

## **PRODUCT PURCHASE TERMS AND CONDITIONS**

**1. Application.** These Product Purchase Terms and Conditions (these “Terms and Conditions”) will apply to all transactions by and between Buyer and Seller (each as defined in the relevant purchase order) under all purchase orders to which these Terms and Conditions are incorporated by reference pursuant to which Buyer purchases lumber (“Product”) from Seller and Seller sells lumber to Buyer (each, a “Transaction”). BUYER HEREBY EXPRESSLY OBJECTS TO AND REJECTS ALL TERMS AND CONDITIONS IN SELLER’S ACKNOWLEDGEMENT, INVOICE OR OTHER DOCUMENT FROM SELLER WHICH CONFLICT WITH OR ARE IN ADDITION TO THESE TERMS, AND NO SUCH TERMS OR CONDITIONS SHALL BE BINDING UPON BUYER UNLESS EXPRESSLY ACCEPTED IN WRITING BY AN OFFICER OF BUYER.

**2. Quality/Specifications; Inspection.** All Product shall be bright clean stock produced under normal industry standards. All Product shall contain a grade stamp and mill number and meet or exceed the standards of the National Lumber Grades Authority, the Canadian Lumber Standards Accreditation Board, the Canadian Wood Council and the American Lumber Standard Committee for the relevant grade of Product. All Product shall be received subject to Buyer’s inspection and rejection for non-conformance. Rejected goods will be held at Seller’s risk for a reasonable time and will be returned or disposed of according to Seller’s instructions and at Seller’s expense. The net proceeds of any such dispositions will be credited to Seller’s account. Payment by Buyer for goods purchased hereunder shall not constitute an acceptance thereof.

**3. Delivery.** Product will be delivered to or at the destination set forth in the relevant purchase order in railcars or trucks as specified in the purchase order. Deliveries shall be made in quantities and at times mutually agreed to by the parties, provided, however, that Seller agrees to use best efforts to meet all estimated and scheduled delivery dates required by Buyer in the purchase order. If at any time Seller has reason to believe that deliveries will not be made as scheduled, it shall immediately give Buyer written notice which shall set forth the cause of the anticipated delay. All costs, fees and expenses of transporting the Product to the requested destination including, without limitation, the railroad or truck tariff, loading expenses, track storage charges or fuel surcharges, as applicable, shall be the responsibility of Seller. Buyer shall have the right, upon reasonable notice to Seller, to change the requested destination at any time prior to shipment of the Product by Seller. Seller shall promptly notify Buyer of the change in price due to increased or decreased freight charges to the new requested destination, which change shall be subject to Buyer’s approval.

If delivery is made by railcars or trucks arranged by Seller, Buyer shall endeavor to unload the Product from railcars or trucks, as applicable, at the requested destination based on a schedule mutually agreed upon by Buyer and Seller. Buyer shall be responsible for any actual, documented demurrage or other charges incurred by Seller or its subcontractors at the destination only to the extent that the same are incurred due to delays caused by Buyer or its agents or subcontractors.

**4. Payment.** Unless different payment terms are set forth in the relevant purchase order (in which case such terms will govern), payment of the undisputed invoiced amount shall be made by direct wire transfer to a bank account designated by Seller within 15 days of receipt of a valid invoice by Buyer, and Buyer shall be entitled to a 0.5% discount on the full invoiced amount if such payment is made to Seller within 10 days of receipt of a valid

invoice by Buyer. If a payment is otherwise due on a Saturday, Sunday or bank holiday, the payment shall be due on the following business day.

5. Title Transfer. If delivery is made by railcars or trucks arranged by Seller, title and risk of loss shall pass from Seller to Buyer as the Product is placed at the disposal of Buyer on the arriving means of transportation ready for unloading at the requested destination set forth in the relevant purchase order. If Buyer arranges trucks or railcars, title and risk of loss shall pass from Seller to Buyer as the Product is loaded onto the trucks or railcars arranged by Buyer.

6. Price. Unless Buyer otherwise consents in writing, the price shown in the purchase order is the limit of the liability of Buyer for the Product provided for herein.

