

CARDIN FOREST PRODUCTS, LLC

TERMS AND CONDITIONS OF SALE

1. APPLICABILITY. These Terms and Conditions of Sale ("**Terms**") apply in respect to the purchase by you ("**Buyer**") from Cardin Forest Products, LLC ("**Cardin**") of any lumber products ("**Products**") which are identified in an accompanying quotation, credit application, proposal, order acknowledgement or invoice ("**Sales Confirmation**"). Buyer accepts these Terms by signing and returning Cardin's quotation, by sending a purchase order in response to the quotation, by submitting instructions to Cardin to ship the Product or by accepting or paying for the Product. No additional or different terms, conditions or warranties other than those identified in the quotation and no agreement or understanding, oral or written, in any way purporting to modify these Terms, whether contained in Buyer's purchase order or shipping release forms, or elsewhere, shall be binding on Cardin unless hereafter made in writing, signed by Cardin's authorized representative, and specifically referencing these Terms and stating that it modifies them. Buyer is hereby notified of Cardin's express rejection of any terms inconsistent with these Terms or to any other terms proposed by Buyer. Neither Cardin's subsequent lack of objection to any terms, nor the delivery of the Products, shall constitute an agreement by Cardin to any such terms. Trade custom, trade usage and past performance are superseded by these Terms and shall not be used to interpret these Terms.

2. CANCELLATION. Buyer's order for the Products cannot be cancelled except upon Cardin's consent in writing and Buyer's payment of all costs incurred by Cardin in connection with such order prior to the date of cancellation.

3. PAYMENT. Except as otherwise agreed between Cardin and Buyer, Buyer shall pay the purchase price for the Products within thirty (30) days from the date of invoice. Title to and risk of loss of the Products passes to Buyer upon delivery to the carrier at Cardin's facility. Regardless of the time or place of such transfer, Cardin shall retain a security interest in the Products in accordance with Section 9, until it receives payment in full for such Products. In the event Buyer fails to pay the total purchase price within said thirty (30) day period, the maximum interest allowed by applicable laws shall be applied to all past due accounts commencing from the due date of the invoice until paid. Cardin shall also be entitled, in addition to all other remedies available at law or in equity, to recover its reasonable attorney's fees, court costs and/or other expenses in collecting the purchase price or otherwise enforcing or successfully defending itself in respect to these Terms.

4. TAXES AND OTHER CHARGES. Any tax, duty, tariff or other government charge upon the production, sale, shipment, transfer, consumption or use of the Products, which Cardin is required to pay or collect from Buyer, shall be paid by Buyer to Cardin unless Buyer furnishes Cardin with exemption certificates acceptable to taxing authorities. Such amount shall be due upon demand whether or not included on the invoice. Additionally, Buyer will be liable and responsible for: (a) all costs associated with Buyer's failure to make timely payment for the Products, (b) unloading costs, including demurrage costs for any waiting time incurred by a carrier or vessel, lighterage and wharfage charges, storage costs or other similar costs associated with Buyer's failure to unload the Products at the "Ship To" address in the Sales Confirmation (the "**Final Destination**") or the port at the "Destination" in the Sale Confirmation for exports outside of North America (the "**Port of Destination**"), and (c) for Products to be exported to countries, all customs clearance and other requirements and taxes payable to have the Products imported into the country where the Final Destination is located. Buyer will indemnify, defend and hold harmless Cardin for any costs and expenses that are Buyer's responsibility under this section.

5. SHIPPING. The shipping date or other applicable performance date(s) are estimated on the basis of immediate receipt by Cardin of all information to be furnished by Buyer in order for Cardin to fulfill the applicable order, and the absence of delays, direct or indirect, resulting from or contributed to by circumstances beyond Cardin's reasonable control. Cardin will in good faith endeavor to ship Products by the estimated date(s). Cardin shall have the right to make partial shipments. All changes in specifications or estimated shipping or performance date by which mutual written agreement of Cardin and Buyer, and where such changes affect Cardin's time or cost performance, an equitable adjustment in estimated shipping/performance date, purchase price, or both, will be made. If no packaging, loading, or bracing requirements are stated, Cardin will comply with minimum specifications for the method of transportation specified. If no method of transportation is specified, shipment will be by a reasonable method of transportation. Cardin is not liable for delays in shipping Products or delivering Products to their Final Destination including delays associated with port congestion, train derailment, container and trucking shortages, and Buyer releases all claims it may have against Cardin with respect to any such delay. Cardin may suspend or delay deliveries at any time pending receipt of assurances satisfactory to Cardin of Buyer's ability to pay any amounts payable to Cardin under the Sales Confirmation or any other agreement between Buyer and Cardin, or if Buyer fails to pay any such amount as and when payable. If Buyer fails to promptly provide such assurance or make any such payment, Cardin may cancel all or a portion of the Sales Confirmation or any other agreement or order without further liability or obligation to Buyer.

