

GP CELLULOSE AMERICA MARKETING, LLC
("GP Cellulose")
TERMS AND CONDITIONS OF SALE

1. **TERMS OF SALE.** These Terms and Conditions of Sale ("Terms") shall apply to all sales of product by GP Cellulose for fluff pulp, market pulp and any other goods or products sold by GP Cellulose ("Product") to buyer ("Buyer"). All purchases by Buyer of Product are expressly limited to and conditioned upon acceptance of these Terms, regardless of whether Buyer purchases Product through any media or means, including but not limited to, phone orders, written purchase orders, electronic orders via EDI, acknowledgements, confirmations, or other writings from Buyer to GP Cellulose (collectively, "Purchase Orders"). Unless expressly agreed to by GP Cellulose in a writing signed by GP Cellulose, any additional or conflicting terms and conditions contained on, attached to or referenced by Buyer's Purchase Orders, or other prior or later communication from Buyer to GP Cellulose, shall have no effect on the purchase of any such Product by Buyer from GP Cellulose and are expressly rejected by GP Cellulose. Buyer's commencement of performance (including ordering, purchasing or taking delivery of Product) shall in all cases constitute Buyer's unqualified and unconditional acceptance of these Terms.

2. **TITLE AND RISK OF LOSS.** Unless otherwise stated in a writing signed by GP Cellulose and Buyer, all Product shall be shipped F.O.B. GP Cellulose's designated shipping point (in accordance with the Delaware Uniform Commercial Code). Unless otherwise stated in a writing signed by GP Cellulose and Buyer, title to Product and risk of loss, damage and contamination of Product passes to Buyer when GP Cellulose places Product with a common carrier at the shipping point and Product shall be deemed "delivered" at such time.

3. **TAXES AND DUTIES.** Unless otherwise agreed in a signed writing between GP Cellulose and Buyer, all Product prices are exclusive of taxes, customs, duties, transportation and insurance.

4. **FURTHER HANDLING AND USE.** GP Cellulose shall not be liable for, and Buyer shall indemnify, defend and hold harmless GP Cellulose, its affiliates and their respective officers, directors, employees, representatives and agents ("Indemnitees") from and against, any and all claims, losses, liabilities, costs and expenses (including attorneys' fees) ("Claims") arising out of or resulting from the handling, use, manufacture, processing, alteration, distribution, sale or marketing of Product, or any other action or inaction with regard to the Product, in each case after the delivery thereof to Buyer, including without limitation, product liability claims, intellectual property claims, and any other liability for injuries, death, losses or damages; provided however, that Buyer shall not be liable to GP Cellulose for damages directly caused by the sole negligence of GP Cellulose. Buyer's obligations under this Section shall survive the termination, cancellation or expiration of all Purchase Orders delivered under these Terms and the cessation of any business transactions between GP Cellulose and Buyer.

5. **DELIVERIES.** (a) If Buyer has not issued instructions as to the method of shipment by the time Product is ready for shipment, GP Cellulose may select any reasonable method of shipment without liability by reason of its selection. The parties will cooperate to the extent reasonable to coordinate periods and times for deliveries hereunder, and Buyer will give reasonable prior notice as to quantities and scheduling desired, provided that all shipping dates are approximate and not guaranteed. GP Cellulose shall not be liable to Buyer for damages or charges resulting from a delay in the delivery of Product. GP Cellulose reserves the right to make partial shipments. Buyer shall unload and return all transportation equipment promptly so that no demurrage or other expense or loss resulting from delay shall be incurred and will comply with all instructions, if any, that GP Cellulose, carrier or its agents may give for return of such equipment.

(b) If and to the extent that Product sold hereunder is to be delivered from any GP Cellulose affiliated facility, such entity shall have the right to require the execution of an access agreement prior to granting Buyer, its carriers, contractors or agents, access to such facility. Buyer agrees that it, and its carriers, contractors and agents, will comply with the facility's safety rules and regulations.

(c) GP Cellulose and its affiliates may reject transports, containers or storage presented for loading/unloading/transfer or handling which, in the facility's sole discretion, would present an unsafe or potentially unsafe situation.

(d) GP Cellulose and its affiliates may refuse to load/unload, transfer or handle any Product under any conditions either deems, in its sole discretion, unsafe, including, but not limited to, conditions caused by drivers, personnel, equipment, procedures, and/or weather conditions.

