

Notes to Consolidated Financial Statements (Continued)

18. Unconsolidated Affiliate (Continued)

design and construction of the plant, and the asset will be included in "other assets" in Grace's Consolidated Balance Sheets until construction is completed. Grace has likewise recorded a liability for the transfer of the asset to ART upon completion, included in "other liabilities" in the Consolidated Balance Sheets.

Grace and Chevron provide lines of credit in the amount of \$15.0 million each at a commitment fee of 0.1% of the credit amount. These agreements expire on February 24, 2017, and are expected to be renewed. No amounts were outstanding at December 31, 2016 and 2015.

19. Chapter 11 and Joint Plan of Reorganization

Grace emerged from an asbestos-related Chapter 11 bankruptcy on February 3, 2014 (the "Effective Date"). Under Grace's plan of reorganization (the "Joint Plan"), two asbestos trusts were established and funded. The court order that confirmed the Joint Plan channels all pending and future asbestos-related personal injury claims and demands ("PI Claims") for resolution to an asbestos personal injury trust (the "PI Trust") and all pending and future asbestos-related property damage claims and demands ("PD Claims"), including PD Claims related to Grace's former attic insulation product ("ZAI PD Claims"), to a separate asbestos property damage trust (the "PD Trust"). The trusts are the sole recourse for holders of asbestos-related claims; the channeling injunctions prohibit holders of asbestos-related claims from asserting such claims directly against Grace.

Under the terms of the Joint Plan, claims under the Grace Chapter 11 cases were satisfied as follows:

Asbestos-Related Personal Injury Claims On the Effective Date, the PI Trust was funded with:

- \$557.7 million in cash from Grace (includes \$464.1 million of cash from Grace and \$93.6 million of cash from insurance proceeds that were held in escrow);
- A warrant to acquire 10 million shares of Company common stock at an exercise price of \$17.00 per share and expiring one year after the Effective Date (the "PI Warrant") (The Company repurchased the PI Warrant for a payment of \$490 million in cash on February 3, 2015);
- Rights to all proceeds under all of Grace's insurance policies that are available for payment of asbestos-related personal injury claims and demands;
- \$42.1 million in cash from a subsidiary of Fresenius AG, pursuant to the terms of a settlement agreement resolving asbestos-related, successor liability and fraudulent transfer claims against Fresenius; and
- \$856.8 million in cash and 18 million shares of Sealed Air Corporation common stock paid by Cryovac, Inc., a wholly owned subsidiary of Sealed Air, pursuant to the terms of a settlement agreement resolving asbestos-related, successor liability and fraudulent transfer claims against Cryovac and Sealed Air.

Under the Joint Plan, Grace was also obligated to make deferred payments to the PI Trust of \$110 million per year for 5 years beginning in 2019 and \$100 million per year for 10 years beginning in 2024, which obligation was secured by the Company's obligation to issue 77,372,257 shares of Company common stock to the asbestos trusts in the event of default, subject to customary anti-dilution provisions. In September 2014, Grace paid the PI Trust \$632 million in settlement of Grace's deferred payment obligations. Grace has no further financial obligations to the PI Trust.

Asbestos-Related Property Damage Claims The PD Trust contains two accounts that cannot be commingled, the PD Account and the ZAI PD Account. U.S. ZAI PD Claims are to be paid from the ZAI PD Account and non-ZAI PD Claims are to be paid from the PD Account. On the Effective Date, the PD Account was funded with \$39.9 million in cash from Grace and \$111.4 million in cash from Cryovac and Fresenius to pay allowed non-ZAI PD Claims settled as of the Effective Date, a separate Canadian ZAI PD Claims fund was funded with CDN\$8.6 million in cash from Grace, and the ZAI PD Account was funded with \$34.4 million in cash from Cryovac and Fresenius. On February 3, 2017, Grace made an additional payment of \$30.0 million to the ZAI PD Account.