

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF WISCONSIN
GREEN BAY DIVISION**

TISSUE TECHNOLOGY, LLC, PARTNERS
CONCEPTS DEVELOPMENT, INC.,
OCONTO FALLS TISSUE, INC. and
TISSUE PRODUCTS TECHNOLOGY CORP.,

Plaintiffs,

v.

Case No. 14CV1203

TAK INVESTMENTS, LLC,

Defendant.

BRIEF IN SUPPORT OF MOTION FOR LEAVE TO AMEND PLEADINGS

I. INTRODUCTION

Ronald Van Den Heuvel, the principal for each of the plaintiff companies herein, finds himself before this Court in great financial distress as a result of the actions of the defendant herein, Tak Investments, LLC and other Tak-related companies and their principal, Sharad Tak. This lawsuit, as well as a pending lawsuit in Oconto County, Wisconsin and a prospective third lawsuit to be filed in the Eastern District of Wisconsin, are all brought as a result of agreements made by and between the plaintiffs, the defendant and its principal, Sharad Tak, resulting from their stunning failure to honor their commitments. This Court is well aware of the facts giving rise to the current lawsuit in that cross motions for summary judgment have already been submitted and decided.

Ronald Van Den Heuvel and his companies verily believed that the defendant's pledge of a 27% interest in the defendant company, in the case of default, constituted sufficient security at the time the Oconto Falls paper mill was sold and partially financed by the plaintiff companies to

the defendant company in 2007. (*See*, Declaration of Ronald Van Den Heuvel, submitted herewith at Ex. 1). The original complaint in this matter advanced the theory that that the Plaintiffs were entitled to their 27% “security interest”. The arrangement was a bit different than a typical note and mortgage type of transaction, in that Mr. Van Den Heuvel was led to believe that it was an alternative way by which to collect on his transferred equity interest. (*See*, Declaration of Ronald Van Den Heuvel). That concept was negated by this Court’s summary judgment Decision and Order of December 2, 2016 which concluded that the defendant company did not have the authority to deliver the 27% interest called for in the parties’ Final Business Terms Agreement. The defendant’s refusal to honor its earlier commitments brings us to this point in the case.

II. ARGUMENT

A. Plaintiffs Seek Leave to Amend their Complaint

The plaintiffs seek to amend their pleadings so as to advance two legal causes though every allegation arises out of the same transaction. The first cause arises out of the April 2007 transaction in that the defendant issued four (4) Notes in favor of the plaintiffs at the time of the closing. (*See*, Declaration of Ronald Van Den Heuvel, at Ex. 2). The Notes are a product of the parties’ dealings and the Final Business Terms Agreement. (*See*, Declaration of Ronald Van Den Heuvel). All right, title and interest in the Oconto Falls paper mill was transferred to the defendant and in an exchange the plaintiffs received the aforementioned Notes and other consideration—all consistent with the terms of the Final Business Terms Agreement. (*See*, Declaration of Ronald Van Den Heuvel). At all times relative, it was Ronald Van Den Heuvel’s understanding that if Mr. Tak and his company failed to pay on those Notes, he would receive an interest in the company, 27% as a result of the Notes which are the subject of this lawsuit and

22% of the company with respect to the Notes which are the subject of the prospective litigation, which will be filed by the plaintiffs over the next week or so. (Ronald Van Den Heuvel Declaration). Ultimately, upon breach, the agreements were to provide Mr. Van Den Heuvel's companies with a 49% interest in Tak Investments LLC and ST Paper LLC as his security for the transfer. (See, Declaration of Ronald Van Den Heuvel). With all of that in mind and in recognition of the Court's Decision and Order of December 2, 2016, the plaintiffs seek the opportunity to amend their pleadings.

Federal Rule of Civil Procedure 15(a)(2) provides for the amendment of pleadings before trial. The Rule provides:

(2) *Other Amendments.* In all other cases, a party may amend its pleading only with the opposing party's written consent or the Court's leave. The court should freely give leave when justice so requires.

