



TERMS AND CONDITIONS OF SALE

These Terms and Conditions of Sale (these "Terms and Conditions") shall apply to each transaction in which Verso Paper Corp. or one of its affiliates ("Verso") sells one or more products (the "Products") to a person or entity (the "Buyer") pursuant to an order acknowledgment issued by Verso to Buyer (the "Acknowledgment") (each such transaction, a "Transaction").

If, in addition to an Acknowledgment, the Transaction is the subject of a separate written contract between Verso and Buyer (the "Primary Contract"), the Transaction shall be governed by the terms and conditions of the Primary Contract, which shall apply in lieu of these Terms and Conditions unless they are expressly incorporated by reference into and supplement the Primary Contract. If these Terms and Conditions are so incorporated, the term "Transaction" shall refer to all sales and purchases of Products occurring under the Primary Contract as a whole.

1. Invoices and Payment. Verso shall invoice Buyer for the prices at which the Products are sold and purchased hereunder (the "Prices") upon shipment. Buyer shall pay Verso's invoices as follows:
 - (a) For coated paper and uncoated printing paper Products, Buyer shall pay each invoice within 21 days after the date of the invoice. If Buyer pays an invoice for coated paper or uncoated printing paper Products within 20 days after the date of the invoice, a 1% Price discount (not applicable to freight and other charges) shall be applied.
 - (b) For supercalendared paper Products, Buyer shall pay each invoice within 30 days after the date of the invoice. There is no Price discount for the early payment of an invoice for supercalendared paper Products.

Buyer shall pay Verso's invoices in accordance with their terms to the location specified by Verso. A service charge equal to the lesser of 1.5% per month (18% per year) or the highest permissible rate under applicable law shall be assessed on any invoiced amount that is not paid when due.

2. Additional Charges. In addition to the Prices, Verso may invoice and Buyer shall pay the amounts of any tax, assessment or other charge imposed by any governmental authority with respect to the manufacture, sale, transportation, delivery and/or use of the Products and any appropriate freight, fuel and other charges.
3. Creditworthiness. If Buyer's financial condition, its payment history or prospects, or any other indicator of Buyer's ability or willingness to pay Verso's invoices in full when due becomes unsatisfactory to Verso at any time and for any reason, Verso may require Buyer to pay its invoices in advance or to provide adequate security on

subsequent shipments of Products without impairing the obligation of Buyer to take and pay for the quantities of Products ordered.

4. Force Majeure. If Verso or Buyer is unable to perform its contractual obligations, in whole or in part, as a result of an act of God, fire, storm, flood, war, terrorism, civil unrest, protest, authorization of law, governmental action, labor shortage, strike or disturbance, elimination or curtailment of electric power, inability to obtain material, equipment or transportation, accident, or any other cause or condition beyond its reasonable control (each a "Force Majeure"), the quantities of Products affected by the Force Majeure may be eliminated from the Transaction at the discretion of the party affected without any liability, but the Transaction otherwise shall remain unaffected. During any period when Verso is unable to perform its contractual obligations by reason of a Force Majeure, Verso shall have the right to allocate its available supply of products (including the Products) among Buyer and its other customers in any manner that Verso determines to be commercially reasonable and appropriate.
5. Title and Risk. The ownership and legal title to, benefit of possession and control over, and risk of damage to or loss of the Products shall pass from Verso to Buyer upon the delivery of the Products to the carrier at Verso's mill.
6. Warranties. Verso warrants that the Products sold to Buyer will, at the time of shipment from Verso's mill, be of Verso's standard quality. EXCEPT AS SET FORTH IN THE PRECEDING SENTENCE, SELLER SHALL NOT BE BOUND BY ANY EXPRESS OR IMPLIED REPRESENTATION, WARRANTY, PROMISE, GUARANTEE, INDUCEMENT OR OTHER STATEMENT OF ANY KIND OR NATURE REGARDING THE PRODUCTS. SELLER EXPRESSLY DISCLAIMS ANY AND ALL IMPLIED WARRANTIES RELATING TO THE PRODUCTS, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
7. Defective Products. All claims by Buyer relating to defective Products shall be handled by the parties in the manner provided in the Resolution Handbook published on Verso's Web site at <http://www.versopaper.com> (the "Resolution Handbook"). Buyer's exclusive remedy for a defective Product and Verso's sole liability therefor shall be, at Verso's option, the replacement of the defective Product or the payment of an amount not to exceed the Price of the defective Product.
8. Product Delivery. Verso shall deliver the Products F.O.B. Verso's mills to the location or locations set forth in the Transaction Documents.
9. Transportation. Verso reserves the right to select the most cost-effective transportation mode and carriers for shipping the Products. Freight charges shall apply as provided in the Freight Charge Table published on Verso's Web site at <http://www.versopaper.com> (the "Freight Charge Table"). Freight charges indicated in the Acknowledgment shall be subject to change if Buyer changes the destination, grade, basis weight, quantity or ship date of the order acknowledged. Order expediting shall be subject to equipment availability, and Buyer shall be responsible for any additional freight expense. Any advance information as to the shipping or delivery date set forth in the Acknowledgment shall be only an approximation based on Verso's judgment at the time. Verso shall use commercially reasonable efforts to ship the Products so that they are delivered to Buyer's locations within the requested period of delivery dates set forth in the Acknowledgment or, in the event of a delay, as soon as practicable thereafter. Verso shall not be responsible for any detention and demurrage charges arising from or relating to the shipment or delivery of the Products.

