

GENERAL TERMS & CONDITIONS OF SALE

1. Upon delivery of the goods to vessel, all obligations of Seller shall cease and terminate, and thereafter the goods are for the account and risk of the Buyer. Tender to the Buyer or his authorized agent of shipping documents, consisting of bill of lading, specifications, invoice, and in the case of C.I.F. sales, a certificate of insurance, shall constitute full and final delivery on the part of the Seller and shall entitle Seller to immediate payment in full for the goods covered by said shipping documents.
 2. In case this sale is on the basis of F.A.S. vessel, the terms and conditions of this agreement shall apply, except that Buyer shall arrange for freight space and insurance and Seller's responsibility ceases on delivery F.O.B. dock or alongside vessel named by Buyer and payment shall be made on presentation of specifications, invoice, and proof of delivery of the goods to the loading place. In the event Buyer fails to take delivery within the agreed time and, if such failure or a request for delayed shipment is not agreed to by the Seller, payment shall immediately become due and the Seller may terminate this contract, but in any event Buyer shall be liable for all damages arising out of the failure to take delivery.
 3. Goods insured by Seller are to be insured under usual TTF English conditions for invoice value plus ten percent (10%) Insurance against other risks, including War Risk, if required and if obtainable, shall be extra for Buyer's account.
 4. Buyer shall establish within 14 days after Seller shall have requested Buyer to do so a confirmed, irrevocable letter of credit in favor of Seller with a Seattle bank sufficient to cover full value C.I.F. or C. & F., or F.A.S., as the case may be, plus 10% in favor of Seller, against which Seller may draw for full invoice value of the sale C.I.F. or C. & F., or F.A.S., as the case may be, plus any additional costs which may be agreed. Expiration date of the letter of credit shall not be earlier than 15 days after final contract shipping date. Delay by buyer in establishing such credit or in establishing any other credit which may have been agreed upon shall extend the time for performance of this contract by Seller to the extent necessary to enable Seller to make delivery by the exercise of reasonable diligence after such credit has been established, or, at Seller's option, the delay may be treated by Seller as a material breach of this contract on the part of the Buyer.
 5. Inspection of the goods is to be made at the manufacturer's works, Buyer, should be elect, may be represented at the time of inspection.
 6. Buyer accepts and agrees to all usual and customary clauses in the bills of lading and such additional clauses and stipulations as may be lawfully be imposed by the carriers as a condition of their accepting the goods for transportation.
 7. In the absence of agreement to the contrary on the face hereof, Seller is entitled to select the route, port of shipment and vessel, with privilege of stopping in transit at any port or ports. If Seller shall select any vessel for the carriage of goods under this contract and declare its name to Buyer, and the said vessel so nominated shall, by causes beyond Seller's control, be delayed beyond her loading date, or be unavailable for or be withdrawn from or refuse to carry out the carriage of the goods for which she was so nominated (whether by reason of cancellation of or reservations in the contract of affreightment or charter party, or by the acts or advices of the owners, master or agents or otherwise howsoever, and whether proper or improper). Seller may, at its option, substitute any other vessel or vessels for any loading date not later than six weeks after the original expected loading date, even though beyond the contract period, or Seller may at its sole option cancel the whole or any part of this contract, but in such latter event Buyer shall have the option, upon giving notice to Seller within one week of receiving Seller's advice of cancellation, to take the goods at the corresponding F.A.S. value, at the customary export loading place of the mill to which the order may have been allocated, or at such other customary export loading place as may be agreed between Seller and Buyer.
 8. Lumber, logs, piling and poles may be stowed on or under deck at Seller's option, unless otherwise agreed on the face hereof.
 9. Shipment may, at Seller's option, be made from time to time by one or more vessels within the time of shipment herein provided for, and, if made by more than one vessel, separate payments shall become due with respect to the quantity shipped by each vessel at the time of each shipment.
 10. In case of orders requiring specific percentages of grades or dimensions. Seller need not maintain those percentages in each parcel or shipment, but may ship the goods as produced or as convenient, but the total of all parcels or shipments comprising the goods delivered pursuant to the said order shall comply therewith as to the said percentages.
 11. This contract shall be deemed separable as to all goods sold hereunder. Buyer shall not refuse to receive any lot or portion of the goods shipped hereunder for failure of any other lot or portion to be shipped or to comply with the contract unless the right to so refuse is expressly reserved on the face hereof.
 12. In the case of lumber or bulk goods, the quantity shipped may, at Seller's option, be ten percent (10%) more or less than the contracted quantity.
 13. The goods are to be exported to the port of destination named herein, and Buyer guarantees that the goods will not be shipped elsewhere and agrees to furnish, if required by Seller, a landing certificate duly signed by the customs authorities at such port of destination certifying that the goods have been landed and entered at that port.
 14. Seller's offers and commitments shall be conditioned upon its ability, after reasonable efforts, to obtain all necessary licenses, priorities or other permits to comply with the laws and regulations in effect at the time of shipment in the country where the goods covered hereby originate.
