

## LEASE AGREEMENT

**THIS LEASE AGREEMENT** is made and entered into this 22nd day of February, 1999, by and between St. Laurent Paper Products Corp., a Delaware corporation ("Landlord") and West Point Chips, Inc., an Arkansas corporation ("Tenant")

### WITNESSETH

**THAT FOR AND IN CONSIDERATION** of the mutual covenants and agreements herein contained, and for other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, Landlord and Tenant covenant and agree as follows:

1. (a) **Premises and Term.** Landlord hereby agrees to lease and does hereby lease and demise unto Tenant certain real property located in the Town of West Point, King William County, Virginia, containing 13.488 acres, more or less, described and shown in Schedule "1(a)" attached hereto (and by this reference made a part hereof), together with access to power lines and utility service thereto, and adjoining Virginia Highway No. 33 with access thereto, together with all and singular the rights, members, and appurtenances thereto (subject to the exclusion of the areas shown on Schedule "1(b)" hereto) ("Premises").

(b) At Landlord's request, Tenant agrees to grant Landlord a non-exclusive, perpetual, unobstructed easement of right of way over and across the Premises (at a location that will not materially affect operation of the Facility) for (i) ingress to and egress from the Pamunkey River and Route 33; and (ii) provisions of utilities to, additions to, repair of, maintenance of, replacement of and construction upon the Pamunkey River and the riparian land of Landlord West of the Premises on the Pamunkey River.

**TO HAVE AND TO HOLD**, the Premises unto Tenant subject to the terms and conditions hereinafter set forth, for a term commencing on the execution of this Lease Agreement and extending for a period of twenty-three (23) years following the Completion Date as defined in the Processing Agreement dated the same date as this Lease Agreement, between Tenant and St. Laurent Forest Product Corp., and continuing thereafter for successive one (1) year periods, unless and until either party gives not less than 180 days advance written notice of termination to the other party (the "Lease Term") subject to the right of Landlord to terminate this Lease pursuant to Paragraph 15 of this Lease.

2. **Rent.** Tenant covenants and agrees to pay Landlord rent for the Lease Term in the amount of One (\$1.00) Dollar per year, payable in advance. Landlord is affiliated with St. Laurent Forest Products Corp. and has a beneficial interest in the Processing Agreement between St. Laurent Forest Products Corp. and Tenant executed this date (the "Agreement").

3. **Permitted Use.** Tenant may use the Premises for any purpose related to the performance of Tenant's obligations under such Agreement ("Permitted Use"), but for no other purpose, including without limitation, any illegal purpose.

4. **Repairs and Maintenance by Tenant.** Tenant covenants and agrees to keep and maintain the Premises and any improvements now or hereafter located thereon, in good condition and repair. Tenant covenants and agrees to return the Premises to Landlord at the expiration or the earlier termination of the Lease Term in good condition and repair, reasonable wear and tear and modifications made in connection with the Agreement excepted.

5. **Repairs and Maintenance by Landlord.** Landlord shall not be obligated to make any repairs or replacements whatsoever to, or maintain in any manner, the Premises during the Lease Term; except as provided in Paragraph 6 of the Agreement.

6. **Removal of Property.** All property and improvements existing, placed, or installed in or on the Premises by Tenant shall remain the property of Tenant and, subject to Landlord's option to purchase under Paragraph 19 of the Agreement, may be removed by Tenant (i) at any time during the Lease Term (so long as removal does not substantially and adversely affect Tenant's performance under the Agreement) or (ii) within 150 days thereafter. In the event of such removal by Tenant, any unremoved improvements which were placed on the Premises by Tenant shall be cut down by it to the level of the top of the concrete poured by Tenant.

7. **Inspection of Premises by Landlord.** Landlord shall have the right to enter upon any part of the Premises for the purpose of determining whether the conditions and covenants contained in this Lease or Paragraph 13 of the Agreement are being kept and performed.

8. **Utilities and Taxes.** As of the commencement of and during the Lease Term, all utilities for the Premises shall be in the name of Tenant and except as otherwise provided in the Agreement, Tenant shall pay the cost of all utilities furnished to the Premises, including, but not limited to water, gas, telephone, sewage and electricity. Except as otherwise provided in the Agreement, Tenant shall pay as due all taxes and assessments on the improvements, equipment and personal property located on the Premises.

