Application for Use of State-owned Aquatic Lands

Applicant Name: Cosmo Specialty Fibers, Inc.
County: Grays Harbor County
Water Body: Chehalis River
Type of Authorization - Use: Easement – Effluent Outfall Line & Diffuser
Authorization Number: 51-087147
Term: 30 years

Description: This agreement would allow the continued use of State-owned aquatic lands for the sole purpose of an effluent outfall line and diffuser. It is located in the Chehalis River, in Grays Harbor County, Washington.

This agreement will replace perpetual Lease No. 20-009630 and Easement No. 51-074503.
Cosmo Specialty Fibers Inc.
Authorization No. 51-087147
Authorized Use: Outfall
Location: Chehalis River, Grays Harbor County

Vicinity Map

Every attempt was made to use the most accurate and current geographic data available. However, due to multiple sources, scales, and the currency of the data used to develop this map Washington Department of Natural Resources cannot accept responsibility for errors and omissions in the data. Furthermore, this data is not survey grade information and cannot be substituted for an official survey. Therefore, there are no warranties that accompany this material.

Legal Description

Latitude: 46.95435N, Longitude: 123.84825W
Section 18, Township 17N, Range 09W W.M.

Prepared By: MLB    Date: 03/19/2011
APPLICATION FOR AUTHORIZATION
TO USE STATE-OWNED AQUATIC LANDS

No work can be started on the project area until a use authorization has been granted by the state Department of Natural Resources

I. SUBMISSION OF APPLICATION

This application form will be reviewed by the state Department of Natural Resources upon receipt at the address given below, and also posted on the DNR website as public information. Applicants will be notified in writing if the application will be accepted for further review. However, this application may be rejected at any time before signed execution of a use authorization.

APPLICATION MUST BE FILLED OUT IN BLUE OR BLACK PEN

Please send the completed application form to your region land manager at:

Washington State Department of Natural Resources
[Region/District Address]

Enclose a $25.00 non-refundable application processing fee with the application. (This fee is not required for local, state, and other government agencies).

II. APPLICANT INFORMATION

Date of Application: 2/14/2011

Authorization to be Issued To (how name is to appear in the lease document): Cosmo Specialty Fibers Inc.

Applicant’s Representative: Robert Buchan

Relationship to Applicant: VP Gov’t Relations, Marketing and Communications

Address: 1701 1st Street

City: Cosmopolis

State: WA

Zip Code: 98537

Telephone: (360) 590-0805

Fax: (360) 537-8415

E-Mail: bbuchan@CosmoSpecialtyFibers.com

FOR OFFICIAL USE ONLY

Support staff: Application Fee Received \( \square \) JARPA Received \( \square \) Date: 3-21-2011

Land Manager: New Application; \( \square \) Renewal Application

Land Manager Initials: \( \square \) for BL

NaturE Use Code: 2170

Land Records: New Application Number: 51-08147; Trust 15/25; County 14; AQR Plate No. Note 2

EN 3-24-2011
II. APPLICANT INFORMATION cont'

Department of Revenue Tax *Registration Number (Unified Business Identifier) is Required: 187551862

Which of the following applies to Applicant (Check One and Attach written authority to sign - bylaws, power of attorney, etc):

<table>
<thead>
<tr>
<th>Corporation X</th>
<th>Limited Partnership</th>
<th>General Partnership</th>
</tr>
</thead>
<tbody>
<tr>
<td>State of Registration: Delaware</td>
<td>State of Registration:</td>
<td>State of Registration:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sole Proprietorship</th>
<th>Marital Community Spouse:</th>
<th>Government Agency</th>
</tr>
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</table>

Other □ (Please Explain:)

Has the site use been authorized before or is it currently under lease? Yes □ Lease Number: 9630

No □ Don’t Know □

III. LOCATION

The Body of Water on which the state property is located: Chehalis River

<table>
<thead>
<tr>
<th>County in which the state property is located: Grays Harbor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section: 18</td>
</tr>
<tr>
<td>Township: 17N</td>
</tr>
<tr>
<td>Range: 9</td>
</tr>
</tbody>
</table>

Note: A legal property survey including the legal description and other information about the property is required to obtain a use authorization. WA DNR survey requirements are attached to this form. The survey plat will be attached to the lease/easement as Exhibit A. DO NOT HAVE THIS SURVEY CONDUCTED UNTIL YOU HAVE BEEN NOTIFIED IN WRITING THAT THE APPLICATION HAS BEEN ACCEPTED FOR PROCESSING.

Physical description of Project Area (For example, Marsh, Tidelands adjacent to the Chehalis River, etc.): River Bottom and associated tidelands of Chehalis River

Name of Owner(s) of Uplands, Shorelands, and/or Tidelands shoreward and adjacent to the Property: Cosmo Specialty Fibers

Address: 1701 1st Street City: Cosmopolis State: WA Zip Code: 98537

Phone Number: (360) 590-0805 Fax Number (360) 537-8415 E-mail: bbuchan@Cosmospecialtyfibers.com

Note: Except for property located within established Harbor Areas, proof of ownership, or authorization to use the adjacent tideland, shoreland, or upland property may be required. If the applicant is the owner of the adjacent land, attach a copy of the deed.

