounds as follows:

BEGINNING at an iron rod in the South line of a public road (said public road being called the Old Iowa Park-Electra Highway or the Westward extension of West Magnolia Avenue), said rod bears South 00° 04' West 818.0 feet and East 1109.3 feet from the Northwest corner of the Southwest quarter of said Block 19;

THENCE East 1480.70 feet along the South line of said public road to an iron rod in the West line of North Fourth Street for the Northeast corner of this tract;

THENCE South 00° 03' West 1169.65 feet along the West line of North Fourth Street to an iron rod in the North right-of-way line of the Fort Worth and Denver (F.W.&D) Railroad for the Southeast corner of this tract;

THENCE North 79° 23' West 1499.55 feet along the North right-of-way line of the F.W.&D. Railroad to an iron rod for the Southwest corner of this tract;

THENCE North 00° 15' West 894.02 feet to the place of beginning and containing 34.969 acres, more or less.

EXHIBIT B

Proposed Improvements

Food Films Line – Iowa Park Projected Cost	$19,517,413
Extrusion Line – Materials and Equipment	
Support Equipment	
Facilities	
Safety	
Spares	
Materials and Equipment Relocation	
Engineering Resources	
Other Expenses	

THE STATE OF TEXAS

COUNTY OF WICHITA

I hereby certify that this instrument was FILED on the date and the time stamped hereon by me and was duly RECORDED in the Records of Wichita County, Texas.

20189938 61
06/27/2018 04:05 PM

Lori Bohannon, County Clerk
Wichita County, Texas