

FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT

This FIRST AMENDMENT TO REAL ESTATE PURCHASE AND SALE AGREEMENT (this “**Amendment**”), dated Feb. 19, 2025 (the “**Amendment Effective Date**”), is entered into by and between **Arcadia Paper Mills, LLC**, a State of Oregon limited liability company (“**Purchaser**”), as purchaser, and **The City of St. Helens, Oregon**, an Oregon municipal corporation (“**Seller**”). The Purchaser and Seller are referred to herein as the “**Parties**” and each, individually, as a “**Party**.”

WHEREAS, Purchaser and Seller are parties to that certain Real Estate Purchase and Sale Agreement dated August 30, 2024 (the “**PSA**”), with respect to certain real property described therein, located in St. Helens, Columbia County, Oregon.

WHEREAS, Seller and Buyer desire to amend the Agreement to as hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual promises of the parties as set forth herein, Seller and Buyer hereby agree as follows:

1. **Definitions.** All capitalized terms not defined in this Amendment have the meanings ascribed to them in the Agreement. All references to the “**Agreement**” contained in this Amendment and in the Agreement shall refer to the Agreement as amended by this Amendment.

2. **Legal Description of the Land.** The anticipated “**Approvals Survey**” (as contemplated and defined by Section 2 of the PSA), reflecting the parties’ proposed final configuration of the Land, is attached hereto as **Exhibit A-1**; provided, however, final acceptance of the Approvals Survey is subject to the Purchaser’s and Seller’s approval of the conditions for approval (for the necessary boundary line adjustment), which have not been fully determined by the applicable approving governing body.

3. **Amendment and License.** In consideration of this Amendment and the license (as defined below), as well as the non-refundable of One Hundred Thousand Dollars (\$100,000) paid to Seller by Purchaser on the date hereof, Seller hereby grants to Buyer a license (the “**License**”) to engage in certain activities at the Premises, subject to and upon the terms and conditions set forth in **Exhibit B** attached hereto and made a part hereof (the “**License Rider**”). For purposes of clarification, the aforementioned One Hundred Thousand Dollars (\$100,000) payment to Seller is not applicable against the Purchase Price under the PSA.

4. **Closing Date.** Section 9(a) of the PSA is hereby deleted and replaced with the following:

“The closing of the purchase and sale of the Property pursuant to this Agreement (the “**Closing**,” “**Close**” or “**Closed**”) shall take place through Escrow (as defined below) on or before the earlier to occur of: (i) thirty (30) days after the date that Purchaser has entered into a “**Prospective Purchaser Agreement**” with the Oregon Department of Environmental Quality (the “**PPA**”), or (ii) September 30, 2025. Purchaser agrees to use good faith, commercially reasonable and diligent efforts to procure the PPA in a timely manner.”

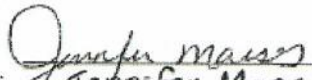
5. **Office Max Indemnity.** The parties hereby agree that the Closing condition set forth in Section 15(b)(ii) is hereby waived by Purchaser. Notwithstanding the waiver of such condition by Purchaser, Seller agrees to continue to use continuous good faith and commercially reasonable efforts to procure an “**Indemnity Agreement**” that allowing Purchaser to directly enforce the Office Max Indemnity (such enforcement right pertaining to the Property only).

All other terms and conditions of the Purchase and Sale Agreement remain as agreed upon. This First Amendment is deemed to be incorporated into the PSA and subject to all other terms and conditions therein.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 1 to the Purchase and Sale Agreement, effective as of the Effective Date defined above.

SELLER:

CITY OF ST. HELENS, OREGON
an Oregon municipal corporation

By: 
Name: Jennifer Massey
Title: Mayor
Date Executed: 2/19/25

PURCHASER

ARCADIA PAPER MILLS, LLC
a State of Oregon limited liability company

By: 
Name: ERIC OVANESSIONIAN
Title: COO
Date Executed: 2-10-25

Exhibit A-1
Approvals Survey

[See Attachment]

Exhibit A-2

Conditions to Approval of Land Configuration

[See Attachment]

Exhibit B

License to Enter the Premises

1. License; Licensed Premises. The “**Premises**” subject to the License and the terms of this License Rider consists of: (i) the real property contained within the boundaries of the Approvals Survey attached to this Amendment as “**Exhibit A**” (the “**Land**”), (ii) all buildings and other improvements, if any, located thereon, and (iii) all equipment, machinery, and other personal property currently located at the Land and used in connection with the operation of the mill buildings located upon the Land.

