

STATE OF TEXAS }
COUNTY OF ORANGE }
CITY OF ORANGE }

TO: Honorable Mayor and City Council, City Attorney and City Manager of the City of Orange, Texas

NOTICE IS HEREBY GIVEN that a Special Call Meeting of the City Council will be held on Friday, August 14, 2015, at 9:00 A.M. in the Orange Public Library Auditorium for the following purpose, to-wit:

AGENDA

1. **CALL TO ORDER** Mayor

2. **ORDINANCE**
 - a) Final Reading:

Consider an ordinance granting a petition for the voluntary annexation of a 1160.870 acre tract or parcel of land out of the Charles Morgan Survey Abstract No. 18, the William Morgan Survey, Abstract No. 266, the Jacob Towensend Survey, Abstract No. 180, and the John Allen Survey Abstract No. 1, all in Orange County, Texas; providing for the annexation of said tract; approving and adopting a service plan for annexed territory; and providing for severability, repealer, proper notice and meeting, and an effective date. First Reading July 28, 2015

3 Staff: Culpepper

3. **RESOLUTIONS**
 - a) Final Reading:

Consider a resolution authorizing the Orange Economic Development Corporation to undertake a project regarding the potential acquisition and/or construction of buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements to promote new or expanded business development through an agreement with International Paper Company. First Reading July 28, 2015

28 Staff: Culpepper

b) Final Reading:

Consider a resolution adopting an economic development program pursuant to Chapter 380 of the Texas Local Government Code involving International Paper Company to stimulate business and commercial activity in Orange County, Texas. First Reading August 11, 2015

30 Staff: Culpepper

c) Final Reading:

Consider a resolution authorizing the City Manager to execute a Chapter 380 Economic Development Program Agreement between the City of Orange, Texas and International Paper Company to promote economic development and commercial activity within the City. First Reading August 11, 2015

33 Staff: Culpepper

4. WORKSHOP

a) Discuss proposed Fiscal Year 2016 Budget.

Mayor/Council

5. ADJOURNMENT

/s/ Rhonda Haskins, City Secretary

ORDINANCE NO. _____

“Voluntary Annexation of International Paper Company Property”

AN ORDINANCE OF THE CITY OF ORANGE, TEXAS, GRANTING A PETITION FOR THE VOLUNTARY ANNEXATION OF A 1160.870 ACRE TRACT OR PARCEL OF LAND OUT OF THE CHARLES MORGAN SURVEY ABSTRACT NO. 18, THE WILLIAM MORGAN SURVEY, ABSTRACT NO. 266, THE JACOB TOWENSEND SURVEY, ABSTRACT NO. 180, AND THE JOHN ALLEN SURVEY ABSTRACT NO. 1, ALL IN ORANGE COUNTY, TEXAS; PROVIDING FOR THE ANNEXATION OF SAID TRACT; APPROVING AND ADOPTING A SERVICE PLAN FOR ANNEXED TERRITORY; AND PROVIDING FOR SEVERABILITY, REPEALER, PROPER NOTICE AND MEETING, AND AN EFFECTIVE DATE.

WHEREAS, the territory to be annexed consists of a 1160.870 acre tract or parcel of land out of the CHARLES MORGAN SURVEY ABSTRACT No. 18, the WILLIAM MORGAN SURVEY, ABSTRACT No. 266, the JACOB TOWENSEND SURVEY, ABSTRACT No. 180, and the JOHN ALLEN SURVEY ABSTRACT No. 1, all in Orange County, Texas, also being out of and a part of that certain 2.00 acre tract parcel of land conveyed to Maylou Holden, by deed recorded in Volume 337 Page 184, bring part of that certain 5995.21 acre tract as described as Parcel 1 of Exhibit “A” in deed from W-K-N Development Corporation top Owen Illinois, Inc. dated February 24, 1966, and recorded in Volume 350 Page 148, Deed Records, Orange County, Texas, being a part of that certain 1690 acre tract as described in a deed from Carl G. Russell, et ux, Owen Illinois, Inc. dated June 21, 1966, recorded in Volume 356 Page 569, Deed Records, Orange County, Texas, being a part of that certain tract of land as described in a deed from Nelda C. Stark, Executrix, et al., top Owens Illinois, Inc. dated January 12, 1966 and recorded in Volume 348 Page 9, Deed Records, Orange County, Texas, being part of that certain called 25.00 acre tract as described in a deed from Velama Miller, et al., to Owen Illinois, Inc. dated May 25, 1965, and recorded in Volume 337 Page 632, Deed Records, Orange County, Texas, being part of that certain tract as described as Tract A in Exhibit “A” in deed from Powell Lumber Company to Owen Illinois, Inc, dated February 24, 1966, and recorded in Volume 350 Page 118, Deed Records, Orange County, Texas, and being part of that certain tract described as Tract B in Exhibit “a” in a deed from Powell Lumber Company to Owens Illinois, Inc., dated February 24, 1966, and recorded in Volume 350 Page 118, Deed Records, Orange County, Texas. The property is more fully described by the attached Exhibit “A,” which is incorporated herein for all purposes; and

WHEREAS, the City of Orange is a Home-Rule City authorized by Texas Local Government Code Sections 43.021, Article I, Section 1.03 of the City Charter, and other applicable law to annex such territory upon written petition from the property owner; and

WHEREAS, the owner of the affected territory, International Paper Company (“Company”), has entered into a Development Agreement with the City as authorized by Texas Local Government Code, Chapter 212, Subchapter G, a copy of which is attached hereto as Exhibit “B,” which is

incorporated herein for all purposes; and

WHEREAS, Section Two, Subparagraph (1) of the Development Agreement provides that the Development Agreement shall constitute a petition by Company to the City for voluntary annexation of the Property; and

WHEREAS, the territory to be annexed is within the City of Orange's extraterritorial jurisdiction and the property is not within the extraterritorial jurisdiction of any other city; and

WHEREAS, a service plan for the area to be annexed has been prepared as required by law, and a copy of that service plan is attached hereto as Exhibit "C" in compliance with Section 43.056(j) of the Texas Local Government Code; and

WHEREAS, on June 24, 2015 and June 29, 2015, the City Council held public hearings to consider the voluntary annexation described herein, and gave interested persons the opportunity to be heard; and

WHEREAS, after hearing such petition and arguments for and against the same, the City Council is of the opinion that the petition should be granted.

WHEREAS, notice of the aforementioned public hearings was properly published in the *Orange Leader*, a newspaper of general circulation in the City of Orange, on or before June 10, 2015. The notice was also posted on the City's Internet website on or before June 10, 2015, and remained posted until the dates of those hearings; and

WHEREAS, 30 days prior to the first aforementioned public hearing of June 24, 2015, the City provided to each property owner in the area to be annexed, each public entity or private entity that provides services in the area to be annexed and to each railroad company which owns right-of-way in the area to be annexed, written notice of its intent to annex the affected property; and

WHEREAS, all of the requirements for annexation of this area as set out in Chapter 43 of the Texas Local Government Code have been met;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ORANGE, TEXAS:

Section 1. PREAMBLE. All of the above recitation of facts and premises are hereby found and declared to be true and correct and are approved and incorporated herein by reference, for all purposes, as if copied in their entirety.

Section 2. PETITION. The petition is granted.

Section 3. ANNEXATION. The territory described in Exhibit "A" attached hereto, is hereby annexed to the City of Orange, Orange County, Texas. Further, that the boundary limits of the City of Orange, Texas are hereby extended to include within the corporate limits

of the City of Orange, Texas, all of the territory set out in Exhibit “A” and present and future inhabitants thereof shall hereafter be entitled to all rights and privileges of the City of Orange, Texas and shall be bound by the provisions of all ordinances and codification of ordinances of said City.

Section 4. FILING OF ORDINANCE. The City Secretary is hereby directed to file a certified copy of this Ordinance with the County Clerk of Orange County, Texas, the Voting Registrar of Orange County, the Orange County Appraisal District, the Secretary of State of Texas, and the Comptroller of the State of Texas in the manner required by law.

Section 5. MAPS. The map showing the boundaries of the City and its Extraterritorial Jurisdiction shall be immediately corrected to include the annexed territory and be annotated to show the date of the annexation, the number of the annexation ordinance, and the date of its adoption.

Section 6. SERVICE PLAN. The Service Plan in Exhibit “C” for the affected area is hereby approved and adopted.

Section 7. SEVERABILITY. If any provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Council hereby declares that this Ordinance would have been enacted without such invalid provision.

Section 8. REPEALER. The provisions of this Ordinance shall be cumulative of all other ordinances or parts of ordinances governing or regulating the same subject matter as that covered herein, provided, however, that all prior ordinances or parts of ordinances inconsistent or in conflict with any of the provisions of this Ordinance are hereby expressly repealed to the extent that such inconsistency is apparent. This Ordinance shall not be construed to require or allow any act that is prohibited by any other ordinance.

Section 9. NOTICE AND MEETING. It is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public and that public notice of the time, place and purpose of said meeting was given as required by the Open Meetings Act, Chapter 551 of the Texas Government Code.

Section 10. EFFECTIVE DATE. This ordinance shall take effect immediately after its date of approval.

PASSED and APPROVED on this the 28th day of July, 2015.

PASSED, APPROVED, and ADOPTED on this the ___ day of _____, 2015.

Jimmy Sims, Mayor

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ATTEST:

APPROVED AS TO FORM:

Rhonda Haskins, City Secretary

John Cash Smith, City Attorney

Exhibit A:
LEGAL DESCRIPTION OF PROPERTY

June 5, 2015

Being a 1160.870 acre tract or parcel of land out of the CHARLES MORGAN SURVEY ABSTRACT No. 18, the WILLIAM MORGAN SURVEY, ABSTRACT No. 266, the JACOB TOWNSEND SURVEY, ABSTRACT No. 180, and the JOHN ALLEN SURVEY ABSTRACT No. 1, all in Orange County, Texas, also being out of and a part of that certain 2.00 acre tract parcel of land conveyed to Maylou Holden, by deed recorded in Volume 337 Page 184, bring part of that certain 5995.21 acre tract as described as Parcel 1 of Exhibit "A" in deed from W-K-N Development Corporation to Owen Illinois, Inc. dated February 24, 1966, and recorded in Volume 350 Page 148, Deed Records, Orange County, Texas, being a part of that certain 1690 acre tract as described in a deed from Carl G. Russell, et ux, Owen Illinois, Inc. dated June 21, 1966, recorded in Volume 356 Page 569, Deed Records, Orange County, Texas, being a part of that certain tract of land as described in a deed from Nelda C. Stark, Executrix, et al., to Owens Illinois, Inc. dated January 12, 1966 and recorded in Volume 348 Page 9, Deed Records, Orange County, Texas, being part of that certain called 25.00 acre tract as described in a deed from Velama Miller, et al., to Owen Illinois, Inc. dated May 25, 1965, and recorded in Volume 337 Page 632, Deed Records, Orange County, Texas, being part of that certain tract as described as Tract A in Exhibit "A" in deed from Powell Lumber Company to Owen Illinois, Inc. dated February 24, 1966, and recorded in Volume 350 Page 118, Deed Records, Orange County, Texas, and being part of that certain tract described as Tract B in Exhibit "a" in a deed from Powell Lumber Company to Owens Illinois, Inc., dated February 24, 1966, and recorded in Volume 350 Page 118, Deed Records, Orange County, Texas, said 1160.870 acres of land to be more particularly described by meted and bounds as follows;

BEGINNING at a ½" iron rod set for corner in the West Boundary line of that certain 5.00 acre tract as described in a deed from Powell Lumber Company to M. Holden et ux recorded in Volume 58 Page 175, Deed Records of Orange County, Texas, said point for corner being at the intersection of the West boundary line of said 5.00 acre tract with the South Boundary line of a 40 foot wide road easement as recorded in a deed from Powell Lumber Company to Orange County and recorded in Volume 59 Page 383, Deed Records of Orange County, Texas said point for corner being the South 00 Deg. 14 Min. 09 Sec. West, a distance of 40.01 feet from the Northwest corner of said 5.00 acre tract, the Northwest corner of said 5.00 acre tract being on the North boundary line of said Chas. Morgan Survey ;

THENCE South 00 Deg. 14 Min. 09 Sec. West, for a distance of 374.93 feet, to a point for corner;
THENCE South 89 Deg. 54 Min. 56 Sec. East, for a distance of 701.27 feet, to a point for corner;
THENCE South 00 Deg. 00 Min. 00 Sec. East, for a distance of 358.45 feet, to a point for corner;
THENCE North 90 Deg. 00 Min. 00 Sec. East, for a distance of 667.39 feet, to a point for corner;
THENCE South 00 Deg. 00 Min. 00 Sec. East, for a distance of 506.71 feet, to a point for corner;
THENCE North 90 Deg. 00 Min. 00 Sec. East, for a distance of 1728.57 feet, to a point for corner;