6. **COMPLIANCE WITH LAW.** (a) "Laws" shall mean all applicable laws, treaties, conventions, directives, statutes, ordinances, rules, regulations, orders, writs, judgments, injunctions or decrees of any governmental authority having jurisdiction pertaining to these Terms.

(a) Buyer will be responsible for compliance with all Laws applicable to Product once the Product has been delivered by GP Cellulose in accordance with this Agreement, including, without limitation, those related to operations, safety, maintenance, equipment, size and capacity, and pollution prevention.

(b) If any license or consent of any government or other authority is required for the acquisition, carriage or use of Product by Buyer, Buyer will obtain the same at its expense, and if necessary, provide evidence of the same to GP Cellulose on request. Failure to do so will entitle GP Cellulose to withhold or delay shipment, but failure to do so will not entitle Buyer to withhold or delay payment of the price therefor.

(c) Except as permitted under U.S. Laws, Product will not be sold, supplied or delivered by the Buyer directly or indirectly to any party or destination that, at the time of such sale, supply or delivery, is declared an embargoed/restricted party or destination by the government of the United States of America or by the United Nations. Within two (2) days after GP Cellulose's request, Buyer will provide GP Cellulose with appropriate documentation to verify the final destination of any Product delivered hereunder.

7. **INSPECTION.** Immediately upon Product receipt, Buyer shall, at its sole cost and expense inspect, test and evaluate the Product to ensure that it is suitable for all of Buyer's purposes and that it has received all required quantities. No later than ten (10) days after Buyer's receipt of Product and before the use, disposition, processing, or other change from the original condition of any part of the Product ("Use" or as a verb "Used"), Buyer shall notify GP Cellulose in writing if Product is found deficient, defective or short in any respect, including all claims pursuant to Section 8. Buyer's failure to give timely written notice to GP Cellulose of any deficiency, defect or shortage within such ten (10) day period shall constitute an unqualified acceptance of the Product and a waiver by Buyer of all claims with respect thereto.

8. **WEIGHT AND MOISTURE** Unless otherwise stated in a signed writing between GP Cellulose and Buyer, the symbol "ADMT" (whether or not capitalized) shall mean "air dry weight metric tons," and the word "ton" or "tons" shall mean 1,000 kilograms air dry weight. The term "air dry" shall mean ninety percent (90%) bone dry fiber and 10% moisture. The actual moisture content of the Product may be less than or exceed 10%, in which case the invoice price will be increased or decreased, respectively.

The air dry content shall be communicated by GP Cellulose to Buyer by a Certificate of Analysis or similar written communication ("COA"). If Buyer disputes the air-dry content of the COA, Buyer shall have the Product tested in accordance with the standards of the Technical Association of the Pulp and Paper Industry (the "Association"). Buyer shall provide GP Cellulose with Buyer's complete set of test results and analysis, which shall include gross weight, air dry percent, air dry weight and amount tested. No adjustment shall be due Buyer if Buyer's test results differ from the COA by one percent (1%) or less. If Buyer's test results differ from the COA by more than one percent (1%), then the Product that is the subject of Buyer's claim shall be retested by GP Cellulose in accordance with the standards of the Association. Retesting shall be conducted within fifteen (15) days of receiving Buyer's results. Buyer shall ensure that no less than one half (1/2) of the Product shipment in dispute is available for retest. If the difference in net weight between the COA and retest does not exceed one percent (1%), there shall be no adjustment to the invoice price. If the difference in net weight between the COA and retest exceeds one percent (1%), the invoice price shall be adjusted and restated in accordance with the difference, and the parties shall settle the difference by payment (by Buyer to GP Cellulose) or by credit or refund (by GP Cellulose to Buyer), as applicable. Retest results shall be binding upon both Buyer and Seller, and all expenses incident to the retest shall be paid by the liable party. Buyer shall make timely and full payment for all invoices when due without deduction or offset for unresolved claims. This Section 8 provides the parties' sole and exclusive remedy for resolving all claims in any way relating to Product moisture/air-dry content.

