

Terms and Conditions

Except as otherwise provided on the face hereof, the parties agree to the following provisions:

Acceptance and Modification. The purchase order ("Order") can be accepted only upon the provisions expressed herein and may not be modified, amended or waived except in writing by Buyer's duly authorized representative. Buyer hereby objects to any additional or different terms or conditions, whether or not material, contained in any acknowledgement or confirmation of this Order. Seller may accept this Order by acknowledging or confirming it, commencing performance or other means manifesting assent to be bound.

Compliance With Law. Seller shall comply with all applicable statutes, rules and regulations of Federal, State and local governments. All goods supplied and services performed hereunder shall be in compliance with all requirements of the Fair Labor Standards Act of 1938, as amended, and Seller shall so state on each invoice.

Equal Opportunity. Unless exempted therefrom, Seller shall comply with the following orders, rules and regulations and any other applicable equal opportunity requirements, all of which are hereby incorporated by this reference: Section 202 of Executive Order 11246; the affirmative action clauses for the handicapped (41 C.F.R. 60-741.4) and for veterans (41 C.F.R. 60-250.4); the clauses requiring utilization of minority businesses (41 C.F.R. 1-1.1310-2), small businesses (32 C.F.R. 7-104.14 and 41 C.F.R. 1-1.710-3) and female-owned businesses (Executive Order 12138).

Delivery. Unless otherwise expressly agreed in writing by Buyer, the terms of delivery of goods or performance of services hereunder must be in strict conformity with this Order, and time shall be of the essence as regards such delivery and performance.

Force Majeure. Delay in performance or failure to perform hereunder shall be excused to the extent caused by act of God, labor trouble, fire, act of governmental authority, failure of transportation or supplies, accident, of any other cause beyond the control of the party claiming such excuse and not the result of its failure to exercise due diligence. The party claiming such excuse shall give written notice to the other party within ten days after occurrence of the event giving rise to the claim and shall give in such notice its best estimate of the expected delay period.

Warranty. Seller expressly warrants with respect to all goods supplied hereunder that good and marketable title, free and clear of all liens and encumbrances, is transferred to Buyer and that the goods are first quality, conform to all applicable specifications and samples and are free from all defects in design, material and workmanship. Seller expressly warrants with respect to all services performed hereunder that performance is good and workmanlike in accordance with sound generally accepted practices, involves no unreasonable risk of injury or damage, conforms to all applicable specifications and is without fault and free from all material defects, errors and omissions. In the event of failure to comply with any express or implied warranty by any goods supplied hereunder within a period of eighteen months after delivery or twelve months after acceptance, whichever period expires first, or by any services performed hereunder within a period of one year after final completion, Buyer may give Seller prompt notice thereof, and Seller shall, at its sole expense, promptly repair or replace all noncomplying goods and effect all necessary corrective work. Buyer may accept or reject any tender or performance hereunder which does not comply with all express and implied warranties. Buyer may, in any event, hold Seller liable for all damages (and Buyer's defense costs and legal fees) resulting either from any noncompliance with any of said warranties or from Seller's negligence, strict liability or other fault. However, Seller shall not be liable to the extent that such damages are proximately caused solely by Buyer's negligence or willful misconduct.

Patents. Seller warrants that neither the goods supplied hereunder nor the use to which same are to be put (according to Buyer's stated purpose set forth herein or such uses as are inherent in the goods) infringes on any patent or trade secret of any third party. Seller shall indemnify Buyer against liability and all costs and attorney's fees incurred in defending any claim based upon the infringement of

any such patent or trade secret. Buyer shall provide Seller prompt notice of any suit against Buyer based on such claim of infringement and shall permit Seller, at Seller's option and sole expense, to take over Buyer's defense of such suit. If Buyer should be enjoined or interfered with in the use of any goods supplied hereunder, Seller shall, at its option and sole expense, promptly either furnish Buyer a paid-up license to continue using such goods or furnish and install replacement goods satisfactory to Buyer.

Information. Seller, on behalf of itself, its employees and agents, agrees that any ideas, concepts or information concerning Buyer, its operations, processes or products of which Seller becomes aware in connection with the Order (collectively "Information") shall be kept in confidence by Seller and shall be neither disclosed nor used except as in necessary for proper performance of this Order, unless and until any such Information shall otherwise become available to the public or its disclosure or use by Seller is authorized by Buyer in writing. Seller may disclose Information to third parties to the extent required for proper performance of this Order, but only under the same obligations relating to ownership, disclosure and use undertaken by Seller herein. All Information which Seller creates through or in connection with performance of this Order, if this Order specifically includes creative or developmental tasks, and all Information which Seller acquires shall be and remain the property of Buyer and shall be made available to Buyer at all reasonable times, and Seller shall communicate with Buyer, promptly and without request, all Information pertinent to this Order as performance progresses.

Safety. If the goods supplied hereunder or the services performed hereunder involve any risk of injury or death to persons or damage to property, Seller shall provide Buyer with a written description of the nature and extent of such risk, including a description of any precautions which should be taken to minimize risk. Seller warrants that all chemical substances constituting or contained in the good supplied hereunder are included in the list of chemical substances compiled and published by the Environmental Protection Agency pursuant to the inventory reporting regulations of the Toxic Substances Control Act. Seller shall provide Material Safety Data Sheets to Buyer in accordance with 29 C.F.R. Section 1910.1200, and all goods supplied hereunder shall comply with the Occupational Safety and Health Act of 1970, as amended, and regulations thereunder, and comparable state and local regulations.

Termination. Buyer may terminate this Order at any time and without cause, in accordance with this paragraph, by giving written notice to Seller. In such event, Buyer shall pay to Seller, upon presentation of property supported and itemized invoices, all reasonable actual costs and expenses incurred by Seller prior to termination, which costs shall include allocable overhead, the cost of any material supplied hereunder, and the cost of purchased materials and components applicable hereto, including such termination charges as may be contractually imposed on Seller by Seller's suppliers or subcontractors; provided that Seller shall use all reasonable efforts to minimize or offset such costs, including without limitation making beneficial use of the goods or any part thereof, with Buyer's prior written consent, and not charging Buyer therefore. To the sum of the foregoing costs there shall be added an amount equal to fifteen percent, and Seller acknowledges that payment of the sum thus arrived at shall constitute performance by Buyer. In no event shall the amount payable hereunder exceed provable damages directly resulting and caused by Buyer's termination. Termination under this paragraph shall not affect any other right Buyer may have.

Assignment. Seller may neither assign this Order or any part hereof, nor delegate performance hereunder without Buyer's prior written consent, and any attempted assignment or delegation without such consent shall be null and void.

Governing Law. The laws (except as to choice of law) of the state of Buyer's location to which goods are supplied or at which services are performed hereunder shall govern all matters relating to this Order.

On-Site Work Addendum. IF THIS ORDER INVOLVES PERFORMANCE OF WORK ON BUYER'S PREMISES, THE "ON-SITE WORK ADDENDUM TO DUNN PAPER, INC. PURCHASE ORDER" IS A PART OF THIS ORDER AND IS HEREBY INCORPORATED HEREIN BY REFERENCE.