THENCE South 00 Deg. 00 Min. 00 Sec. East, for a distance of 1280.78 feet, to a point for corner;
THENCE North 86 Deg. 36 Min. 35 Sec. West, for a distance of 1171.53 feet, to a point for corner;
THENCE South 03 Deg. 23 Min. 25 Sec. West, for a distance of 1025.87 feet, to a point for corner;
THENCE North 86 Deg. 36 Min. 35 Sec. West, for a distance of 532.73 feet, to a point for corner;
THENCE South 03 Deg. 23 Min. 25 Sec. West, for a distance of 757.07 feet, to a point for corner;
THENCE South 86 Deg. 36 Min. 35 Sec. East, for a distance of 306.30 feet, to a point for corner;
THENCE South 03 Deg. 23 Min. 25 Sec. West, for a distance of 375.00 feet, to a point for corner;
THENCE South 86 Deg. 36 Min. 35 Sec. East, for a distance of 1211.05 feet, to a point for corner;
THENCE South 03 Deg. 23 Min. 25 Sec. West, for a distance of 1015.38 feet, to a point for corner;
THENCE South 45 Deg. 21 Min. 28 Sec. East, for a distance of 1500.00 feet, to a point for corner;
THENCE South 59 Deg. 58 Min. 22 Sec. East, for a distance of 139.89 feet, to a point for corner;
THENCE South 77 Deg. 21 Min. 30 Sec. East, for a distance of 166.43 feet, to a point for corner;
THENCE North 89 Deg. 50 Min. 13 Sec. East, for a distance of 41.00 feet, to a point for corner;
THENCE North 00 Deg. 09 Min. 47 Sec. West, for a distance of 1028.48 feet, to a point for corner;
THENCE North 89 Deg. 50 Min. 13 Sec. East, for a distance of 602.25 feet, to a point for corner;
THENCE South 00 Deg. 09 Min. 47 Sec. East, for a distance of 1078.47 feet, to a point for corner;
THENCE South 89 Deg. 50 Min. 13 Sec. West, for a distance of 648.86 feet, to a point for corner;
THENCE North 77 Deg. 21 Min. 34 Sec. West, for a distance of 179.69 feet, to a point for corner;
THENCE North 59 Deg. 58 Min. 23 Sec. West, for a distance of 153.95 feet, to a point for corner;
THENCE North 45 Deg. 21 Min. 28 Sec. West, for a distance of 1962.76 feet, to a point for corner;
THENCE South 89 Deg. 03 Min. 24 Sec. West, for a distance of 238.81 feet, to a point for corner;
THENCE South 52 Deg. 42 Min. 39 Sec. West, for a distance of 1462.99 feet, to a point for corner;
THENCE South 25 Deg. 02 Min. 45 Sec. East, for a distance of 3103.09 feet, to a point for corner;
THENCE South 68 Deg. 19 Min. 45 Sec. East, for a distance of 631.62 feet, to a point for corner;
THENCE South 32 Deg. 45 Min. 48 Sec. East, for a distance of 204.10 feet, to a point for corner;
THENCE North 57 Deg. 13 Min. 01 Sec. East, for a distance of 1190.21 feet, to a point for corner;
THENCE North 81 Deg. 39 Min. 04 Sec. East, for a distance of 881.04 feet, to a point for corner;
THENCE South 85 Deg. 46 Min. 30 Sec. East, for a distance of 1309.86 feet, to a point for corner;
THENCE South 30 Deg. 18 Min. 50 Sec. East, for a distance of 890.06 feet, to a point for corner;
THENCE South 89 Deg. 32 Min. 19 Sec. East, for a distance of 129.48 feet, to a point for corner;
THENCE South 22 Deg. 45 Min. 29 Sec. East, for a distance of 162.94 feet, to a point for corner;
THENCE South 66 Deg. 33 Min. 02 Sec. West, for a distance of 92.41 feet, to a point for corner;
THENCE South 10 Deg. 31 Min. 39 Sec. West, for a distance of 1272.03 feet, to a point for corner;

THENCE South 35 Deg. 23 Min. 04 Sec. West, for a distance of 737.88 feet, to a point for corner;
THENCE South 27 Deg. 45 Min. 18 Sec. West, for a distance of 889.40 feet, to a point for corner;
THENCE South 08 Deg. 49 Min. 03 Sec. East, for a distance of 1923.57 feet, to a point for corner;
THENCE South 32 Deg. 05 Min. 01 Sec. West, for a distance of 864.02 feet, to a point for corner;
THENCE South 31 Deg. 35 Min. 07 Sec. West, for a distance of 1425.04 feet, to a point for corner;
THENCE North 88 Deg. 06 Min. 05 Sec. West, for a distance of 1238.23 feet, to a point for corner;
THENCE South 46 Deg. 20 Min. 25 Sec. West, for a distance of 172.69 feet, to a point for corner;
THENCE South 87 Deg. 18 Min. 33 Sec. West, for a distance of 328.07 feet, to a point for corner;
THENCE North 23 Deg. 56 Min. 07 Sec. West, for a distance of 370.96 feet, to a point for corner;
THENCE North 05 Deg. 44 Min. 10 Sec. West, for a distance of 539.83 feet, to a point for corner;
THENCE North 16 Deg. 07 Min. 31 Sec. West, for a distance of 354.54 feet, to a point for corner;
THENCE North 61 Deg. 42 Min. 45 Sec. West, for a distance of 336.36 feet, to a point for corner;

THENCE North 04 Deg. 54 Min. 56 Sec. West, for a distance of 332.13 feet, to a point for corner;
THENCE North 23 Deg. 35 Min. 21 Sec. West, for a distance of 362.02 feet, to a point for corner;
THENCE North 16 Deg. 53 Min. 15 Sec. West, for a distance of 332.17 feet, to a point for corner;
THENCE North 07 Deg. 06 Min. 18 Sec. West, for a distance of 506.11 feet, to a point for corner;
THENCE North 07 Deg. 43 Min. 32 Sec. West, for a distance of 453.49 feet, to a point for corner;
THENCE North 18 Deg. 45 Min. 10 Sec. East, for a distance of 470.50 feet, to a point for corner;
THENCE North 22 Deg. 11 Min. 22 Sec. East, for a distance of 522.15 feet, to a point for corner;
THENCE North 00 Deg. 19 Min. 44 Sec. West, for a distance of 313.42 feet, to a point for corner;
THENCE North 13 Deg. 25 Min. 50 Sec. East, for a distance of 856.71 feet, to a point for corner;
THENCE North 05 Deg. 41 Min. 33 Sec. East, for a distance of 872.39 feet, to a point for corner;
THENCE North 17 Deg. 58 Min. 53 Sec. West, for a distance of 377.03 feet, to a point for corner;
THENCE North 59 Deg. 22 Min. 32 Sec. East, for a distance of 404.84 feet, to a point for corner;
THENCE North 32 Deg. 45 Min. 48 Sec. West, for a distance of 178.47 feet, to a point for corner;
THENCE North 68 Deg. 19 Min. 45 Sec. West, for a distance of 637.70 feet, to a point for corner;
THENCE North 25 Deg. 02 Min. 45 Sec. West, for a distance of 3117.47 feet, to a point for corner;
THENCE South 52 Deg. 42 Min. 37 Sec. West, for a distance of 982.05 feet, to a point for corner;
THENCE North 88 Deg. 41 Min. 09 Sec. East, for a distance of 215.34 feet, to a point for corner;
THENCE South 00 Deg. 55 Min. 27 Sec. East, for a distance of 1200.13 feet, to a point for corner;
THENCE South 89 Deg. 01 Min. 28 Sec. West, for a distance of 1000.01 feet, to a point for corner;
THENCE North 00 Deg. 55 Min. 45 Sec. West, for a distance of 683.83 feet, to a point for corner;
THENCE North 52 Deg. 42 Min. 37 Sec. East, for a distance of 1907.13 feet, to a point for corner;
THENCE North 25 Deg. 02 Min. 45 Sec. West, for a distance of 462.34 feet, to a point for corner;
THENCE North 86 Deg. 36 Min. 35 Sec. West, for a distance of 432.94 feet, to a point for corner;
THENCE North 03 Deg. 23 Min. 25 Sec. East, for a distance of 493.57 feet, to a point for corner;
THENCE North 86 Deg. 36 Min. 35 Sec. West, for a distance of 3085.48 feet, to a point for corner;
THENCE North 13 Deg. 14 Min. 29 Sec. West, for a distance of 3192.45 feet, to a point for corner;

corner;

THENCE South 86 Deg. 36 Min. 35 Sec. East, for a distance of 2112.75 feet, to a point for corner;

THENCE North 03 Deg. 23 Min. 25 Sec. East, for a distance of 421.31 feet, to a point for corner;

THENCE South 86 Deg. 36 Min. 35 Sec. East, for a distance of 573.90 feet, to a point for corner;

THENCE North 03 Deg. 23 Min. 25 Sec. East, for a distance of 1800.00 feet, to a point for corner;

THENCE North 89 Deg. 08 Min. 23 Sec. East, for a distance of 300.00 feet, to a point for corner;

THENCE North 00 Deg. 51 Min. 37 Sec. West, for a distance of 5.00 feet, to a point for corner;

THENCE North 89 Deg. 13 Min. 27 Sec. East, for a distance of 443.45 feet, to a point for corner,

which is the POINT OF BEGINNING, and containing 1,160.870 acres or 50,567,517.8 square feet.

DEVELOPMENT AGREEMENT

This Agreement (“Agreement”) is entered into pursuant to the Texas Local Government Code, Chapter 212, Subchapter G, and is entered into to be effective January 1, 2015 between the City of Orange, Texas, a Texas home-rule municipality (“City”), and International Paper Company, a New York corporation, together with its parents, subsidiaries and affiliates (collectively, the “Company”). The City and the Company may be referred to collectively as the “Parties.”

RECITALS

WHEREAS:

- (1) The City of Orange has authority to annex property in its extraterritorial jurisdiction pursuant to Chapter 43 of the Texas Local Government Code; and
- (2) The Company owns 1,160.870 acres, more or less, of land, improvements and tangible personal property located within the Industrial District previously designated by the City as the City of Orange Industrial District and a 30 foot private road right of way (the “Property”), which property is more particularly depicted in Exhibit “A” attached to this Agreement; and
- (3) The City has the authority to annex the Property; and
- (4) Pursuant to the authority granted under section 42.044 of the Texas Local Government Code, the City and the Company were parties to that one certain Industrial District Agreement dated January 1, 2005, and that one certain Addendum to Industrial District Agreement dated May 13, 2008 (collectively, “IDA”); and
- (5) The IDA provided that, during the term of the IDA, and subject to the provisions of the IDA, the Property would continue to retain its status as an industrial district as part of the extraterritorial jurisdiction of the City; and
- (6) The IDA further provided that to the extent that the Property was within the industrial district and not within the corporate limits of the City as of the effective date of the IDA, the Property would remain immune from annexation by the City during the term of the IDA; and
- (7) The IDA further provided that upon the expiration of the IDA, the Company’s immunity from annexation granted to the Company’s properties would terminate and, in that event, the City shall have the right to commence annexation proceedings as to any or all of the Company’s properties covered by the IDA, notwithstanding any of the terms and provisions of the IDA; and

- (8) The IDA has expired, the parties have been unable to reach agreement regarding the terms of a new IDA, and the City is prepared to exercise its right to annex the Property; and
- (9) The City has the authority to negotiate a development agreement with the Company under section 212.172 of the Texas Local Government Code; and
- (10) Section 212.172 of the Texas Local Government Code authorizes the City Council to make a written contract with an owner of land that is located in the extraterritorial jurisdiction of the City to provide for the annexation of the land as a whole or in parts and to provide for the terms of annexation, if annexation is agreed to by the parties, specify the uses and development of the land before and after annexation, and include other lawful terms and considerations the parties consider appropriate; and

NOW, THEREFORE, in consideration of the mutual benefit to be derived herefrom by the Parties hereto and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

SECTION ONE:

The City agrees as follows:

- (1) The City will provide the following municipal services with respect to the Property upon annexation: Police Protection, Fire Protection, and Emergency Medical Service – Basic Life Support.
- (2) Notwithstanding any other city regulation to the contrary, including, but not limited to, the City's Zoning Ordinance, Company may use the Property for the purposes for which it currently is used, including agricultural purposes, timber, and the manufacture of industrial packaging (containerboard), throughout the term of this Agreement.
- (3) The City covenants and agrees that, during the term of this Agreement, it will not extend or enforce with respect to the Property any ordinances, rules or regulations (a) governing plats and subdivisions of land, (b) prescribing any building, electrical, plumbing or inspection code or codes, or (c) attempting to exercise, in any manner whatsoever, control over the conduct of the Company's business with respect to the Property, except as otherwise required by applicable federal or state law mandating that the City act.
- (4) All existing roads located on the Property on the date of annexation, and any road that the Company may construct or cause to be constructed on the Property during the term of this Agreement, shall

be considered authorized "truck routes" or "through streets" of the City of Orange, Texas within the meaning of Article 10.900 of the City of Orange Code of Ordinances, as amended.

SECTION TWO:

Company agrees as follows:

- (1) Because the Company and the City have been unable to reach agreement regarding an IDA, this Agreement shall constitute a petition by Company to the City for voluntary annexation of the Property.
- (2) The City shall not be obligated to provide the Company with any municipal services, other than as stated in Section One, with respect to the Property for the duration of this Agreement. To the extent that the Company could otherwise claim a right to municipal services upon annexation, Company hereby waives and disclaims its right to such municipal services, including, but not limited to: Solid Waste Collection, Operation and Maintenance of Water and Wastewater Facilities, Operation and Maintenance of Roads and Streets, Including Street Lighting, and Operation and Maintenance of Parks, Playgrounds and Swimming Pools.
- (3) Company hereby waives its right to petition the City for disannexation for failure to provide services pursuant to section 43.141 of the Texas Local Government Code, except for those services that the Parties have agreed that the City shall provide herein. This paragraph shall survive the expiration of the Term of this Agreement.
- (4) Company agrees that in the event of disannexation following the termination of this Agreement, Company will have received all refunds of taxes and fees to which it might otherwise be entitled pursuant to section 43.148 of the Texas Local Government Code, and Company shall not be entitled to any additional refund. This paragraph shall survive the expiration of the Term of this Agreement.

SECTION THREE:

The term of this Agreement (the "Term") shall begin on the Effective Date of January 1, 2015 and shall end on December 31, 2030, unless sooner terminated as provided for herein. Notwithstanding the foregoing, if for any reason the Chapter 380 Economic Development Program Agreement between the City and the Company dated January 1, 2015 is terminated for any reason, then this Agreement shall terminate at the same time, and the City shall cooperate with the Company in connection with any request by the Company to have the Property disannexed by the City. The Agreement may be extended for an

additional period or periods by mutual agreement between the City and the Company and/or its assigns or successors.

