

PRODUCT SALES TERMS AND CONDITIONS

1. Application. These Product Sales Terms and Conditions (these “Terms and Conditions”) will apply to all transactions by and between Buyer and Seller (each as defined in the relevant sales confirmations) under all sales confirmations 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”). SELLER HEREBY EXPRESSLY OBJECTS TO AND REJECTS ALL TERMS AND CONDITIONS IN ANY PURCHASE ORDER OR OTHER DOCUMENT FROM BUYER WHICH CONFLICT WITH OR ARE IN ADDITION TO THESE TERMS AND CONDITIONS, AND NO SUCH TERMS OR CONDITIONS SHALL BE BINDING UPON SELLER UNLESS EXPRESSLY ACCEPTED IN WRITING BY AN OFFICER OF SELLER.

2. Quality/Specifications; Inspection. All Product shall be bright clean stock produced under normal industry standards. All Product shall be received subject to Buyer’s inspection. Buyer’s failure so to inspect shall be deemed a waiver of any right to inspect and shall constitute an unqualified acceptance of such goods. If Buyer has any complaints or objections to the quantity or quality of the goods sold hereunder, Buyer shall notify Seller immediately by telephone and give Seller an opportunity to investigate. Failure to notify Seller of such complaints or objections within a commercially reasonable period from time of delivery shall be a waiver of any defects by Buyer. Properly rejected goods 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.

3. Delivery. Product will be delivered to or at the destination set forth in the relevant sales confirmation in railcars or trucks. Deliveries shall be made in quantities and at times mutually agreed to by the parties.

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 demurrage or other charges incurred by Seller or its subcontractors at the requested destination resulting from delays from the mutually agreed schedule.

4. Payment. Unless different payment terms are set forth in the relevant sales confirmation (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 the date of Seller’s invoice, 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 the date of Seller’s invoice. If a payment is otherwise due on a Saturday, Sunday or bank holiday, the payment shall be due on the immediately preceding business day.

5. Credit Terms. Seller may, from time to time, demand different terms of payment from those referred to in Section 4 hereof whenever it appears to Seller, in its sole discretion, that Buyer’s financial condition requires such a change. Further, Seller may demand assurance of Buyer’s ability to pay whenever to Seller, in its sole discretion, determines that such ability is in doubt. Any such adequate assurance shall be in the form and amount requested by Seller in its sole discretion. Such assurance may, at the option of Seller, include, without limitation, any of the following or any combination of the following: (i) the required posting of a letter of

credit as security for payment and performance (in a format and issued by a commercial bank acceptable to the requesting party); (ii) cash prepayments; or (iii) corporate guarantee. ANY SUCH DEMAND MAY BE IN WRITING OR ORAL AND SELLER MAY, UPON THE MAKING OF SUCH DEMAND, SUSPEND SHIPMENTS HEREUNDER UNTIL WRITTEN ACCEPTANCE OF DIFFERING PAYMENT TERMS OR RECEIPT OF ASSURANCE OF FINANCIAL ABILITY IN A FORM ACCEPTABLE TO SELLER, WHICHEVER HAS BEEN REQUESTED, HAS BEEN RECEIVED BY SELLER. If within the period stated in such demand Buyer fails or refuses to agree to such different terms of payment or fails or refuses to give adequate assurance of ability to pay, Seller may, at its option, treat such failure or refusal as a repudiation of the portion of this Agreement which has not been fully performed.

6. 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 sales confirmation. 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.

7. Price. The purchase price for all Product purchased hereunder will be set forth in the sales confirmation(s).

8. Taxes and Duties. Seller shall pay and be responsible for all taxes imposed upon sale of the Product covered under the sales acknowledgment. The amount of any tax, fee, duty, levy or any other charge imposed by any government or agency thereof upon the Products sold hereunder after title and risk of loss to the Product passes from Seller to Buyer shall be borne by Buyer.

9. 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.

10. Warranties. The Seller warrants that all Product delivered pursuant hereto shall (a) conform to the specifications or descriptions furnished or specified; and (b) be conveyed free from any security interest, lien or encumbrance. EXCEPT AS EXPRESSLY SET FORTH HEREIN, SELLER EXPRESSLY DISCLAIMS ANY REPRESENTATIONS OR WARRANTIES, WRITTEN OR ORAL, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY WITH RESPECT TO CONFORMITY TO SAMPLES, MERCHANTABILITY, OR SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE.

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. Notwithstanding the foregoing, the non-availability of financing, lack of funds, change(s) in the financial condition of the Buyer or the Seller, Buyer's ability to buy Product at a lower price or Seller's ability to sell Product at a higher price shall each not be considered a 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 this Agreement. If a party declares Force Majeure, and such Force Majeure lasts for 60 days or more, the non-Declaring Party may, at its option, cancel the agreement without any further liability on the part of either party.

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 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, Buyer hereby agrees to defend, indemnify and hold harmless Seller, 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 Buyer, as well as any acts or omission of Buyer or any of its affiliates, successors, contractors, employees or agents that relates, directly or indirectly, to the performance of Buyer hereunder or use or resale of the Product sold hereunder. The duty of Buyer to indemnify the Indemnified Parties as described in the above sentence expressly excludes any negligence, gross negligence, fraud, or willful misconduct on the part of any of the Indemnified Parties. Buyer's duty of indemnification shall survive the termination of the Contract for any reason. In addition, Buyer'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. SELLER'S LIABILITY AND BUYER'S EXCLUSIVE REMEDY FOR ANY CAUSE OF ACTION ARISING OUT OF THIS CONTRACT IS EXPRESSLY LIMITED TO, AT SELLER'S OPTION, EITHER (i) REPLACEMENT OF NON-CONFORMING

PRODUCT AT THE DELIVERY POINT SPECIFIED IN THE SALES ACKNOWLEDGMENT OR (ii) A PAYMENT NOT TO EXCEED THE PURCHASE PRICE FOR THE PRODUCT.

16. Compliance. Each party shall comply fully with all applicable laws and regulations in its performance of its obligations 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.

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 sales confirmations 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.