FRCP 15(a)(2). The plaintiffs seek leave from the Court to permit the amendment of the Complaint under these circumstances. The plaintiffs strongly believe that justice so requires. Federal Rules of Civil Procedure 15(a)(2) and supporting case law are quite clear that the Court has discretion as to whether to grant or deny a request for leave to amend pleadings. *Zenith Radio Corporation v. Hazeltine Research, Inc.*, 401 U.S. 321, 28 L. Ed.2d 77, 91 S. Ct. 795 (1971). "...it is generally held that, if the underlying facts or circumstances relied upon by a plaintiff may be a proper subject of relief, he or she ought to be afforded an opportunity to test that claim on the merits." *Wimes v. Eaton Corp.*, 573 F. Supp. 331 (E.D. Wis. 1983) citing, *Foman v. Davis*, 371 U.S. 178 at 182, 9 L. Ed.2d 222, 83 S. Ct. 227 (1962). In the *Wimes* case, Honorable Robert Warren, District Court Judge, went on to write that leave should be freely given in the absence of any improper motives "... such as undue delay, bad faith or dilatory motive...a repeated failure to cure deficiencies by amendments previously allowed, undue

prejudice...or futility of the amendment.” *Id.* at 335, citing, *Hageman v. Signal L.P. Gas, Inc.*, 486 F.2d 479, 484-485 (6th Cir. 1973); *Barbarino v. Anchor Motor Freight, Inc.*, 421 F. Supp. 1003 at 1005-1006 (W.D.N.Y. 1976). The plaintiffs do not seek to delay and are not acting in bad faith. (*See*, Declaration of Ronald Van Den Heuvel). The Plaintiffs only request the opportunity to have this Court determine the parties’ duties under the Agreement and Notes and to enforce those duties—or alternatively to permit justice to prevail with testing an unjust enrichment cause. In fact, dilatory actions and bad faith on the Plaintiffs’ part would be contrary to the Plaintiffs’ best interests. Plaintiffs’ untoward motive is not the case, the amendment should be allowed so as to ensure the claims are decided on the merits. The legal theories advanced in the proposed Amended Complaint arise out of the same facts alleged in the original Complaint. *Wudtke v. Davel*, 128 F.3d 1057 at 1061 (7th Cir. 1998); *O’Grady v. Libertyville*, 304 F.3d 719 at 723 (7th Cir. 2002).

B. Inclusion of Sharad Tak as a named Defendant

The plaintiffs further propose the pleading amendment allow for the inclusion of Sharad Tak as an additional defendant. The Final Business Terms Agreement includes Mr. Tak as a signatory to the Agreement. (*See*, Declaration of Ronald Van Den Heuvel, at Exhibit 1). In that the Final Business Terms Agreement calls for the delivery of 27% of the company’s membership interest, and since Sharad Tak has the duty to deliver that interest pursuant to the Final Business Terms Agreement, and since the Promissory Notes in support of the delivery were contemporaneously executed, Sharad Tak is liable for executing upon those promises to the plaintiff companies. His individual duties and responsibilities are not in some way limited by the terms of the contract, rather, his liability rests upon execution of the contract itself. A party to a contract has a duty to perform with care, skill, reasonable expedience and faithfulness to the

purpose of the contract. *Milwaukee Cold Storage Co. v. York Corp.*, 3 Wis.2d 13, 87 N.W.2d 505 (S.Ct.1958; *Anich v. Vilter*, 92 Wis.2d 909, 286 N.W.2d 646 (Ct.App.1979). Mr. Tak is responsible for ensuring the terms of the contract are met. If not accomplished, he is liable for the breaches. A breach is simply defined as a failure, without excuse, to perform that which is required by contract. Mr. Tak had duties imposed on him by the contract—otherwise why be a signatory? Since he is a party to the contract, he should be joined as a defendant and the Final Business Terms Agreement and the Notes enforced against him as well as the defendant company. They are all a part of the same contract.

The Final Business Terms Agreement and the Promissory Notes at issue herein must be considered part of an integrated writing. Writings contemporaneously executed as a part of the same transaction must be considered together, as an integrated contract. *Seaman v. McNamara*, 180 Wis.609, 193 NW 377 (1923) *citing with approval*, *Associates Financial Services Co. v. Eisenberg*, 51 Wis.2d 85, 168 N.W.2d 272 (1971). At the time of transfer, the Notes and the Final Business Terms Agreement were executed as a part of a single event, to wit: the purchase of the Oconto Falls tissue mill. The rights and responsibilities of the contracts should be considered as to all of the parties who agreed to be bound.

C. Unjust Enrichment

The plaintiffs also seek recovery for unjust enrichment as an alternative theory. Tak Investments LLC and Mr. Tak are liable to the plaintiffs thereon. In order for the plaintiffs to succeed, the plaintiffs would have to show that Tak Investments and Mr. Tak, as a party to the contract, received a substantial benefit from the plaintiffs and knowingly accepted the benefit. *S & M Rotogravure Serv. Inc. v. Baer*, 77, Wis.2d 454 at 460, 252 N.W.2d 913 (1977). In this transaction, transfer of all right, title and interest in the Oconto Falls tissue mill serves as the