7. Taxes and Duties. Seller shall pay and be responsible for all taxes, duties, governmental charges and any other impositions of whatever kind or nature imposed upon the manufacture, handling, transportation or sale of the Product covered hereunder.

8. Default. In the event of a material default in the performance of any duty or obligation of a party hereunder, or in the event either party becomes insolvent before satisfaction of any payment obligation hereunder, then, in any such event, the non-defaulting party may at its option and without limitation, (a) terminate the contract forthwith and without notice, (b) withhold any payment due to the defaulting party hereunder, (c) withhold or refuse any delivery of goods hereunder, or (d) offset and deduct from any payment or delivery of goods due hereunder. Should legal proceedings be instituted in connection with the performance of the contract, all court costs, attorneys' fees, and other expenses incurred by the prevailing party (as determined by a court of competent jurisdiction) incident to such proceedings shall be borne by the other party hereto.

9. Replacements. Should Seller default in whole or in part as to quantity or quality under this contract, Buyer shall have the right to acquire suitable replacement products and charge any loss or damage caused by such default to Seller. If shipment is not made of the goods to be supplied hereunder by the date specified, and deferred shipment has not been approved by Buyer, Buyer shall not be required to accept delivery of such shipments, or Buyer may elect to accept such shipments without prejudice to its rights hereunder.

10. Warranties. The Seller warrants that (a) all Product delivered and all services performed pursuant to this contract shall (i) comply with all federal, state and other laws and regulations applying thereto, and (ii) conform to the specifications, samples or descriptions furnished or specified; (b) all Product delivered will be merchantable; and (c) Seller will convey good and marketable title to all Product sold hereunder and that such goods shall be delivered free from any security interest, lien or encumbrance.

11. Force Majeure. If, because of Force Majeure, a party hereto is unable to carry out any of its obligations hereunder (the "Declaring Party"), then the obligations of the Declaring Party shall be suspended to the extent made necessary by and during such Force Majeure's continuance. "Force Majeure" means any cause(s) not reasonably within the control, and without the fault or negligence, of the party affected thereby, which wholly or partly prevents or interferes with the performance by that party of its obligations. Force Majeure includes, without limitation, the event of war, acts of terrorism or sabotage, fire, flood, strike, labor trouble from whatever cause arising and whether or not the demands of the employees are reasonable and within the party's power to concede, accident, riots, acts of God, compliance with an order or request of any federal, state or local government unit, or any officer,

department, agency, or committee thereof (except to the extent such order or request arises from the failure of the Declaring Party to comply with applicable law) and any other event or contingencies of like or different character beyond the reasonable control of the Declaring Party, that, in each case, interferes with the ability of the Declaring Party to perform its obligations hereunder. Force Majeure shall also include, without limitation, the failure or refusal of Buyer's customer to take delivery. Force Majeure specifically excludes loss or failure of Seller's supply or Seller's ability to sell the Product to a market at a more advantageous price. Notwithstanding the foregoing, the non-availability of financing, lack of funds or change(s) in the financial condition of the Buyer or the Seller shall not be considered Force Majeure. The Declaring Party shall give the other party prompt written notice of such claim with reasonably full particulars concerning it, including its expected duration. The Declaring Party shall not be required to settle strikes, walkouts, or other labor difficulties contrary to its wishes, and the handling of all such difficulties shall be entirely within the discretion of the party concerned. Any goods not received due to a Force Majeure shall be eliminated from the contract; provided, however, that Buyer may in its sole discretion elect to receive such goods in which case the term of the contract shall be extended to the extent necessary to provide for such receipt. If Seller declares Force Majeure, and such Force Majeure lasts for 30 days or more, Buyer may, at its option, cancel the contract without any further liability on the part of Buyer.

12. Assignment. The rights and duties of this agreement are not assignable or transferable by either party without the prior written consent of the other party hereto, which consent shall not be unreasonably withheld.

13. Waiver. Waiver by a party of any breach by the Seller of these Terms and Conditions hereof shall not be construed as a waiver of any other or continuing breach.