 15. In case the law of the country of destination requires that the documents be validated at point of shipment, Seller shall prepare the documents and procure validation thereof by the Consul or other proper authority. Buyer, however, must inform Seller as to how the goods are to be declared and the documents prepared, and if Buyer should fail to do so, Seller shall make the declaration and documents according to its best judgement, but will not in any case be responsible for any fines or other charges due to errors or incorrect declarations. All consular fees and charges for validation of documents, stamping bills of lading or other required documents are for the account of Buyer and are not included in Seller's prices, but shall be added as a separate item on the invoice to Buyer.
 16. Seller is not liable for any damages or losses sustained by Buyer as a result of delay in manufacturer, shipment, or delivery occasioned by acts of God, acts or commands of governments, war, civil commotions, destruction or incapacitation of mill or manufacturing plant supplying the goods, fire, earthquake, epidemics, floods, storms, drought, accidents, strikes, lockouts, disputes with workmen, labor disturbances, shortage of labor, shortage of space, cars, fuel or other material, quarantine, delay in transportation or nonarrival at its due date at loading port of any vessel named by Seller, or from any other cause or causes whatsoever, whether similar to the foregoing or not, beyond the control of Seller, or of the mill or producer supplying the goods, and Buyer agrees to accept delayed shipment in whole or in part when occasioned by any of the aforementioned causes, and the existence of such causes of delay shall justify the suspension of manufacture and shall extend the time of performance in whole or in part by Seller to such extent as may be necessary to enable Seller to make shipment by the exercise of reasonable diligence after the causes of delay have been removed. If such causes of delay continue for 30 days or more, Seller may, at its option, cancel this contract in whole or in part.
 17. Except where this contract provides that a certificate of quality or quantity or both shall be final, any dispute arising out of this contract which cannot be settled by direct negotiation shall be referred to three arbitrators, one to be appointed by Seller, one to be appointed by Buyer, and a third to be mutually agreed upon by the two arbitrators so appointed. If, for a period of 30 days after the appointment of the second arbitrator, the two arbitrators appointed by the parties are unable to agree upon a third arbitrator, such third arbitrator shall be appointed by the then presiding judge of the Superior Court of the State of Washington for King County at Seattle, Washington. The decision of the majority of the arbitrators, including the appointment of the expense of the arbitration, shall be final and binding upon the parties hereto. The meetings of the arbitrators shall be held in Seattle, Washington. In the event of one party failing for a period of 15 days after receipt of written or telegraphic notice from the other to appoint an arbitrator, the arbitrator appointed by the other party shall, on the expiration of the said 15-day period, proceed ex parte and issue his award, which shall be accepted by both parties as final and binding. Likewise, if after appointment, any arbitrator shall fail to join with the other arbitrators in carrying on the arbitration proceedings for a period of 30 days after being requested in writing to do so, the other arbitrators may hereupon proceed to arbitrate the controversy and issue their award, which shall be final and binding on both parties.
 18. When this contract provides that a certificate of quality or quantity or both shall be final, then no issue of any dispute arising out of this contract shall be arbitrable. Any and all suits for any and every breach of this agreement may be instituted and maintained in King County Superior Court in Seattle, Washington, or in the United States District Court, Western District of Washington, in Seattle, Washington.
 19. This contract shall be deemed to be executed at Seattle, Washington, and is to be governed by the laws of the State of Washington.
- No claim shall be made in respect of any goods shipped under this contract unless written notice of claim together with reasonable particulars is given to Seller within 21 days from the date of delivery to contract destination. No claim shall be recognized on any item or part item shipped which has been broken into, but otherwise Buyer shall be at liberty to deal with any item or part item on which there is no such claim without prejudice to its right to claim on any intact item or part item. An item or part item shall be considered to be intact if it can be produced in its entirety as delivered. An item shall mean all goods of the same dimension, quality, and description. On any claim for condition, including discoloration. Buyer is at liberty to deal with any portion of the goods on which there is no claim, the claim for condition including discoloration being confined to the quantities which Buyer can produce for inspection. Reasonable particulars shall mean a statement as to whether the claim is for quantity and/or condition together with a statement of the sizes and marks, including mill marks (if any) complained of and an estimate of percentages and of the amount claimed. All such statements are without prejudice and conditional on the facilities for inspecting the goods.
21. The liability of Seller to Buyer (in contract, tort or otherwise) arising out of this contract or the goods supplied thereunder, shall in no case exceed the invoice price of the goods under dispute and under such claim Seller shall not be liable for consequential damages.
 22. The waiver by Seller of any term of this agreement shall not be deemed a waiver of any other term or subsequent breach by Buyer.
 23. This writing is intended by the parties as a final expression of their agreement and as a complete and exclusive statement to the terms thereof. The parties shall not be bound by any agent's or employee's representation, promise, or inducement not set forth in this agreement. No representations, understandings, or agreements have been made or relied upon in the making of this agreement other than those specifically set forth herein. This agreement can only be modified by a writing signed by the parties hereto or their duly authorized agents.