structure upon which the benefit was conveyed. Of course, it would be inequitable for Mr. Tak and his companies to retain the benefit, to wit: the interest in the Oconto Falls tissue mill, without having paid the seller something in return for the cash and equity contributions. As it currently stands, the plaintiff companies have received nothing for that transfer, and in fact, have lost substantial sums as a result. (*See*, Declaration of Ronald Van Den Heuvel). Moreover, in each and every instance, the plaintiffs have delivered and performed on their side of the bargain. (*See*, Declaration of Ronald Van Den Heuvel). The defendants have not. (*See*, Declaration of Ronald Van Den Heuvel). If the defendants were allowed to retain the benefits of this bargain, the transaction would be, in essence, a theft. At a minimum, the defendants have violated the duty of good faith giving rise to a remedy. *See*, *Market Street Associates Ltd. v. Frey*, 941 F.2d 588 (7th Cir. 1991). It is not as if the plaintiffs seek some unearned remedy. Rather, the plaintiffs seek the value of their losses and the defendants' failure to honor the contractual commitments they solemnized. In the event, as has already occurred with respect to the delivery of the 27% ownership interest pursuant to the Final Business Terms Agreement, the defendants are not bound by their written promises, certainly the defendants are liable in unjust enrichment to the plaintiffs. The proposed defendants have received good and valuable consideration and currently operate what the plaintiffs believe is a very profitable paper mill. The conduct of the proposed defendants cannot be countenanced by this Court and the plaintiffs should be permitted to amend their pleadings in order to ensure accountability under the law and ultimate fairness and justice.

D. Justice is best served if Plaintiffs may amend their complaint

Recognizing the Court's inherent discretion in permitting the amendment of pleadings, the plaintiffs assert that denial of this motion would be a manifest injustice. Requiring parties to

honor their contracts and commitments is inherent in seeking and administering justice. The parties' Final Business Terms Agreement and the Notes emanating therefrom were good and valuable consideration for the transfer of the ownership interest in the Oconto Falls paper mill. The plaintiff companies and their principal, Ronald Van Den Heuvel, have nothing to show for it, in fact, have sustained substantial losses as a result of Mr. Van Den Heuvel's company having posted \$11.8 million of cash to close the transaction and transferring the companies' equity in the Oconto Falls paper mill. (See Ronald Van Den Heuvel Declaration). Based upon all of the foregoing, the plaintiffs seek the opportunity to enforce the contracts and Notes and/or in the alternative, to proceed under an unjust enrichment cause, all relating back to the initial transactions by and between the parties in April 2007.

III. CONCLUSION

These plaintiffs respectfully request that the Court permit amendment of the pleadings consistent with the Amended Complaint submitted herewith as justice so requires.

Dated this 9th day of January, 2017.

TERSCHAN, STEINLE, HODAN
& GANZER, LTD.
ATTORNEYS FOR PLAINTIFF,

BY: /s/ MICHAEL J. GANZER
MICHAEL J. GANZER
STATE BAR NO. 1005631

P. O. ADDRESS:
309 NORTH WATER STREET
SUITE 215
MILWAUKEE, WI 53202
414-258-1010

UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF WISCONSIN
GREEN BAY DIVISION

TISSUE TECHNOLOGY LLC, PARTNERS
CONCEPTS DEVELOPMENT, INC., OCONTO
FALLS TISSUE, INC., and TISSUE PRODUCTS
TECHNOLOGY CORP.,

Plaintiffs,

Case No. 14CV1203

v.

TAK INVESTMENTS, LLC,

Defendant.

DECLARATION OF RONALD H. VAN DEN HEUVEL

Ronald H. Van Den Heuvel, under penalty of perjury states as follows:

1. I am Ronald H. Van Den Heuvel, a resident of Green Bay, Wisconsin and the principal for all of the plaintiffs named herein, Tissue Technology, LLC, Partners Concepts Development, Inc., Oconto Falls Tissue, Inc., and Tissue Products Technology Corp. In that regard, I am authorized to make this Affidavit on behalf of each of the plaintiff companies.

2. In April 2007, I transferred the ownership interest any of the Plaintiff companies held in the Oconto Falls paper mill, currently owned by ST Paper, LLC. ST Paper LLC is owned and/or controlled by Tak Investments LLC and Sharad Tak. At the time of the transaction, the paper mill was owned by Plaintiff Oconto Falls Tissue Inc. The sale was primarily financed by a consortium put together by Goldman Sachs Lending Partners LLC. I agreed to finance part of the transaction both as a result of the prospective business identified by the parties in the Final Business Terms Agreement and as a result of the withdrawal of some members of a syndicate of investors put together by Goldman Sachs who had pulled out of the financing arrangement for the transaction very close in time to the prospective closing. Plaintiff Partners Concept

Development, Inc. put \$11.8 million in funds into the transaction, through Johnson Bank, in order to ensure there was enough of a margin to satisfy the Goldman Sachs investors who needed a certain amount of equity to cover the consortium's loan. This cash contribution inured to the benefit of Defendant Tak Investments, LLC and Sharad Tak.