10. Products Damaged in Transit. All claims by Buyer relating to Products damaged in transit from Verso's mill or warehouse shall be handled by the parties in the manner provided in the Resolution Handbook.
11. Limitations on Liability. Notwithstanding any statement to the contrary in the Transaction Documents (as defined herein) or elsewhere, (a) Verso's aggregate liability to Buyer and any person or entity claiming through Buyer under any theory of law (including, without limitation, negligence) for any claim arising from or in connection with the Transaction shall not exceed the Price of the Product to which such claim relates, and (b) to the maximum extent permitted by applicable law, in no event shall Verso be liable to Buyer or any person or entity claiming through Buyer under any theory of law (including, without limitation, negligence) for any incidental, consequential or other indirect damages, losses or expenses (including, without limitation, lost business, lost profits or other indirect pecuniary losses) arising from or in connection with the Transaction, even if Verso has been advised of their possible existence, or for any special, exemplary or punitive damages relating thereto.
12. Termination. Verso may terminate the Transaction, by giving at least 10 days prior written notice to Buyer, in the event that Buyer fails to accept delivery of a shipment of Products in accordance with the terms specified in the Transaction Documents, fails to pay any invoice from Verso when it is due, or commits any other material breach of its contractual obligations and does not cure the breach within 15 days after receipt of written notice thereof from Verso. In the event of the termination of the Transaction, Buyer shall pay to Verso the Prices of all Products produced and shipped by Verso prior to the effective date of termination. The termination of the Transaction shall not limit, impair or otherwise affect Verso's right to recover damages from Buyer or to exercise any other legal, contractual or equitable right or remedy available to Verso on account of such breach.
13. Miscellaneous.
 - (a) Related Materials. The Resolution Handbook, the Sales Policy and the Freight Charge Table published on Verso's Web site at <http://www.versopaper.com> (collectively, the "Related Materials") are expressly incorporated by reference into and supplement these Terms and Conditions.
 - (b) Transaction Documents. The rights and obligations of Verso and Buyer with respect to the Transaction shall be as set forth in the Primary Contract (if any), the Acknowledgment, these Terms and Conditions, and the Related Materials (collectively, the "Transaction Documents"). The Transaction Documents are a complete and exclusive statement of the entire agreement between the parties with respect to the Transaction and supersede any and all prior negotiations, promises, understandings, agreements, representations, warranties, and courses of conduct and dealing, whether written or oral, between the parties. No term or condition set forth in any purchase order or other material submitted by Buyer shall apply to the Transaction or be binding on the parties unless the term or condition is expressly set forth in a Transaction Document.
 - (c) Conflicts. In the event of any conflict or inconsistency between a provision of a Transaction Document and a provision of any other Transaction Document, the following order of precedence shall govern the resolution of the conflict or inconsistency: (1) the Primary Contract (if any); (2) the Acknowledgment; (3) these Terms and Conditions; and (4) the Related Materials.

- (d) Amendment. The Transaction Documents may not be amended, supplemented or modified except by a written agreement executed on behalf of all the parties by their authorized representatives. Notwithstanding the foregoing, (1) Verso may notify Buyer in writing of any change in the scheduled ship date set forth in the Acknowledgment, and (2) Verso may make future changes to these Terms and Conditions and the Related Materials at any time without notice, with any such change being binding on the parties from and after its effective date.
- (e) Notices. All notices, consents, waivers and other communications required or permitted under the Transaction Documents shall be in writing and shall be deemed given to a party when (1) delivered by hand or a nationally recognized delivery service, (2) sent by email or facsimile with confirmation of transaction, or (3) sent by certified mail, return receipt requested, and received or rejected by the addressee, in each case to the address, facsimile number or email address of the party set forth in the Primary Contract (if any) or the Acknowledgment or to such other address, facsimile number or email address as the party may designate by written notice previously given to the other party.
- (f) Rights and Remedies. No failure or delay by any party to exercise any right or remedy under the Transaction Documents shall operate as a waiver of such right or remedy. No exercise of any such right or remedy shall preclude any further exercise of such right or remedy or the exercise of any other right or remedy.
- (g) Waiver. No claim or right arising from the Transaction or under the Transaction Documents may be waived by a party unless such waiver is in writing and is signed by the waiving party. No waiver given by a party shall be applicable except in the specific instance for which it is given.
- (h) Assignment; Successors. Buyer may not assign the Transaction Documents or any of its rights and obligations thereunder without the prior consent of Verso. Verso may assign the Transaction Documents and its rights and obligations hereunder, without the consent of Buyer, to an affiliate of Verso, the acquirer of all or substantially all of Verso's assets or of the mill or mills that produce the Products sold and purchased hereunder, or the surviving entity in a merger or consolidation involving Verso.
- (i) Severability. If a court of competent jurisdiction holds that any provision of any Transaction Document is illegal, invalid or unenforceable, then such holding shall not affect the other provisions of the Transaction Document, and such provision shall be modified by the court to the extent necessary, in the court's opinion, to make it fully legal, valid and enforceable while preserving the parties' intent and agreement set forth in the Transaction Document to the fullest extent possible.
- (j) Governing Law. The Transaction Documents shall be governed by, construed under, and enforced in accordance with the laws of the State of Tennessee in effect from time to time without regard to the conflicts-of-laws principles or provisions thereof. Any action, suit or other legal proceeding arising from or based on the Transaction or the Transaction Documents must be brought in a court of competent jurisdiction in Shelby County, Tennessee, and must be instituted within one year after the cause of action has arisen or otherwise will be barred.