9. **Assignment and Sublease by Tenant.** Tenant may assign this Lease to a financial institution (the "Lender", as that term is defined in the Agreement) for the purpose of obtaining financing and refinancing for the construction of the "Facility" (as that term is defined in the Agreement), however, Tenant shall continue to remain liable under this Lease Agreement. Tenants shall not otherwise assign or in any manner transfer this Lease or any estate or

concession or other right to occupy any portion of the Premises without the prior written consent of Landlord.

10. (a) **Indemnification.** Each party shall indemnify, defend and hold harmless the other party, any parent corporation, and any affiliate, and their officers, directors, employees and agents against all claims, demands, judgments, loss, damage, expense and liability to third persons for personal injury or death or for physical damage to property, proximately caused by the willful misconduct or negligent acts or omissions of the indemnifying party, or any of its subcontractors, or of its employees, servants or agents arising out of, incidental to or in connection with this Lease Agreement. The indemnifying party shall, at the other party's request, defend any suit asserting any claim covered by this subparagraph. The indemnifying party shall pay all costs and expenses, which may be incurred by the other party in enforcing this paragraph.

(b) **Tenant's Obligations.** The provisions of paragraph 18(c) of the Agreement are hereby incorporated into this Lease Agreement as if fully set forth herein and Tenant agrees to comply with the provisions of Paragraph 18(c) of the Agreement and to indemnify Landlord in accordance with subparagraph (iv) thereof.

(c) **Landlord's Obligations.**

(i) Landlord warrants to Tenant, its successors and assigns that as of the date of this Lease Agreement to its knowledge there has been no discharge of any hazardous waste or hazardous substance which occurred prior to the date of this Lease Agreement in or about the Premises as such terms are defined in, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986 ("SARA"), the Hazardous Materials

Transportation Act and other applicable state or federal laws, rules or regulations adopted pursuant to any of the foregoing.

(ii) In the event of such discharge or contamination, as set forth in paragraph 10(c)(i), ST. LAURENT shall (x) promptly furnish a written report of such to Tenant, and (y) indemnify, defend, and hold harmless Tenant from any and all third party claims and demands and loss, damage, expense or liability caused by such discharge or contamination, including reasonable attorney's fees and costs.

(iii) In the event it is determined by a state or federal agency such discharge or contamination has occurred as set forth in Paragraph 10(c)(i) and a state or federal agency requires the remediation or clean up of such discharge to the Premises, ST. LAURENT shall, subject to its right of appeal from any such requirement, promptly clean up such discharge to the Site in compliance with applicable federal, state and local statutes, laws, rules and regulations.

(d) **Survival.** The provisions of this Paragraph 10 shall survive the expiration or termination of the Lease, but nothing herein shall extend any applicable statute of limitation.

11. **Insurance.**

(a) Throughout the Lease Term, Tenant shall maintain the insurance required pursuant to the Agreement.

(b) Throughout the Lease Term, Tenant, at its own cost and expense, shall insure the Premises, including all improvements, fixtures, and equipment used in connection with the operation of the Premises under a fire and extended coverage policy in an amount equal to the replacement costs thereof.

(c) All insurance provided by Tenant as required by this Paragraph 11 shall name Landlord as an additional insured and provide that loss, if any, payable thereunder shall be payable to Landlord as its interest, if any, may appear.

(d) Tenant agrees to deliver to Landlord on the date of the commencement of the Lease Term a certificate of the policy required hereunder. At least ten (10) days prior to the expiration of each such policy, Tenant shall deliver to Landlord the new certificate for renewal insurance.

(e) Each such policy (including renewal insurance) or certificates therefore issued by the insurer shall contain an agreement by the insurer that such policy shall not be cancelled without at least thirty (30) days prior written notice to Landlord.

12. **Defaults.** If Tenant fails to perform or observe any of the covenants, conditions or obligations on the part of Tenant contained herein to be performed or observed, and such failure continues for thirty (30) days after receipt of written notice of such default by Tenant, or if Tenant liquidates or winds up all or a substantial portion of its business; dissolves or terminates its existence; becomes insolvent or unable to pay its debts as they mature; commits any act of bankruptcy; makes an arrangement, composition or assignment for the benefit of creditors; files, has filed against it and does not affect dismissal within 60 days, or consents to the filing of any petition in bankruptcy for liquidation or reorganization; or otherwise is the subject of any permanent insolvency proceeding, Landlord may thereafter upon twenty (20) days advance written notice to both Tenant and its Lender terminate this Lease pursuant to law.

13. **No Waiver.** The failure of Landlord to insist upon a strict performance of any of the agreements, terms, covenants and conditions hereof shall not be deemed a waiver of any rights or remedies that Landlord may have against Tenant and shall not be deemed a waiver of

any subsequent breach or default in any of such agreements, terms, covenants and conditions.