2. Purpose of this License. The Parties acknowledge and agree that the purpose of this License is to allow Purchaser: (i) to continue pursuing the Prospective Purchaser Agreement (“**PPA**”) with the State of Oregon Department of Environmental Quality; and (ii) to (a) thoroughly and fully test the machinery and equipment located at the Premises fully and (b) to continue to maintain and keep such machinery and equipment operable and to limit the deterioration. Consistent with the foregoing sentence, Seller requires Purchaser, and Purchaser accepts the obligation (and to bear the related costs) to test, maintain, operate, and commission the equipment and machinery on the Premises to preserve the value and to minimize deterioration of such equipment and machinery.

3. Term. The term of the License (the “**Term**”) shall begin on the date of full execution of the Amendment (the “**Commencement Date**”), and shall end on the earliest to occur of: (i) the Closing Date, (ii) the date the PSA is terminated in accordance with its terms by either Party, or (iii) Seller’s termination of this License following a default by Purchaser beyond all applicable notice and cure periods, as provided in Section 12 below (the “**Expiration Date**”).

4. Possession and Use.

(a) Purchaser hereby accepts the Premises in “**as is, where is**” condition. Purchaser acknowledges that it has inspected the Premises, that it is satisfied with the condition of the Premises, and that Seller has not made any representations, express or implied, regarding the Premises. Seller shall have no obligation to perform or pay for any repairs, replacements, improvements or alterations in or to the Premises.

(b) Purchaser shall use the Premises only for the following activities, and no others without Seller’s prior written consent, which may be ~~be~~ withheld or granted in Seller’s reasonable discretion: (i) the repairing, refurbishing, rebuilding, reinstalling, testing, and the commissioning the equipment and machinery located at the Premises; (ii) the maintaining, repairing, refurbishing, rebuilding, reinstalling, testing, and commissioning the structures, access points, and site utilities (such potable and process water, wastewater, and electrical) at the Premises; and (iii) _____ (the “**Permitted Use**”). Purchaser shall obey and comply with all laws, rules, regulations, ordinances, and other legal requirements at all ~~times~~ during the Term. Purchaser shall not cause or permit a nuisance to exist on or about the Premises, and shall at all times maintain the Premises in clean and attractive condition, properly dispose of all trash, refrain from burning anything on or about the Premises, refrain from engaging in any dangerous, illegal or immoral activities on or about the Premises and obey such other reasonable rules that Seller may issue from time to time regarding Purchaser’s use of the Premises.

5. Deposit.

(a) In consideration of this Amendment the License Seller and Purchaser agree that Purchaser will remit to Seller a non-refundable deposit in the amount of One Hundred Thousand Dollars (\$100,000) (“**Deposit**”) on the date hereof (the “**License Fee Commencement Date**”).

6. Repair and Maintenance. Purchaser shall, at its sole cost and expense (and without expectation of reimbursement from Seller if the Closing does not occur pursuant to the PSA), maintain in good condition and repair the entire Premises, including without limitation all buildings and other improvements on the Premises, all machinery and equipment located within the buildings and other improvements, and all roofs, structural elements and exterior walls, landscaping, driveways, parking areas and building systems (including without limitation plumbing, electrical, heating and air conditioning), and otherwise keep and maintain the Premises in good order and repair throughout the Term. Purchaser, at its sole expense, shall make any modifications of the Premises required to comply with applicable legal requirements related to its use of the Premises, including without limitation the Americans with Disabilities Act.

7. Alterations. Purchaser shall have no right to make any alterations in or to any portion of the Premises without having first obtained the prior written consent of Seller, which may be withheld or conditioned in Seller’s sole discretion.

