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LICENSE AGREEMENT

<b>LICENSOR</b>	<b>International Paper Company</b>
<b>LICENSEE</b>	<b>Polk County, Texas Government</b>
<b>LICENSE AREA</b>	<b>Stryker Rock Pit; Tract #2581; Polk County, Texas</b>

<b>ESSENTIAL TERMS</b>		
<b>Term</b>	<b>Commencement Date</b>	<b>Price</b>
60 Days	May 13, 2008	\$1,000.00

This LICENSE AGREEMENT (this "License Agreement") is made as of this \_\_\_\_ day of May, 2008, by and between **INTERNATIONAL PAPER COMPANY**, a New York corporation ("Licensor"), and the **POLK COUNTY, TEXAS GOVERNMENT**, a Texas county government ("Licensee").

A. Licensor and Licensee intend to enter into a Purchase Contract (the "Purchase Contract"), for the sale of Property more particularly described in EXHIBIT A attached hereto (the "License Area"). Any consideration received under this license shall be applied toward the purchase price of the Purchase Contract at Closing, unless the Closing does not occur or if the Purchase Contract is cancelled prior to Closing, in which case, Licensor shall retain all consideration received under this instrument as a license payment.

B. Prior to entering into the contemplated Purchase Contract, Licensee, at Licensee's sole risk, desires to enter the Property to store materials and equipment more particularly described in EXHIBIT B attached hereto ("Equipment").

C. Licensee desires to acquire from Licensor, and Licensor is willing to grant to Licensee, the right to use the License Area (as hereinafter defined) to store the equipment listed in EXHIBIT B, solely on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, for TEN DOLLARS (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Grant of License. Subject to the terms and conditions set forth herein, Licensor hereby grants to Licensee and Licensee's employees, agents a non-exclusive license (the "License") to enter upon such portion of the Property (the "License Area") as is reasonably required to store the Equipment. Any other use of the Property requires the prior written consent of Licensor in each instance. Licensee shall comply with such rules and regulations as Licensor may impose from time to time by notice to Licensee. Licensee expressly agrees with the following:

- a) Licensee shall store only those items listed in EXHIBIT B on the License Area;
- b) Licensee is prohibited from storing on the License Area bulk oil, gas, diesel, hydraulic oil, or any other chemical substances in liquid, gaseous or solid form;
- c) Licensee agrees not to store trash of any type on the License Area, and all trash generated on site shall be removed daily;
- d) Licensee is prohibited from using the License Area to conduct repairs, maintenance or upkeep on the items listed in EXHIBIT B.

2. Term of License. The term of the License shall commence on the date of this License Agreement and, unless sooner terminated or extended as hereinafter provided, shall automatically terminate at 11:59 p.m. on the earlier of (i) the date on which Licensee acquires the License Area from Licensor, (ii) July 13<sup>th</sup>, 2008 or (iii) the day Licensor terminates this License Agreement due to Licensee's breach of any term or provision of this License Agreement. Upon termination of the term of the License, whether at the expiration of the term hereof or by notice of termination, or otherwise, all rights to enter upon and use the License Area under the License shall cease.

3. License Fee. The Licensee shall be required to pay a license fee to the Licensor for the rights granted hereby of FIVE HUNDRED DOLLARS (\$500) per month. The license fee to be delivered by Licensee shall be payable to Licensor by wire transfer of funds per the Wiring Instructions provided on Exhibit C, attached hereto and made a part hereof, upon execution of the License Agreement by Licensee.

4. Condition of License Area. Licensee accepts the License Area in its "AS IS", "WHERE IS" condition and acknowledges that Licensor has made no representation or warranty to Licensee as to, and has no obligation for, the condition of the Property, License Area or otherwise. Licensee waives and releases Licensor from any claims for injury to persons or damage to the personal property of Licensee by reason of the condition of the License Area or the Property or otherwise.