County Parcel No(s). for adjacent properties, upland, and/or adjacent tideland properties: Between Gov’t Lots 4&5
### IV. USE OF PROPERTY

Describe, in detail, the proposed use of the Property: Crossing for 42” wood staved industrial effluent line and diffuser

<table>
<thead>
<tr>
<th>Is or will the Property be subleased to another party?</th>
<th>Yes □ No X □</th>
</tr>
</thead>
<tbody>
<tr>
<td>If yes, submit a copy of the sublease agreement.</td>
<td></td>
</tr>
</tbody>
</table>

What are the current and past uses of the site? Same for 54 years

Do you have any knowledge of contamination of the site by toxic or hazardous substances, or of past uses or practices that might have lead to contamination by such substances? Yes □ No X □

If so, please explain: Recent Benthic study and sediment studies required by Washington Dept. of Ecology confirms no adverse impact

Do you know if any fill material has been placed on the property in question? Yes □ No X □

If yes, please explain:

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### V. IMPROVEMENTS

Physical improvements are structures placed on the land that cannot be removed without damage to the land. Examples of such structures include: pilings, dolphins, piers, wharves, piling-supported buildings, structures built on fill or concrete foundations, buried pipelines and cables, and support structures for bridges.

What physical improvements currently exist on the site? (Photos may be required.) Pipeline and dolphin pile at each end of diffuser

If there are physical improvements currently on the site, who owns them? Cosmo Specialty Fibers

If there are physical improvements currently on the site, describe their condition: Good

Which, if any, of the existing physical improvements will be removed, remodeled, or reconstructed? None

Describe any physical improvements that the applicant is proposing to construct on the site: None

Has any fill material been placed on the site? Yes □ No X □

If Yes, please describe: See above
VI. **LOCAL, STATE, AND FEDERAL REGULATORY PERMITS**

Copies of all Government Regulatory Permits, or Permit Waivers Are Required Before Issuance of a DNR Use Authorization. Your project may require all or some of the following.

Please include the following permit applications, permits, or waivers with the application: (attached)

<table>
<thead>
<tr>
<th>Permit Application</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>JARPA (Joint Aquatic Resource Permit Application)</strong></td>
<td>This one form is used to apply for all of the following individual permits:</td>
</tr>
<tr>
<td>1. <strong>Section 10 Permit</strong></td>
<td>Required by the US Army Corps of Engineers for any work in or affecting navigable waters, e.g., floats, docks, piers, dredging, pilings, bridges, overhead power lines.</td>
</tr>
<tr>
<td>2. <strong>Shoreline Substantial Development, Conditional Use, Variance Permit or Exemption</strong></td>
<td>Issued by Local Government, and is required for work or activity in the 100 year floodplain, or within 200 feet of the Ordinary High Water mark of certain waters; and which included any one of the following: dumping, drilling, dredging, filling, placement or alteration of structures or any activity which substantially interferes with normal public use of the waters.</td>
</tr>
<tr>
<td>3. <strong>Hydraulic Project Approval</strong></td>
<td>Required by the Department of Fish and Wildlife if the project includes work that will use, divert, obstruct, or change the natural flow or bed of any fresh or salt water of the state.</td>
</tr>
<tr>
<td>4. <strong>Section 404 Permit</strong></td>
<td>Required by the US Army Corps of Engineers if your project will discharge or excavate any dredged or fill material waterward of the Ordinary High Water mark or the Mean Higher High Tide Line in tidal areas.</td>
</tr>
<tr>
<td>5. <strong>Section 401 Water Quality Certification</strong></td>
<td>Required by the Department of Ecology if a Section 404 permit is required.</td>
</tr>
<tr>
<td><strong>NPDES (National Pollutant Discharge Elimination System Permit)</strong></td>
<td>Required by the Department of Ecology under delegated authority from the Federal Environmental Protection Agency for projects that include the discharge of fluid on or into surface water. (Attached)</td>
</tr>
<tr>
<td><strong>SEPA (State Environmental Policy Act) Checklist and Environmental Assessments</strong></td>
<td>When you submit a permit application to any agency, if the project is not exempt, the lead agency will ask you to fill out an environmental checklist. Based on checklist answers and the reviewers knowledge of the project site, agency personnel will determine the types of impacts the project may have on the environment. The agency assessments may be the following forms: Determination of Non-significance, Determination of Significance, scoping documents, draft or final Environmental Impact Statements (EIS) or others prepared for the purpose of compliance.</td>
</tr>
</tbody>
</table>

**Describe any habitat mitigation required** by any of the permitting agencies identified above and identify where such mitigation is proposed to occur:

All answers and statements are true and correct to the best of my knowledge.

<table>
<thead>
<tr>
<th>Applicant Name (please print):</th>
<th>Robert Buchan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title</td>
<td>Vice President Government Relations, Marketing, Communications</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Applicant or Authorized Signature:</th>
<th>Date: February 14, 2011</th>
</tr>
</thead>
</table>

Don't Submit 5-8.