No custom or practice of the parties at variance with the terms hereof shall constitute a waiver of Landlord's right to demand exact performance thereof.

14. **Notices.** Any notice required to be given hereunder shall be in writing and given by mailing said notice by certified mail, return receipt requested, postage prepaid, or sent via overnight delivery and sent to the other at the following address, unless notice of a new address is given and received:

**If to TENANT:**

WEST POINT CHIPS, INC.  
218 Midway Route  
Monticello, AR 71655  
Attention: John Porter Price

**Copy to:**

Dick Carmical  
P. O. Box 536  
Monticello, AR 71657

**If to LANDLORD:**

St. Laurent Paper Products Corp.  
19<sup>th</sup> & Main Streets  
P. O. Box 100  
West Point, VA 23181

**Copy to:**

St. Laurent Forest Products Corp.  
15<sup>th</sup> & Main Streets  
P. O. Box 100  
West Point, VA 23180  
Attention: Marc St. John

Frank A. Considine, Esq.  
General Counsel & Assistant Secretary  
St. Laurent Paperboard (US) Inc.  
14<sup>th</sup> & Lee Streets  
West Point, VA 23181

15. **Termination.** In the event the Agreement between the parties hereto is terminated for default of West Point Chips, Inc, or pursuant to Paragraph 12 of this Lease, or in the event St. Laurent Paper Products Corp. exercises its option to purchase the chip mill contained in said Agreement, this Lease shall terminate and Landlord and Tenant shall, except as otherwise provided herein, be relieved of any further duty, obligation or liability thereafter accruing hereunder; except as otherwise provided in Paragraph 10.

16. **End of Term.**

(a) Except as herein otherwise provided, Tenant shall on the last day of the Lease Term or upon the sooner termination of the Lease Term peaceably and quietly surrender and deliver up to Landlord the Premises. Nothing in this Paragraph, however, shall prohibit Tenant from exercising the right of removal of the property provided in Paragraph 6 hereof.

(b) Upon the expiration or earlier termination of this Lease, all taxes, tax deposits, water rents, rates and charges, sewer rents and other governmental impositions and charges premiums on all insurance policies then in force and any other items payable as additional rent under this Lease shall be apportioned as of such termination.

(c) The provisions of Paragraph 20(a) and of this Paragraph 16 shall survive the expiration or termination of this Lease; but nothing herein shall extend any applicable statutes of limitations.

17. **Quiet Enjoyment; Additional Rights of Tenants.** Landlord covenants and warrants to Tenant that it has good and merchantable title to the Premises in fee simple, absolute, free of all liens and encumbrances, except for and subject to items shown on Schedule "1(b)" hereto, and may lease the Premises as provided herein. So long as Tenant shall pay the rent required by this Lease and shall perform and observe all of the agreements, terms, covenants and

conditions of this Lease on the part of the Tenant to be performed and observed hereunder, Tenant shall peaceably and quietly have, hold and enjoy the Premises subject to all rights-of-way, easements, restrictions or servitudes, shown on Schedule "1" hereto, affecting the Premises, for the term hereby granted, except for and subject to the items shown on Schedule "1(b)" hereto and the terms and provisions of this Lease and the Agreement

18. **Successors and Assigns.** The agreements, terms, covenants and conditions herein shall bind and inure to the benefit of Landlord and Tenant and their respective successors, and permitted assigns, except as otherwise provided herein.

19. **Authorized Lease Execution.** Each individual executing this Lease as a director, officer or agent of a corporation represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of such corporation.

20. **Miscellaneous.**

(a) Landlord represents unto Tenant that it has not employed a real estate agent or broker relating to this Lease. Tenant represent unto Landlord that it has not employed a real estate agent or broker relating to this Lease. Landlord and Tenant hereby indemnify and agree to hold each other harmless from and against any and all loss, cost, damage, liability or claim (including, without limitation, court costs and attorney's fees in connection with any such claim) for any real estate agent or broker commissions or fees arising out of or in any way connected with the respective party's actions relating to the execution of this Lease.

(b) No relationship as creditor or debtor, partner, associate or joint venturer between the parties is created or intended to be created by this Lease, the relationship between Landlord and Tenant to be solely that of Landlord and Tenant, nor shall this Lease be construed to authorize either Landlord or Tenant to act as agent for the other, except as expressly provided

to the contrary in the Lease. No estate shall pass out of Landlord, and Tenant's interest in the Premises is not subject to levy or sale and is not assignable by Tenant except as provided in the Agreement and Paragraph 9 hereof.