5. Liability Insurance; Indemnification. Licensee shall take out and maintain during the term of this License Agreement, automobile, personal injury and property damage liability insurance covering its use of the Land and the use of vehicles on the Land, and the enjoyment of all the rights in and to the Land granted in this License Agreement in an amount satisfactory to the Licensor. Certificates indicating the amount of such coverage shall be presented to the Licensor upon execution of the this License Agreement and shall provide at least thirty (30) days' written notice to the Licensor in the event of cancellation, termination or other material change in the scope of such insurance coverage. Such insurance shall name Licensor as an "Additional Insured" on all liability insurance. Licensee shall indemnify, defend and hold Licensor harmless from and against any and all claims, demands, liabilities, damages, losses, judgments, costs, and expenses including, without limitation, reasonable attorneys' fees, incurred by or imposed upon Licensor arising as a result of any entry upon or activity conducted on the License Area by Licensee or its respective agents, employees, contractors, subcontractors, licensees, or invitees.

6. No Alteration. Except as expressly permitted by this License Agreement, Licensee shall not make nor permit any alterations or additions to the License Area without Licensor's prior written consent, including but not limited to, disturbance, relocation, or removal of any sand, clay or gravel.

7. Restoration Upon Termination. Upon the expiration or termination of this License in any manner (except sale of the Property to Licensee which shall nullify this provision), Licensee shall peaceably deliver to Licensor the full possession of the License Area and remove all materials, equipment and improvements placed thereon by Licensee and with regard to the portion of the License Area, substantially restore the Premises to the condition that existed at the commencement of this License. Should Licensee fail within ten (10) days after the date of the termination of this License to make such removal and restoration, Licensor may, at its option, remove said materials, equipment and improvements and restore said License Area to substantially its former state at the sole cost of Licensee and/or may take and hold any materials, equipment and improvements as its sole property to retain as Licensor sees fit.

8. Assumption of Risk. Licensee for itself, agents, employees, contractors, subcontractors, licensees, and invitees, assumes the risk of any latent or patent defects or problems that are or may be on the License Area, and agrees that Licensor shall not be liable for any injury, loss or damage on account of any such defects or problems.

9. Damage to License Area. Licensee agrees to pay for all damages to the License Area arising from Licensee's presence on the Premises, including but not limited to, environmental remediation.

10. Inspection. Licensor shall have the right to inspect the License Area at any time to review Licensee's operations and to insure compliance with this License Agreement.

11. Termination for Breach. Licensor may terminate this License upon two (2) days written notice should Licensee in any way fail to fulfill each and every obligation of this License Agreement and such failure is not cured within five (5) days after receipt of the notice that Licensee is in breach.

12. Compliance. Licensee shall comply, at Licensee's expense, with all applicable laws, regulations, rules and orders with respect to the use by Licensee of the License Area, regardless of when they become effective, and shall furnish satisfactory evidence of such compliance upon request of Licensor. Licensee's failure to comply with such laws, regulations, rules and orders shall give Licensor, at its option, the right to immediately terminate this License and/or suspend Licensee's activities on the License Area until compliance is achieved

Should any discharge, improper storage, leakage, spillage, emission, contamination or pollution of any type occur upon or from the License Area due to or associated with Licensee's use and occupancy thereof, Licensee, at Licensee's expense, shall immediately clean all areas affected thereby to the satisfaction of Licensor and any governmental body or agency having jurisdiction thereover. Licensee's obligations to clean such shall survive the termination of this License Agreement and Licensee's vacancy from the License Area. Licensee hereby waives any statute of limitations which might bar Licensor from recovery against Licensee for damages Licensee suffers, including clean-up costs, for any such pollution, emission, improper storage, contamination, leakage, discharge or spillage, on the License Area resulting from Licensee's operations and use thereof. Further, Licensee shall indemnify, hold harmless and defend Licensor against all liability, damage, losses, costs and expenses (including, without limitation, any fines, penalties, judgments, litigation costs, experts' fees, attorneys' fees and consulting, engineering and construction costs) incurred by Licensor as a result of Licensee's breach of this paragraph or as a result of any such discharge, contamination, leakage, storage, emission, spillage, or pollution, regardless of whether such liability, damage, loss, cost, or expense arises during or after the term of this License.

13. Existing Defects. Licensee shall immediately notify Licensor if it discovers any defect in, contamination or other problem with the License Area and cease any activities that might exacerbate the problem or put person or property at risk of injury or damage. If it is determined by Licensor that any local, state or federal law, rule or regulation would be violated by Licensee's continued operations hereunder, Licensor may immediately terminate this License as to all or part of the License Area covered hereby.