3. When the transaction was completed, all of the outstanding debts of the company were paid and my companies received the Notes, instead of cash, pursuant to the Business Terms Agreement and the prospect of obtaining ownership interest in Tak Investments LLC (and ultimately, the Oconto Falls paper mill) should there be a default. Tak Investments, ST Paper and Sharad Tak received all right, title and interest in the paper mill. I truly believe that my companies' equity in the mill was approximately \$83 million. Payment of that equity was the reason behind the Notes and the terms of the Final Business Terms Agreement.

4. The Final Business Terms Agreement is attached hereto and marked as Exhibit 1. The four Notes at stake in this lawsuit are attached hereto and marked as Exhibit 2.

5. None of the plaintiff companies have received any payment pursuant to the terms of the Notes issued to them at the time of closing and attached hereto. In addition, because no money was paid on several additional Promissory Notes made at the time of closing, and owed by ST Paper or Tak Investments LLC, I anticipate a lawsuit will be filed in the next few days in the Eastern District of Wisconsin. Those "seller" notes are payable by ST Paper and became due in 2015.

6. In addition, as a result of other consideration given as part of the transaction, Tissue Technology LLC entered into a sales and marketing agreement with ST Paper, LLC, the company wholly or partially owned by Tak Investments LLC. Tissue Technologies LLC filed that lawsuit which is currently pending in Oconto County, Wisconsin upon a marketing

agreement. *Tissue Technology LLC v. ST Paper LLC*, Oconto County Case No. 2014CV156. Under the terms of that agreement, Tissue Technology LLC was paid for 17 months totaling approximately \$2.2 million as a result of exclusive Off Take Agreements (contracts for future production) with third parties until payments ceased in December of 2008 when ST Paper simply stopped paying (Note: there was a payment made to Nicolet Bank as a result of an assignment of the proceeds of the Sales and Marketing agreement. The assignment was agreed to by the parties but that assignment was later reversed and ST Paper refused to pay Tissue Technology LLC thereafter, as had been promised in the Sales and Marketing Agreement). The Off Take Agreements are still in place and Tissue Technology LLC is still entitled to its payments deemed to be 4% of the gross revenues through the end of 2014 and 2% of the gross revenues from 2015 through 2022, yet, there are no payments.

7. I always considered the pledge of the 27% interest in Tak Investments, LLC to be security for the Notes which are the subject of this lawsuit (commonly referred to as the Investor Notes) and which are derived from the April 2007 transaction and the Final Business Terms Agreement. I was represented by counsel at the time, but all of the drafting was done by counsel for Tak Investments LLC and Sharad Tak. It now appears the pledge of an ownership interest in Tak Investments LLC was a mirage inasmuch as the company itself could not issue an ownership interest in itself per the Court's Opinion and Order on the competing Motions for Summary Judgment. As of today, the Plaintiff companies have nothing to show for their ownership and equity interest in the Oconto Falls paper mill, in fact it has been a substantial loss. I now find myself in significant financial stress since the defendant company herein and ST Paper, both entities controlled by Sharad Tak, have failed and refused to honor their agreements with the Plaintiff companies. This has been exceptionally unjust to me and my companies. Notes were

prepared, "security" given cash was paid and the Defendant, ST Paper LLC and Sharad Tak have failed to live up to their promises.

8. In the event the Notes and Final Business Terms Agreement are not enforced, the proposed defendants will have received substantial sums of cash and highly valued equity for which my companies were not compensated. I recognize debts were paid in order to close this transaction, yet, my companies were to receive substantial benefits in exchange and the defendant and proposed defendant have not honored those obligations.

9. I make this Declaration in support of the plaintiffs' motion to permit amendment of the pleadings so as to ensure justice is done.

Dated this 6th day of January, 2017.


Ronald H. Van Den Heuvel

FINAL BUSINESS TERMS AGREEMENT

April 16, 2007

THIS FINAL BUSINESS TERMS AGREEMENT ("Agreement") is entered into on April 16, 2007, among SHARAD K. TAK ("Tak"), TAK INVESTMENTS, LLC ("Investments"), TISSUE TECHNOLOGY, LLC ("TTL"), PARTNERS CONCEPTS DEVELOPMENT, INC. ("PCDI"), OCONTO FALLS TISSUE, INC. ("OFTI") and TISSUE PRODUCTS TECHNOLOGY CORP. ("TPTC") [TTL, PCDI, OFTI and TPTC are collectively referred to as "OFTI Group"], and RONALD H. VAN DEN HEUVEL ("Van Den Heuvel").