Any alterations consented to by Seller (including without limitation all planning and permitting) shall be at Purchaser’s sole expense, shall not reduce the value of the Premises, and shall be performed by Purchaser in a good and workmanlike manner in accordance with all applicable legal requirements and restrictions. In connection with any work by Purchaser in or at the Premises, Purchaser agrees that Purchaser and its employees, agents, contractors and suppliers will obey reasonable rules and regulations established by Seller, work in harmony with Seller and its employees, agents, contractors and suppliers, and not interfere with the use and operation of properties adjacent to the Premises. Purchaser agrees that entry and work in or at the Premises by Purchaser and its employees, agents, contractors and suppliers shall be governed by all of the terms, covenants, conditions and provisions of this License Rider, including without limitation Purchaser’s indemnification agreements and agreements to maintain insurance coverage. In addition to the insurance coverage otherwise required under this License Rider, at all times during work in or at the Premises by Purchaser or its contractors, Purchaser shall maintain or cause to be maintained Builder’s Risk Completed Value fire and extended coverage insurance covering the Premises in form and amounts satisfactory to Seller (with insurance certificate delivered to and approved by Seller in advance of any work, and with Seller named as loss payee). Purchaser further agrees that Seller shall not be liable in any way for injury, loss or damage which may occur to any of Purchaser’s work or installations, or to any personal property, all of which shall be at Purchaser’s sole risk, and Purchaser hereby waives any and all such liability of Seller.

Purchaser shall obtain the prior written approval of Seller of all plans for any work in or at the Premises before commencing work, and shall cause the Premises to be improved in accordance with the plans as approved by Seller. Purchaser or Purchaser’s contractors shall file all required drawings, plans and specifications with, pay all required fees to and obtain all necessary permits and certificates from governmental authorities with jurisdiction over such work. All contractors must be approved in writing by Seller, approval not to be unreasonably withheld, and must maintain insurance coverage as required by Seller. Purchaser shall indemnify, defend and hold harmless Seller, and its agents, employees, successors and assigns, from and against all claims, damages, losses, costs and liabilities of any kind, nature and description (including without limitation reasonable attorneys’ fees and costs) which may arise out of or in any way be connected with any such work.

Purchaser shall keep the Premises free and clear of any lien or claim of lien arising out of any work occurring, or allegedly occurring, by, through or under Purchaser, and shall immediately pay and discharge any such lien or claim of lien that is filed.

8. Utilities and Services.

(a) *Utilities and Services - General.* Except as expressly provided otherwise in this License, Purchaser shall make all arrangements for and pay for all utilities and services to be used by Purchaser in its operations and activities at the Premises, including, without limitation, gas, electricity, water, sewer, janitorial, trash removal and communications services, including without limitation any and all charges for initiation of such utilities and services. Seller agrees to reimburse Purchaser: (i) for up to Twenty Thousand and No/100 Dollars (\$20,000) of electricity costs incurred by Purchaser at the Premises in the month of December 2024, and (ii) for up to Twenty Thousand and No/100 Dollars (\$20,000) of electricity costs incurred by Purchaser at the Premises in the month of January 2025. Such reimbursement shall be tendered within thirty (30) days after receiving evidence of Purchaser's payment of the foregoing costs to be reimbursed.

(b) *Security.* Notwithstanding the foregoing, Seller was responsible for the hiring of, and payment for, security services at the Property through December 31, 2024. Commencing at 12:01 a.m. on January 1, 2025 (the "**Security Turnover Date**"), Purchaser was and thereafter shall be solely responsible for procuring security services at the Property for the remainder of the License Term. If Purchaser elects to use a different security service (or procure a different level of security service than Seller is providing prior to the Security Turnover Date) than the one being used by Seller, the Purchaser must first obtain Seller's approval of such proposed new security service. PURCHASER EXPRESSLY ACKNOWLEDGES THAT ANY SECURITY SERVICES AND/OR PROGRAMS PROCURED BY SELLER OR APPROVED BY SELLER, MAY NOT PREVENT THEFT OR OTHER CRIMINAL ACTS, OR INSURE THE SAFETY OF PERSONS OR PROPERTY, AND PURCHASER EXPRESSLY ASSUMES THE RISK THAT ANY SUCH SECURITY SERVICE OR PROGRAM MAY NOT BE EFFECTIVE.

