

DEMOLITION PLAN

THIS DEMOLITION PLAN is an exhibit to that certain Purchase and Sale Agreement (the "PSA") dated January 20, 2005 by and between **GEORGIA-PACIFIC WEST, INC.** and **GEORGIA-PACIFIC CORPORATION** (collectively "Georgia-Pacific") and the **PORT OF BELLINGHAM** (the "Port") for the purchase and sale of property in Bellingham, Washington (the "Property").

1. **The Property**. This Demolition Plan concerns the Property described in the PSA as the "Mill Property" and the "ASB." These definitions, as used in this Demolition Plan, will have the same meaning as defined in the PSA.
2. **Demolition Plan**. This Demolition Plan sets forth the general specifications for the physical removal by Georgia-Pacific, at its own cost, of certain buildings and structures on the Property. This Demolition Plan includes the following exhibits:

Exhibit	Document Name	Description
Exhibit "A"	GP Demolition Area Sheet 1 revised January 4, 2005	This exhibit is a map of the Mill Property. Each building or structure is numbered and depicted.
Exhibit "B"	GP Demolition Area Sheet 2 revised January 4, 2005	This exhibit is a list of all buildings and structures on the Mill Site and the ASB with a designation as to which structures and buildings will be removed by Georgia-Pacific and which structures and buildings will remain.

3. **Demolition Schedule**. Georgia-Pacific shall complete the demolition according to the following schedule:

Building Designation	Vacated By	Demolished By
Square 18	January 31, 2005	Not demolished
Square 50	February 28, 2005	Not demolished
Square 19	April 30, 2005	Not demolished
Square 46 & 48	April 30, 2005	Not demolished
Square 12	July 31, 2005	Not demolished
Circle 22	July 31, 2005	July 31, 2005
Circle 23	July 31, 2005	July 31, 2005
Circle 24	December 31, 2005	December 31, 2005
Square 1	December 31, 2005	Not demolished
Circle 4	December 31, 2005	December 31, 2005
Circle 16 and 28a, b	December 31, 2005	December 31, 2006
Circle 33-34	December 31, 2005	December 31, 2006
Triangle 41	December 31, 2005	December 31, 2006
Circle 32	December 31, 2006	December 31, 2006
Triangle 15	June 30, 2008	Six months after termination of reservation

All other designated structures and buildings outside the Tissue Mill Reservation Area as depicted on Exhibit "A" and listed on Exhibit "B".	January 31, 2005	Prior to December 31, 2006
All designated structures and buildings inside the Tissue Mill Reservation Area as depicted on Exhibit "A" and listed on Exhibit "B".	Upon termination of Reservation or lease	One year after termination of any right of Georgia-Pacific to use or lease the Tissue Mill

4. **Specifications for Demolition.** The demolition specifications include the following:

a. **General Intentions.** The site demolition end point for Georgia-Pacific is that the buildings and structures are demolished and the debris is removed such that (i) the demolition is completed in a manner and within the timeframes established in this Demolition Plan, (ii) the Property is contoured for drainage to the existing storm water system, (iii) the surfaces remaining after demolition are safely filled and free of protrusions and abrupt edges such that the surfaces are capable of being driven upon by a standard pickup truck, (iv) if the equipment is removed, then all the equipment, the exterior electrical, mechanical, and process systems equipment related to the equipment will be removed from the Remaining Buildings in an acceptable manner so as not to damage the buildings, and (v) all demolition debris has been removed and disposed of in accordance with applicable law.

b. **Structures and Equipment.** All holes below the surrounding grade, created by the removal of structures or equipment, shall be filled and contoured with clean imported gravel or clean crushed concrete (see definitions below). "Grade" is defined as the surface immediately adjacent to the structure or equipment that can reasonably be driven upon from the current adjacent surface. Examples include, but are not limited to, the following:

1. Beer well containment area;
2. Export alcohol storage tank; and,
3. Board mill truck pit.

c. **Below Grade Structures.** Specific below grade structures are to be opened, metal and debris removed, and the resulting holes filled and made safe to grade with clean imported gravel or clean crushed concrete. These specified structures and equipment are:

1. Truck/rail chip dump and conveyors; and,
2. Hog fuel storage trench.

d. **Disturbed Adjacent Surfaces.** Any disturbed adjacent surfaces shall be filled with clean imported gravel or clean crushed concrete and restored and graded to meet surface drainage requirements.

e. Holes in Foundations. All holes or openings in the exposed foundations or ground floor slabs of demolished buildings that are below grade shall be filled with clean imported gravel or clean crushed concrete and contoured. Examples of below grade holes are listed as follows, but are not limited to the following:

1. Administration building laboratory basement;
2. Main administration office crawl space and pipe trench;
3. Boiler ash pits under the hog boilers; and,
4. Conduits and piping emerging from the foundation slab or existing ground floor slab of demolished buildings shall be cut at the level of the slab and capped or plugged to be water tight unless utilized as part of the storm water collection system. If piping is part of a storm water collection system, it will be left intact, functional, and safe. A grated sump will be built and connected to the storm water system if required.

f. Brick Reuse. Georgia-Pacific will cooperate with the Port to reasonably segregate old brick for reuse by the Port. The Port shall be responsible, at its own cost, to select, stack, and remove the used brick in such a manner as to not unreasonably interfere with Georgia-Pacific's demolition activities.

