

- *Production facilities are subject to operating risks and capacity limitations that may adversely affect the Company's financial condition or results of operations.*

The Company is dependent on the continued operation of its production facilities. Production facilities are subject to hazards associated with the manufacturing, handling, storage, and transportation of chemical materials and products, including pipeline leaks and ruptures, explosions, fires, inclement weather and natural disasters, mechanical failure, unscheduled downtime, labor difficulties, transportation interruptions, and environmental risks. We maintain property, business interruption and casualty insurance but such insurance may not cover all risks associated with the hazards of our business and is subject to limitations, including deductibles and maximum liabilities covered. We may incur losses beyond the limits, or outside the coverage, of our insurance policies. Further, from time to time, we may experience capacity limitations in our manufacturing operations. In addition, if we are unable to effectively forecast our customers' demand, it could affect our ability to successfully manage operating capacity limitations. These hazards, limitations, disruptions in supply and capacity constraints could adversely affect financial results.

## **Item 1B. Unresolved Staff Comments**

None.

## **Item 2. Properties**

Set forth below is the location of, and the main customer served by, each of the Company's satellite PCC plants in operation or under construction as of December 31, 2013. Generally, the land on which each satellite PCC plant is located is leased at a nominal amount by the Company from the host paper mill pursuant to a lease, the term of which generally runs concurrently with the term of the PCC production and sale agreement between the Company and the host paper mill.

<u>Location</u>	<u>Principal Customer</u>
<b>United States</b>	
Alabama, Courtland .....	International Paper Company
Alabama, Jackson .....	Boise Inc.
Alabama, Selma .....	International Paper Company
Arkansas, Ashdown .....	Domtar Inc.
Florida, Pensacola .....	Georgia-Pacific Corporation (Koch Industries)
Kentucky, Wickliffe .....	NewPage Corporation
Louisiana, Port Hudson .....	Georgia-Pacific Corporation (Koch Industries)
Maine, Jay .....	Verso Paper Holdings LLC
Maine, Madison .....	Madison Paper Industries
Michigan, Quinnesec .....	Verso Paper Holdings LLC
Minnesota, Cloquet .....	Sappi Ltd.
Minnesota, International Falls .....	Boise Inc.
New York, Ticonderoga .....	International Paper Company
Ohio, Chillicothe .....	P.H. Glatfelter Co.
Ohio, West Carrollton .....	Appleton Papers Inc.
South Carolina, Eastover .....	International Paper Company
Washington, Camas .....	Georgia-Pacific Corporation (Koch Industries)
Washington, Longview .....	North Pacific Paper Corporation
Washington, Wallula .....	Boise Inc.
Wisconsin, Kimberly .....	Appleton Coated
Wisconsin, Park Falls .....	Flambeau River Papers LLC
Wisconsin, Superior .....	New Page Corporation
Wisconsin, Wisconsin Rapids .....	New Page Corporation
<b>International</b>	
Brazil, Guaiba .....	Aracruz Celulose S.A.
Brazil, Jacarei .....	Ahlstrom-VCP Industria de Papeis Especialis Ltda.
Brazil, Luiz Antonio .....	International Paper do Brasil Ltda.
Brazil, Mucuri .....	Suzano Papel e Celulose S. A.
Brazil, Suzano .....	Suzano Papel e Celulose S. A.
Canada, St. Jerome, Quebec .....	Cascades Fine Papers Group Inc.
Canada, Windsor, Quebec .....	Domtar Inc.
China, Dagang <sup>1</sup> .....	Gold East Paper (Jiangsu) Company Ltd.
China, Zhenjiang <sup>1</sup> .....	Gold East Paper (Jiangsu) Company Ltd.