9. Casualty or Condemnation.

(a) *Casualty.* If the improvements that are part of the Premises are totally or partially damaged or destroyed by fire or other casualty, however caused, or by any other cause or happening, then Purchaser shall promptly give written notice of the damage or destruction to Seller. In such event, the Parties will proceed in accordance with the PSA, and Purchaser may, in its discretion, elect to terminate this License by delivery of written notice of such termination to Seller at any time after the occurrence of such damage or destruction. Upon any such termination, and subject to any conflicting provisions of the PSA with respect to the rights of the Parties to receive insurance proceeds following a casualty event (which such terms shall control in the event of any conflict), Seller shall be entitled to receive all insurance proceeds payable with respect to the Premises (other than any proceeds payable solely with respect to the personal property and trade fixtures of Purchaser).

(b) *Condemnation.* If the whole of the Premises shall be taken for any public or any quasi-public use under any statute or by right of eminent domain, or by purchase in lieu thereof, then, subject to the terms of this License shall automatically terminate as of the date that title shall be taken. If any part of the Premises shall be so taken as to render the remainder thereof unusable for the purposes for which the Premises was leased, then each of Seller and Purchaser shall have the right to terminate this License upon written notice to the other delivered at any time after the date of such taking. In the event that the License shall terminate or be terminated, the Deposit shall be refunded by Seller to Purchaser. If the License is not terminated, the Deposit shall not be reduced or abated. Subject to any conflicting terms in the PSA (which shall control, in the event of any such conflict), all compensation awarded or paid upon a total or partial

taking of the Premises shall belong to and be the property of Seller without any participation by Purchaser;; provided, that nothing contained herein shall be construed to preclude Purchaser from prosecuting a separate claim directly against the condemning authority for moving expenses or loss of business as long as such claim does not diminish or otherwise adversely affect Seller's award.

10. Insurance. Throughout the Term, Purchaser at its sole cost shall maintain the following insurance coverage.

(a) Commercial General Liability Insurance (current ISO form or its equivalent) in the amount of at least One Million and No/100 Dollars (\$1,000,000.00) per occurrence, with a General Aggregate limit per location of at least Two Million and No/100 Dollars (\$2,000,000.00), and Umbrella Liability coverage in the amount of at least Four Million and No/100 Dollars (\$4,000,000.00), or such other amounts as Seller may reasonably require upon not less than six (6) months' prior written notice. Such insurance shall be on an occurrence basis with respect to the business carried on in or from the Premises and Purchaser's use and occupancy of the Premises. Purchaser further agrees that such insurance shall contain fire and extended coverage legal liability insurance. Purchaser's insurance shall be primary and noncontributory with regard to the Premises and Purchaser's operations.

(eb) Statutory Workers' Compensation Insurance and Employer's Liability Insurance with minimum limits of at least \$500,000/\$500,000/\$500,000, with waiver of subrogation in favor of Seller (Purchaser hereby waiving any claims against Seller covered by such insurance).

(dc) Business Auto Liability Insurance which insures against bodily injury and property damage claims arising out of the ownership, maintenance or use of "any auto." A minimum of One Million and No/100 Dollars (\$1,000,000) combined single limit shall apply.

Each policy of insurance required to be maintained by Purchaser pursuant to this Section 10 shall: (x) be placed with insurance companies admitted to do business in the state in which the Premises is located and approved by Seller in its reasonable discretion, and (y) contain an endorsement requiring thirty (30) days' written notice from the insurance company to Seller prior to any cancellation or reduction in coverage of the policy. The commercial general liability insurance and business auto liability insurance policies shall each name Seller as additional insured. Prior to the Commencement Date, and annually thereafter (or otherwise upon request of Seller), Purchaser shall deliver to Seller certificates of insurance evidencing the policies of insurance required by this Section 10, together with satisfactory evidence of proof of payment of premiums.

Notwithstanding anything to the contrary: (i) Seller shall not be responsible or liable to Purchaser or its insurers for any loss or damage incurred by Purchaser or with respect to Purchaser's property to the extent covered by insurance required to be obtained and maintained by Purchaser under this License Rider (whether or not such insurance is actually obtained or maintained) or the proceeds of any other insurance maintained by Purchaser, and (ii) Purchaser shall not be responsible or liable to Seller or its insurers for any loss or damage incurred by Seller or with respect to Seller's property to the extent covered by proceeds of insurance maintained by Seller.