This Agreement may be supplemented or amended under terms and conditions mutually agreeable to the Parties, provided that all such changes, amendments, supplements or modifications shall be in writing.

If any term(s) or provision(s) of this Agreement are held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated, unless such holding causes the obligations of the Parties hereto to be impossible to perform or shall render the terms of this Agreement to be inconsistent with the intent of the Parties hereto.

This Agreement contains the entire agreement of the Parties hereto with respect to the matters covered by its terms, and it may not be modified in any manner without the express written consent of the Parties.

This Agreement will inure to the benefit of and be binding upon the City and the Company, and upon the Company's successors and assigns, affiliates and subsidiaries, and will remain in force whether the Company sells, assigns, or in any other manner disposes of, either voluntarily or by operation of law, all of any part of the land, improvements or tangible personal property belonging to it and located within the Company's annexed Property. The benefits inuring to and obligations assumed by the Company under this Agreement will also extend to the Company's "affiliates" located within the Company's annexed Property, and where reference is made herein to land and property owned by the Company, such reference shall also include land and property owned within the annexed Property by the Company's "affiliates." The word "Affiliate" means all corporations, partnerships, associations, firms or other business enterprises that directly or indirectly, through one or more intermediaries, at the time in question, control the Company or are controlled by the Company or are under common control with the Company.

No assignment of this Agreement, in whole or in part, or of any duty or obligation of performance hereunder shall be made in whole or in part by any Party hereto without the prior written consent of the other Party hereto.

No waiver of a breach of any provision of this Agreement shall be construed to be a waiver of any breach of any other provision. No delay in acting with regard to any breach of any provision shall be construed to be a waiver of such breach.

No party to this Agreement waives or relinquishes any immunity or defense on behalf of themselves, their trustees, officers, employees and agents as

a result of its execution of this Agreement and performance of the functions and obligations described herein.

This Agreement is a contract made under and shall be construed in accordance with and governed by the laws of the United States of America and the State of Texas, as such laws are now in effect, and all obligations of the Parties created hereunder are performable in Orange County, Texas. Venue for any action arising under this Agreement shall lie in the state district courts of Orange County, Texas. The Parties further agree that any action arising under this Agreement that meets the legal requirements for jurisdiction in a federal court shall have exclusive venue in a state district in and for Orange County, Texas.

[Remainder of page intentionally left blank]

International Paper Company

By: _____
Roman Gallo
Vice President of Manufacturing
Containerboard West

STATE OF TENNESSEE §

COUNTY OF SHELBY §

BEFORE ME, the undersigned authority, on this day personally appeared Roman Gallo known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as the act of International Paper Company, a New York corporation, as its Vice President of Manufacturing Containerboard West, for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, on the ____ day of _____, 2015.

Notary Public, State of Tennessee

My Commission expires: _____

City of Orange, Texas

By: _____
Shawn Oubre, City Manager

STATE OF TEXAS §

COUNTY OF ORANGE §

BEFORE ME, the undersigned authority, on this day personally appeared Shawn Oubre, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as the act of the City of Orange, Texas, a Texas home rule municipality, as its City Manager, for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, on the ____ day of _____, 2015.

Notary Public, State of Texas

My Commission expires: _____

Exhibit A:
LEGAL DESCRIPTION OF PROPERTY

June 5, 2015

Being a 1160.870 acre tract or parcel of land out of the CHARLES MORGAN SURVEY ABSTRACT No. 18, the WILLIAM MORGAN SURVEY, ABSTRACT No. 266, the JACOB TOWENSEND SURVEY, ABSTRACT No. 180, and the JOHN ALLEN SURVEY ABSTRACT No. 1, all in Orange County, Texas, also being out of and a part of that certain 2.00 acre tract parcel of land conveyed to Maylou Holden, by deed recorded in Volume 337 Page 184, bring part of that certain 5995.21 acre tract as described as Parcel 1 of Exhibit "A" in deed from W-K-N Development Corporation to Owen Illinois, Inc. dated February 24, 1966, and recorded in Volume 350 Page 148, Deed Records, Orange County, Texas, being a part of that certain 1690 acre tract as described in a deed from Carl G. Russell, et ux, Owen Illinois, Inc. dated June 21, 1966, recorded in Volume 356 Page 569, Deed Records, Orange County, Texas, being a part of that certain tract of land as described in a deed from Nelda C. Stark, Executrix, et al., to Owens Illinois, Inc. dated January 12, 1966 and recorded in Volume 348 Page 9, Deed Records, Orange County, Texas, being part of that certain called 25.00 acre tract as described in a deed from Velama Miller, et al., to Owen Illinois, Inc. dated May 25, 1965, and recorded in Volume 337 Page 632, Deed Records, Orange County, Texas, being part of that certain tract as described as Tract A in Exhibit "A" in deed from Powell Lumber Company to Owen Illinois, Inc, dated February 24, 1966, and recorded in Volume 350 Page 118, Deed Records, Orange County, Texas, and being part of that certain tract described as Tract B in Exhibit "a" in a deed from Powell Lumber Company to Owens Illinois, Inc., dated February 24, 1966, and recorded in Volume 350 Page 118, Deed Records, Orange County, Texas, said 1160.870 acres of land to be more particularly described by meted and bounds as follows;

BEGINNING at a ½" iron rod set for corner in the West Boundary line of that certain 5.00 acre tract as described in a deed from Powell Lumber Company to M. Holden et ux recorded in Volume 58 Page 175, Deed Records of Orange County, Texas, said point for corner being at the intersection of the West boundary line of said 5.00 acre tract with the South Boundary line of a 40 foot wide road easement as recorded in a easement from Powell Lumber Company to Orange County and recorded in Volume 59 Page 383, Deed Records of Orange County, Texas said point for corner being the South 00 Deg. 14 Min. 09 Sec. West, a distance of 40.01 feet from the Northwest corner of said 5.00 acre tract, the Northwest corner of said 5.00 acre tract being on the North boundary line of said Chas. Morgan Survey ;

THENCE South 00 Deg. 14 Min. 09 Sec. West, for a distance of 374.93 feet, to a point for corner;
THENCE South 89 Deg. 54 Min. 56 Sec. East, for a distance of 701.27 feet, to a point for corner;
THENCE South 00 Deg. 00 Min. 00 Sec. East, for a distance of 358.45 feet, to a point for corner;
THENCE North 90 Deg. 00 Min. 00 Sec. East, for a distance of 667.39 feet, to a point for corner;
THENCE South 00 Deg. 00 Min. 00 Sec. East, for a distance of 506.71 feet, to a point for corner;
THENCE North 90 Deg. 00 Min. 00 Sec. East, for a distance of 1728.57 feet, to a point for corner;

THENCE South 00 Deg. 00 Min. 00 Sec. East, for a distance of 1280.78 feet, to a point for corner;
THENCE North 86 Deg. 36 Min. 35 Sec. West, for a distance of 1171.53 feet, to a point for corner;
THENCE South 03 Deg. 23 Min. 25 Sec. West, for a distance of 1025.87 feet, to a point for corner;
THENCE North 86 Deg. 36 Min. 35 Sec. West, for a distance of 532.73 feet, to a point for corner;
THENCE South 03 Deg. 23 Min. 25 Sec. West, for a distance of 757.07 feet, to a point for corner;
THENCE South 86 Deg. 36 Min. 35 Sec. East, for a distance of 306.30 feet, to a point for corner;
THENCE South 03 Deg. 23 Min. 25 Sec. West, for a distance of 375.00 feet, to a point for corner;
THENCE South 86 Deg. 36 Min. 35 Sec. East, for a distance of 1211.05 feet, to a point for corner;
THENCE South 03 Deg. 23 Min. 25 Sec. West, for a distance of 1015.38 feet, to a point for corner;
THENCE South 45 Deg. 21 Min. 28 Sec. East, for a distance of 1500.00 feet, to a point for corner;
THENCE South 59 Deg. 58 Min. 22 Sec. East, for a distance of 139.89 feet, to a point for corner;
THENCE South 77 Deg. 21 Min. 30 Sec. East, for a distance of 166.43 feet, to a point for corner;
THENCE North 89 Deg. 50 Min. 13 Sec. East, for a distance of 41.00 feet, to a point for corner;
THENCE North 00 Deg. 09 Min. 47 Sec. West, for a distance of 1028.48 feet, to a point for corner;
THENCE North 89 Deg. 50 Min. 13 Sec. East, for a distance of 602.25 feet, to a point for corner;
THENCE South 00 Deg. 09 Min. 47 Sec. East, for a distance of 1078.47 feet, to a point for corner;
THENCE South 89 Deg. 50 Min. 13 Sec. West, for a distance of 648.86 feet, to a point for corner;
THENCE North 77 Deg. 21 Min. 34 Sec. West, for a distance of 179.69 feet, to a point for corner;
THENCE North 59 Deg. 58 Min. 23 Sec. West, for a distance of 153.95 feet, to a point for corner;
THENCE North 45 Deg. 21 Min. 28 Sec. West, for a distance of 1962.76 feet, to a point for corner;
THENCE South 89 Deg. 03 Min. 24 Sec. West, for a distance of 238.81 feet, to a point for corner;
THENCE South 52 Deg. 42 Min. 39 Sec. West, for a distance of 1462.99 feet, to a point for corner;
THENCE South 25 Deg. 02 Min. 45 Sec. East, for a distance of 3103.09 feet, to a point for corner;
THENCE South 68 Deg. 19 Min. 45 Sec. East, for a distance of 631.62 feet, to a point for corner;
THENCE South 32 Deg. 45 Min. 48 Sec. East, for a distance of 204.10 feet, to a point for corner;
THENCE North 57 Deg. 13 Min. 01 Sec. East, for a distance of 1190.21 feet, to a point for corner;
THENCE North 81 Deg. 39 Min. 04 Sec. East, for a distance of 881.04 feet, to a point for corner;
THENCE South 85 Deg. 46 Min. 30 Sec. East, for a distance of 1309.86 feet, to a point for corner;
THENCE South 30 Deg. 18 Min. 50 Sec. East, for a distance of 890.06 feet, to a point for corner;
THENCE South 89 Deg. 32 Min. 19 Sec. East, for a distance of 129.48 feet, to a point for corner;
THENCE South 22 Deg. 45 Min. 29 Sec. East, for a distance of 162.94 feet, to a point for corner;
THENCE South 66 Deg. 33 Min. 02 Sec. West, for a distance of 92.41 feet, to a point for corner;
THENCE South 10 Deg. 31 Min. 39 Sec. West, for a distance of 1272.03 feet, to a point for corner;

THENCE South 35 Deg. 23 Min. 04 Sec. West, for a distance of 737.88 feet, to a point for corner;
THENCE South 27 Deg. 45 Min. 18 Sec. West, for a distance of 889.40 feet, to a point for corner;
THENCE South 08 Deg. 49 Min. 03 Sec. East, for a distance of 1923.57 feet, to a point for corner;
THENCE South 32 Deg. 05 Min. 01 Sec. West, for a distance of 864.02 feet, to a point for corner;
THENCE South 31 Deg. 35 Min. 07 Sec. West, for a distance of 1425.04 feet, to a point for corner;
THENCE North 88 Deg. 06 Min. 05 Sec. West, for a distance of 1238.23 feet, to a point for corner;
THENCE South 46 Deg. 20 Min. 25 Sec. West, for a distance of 172.69 feet, to a point for corner;
THENCE South 87 Deg. 18 Min. 33 Sec. West, for a distance of 328.07 feet, to a point for corner;
THENCE North 23 Deg. 56 Min. 07 Sec. West, for a distance of 370.96 feet, to a point for corner;
THENCE North 05 Deg. 44 Min. 10 Sec. West, for a distance of 539.83 feet, to a point for corner;
THENCE North 16 Deg. 07 Min. 31 Sec. West, for a distance of 354.54 feet, to a point for corner;
THENCE North 61 Deg. 42 Min. 45 Sec. West, for a distance of 336.36 feet, to a point for corner;

THENCE North 04 Deg. 54 Min. 56 Sec. West, for a distance of 332.13 feet, to a point for corner;
THENCE North 23 Deg. 35 Min. 21 Sec. West, for a distance of 362.02 feet, to a point for corner;
THENCE North 16 Deg. 53 Min. 15 Sec. West, for a distance of 332.17 feet, to a point for corner;
THENCE North 07 Deg. 06 Min. 18 Sec. West, for a distance of 506.11 feet, to a point for corner;
THENCE North 07 Deg. 43 Min. 32 Sec. West, for a distance of 453.49 feet, to a point for corner;
THENCE North 18 Deg. 45 Min. 10 Sec. East, for a distance of 470.50 feet, to a point for corner;
THENCE North 22 Deg. 11 Min. 22 Sec. East, for a distance of 522.15 feet, to a point for corner;
THENCE North 00 Deg. 19 Min. 44 Sec. West, for a distance of 313.42 feet, to a point for corner;
THENCE North 13 Deg. 25 Min. 50 Sec. East, for a distance of 856.71 feet, to a point for corner;
THENCE North 05 Deg. 41 Min. 33 Sec. East, for a distance of 872.39 feet, to a point for corner;
THENCE North 17 Deg. 58 Min. 53 Sec. West, for a distance of 377.03 feet, to a point for corner;
THENCE North 59 Deg. 22 Min. 32 Sec. East, for a distance of 404.84 feet, to a point for corner;
THENCE North 32 Deg. 45 Min. 48 Sec. West, for a distance of 178.47 feet, to a point for corner;
THENCE North 68 Deg. 19 Min. 45 Sec. West, for a distance of 637.70 feet, to a point for corner;
THENCE North 25 Deg. 02 Min. 45 Sec. West, for a distance of 3117.47 feet, to a point for corner;
THENCE South 52 Deg. 42 Min. 37 Sec. West, for a distance of 982.05 feet, to a point for corner;
THENCE North 88 Deg. 41 Min. 09 Sec. East, for a distance of 215.34 feet, to a point for corner;
THENCE South 00 Deg. 55 Min. 27 Sec. East, for a distance of 1200.13 feet, to a point for corner;
THENCE South 89 Deg. 01 Min. 28 Sec. West, for a distance of 1000.01 feet, to a point for corner;
THENCE North 00 Deg. 55 Min. 45 Sec. West, for a distance of 683.83 feet, to a point for corner;
THENCE North 52 Deg. 42 Min. 37 Sec. East, for a distance of 1907.13 feet, to a point for corner;
THENCE North 25 Deg. 02 Min. 45 Sec. West, for a distance of 462.34 feet, to a point for corner;
THENCE North 86 Deg. 36 Min. 35 Sec. West, for a distance of 432.94 feet, to a point for corner;
THENCE North 03 Deg. 23 Min. 25 Sec. East, for a distance of 493.57 feet, to a point for corner;
THENCE North 86 Deg. 36 Min. 35 Sec. West, for a distance of 3085.48 feet, to a point for corner;
THENCE North 13 Deg. 14 Min. 29 Sec. West, for a distance of 3192.45 feet, to a point for corner;

corner;