NOW, THEREFORE, for good and valuable consideration the parties hereto agree as follows:

1. Interpretation and Definitions. The following terms used herein shall have the meanings as set forth below:

"Controlled Entity" shall mean any entity or business combination directly or indirectly controlled by Investments or directly or indirectly controlled by any entity or business combination directly or indirectly controlled by Investments.

"Investment Notes" shall mean the four Notes equaling \$16,400,000 executed in favor of TPTC by Investments on the date hereof.

2. Covenants.

- A. Investments shall not authorize or delegate the authority to any Controlled Entity to terminate the Sales and Marketing Agreement dated as of September 20, 2006 by and between TTL and ST Paper, LLC (an affiliate of Investments), as amended (the "Sales and Marketing Agreement").
- B. Investments shall use commercially reasonable efforts to cause its Controlled Entity's to contract with Spirit Construction Services, Inc. ("Spirit") for any construction work within the paper and linerboard industry within the next three years.
- C. Investments shall not authorize or delegate the authority to any Controlled Entity to directly or indirectly pay any distributions to their respective owners other than distributions necessary to satisfy the tax obligations of such owners related to income passed-through to such owners as a result of any such Controlled Entity being taxed as a partnership, S corporation or other pass-through entity.
- D. If Investments or any Controlled Entity or any other entity controlled by Tak individually, constructs or owns any tissue and/or linerboard facility other than their facility in Oconto Falls, Wisconsin (or as part of any substantial addition to the Oconto Falls, Wisconsin facility), then Investments or Tak, as

EXHIBIT

1

the case may be, shall cause such entity to enter into a sales and marketing agreement with a member of the OFTI Group on terms and conditions substantially similar to the Sales and Marketing Agreement.

- E. Investments shall deliver the audited financial statements (and if unaudited, prepared in accordance with generally accepted accounting principles, consistently applied) for Investments and any Controlled Entity within one hundred twenty (120) days following the end of each such entity's fiscal year.
- F. If there is any payment default, or other event of default that may be cured by the payment of money, by ST Paper, LLC under its credit facility arranged by Goldman Sachs Credit Partners, L.P., then Investments shall permit any member of the OFTI Group to cure any such default if Investments or any other Controlled Entity is not able to cure such default within sixty (60) days of notice thereof from the lenders (such exercise, a "Step-In Event"). Upon the occurrence of any Step-In Event, Investments shall immediately reimburse the contributing member of the OFTI Group for any payment(s) made by such member.
- G. Through the third anniversary of the date of each Investment Note, the OFTI Group agrees to pay any payments due for interest or principal required per the terms of the Investment Notes. Each member of the OFTI Group jointly and severally agrees to indemnify Investments and to hold it harmless from and against any and all damages, losses, deficiencies, actions, demands, judgments, fines, fees, costs and expenses, including, without limitation, attorneys' fees, of or against Investments resulting from the OFTI's Group's failure to make such payments, which shall include, without limitation, any claims made by any current or future holder of such Investment Notes against Investments relating to such interest payments. If such Investment Notes are deemed cancelled by the OFTI Group after the third anniversary of the date of the Investment Notes, the OFTI Group shall receive an undiluted 27% ownership interest of the highest class in Investments and such ownership interest shall be above and beyond the ownership interest in item 2.K of this agreement; provided however, if phase 2, as defined below, occurs after the transfer of ownership interest and prior to the tenth anniversary of the date of the Investment Notes, the OFTI Group shall return any ownership interests received from the Investment Notes.
- H. Each member of the OFTI Group agrees if the Phase 2 Financing (as defined below) is consummated on or before the tenth (10th) anniversary of the date of each Investment Note, the unpaid principal balance of each Investment Note shall be automatically reduced to zero, Investments shall have no obligation to pay any unpaid principal or accrued interest thereunder, and each Investment Note shall be deemed cancelled. For purposes of this Agreement, "Phase 2 Financing" shall mean the consummation by Investments (whether individually or in conjunction with an affiliated entity) or Tak (or an entity controlled by Tak) of financing to acquire the existing facility and construct a

linerboard and/or tissue machine at the site presently owned by Eco Fibre, Inc. located at 500 Fortune Avenue in De Pere, Wisconsin using Spirit as general contractor with a minimum construction contract of \$315,000,000.