11. Indemnity and Waiver. Purchaser shall protect, indemnify, defend and save harmless the Seller from and against any and all claims, demands, liabilities, actions, losses, liens, costs and expenses of any nature whatsoever (including without limitation attorneys' fees) in any manner growing out, related to or arising from: (i) Purchaser's use and occupancy of the Premises, (ii) any injury, death or property damage occurring in or about the Premises, and (iii) any Default, as defined below, under this License Rider by Purchaser. Purchaser hereby releases and waives all claims against Seller, its agents and employees, for

injury (including death) or damage to person, property or business sustained in or about the Premises by Purchaser, its agents or employees.

12. Default. The occurrence of any one of the following shall constitute a default (“**Default**”) by Purchaser:

(a) Purchaser fails to perform, observe, or comply with any of the terms, covenants and obligations set forth in this License Rider other than the obligations set forth in Section 12(a) above, and Purchaser: (i) fails to promptly commence cure of such failure following written notice of such breach from Seller, and (ii) such breach is not cured within thirty (30) days after Seller’s deliver of such written notice to Purchaser;

(b) A petition is filed by or against Purchaser to declare Purchaser bankrupt or seeking a plan of reorganization or arrangement under any Chapter of the Bankruptcy Code, or an assignment is made by Purchaser for the benefit of its creditors, or a receiver or trustee is appointed for Purchaser’s property; or

(c) Purchaser is in default under the PSA beyond all applicable notice and cure periods.

13. Seller’s Remedies. Upon a Default, Seller may exercise any or all of the remedies set forth in this Section 13. These remedies are not exclusive; they are cumulative in addition to any other remedies now or later allowed by law or in equity.

(a) Seller shall have the right to immediately terminate this License. Purchaser shall surrender possession of the Premises to Seller on demand, and Seller shall have the right to enter the Premises without notice to vacate (any right to which is hereby waived by Purchaser) and relet them, using such reasonable force as may be necessary (including without limitation changing any or all locks on the Premises), all without being liable to Purchaser or any other party. No act by Seller other than the giving notice of termination to Purchaser in writing shall terminate the License.

(b) Seller shall have the right to recover from Purchaser all damages ~~as are~~ caused by Purchaser’s Default.

(c) Seller shall have the right (but not the obligation) to cure any Default on behalf and at the expense of Purchaser without further prior notice to Purchaser, and all sums expended or expenses incurred by Seller in performing such shall be deemed to be additional license fee under this License and shall be due and payable upon demand by Seller with interest at the rate provided in Section 4 of this License Rider above.

14. Assignment and Subletting. Except for any assignment expressly permitted pursuant to Section 24 of the PSA, Purchaser shall not sell, assign, pledge or hypothecate the License rights and/or obligations created pursuant to this License Rider or sublet the Premises or any part thereof without the prior written consent of Seller, in Seller’s sole discretion. An assignment shall be considered to include a change in the majority ownership or control of Purchaser, and any change in control of Purchaser without prior written approval from Seller shall be deemed a violation of the foregoing provision unless Seller consents thereto in writing. Consent by Seller to one assignment, subletting or other transfer shall not destroy or operate as a waiver of the prohibitions contained in this Section 14 as to future assignments, subleases or other transfers, and all such later assignments, subleases or transfers shall be made only with Seller’s prior written consent. In the event any assignment or other transfer of Purchaser’s rights and obligations set forth in this License Rider, or subletting of the Premises or any part thereof, is made by Purchaser, whether or not the same is consented to by Seller, Purchaser shall remain liable to Seller for payment of all fees and charges hereunder, and for the faithful performance of all of the other terms and

covenants of this License Rider to the same extent as if the License rights and/or obligations created pursuant to this License Rider had not been assigned, transferred or the Premises sublet.

