

2022 WESTROCK WATER SUPPLY AGREEMENT

This contract confirms and extends a **WATER SUPPLY AGREEMENT** ("Agreement") by and between **WESTROCK CP, LLC**, a Delaware limited liability company ("WestRock"), and the **CITY OF TACOMA**, a first-class charter city of the state of Washington for and on behalf of its Department of Public Utilities, Water Division ("Tacoma"). WestRock and Tacoma are individually referred to in this Agreement as a "Party" and are collectively referred to in this Agreement as the "Parties." This Agreement is made and entered into as of this ____ day of _____, 2022 ("Effective Date"), and is made with reference to the following facts:

WHEREAS, on January 1, 2006, Simpson Tacoma Kraft Company, LLC, a limited liability company organized under the laws of the state of Washington ("STKC") and Tacoma entered into a Water Supply Agreement, wherein Tacoma agreed to sell and STKC agreed to purchase a water supply from Tacoma for certain STKC industrial operations (the "2006 Agreement"); and

WHEREAS, the 2006 Agreement was amended on July 22, 2015, and July 30, 2020 (the "2006 Amended Agreement"); and

WHEREAS, WestRock is STKC's successor in interest in and under the 2006 Amended Agreement and has guaranteed the payment obligations under the 2006 Amended Agreement; and

WHEREAS, due to business challenges and the economic uncertainty caused by the COVID19 pandemic, and WestRock's interest in evaluating other supply options, the Parties agreed in July of 2020, that the final five-year optional extension period should be amended to be a one-year extension with up to four additional one-year extensions; and

WHEREAS, the requested change from a final five-year optional extension period to a one-year extension with up to four additional one-year extensions was approved by the Public Utility Board (Resolution No. U- 11176) and the Tacoma City Council (Ordinance No. 28683) with the one-year extension running through July 31, 2021, and with options to extend for up to four additional one-year periods going out to a maximum duration of July 31, 2025; and

WHEREAS, the Parties intended that WestRock and Tacoma would extend the 2006 Amended Agreement for each of the four additional one-year extensions upon mutual agreement of the Parties; and

WHEREAS, WestRock has continued its use of water as provided for in the 2006 Amended Agreement and has paid the bills it has received from Tacoma which has billed WestRock at the rate set forth in TMC 12.10.400(E) for the Pulp Mill Contract; and

WHEREAS, through an administrative oversight the extension of the 2006 Amended Agreement was not completed by August 1, 2021, and, therefore, the Parties intend to confirm

and reestablish the terms and conditions of the 2006 Amended Agreement in this Agreement and to have this Agreement in place before the City's 2023-2024 biannual budget and rates are adopted; and

WHEREAS, the Parties desire to have the term of this Agreement be from the Effective Date to July 31, 2023 with an option for two one-year extensions which would allow this Agreement to go to a potential ending date of July 31, 2025, which is the same potential ending date as was in the 2006 Amended Agreement.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants and conditions herein contained, the Parties agree as follows:

1. Except for Section 9, the terms and conditions of the 2006 Amended Agreement as set forth in Attachment A are incorporated into this Agreement.

2. Section 9 of the 2006 Amended Agreement is replaced in its entirety as follows:

The term of this Agreement shall commence on the Effective Date of this Agreement as set forth above and end on the 31st day of July, 2023, except as otherwise provided in the termination provisions set forth in sections 6, 11, 13 and 14 of the 2006 Amended Agreement. On or before the anniversary of an expiration date, the term of this Agreement may be extended by mutual agreement of the parties for an additional one (1) year term. If WestRock intends to request extension of this Agreement it shall give advanced written notice to Tacoma, and if so extended, such one (1) year extension shall be set forth in a written amendment to this Agreement in accordance with the process set forth in the approval of this Agreement by the Tacoma City Council. In no event, however, shall the term of this Agreement be extended beyond July 31, 2025.

The Parties have caused this Agreement to be executed and effective as of the Effective Date.

WESTROCK CP, LLC

DocuSigned by:
By: Denise Singleton
Print Name: Denise Singleton
Print Title: EVP, General Counsel & Secy

Approved as to form:

DocuSigned by:
By: Robert C. Marshall
Print Name: Robert C. Marshall
Print Title: Senior Counsel

**CITY OF TACOMA:
Department of Public Utilities**

By: _____
Print Name: Jackie Flowers
Print Title: Director of Utilities

Approved as to form:

By: _____
Print Name: Tom Morrill
Print Title: Chief Deputy City Attorney

Attachment "A"
2006 Amended Agreement

**AMENDMENT TO
WATER SUPPLY AGREEMENT**

THIS AMENDMENT TO WATER SUPPLY AGREEMENT ("Amendment") is made and entered into as of this 30th day of July, 2020 ("**Effective Date**"), by and between **WESTROCK CP, LLC**, a Delaware limited liability company ("**WestRock**"), and the **CITY OF TACOMA**, a first-class charter city of the state of Washington for and on behalf of its Department of Public Utilities, Water Division ("**Tacoma**"). WestRock and Tacoma are individually referred to in this Amendment as a "**Party**" and are collectively referred to in this Amendment as the "**Parties**." This Amendment is made with reference to the following facts:

WHEREAS, on January 1, 2006, Simpson Tacoma Kraft Company, LLC, a limited liability company, organized under the laws of the state of Washington ("**STKC**") and Tacoma entered into a Water Supply Agreement, wherein Tacoma agreed to sell and STKC agreed to purchase a water supply from Tacoma for certain STKC industrial operations (the "**Agreement**");

WHEREAS, WestRock is STKC's successor in interest in and under the Agreement and has guaranteed the payment obligations under the Agreement; and

WHEREAS, the Parties now desire to extend the term of the Agreement for a period of up to five (5) years.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants and conditions herein contained, the Parties agree as follows:

1. **Effect of Amendment.** This Amendment amends the Agreement in accordance with Section 17 of the Agreement. Except as otherwise specifically provided by this Amendment, the terms and conditions of the Agreement as of the Effective Date remain unchanged, as do the respective rights and obligations of the Parties arising under the Agreement, and in all respects the Agreement as of the Effective Date is and remains in full force and effect.

2. **Section 9 Term of Agreement.**

Section 9 of the Agreement is deleted. By this Amendment, Section 9 of the Agreement is replaced, amended and fully restated in its entirety as follows:

The term of this Agreement shall commence on the 1st day of August, 2005, and end on the 31st day of July, 2021, except as otherwise provided in the termination provisions set forth in sections 6, 11, 13 and 14 of this Agreement. On or before the anniversary of an expiration date, the term of this Agreement may be extended by mutual agreement of the parties for an additional one (1) year term, and if so extended, such one (1) year extension shall be set forth in a written amendment to this Agreement in accordance with Section

17 of the Agreement. In no event, however, shall the term of this Agreement be extended beyond July 31, 2025.

In all other respects, the Agreement as of the Effective Date, is unchanged and remains in full force and effect. The Parties have caused this Amendment to be executed and effective as of the Effective Date.

WESTROCK CP, LLC

Approved as to form:

By: Robert C Marshall
Print Name: Bob Marshall
Print Title: Senior Counsel

WESTROCK CP, LLC

By: John Stakel
Print Name: John D. Stakel
Print Title: Senior Vice President/Treasurer

CITY OF TACOMA: Department of Public Utilities, Director's Office

By: [Signature]
Print Name: Jackie Flowers
Print Title: Director of Utilities

CITY OF TACOMA: Department of Public Utilities, Legal Department

Approved as to form:

By: Tom Morrill
Print Name: Tom Morrill
Print Title: City Deputy City Attorney