

EXHIBIT B
TO NORTH PACIFIC PAPER COMPANY LLC SUPPLY AGREEMENT

GENERAL TERMS OF SALE (DOMESTIC)

The terms of sale set forth below are made part of, and are incorporated into, the Supply Agreement to which this Exhibit B is attached (this "Agreement").

1. WARRANTY AND LIMITATIONS. Seller warrants that at the time of arrival at the delivery point specified in the applicable Shipping Term and/or Incoterm, the Goods will: (a) conform with the specifications published by Seller; and (b) be free of all liens and encumbrances of title. If Buyer gives written notice to Seller of any failure of Goods to conform with the specifications within ninety (90) days after the Goods reach the delivery point, and if such failure is established under procedures customary in the industry or otherwise established to Seller's satisfaction, then at Seller's sole option it will either make an allowance for such Goods, refund to Buyer the purchase price for the Goods, or replace it with Goods meeting the foregoing warranty. THE FOREGOING WARRANTY IS BUYER'S SOLE REMEDY FOR NON-CONFORMING GOODS UNDER THIS AGREEMENT. NO OTHER WARRANTIES EXTEND TO THE GOODS BEYOND THE FOREGOING AND ALL OTHER WARRANTIES (WHETHER WRITTEN, ORAL OR IMPLIED), INCLUDING WARRANTY OF MERCHANTABILITY AND WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, ARE EXPRESSLY DISCLAIMED. IN NO EVENT WILL: (i) SELLER BE LIABLE FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE, OR ENHANCED DAMAGES, LOST PROFITS OR REVENUES OR DIMINUTION IN VALUE, ARISING OUT OF, OR RELATING TO, OR IN CONNECTION WITH ANY BREACH OF THIS AGREEMENT, REGARDLESS OF (A) WHETHER SUCH DAMAGES WERE FORESEEABLE, (B) WHETHER SELLER WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND (C) THE LEGAL OR EQUITABLE THEORY UPON WHICH THE CLAIM IS BASED; AND (ii) SELLER'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT OR ANY GOODS SOLD UNDER 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 SELLER FOR THE GOODS THAT ARE AT ISSUE. NEITHER PARTY WILL BE RESPONSIBLE FOR THE ACTS OR OMISSIONS OF CARRIERS. ANY LEGAL ACTION AGAINST A PARTY FOR BREACH OF THIS AGREEMENT MUST BE INSTITUTED WITHIN ONE YEAR AFTER DELIVERY.

2. TITLE AND RISK OF LOSS. Unless Seller specifies otherwise in writing, title and risk of loss for all Goods pass from Seller to Buyer at Seller's dock upon placing the Goods ready for shipment.

3. QUANTITY, ORDERS AND SHIPMENT. Buyer must furnish Seller by the fifteenth (15th) day of each calendar month advice as to quantity of Goods to be supplied during the succeeding month. The basis weight of the Goods must be designated in Buyer's purchase order. In the absence of such information, Seller may ship in accordance with information last received. Seller's obligation to fulfill Buyer's purchase order is conditioned upon Seller's written acknowledgement and quantities shipped by Seller within 5% of the basis weight specified will constitute fulfillment of such obligation. Widths and diameters of Goods ordered must be within the reasonable manufacturing limits and availability of Seller's active production equipment and will not be less than 11" in width and 38" in diameter. If Buyer requests expedited shipping, Buyer will pay the expedited freight charges unless the expedited shipping is due to Seller's late shipment, in which case Seller will pay such charges except in cases of excusable delays.

4. NO ADDITIONAL OR CONFLICTING TERMS; NOTICE; WAIVER. The terms set forth in this Agreement will supersede and cancel any and all previous understandings, contracts and agreements, oral or written, which were in effect between the Parties with respect to the sale of the Goods, and Seller expressly rejects any other terms. No additional or conflicting terms contained in any request for quote or proposal, purchase order or other document will be effective unless they are set forth in a writing that is signed by any authorized representative of both Parties and that expressly amends the terms of this Agreement. Other than routine communications, which will likely be made by telephone and in-person meetings, all notices must be in writing and will be deemed complete upon personal service, delivery by a nationally recognized overnight courier, by certified mail with return receipt, or delivery by electronic mail with confirmation of receipt, at the notice address or email address set forth in the first paragraph of this Agreement, or as a Party may otherwise specify to the other. No right of a Party will be deemed to have been waived by its failure to exercise any right in any prior instance or instances.