(c) Time is of the essence in this Lease.

(d) Landlord and Tenant intend that this Lease continue in effect and not be terminated or otherwise affected by the doctrine of merger of estates upon the ownership by the same person of both the reversion and the leasehold estate under this Lease, except as otherwise expressly stated by any such person or entity owning both estates in written and recorded document.

(e) (i) This Lease shall be governed, interpreted, construed and enforced pursuant to the laws of the State of Virginia.

(ii) Landlord and Tenant hereby irrevocably and unconditionally submit for itself and its property to the general jurisdiction of the appropriate Court in Virginia to matters relating to this Lease.

(f) This Lease may be executed in multiple counterparts, each of which shall be an original document and all of which shall constitute one and the same agreement.

21. **Condemnation.** In the event all or any part of the leased premises should be subjected to eminent domain proceedings, and if pursuant thereto an amount of the leased premises shall be condemned so as to render the residue inadequate for Tenant's purposes as herein set forth, Tenant shall have the option to terminate and cancel this lease by giving written notice of such intention to Landlord. In any such condemnation proceedings, all damages allocable to fee simple ownership of the leased premises shall be payable to Landlord, and all damages for loss of leasehold interest, including the cost of removing property and the

unamortized portion of the value involved in such condemnation of any improvements placed on the lease premises by Tenant and of Tenant's benefits under the Agreement shall be payable to Tenant.

22. **Severability**. Should any term, condition or provision hereof be deemed or declared invalid or unenforceable by reason of any law or decision or governmental regulation of any kind or nature whatsoever, by court decree or otherwise, such invalidity or unenforceability shall not affect or impair the validity and enforceability of the remaining terms, conditions and provisions hereof.

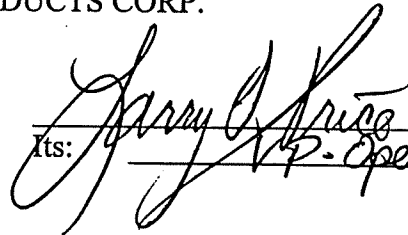
IN WITNESS WHEREOF, the undersigned have hereunto set their hands and affixed their seals as of the day and year first above written.

LANDLORD:

ST. LAURENT PAPER  
PRODUCTS CORP.

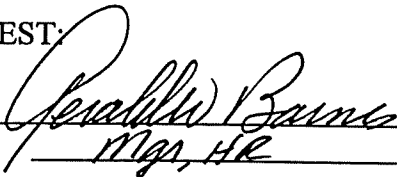
By:

Its:

  
VP - Operations

ATTEST:

Its:

  
Mgr, HR

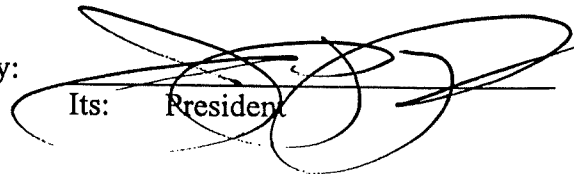
TENANT:

WEST POINT CHIPS, INC.

By:

Its:

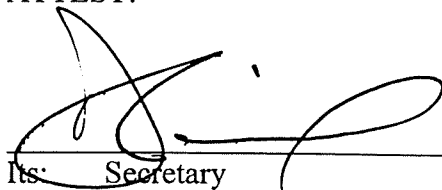
President



ATTEST:

Its:

Secretary



STATE OF VIRGINIA)  
COUNTY OF King William

I, Charles S. Whaley, a notary public in and for the State  
and County aforesaid, do certify that Harry T. Price and  
Gerald Barnes, whose names as VP operations  
and Manager HR of St. Laurent Paper Products Corp., are signed to the writing  
above, bearing date on the 16 day of February, 1999, have  
acknowledged the same before me in my County aforesaid.

Given under my hand and official seal this 16 day of February,  
1999.

My term of office expires on the 31 day of December,  
1999.

