



COLUMBIA PULP I LLC STANDARD PURCHASE TERMS & CONDITIONS

Thank you for your interest in Columbia Pulp. The following standard terms and conditions apply to all purchases of Columbia Pulp products:

Taxes: The Purchase Price is exclusive of all sales, use, and excise taxes, and any other similar taxes, duties, and charges of any kind imposed by any governmental authority on any amounts payable by you. You will be responsible for all such charges, costs and taxes; provided, that, you will not be responsible for any taxes imposed on, or with respect to, our income, revenues, gross receipts, personal or real property, or other assets.

Late Payment: To the extent that you fail to make timely payment of the Purchase Price, you agree to pay interest on all late payments at the rate of 1.5% per month, calculated daily and compounded monthly. You also agree to reimburse us for all costs incurred in collecting any late payments, including, without limitation, attorneys' fees. In addition to all other remedies available under these Terms or at law (which we do not waive by the exercise of any rights hereunder), we will be entitled to suspend the delivery of any Products and stop Products in transit if you fail to pay any amounts when due hereunder.

Product Delivery: The quantity of any installment of Products as recorded by us on dispatch from our place of business is conclusive evidence of the quantity received by you on delivery unless you can provide conclusive evidence proving the contrary. We will not be liable for any non-delivery of Products (even if caused by our negligence) unless you give written notice to us of such non-delivery within [ten] days of the date when the Products would in the ordinary course of events have been received. Any liability of ours for non-delivery of the Products shall be limited to replacing the Products within a reasonable time or adjusting the invoice respecting such Products to reflect the actual quantity delivered. You acknowledge and agree that the foregoing remedies are your exclusive remedies for any non-delivery of Products.

Title and Risk of Loss: Title and risk of loss passes to you upon delivery of the Products at the Delivery Point. As collateral security for the payment of the Purchase Price of the Products, you hereby grant to us a lien on and security interest in and to all of your right, title, and interest in, to and under the Products, wherever located, and whether now existing or hereafter arising or acquired from time to time, and in all accessions thereto and replacements or modifications thereof, as well as all proceeds (including insurance proceeds) of the foregoing. The security interest granted under this provision constitutes a purchase money security interest under the Washington state Uniform Commercial Code.

Inspection and Rejection of Nonconforming Products: You agree to inspect the Products within [five] days of receipt ("Inspection Period"). You will be deemed to have accepted the Products unless you notify us in writing of any Nonconforming Products during the Inspection Period and furnish us with such written evidence or other documentation as we reasonably require. "Nonconforming Products" means Products that are materially different from those identified in the product specification sheet. If you timely notify us of any Nonconforming Products, we will, at our option, either (i) replace such Nonconforming Products with conforming Products, or (ii) credit or refund you in the amount of the Purchase Price paid for such Nonconforming Products, together with any reasonable shipping and handling expenses incurred by you in connection therewith. You acknowledge and agree that the foregoing remedies are your exclusive remedies for the delivery of Nonconforming Products. Except as



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set forth in this paragraph, all sales of Products to you are made on a one-way basis and you have no right to return Products purchased under the Agreement to us.

Limited Warranty: We warrant to you that for a period of [thirty days] from the date of shipment of the Products (“Warranty Period”), that such Products will materially conform to the specifications set forth in the product specification sheet. EXCEPT FOR THE FOREGOING WARRANTY, WE MAKE NO WARRANTY WHATSOEVER WITH RESPECT TO THE PRODUCTS, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WHETHER EXPRESS OR IMPLIED BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE, OR OTHERWISE. We will not be liable for a breach of the foregoing warranty unless: (i) you give us written notice of the defective Products reasonably described within [five] days of the time when you discover or ought to have discovered the defect; (ii) if applicable, we are given a reasonable opportunity after receiving the notice of breach of the warranty to examine such Products and, upon our request, you return such Products to us at our place of business at our cost for the examination to take place there; and (iii) we reasonably verify your claim that the Products are defective. We will not be liable for a breach of the foregoing warranty if: (i) you make any further use of such Products after giving such notice; (ii) the defect arises because you failed to follow our oral or written instructions as to the storage or use of the Products (or customary practice with respect to storage and use in the event that no instructions are provided); or (iii) you alter such Products without our prior written consent. With respect to any such Products during the Warranty Period, we will, at our option, either: (i) replace such Products (or the defective part) or (ii) credit or refund the price of such Products. THE FOREGOING REMEDIES SHALL BE YOUR SOLE AND EXCLUSIVE REMEDY AND OUR ENTIRE LIABILITY FOR ANY BREACH OF THE LIMITED WARRANTY PROVIDED HEREUNDER.

Limitation of Liability: IN NO EVENT SHALL WE BE LIABLE TO YOU OR ANY THIRD PARTY FOR ANY LOSS OF USE, REVENUE OR PROFIT, OR FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, OR PUNITIVE DAMAGES WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE AND WHETHER OR NOT SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE. IN NO EVENT SHALL OUR AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, EXCEED THE TOTAL OF THE AMOUNTS PAID TO US FOR THE PRODUCTS SOLD HEREUNDER or \$100,000, WHICHEVER IS LESS.

Waiver: No waiver by us of any of provision of the Agreement is effective unless explicitly set forth in writing and signed by us. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from the Agreement operates, or may be construed, as a waiver thereof. No single or partial exercise of any right, remedy, power or privilege hereunder precludes any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.

