

HORIZON PAPER CO., INC.
GENERAL TERMS OF SALE

1. GENERAL WARRANTY AND LIMITATIONS. Seller warrants that goods supplied pursuant to this order acknowledgement are of merchantable quality and conform to the specifications incorporated in this order acknowledgement. Should any goods sold hereunder be found not to meet the foregoing warranty, Seller will furnish a replacement product conforming to this warranty, or, at its election, make a fair allowance, therefore. However, written notice of any claim under this warranty must be given to Seller within 30 days after delivery, and Buyer must afford Seller and/or Seller's authorized agents a reasonable opportunity to inspect the products in unaltered condition and evaluate the claim in accordance with procedures customary in the industry.

THERE ARE NO WARRANTIES WHICH EXIST BEYOND THE FOREGOING, AND SELLER'S SOLE RESPONSIBILITY THEREUNDER IS AS STATED. SELLER SHALL NOT BE LIABLE FOR CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, OR FOR ANY AMOUNT IN EXCESS OF THE PRICE FOR THE GOODS INVOLVED, UNDER THE FORE-GOING WARRANTY OR ANY OTHER PART OF THIS AGREEMENT. ANY LEGAL ACTION AGAINST SELLER FOR BREACH OF WARRANTY MUST BE INSTITUTED WITHIN ONE YEAR AFTER DELIVERY.

2. TIME AND PLACE OF SHIPMENT. Shipments are FOB mill. Advance information as to date of shipment is an approximation only, based upon Seller's best judgment at the time. All orders are taken subject to strikes or lockouts, breakdown of the mills, interruption or detention of transportation or any other contingency beyond our control.

3. QUANTITY AND QUALITY TOLERANCES. Shall be in accordance with recognized industry standards.

4. TITLE AND RISK. Irrespective of any provision concerning freight or price, title shall pass to Buyer when product ships from the mill and risk of loss or damage shall pass to Buyer upon delivery of goods to any carrier at the mill or other shipping point. Seller reserves the right to route all shipments and may assist Buyer in processing claims against carriers without incurring liability, therefore.

5. LATE PAYMENT CHARGE. A late payment charge of 1 1/2% per month (18% per annum) or the maximum lawful rate, whichever is greater, will be made on the unpaid balance on all past due accounts. Buyer also agrees to pay reasonable attorney's fees and other costs incurred at collection.

6. GOVERNING LAW. This agreement shall be deemed to have been made in New York, New York and shall be interpreted and the parties' rights and liabilities hereunder determined in accordance with the laws of the State of New York. The parties hereto consent to the jurisdiction of the courts of the State of New York.

7. ENTIRE AGREEMENT. This order acknowledgement constitutes the entire agreement between the parties, and cannot be modified or rescinded except in writing signed by both parties or their authorized agents.