14. Responsibility. Licensee shall be responsible for all acts or omissions by Licensee's respective employees, agents, invitees, contractors, subcontractors and licensees on the License Area.

15. No Assignment. Licensee shall not have the right to assign this License Agreement or any rights or obligations hereunder without Licensor's prior written permission. Any attempted assignment shall be void and shall not relieve Licensee of its liabilities and obligations herein.

16. No Waiver. The failure of Licensor to insist upon a strict performance of any of the terms, conditions and covenants herein shall not be deemed a waiver of any subsequent breach or default in the terms, conditions and covenants herein contained.

17. Governing Law. This License Agreement shall be construed in accordance with the laws of the State of Texas.

18. Waiver of Subrogation. Licensor and Licensee hereby agree on behalf of themselves and all others claiming under them, including any insurer, to waive all claims against each other, including all rights of subrogation for loss or damage to their respective property arising from fire, windstorm, sprinkler leakage, flood, earthquake, water damage and any of the other perils insured against in a "special form" policy of commercial property insurance, regardless of whether insurance against any such perils is in effect with respect to either party's property. The foregoing waiver shall apply notwithstanding the negligence of either party and shall not be limited to the amount of insurance proceeds available. If either party so requests, the other party shall obtain from its respective insurer a written waiver of all rights of subrogation that it may have against the other party, and Licensor and Licensee hereby agree to indemnify the other against all losses and expenses, including reasonable attorneys' fees, that it may incur as a result of a failure to obtain such written waiver.

19. Jury Trial Waiver. LICENSOR AND LICENSEE WAIVE ANY RIGHT TO A JURY TRIAL IN ANY DISPUTE WITH RESPECT TO THIS LICENSE AGREEMENT.

20. Entire Agreement. This License Agreement constitutes the complete agreement of the parties regarding the subject matter hereof and supersedes any prior agreements, understandings, and negotiations, whether written or oral.

21. Modification. This License Agreement may not be modified or amended except by a writing signed by the party against whom enforcement is sought.

22. Notifications. All notices should be addressed to the following:

To Licensor: International Paper Company  
Attention: E. Wayne Plummer  
Street Address: 6400 Poplar Avenue  
Tower I, 8<sup>th</sup> Floor  
Memphis, TN 38197  
Telephone: 901-419-1855  
Fax: 901-214-2833

To Licensee: Polk County, Texas Government  
Attention: The Honorable John P. Thompson  
101 West Church Street  
Suite 300  
Livingston, TX 77351  
Telephone: 936-327-6813

With copy to:

IP Legal Department – Real Estate  
6400 Poplar Avenue  
Tower II, 4<sup>th</sup> Floor  
Memphis, TN 38197  
Telephone: 901-419-1906  
Fax: 901-214-0950

EXHIBIT A – Description of License Area

EXHIBIT B – List of Equipment

EXHIBIT C – Wiring Instructions

IN WITNESS WHEREOF, the parties have duly executed and delivered this License Agreement as of the day and year first above written.

LICENSOR:

INTERNATIONAL PAPER COMPANY,  
a New York corporation

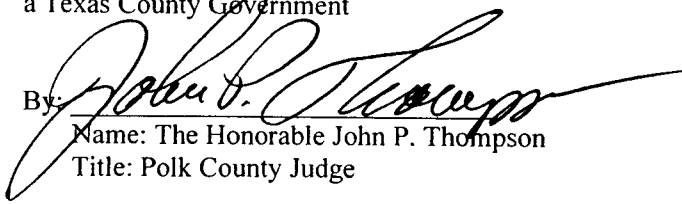
By: \_\_\_\_\_  
Name: E. Wayne Plummer  
Title: Assistant Vice President

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LICENSEE:

POLK COUNTY TEXAS  
a Texas County Government

By:

A handwritten signature in black ink, appearing to read "John P. Thompson", written over a horizontal line.