THENCE South 86 Deg. 36 Min. 35 Sec. East, for a distance of 2112.75 feet, to a point for corner;

THENCE North 03 Deg. 23 Min. 25 Sec. East, for a distance of 421.31 feet, to a point for corner;

THENCE South 86 Deg. 36 Min. 35 Sec. East, for a distance of 573.90 feet, to a point for corner;

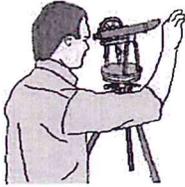
THENCE North 03 Deg. 23 Min. 25 Sec. East, for a distance of 1800.00 feet, to a point for corner;

THENCE North 89 Deg. 08 Min. 23 Sec. East, for a distance of 300.00 feet, to a point for corner;

THENCE North 00 Deg. 51 Min. 37 Sec. West, for a distance of 5.00 feet, to a point for corner;

THENCE North 89 Deg. 13 Min. 27 Sec. East, for a distance of 443.45 feet, to a point for corner,

which is the POINT OF BEGINNING, and containing 1,160.870 acres or 50,567,517.8 square feet.



Anderson Surveying & Mapping, Inc.

P. O. Box 692
Bridge City, TX 77611
(409) 735-6161 Fax (409) 735-5544

LEGAL DESCRIPTION 30 foot Strip of Property

May 19, 2015

Being a 30 foot Strip of Property, 15 foot on each side of the following described centerline, and being out of the PHRAJAN SURVEY ABSTRACT No. 267, the FYC GUTHRIE SURVEY, ABSTRACT No. 90, the WM. WRIGHT SURVEY, ABSTRACT No. 235, and the WILLIAM MORGAN SURVEY ABSTRACT No. 265, Orange County, Texas, also being out of and a part of that certain 4321.674 acre tract or parcel of land conveyed to Temple Inland Forest Products Corporation, by deed recorded in Volume 725 Page 630, of the Official Public Records, of Real Property, Orange County, Texas, said 30 foot strip of land being more particularly described as follows;

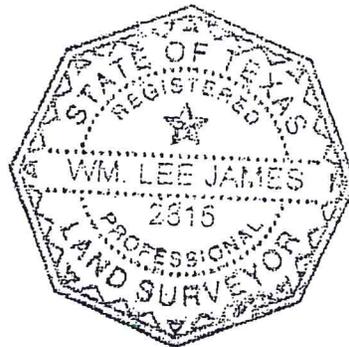
BEGINNING at a point for corner in the East right-of-way line of State Highway 87, and the East line of said 4321.674 acre tract, also being 30 foot South 09 Deg, 25 Min. 00 Sec. East, a distance of 27.62 feet, from the intersection of the East right-of-way line of said S.H. 87, and the Southwest corner of that certain 1-1/2 acre tract or parcel of land conveyed to I.C. Manshack, by deed recorded in Volume 670 Page 350, of the Official Public Records, of Real Property, Orange County, Texas ;

THENCE North 89 Deg.16 Min.48 Sec. East, for a distance of 3469.67 feet, to a point for corner;

THENCE North 53 Deg.09 Min.37 Sec. East, for a distance of 1691.46 feet, to a point for corner;

THENCE North 52 Deg.53 Min.36 Sec. East, for a distance of 2040.57 feet, to the POINT OF TERMINATION;


WM. LEE JAMES R.P.L.S. No. 2815
Job#15-00132-strip



**CITY OF ORANGE, TEXAS
SERVICE PLAN FOR ANNEXED AREA**

PROPERTY SUBJECT TO PLAN: A 1160.870 acre tract or parcel of land out of the CHARLES MORGAN SURVEY ABSTRACT No. 18, the WILLIAM MORGAN SURVEY, ABSTRACT No. 266, the JACOB TOWENSEND SURVEY, ABSTRACT No. 180, and the JOHN ALLEN SURVEY ABSTRACT No. 1, all in Orange County, Texas, also being out of and a part of that certain 2.00 acre tract parcel of land conveyed to Maylou Holden, by deed recorded in Volume 337 Page 184, bring part of that certain 5995.21 acre tract as described as Parcel 1 of Exhibit “A” in deed from W-K-N Development Corporation to Owen Illinois, Inc. dated February 24, 1966, and recorded in Volume 350 Page 148, Deed Records, Orange County, Texas, being a part of that certain 1690 acre tract as described in a deed from Carl G. Russell, et ux, Owen Illinois, Inc. dated June 21, 1966, recorded in Volume 356 Page 569, Deed Records, Orange County, Texas, being a part of that certain tract of land as described in a deed from Nelda C. Stark, Executrix, et al., to Owens Illinois, Inc. dated January 12, 1966 and recorded in Volume 348 Page 9, Deed Records, Orange County, Texas, being part of that certain called 25.00 acre tract as described in a deed from Velama Miller, et al., to Owen Illinois, Inc. dated May 25, 1965, and recorded in Volume 337 Page 632, Deed Records, Orange County, Texas, being part of that certain tract as described as Tract A in Exhibit “A” in deed from Powell Lumber Company to Owen Illinois, Inc. dated February 24, 1966, and recorded in Volume 350 Page 118, Deed Records, Orange County, Texas, and being part of that certain tract described as Tract B in Exhibit “a” in a deed from Powell Lumber Company to Owens Illinois, Inc., dated February 24, 1966, and recorded in Volume 350 Page 118, Deed Records, Orange County, Texas.

Municipal services to the Annexation Area will be furnished by or on behalf of the City of Orange, Texas, at the following levels and in accordance with the following service plan programs:

1. Program for services to be provided on the effective date of the annexation.

The City will provide the following services in the Annexation Area on the effective date of the annexation unless otherwise noted.

As used in this plan, the term “providing services” includes having services provided by any method or means by which the City may extend municipal services to any other area of the City, including the City’s infrastructure extension policies and developer or property owner participation in accordance with applicable city ordinances.

A. Police Protection

The City of Orange Police Department will provide protection and law enforcement services in the Annexation Area commencing on the effective date of annexation. The services will include:

- Normal patrols and responses to calls for service
- Handling of offense and incident reports
- Special units, such as traffic enforcement, criminal investigations, narcotics law enforcement, gang suppression, and crime response team deployment when required.

These services are provided on a citywide basis. The area will combine with existing Police Reporting Areas.

B. Fire Protection

Fire protection services will be provided by existing personnel and equipment of the Orange Fire Department. These services will be provided based upon available water, road and street conditions and distances from existing fire stations. Services will be provided to the Annexation Area commencing on the effective date of the annexation. These services include:

- Basic life support (BLS) 1st responder emergency medical services
- Fire suppression and rescue
- Hazardous materials mitigation and regulation
- Dive rescue
- Technical rescue
- Fire safety Education
- Aircraft / rescue / fire fighting
- Fire protection system plan review; inspections

These services are provided on a citywide basis. All Orange fire fighters are certified by the Texas Commission on Fire Protection.

C. Emergency Medical Services - Basic Life Support

Basic Life Support (BLS) emergency medical services will be provided by the City of Orange. Currently, such services are provided by the City through an agreement with Acadian Ambulance Service. These services are provided on a citywide basis.

D. Solid Waste Collection

Pursuant to that one certain Development Agreement dated ____ between the City of Orange and International Paper Company, the City will not be responsible for providing solid waste collection to the Annexation Area.

E. Operation and Maintenance of Water and Wastewater Facilities

Pursuant to that one certain Development Agreement dated ____ between the City of Orange and International Paper Company, the City will not be responsible for providing operation and maintenance of water and wastewater facilities to the Annexation Area.

F. Operation and Maintenance of Roads and Streets, Including Street Lighting

Pursuant to that one certain Development Agreement dated ____ between the City of Orange and International Paper Company, the City will not be responsible for providing operation and maintenance of roads and streets, including street lighting, in the Annexation Area.

G. Operation and Maintenance of Parks, Playgrounds and Swimming Pools

Pursuant to that one certain Development Agreement dated ____ between the City of Orange and International Paper Company, the City will not be responsible for providing operation and maintenance parks, playgrounds, and swimming pools in the Annexation Area.

H. Operation and Maintenance of any other Publicly Owned Facility or Building or Service

In the event the City acquires any other facilities, buildings or services necessary for municipal services located in the Annexation Area, the appropriate City department will provide maintenance services.

2. CAPITAL IMPROVEMENT PROGRAM

A. Police Protection. No capital improvements are necessary at this time to provide police protection to the Annexation Area. Need for construction of new facilities will be assessed periodically based on population growth, predicted growth and call volume.

- B. Fire Protection. No capital improvements are necessary at this time to provide fire protection to the Annexation Area. Need for construction of new facilities will be assessed periodically based on population growth, predicted growth and call volume.
- C. Solid Waste Collection. Pursuant to that one certain Development Agreement dated ____ between the City of Orange and International Paper Company, no capital improvements are necessary at this time to provide solid waste collection services to the Annexation Area.
- D. Water and Wastewater. Pursuant to that one certain Development Agreement dated ____ between the City of Orange and International Paper Company, no capital improvements are necessary at this time to provide water and wastewater services to the Annexation Area.
- E. Roads. PRIVATE ROADS/STREETS WILL NOT BE MAINTAINED BY THE CITY. No capital improvements are necessary for the construction of arterial streets and the reconstruction of existing local streets.
- F. Storm Water Utility. No capital improvements are necessary at this time to provide drainage services.
- G. Street Lighting. It is anticipated that new subdivisions in the Annexation Area will install street lighting in accordance with the City's standard policies and procedures. In other cases, the City will consider installation of additional street lighting in the Annexation Area upon request, with priority given to street lighting for traffic safety. Provision of a street lighting will be in accordance with the City's street lighting policies and those of the providing utility.
- H. Parks, Playgrounds and Swimming Pools. Capital improvements such as parkland acquisition and development of facilities will be dictated by future land use of the area, goals established by the Park, recreation and Open Space Master Plan and appropriation of resources. Should additional residential development occur, parkland dedication, neighborhood park development and neighborhood park infrastructure or payment in lieu thereof will be required in accordance with the Park Policy of the Subdivision Ordinance.
- I. Other Publicly Owned Facilities, Buildings or Services. In general, other City functions and services can be provided for the Annexation Area by using existing

capital improvements. Additional capital improvements are not necessary to provide City services.

3. PROGRAM FOR PROVIDING FULL MUNICIPAL SERVICES WITHIN 2-1/2 YEARS

In addition to and consistent with the services listed above, and except as otherwise provided by that one certain Development Agreement dated ____ between the City of Orange and International Paper Company, the City will provide full municipal services to the Annexation Area commensurate with the levels of services provided in other parts of the City except if differences in topography, land use and population density constitute a sufficient basis for providing different levels of services, no later than two and one-half (2-1/2) years after the effective date of the annexation. If full municipal services cannot be reasonably provided within the aforementioned time period, the City will propose a schedule for providing said services within a period of four and one half (4-1/2) years after the effective date of the annexation, and / or upon commencement of development of a subdivision with this property, whichever occurs later.

“Full municipal services” are services provided by the annexing municipality within its full-purpose boundaries, excluding gas or electrical service. The City shall provide the services by any of the methods by which it extends the services to any other area of the City.

A RESOLUTION AUTHORIZING THE ORANGE ECONOMIC DEVELOPMENT CORPORATION TO UNDERTAKE A PROJECT REGARDING THE POTENTIAL ACQUISITION AND/OR CONSTRUCTION OF BUILDINGS, EQUIPMENT, FACILITIES, EXPENDITURES, TARGETED INFRASTRUCTURE, AND IMPROVEMENTS TO PROMOTE NEW OR EXPANDED BUSINESS DEVELOPMENT THROUGH AN AGREEMENT WITH INTERNATIONAL PAPER COMPANY.

WHEREAS, the Orange Economic Development Corporation desires to undertake a project regarding the potential acquisition and/or construction of buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements to promote new or expanded business development through an agreement with International Paper Company (the "Project"); and

WHEREAS, in accordance with Texas Local Government Code Section 505.159, the Orange Economic Development Corporation has held at least one public hearing on the Project; and

WHEREAS, in accordance with Texas Local Government Code Section 505.160, the Orange Economic Development Corporation has published notice of the Project; and

WHEREAS, in accordance with Texas Local Government Code Section 505.158, the Orange Economic Development Corporation may not undertake a project authorized by Section 505.158 that requires an expenditure of more than \$10,000.00 until the City Council of the City of Orange, Texas adopts a resolution authorizing such a project after giving the resolution at least two separate readings.

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Orange, Texas that:

1. The foregoing recitals are found to be true and correct and are hereby adopted and incorporated herein by reference.
2. The Orange Economic Development Corporation is authorized to undertake the Project.

PASSED and APPROVED on this the 28th day of July, 2015.

PASSED, APPROVED, and ADOPTED on this the ____ day _____, 2015.