6. LUMBER PRODUCT SIZES. Buyer acknowledges and understands that the Product descriptions in any Sales Confirmation, invoice or label, reflect the nominal sizes of Products. The nominal sizes may not reflect the dressed, or actual, sizes of the Products. The Products are manufactured in accordance with applicable grading rules and standards that specify actual sizes at the time of manufacture, corresponding to the nominal sizes and seasoning of the Products.

7. INSPECTION, ACCEPTANCE, REJECTION. Buyer, at its cost, will inspect the Products promptly when they have been delivered to the Final Destination or Port of Destination. Buyer acknowledges that packages of Products may include variations in piece count, grade and species within the tolerances contemplated by applicable grading agencies. Buyer may reject the Products only to the extent that: (a) the Products fail to conform to the: (i) quantity and description in the Sales Confirmation; (ii) nominal sizes on labels affixed to the Products; or (iii) grading specifications; all as established and subject to the tolerances contemplated by the American Lumber Standards Accreditation Bureau or the National Lumber Grades Authority, as applicable and in effect on the date the Products are delivered to Buyer (collectively the "**Specifications**"), and (b) Buyer notifies Cardin in writing of any non-conforming Products within 7 days of delivery of the Products to the Final Destination or Port of Destination. Any Products not timely notified by Buyer as non-conforming, shall be deemed to be accepted by Buyer. Buyer's rejection of any non-conforming Products will not relieve Buyer of its obligation to pay for any other Products or otherwise perform under the Sales Confirmation or these Terms.

8. CALIFORNIA PROPOSITION 65. Buyer is advised that inhalation of wood dust from Products may result in consumer exposure to chemicals known by the State of California to cause cancer and/or birth defects or other reproductive harm. If Buyer is a California retailer or intends to incorporate Products into commerce in California, Buyer will display the following warning. Buyer will provide such warning in accordance with the requirements of California Proposition 65.

⚠ **WARNING:** Drilling, sawing, sanding or machining wood products can expose you to wood dust, a substance known to the State of California to cause cancer. Avoid inhaling

wood dust or use a dust mask or other safeguards for personal protection. For more information go to www.P65Warnings.ca.gov.

⚠ **WARNING:** This product can expose you to chemicals, including 1,4-DIOXANE and ethylene oxide, which are known to the State of California to cause cancer, and ethylene oxide, which is known to the State of California to cause birth defects or other reproductive harm. For more information go to www.P65Warnings.ca.gov.

9. SECURITY INTEREST. As security for the proper and timely payment of any invoice and any other amounts payable by Buyer under the Sales Confirmation or these Terms, Buyer hereby grants to Cardin a security interest in the Products as defined in Article 9 of the Uniform Commercial Code (or any equivalent legislation of the jurisdiction where Buyer is located) (collectively, "**Collateral**"). Buyer acknowledges and agrees that the security interest created hereby constitutes and is intended to create a purchase money security interest in the Collateral. Buyer hereby authorizes Cardin to file any financing statements and other documents that they may consider necessary or advisable and Buyer hereby waives its right to receive a copy of any such documents.

10. LIMITED WARRANTY. Cardin warrants that: (a) it has good title to all Products sold to Buyer under the Agreement, free and clear of all liens or other encumbrances; and that (b) the Products delivered to Buyer under the Agreement will conform to the Specifications. THE WARRANTIES SPECIFIED IN THIS SECTION WILL BE IN LIEU OF ALL OTHER REPRESENTATIONS AND WARRANTIES REGARDING THE PRODUCTS, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR USE. The above warranties run only to Buyer and are not intended to, and do not, run to any subsequent buyer, nor may they be transferred or assigned to any other person.

11. EXCLUSIVE REMEDY FOR REJECTION OF PRODUCTS OR WARRANTY CLAIMS. If all or any portion of the Products delivered to Buyer are properly rejected by Buyer under Section 7, or in the event of a warranty claim, Cardin will, AS THE EXCLUSIVE REMEDY AVAILABLE TO BUYER, do one of the following, in Cardin's sole discretion: (a) replace the applicable portion of the Products; or (b) cancel the Sales Confirmation as it applies to the applicable portion of the Products and refund to Buyer any amounts paid in connection with that such portion of the Products.