15. Surrender. Unless Purchaser acquires the Premises at the Closing pursuant to the PSA, then Purchaser shall surrender the Premises to Seller at the expiration of the Term or the earlier termination of the License in as good condition as they were when received, normal wear and tear excepted. Purchaser shall pay Seller Twenty Five Thousand Dollars (\$25,000.00) for each month or a pro rata portion of any month during any period that it holds over in possession of the Premises after the termination of the License or expiration of the Term; provided, that nothing in this Section 15 shall entitle Purchaser to extend or renew the Term, or constitute a waiver by Seller of any re-entry rights of Seller available under this License Rider or by law. Notwithstanding anything to the contrary in this License Rider, if Purchaser fails to surrender the Premises to Seller as required under this License Rider upon the expiration of the Term or earlier termination of the License, such holding over shall immediately constitute a default by Purchaser under this License Rider, and Purchaser agrees to indemnify, defend and hold harmless Seller from and against all claims, actions, damages, liabilities, losses and expenses arising from such holding over, including without limitation claims made by any succeeding Purchaser or real estate broker, losses or damages resulting from the inability to lease or deliver possession of the Premises to any succeeding or prospective Purchaser (including without limitation lost profits and other consequential damages) and attorneys' fees.

All trade fixtures and furnishings installed in the Premises by and at the expense of Purchaser may be removed by Purchaser at any time prior to expiration of the Term or earlier termination of the License; provided, that such removal will not damage the Premises. Purchaser agrees that it will promptly repair any damage caused by such removal. Any such property of Purchaser not so removed before the expiration of the Term or the earlier termination of the License shall, at Seller's option, become the property of Seller, or shall be removed by Purchaser, at Purchaser's expense, on demand. Purchaser's obligations under this Section 15 shall survive the termination of the License or expiration of the Term.

16. Right of Entry. Seller and its authorized representatives shall have the right to enter the Premises at all reasonable times upon reasonable notice (except in emergencies, when notice shall not be required) to inspect the Premises, and to exhibit the Premises to prospective Purchasers during the last six (6) months of the Term.

17. Hazardous Materials.

(a) Purchaser shall not use, generate, manufacture, produce, store, release, discharge or dispose of on, in, at or under the Premises, or transport to or from the Premises, any Hazardous Materials (as defined below), or allow any other person or entity to do so, except for such Hazardous Materials as are typically used in the commercially reasonable operation of the Premises for the Permitted Use. Purchaser shall comply with all local, state and federal laws, ordinances and regulations relating to Hazardous Materials on, in, under or about the Premises.

(b) Purchaser shall promptly notify Seller should Purchaser receive notice of, or otherwise become aware of, any: (a) pending or threatened environmental regulatory action against Purchaser or the Premises; (b) claims made or threatened by any third party relating to any loss or injury resulting from any Hazardous Material; or (c) release or discharge, or threatened release or discharge, of any Hazardous Material in, on, under or about the Premises.

(c) Purchaser agrees to indemnify, defend and hold harmless Seller from and against any and all liabilities, claims, demands, costs and expenses of every kind and nature (including reasonable attorneys' fees) directly or indirectly attributable to Purchaser's failure to comply with this Section 17, including,

without limitation: (a) all consequential damages; and (b) the costs of any required or necessary repair, cleanup or other response action. The indemnity contained in this Section 17 shall survive the termination or expiration of the License.

(d) As used in this Section 17, the term “**Hazardous Materials**” shall mean any substance which is dangerous or harmful or potentially dangerous or harmful to human health or the environment, including but not limited to petroleum products and any substance designated as a “hazardous substance,” “hazardous waste,” “hazardous material,” “toxic substance,” or “pollutant” under any law or regulation.

18. Limitation on Liability. Purchaser shall look solely to the estate and interest of Seller in the Premises for the collection of any judgment requiring the payment of money by Seller for default or breach by Seller under this License Rider.

19. Waiver. The waiver by Seller of any breach of any covenant or obligation in this License rider shall not be a waiver of any other Default concerning the same or any other covenant or agreement herein contained. The receipt and acceptance by Seller of delinquent or partial fees shall not constitute a waiver of that or any other Default.

20. Notice. The terms of Section 31 of the PSA shall control with respect to giving of notice pursuant to the terms of this License Rider.

[End of Exhibit B]