9. **LIMITED WARRANTY.** GP Cellulose warrants only, at the time of delivery, that: (i) Product shall conform to the specification agreed in writing by GP Cellulose and Buyer, or if no written agreement as to specification, GP Cellulose's then current specifications for the specific Product sold hereunder; and (ii) GP Cellulose will deliver good title to the Product and that the Product shall be delivered free of liens or encumbrances. Buyer, having the expertise and knowledge in the intended Use of Product sold hereunder and any Use or other product or material made therefrom, assumes all risk and liability for results obtained by the Use of Product, whether Used singly or in combination with other substances or in any process. EXCEPT AS SET FORTH IN THIS SECTION, GP CELLULOSE SPECIFICALLY DISCLAIMS ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, WHETHER ARISING BY OPERATION OF LAW OR OTHERWISE, INCLUDING WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS OF THE PRODUCT FOR A PARTICULAR PURPOSE, CONDITION OR QUALITY OF THE PRODUCT, ANY TRADE USAGE OR DEALING. ANY DETERMINATION OF THE SUITABILITY OF THE PRODUCT FOR THE USE CONTEMPLATED BY BUYER IS BUYER'S SOLE RESPONSIBILITY.

10. **LIMITATION OF LIABILITY AND LIMITED REMEDIES.** NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, IN NO EVENT WILL GP CELLULOSE BE LIABLE TO BUYER FOR ANY LOST OR PROSPECTIVE PROFITS, INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, EXEMPLARY OR PUNITIVE DAMAGES, INCLUDING, WITHOUT LIMITATION, LOST EARNINGS, LOST PROFITS OR BUSINESS INTERRUPTION, WHETHER OR NOT BASED UPON GP CELLULOSE'S NEGLIGENCE, BREACH OF WARRANTY, STRICT LIABILITY, IN TORT OR ANY OTHER CAUSE OF ACTION. FOR THE SAKE OF CLARITY, THE PRECEDING SENTENCE INCLUDES THOSE INCIDENTAL AND CONSEQUENTIAL DAMAGES REFERENCED IN §2-715 OF THE DELAWARE UCC. With the exception of the remedies specified in Section 8 relating to Product moisture/air-dry content, Buyer's exclusive remedy vis-à-vis GP Cellulose or any cause of action under the Agreement, including for failure to deliver or late delivery, is, at GP Cellulose's option limited to (i) replacement of the non-conforming Product; or (ii) refund to Buyer of the portion of the purchase price attributable to such non-conforming Product. In no event shall GP Cellulose's cumulative liability exceed the price of Product sold which was the direct cause of the alleged loss, damage or injury. IN ANY EVENT, BUYER AGREES THAT THE RETURN OF THE FULL SALES PRICE FOR THAT PRODUCT SOLD WHICH WAS THE CAUSE OF THE ALLEGED LOSS, DAMAGE OR INJURY WILL PREVENT THE FOREGOING REMEDIES FROM FAILING OF THEIR ESSENTIAL PURPOSE, AND THAT SUCH REMEDY IS FAIR AND ADEQUATE.

11. **PAYMENT TERMS/CREDIT.** (a) Buyer shall pay all invoices, without deduction, in US currency upon receipt, unless the GP Cellulose and Buyer have otherwise mutually agreed in writing to alternative payment terms. Buyer shall pay interest at a rate of one and a half percent (1½%) per month compounded monthly (19.6% per annum), or the maximum rate allowed by Law, whichever is less, on the outstanding amount of any unpaid invoice beginning on the day after the payment due date. If the payment due date is a Saturday, Sunday or holiday where banks located in New York, New York are authorized or required to be closed, Buyer shall make such payment on the business day after such due date.

(b) GP Cellulose makes no assurance or guarantee regarding any amount of credit or the continuation of such credit to Buyer. If GP Cellulose, in its sole discretion, provides Buyer with a line of credit to facilitate purchases of Product from GP Cellulose, such credit line may be amended, decreased or terminated at any time at GP Cellulose's sole discretion.

(c) If GP Cellulose determines, in its sole discretion, that the creditworthiness or future performance of Buyer is impaired or unsatisfactory, GP Cellulose may in addition to its other rights and remedies (i) suspend deliveries of Product, (ii) require prepayment by wire transfer of immediately available funds at least three (3) days prior to a scheduled shipment of Product, and/or (iii) require Performance Assurance prior to a scheduled Product shipment. Buyer hereby waives written notice of any such action. "Performance Assurance" means collateral in the form of either cash, letter(s) of credit, guaranty, or other security acceptable to GP Cellulose in its sole discretion.

(d) GP Cellulose reserves the right, at any time, to Set-off against any amount that GP Cellulose and/or its affiliates owe to Buyer and/or its affiliates under any agreement(s) between such parties. "Set-off" means set-off, offset, combination of accounts, netting of dollar amounts of monetary obligations, right of retention or withholding or similar action exercised by GP Cellulose.