5. **Standards for Removal of Equipment from Buildings**. With regard to the buildings that will not be demolished but where Georgia-Pacific will remove equipment, the following specifications shall apply:

a. General Intentions. Georgia-Pacific may be removing equipment from the buildings listed in Exhibit "B" to remain on the Property (the "Remaining Buildings"). Therefore, the equipment will be removed through existing openings, if possible. If removal through existing openings is not possible, then the Port and Georgia-Pacific will agree on a removal plan that allows for the removal of the equipment and provides for the subsequent repair or weatherproofing of the building after removal. When removing the equipment, all of the exterior electrical, mechanical, and process systems equipment related to the equipment will also be removed.

b. Other Exterior Electrical, Mechanical, and Process Systems. The exterior electrical, mechanical, and process systems and related support structures on buildings identified as "Remaining Buildings" may be removed by Georgia-Pacific in accordance with a plan submitted to the Port for prior approval.

c. Conveying Systems, Pedestrian Bridges, and Similar Structures. All conveying systems and pedestrian bridges or similar access structures from side walls of Remaining Buildings shall be removed by Georgia-Pacific. Examples include, but are not limited to, the chip conveyors to the digester building and the sky bridge to the digester building.

d. Specific Equipment. Georgia-Pacific intends to remove the following equipment from the "Remaining Buildings."

1. Bellingham flat brown stock washer;
2. Four (4) rotary pulp screens in the Pulp Screen room (Hooper and Black Clawson);
3. Beloit Pulp pressure washer; and,
4. Four (4) IMPCO pulp vacuum washer drums.

Prior to removing the equipment, Georgia-Pacific shall submit a plan to the Port for approval that will provide for removal without materially affecting those buildings.

6. **Docks, Buildings, and Structures Over Salt Water.** Buildings and structures on piling and over salt water are to be demolished to the surface that is generally recognized as the drivable or walkable level of the current piling structure. The drivable and walkable surface is to remain physically and structurally intact and holes caused by demolition shall be repaired to a safe condition.

7. **Transition Issues.** It is the intention of both parties that the separation and/or use of utilities on the site will be accomplished in the most cost-effective and equitable manner possible for both parties. The Port and Georgia-Pacific will separate the utilities used by the Tissue Mill from the utilities to be demolished and from those utilities needed for the Remaining Buildings and systems to be owned by the Port. Georgia-Pacific will be responsible for the cost of the isolation of utilities to separate the ongoing Tissue Mill operation from the demolition area, including the cost of demolition of the unneeded aboveground utilities outside the Remaining Buildings. The Port will be responsible for the cost to reconnect any needed utilities to the Remaining Buildings and infrastructure on the demolition site. Examples include, but are not limited to, the following:

1. Mill B power supply;
2. Cell house power supply;
3. Other electrical power;
4. Fire water system to remaining buildings;
5. Compressed air;
6. Potable water;
7. Sanitary sewers;
8. Storm water systems; and,
9. Communication systems.

8. **Final Site Contour.** The final site shall be contoured such that the existing storm water system can be maintained during and after execution of the demolition activities. All equipment pads, structural supports, raised curbing, or similar building, structural, or equipment elements above a finished contour elevation shall be removed to the existing finished contour.

9. **Miscellaneous.**

a. **Final Surface Condition.** All surfaces are to be swept clean if they are paved areas or graded smooth if they are non-paved areas. All remaining foundations and all floor slabs of all Remaining Buildings are to be free of debris and left broom clean.

b. **Disposal of Debris.** All debris shall be disposed of in accordance with applicable law in a permitted landfill or recycled on-site as clean crushed concrete used as fill. If other on-site recycling opportunities are identified, then Georgia-Pacific shall submit a plan for approval by the Port. Georgia-Pacific will supply the Port with disposal receipts from the approved landfills or recycle facility.

c. **Hold Harmless and Indemnification.** Georgia-Pacific shall protect, save, and keep the Port forever harmless and indemnified from any damages (including fines or penalties) arising as a result of accidents, injuries, or other occurrences, caused by the negligence or willful conduct of Georgia-Pacific, its employees, contractors or subcontractors on the Property to conduct the demolition activities contemplated herein, regardless of who the injured party may

be. Notwithstanding the foregoing, Georgia-Pacific shall not be responsible for that proportionate share of the damages arising from the negligent or willful conduct of the Port, its employees, contractors or sub-contractors.

d. Environmental Indemnification and Hold Harmless. Except as otherwise expressly provided in the Purchase and Sale Agreement dated January 20, 2005, between Georgia-Pacific as seller and the Port of Bellingham as buyer, after January 20, 2005, Georgia-Pacific shall indemnify and hold the Port harmless from any and all claims, demands, judgments, orders, or damages resulting from hazardous substances discharged onto the Property by Georgia-Pacific, its employees, contractors or sub-contractors in connection with the demolition or disposal activities contemplated herein. The term "hazardous substances," as used herein, shall mean any substance heretofore or hereafter designated as hazardous under the Resource Conservation and Recovery Act, 42 U.S.C. Sec. 6901 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. Sec. 1257 et seq.; the Clean Air Act, 42 U.S.C. Sec. 2001 et seq.; the Comprehensive Environmental Response Compensation and Liability Act of 2080, 42 U.S.C. Sec. 9601 et seq.; or the Hazardous Waste Cleanup-Model Toxics Control Act, RCW 70.105D, all as amended and subject to all regulations promulgated thereunder.

e. Clean Crushed Concrete Reuse Specification. The term "clean crushed concrete" shall mean concrete obtained from the structures and buildings on the Property (i) that does not contain hazardous substances, and (ii) that has been crushed to four inch minus with all debris and rebar removed.

f. Clean Imported Gravel. The term "clean imported gravel" shall mean gravel meeting WSDOT 2004 Standard Specification 9-03.12(1) B including compaction, where practicable, in eight inch maximum lifts to ninety-five percent (95%) maximum density at optimum moisture.

g. Further Cooperation. The Port and Georgia-Pacific shall cooperate with each other to give full effect to this Demolition Plan.