

CONFIDENTIALITY AGREEMENT  
Town of Scotia LLC  
Commercial Holdings & Fortuna Lumber Mill

In connection with a possible purchase (the "Purpose") by \_\_\_\_\_ (the "Company") of that certain property or properties as marketed by Colliers International for commercial or industrial assets located in the Town of Scotia and City of Fortuna (collectively the "Property"), Town of Scotia, LLC and Colliers International (the "Disclosing Party") is prepared to provide the Company with certain Confidential Information (as hereinafter defined). In consideration of the Disclosing Party's furnishing the Company with the Confidential Information and as a condition precedent thereto, the Company hereby agrees, for the benefit of the Disclosing Party and its Representatives (as hereinafter defined), as follows:

1. In connection with the Purpose, it is understood that the Disclosing Party and its Representatives are prepared to furnish the Company with certain oral and written information that is or may be nonpublic, confidential and/or proprietary in nature, which may include, without limitation, contracts, documents, files, appraisals, site plans, reports, operating information, rent rolls, analysis (financial or otherwise) and studies and computer data or files. All such information, as well as the fact that the Disclosing Party is considering the possible sale of the Property and any discussions between the Disclosing Party and the Company or its or their Representatives, shall, except as otherwise permitted hereunder, be kept strictly confidential by the Company; all such information, the fact that the Disclosing Party is considering the possible sale of the Property and discussions are hereinafter referred to, collectively, as the "Confidential Information." The Confidential Information shall be used by the Company and its Representatives solely for the Purpose. Without the prior written consent of the Disclosing Party, the Company will not, nor will it permit its Representatives to, contact any of the Disclosing Party's Representatives, investors, lenders, lessors, tenants or property managers in connection with, or otherwise with respect to, the Property, the Confidential Information or the Purpose. For the purposes hereof, the "Representatives" of each party hereto (each, a "Party"; and collectively, the "Parties") shall mean (i) with respect to the Disclosing Party, its officers, directors, advisors, agents, partners, employees, attorneys, accountants, consultants and third-party professionals who may prepare or provide Confidential Information directly or indirectly to the Company and its Representatives, and (ii) with respect to the Company, its officers, directors, controlling persons, affiliates, members, employees, attorneys and accountants who need to know the Confidential Information for the express purpose of assisting the Company with its evaluation of the Property. The Company may disclose the Confidential Information, on a limited basis, only to those of its Representatives who need access to the Confidential Information for purposes of evaluating the Property on behalf of the Company. The Company shall inform each of its Representatives that receives any of the Confidential Information of the requirements of this agreement and shall require each such party to comply with such requirements. The Company agrees that it will be responsible for any breach of the terms of this agreement by any of the Company's Representatives, and will be responsible to the Disclosing Party for any loss, cost,

expense claim or liability arising from a breach of this agreement by the Company or its Representatives. The Company agrees to notify the Disclosing Party, upon request, as to the identity of any Representatives to whom the Company has or is to provide any Confidential Information.

2. If any person seeks to compel the Company or any of its Representatives to disclose any Confidential Information under compulsion of law (by oral questions, interrogatories, requests for documents subpoena, civil investigative demand or similar process), the Company shall promptly notify the Disclosing Party thereof prior to any such disclosure so that the Disclosing Party may have an opportunity to seek a protective order or other appropriate remedy. The Company agrees to cooperate with the Disclosing Party in any manner which may be reasonably requested by the Disclosing Party in order to seek any such protective order or other appropriate remedy.
3. The Company (on behalf of itself and its Representatives) acknowledges that remedies at law may be inadequate to protect the Disclosing Party against a breach of this agreement by the Company or its Representatives. The Company therefore agrees that in the event that the Company or its Representatives breach the terms of this agreement, Disclosing Party shall be entitled to equitable relief (in addition to the any other rights and remedies otherwise available to the Disclosing Party) without proof of actual damages or any obligation to post a bond or other security therefor. The Company hereby agrees to indemnify and hold harmless the Disclosing Party and its affiliates, representatives, successors and assigns against and from any damage, claims, loss, liability or expense, including attorney's fees, arising out of any breach of any of the terms of this agreement.
4. The Company agrees not to provide, communicate, or disclose to any third party other than the Company's Representatives as provided for herein, directly or indirectly, the Confidential Information, except as required by judicial process as provided in Section 2 above, without in each instance the prior written consent of the Disclosing Party, which consent may be withheld in its sole discretion, and then only after such third party executes a confidentiality agreement in favor of the Disclosing Party substantially in the form of this agreement.
5. The Company agrees that, promptly upon the Disclosing Party's request, the Company and its Representatives shall surrender to the Disclosing Party the Confidential Information and all derivatives thereof. The Company acknowledges that all such items are the exclusive property of the Disclosing Party and agrees to (i) return all Confidential Information and its derivatives in tangible form within five (5) business days after written request therefor, such request given at any time at the sole option of the Disclosing Party and (ii) erase any copies of any of the foregoing recorded on any electronic media or optical device. Such return of Confidential Information and all derivatives thereof, and the erasing of any copies of the foregoing recorded on any electronic media or optical device, shall, upon the written request of the Disclosing Party, be certified in writing to the Disclosing Party by the Company. The Company agrees that, notwithstanding the return or

destruction of any Confidential Information, it will continue to be bound by the terms of this agreement.

6. The Company further acknowledges and agrees that: (a) neither the disclosure of the Confidential Information by the Disclosing Parties nor any conversations between any of the Disclosing Party or its Representatives, on the one hand, and the Company, or any of its respective Representatives, on the other hand, shall in any manner create any liability or obligation on the part of the Disclosing Party or any of its Representatives; (b) the Disclosing Party makes no representation or warranty to Company as to the accuracy or completeness of the Confidential Information; and (c) the Disclosing Party shall have no liability to Company or any of its Representatives resulting from the use of or reliance on the Confidential Information.
7. This agreement contains the entire agreement by the Company concerning the confidentiality of the Confidential Information and shall be enforceable by the Disclosing Party in accordance with the terms hereof. No modification of the obligations of the Company set forth herein or waiver of the terms and conditions hereof shall be permitted or binding upon the Disclosing Party, unless approved in writing by the Disclosing Party, which writing shall refer specifically to this agreement.
8. The illegality, invalidity or unenforceability of any provision of this agreement under the laws of any jurisdiction shall not affect its legality, validity or enforceability under the laws of any other jurisdiction, nor the legality, validity or enforceability of any other provision.
9. This agreement shall be governed and construed in accordance with the laws of the state in which the Property is located applicable to agreements made and to be performed within such state without regard to principles of conflicts of law. In the event of any dispute related to this agreement, the Parties shall and hereby do waive any right to trial by jury in connection therewith.
10. The Company acknowledges Colliers International of Sacramento as representative of Disclosing Party, all subsequent requests for information or offers to purchase must therefore be directed to Kyle Mickiewicz of Colliers International as there are no other outside brokers involved in any future sales transaction as it pertains to the Property.

**[SIGNATURE PAGE FOLLOWS]**

IN WITNESS WHEREOF, the undersigned has caused this agreement to be executed and delivered on this \_\_\_\_ day of \_\_\_\_\_, 2017.

**PROSPECTIVE BUYER:**

By: \_\_\_\_\_

Name (Print): \_\_\_\_\_

Company Name: \_\_\_\_\_

Title: \_\_\_\_\_

City, State: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

**PROCURING AGENT:**

By: \_\_\_\_\_

Name (Print): \_\_\_\_\_

Company Name: \_\_\_\_\_

Title: \_\_\_\_\_

City, State: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_