- I. Each member of the OFTI Group jointly and severally agrees to indemnify Investments and to hold it harmless from and against any and all damages, losses, deficiencies, actions, demands, judgments, fines, fees, costs and expenses, including, without limitation, attorneys' fees, of or against Investments resulting from enforcement of the Investment Notes by any member of the OFTI Group (other than the enforcement of the pledge described above), or any enforcement of or other claims made any other current or future holder of such Investment Notes against Investments relating to the Investment Notes.
- J. In the event the collateral pledged to Johnson Bank by the OFTI Group in connection with financial accommodations provided to Investments is either drawn upon by Johnson Bank or provided to Investments, the OFTI Group shall obtain an undiluted 22% of the highest class of ownership interest in Investments provided that some or all such ownership interest may be pledged to Johnson Bank.

3. Termination: Upon all Investment Notes being paid in full or deemed cancelled through mutual written consent of both parties, covenants C, G, H and I in Paragraph 2, above, shall terminate.

4. Transfer: For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, TTL shall, upon Phase 2 Financing, transfer to Tak or his assignee(s) membership units representing a 22% non-voting (other than with respect to the issues identified in Paragraph 5, below) ownership interest in TTL (the "Subject Units"), free and clear of all liens, claims and encumbrances.

5. Limited Liability Company Agreement. The transfer contemplated by Paragraph 4, above, shall be made pursuant to an assignment agreement that shall contain representations, warranties, covenants and indemnities customary for a transfer of membership units in a limited liability company. Tak and his assignee(s) ownership of the Subject Units shall be governed by a Limited Liability Company Agreement that shall contain profit and loss allocations, distribution provisions, management control provisions, transfer restrictions, and other mutually acceptable representations, warranties, and covenants. Notwithstanding the foregoing, the Limited Liability Company Agreement shall reflect the following agreements:

(a) TTL shall not make or incur liability for, and no manager, officer or other representative shall agree to make or incur liability on TTL's behalf for, any disbursement or expenditure of more than \$10,000 without the prior written approval of Tak or his designee. Further, TTL shall not make or incur liability for, and no manager, officer or other representative shall agree to make or incur liability on TTL's behalf for, disbursements or expenditures in the aggregate exceeding \$1,000,000 during any calendar year without the prior written approval of Tak or his designee. In the event that

TTL makes or incurs liability for such expenditures without the prior written approval of Tak or his designee, the amount of any expenditures made in violation of the preceding sentence shall be deemed to be for the account of Van Den Heuvel and shall reduce his direct or indirect capital account accordingly.

(b) At all times while Van Den Heuvel owns, either directly or indirectly, any ownership interest in TTL or ST Paper (or any entities that own or control TTL or ST Paper), Van Den Heuvel shall faithfully, diligently and competently perform such services as are required of TTL by the Sales and Marketing Agreement and shall devote his full business time and attention to the affairs of TTL, and Van Den Heuvel shall not, directly or indirectly, render services to any other person or entity (other than VHC, Inc. or Spirit Construction Services, Inc.) without the prior written approval of Tak or his designee.

(c) At all times while Van Den Heuvel owns, either directly or indirectly, any ownership interest in TTL or ST Paper (or any entities that own or control TTL or ST Paper), Van Den Heuvel shall not incur liability (whether fixed or contingent) for, nor be personally responsible for the payment of (whether directly, jointly or by guaranty), financial obligations in excess of \$5,000,000.

(d) The Subject Units shall continuously represent a 22% ownership interest for all purposes (i.e., profits, losses, distributions, management and control), and shall not be subject to dilution.

6. Publicity. Each party agrees not to make any formal statements regarding this transaction without prior approval by the other party, except as required by law.

7. Taxes. It is agreed that if there are negative tax consequences to either party arising from the structure of the transactions outlined above, that the parties will use their best efforts to minimize the negative tax consequences, without materially changing the terms of this Agreement.

8. Law. This Agreement shall be construed in accordance with Wisconsin law and venue for any disputes shall be a court of competent jurisdiction within the State of Wisconsin.


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IN WITNESS WHEREOF, the parties have executed this Final Business Terms Agreement as of the day, month and year first above written.

TISSUE TECHNOLOGY, LLC

By: 
Name: Ronald H. Van Den Heuvel
Title: President

PARTNERS CONCEPTS DEVELOPMENT, INC.


By: 
Name: Ronald H. Van Den Heuvel
Title: President

OCONTO FALLS TISSUE, INC.

By: 
Name: Ronald H. Van Den Heuvel
Title: President


TISSUE PRODUCTS TECHNOLOGY CORP.

By: 
Name: Ronald H. Van Den Heuvel
Title: President


Ronald H. Van Den Heuvel

TAK INVESTMENTS, LLC

By: 
Name: Sharad K. Tak
Title: Manager


Sharad K. Tak

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF ANY STATE. THIS NOTE MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE ACT AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM.