14. Indemnification. To the fullest extent permitted by law, Seller hereby agrees to defend, indemnify and hold harmless Buyer, its shareholders, partners, members, managers, directors, officers, employees and agents (collectively, the "Indemnified Parties"), from and against all claims, strict liability claims, demands, causes of action, judgments, liability and associated costs and expenses, including reasonable attorney's fees and expenses, arising from or as a result of any breach of any representation, warranty or covenant by Seller, as well as any acts or omission of Seller or any of its affiliates, successors, contractors, employees or agents that relates, directly or indirectly, to services to be performed by Seller under this contract. The duty of Seller to indemnify the Indemnified Parties as described in the above sentence expressly excludes any gross negligence, fraud, or willful misconduct on the part of any of the Indemnified Parties. Seller's duty of indemnification shall survive the termination of the contract for any reason. In addition, Seller's duty of indemnification hereunder is in addition to any duty of indemnification contained in any other agreement.

15. Limitation on damages. Neither Buyer nor Seller shall be entitled to recover incidental, consequential, special or punitive damages for any losses, costs, expenses, liabilities and damages whether direct or indirect and whether or not resulting from or contributed to by the default or negligence of the other party hereto, its agents, employees, or subcontractors under this contract.. BUYER'S LIABILITY AND SELLER'S EXCLUSIVE REMEDY FOR ANY CAUSE OF ACTION ARISING OUT OF THIS CONTRACT IS EXPRESSLY LIMITED TO A PAYMENT NOT TO EXCEED THE PURCHASE PRICE FOR THE GOODS.

16. Compliance. Each party shall comply fully with all applicable laws and regulations in its performance hereunder. Notwithstanding any other provision of these Terms and Conditions,

neither Buyer nor Seller shall be required to take or refrain from taking any action impermissible or penalized under any applicable laws. Seller represents and warrants that in compliance with the Lacey Act, 16 U.S.C. 3371 et. seq (the "Lacey Act"), all wood, wood fiber, chips, or other plants, plant products or derivatives thereof (collectively, "Plants") comprising all or part of, or an ingredient in, the Product were harvested, taken, possessed, transported and sold in compliance with the laws of the countries in which the Plants were harvested, taken, possessed, transported or sold. For Plants sourced in the United States, such laws include all federal, state and other applicable laws. If requested by Buyer, Seller shall provide Buyer access to such personnel and/or documentation reasonably necessary to confirm compliance with the Lacey Act.

17. Confidentiality. Except as may be agreed to in writing by the other party hereto, or as may be necessary to perform its obligations herein, Buyer and Seller shall each maintain in confidence all information to be disclosed in connection with the contract. Unless disclosure is required by law, in which event the disclosing party shall give the other party hereto prompt notice of such requirement and cooperate in obtaining confidential treatment of same, neither Buyer nor Seller shall disclose such information other than to its employees with a need to know such information in connection with performance hereunder, and such employees shall be advised of the confidential nature of such information.

18. No Third Party Beneficiaries. These Terms and Conditions are solely for the benefit of, and shall inure to the benefit of, Buyer and Seller, and, except for the indemnification provision in Section 14, shall not otherwise be deemed to confer upon or give to any third party any right, claim, cause of action or other interest herein.

19. Governing Law. The terms and provisions hereof, and all matters arising hereunder or in connection herewith, shall be construed in accordance with the laws of the State of Delaware, without application of its conflict of laws rules and without application of the United Nations Convention on Contracts for the International Sale of Goods (1980). Any suit, action claim or proceeding between Buyer and Seller relating to the contract shall be commenced and maintained exclusively in the courts located in and with jurisdiction over Delaware. BUYER AND SELLER EACH WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION, CLAIM OR PROCEEDING RELATING TO THE CONTRACT.

20. Entire Agreement. These Terms and Conditions and the relevant purchase order constitute a complete and exclusive statement of agreement between the parties hereto.

21. Miscellaneous. No usage of trade or prior course of dealing or performance between Buyer and Seller shall be deemed to modify these Terms and Conditions. Any provision hereof which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability but shall not invalidate or render unenforceable such provisions in any other jurisdiction. To the extent permitted by applicable law, the parties hereby waive any provision of law which renders any provision hereof prohibited or unenforceable in any respect. Seller and Buyer are independent contractors only and are not partners, joint ventures, master/servant, principal/agent or involved herein as parties to any other similar legal relationship with respect to the transactions contemplated hereunder or otherwise.