12. LIMITATION OF LIABILITY. IN NO EVENT SHALL CARDIN BE LIABLE FOR SPECIAL, INCIDENTAL, INDIRECT, PUNITIVE, OR CONSEQUENTIAL DAMAGES HOWEVER ARISING, INCLUDING SUCH DAMAGES CAUSED BY CARDIN'S NEGLIGENCE, nor shall Cardin's liability on any claims for alleged damages arising out of or in connection with the sale, delivery or use of the Products exceed the purchase price of the Products giving rise to the claim. Cardin shall not be liable for any failure to perform its obligations under these Terms caused directly or indirectly by acts of God, acts of Buyer, acts of civil or military authority, fires, strikes or other labor disputes, accidents, floods, epidemics, war, riot, inability to secure material or transportation facilities, acts or omissions of carriers or any other circumstances beyond Cardin's reasonable control. Users of the Products are solely responsible for inspecting the grade stamp of each piece of Product prior to cutting it, and ensuring the grade of such piece is appropriate for its end use. CARDIN WILL NOT BE LIABLE TO BUYER, ITS CUSTOMERS, USERS OF PRODUCTS, OR ANY OTHER THIRD PARTY FOR ANY INJURY OR DAMAGE TO PERSONS OR PROPERTY (EXCEPT TO THE EXTENT CAUSED BY CARDIN'S WILLFUL MISCONDUCT OR GROSS NEGLIGENCE), OR FOR ANY LOSS OF OR INJURY TO BUSINESS, EARNINGS, PROFITS OR GOODWILL SUFFERED BY ANY PERSON, INCLUDING BUYER AND ITS CUSTOMERS, CAUSED DIRECTLY OR INDIRECTLY BY OR RELATED TO ANY OF THE PRODUCTS SOLD OR DELIVERED PURSUANT TO THESE TERMS OR ANY SALES CONFIRMATION, AND IN NO EVENT WILL CARDIN BE LIABLE FOR ANY CONSEQUENTIAL OR INCIDENTAL DAMAGES SUFFERED BY BUYER, ITS CUSTOMERS OR ANY OTHER THIRD PARTY, EVEN IF CARDIN HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH. Cardin shall have no liability to Buyer under these Terms except as expressly provided herein.

13. INDEMNITY. Buyer will indemnify, defend and hold harmless Cardin and its directors, officers, employees, agents and contractors from and against any and all losses, damages, liabilities, injuries to persons or property, claims, proceedings, judgments and expenses (including legal fees) incurred or sustained directly or indirectly as a result of: (a) any breach by or default of Buyer under any of the provisions of the Agreement (including Section 9); or (b) any act or omission of Buyer or any of its directors, officers, employees, agents and contractors, including: (i) any warranty Buyer makes to any other person with respect to any Products, (ii) Buyer's improper use of any Products, or (iii) the transportation, receipt, handling or storage of any of the Products by Buyer or its agents. The provisions of this Section 13 shall survive the termination of any Sales Confirmation and shall be in addition to any other right or remedy that Cardin may have, whether at law or in equity.

14. EXPORT CONTROL. Buyer understands that Products supplied by Cardin may be subject to the jurisdiction of U.S. export controls and trade sanctions, and Buyer represents and warrants that it will not violate U.S. export related laws with respect to Products supplied by Cardin.

15. GOVERNING LAW; FORUM. Any dispute which may arise from these Terms and for any goods purchased hereunder shall be governed by the laws of the State of Tennessee without regard to rules governing conflict of laws. Any provision hereof prohibited by law shall be ineffective to the extent of such prohibition and without invalidating the remaining provision hereof. Any action to enforce these Terms or any invoice related hereto or any related transaction or any portion thereof shall be instituted exclusively in the federal courts of the United States located in Chattanooga, Tennessee or the states courts of Tennessee located in the city of Chattanooga and County of Hamilton and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action, or proceeding. Service of process, summons, notice, or other document by mail to such party's address set forth herein shall be effective service of process for any suit, action, or other proceeding brought in any such court.

16. ASSIGNMENT; WAIVER. These Terms are not assignable by Buyer in whole or part without prior written consent of Cardin. Failure by Cardin to exercise any right or remedy under these Terms will not be deemed a waiver of such right or remedy unless in a writing signed by Cardin. Nor shall any waiver be implied from the acceptance of any payment. No waiver by Cardin of any right shall extend to or affect any other right, nor shall a waiver by Cardin of any breach extend to any subsequent similar or dissimilar breach. These Terms shall be for the benefit of Cardin and Buyer and not for the benefit of any other person.