  
NOTARY PUBLIC

MY COMMISSION EXPIRES:

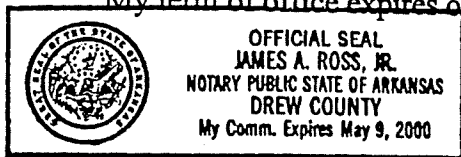
12/31/99

STATE OF ARKANSAS)  
COUNTY OF D R E W)

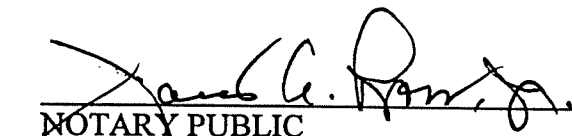
I, James A. Ross, Jr., a notary public in and for the State and County aforesaid, do certify that John Porter Price and Dick Carmical, as President and Secretary of West Point Chips, Inc., are signed to the writing above, bearing date on the 22nd day of February, 1999, have acknowledged the same before me in my County aforesaid.

Given under my hand and official seal this 22nd day of February, 1999.

My term of office expires on the 9<sup>th</sup> day of May, 2000.



MY COMMISSION EXPIRES  
May 9, 2000

  
\_\_\_\_\_  
NOTARY PUBLIC

ST. LAURENT CORPORATION  
PLANT GRID



STATE ROUTE 33/30  
14th STREET  
VARIABLE R/W  
(S.H.P.B. 1, PG. 66)

PAMUNKEY RIVER

30' WATERLINE EASEMENT

30' O.H.E. EASEMENT

LEASE AREA  
687528.21 SF  
13.488 AC

SOUTHERN RAILWAY 180' R/W  
(STATION MAP DATED 31 DEC. 1987, V-16D/S-46b)

NUMBER	DIRECTION	DISTANCE
L1	N 11°40'54" E	108.92'
L2	N 49°45'50" E	237.55'
L3	N 75°20'59" E	145.93'
L4	S 87°35'53" E	76.97'
L5	S 08°56'41" E	30.38'
L6	N 89°03'25" E	94.84'
L7	N 08°56'41" W	239.11'
L8	N 85°14'54" E	138.78'
L9	S 00°03'20" W	1439.81'
L10	S 68°54'47" W	93.66'
L11	N 87°07'54" W	77.65'
L12	N 56°06'36" W	246.61'
L13	N 09°50'35" E	102.40'
L14	N 35°52'51" W	70.68'
L15	N 03°36'21" W	208.80'
L16	N 15°49'11" W	113.45'
L17	N 28°04'14" W	111.63'
L18	N 42°51'07" W	104.04'
L19	N 30°10'38" W	97.42'
L20	N 10°00'05" W	84.65'



LEASE AREA PLAT  
BEING A PORTION OF PROPERTY STANDING IN THE NAME OF  
ST. LAURENT PAPER PRODUCTS, INC.

LOCATED  
SOUTH OF STATE ROUTE 33  
AND

WEST OF SOUTHERN RAILROAD  
LOCATED: TOWN OF WEST POINT  
KING WILLIAM COUNTY, VIRGINIA  
DATE: JANUARY 26, 1999 SCALE: 1" = 200'

MITCHELL-WILSON ASSOCIATES, P.C.  
CIVIL ENGINEERS AND LAND SURVEYORS  
P.O. BOX 1269, 720 MAIN STREET  
WEST POINT, VIRGINIA 23181  
(804) 843-9744

## **Schedule C**

### **Log Specifications**

**All loads:**

Limbs, branches, and knots shall be trimmed reasonably flush. Wood shipments shall be reasonably free of rotten, burned, or charred wood. Wood shipments shall be free of metal, rocks and plastic material.

**Maximum Diameter:** Thirty (30) inches

**Minimum Length:** Twelve (12) feet

Log specifications are subject to change with agreement with CONTRACTOR and ST. LAURENT.

## **Schedule D – Chip and Boiler Fuel Specifications**

### **Pine and Hardwood Chip Specifications**

### **% Of Total Chip Sample Weight Shall Not Exceed**

• Over Long > 45mm (1 ¾ inch), round hole	1.5% max
• Over Thick > 8mm, slots	6.5% max
• Pins < 7mm ( ¼ inch) but > 3mm ( 1/8 inch), round hole	4.0% max
• Fines < 3mm (1/8 inch), round hole, on pan	2.0% max
• Bark	2.0% max

Acceptable Chips are defined as Chips that do not exceed 45mm in length, can pass through a 8mm slot and remain on a 7mm round hole plate and do not contain more than 2.0% bark. Subject to the above specifications, the total chip sample shall contain in aggregate no less than 86% acceptable chips by weight.

Chip Length: ¾ inch nominal

### **Boiler Fuel**

All Boiler Fuel shall be free of plastics, dirt and other contaminants. Maximum size of any boiler fuel shall be two (2) inches by two (2) inches.