12. **DEFAULT.** Upon the occurrence of any of the following events: (i) the failure by Buyer to provide payment when due, and such failure shall remain uncured for a period of five (5) days; (ii) the failure of Buyer to perform any other required obligation and such failure is not excused or cured within ten (10) days after written notice thereof; or (iii) the occurrence of a Bankruptcy Event, then GP Cellulose, in its sole discretion and without prior notice to Buyer, may do any one or more of the following: (a) suspend its performance; (b) cancel any Purchase Orders or other sales agreed between Buyer and GP Cellulose, whereby any and all obligations of Buyer, including payments or deliveries due, will, at the option of GP Cellulose, become immediately due and payable or deliverable, as applicable; and/or (c) Set-off against any amount that GP Cellulose and its affiliates owes to Buyer and its affiliates under any agreement between such parties. If GP Cellulose suspends performance and withholds Product delivery as permitted above, GP Cellulose may sell the Product to a third party and deduct from the proceeds of such sale the purchase price and all reasonable costs resulting from Buyer's default as identified above, including, without limitation, all costs associated with the transportation (including demurrage and other vessel or shipping related charges), storage, and sale of the Product. The foregoing rights, which shall include, but not be limited to, specific performance, shall be cumulative and alternative and in addition to any other rights or remedies to which GP Cellulose may be entitled including at Law or in equity. In addition, GP Cellulose shall be entitled to recover from Buyer all court costs, attorneys' fees and expenses incurred by GP Cellulose in connection with Buyer's default, and interest on past due amounts at the rate specified in Section 11. hereof. "Bankruptcy Event" means the occurrence of any of the

following events with respect to Buyer or any Performance Assurance provider for Buyer: (i) filing of a petition or otherwise commencing, authorizing or acquiescing in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar Law; (ii) making of an assignment or any general arrangement for the benefit of creditors; (iii) having a bankruptcy petition filed against it and such petition is not withdrawn or dismissed within thirty (30) days after such filing; (iv) otherwise becoming bankrupt or insolvent (however evidenced); (v) having a liquidator, administrator, custodian, receiver, trustee, conservator or similar official appointed with respect to it or any substantial portion of its property or assets; or (vi) being generally unable to pay its debts as they fall due.

13. **PATENT INFRINGEMENT ARISING FROM PRODUCT USE.** Buyer expressly assumes the risk of and agrees, to the fullest extent permitted by Law, to indemnify, defend, and hold the Indemnitees harmless from and against any and all Claims for patent infringement by reason of Buyer's Use of Product provided hereunder, whether Used singly or in combination with other product or material, or in the operation of any process.

14. **EXCUSED PERFORMANCE.** (a) *Force Majeure.* The parties will be excused from their respective performances hereunder (except Buyer's payment obligations) if performance is prevented or delayed by any acts of God, fire, explosion, flood, unusually severe or abnormal weather, riots or other civil disturbances, wars, acts of terrorism, actions of governments, voluntary or involuntary compliance with any Law or request of any governmental authority, strikes, lockouts or other labor difficulties, failure of usual sources of raw materials or other sources of supply, failure of computer systems to operate properly, destruction or loss of electronic records or data, failure of mechanical or chemical function or equipment normally used by GP Cellulose for manufacturing, handling or delivering of Product, or internally produced intermediates used in manufacture of any of the Product, plant shutdowns, any necessity to not operate, or to reduce operation of, equipment in order to protect the safety of people or to protect the environment, or any circumstances beyond the reasonable control of the party seeking excuse from performance ("*force majeure*"). Promptly after a party determines a *force majeure* condition exists, that party will notify the other of the circumstances and consequences claimed and will use reasonable means to remove the cause(s) in question. Neither party will be obligated to settle any demands of, or disputes with, laborers; nor will Buyer be excused from paying monies due or complying with GP Cellulose's credit terms. GP Cellulose may apportion any reduced quantity of Product among itself and its customers and affiliates at its sole discretion. Under no circumstances will GP Cellulose be obligated to obtain Product for delivery hereunder other than from its designated source(s) of supply, or if none is so designated by GP Cellulose, from its usual, customary and/or most recent source(s) of supply.

