

AMENDMENT
executed by the
BONNEVILLE POWER ADMINISTRATION
and
PORT TOWNSEND PAPER CORPORATION

This AMENDMENT to the Firm Power Sales Agreement (Agreement) is executed by the UNITED STATES OF AMERICA, Department of Energy, acting by and through the BONNEVILLE POWER ADMINISTRATION (BPA) and PORT TOWNSEND PAPER CORPORATION (Port Townsend), a corporation organized under the laws of the State of Washington.

This Amendment No. 2 (Amendment) between BPA and Port Townsend amends the term of the Agreement.

BPA and Port Townsend agree:

1. EFFECTIVE DATE

This Amendment takes effect on _____.

2. AMENDMENT OF AGREEMENT

BPA and Port Townsend amend the Agreement as follows:

(a) The following Section 1.1 (“Initial Term”) shall be deleted and replaced by the following:

“1.1 **Initial Term**

This Agreement becomes effective and binding on the parties as of the date signed by the Parties (Execution Date) and will terminate at 2400 hours on September 30, 2022 (termination date). Firm Power shall be made available by PS for delivery to Port Townsend beginning on June 1, 2011.”

(b) The following Section 1.2 (“Request to Extend Term”) shall be deleted and replaced by the following:

“1.2 **Request to Extend Term**

Port Townsend shall have a recurring option to request that BPA conduct an analysis of Equivalent Benefits to determine if the Agreement can be extended. Port Townsend may submit such request to BPA anytime following September 30, 2020, but in no case can such request be submitted later than four months prior to the then-existing termination date. BPA shall conduct an Equivalent Benefits analysis (or replacement standard determined by BPA), to determine whether BPA may extend the term of the Agreement. If the Equivalent Benefits Test results or replacement standard results demonstrate that service can be provided beyond September 30, 2022, or the then-effective termination date under an extension of this Agreement, BPA may solicit public review and comment on its analysis and reserves in its sole discretion whether to extend the Agreement. If in the exercise of its discretion, BPA determines that it will extend the Agreement, it shall notify Port Townsend of any revisions to the Agreement that must be made to accommodate the extension, and Port Townsend shall notify BPA of its acceptance of the revisions.”

3. SIGNATURES

The Parties have executed this Agreement as of the last date indicated below.

PORT TOWNSEND PAPER CORP.

UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

By _____

By _____

Name _____
(Print/Type)

Name _____
(Print/Type)

Title _____

Title Account Executive

Date _____

Date _____