5. EXCUSED NON-PERFORMANCE (FORCE MAJEURE). Seller will not be liable for any failure of or delay in performing under this Agreement that arises from any matter beyond its control, including without limitation: (a) equipment failure or repairs, other than routine maintenance; (b) supply shortages; (c) acts of God such as flood, fire, earthquake, explosion, or pandemic; (d) war, invasion, hostilities, terrorist threats or acts, riot, or other civil unrest; (e) governmental order, law or action; (f) embargoes or blockades; (g) national or regional emergency; (h) strikes or labor stoppages or slowdowns; and (i) shortage of adequate power or transportation facilities.

6. TERMS OF PAYMENT; NO SETOFF. Unless Seller specifies otherwise in writing, the terms of payment are net cash in United States dollars thirty (30) days after the date of invoice, subject to continued compliance with Seller's normal credit standards. Buyer will pay Seller a late payment charge of 1.75 percent per month (or the maximum amount allowed by law, if lower) on the unpaid balance of all past due accounts. Seller may at any time curtail or suspend any credit it previously extended to Buyer when in Seller's sole opinion the financial condition of Buyer warrants such change

or upon Buyer's breach of this Agreement. Buyer shall reimburse Seller for all costs incurred in collecting any late payments, including, without limitation, attorneys' fees. Buyer shall have no right, under this Agreement, any other agreement or law, to withhold, offset, recoup or debit any amounts owed (or to become due and owing) to Seller, whether under this Agreement or otherwise, against any other amount owed (or to become due and owing) to it by Seller, whether relating to Seller's breach or non-performance of this Agreement or any other agreement between the Parties, or otherwise.

7. ORDERS. Buyer must review all order confirmation details and advise Seller promptly if Buyer finds any discrepancy with its order(s). All confirmed quantities and ship dates are estimates and may vary upon shipment. Seller may in its sole discretion change or cancel any order, at any time and without liability to Seller, by providing notice to Buyer.

8. SECURITY INTEREST. As collateral security for the payment of the purchase price of Goods delivered pursuant to this Agreement, Buyer grants to Seller a lien on and security interest in and to all of the right, title and interest of Buyer in, to and under such Goods, 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 Uniform Commercial Code.

9. INDEMNIFICATION. Buyer shall indemnify, defend and hold harmless Seller and its officers, managers, employees, agents, successors and assigns (collectively, "Indemnified Party") against all losses, damages, liabilities, claims, actions, judgments, settlements, costs or expenses, including without limitation reasonable attorneys' fees and fees and the costs of enforcing any right under this Agreement, incurred by Indemnified Party that relates to, arises out of or results from any claim of a third party or Seller arising out of or occurring in connection with the Goods purchased from Seller, or Buyer's negligence, willful misconduct or breach of this Agreement.

10. TERMINATION; SURVIVAL. Either Party may terminate this Agreement, or any order, acknowledgement or shipment, if the other Party defaults in its obligations under this Agreement or any order, and fails to cure the default within thirty (30) days after written notice of the default by the non-defaulting Party; provided, however, that no notice or opportunity to cure will apply to Buyer's obligation to pay invoices when due. This Agreement, and any order, acknowledgement and shipment will terminate immediately and automatically if either Party files a voluntary petition in bankruptcy, or enters into an arrangement with its creditors, or applies for consents to the appointment, or suffers or permits the entry of an order adjudicating it to be bankrupt or insolvent. Sections 1, 2, 6, 8, 9, and each other provision of this Agreement that expressly or by its nature provides for rights, obligations or remedies that extend beyond the expiration or earlier termination of this Agreement, will survive and continue in full force and effect after this Agreement expires or is earlier terminated.

11. TAXES. All taxes or other charges of any nature (other than taxes imposed on the gross or net income of Seller), imposed by any United States, state or local government authority, which become payable by reason of the sale, delivery and/or use of Goods hereunder will be deemed for Buyer's account, and Seller may either bill the same to Buyer separately, or add the same to the price of Goods shipped hereunder. Seller will notify Buyer in writing of the nature of any such tax or charge and of the law imposing same.

12. GOVERNING LAW; FORUM; WAIVER OF JURY TRIAL. The law of the State of Washington, including the Washington Uniform Commercial Code, will govern all aspects of this Agreement including its validity, interpretation, performance, operation and enforcement, without reference to conflict of law principles. The United Nations Convention on Contracts for the International Sale of Goods will not apply to this Agreement or transactions hereunder. The Parties irrevocably consent to the jurisdiction of the state and federal courts located in Vancouver, Washington, USA, in connection with all actions arising out of or in connection with this Agreement, and waives any objections that venue is an inconvenient forum. Neither Party will initiate any action against the other Party that arises out of or in connection with this Agreement in any other jurisdiction, provided that a final judgment in any such action or proceeding will be conclusive and may be enforced in any other jurisdiction by suit on the judgment or in any other manner provided by law. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY THAT MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.