Confidential Information: All of our non-public, confidential or proprietary information, including but not limited to, specifications, samples, patterns, designs, equipment, processes, documents, data, business operations, customer lists, pricing, discounts, or rebates, disclosed by us to you, whether orally or in written, electronic or other form or media, and whether or not marked, designated, or otherwise identified as “confidential” in connection with the Agreement is confidential, solely for the use of performing the Agreement and may not be disclosed or copied unless authorized in advance by us in writing. Upon our request, you agree to promptly return all documents and other materials received from us. We will be



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entitled to injunctive relief for any violation of this Section. This Section does not apply to information that is: (a) in the public domain; (b) known to you at the time of disclosure; or (c) rightfully obtained by you on a non-confidential basis from a third-party.

Feedback. Any suggestions, comments, or other feedback provided by you to us in connection with the Products (the “Feedback”) is and will be treated as our Confidential Information. You hereby assign to us all right, title and interest in and to the Feedback, including all intellectual property rights contained therein. We will be free to use, disclose, reproduce, license, distribute and otherwise exploit the Feedback as we, in our sole discretion, deem appropriate, entirely without obligation or restriction of any kind.

Force Majeure: Neither of us will be liable or responsible to the other, nor be deemed to have defaulted under or breached the Agreement, for any failure or delay in fulfilling or performing any term of the Agreement (except for any of your obligations to make payments to us hereunder), when and to the extent such failure or delay is caused by or results from acts beyond the impacted party's (“Impacted Party”) reasonable control, including, without limitation, the following force majeure events (“Force Majeure Event(s)”): (a) acts of God; (b) flood, fire, earthquake, pandemics or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest; (d) government order, law, or actions; (e) embargoes or blockades in effect on or after the date of the Agreement; (f) national or regional emergency; (g) strikes, labor stoppages or slowdowns, or other industrial disturbances; and (h) shortage of adequate power or transportation facilities. The Impacted Party shall give notice within [fifteen] days of the Force Majeure Event to the other party, stating the period of time the occurrence is expected to continue. The Impacted Party shall use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized. The Impacted Party shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause.

Assignment: You agree not to assign any of your rights or delegate any of your obligations under the Agreement without our prior written consent. Any purported assignment or delegation in violation of this Section is null and void. No permitted assignment or delegation relieves you of any of your obligations under the Agreement.

Relationship of the Parties: The relationship between you and us is that of independent contractors. Nothing contained in the Agreement will be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between us, and neither of us will have authority to contract for or bind the other part in any manner whatsoever.

No Third-Party Beneficiaries: The Agreement is for the sole benefit of you and us and our respective successors and permitted assigns and nothing herein, express or implied, is intended to or will confer upon any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of these Terms or the Agreement.

Severability: If any term or provision of the Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of the Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

Survival: Provisions of these Terms and the Agreement that by their nature should apply beyond their terms will remain in force after any termination or expiration of the Agreement.

Modifications: We may revise these Terms from time to time and the most current version will always be posted on our website. We will notify you of any change at sign in or by some other method (for



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example via email to the email address associated with your account). By continuing to access or use the Product after revisions become effective, you are agreeing to be bound by the revised Terms. The Terms will not be modified in a manner that materially impairs your rights to or the quality of the Products without your prior consent.

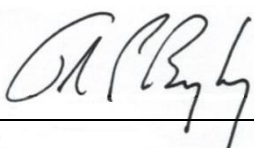
Payments: Payments: Unless otherwise agreed to in writing by Columbia Pulp, payments of invoiced amounts are due in full no later than 30 days from the date printed on the invoice. Remit Check / ACH / Credit Card. 3% processing fee will be added for payments made by credit card.

Remit: 115 E Main St Dayton, WA 99328

ACH: Columbia Pulp I, LLC Routing# 323371076 Checking Acct# 2006041901 Banner Bank

Disputes and Resolution: Both you and we will attempt in good faith to resolve by mutual agreement all disputes arising out of or relating to these Terms and the Agreement. Any dispute that is not resolved with a thirty (30) day period must be submitted to JAMS, or its successor, for mediation (other disputes relating to the protection of our confidential information or rights to use the Feedback, which shall be resolved by judicial action as specified below). If the matter is not resolved through mediation within ninety (90) days after submission, then it will be submitted to JAMS, or its successor, for final and binding arbitration before a single arbitrator. We and you each agree and covenant to participate in the mediation and, if necessary, arbitration in good faith, and to share equally the costs and expenses of the mediator, the arbitrator, and JAMS, as applicable. The provisions of this paragraph may be enforced by any federal and/or state courts located in Columbia County, Washington. The party seeking enforcement, if successful, will be entitled to an award of all costs, fees and expenses, including attorneys' fees, to be paid by the party against whom enforcement is ordered. You and we each irrevocably consent and waive any objection to the exclusive jurisdiction of and venue in the applicable federal and/or state courts located in Columbia County, Washington. All matters arising out of or relating to the Agreement are governed by and construed in accordance with the internal laws of the State of Washington without giving effect to any choice or conflict of law provision or rule (whether of the State of Washington or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than those of the State of Washington.

COLUMBIA PULP I LCC



John Begley, CEO

(Company Name)

(Signature)

(Name & Title)

(Date)