Jimmy Sims, Mayor

ATTEST:

Rhonda Haskins, City Secretary

APPROVED AS TO FORM:

John Cash Smith, City Attorney

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ORANGE, TEXAS APPROVING AN ECONOMIC DEVELOPMENT PROGRAM PURSUANT TO CHAPTER 380 OF THE TEXAS LOCAL GOVERNMENT CODE TO STIMULATE BUSINESS AND COMMERCIAL ACTIVITY IN ORANGE COUNTY, TEXAS

WHEREAS, the City of Orange, Texas is a home-rule municipality in the State of Texas, having been duly created and organized under the constitution and laws of Texas; and

WHEREAS, Article III, Chapter 52-a of the Texas Constitution and Chapter 380 of the Texas Local Government Code (“Chapter 380”) authorize the City to provide for the administration of one or more programs, including programs for making loans or grants of public funds for the purposes of promoting local economic development and stimulating business and commercial activity within the City of Orange; and

WHEREAS, International Paper Company, a New York corporation, together with its parents, subsidiaries, and affiliates (collectively, the “Company”), is the owner of land, improvements and tangible personal property (collectively, “the Property”), located within an area recently annexed by the City and used for the manufacture of industrial packaging (containerboard); and

WHEREAS, the annexation of the Company’s Property by the City will substantially increase the Company’s total ad valorem and sales and use tax liabilities, and the Company is seeking avenues through which to continue operating its containerboard mill in a cost-effective manner; and

WHEREAS, the City recognizes a critical need to maintain and attract quality commercial enterprise in the City of Orange, and that retaining the Company’s business is critical to the ongoing economic growth and diversification of the economy in the City and surrounding area; and

WHEREAS, the City recognizes the positive economic impact that the Company's business has brought and will continue to bring to the City through development and diversification of the economy, elimination of unemployment and underemployment through the retention of jobs, and the attraction of new businesses to the City;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ORANGE, TEXAS:

1. Pursuant to Chapter 380 of the Texas Local Government Code and other authority, an Economic Development Program (“Program”) is established and shall be administered pursuant to this resolution regarding the Property.

2. To stimulate business and commercial activity in the City, and pursuant to its Program and lawful authority under Chapter 380, the City Council shall consider economic development projects and agreements for improved development of business and commercial activity on the Property, and further, said development activity may include, but shall not be limited to, the creation or retention of additional payroll or jobs, and capital investment by the Company through the expansion of its warehouse facility and in the upgrade and improvement of equipment located at the containerboard mill on the Property including, but not limited to, boilers, digesters, paper machines, the turbine generator, and certain equipment at the pulp mill.

3. The Program is designed to accomplish, advance, and substantially achieve all public purposes described in this resolution by: (a) stimulating state and local economic development in the City; (b) stimulating, encouraging, and developing business location and commercial activity in the City; (c) promoting or advertising the City; (d) increasing employment and wages in the City; (e) reducing the number of families living in poverty in the City; (f) increasing local tax bases in the City and providing the City with increased funding options for the provision of public services, facilities, and infrastructure; and (g) increasing sales in the City.

4. The City Council, through its lawful discretion and best business judgment, may use or apply any and all components of Chapter 380 or other applicable authority to develop and administer the Program regarding the Property, including: (a) using city employees or funds; (b) accepting contributions, gifts, or other resources; (c) making a loan or grant of public money, or providing the personnel and services of the City; and (d) entering into a Chapter 380 economic development agreement (or multiple agreements).

5. All prior acts of the City, including those of its elected officials, appointed officials, officers, employees, agents, attorneys, and representatives, are hereby ratified, confirmed, and approved regarding this economic development matter (including scheduling) and any related matter.

6. Subject to City Council review and approval, the City Manager is hereby authorized on behalf of the City to enter into a 380 Agreement with the Company that satisfies the requirements of this Program.

PASSED and **APPROVED** on the 11th day of August, 2015.

PASSED, APPROVED and **ADOPTED** on this the _____ day of August, 2015

Jimmy Sims, Mayor

ATTEST:

APPROVED AS TO FORM:

Rhonda Haskins, City Secretary

City Attorney

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CHAPTER 380 ECONOMIC DEVELOPMENT PROGRAM AGREEMENT BETWEEN THE CITY OF ORANGE, TEXAS AND INTERNATIONAL PAPER COMPANY TO PROMOTE ECONOMIC DEVELOPMENT AND COMMERCIAL ACTIVITY WITHIN THE CITY.

WHEREAS, the Industrial District Agreement dated January 1, 2005, as amended, between the City of Orange and International Paper Company has expired; and

WHEREAS, the parties have been unable to reach agreement regarding the terms of a new Industrial District Agreement; and

WHEREAS, in accordance with Article III, Chapter 52-a of the Texas Constitution and Chapter 380 of the Texas Local Government Code, the City has established an economic development program; and

WHEREAS, the Council finds that the attached Chapter 380 Economic Development Program Agreement satisfies the requirements of the City's economic development program as it relates to the Company's property;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ORANGE:

That the City Manager is hereby authorized to execute the attached Chapter 380 Economic Development Program Agreement.

PASSED and **APPROVED** on this the 11th day of August, 2015.

PASSED, APPROVED and **ADOPTED** on this the ____ day of _____, 2015.

Jimmy Sims, Mayor

ATTEST:

APPROVED AS TO FORM:

Rhonda Haskins, City Secretary

City Attorney

CHAPTER 380 ECONOMIC DEVELOPMENT PROGRAM AGREEMENT

This Chapter 380 Economic Development Program Agreement (the "Agreement") is made and entered into by and among the City of Orange, Texas, a home-rule city and a political subdivision of the State of Texas (the "City"); the Orange Economic Development Corporation, a Type B Economic Development Corporation (the "EDC"); and International Paper Company, a New York corporation, together with its parents, subsidiaries and affiliates (collectively, the "Company"), to be effective January 1, 2015 (the "Effective Date").

RECITALS

WHEREAS, the Company is the owner of land, improvements and tangible personal property (collectively, "the Property"), located within an area recently annexed by the City and used for the manufacture of industrial packaging (containerboard). The Property owned by the Company and subject to the recent annexation is more particularly described in **Exhibit "A"** attached hereto and incorporated herein for all purposes;

WHEREAS, Article III, Chapter 52-a of the Texas Constitution and Chapter 380 of the Texas Local Government Code ("Chapter 380") authorize the City to provide for the administration of one or more programs, including programs for making loans or grants of public funds for the purposes of promoting local economic development and stimulating business and commercial activity within the City of Orange;

WHEREAS, in accordance with Article III, Chapter 52-a of the Texas Constitution and Chapter 380, the City has adopted Resolution No. _____, attached hereto as **Exhibit "B"** and incorporated herein by reference, establishing an economic development program and authorizing the City Manager to enter into this Agreement with the Company in recognition of the positive economic benefits that this Agreement will provide to the City;

WHEREAS, the recent annexation of the Company's Property by the City has substantially increased the Company's total ad valorem and sales and use tax liabilities, and the Company is seeking avenues through which to continue operating its containerboard mill in a cost-effective manner;

WHEREAS, the City and the EDC recognize a critical need to maintain and attract quality commercial enterprise in the City of Orange, and that retaining the Company's business is critical to the ongoing economic growth and diversification of the economy in the City and surrounding area;

WHEREAS, the Company also desires to invest eighty million dollars (\$80,000,000.00) for the upgrade and improvement of equipment located at the containerboard mill on the Property as determined by the Company, including, but not limited to, boilers, digesters, paper machines, the turbine generator, and certain equipment at the pulp mill by December 31, 2018 (the "Project");

WHEREAS, the City and the EDC have concluded and hereby find that this Agreement promotes economic development in the City of Orange and, as such, meets the requirements under

Chapter 380 and the City's economic development program, and, further, is in the best interests of the City, the EDC, and Company;

WHEREAS, the City and the EDC recognize the positive economic impact that the Company's business has brought and will continue to bring to the City through development and diversification of the economy, elimination of unemployment and underemployment through the retention of jobs, and the attraction of new businesses to the City;

WHEREAS, to ensure that the benefits the City provides under this Agreement are utilized in a manner consistent with Chapter 380 and other law, the Company has agreed to comply with certain conditions for receiving those benefits relating to the Company's business operations;

WHEREAS, in consideration of the Company's Project, the City desires to grant to the Company the 380 Payment (as defined herein);

WHEREAS, consistent with Chapter 380 and other law, the City, the EDC, and the Company, as contemplated in this Agreement, agree to work together to advance the public purposes of developing and diversifying the economy of the state and eliminating unemployment or underemployment in the state;

WHEREAS, Chapters 501 and 505 of the Texas Local Government Code authorize the EDC to enter into a Performance Agreement with the Company that satisfies the requirements of the statute;

WHEREAS, the Board of Directors of the EDC has found that this Agreement satisfies the requirements of a Performance Agreement within the meaning of section 501.158 of the Texas Local Government Code;

WHEREAS, the Board of Directors of the EDC has found that the expenditure of EDC funds as described herein will promote new or expanded business development within the City;

WHEREAS, the City, the EDC, and the Company desire to enter into this Agreement for their mutual benefit;

NOW, THEREFORE:

AGREEMENT

For and in consideration of the foregoing recitals and of the mutual promises, obligations, covenants and benefits herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City, the EDC, and the Company contract and agree as follows:

ARTICLE I.

GENERAL TERMS

Section 1.1 Incorporation of Recitals. The recitals to this Agreement are hereby incorporated for all purposes as part of this Agreement.

Section 1.2 Definitions and Terms. The terms "Agreement," "Chapter 380," "City," "Company," "EDC," "Effective Date," and "Property" shall have the meanings given to such terms in the Recitals, and the following terms have the following meanings:

"Agreed Tax Payment" shall mean the amount agreed by the Parties to be the portion of Tax Revenues paid by the Company and retained by the City or the EDC each calendar year under this Agreement, which amount is more particularly set forth in Section 4.2 of this Agreement.

"Initial Payment" shall mean the amount agreed by the Parties to be made as a one-time payment by the Company and retained by the City under the Agreement, which amount is more particularly set forth in Section 4.1 of this Agreement.

"Parties" or "Party" shall mean the City, the EDC, and the Company, the parties to this Agreement.

"Project" shall have the meaning as set forth in the recitals of this Agreement.

"380 Payment" shall mean 100% of the City's and the EDC's portion of the Tax Revenues received for the applicable Tax Year, minus the Agreed Tax Payment.

"Tax Revenues" shall mean the total of all taxes and liabilities due to the City or the EDC in relation to the Company's ownership of the Property and its business operations within the City, including but not limited to, ad valorem, personal property, and sales and use taxes, in the applicable Tax Year during the Term of the Agreement. For the purpose of this definition, ad valorem and personal property taxes will be considered due on January 31st of the Tax Year following the calendar year for which the ad valorem and personal property taxes are levied, regardless of the date upon which they were paid. This term will also include any new taxes or liabilities created by the City or the EDC in relation to the Company's ownership of the Property and its business operations within the City during the Term of the Agreement.

"Tax Year" shall mean the 365-day period beginning on each February 1st and ending January 31st of each successive year included in the Term of this Agreement.

ARTICLE II.

REPRESENTATIONS

Section 2.1 Representations of the City. The City hereby represents to the Company that as of the date hereof:

The City is a duly created and existing municipal corporation and home rule municipality of the State of Texas under the laws of the State of Texas.

The City has the power, authority and legal right under the laws of the State of Texas and the City Charter to enter into and perform this Agreement and the execution, delivery and performance hereof (i) will not, to the best of its knowledge, violate any applicable judgment, order, law or regulation; and (ii) do not constitute a default under, or result in the creation of, any lien, charge, encumbrance or security interest upon any assets of the City under any agreement or instrument to which the City is a party or by which the City or its assets may be bound or affected.

This Agreement has been duly authorized, executed and delivered by the City and, constitutes a legal, valid and binding obligation of the City, enforceable in accordance with its terms except to the extent that (i) the enforceability of such instruments may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws of general application in effect from time to time relating to or affecting the enforcement of creditors' rights and (ii) certain equitable remedies including specific performance may be unavailable.

The execution, delivery and performance of this Agreement by the City do not require the consent or approval of any person that has not been obtained.

Section 2.2 Representations of the EDC. The EDC hereby represents to the Company that as of the date hereof:

The EDC is a duly created and existing Type 4B economic development corporation under the laws of the State of Texas.

The EDC has the power, authority and legal right under the laws of the State of Texas to enter into and perform this Agreement, and the execution, delivery and performance hereof (i) will not, to the best of its knowledge, violate any applicable judgment, order, law or regulation; and (ii) do not constitute a default under, or result in the creation of, any lien, charge, encumbrance or security interest upon any assets of the EDC under any agreement or instrument to which the EDC is a party or by which the EDC or its assets may be bound or affected.

This Agreement has been duly authorized, executed and delivered by the EDC and, constitutes a legal, valid and binding obligation of the EDC, enforceable in accordance with its terms except to the extent that (i) the enforceability of such instruments may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws of general application in effect from time to time relating to or affecting the enforcement of creditors' rights and (ii) certain equitable remedies including specific performance may be unavailable.

The execution, delivery and performance of this Agreement by the EDC do not require the consent or approval of any person that has not been obtained.

Section 2.3 Representations of the Company. The Company hereby represents to the City and the EDC that as of the date hereof:

The Company is duly authorized and existing and in good standing under the laws of the State of New York, and is qualified to do business in the State of Texas.

The Company has the power, authority and legal right to enter into and perform its obligations set forth in this Agreement, and the execution, delivery and performance hereof, (i) have been duly authorized, and will not, to the best of its knowledge, violate any judgment, order, law or regulation applicable to the Company, and (ii) do not constitute a default under or result in the creation of, any lien, charge, encumbrance or security interest upon any assets of the Company under any agreement or instrument to which the Company is a party or by which the Company or its assets may be bound or affected.