Name: The Honorable John P. Thompson  
Title: Polk County Judge

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**EXHIBIT A – LICENSE AREA DESCRIPTION**

State of Texas

County of Polk

Being 50.000 acres of land situated in the State of Texas, County of Polk, a part of the David Cutts Survey, A-23, and being a part of the called 1,755.769 acre tract titled to International Paper Company and described as "First Tract" in deed to Southland Paper Mills, Inc. recorded in Volume 290, Page 580 of the Polk County Deed Records, and this 50.000 acre tract being more particularly described by metes and bounds as follows:

Beginning at a 1/2" iron rod set for the most western corner of the herein described 59,999 acre tract, from said point a 7" Pine marked "x" bears S 16° 00' E 7.10 ft., a 9" Pine marked "x" bears N 49° 00' W 8.20 ft. and a 7" Pine marked "x" bears N 21° 00' E 10.00 ft., said iron rod also bears S 41° 14' 40" E 1,014.19 ft. from a 3"x3" concrete monument found for the southeast corner of the N. Tullos Survey, A-758, as described in the sixteenth call of said 1,175.768 acre tract described in Volume 290, Page 580 of said Deed Records, same being the southeast corner of the called 321.75 acre tract described in deed to Marianne McCombs Young and Eleanor McCombs Holderman recorded in Volume 324, Page 107 of said Deed Records;

Thence N 60° 07' 23" E 1,281.18 ft. to a 1/2" iron rod set for the most northern corner of the herein described 50.000 acre tract located on the west margin of a graded private road, from said iron rod an 8" Pine marked "x" bears S 62° 30' W 66.80 ft., a 9" Pine marked "x" bears S 49° 00' W 57.90 ft. and the centerline of said private road bears N 60° 07' 23" E 30.00 ft.;

Thence S 29° 52' 37" E 1,700.00 ft. along a line 30.0 ft. perpendicular distant west of and parallel to the centerline of said graded private road, to a 1/2" iron rod set for the most eastern corner of the herein described 50.000 acre tract, from said iron rod a 10" Pine marked "x" bears S 29° 45' E 158.90 ft., a 15" Pine marked "x" bears S 41° 00' W 86.00 ft. and the centerline of said private road bears N 60° 07' 23" E 30.00 ft.;

Thence S 60° 07' 23" W 1,281.18 ft. to a 1/2" iron rod set for the most southern corner of the herein described 50.000 acre tract, from said iron rod a 9" Pine marked "x" bears S 43° 00' W 10.50 ft. and a 9" Pine marked "x" bears S 44° 15' E 26.90 ft.;

Thence N 29° 52' 37" W 1,700.00 ft. to the place of beginning and containing within these bounds 50.000 acres of land as depicted on a plat prepared by James R. Lowe, R.P.L.S. No. 4751, Texas.

Bearings for this survey are based on deed call for the east line of the N. Tullos Survey, A-578, as described in the sixteenth call of the 1,755.769 acre tract described as "First Tract" in deed to Southland Paper Mills, Inc. recorded in Volume 290, Page 580 of the Polk County Deed Records.


o Surveyor's Certificate o

To all parties interested in title to the premises surveyed, I do hereby certify that the above description was prepared from an actual and accurate survey upon the ground and that same is true and correct.

Dated this the 24th day of October, 2001.

Lowe Surveying & Mapping  
417 North Washington Avenue  
Livingston, Texas 77351  
Ph: 936/327-4296



  
James R. Lowe, RPLS  
No. 4751, Texas





**EXHIBIT B – EQUIPMENT LIST**

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**LIST OF POLK COUNTY EQUIPMENT TO BE STORED ON SITE LISTED IN EXHIBIT "A"**

MAY-02-2008 FRI 10:43 AM

POLK CO. RB 3

936 398 5950

P. 02



**JAMES J. "BUDDY" PURVIS**  
*County Commissioner*  
Precinct 3  
(409) 398-4171  
(409) 398-5950 (Fax)

917 S. Home - Hwy. 59  
P.O. Box 181  
Carrigan, TX 75939

May 2, 2008

Jan Shardley,

The List of equipment that will be at the pit is as follows;

1. Rock Crusher
2. D 8
3. 650 John Deere Dozer
4. 110 Volvo Loader
5. 946 Volvo Motor grader

Fuel will be brought onto site daily and trash will be removed daily.

Respectfully,  
James J. Purvis  
Commissioner