

## GENERAL TERMS & CONDITIONS OF SALE

1. Upon delivery of the goods according to the shipping term specified on the face of this contract, all obligations of Seller shall cease, and thereafter the goods are for the account and risk of Buyer. Tender of shipping documents to Buyer or its authorized agent shall entitle Seller to payment in full for the goods covered by those shipping documents in accordance with the terms stated on the face of this contract.

2. If the shipping term specified on the face of this contract is CPT or CFR, payment shall be made on presentation of ocean bill of lading, specifications, and invoice. If the shipping term specified on the face of this agreement is CIF or CIP, payment shall be made on presentation of ocean bill of lading, specifications, invoice, and certificate of insurance. If the shipping term specified on the face of this agreement is FAS or FCA, Buyer shall arrange for ocean carriage and insurance at Buyer's expense, and payment shall be made on presentation of specifications, invoice, and proof of delivery of the goods to the named port or place of delivery.

3. Goods insured by Seller are to be insured under usual Timber Trade Federation 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. Unless this contract provides for cash payment, Buyer shall immediately establish a confirmed, irrevocable letter of credit in favor of Seller with a bank approved by Seller sufficient to cover full value CIP, CIF, CFR, CPT, FCA, or FAS, as the case may be, plus ten percent (10%), in favor of Seller, against which Seller may draw for full invoice value of the sale CIP, CIF, CFR, CPT, FCA, or FAS, 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 twenty one (21) 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 Buyer.

5. Inspection of the goods is to be made at the mill or producer's works. Buyer, should it 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 imposed by carriers as a condition of their accepting the goods for transportation.

7. In the absence of agreement to the contrary on the face of this contract, Seller is entitled to select 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 her name to Buyer, and the 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 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 (6) 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 (1) week of receiving Seller's advice of cancellation, to take the goods at the corresponding FCA or FAS value, at the customary export loading place of the mill or producer 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, pilings, poles, and containers stowed with any of these cargoes may be stowed on or below deck at Seller's option, unless otherwise agreed on the face of this contract.

9. Shipment may, at Seller's option, be made from time to time by one or more vessels within the time of shipment provided in this contract, and, if made by more than one vessel, separate payments shall become due with respect to the quantity carried 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 this contract shall comply with this contract as to such percentages.

11. This contract shall be deemed separable as to all goods sold under it. Buyer shall not refuse to receive any lot or portion of the goods shipped under this contract for failure of any other lot or portion to be shipped or to comply with the contract unless the right so to refuse is expressly reserved on the face of this contract.

12. The quantity shipped may, at Seller's option, vary not more than ten percent (10%) more or less than the contracted quantity.

13. The goods are to be exported to the port(s) of destination named in this contract. Buyer guarantees that the goods will not be shipped elsewhere and agrees to furnish, if required by Seller, landing certificate(s) duly signed by the customs authorities at such port(s) of destination certifying that the goods have been landed and entered at such port(s).

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 by this contract originate.

15. If the law of the country of destination requires that the documents be validated at point of shipment, Seller shall prepare the documents and procure their validation 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 judgment, 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 manufacture, 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 her 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. 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 production 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 thirty (30) days or more, Seller may, at its option, cancel this contract in whole or in part.

17. On bulk cargoes, Buyer shall be allowed free time for discharge of the carrying vessel at the rate of three thousand five hundred cubic meters (3,500 CBM) for each day of the vessel's laytime. Buyer is responsible for, and shall indemnify and hold Seller harmless against, all additional charges incurred after delivery as provided in the shipping term specified, including without limitation vessel demurrage; container detention, demurrage, damage, and return charges; costs of unlash and discharge; lighterage; terminal and handling charges; wharfage and other dues and taxes charged against cargo; and stevedore damage.

18. 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 (3) 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 thirty (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 apportionment of the expense of the arbitration, shall be final and binding upon the parties to this contract. The meetings of the arbitrators shall be held in Seattle, Washington. In the event of one party's failing for a period of fifteen (15) days after receipt of written notice from the other to appoint an arbitrator, the arbitrator appointed by the other party shall, on the expiration of that 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 thirty (30) days after being requested in writing to do so, the other arbitrators may then proceed to arbitrate the controversy and issue their award, which shall be final and binding on both parties.

19. If this contract provides that a certificate of quality or quantity or both shall be final, no issue of any dispute arising out of this contract shall be arbitrable, and any and all suits arising out of this agreement or its performance may be instituted and maintained only in the Superior Court of the State of Washington for King County at Seattle, Washington, or in the United States District Court for the Western District of Washington, at Seattle, Washington.

20. This contract shall be deemed to be executed at Seattle, Washington, and is to be governed in all respects, except for the meaning of shipping terms, by the laws of the State of Washington. All shipping terms shall have the meaning set out in Incoterms®2010. The substantially prevailing party shall be entitled to its reasonable attorney fees and costs in any arbitration proceeding or suit arising out of this contract.

21. 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 discharge from the carrying vessel. 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 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 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.

22. The liability of Seller to Buyer (in contract, tort, or otherwise) arising out of this contract or the goods supplied under it shall in no case exceed the invoice price of the goods under dispute, and Seller shall not be liable for any indirect, consequential, or special damages whatsoever, including, without limitation, extra expense, loss of profits, loss of use of property, delay, or damages consequential upon loss of use, whether resulting from negligence, breach of this contract, or otherwise, even if the possibility of such damages is or was foreseeable by Seller or Buyer.

23. 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.

24. This writing is intended by the parties as the final expression of their agreement and as the complete and exclusive statement of the terms of this contract. No representations, understandings, or agreements have been made or relied upon in the making of this contract other than those specifically set forth in this contract. This contract can be modified only by a writing signed by the parties or their duly authorized agents.