This Agreement has been duly authorized, executed and delivered and constitutes a legal, valid and binding obligation of the Company, enforceable in accordance with its terms except to the extent that the enforceability of such instruments may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws of general application in effect from time to time relating to or affecting the enforcement of creditors' rights.

The execution, delivery and performance of this Agreement by the Company do not require the consent or approval of any person that has not been obtained.

ARTICLE III.

COMMITMENTS/CONDITIONS

In consideration of the City's and the EDC's agreement to pay the Company the 380 Payment in accordance with the terms, provisions and conditions of this Agreement, the Company agrees to the following, which are not obligations of the Company, but are conditions that must be fulfilled in order to receive the 380 Payment:

Section 3.1 Investment Condition. The Company shall invest eighty million dollars (\$80,000,000.00) for the upgrade and improvement of equipment located at the containerboard mill and pulp mill on the Property, all as specifically and reasonably determined and valued by the Company, including, but not limited to, boilers, digesters, paper machines, and the turbine generator. The Company shall ensure that before or after the Effective Date of this Agreement, the Company has invested eighty million dollars (\$80,000,000.00) in the aggregate, as described above, during the calendar years 2015-2018 (the "Condition Period"). Within thirty (30) days of the end of each calendar year, the Company shall submit to the City documentation as the City may reasonably require detailing the investment made by the Company for each calendar year; provided, however, on or before January 31, 2019, the Company shall satisfy this requirement.

Section 3.2 Employee/Contractor Condition. The Company shall maintain a minimum of 300 employees and contractors, in the aggregate, at the containerboard mill and pulp mill on the Property during the Condition Period as of December 31st of each calendar year. Within thirty (30) days of the end of each calendar year, the Company shall submit to the City documentation as the City may reasonably require setting forth the number of employees and contractors maintained at the mill as of December 31st of each calendar year; provided, however, on or before January 31, 2019, the Company shall satisfy this requirement.

Section 3.3 Recapture of 380 Payment for Failure to Meet Conditions. In the event the Company fails to meet any one or more of the conditions provided for in this Article III, the Company shall be obligated to repay to the EDC an amount equal to fifty thousand dollars (\$50,000.00) of the 380 Payment (the "Recapture"), within thirty (30) days after the EDC makes demand for same, subject to any and all lawful offsets, settlements, deduction, or credits to which the Company may be entitled. In the event the Company fails to satisfy the conditions set forth in this Article III, for the avoidance of doubt, the EDC's remedy is limited to the Recapture and shall not include disannexation of the Company.

ARTICLE IV.

AGREED TAX PAYMENT AND 380 PAYMENT

In consideration of the Company's commitment under Article III hereof, the City and the EDC agree to pay the Company the 380 Payment in accordance with the following:

Section 4.1 Initial Payment. Within thirty (30) days from the date that all Parties (the City, the EDC, and the Company) have executed the 380 Agreement, the Company shall pay to the City an Initial Payment of \$330,362.00 as an agreed upon replacement and substitution for the 2014 Annual Payment that would have been due under the most recent IDA with the City .

Section 4.2 Amount of Agreed Tax Payment. The amount of the Agreed Tax Payment will begin at \$330,362.00 for Tax Year 2015 and will increase every other Tax Year during the Term of the Agreement by an amount that is three and one-half percent (3.5%) greater than the Agreed Tax Payment for the immediately preceding Tax Year; provided, however, that the amount by which the Agreed Tax Payment is increased as provided for herein will be rounded to the nearest whole dollar amount. The amount of Agreed Tax Payment for each Tax Year during the term of this Agreement is more specifically described on Exhibit "C". The Agreed Tax Payment paid by Company pursuant to this 380 Agreement shall be paid by the Company on or before January 31 of the year following the Tax Year on which the Agreed Tax Payment is based.

Section 4.3 Accrual of 380 Payment. The 380 Payment shall accrue each Tax Year upon the City's receipt of the Agreed Tax Payment; provided, however, that in calendar year 2015, the 380 Payment shall accrue upon the City's receipt of the Initial Payment.

Section 4.4 Submission of Data. Within thirty (30) days of the end of each calendar month, the Company shall submit to the City and the EDC a schedule detailing the Tax Revenues for that month. In support of the schedule, the Company shall submit to the City and the EDC the following:

(a) A copy of all sales tax reports that relate to the Property, including amended reports, filed by the Company with the Texas Comptroller's office for that month showing sales tax collected that relate to the Property;

(b) Documentation of ad valorem taxes paid by the Company for that month; and

(c) Such other data as the City or the EDC may reasonably require in order to determine the amount of the Tax Revenues.

Section 4.5 Sales Tax Disclosure. The Company agrees to provide documentation necessary to authorize the Texas Comptroller's office to release and disclose to the City the Company's sales tax information relating to the generation of sales and use tax within the Property, including, as necessary, a form in materially the same form as that attached hereto as **Exhibit "D"** ("Sales Tax Disclosure"). The Company will continue upon the City's request to provide Sales Tax Disclosures or other similar documentation in order to identify sales tax dollars generated from the Property until such time as such documentation is no longer needed by the Texas Comptroller of Public Accounts to identify sales tax dollars generated by the Project.

Section 4.6 Payment of 380 Payment. On a quarterly basis (as described on Exhibit "C"), the City and the EDC shall pay that portion of the 380 Payment relating to sales taxes to the Company and received by the City and the EDC the prior quarter; and within thirty (30) days of receipt by the City from the Company of that portion of the 380 Payment relating to ad valorem taxes to the Company. Notwithstanding the foregoing, the City's and the EDC's obligation to pay the Company the 380 Payment is conditioned upon (1) the City receiving Tax Revenues in an amount that exceeds the Agreed Tax Payment, (2) the Company having met all of the conditions provided for in Article III of this Agreement, and (3) the Company being in compliance with all other terms of this Agreement. The obligations of this provision shall survive the termination of this Agreement to the extent any portion of the 380 Payment due and owing to the Company has not yet been paid by the City or the EDC.

The Parties recognize that the Texas Comptroller of Public Accounts, and/or other entities with jurisdiction over all or part of the Tax Revenues, are susceptible to making miscalculations and/or clerical errors with regard to the amount of Tax Revenues owed to the City or the EDC, and that such miscalculations and/or clerical errors could result in the City or the EDC receiving a greater amount of Tax Revenues than it may be legally entitled to receive. Therefore, it is contemplated that during the Term of the Agreement, the Texas Comptroller of Public Accounts, and/or other entities with jurisdiction over all or part of the Tax Revenues, could potentially render a decision that directs the City or the EDC to repay a portion of the Tax Revenues that the City or the EDC may have previously received during the Term of this Agreement. In the event of such a decision, the Company agrees to repay to the City or the EDC, as applicable, such amount of the 380 Payment that the City or the EDC may have previously paid to the Company as is necessary to offset the amount of Tax Revenues that the City or the EDC is required to repay pursuant to any such decision. The Company shall make such payment to the City or the EDC, as applicable, within thirty (30) days of the date that the City or the EDC notifies the Company of such a decision.

ARTICLE V.

TERM OF THE AGREEMENT

Section 5.1 Term. This Agreement shall have a term beginning on the Effective Date of January 1, 2015 and ending on December 31, 2030 (the "Term"), unless sooner terminated as provided for herein, including all Tax Years (including any partial year) for which payment is due during the Term of the Agreement. The Agreement may be extended for an additional period or periods by mutual agreement between the City, the EDC, and the Company and/or its assigns or successors.

ARTICLE VI.

DEFAULT AND REMEDY

Section 6.1 Default: Failure to Satisfy Conditions. If the City or the EDC fails to perform its obligations hereunder in substantial compliance with this Agreement (other than the financial obligations, which shall be in strict compliance) and, if such default remains uncured for a period of sixty (60) days after notice thereof shall have been given, the Company shall have all rights and remedies to which it is entitled under this Agreement and under all applicable laws.

If the Company fails to satisfy any of its obligations hereunder, and if any such condition or other obligation remains unsatisfied for a period of sixty (60) days after notice thereof shall have been given, then the City and the EDC shall have all rights and remedies to which they are entitled under this Agreement and under all applicable laws.

ARTICLE VII.

ESCROW

The Parties agree that in the event of any legal challenge to this Agreement, the City shall place any and all funds to which the Company would have a claim under the terms of this Agreement in an interest bearing account, capable of separate identification, during the pendency of the legal challenge. Upon any final decision upholding the enforceability of this Agreement, all amounts in such account, including principal and accrued interest, shall be paid forthwith to the Company. If this Agreement is determined to be invalid or unenforceable, all amounts in such account, including principal and accrued interest, shall be deposited by the City into its General Fund and the Company shall have no further claim thereto, and the City shall cooperate with the Company in connection with any request by the Company to have the Property disannexed by the City. The Parties covenant that none of them will initiate any legal challenge to the validity or enforceability of this Agreement, and the Parties will cooperate in defending the validity or enforceability of this Agreement against any challenge by any third party.

ARTICLE VIII.

MISCELLANEOUS

Section 8.1 Severability. If any one or more words, phrases, clauses, sentences, paragraphs, sections, articles, or other parts of this Agreement or the application thereof to any person, firm, corporation, or circumstances shall ever be held by any court of competent

jurisdiction to be invalid or unconstitutional for any reason, then the application, invalidity or unconstitutionality of such words, phrase, clause, sentence, paragraph, section, article of other part of the Agreement will be deemed to be independent of and separable from the remainder of this Agreement and the validity of the remaining parts of this Agreement will not be affected thereby.

Section 8.2 Notice. Any notice or other communication required or permitted to be given pursuant to this Agreement shall be in writing and will be considered duly when such notice has been deposited with proper postage prepaid and duly registered or certified, return receipt requested, in a United States post office, addressed to the City, the EDC, or the Company as follows:

| | |
|---|---|
| <p>International Paper Co 6400 Poplar Avenue Memphis, TN 38197 Attention: VP Containerboard Mills West</p> | <p>City of Orange c/o City Manager P.O. Box 520 Orange, Texas 77630-0522</p> |
| <p>International Paper Co. 6400 Poplar Avenue Memphis, TN 38197 Attention: Legal-General Counsel Containerboard</p> | <p>Orange Economic Development Corporation c/o Executive Director P.O. Box 520 Orange, Texas 77630-0522</p> |
| <p>International Paper Co. 1750 Inland Road Orange, TX 77632 Attention: Mill Manager</p> | <p>With Copy To: Smith Law Firm Attention: City Attorney 1006 Green Avenue Orange, Texas 77630</p> |

Any such notice or communication shall be deemed given on the date so delivered or so deposited in the mail, unless otherwise provided herein. Either Party may change the above address by sending written notice of such change to the other Party in the manner provided above.

Section 8.3 Amendments and Waivers. Any provision of this Agreement may be amended or waived if such amendment or waiver is in writing and is signed by the City, the EDC, and the Company.

Section 8.4 Binding Effect. This Agreement will inure to the benefit of and be binding upon the City, the EDC, and the Company, and upon the Company’s successors and assigns, affiliates and subsidiaries, and will remain in force whether the Company sells, assigns, or in any other manner disposes of, either voluntarily or by operation of law, all of any part of the land, improvements or tangible personal property belonging to it and located within the Company’s annexed Property. The benefits inuring to and obligations assumed by the Company under this Agreement will also extend to the Company’s “affiliates” located within the Company’s annexed

Property, and where reference is made herein to land and property owned by the Company, such reference shall also be include land and property owned within the annexed Property by the Company's "affiliates." The word "Affiliate" means all corporations, partnerships, associations, firms or other business enterprises that directly or indirectly, through one or more intermediaries, at the time in question, controls the Company or is controlled by the Company or is under common control with the Company.

Section 8.5 Assignment. No assignment of this Agreement, in whole or in part, or of any duty or obligation of performance hereunder shall be made in whole or in part by any Party hereto without the prior written consent of the other Parties hereto.

Section 8.6 Exhibits: Titles of Articles, Sections and Subsections. The exhibits attached to this Agreement are incorporated herein and shall be considered a part of this Agreement for the purposes stated herein, except that in the event of any conflict between any of the provisions of such exhibits and the provisions of this Agreement, the provisions of this Agreement shall prevail. All titles or headings are only for the convenience of the Parties and shall not be construed to have any effect or meaning as to the agreement between the Parties hereto. Any reference herein to a Section or Subsection shall be considered a reference to such Section or Subsection of this Agreement unless otherwise stated. Any reference herein to an exhibit shall be considered a reference to the applicable exhibit attached hereto unless otherwise stated. The following Exhibits are included:

- Exhibit A: Property Descriptions
- Exhibit B: City Resolution
- Exhibit C: Tax Payment Schedule
- Exhibit D: Sales Tax Disclosure

Section 8.7 Governing Law and Venue. This Agreement is a contract made under and shall be construed in accordance with and governed by the laws of the United States of America and the State of Texas, as such laws are now in effect, and all obligations of the Parties created hereunder are performable in Orange County, Texas. Venue for any action arising under this Agreement shall lie in the state district courts of Orange County, Texas. The Parties further agree that any action arising under this Agreement that meets the legal requirements for jurisdiction in a federal court shall have exclusive venue in a state district in and for Orange County, Texas.

Section 8.8 Entire Agreement. This written Agreement represents the final agreement between the Parties and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the Parties. There are no unwritten oral agreements between the Parties.

Section 8.9 Approval by the Parties. Whenever this Agreement requires or permits approval or consent to be hereafter given by any Party, the Parties agree that such approval or consent shall not be unreasonably withheld or delayed.

Section 8.10 Additional Actions. The Parties agree to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications as may be

necessary or appropriate, from time to time, to carry out the terms, provisions and intent of this Agreement and to aid and assist each other in carrying out said terms, provisions and intent.