### **Chip Sampling Methods**

All chip samples shall be taken at drop points after screening. Chip samples shall be samples on either a Rotex Chip Sampler (Gradex) or the Chip Class TMI chip classifier.

### **Fiber Yield**

Fiber Yield from processed logs is an important factor for both the CONTRACTOR and ST. LAURENT. Fiber Yield is measured as a percentage and it is understood to be:

$$\text{Fiber Yield} = (\text{Amount of usable Chips Processed} / \text{Total Amount of Chips and By Products Processed}) \times 100$$

Both parties shall work together to measure Fiber Yield and cooperate to develop methods to maximize Fiber Yield.

The Chip and Boiler Fuel specifications are subject to change upon mutual agreement between the CONTRACTOR and ST. LAURENT.

**SCHEDULE E**

**INTENTIONALLY OMITTED**

**SCHEDULE F**  
**SITE WORK COSTS**

Engineering .....	\$76,160
Relocation of Electrical Line .....	16,650
Erosion Control .....	18,000
Grading – Cut/Fill .....	612,885
Drainage System .....	21,000
Pond Discharge .....	12,000
Geotextiles .....	108,000
Roadway Paving .....	682,650
Stone Pavement .....	165
Fencing .....	55,500
Landscaping/Grassing .....	34,000
Construction Survey .....	38,850
Potable Water System .....	32,000
Sanitary Sewer System .....	29,500
Sanitary Sewer Lift Station .....	14,800
Fire Protection Loop .....	58,000
Piling (85 piles @ 93' depth) .....	<u>166,000</u>
Additional footage @ \$20.35 per foot.	
Less footage @ \$18.60 per foot.	
<b>TOTAL .....</b>	<b><u>\$1,976,160</u></b>

**HUDSON and BONDURANT, P. C.**  
**ATTORNEYS-AT-LAW**

**PRELIMINARY CERTIFICATE OF TITLE**

**CERTIFIED TO: ST LAURENT FOREST  
PRODUCTS CORP.**

**Price Lease Property**

Based upon an examination of the records in the Office of the Clerk of the Circuit Court for King William County, Virginia, for a period of sixty (60) years or more next preceding the date of this certificate as the same pertain to the property hereinafter described, we are of the opinion that St. Laurent Paper Products Corp. is seized with good and marketable fee simple title to the following property, to-wit:

**SEE SCHEDULE A**

This certificate is made subject to the following:

1. Matters of record not properly indexed and matters not of record.
2. Matters which would be revealed by a current and accurate physical inspection and/or physical survey of the property.
3. Environmental and zoning matters.
4. Real estate taxes for tax years 1999 and subsequent years.
5. An easement to The Chesapeake and Potomac Telephone Company of Virginia, dated December 17, 1914, recorded December 8, 1916, Deed Book 32, page 107. To construct, operate and maintain telephone lines, together with necessary appurtenances as detailed therein, over and across the lands of the Grantor in King William County, Virginia.
6. An easement granted Southern Railway Company dated November 1, 1917, recorded November 14, 1917, Deed Book 33, page 139. To construct, operate and maintain spur tracks together with necessary appurtenances and future extensions of those tracks.
7. Agreements between The Chesapeake Pulp and Paper Company, Inc. and the Southern Railway Company, dated May 28, 1913, April 21, 1913, and November 1, 1917. These agreements are not of record in the Clerk's Office, but are referred to in a Deed recorded in Deed Book 37, page 140. The particulars of these agreements are not set out in that deed.
8. Easement to Virginia East Coast Utilities, Inc., dated April 11, 1931, recorded April 14, 1931, Deed Book 47, Page 352 for a pole line easement over and across the property of the Grantor in King William County, Virginia.
9. An easement granted Virginia East Coast Utilities, Corporation, dated February 4, 1931, recorded May 9, 1931, Deed Book 47, Page 401, to construct, operate

and maintain pole lines together with the necessary appurtenances, over and across the property of the Grantor in King William County, Virginia.

10. Such rights as may exist in the public or the Town of West Point with respect to streets and alleys within the property.

11. Rights of upper and lower Riparian owners in and to the natural flow and use of the waters of any creeks and the Pamunkey River.

12. The lien of that Deed of Trust from St. Laurent Paper Products Corp. to Alexander Title Agency, Inc., Trustee, dated February 26, 1998, securing payment of the principal sum not to exceed \$355 million dollars to Toronto Dominion (Texas), Inc., Deed Book 278, page 21.

Taxes are paid up to and including 1998.

Given under our hands this 3rd day of February, 1999, at 8:30 a.m.