15. **CONFIDENTIALITY.** Buyer shall treat as confidential all information supplied by GP Cellulose, and not in the public domain, in connection with the Agreement, including, but not limited to: price, commercial terms, Force Majeure allocations, specifications, and other technical, business or sales data, or statements of work (collectively referred to as the "Confidential Information"). Buyer shall (i) limit use of aforementioned Confidential Information only to the performance of the Agreement, and (ii) limit the disclosure of the Confidential Information to those of its employees necessary for the performance of the Agreement, unless prior written consent has been granted by GP Cellulose to permit other use or disclosure. Buyer shall, upon request or upon expiration, termination or cancellation of the Agreement, promptly return all documents previously supplied, destroy any and all copies that were reproduced, and send written confirmation to GP Cellulose certifying such destruction.

16. **TRADEMARKS.** Except as may be contained in a separate trademark license, the sale of Product (even if accompanied by documents using a trademark or trade name) does not convey a license, express or implied, to use any trademark or trade name and Buyer shall not use a trademark or trade name of GP Cellulose or its affiliates including Georgia-Pacific Corporation in connection with the Product.

17. **SUCCESSOR AND ASSIGNS.** Buyer may not assign any interest in, nor delegate any obligation under these Terms, by operation of Law or otherwise, without GP Cellulose's prior written consent. Any assignment or attempted assignment in contravention of the foregoing shall be null and void, and shall permit GP Cellulose, in addition to any other rights that it may have, to terminate all Purchase Orders.

18. **GOVERNING LAW/VENUE FOR DISPUTES.** The validity, performance, construction, and effect and all matters arising out of or relating to the Agreement shall be interpreted in accordance with the Laws of the State of Delaware, without regard to its conflicts of law rules. The United Nations Convention on Contracts for the International Sale of Goods or any subsequently enacted treaty or convention shall not apply or govern the Agreement or the performance thereof or any aspect of any dispute arising therefrom. Any action or proceeding between Buyer and GP Cellulose relating to the Agreement shall be commenced and maintained exclusively in the state or federal courts in Wilmington, Delaware, and Buyer submits itself unconditionally and irrevocably to the personal jurisdiction of such courts. BUYER AND GP CELLULOSE EACH WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION, CLAIM OR PROCEEDING RELATING TO THE AGREEMENT.

19. **AMENDMENT.** All technical advice, services and recommendations by GP Cellulose and its affiliates are intended for use by persons having skill and know-how, and are accepted by Buyer at its own risk and neither GP Cellulose nor its affiliates assume responsibility for results obtained or damages incurred from their use. No statements or agreements, oral or written, not contained herein or in a future amendment hereto executed by both parties will vary or modify the terms hereof. Neither party shall claim any amendment, modification or release of any provisions hereof unless the same is in writing and such writing: (i) specifically refers to these Terms; (ii) specifically identifies the term amended; and (iii) is signed by duly authorized representatives of GP Cellulose and Buyer.

20. **NOTICES.** All notices, consents, communications or transmittals under the Agreement shall be in writing and shall be deemed received on the day of delivery if delivered by hand, by nationally recognized overnight courier or delivery service, or by facsimile (with written confirmation of the completed transmittal); or within three (3) business days if mailed by United States mail as certified or registered mail with return receipt, postage prepaid, addressed to the party to whom such notice is given at the address of such party.

21. **INDEPENDENT CONTRACTORS.** GP Cellulose and Buyer are independent contractors only and are not partners, master/servant, principal/agent or involved herein as parties to any other similar legal relationship with respect to the transactions contemplated hereunder or otherwise, and no fiduciary, trust or advisor relationship, nor any other relationship, imposing vicarious liability shall exist between the parties.

22. **BENEFICIARIES.** These Terms are solely for the benefit of GP Cellulose and its affiliates, the Indemnitees and Buyer and shall not be deemed to confer upon or give to any other party any right, claim, cause of action or interest herein.

23. **MISCELLANEOUS.** These Terms supersede any terms and conditions of previous dates, and if there is a conflict between these Terms and the specific provisions contained in a signed writing between GP Cellulose and Buyer, the specific provisions contained in the signed writing shall control. The captions and section headings set forth in these Terms are for convenience only and shall not be used in defining or construing any of the terms and conditions herein. Waiver by either party of any breach of the terms and conditions contained herein will not be construed as a waiver of any other or continuing

breach. The invalidity or unenforceability of any provision hereunder shall not affect the validity or enforceability of its other provisions. No course of dealing, course of performance, or usage of trade shall be considered in the interpretation or enforcement of these terms.

[END OF TERMS]