Section 8.11 Undocumented Workers. The Company certifies that it does not and will not knowingly employ an undocumented worker in accordance with Chapter 2264 of the Texas Government Code, as amended. If during the Term of this Agreement, the Company, is convicted of a violation under 8 U.S.C. § 1324a(f), the Company shall repay the amount of the public subsidy provided under this Agreement plus interest, at the rate of seven percent (7%), not later than the 120th day after the date the City notifies the Company of the violation.

Section 8.12 No Vested Rights. The Company Agrees that the City's economic development program under Chapter 380 is a discretionary program and that the City has no obligation to extend Chapter 380 payments to the Company. In exchange for receiving Chapter 380 payments, the Company agrees that it has no vested rights under prior regulations and ordinances, and waives any claim to be exempt from applicable current and future provisions of the City Charter, City Code, state or federal laws, except as provided herein or in any other agreement executed by and between the Parties.

Section 8.13 Attorney Fees. Under no circumstances will the Chapter 380 Payments received under this Agreement be used, either directly or indirectly, to pay costs or attorney fees incurred in any adversarial proceeding against the City or the EDC regarding this Agreement. For purposes of this paragraph, "adversarial proceeding" means any cause of action regarding this Agreement filed by or against the Company in any state or federal court, as well as any state or federal administrative hearing.

[EXECUTION PAGES FOLLOW]

This Agreement is executed in multiple counterparts on behalf of the City on this _____ day of _____, 2015, on behalf of the EDC on this _____ day of _____, 2015, and on behalf of the Company this ____ day of _____, 2015, to be effective on _____, 2015.

CITY OF ORANGE, TEXAS

BY: _____
Shawn Oubre, City Manager

ATTEST:

By _____
City Secretary

APPROVED AS TO FORM:

By _____
City Attorney

ORANGE ECONOMIC DEVELOPMENT
CORPORATION

By: _____
_____, President, Board of Directors

INTERNATIONAL PAPER COMPANY

By: _____
Roman Gallo
VP Manufacturing– Containerboard West

CITY ACKNOWLEDGEMENT

THE STATE OF TEXAS §

COUNTY OF ORANGE §

Before me, the undersigned notary public, on this day personally appeared Shawn Oubre, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as the act of the City of Orange, Texas, a Texas home rule municipality, as its City Manager, for the purposes and consideration therein expressed.

Given under my hand and seal of office this ____ day of _____, 2015.

NOTARY PUBLIC, STATE OF TEXAS

EDC ACKNOWLEDGEMENT

THE STATE OF TEXAS §

COUNTY OF ORANGE §

Before me, the undersigned notary public, on this day personally appeared George Mortimer, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as the act of the Orange Economic Development Corporation, a Texas corporation, as its President of its Board of Directors, for the purposes and consideration therein expressed.

Given under my hand and seal of office this ____ day of _____, 2015.

NOTARY PUBLIC, STATE OF TEXAS

COMPANY ACKNOWLEDGEMENT

THE STATE OF TENNESSEE §

COUNTY OF SHELBY §

BEFORE ME, the undersigned authority, on this day personally appeared Roman Gallo known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as the act of International Paper Company, a New York corporation, as its Vice President of Manufacturing Containerboard West, for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, on the ____ day of _____, 2015.

NOTARY PUBLIC, STATE OF TENNESSEE

Exhibit A:
LEGAL DESCRIPTION OF PROPERTY

June 5, 2015

Being a 1160.870 acre tract or parcel of land out of the CHARLES MORGAN SURVEY ABSTRACT No. 18, the WILLIAM MORGAN SURVEY, ABSTRACT No. 266, the JACOB TOWENSEND SURVEY, ABSTRACT No. 180, and the JOHN ALLEN SURVEY ABSTRACT No. 1, all in Orange County, Texas, also being out of and a part of that certain 2.00 acre tract parcel of land conveyed to Maylou Holden, by deed recorded in Volume 337 Page 184, bring part of that certain 5995.21 acre tract as described as Parcel 1 of Exhibit "A" in deed from W-K-N Development Corporation to Owen Illinois, Inc. dated February 24, 1966, and recorded in Volume 350 Page 148, Deed Records, Orange County, Texas, being a part of that certain 1690 acre tract as described in a deed from Carl G. Russell, et ux, Owen Illinois, Inc. dated June 21, 1966, recorded in Volume 356 Page 569, Deed Records, Orange County, Texas, being a part of that certain tract of land as described in a deed from Nelda C. Stark, Executrix, et al., to Owens Illinois, Inc. dated January 12, 1966 and recorded in Volume 348 Page 9, Deed Records, Orange County, Texas, being part of that certain called 25.00 acre tract as described in a deed from Velama Miller, et al., to Owen Illinois, Inc. dated May 25, 1965, and recorded in Volume 337 Page 632, Deed Records, Orange County, Texas, being part of that certain tract as described as Tract A in Exhibit "A" in deed from Powell Lumber Company to Owen Illinois, Inc, dated February 24, 1966, and recorded in Volume 350 Page 118, Deed Records, Orange County, Texas, and being part of that certain tract described as Tract B in Exhibit "a" in a deed from Powell Lumber Company to Owens Illinois, Inc., dated February 24, 1966, and recorded in Volume 350 Page 118, Deed Records, Orange County, Texas, said 1160.870 acres of land to be more particularly described by meted and bounds as follows;

BEGINNING at a ½" iron rod set for corner in the West Boundary line of that certain 5.00 acre tract as described in a deed from Powell Lumber Company to M. Holden et ux recorded in Volume 58 Page 175, Deed Records of Orange County, Texas, said point for corner being at the intersection of the West boundary line of said 5.00 acre tract with the South Boundary line of a 40 foot wide road easement as recorded in a deed from Powell Lumber Company to Orange County and recorded in Volume 59 Page 383, Deed Records of Orange County, Texas said point for corner being the South 00 Deg. 14 Min. 09 Sec. West, a distance of 40.01 feet from the Northwest corner of said 5.00 acre tract, the Northwest corner of said 5.00 acre tract being on the North boundary line of said Chas. Morgan Survey ;

THENCE South 00 Deg. 14 Min. 09 Sec. West, for a distance of 374.93 feet, to a point for corner;
THENCE South 89 Deg. 54 Min. 56 Sec. East, for a distance of 701.27 feet, to a point for corner;
THENCE South 00 Deg. 00 Min. 00 Sec. East, for a distance of 358.45 feet, to a point for corner;
THENCE North 90 Deg. 00 Min. 00 Sec. East, for a distance of 667.39 feet, to a point for corner;
THENCE South 00 Deg. 00 Min. 00 Sec. East, for a distance of 506.71 feet, to a point for corner;
THENCE North 90 Deg. 00 Min. 00 Sec. East, for a distance of 1728.57 feet, to a point for corner;

THENCE South 00 Deg. 00 Min. 00 Sec. East, for a distance of 1280.78 feet, to a point for corner;
THENCE North 86 Deg. 36 Min. 35 Sec. West, for a distance of 1171.53 feet, to a point for corner;
THENCE South 03 Deg. 23 Min. 25 Sec. West, for a distance of 1025.87 feet, to a point for corner;
THENCE North 86 Deg. 36 Min. 35 Sec. West, for a distance of 532.73 feet, to a point for corner;
THENCE South 03 Deg. 23 Min. 25 Sec. West, for a distance of 757.07 feet, to a point for corner;
THENCE South 86 Deg. 36 Min. 35 Sec. East, for a distance of 306.30 feet, to a point for corner;
THENCE South 03 Deg. 23 Min. 25 Sec. West, for a distance of 375.00 feet, to a point for corner;
THENCE South 86 Deg. 36 Min. 35 Sec. East, for a distance of 1211.05 feet, to a point for corner;
THENCE South 03 Deg. 23 Min. 25 Sec. West, for a distance of 1015.38 feet, to a point for corner;
THENCE South 45 Deg. 21 Min. 28 Sec. East, for a distance of 1500.00 feet, to a point for corner;
THENCE South 59 Deg. 58 Min. 22 Sec. East, for a distance of 139.89 feet, to a point for corner;
THENCE South 77 Deg. 21 Min. 30 Sec. East, for a distance of 166.43 feet, to a point for corner;
THENCE North 89 Deg. 50 Min. 13 Sec. East, for a distance of 41.00 feet, to a point for corner;
THENCE North 00 Deg. 09 Min. 47 Sec. West, for a distance of 1028.48 feet, to a point for corner;
THENCE North 89 Deg. 50 Min. 13 Sec. East, for a distance of 602.25 feet, to a point for corner;
THENCE South 00 Deg. 09 Min. 47 Sec. East, for a distance of 1078.47 feet, to a point for corner;
THENCE South 89 Deg. 50 Min. 13 Sec. West, for a distance of 648.86 feet, to a point for corner;
THENCE North 77 Deg. 21 Min. 34 Sec. West, for a distance of 179.69 feet, to a point for corner;
THENCE North 59 Deg. 58 Min. 23 Sec. West, for a distance of 153.95 feet, to a point for corner;
THENCE North 45 Deg. 21 Min. 28 Sec. West, for a distance of 1962.76 feet, to a point for corner;
THENCE South 89 Deg. 03 Min. 24 Sec. West, for a distance of 238.81 feet, to a point for corner;
THENCE South 52 Deg. 42 Min. 39 Sec. West, for a distance of 1462.99 feet, to a point for corner;
THENCE South 25 Deg. 02 Min. 45 Sec. East, for a distance of 3103.09 feet, to a point for corner;
THENCE South 68 Deg. 19 Min. 45 Sec. East, for a distance of 631.62 feet, to a point for corner;
THENCE South 32 Deg. 45 Min. 48 Sec. East, for a distance of 204.10 feet, to a point for corner;
THENCE North 57 Deg. 13 Min. 01 Sec. East, for a distance of 1190.21 feet, to a point for corner;
THENCE North 81 Deg. 39 Min. 04 Sec. East, for a distance of 881.04 feet, to a point for corner;
THENCE South 85 Deg. 46 Min. 30 Sec. East, for a distance of 1309.86 feet, to a point for corner;
THENCE South 30 Deg. 18 Min. 50 Sec. East, for a distance of 890.06 feet, to a point for corner;
THENCE South 89 Deg. 32 Min. 19 Sec. East, for a distance of 129.48 feet, to a point for corner;
THENCE South 22 Deg. 45 Min. 29 Sec. East, for a distance of 162.94 feet, to a point for corner;
THENCE South 66 Deg. 33 Min. 02 Sec. West, for a distance of 92.41 feet, to a point for corner;
THENCE South 10 Deg. 31 Min. 39 Sec. West, for a distance of 1272.03 feet, to a point for corner;

THENCE South 35 Deg. 23 Min. 04 Sec. West, for a distance of 737.88 feet, to a point for corner;
THENCE South 27 Deg. 45 Min. 18 Sec. West, for a distance of 889.40 feet, to a point for corner;
THENCE South 08 Deg. 49 Min. 03 Sec. East, for a distance of 1923.57 feet, to a point for corner;
THENCE South 32 Deg. 05 Min. 01 Sec. West, for a distance of 864.02 feet, to a point for corner;
THENCE South 31 Deg. 35 Min. 07 Sec. West, for a distance of 1425.04 feet, to a point for corner;
THENCE North 88 Deg. 06 Min. 05 Sec. West, for a distance of 1238.23 feet, to a point for corner;
THENCE South 46 Deg. 20 Min. 25 Sec. West, for a distance of 172.69 feet, to a point for corner;
THENCE South 87 Deg. 18 Min. 33 Sec. West, for a distance of 328.07 feet, to a point for corner;
THENCE North 23 Deg. 56 Min. 07 Sec. West, for a distance of 370.96 feet, to a point for corner;
THENCE North 05 Deg. 44 Min. 10 Sec. West, for a distance of 539.83 feet, to a point for corner;
THENCE North 16 Deg. 07 Min. 31 Sec. West, for a distance of 354.54 feet, to a point for corner;
THENCE North 61 Deg. 42 Min. 45 Sec. West, for a distance of 336.36 feet, to a point for corner;

THENCE North 04 Deg. 54 Min. 56 Sec. West, for a distance of 332.13 feet, to a point for corner;
THENCE North 23 Deg. 35 Min. 21 Sec. West, for a distance of 362.02 feet, to a point for corner;
THENCE North 16 Deg. 53 Min. 15 Sec. West, for a distance of 332.17 feet, to a point for corner;
THENCE North 07 Deg. 06 Min. 18 Sec. West, for a distance of 506.11 feet, to a point for corner;
THENCE North 07 Deg. 43 Min. 32 Sec. West, for a distance of 453.49 feet, to a point for corner;
THENCE North 18 Deg. 45 Min. 10 Sec. East, for a distance of 470.50 feet, to a point for corner;
THENCE North 22 Deg. 11 Min. 22 Sec. East, for a distance of 522.15 feet, to a point for corner;
THENCE North 00 Deg. 19 Min. 44 Sec. West, for a distance of 313.42 feet, to a point for corner;
THENCE North 13 Deg. 25 Min. 50 Sec. East, for a distance of 856.71 feet, to a point for corner;
THENCE North 05 Deg. 41 Min. 33 Sec. East, for a distance of 872.39 feet, to a point for corner;
THENCE North 17 Deg. 58 Min. 53 Sec. West, for a distance of 377.03 feet, to a point for corner;
THENCE North 59 Deg. 22 Min. 32 Sec. East, for a distance of 404.84 feet, to a point for corner;
THENCE North 32 Deg. 45 Min. 48 Sec. West, for a distance of 178.47 feet, to a point for corner;
THENCE North 68 Deg. 19 Min. 45 Sec. West, for a distance of 637.70 feet, to a point for corner;
THENCE North 25 Deg. 02 Min. 45 Sec. West, for a distance of 3117.47 feet, to a point for corner;
THENCE South 52 Deg. 42 Min. 37 Sec. West, for a distance of 982.05 feet, to a point for corner;
THENCE North 88 Deg. 41 Min. 09 Sec. East, for a distance of 215.34 feet, to a point for corner;
THENCE South 00 Deg. 55 Min. 27 Sec. East, for a distance of 1200.13 feet, to a point for corner;
THENCE South 89 Deg. 01 Min. 28 Sec. West, for a distance of 1000.01 feet, to a point for corner;
THENCE North 00 Deg. 55 Min. 45 Sec. West, for a distance of 683.83 feet, to a point for corner;
THENCE North 52 Deg. 42 Min. 37 Sec. East, for a distance of 1907.13 feet, to a point for corner;
THENCE North 25 Deg. 02 Min. 45 Sec. West, for a distance of 462.34 feet, to a point for corner;
THENCE North 86 Deg. 36 Min. 35 Sec. West, for a distance of 432.94 feet, to a point for corner;
THENCE North 03 Deg. 23 Min. 25 Sec. East, for a distance of 493.57 feet, to a point for corner;
THENCE North 86 Deg. 36 Min. 35 Sec. West, for a distance of 3085.48 feet, to a point for corner;
THENCE North 13 Deg. 14 Min. 29 Sec. West, for a distance of 3192.45 feet, to a point for

corner;

THENCE South 86 Deg. 36 Min. 35 Sec. East, for a distance of 2112.75 feet, to a point for corner;

THENCE North 03 Deg. 23 Min. 25 Sec. East, for a distance of 421.31 feet, to a point for corner;

THENCE South 86 Deg. 36 Min. 35 Sec. East, for a distance of 573.90 feet, to a point for corner;

THENCE North 03 Deg. 23 Min. 25 Sec. East, for a distance of 1800.00 feet, to a point for corner;

THENCE North 89 Deg. 08 Min. 23 Sec. East, for a distance of 300.00 feet, to a point for corner;

THENCE North 00 Deg. 51 Min. 37 Sec. West, for a distance of 5.00 feet, to a point for corner;

THENCE North 89 Deg. 13 Min. 27 Sec. East, for a distance of 443.45 feet, to a point for corner,

which is the POINT OF BEGINNING, and containing 1,160.870 acres or 50,567,517.8 square feet.