HUDSON & BONDURANT, P. C.

By: 

James H. Hudson III

Hudson & Bondurant, P. C.  
826 Main Street  
P. O. Box 231  
West Point, VA 23181

## SCHEDULE A

All those certain lots, pieces or parcels of land including abandoned streets and alleys lying and being in the Town of West Point, King William County, Virginia, together with all improvements thereon, bounded on the North by Fourteenth Street (Route 33), on the West by the Pamunkey River, on the South and the East by the property of the Southern Railway.

This document prepared by:  
James H. Hudson III  
Hudson and Bondurant, P.C.  
626 Main Street - P. O. Box 231  
West Point, VA 23161

**THIS DECLARATION OF EASEMENT**, is made this 20th day of January, 1999, by **ST. LAURENT PAPER PRODUCTS CORP.**, a Delaware corporation ( successor by merger to **CHESAPEAKE PAPER PRODUCTS COMPANY, L.L.C.**, a Virginia limited liability company), (referred to herein as **Declarant**, both to be indexed as Grantors/Grantees):

R-1. The Declarant is the owner of those lots or parcels of land lying and being in the Town of West Point, King William County, Virginia, bounded on the North by 14th Street (Route 33), on the West by the Pamunkey River, on the South and East by property of the Southern Railway (referred to herein as "the Master Tract"), a portion of which property (referred to herein as "the Lease Area") is depicted on that plat of survey entitled "Lease Area Plat", dated January 26, 1999, made by Mitchell-Wilson Associates, P.C. (referred to herein as "the Plat"), a true copy of which plat is attached hereto and recorded herewith. The Declarant is also the owner of a paper mill site (referred to herein as "the Mill Site") and associated real property North of 14th Street (Route 33) and at various locations in the Town (referred to herein as "the other Property").

R-2. Situated upon the Master Tract are: (i) the 13th Street Well and associated land, lying adjacent to, and to the North and West of, the Lease Area (referred to herein as "the 13th Street Well Site"), (ii) a water line, depicted as "6"Ø Pipe (U.G.) Water Line" on the Plat (referred to herein as "the Water Line"), (iii) an overhead line for the transmission of electricity depicted as "Overhead Power Line" on the Plat (referred to herein as "the OP Line"), and (iv)

a water well which is not depicted on the Plat, located south of the Lease Area (referred to herein as "the Southern Well").

R-3. The Declarant wishes to declare and establish easements over, across, above and beneath the Lease Area for the benefit of the Mill Site, the Other Property, and that portion of the Master Tract which is not included in the Lease Area.

#### **DECLARATION**

The Declarant hereby establishes and declares the following easements over, across, above and beneath the Lease Area for the benefit of the Mill Site, the Other Property, and that portion of the Master Tract which is not included in the Lease Area:

1. A non-exclusive, perpetual, unobstructed easement of right of way over and across the Lease Area for ingress to and egress from the Southern Well and Route 33.
2. Non-exclusive, perpetual, unobstructed easements of right of way over, across, above and beneath the Lease Area for (i) ingress to and egress from the 13th Street Well Site, the Water Line, the OP Line and Route 33, (ii) provision of utilities to, additions to, repair of, maintenance of, replacement of and construction upon the 13th Street Well Site, the Water Line and the OP Line.
3. Non-exclusive, perpetual, unobstructed easements of right of way 30' in width, being 15' on each side of the Water Line and the OP Line, as shown on the Plat as "30' O.H. E. Easement" and "30' Waterline Easement", for the purposes of ingress to and egress from the Water Line and the OP Line, and for additions to, repair of, maintenance of, replacement of and construction upon the Water Line and the OP Line. No structures may be erected upon

these easements, nor may excavation or similar land disturbing activities be conducted thereon.

The easements established herein may be paved, however the Declarant will not be responsible for any damage to the paved surface caused in connection with, or resulting from the Declarant's use of the easements.

The easements declared and established herein shall run with, and be binding upon, the Lease Area, and shall inure to the benefit of the Declarant, its successors and assigns, including but not limited to record owners and lessees of the Mill Site, the Other Property and that portion of the Master Tract which is not included in the Lease Area.

In witness whereof, the Declarant has caused this declaration to be executed and delivered on its behalf by Larry T. Price, its V.P. of operations

St. Laurent Paper Products Company

By: Larry T. Price

Name: Larry T. Price

Title: VP-Operations

STATE OF Virginia,

~~CITY~~ / COUNTY OF King William, to-wit:

The foregoing instrument was acknowledged before me this 5 day of March, 1999, by Larry T. Price, who is VP of Operations of St. Laurent Paper Products Corp., a Delaware corporation, on behalf of the corporation.