PROMISSORY NOTE

\$3,000,000.00

April 16, 2007

FOR VALUE RECEIVED, the undersigned, TAK INVESTMENTS, LLC, a Delaware limited liability company ("Maker"), hereby promises to pay to the order of TISSUE PRODUCTS TECHNOLOGY CORP., a Wisconsin corporation ("Payee"), 1555 Glory Road, Green Bay, Wisconsin 54304, or such other place or designee as the Payee shall from time to time direct in writing to the Maker the principal sum of Three Million Dollars (\$3,000,000.00). The unpaid principal balance of this Note shall bear interest at a rate per annum equal to eight percent (8%), per annum. Interest shall accrue from the date hereof and shall be payable on a semi-annual basis commencing on October 16, 2007. Principal hereon shall be due and payable in the amount of \$300,000 on April 16, 2008, \$300,000 on April 16, 2009 and \$2,400,000 on April 16, 2010. Interest shall be calculated based on a year consisting of 360 days applied to the actual days on which there exists an unpaid balance hereunder.

Maker may prepay all or any part of the unpaid balance of this Note at any time, and from time to time, without premium or penalty. No partial prepayment shall relieve Maker of Maker's obligations to make the regularly scheduled payment(s) hereunder until the unpaid balance of this Note is paid in full.

No delay or omission on the part of Payee or any holder of this Note in exercising any right or option given to Payee or such holder shall impair such right or option or be considered as a waiver thereof or acquiescence in any default hereunder. Maker shall be obligated to pay to Payee any costs incurred by Payee in the collection of sums due hereunder by Maker including any attorneys' fees.

Maker hereby waives presentment, demand, notice of dishonor and protest and consents to any and all extensions and renewals hereof without notice. If maker becomes subject to any federal or state bankruptcy or insolvency action, without the requirement of notice or presentment on behalf of Payee to Maker, this outstanding principal and interest, and all other amounts due on and in accordance with this Note, shall become immediately due and payable.

Upon payment in full of this Note, Payee agrees to surrender this Note to Maker for cancellation thereof.

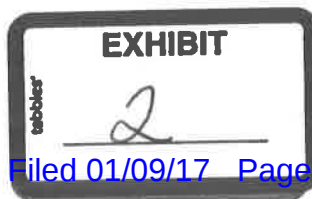
This Note shall be construed in accordance with the internal laws of the State of Wisconsin.

MAKER:

TAK INVESTMENTS, LLC

By: Shane Lee TE
(Title)

mw1231069_1



THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF ANY STATE. THIS NOTE MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE ACT AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM.

PROMISSORY NOTE

\$4,000,000.00

April 16, 2007

FOR VALUE RECEIVED, the undersigned, **TAK INVESTMENTS, LLC**, a Delaware limited liability company ("Maker"), hereby promises to pay to the order of **TISSUE PRODUCTS TECHNOLOGY CORP.**, a Wisconsin corporation ("Payee"), 1555 Glory Road, Green Bay, Wisconsin 54304, or such other place or designee as the Payee shall from time to time direct in writing to the Maker the principal sum of Four Million Dollars (\$4,000,000.00). The unpaid principal balance of this Note shall bear interest at a rate per annum equal to eight percent (8%), per annum. Interest shall accrue from the date hereof and shall be payable on a semi-annual basis commencing on October 16, 2007. Principal hereon shall be due and payable in the amount of \$400,000 on April 16, 2008, \$400,000 on April 16, 2009 and \$3,200,000 on April 16, 2010. Interest shall be calculated based on a year consisting of 360 days applied to the actual days on which there exists an unpaid balance hereunder.

Maker may prepay all or any part of the unpaid balance of this Note at any time, and from time to time, without premium or penalty. No partial prepayment shall relieve Maker of Maker's obligations to make the regularly scheduled payment(s) hereunder until the unpaid balance of this Note is paid in full.

No delay or omission on the part of Payee or any holder of this Note in exercising any right or option given to Payee or such holder shall impair such right or option or be considered as a waiver thereof or acquiescence in any default hereunder. Maker shall be obligated to pay to Payee any costs incurred by Payee in the collection of sums due hereunder by Maker including any attorneys' fees.

Maker hereby waives presentment, demand, notice of dishonor and protest and consents to any and all extensions and renewals hereof without notice. If maker becomes subject to any federal or state bankruptcy or insolvency action, without the requirement of notice or presentment on behalf of Payee to Maker, this outstanding principal and interest, and all other amounts due on and in accordance with this Note, shall become immediately due and payable.

Upon payment in full of this Note, Payee agrees to surrender this Note to Maker for cancellation thereof.

This Note shall be construed in accordance with the internal laws of the State of Wisconsin.