Exhibit B:
RESOLUTION

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ORANGE, TEXAS APPROVING AN ECONOMIC DEVELOPMENT PROGRAM PURSUANT TO CHAPTER 380 OF THE TEXAS LOCAL GOVERNMENT CODE TO STIMULATE BUSINESS AND COMMERCIAL ACTIVITY IN ORANGE COUNTY, TEXAS

WHEREAS, the City of Orange, Texas is a home-rule municipality in the State of Texas, having been duly created and organized under the constitution and laws of Texas; and

WHEREAS, Article III, Chapter 52-a of the Texas Constitution and Chapter 380 of the Texas Local Government Code (“Chapter 380”) authorize the City to provide for the administration of one or more programs, including programs for making loans or grants of public funds for the purposes of promoting local economic development and stimulating business and commercial activity within the City of Orange; and

WHEREAS, International Paper Company, a New York corporation, together with its parents, subsidiaries, and affiliates (collectively, the “Company”), is the owner of land, improvements and tangible personal property (collectively, “the Property”), located within an area recently annexed by the City and used for the manufacture of industrial packaging (containerboard); and

WHEREAS, the annexation of the Company’s Property by the City will substantially increase the Company’s total ad valorem and sales and use tax liabilities, and the Company is seeking avenues through which to continue operating its containerboard mill in a cost-effective manner; and

WHEREAS, the City recognizes a critical need to maintain and attract quality commercial enterprise in the City of Orange, and that retaining the Company’s business is critical to the ongoing economic growth and diversification of the economy in the City and surrounding area; and

WHEREAS, the City recognizes the positive economic impact that the Company's business has brought and will continue to bring to the City through development and diversification of the economy, elimination of unemployment and underemployment through the retention of jobs, and the attraction of new businesses to the City;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ORANGE, TEXAS:

1. Pursuant to Chapter 380 of the Texas Local Government Code and other authority, an Economic Development Program (“Program”) is established and shall be administered pursuant to this resolution regarding the Property.

2. To stimulate business and commercial activity in the City, and pursuant to its Program and lawful authority under Chapter 380, the City Council shall consider economic development projects and agreements for improved development of business and commercial activity on the Property, and further, said development activity may include, but shall not be limited to, the creation or retention of additional payroll or jobs, and capital investment by the Company through the expansion of its warehouse facility and in the upgrade and improvement of equipment located at the containerboard mill on the Property including, but not limited to, boilers, digesters, paper machines, the turbine generator, and certain equipment at the pulp mill.

3. The Program is designed to accomplish, advance, and substantially achieve all public purposes described in this resolution by: (a) stimulating state and local economic development in the City; (b) stimulating, encouraging, and developing business location and commercial activity in the City; (c) promoting or advertising the City; (d) increasing employment and wages in the City; (e) reducing the number of families living in poverty in the City; (f) increasing local tax bases in the City and providing the City with increased funding options for the provision of public services, facilities, and infrastructure; and (g) increasing sales in the City.

4. The City Council, through its lawful discretion and best business judgment, may use or apply any and all components of Chapter 380 or other applicable authority to develop and administer the Program regarding the Property, including: (a) using city employees or funds; (b) accepting contributions, gifts, or other resources; (c) making a loan or grant of public money, or providing the personnel and services of the City; and (d) entering into a Chapter 380 economic development agreement (or multiple agreements).

5. All prior acts of the City, including those of its elected officials, appointed officials, officers, employees, agents, attorneys, and representatives, are hereby ratified, confirmed, and approved regarding this economic development matter (including scheduling) and any related matter.

6. Subject to City Council review and approval, the City Manager is hereby authorized on behalf of the City to enter into a 380 Agreement with the Company that satisfies the requirements of this Program.

EFFECTIVE DATE. This RESOLUTION shall be in full force and effect from and after its date of approval.

APPROVED: _____, 2015.

APPROVED:

Jimmy Sims, Mayor

ATTEST:

Rhonda Haskins, City Secretary

Exhibit C:
Payment Schedules

A. Agreed Tax Payment and Initial Payment Schedule

| Tax Year | Amount | Due Date |
|-----------------------|--------------|------------------|
| Initial Payment (N/A) | \$330,362.00 | * |
| 2015 | \$330,362.00 | January 31, 2016 |
| 2016 | \$330,362.00 | January 31, 2017 |
| 2017 | \$341,925.00 | January 31, 2018 |
| 2018 | \$341,925.00 | January 31, 2019 |
| 2019 | \$353,892.00 | January 31, 2020 |
| 2020 | \$353,892.00 | January 31, 2021 |
| 2021 | \$366,278.00 | January 31, 2022 |
| 2022 | \$366,278.00 | January 31, 2023 |
| 2023 | \$379,098.00 | January 31, 2024 |
| 2024 | \$379,098.00 | January 31, 2025 |
| 2025 | \$392,366.00 | January 31, 2026 |
| 2026 | \$392,366.00 | January 31, 2027 |
| 2027 | \$406,099.00 | January 31, 2028 |
| 2028 | \$406,099.00 | January 31, 2029 |
| 2029 | \$420,312.00 | January 31, 2030 |

** The Initial Payment shall be due and owing to the City within 30 days from the date that all Parties (the City, the EDC, and the Company) have executed the 380 Agreement.*

B. 380 Payment Schedule

| Calendar Year | Agreed Tax Payment (Amount That City Must Receive In a Single Calendar Year Prior to 380 Payment) | For Tax Proceeds Received on or Before: | Due Date |
|---------------|---|---|-------------------|
| 2015 | \$330,362.00 (Initial Payment) | | |
| | | July 31, 2015 | August 31, 2015 |
| | | October 31, 2015 | November 30, 2015 |
| 2016 | \$330,362.00 | | |
| | | January 31, 2016 | February 28, 2016 |
| | | April 30, 2016 | May 31, 2016 |
| | | July 31, 2016 | August 31, 2016 |
| | | October 31, 2016 | November 30, 2016 |
| 2017 | \$330,362.00 | | |
| | | January 31, 2017 | February 28, 2017 |
| | | April 30, 2017 | May 31, 2017 |
| | | July 31, 2017 | August 31, 2017 |
| | | October 31, 2017 | November 30, 2017 |
| 2018 | \$341,925.00 | | |
| | | January 31, 2018 | February 28, 2018 |
| | | April 30, 2018 | May 31, 2018 |
| | | July 31, 2018 | August 31, 2018 |
| | | October 31, 2018 | November 30, 2018 |
| 2019 | \$341,925.00 | | |
| | | January 31, 2019 | February 28, 2019 |
| | | April 30, 2019 | May 31, 2019 |
| | | July 31, 2019 | August 31, 2019 |
| | | October 31, 2019 | November 30, 2019 |
| 2020 | \$353,892.00 | | |
| | | January 31, 2020 | February 28, 2020 |
| | | April 30, 2020 | May 31, 2020 |
| | | July 31, 2020 | August 31, 2020 |
| | | October 31, 2020 | November 30, 2020 |
| 2021 | \$353,892.00 | | |
| | | January 31, 2021 | February 28, 2021 |
| | | April 30, 2021 | May 31, 2021 |
| | | July 31, 2021 | August 31, 2021 |
| | | October 31, 2021 | November 30, 2021 |
| 2022 | \$366,278.00 | | |
| | | January 31, 2022 | February 28, 2022 |
| | | April 30, 2022 | May 31, 2022 |
| | | July 31, 2022 | August 31, 2022 |
| | | October 31, 2022 | November 30, 2022 |

| Calendar Year | Agreed Tax Payment (Amount That City Must Receive In a Single Calendar Year Prior to 380 Payment) | For Tax Proceeds Received on or Before: | Due Date |
|---------------|---|---|-------------------|
| 2023 | \$366,278.00 | | |
| | | January 31, 2023 | February 28, 2023 |
| | | April 30, 2023 | May 31, 2023 |
| | | July 31, 2023 | August 31, 2023 |
| | | October 31, 2023 | November 30, 2023 |
| 2024 | \$379,098.00 | | |
| | | January 31, 2024 | February 28, 2024 |
| | | April 30, 2024 | May 31, 2024 |
| | | July 31, 2024 | August 31, 2024 |
| | | October 31, 2024 | November 30, 2024 |
| 2025 | \$379,098.00 | | |
| | | January 31, 2025 | February 28, 2025 |
| | | April 30, 2025 | May 31, 2025 |
| | | July 31, 2025 | August 31, 2025 |
| | | October 31, 2025 | November 30, 2025 |
| 2026 | \$392,366.00 | | |
| | | January 31, 2026 | February 28, 2026 |
| | | April 30, 2026 | May 31, 2026 |
| | | July 31, 2026 | August 31, 2026 |
| | | October 31, 2026 | November 30, 2026 |
| 2027 | \$392,366.00 | | |
| | | January 31, 2027 | February 28, 2027 |
| | | April 30, 2027 | May 31, 2027 |
| | | July 31, 2027 | August 31, 2027 |
| | | October 31, 2027 | November 30, 2027 |
| 2028 | \$406,099.00 | | |
| | | January 31, 2028 | February 28, 2028 |
| | | April 30, 2028 | May 31, 2028 |
| | | July 31, 2028 | August 31, 2028 |
| | | October 31, 2028 | November 30, 2028 |
| 2029 | \$406,099.00 | | |
| | | January 31, 2029 | February 28, 2029 |
| | | April 30, 2029 | May 31, 2029 |
| | | July 31, 2029 | August 31, 2029 |
| | | October 31, 2029 | November 30, 2029 |

| Calendar Year | Agreed Tax Payment (Amount That City Must Receive In a Single Calendar Year Prior to 380 Payment) | For Tax Proceeds Received on or Before: | Due Date |
|---------------|---|---|-------------------|
| 2030 | \$420,312.00 | | |
| | | January 31, 2030 | February 28, 2030 |
| | | April 30, 2030 | May 31, 2030 |
| | | July 31, 2030 | August 31, 2030 |
| | | October 31, 2030 | November 30, 2030 |
| 2031 | N/A | | |
| | | December 31, 2030 (Sales Tax Only) | February 28, 2031 |

Exhibit D
FORM: AGREEMENT FOR DISCLOSURE OF CONFIDENTIAL
TAX INFORMATION

AGREEMENT FOR DISCLOSURE OF CONFIDENTIAL
TAX INFORMATION

This agreement is entered into among the City of Orange, Texas (hereafter the "City"), the Orange Economic Development Corporation (hereafter the "EDC"), and _____ (business name) _____ (hereafter the "Taxpayer") for the purposes indicated herein.

I, _____, _____ (title), and the duly authorized agent of _____ (business name) _____, a company doing business at _____ (Name and Address of Facility) _____ do hereby stipulate and agree as follows:

I hereby authorize the Texas Comptroller's Office to release and disclose any and all Sales and Use tax information relating to the operation of the above referenced taxpayer's business location to the City and the EDC. I understand and agree that this release will be made by the Comptroller's Office to the City and the EDC on an ongoing monthly basis beginning on the date this Agreement is executed. This Agreement waives any and all rights with respect to the parties regarding the confidentiality of tax information under Sections 111.006, 151.027, Tax Code, or other state law.

The City and the EDC agree that they will use the tax information disclosed by the Comptroller pursuant to this Agreement solely and exclusively for the purposes of calculating payments to be made pursuant to a Chapter 380 Economic Development Agreement among the City, the EDC, and Taxpayer dated effective _____, 2015 (380 Agreement).

This Agreement will terminate upon the expiration of the 380 Agreement.

This Agreement is entered into in or with regard to property located in Orange, County of Orange, Texas, and Texas law will apply to its interpretation and enforcement.

SIGNED AND AGREED TO on this the _____ day of _____, 2015.

name
title
On Behalf of the "City"

name
title
On behalf of the "Taxpayer"

name
title
On Behalf of the "EDC"

Texas Taxpayer Identification No. _____