Charles A. Whaley  
Notary Public

My commission expires: Dec. 31, 1999

COMMONWEALTH OF VIRGINIA



OFFICIAL RECEIPT  
COUNTY OF KINGS WILLIAM CIRCUIT COURT  
DEED RECEIPT

DATE: 03/16/99 TIME: 16:14:40 ACCOUNT: 101CLR99-002346 RECEIPT: 99000001248  
REGISTERED: AAA REG: 0001 TYPE: DE PAYMENT: FULL PAYMENT  
INSTRUMENT: 99-002346 BOOK: 295 PAGE: 387 RECORDED: 03/16/99 AT 09:00  
GRANTOR: ST LAURENT PAPER COMPANY, CHESAPEAKE PAPER PRODUCTS EX: N LOC: CO  
GRANTEE: ST LAURENT PAPER COMPANY, CHESAPEAKE PAPER PRODUCTS EX: N PCT: 100%

DATE OF DEED: 01/20/99

RECEIVED OF: HUDSON & BONDURANT

CHECK: \$16.00

DESCRIPTION 1: RIGHT OF WAY AGREEMENT

2:

CONSIDERATION:

CODE DESCRIPTION

PAID DEEDS

100% TECHNOLOGY FUND FEE

.00 ASSURE/VAL: .00 MAP:  
PAID CODE DESCRIPTION  
12.00 145 VSLF  
3.00

PAID  
1.00

TENDERED : 16.00  
AMOUNT PAID: 16.00  
CHANGE AMT : .00

CLERK OF COURT: EMMETT M. UPSHAW

Visit the Moore Internet Address: www.moore.com

ST. LAURENT CORPORATION  
PLANT GRID



STATE ROUTE 33/30  
14th STREET  
VARIABLE R/W  
(S.E.P.B. 1, PG. 66)

PANUNKEY RIVER

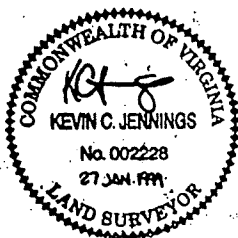
LEASE AREA  
687628.81 SF  
13.488 AC

SOUTHERN RAILWAY 180' R/W  
(S.E.P.B. 1, PG. 66)

NUMBER	DIRECTION	DISTANCE
L1	N 11°40'54" E	108.92'
L2	N 49°45'50" E	237.55'
L3	N 75°20'59" E	145.93'
L4	S 87°35'53" E	76.97'
L5	S 08°56'41" E	30.38'
L6	N 89°03'25" E	94.84'
L7	N 05°56'41" W	239.11'
L8	W 85°14'54" E	138.78'
L9	S 00°03'20" W	1439.81'
L10	S 68°54'47" W	93.68'
L11	N 87°07'54" W	77.63'
L12	N 65°06'35" W	245.61'
L13	N 09°50'35" E	102.40'
L14	N 35°52'51" W	70.65'
L15	N 03°36'21" W	208.80'
L16	N 15°49'11" W	113.45'
L17	N 28°04'14" W	111.63'
L18	N 42°51'07" W	104.04'
L19	N 30°10'38" W	97.42'
L20	N 10°00'05" W	84.65'

LEASE AREA PLAT  
BEING A PORTION OF PROPERTY STANDING IN THE NAME OF  
ST. LAURENT PAPER PRODUCTS, INC.  
LOCATED  
SOUTH OF STATE ROUTE 33  
AND  
WEST OF SOUTHERN RAILROAD  
LOCATED: TOWN OF WEST POINT  
KING WILLIAM COUNTY, VIRGINIA  
DATE: JANUARY 26, 1999 SCALE: 1" = 200'

MITCHELL-WILSON ASSOCIATES, P.C.  
CIVIL ENGINEERS AND LAND SURVEYORS  
P.O. BOX 1269, 1720 MAIN STREET  
WEST POINT, VIRGINIA 22181-0126  
(804) 843-9744



(VIRGINIA: IN THE CIRCUIT COURT CLERK'S OFFICE OF KING WILLIAM COUNTY)

This RIGHT OF WAY AGREEMENT was presented and together with the  
certificate annexed, admitted to record, at 9:00 O'Clock A.M. on  
MARCH 16 1999

Test: EMMETT M. URSHAW, CLERK

BY: Emmett M. Urshaw, Jr., Clerk