MAKER:

TAK INVESTMENTS, LLC

By: Sumanta

(Title)

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF ANY STATE. THIS NOTE MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE ACT AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM.

PROMISSORY NOTE

\$4,400,000.00

April 16, 2007

FOR VALUE RECEIVED, the undersigned, TAK INVESTMENTS, LLC, a Delaware limited liability company ("Maker"), hereby promises to pay to the order of TISSUE PRODUCTS TECHNOLOGY CORP., a Wisconsin corporation ("Payee"), 1555 Glory Road, Green Bay, Wisconsin 54304, or such other place or designee as the Payee shall from time to time direct in writing to the Maker the principal sum of Four Million Four Hundred Thousand Dollars (\$4,400,000.00). The unpaid principal balance of this Note shall bear interest at a rate per annum equal to eight percent (8%), per annum. Interest shall accrue from the date hereof and shall be payable on a semi-annual basis commencing on October 16, 2007. Principal hereon shall be due and payable in the amount of \$440,000 on April 16, 2008, \$440,000 on April 16, 2009 and \$3,520,000 on April 16, 2010. Interest shall be calculated based on a year consisting of 360 days applied to the actual days on which there exists an unpaid balance hereunder.

Maker may prepay all or any part of the unpaid balance of this Note at any time, and from time to time, without premium or penalty. No partial prepayment shall relieve Maker of Maker's obligations to make the regularly scheduled payment(s) hereunder until the unpaid balance of this Note is paid in full.

No delay or omission on the part of Payee or any holder of this Note in exercising any right or option given to Payee or such holder shall impair such right or option or be considered as a waiver thereof or acquiescence in any default hereunder. Maker shall be obligated to pay to Payee any costs incurred by Payee in the collection of sums due hereunder by Maker including any attorneys' fees.

Maker hereby waives presentment, demand, notice of dishonor and protest and consents to any and all extensions and renewals hereof without notice. If maker becomes subject to any federal or state bankruptcy or insolvency action, without the requirement of notice or presentment on behalf of Payee to Maker, this outstanding principal and interest, and all other amounts due on and in accordance with this Note, shall become immediately due and payable.

Upon payment in full of this Note, Payee agrees to surrender this Note to Maker for cancellation thereof.

This Note shall be construed in accordance with the internal laws of the State of Wisconsin.

MAKER:

TAK INVESTMENTS, LLC

By: Sumita B. (Title)

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF ANY STATE. THIS NOTE MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE ACT AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM.

PROMISSORY NOTE

\$5,000,000.00

April 16, 2007

FOR VALUE RECEIVED, the undersigned, TAK INVESTMENTS, LLC, a Delaware limited liability company ("Maker"), hereby promises to pay to the order of TISSUE PRODUCTS TECHNOLOGY CORP., a Wisconsin corporation ("Payee"), 1555 Glory Road, Green Bay, Wisconsin 54304, or such other place or designee as the Payee shall from time to time direct in writing to the Maker the principal sum of Five Million Dollars (\$5,000,000.00). The unpaid principal balance of this Note shall bear interest at a rate per annum equal to eight percent (8%), per annum. Interest shall accrue from the date hereof and shall be payable on a semi-annual basis commencing on October 16, 2007. Principal hereon shall be due and payable in the amount of \$500,000 on April 16, 2008, \$500,000 on April 16, 2009 and \$4,000,000 on April 16, 2010. Interest shall be calculated based on a year consisting of 360 days applied to the actual days on which there exists an unpaid balance hereunder.

Maker may prepay all or any part of the unpaid balance of this Note at any time, and from time to time, without premium or penalty. No partial prepayment shall relieve Maker of Maker's obligations to make the regularly scheduled payment(s) hereunder until the unpaid balance of this Note is paid in full.

No delay or omission on the part of Payee or any holder of this Note in exercising any right or option given to Payee or such holder shall impair such right or option or be considered as a waiver thereof or acquiescence in any default hereunder. Maker shall be obligated to pay to Payee any costs incurred by Payee in the collection of sums due hereunder by Maker including any attorneys' fees.

Maker hereby waives presentment, demand, notice of dishonor and protest and consents to any and all extensions and renewals hereof without notice. If maker becomes subject to any federal or state bankruptcy or insolvency action, without the requirement of notice or presentment on behalf of Payee to Maker, this outstanding principal and interest, and all other amounts due on and in accordance with this Note, shall become immediately due and payable.

Upon payment in full of this Note, Payee agrees to surrender this Note to Maker for cancellation thereof.

This Note shall be construed in accordance with the Internal laws of the State of Wisconsin.

MAKER:

TAK INVESTMENTS, LLC

By: Stuart
(Title)