

## TIMBER PRODUCTS PURCHASE ORDER TERMS AND CONDITIONS

- 1. General:** Purchases by Timber Products Co. Limited Partnership and its subsidiaries and divisions; Timber Products Company, Timber Products Co., TP Sales Co., Timber Products Michigan LP, and TP Mississippi (collectively “Timber Products” or “Purchaser”) are governed by these terms and conditions. Seller agrees to sell, and Timber Products agrees to buy, the wood products, materials, goods and services (“Goods” or “Work”) described on a Timber Products’ Purchase Order (“Order”) for the prices, at the time, and on the payment terms shown on the Order. Seller’s performance against the Order, including written acknowledgement, shipment of Goods, or commencement of Work or services, constitutes acceptance of all terms and conditions in the Order.
- 2. Terms and Acceptance:** Seller shall promptly acknowledge the Order by regular U.S. mail, electronic mail or facsimile. The Order is limited to the terms and conditions contained herein unless the parties have entered into a written agreement stating different applicable terms and conditions. **Any additional or different terms proposed by Seller in any quotation, acknowledgement, or any other document are hereby deemed to be material alterations and notice of objection to them is hereby given. Any such proposed terms shall be void and the terms herein shall constitute the complete and exclusive statement of the terms and conditions of the contract between the parties.** If the Order has been issued by Purchaser in response to an offer and if any of the terms herein are additional to or different from any terms of such offer, then the issuance of the Order by Purchaser shall constitute an acceptance of such offer subject to the express condition that Seller assent to such additional and different terms herein.
- 3. Delivery/Time of Essence:** Time is of the essence in the Order. Timber Products shall have the privilege of cancelling all or any part of the Order if shipment is not made within the time specified by Timber Products. Seller shall not make any material commitment or production arrangement in excess of the amounts, nor in advance of the time necessary to meet Purchaser’s delivery schedule for goods or services covered by the Order. Any excess commitments or arrangements shall be made at Seller’s own risk. Purchaser shall not be liable for goods shipped in advance of or in excess of scheduled deliveries.
- 4. Warranty:** Seller warrants that all Goods delivered hereunder will conform, in all respects, to the applicable drawings, specifications, samples or other descriptions given by Purchaser, and that the Goods will be of good quality, material and workmanship, merchantable and free from defects. This warranty will survive any inspection, delivery, acceptance, or payment by Timber Products for the Goods. If Goods sold pursuant to the Order are defective in any respect whatsoever, Seller shall defend, indemnify, and hold Timber Products, its successors and assigns, harmless from and against any and all demands, actions, suits, proceedings, judgments, losses, costs, damages, liabilities, and expenses, including, without limitation attorney’s fees and court costs, arising out of or in connection with any claims, injuries or damages to persons or property that occur in connection with the use or sale of such Goods except to the extent such claims result from the gross negligence or willful misconduct of Timber Products.
- 5. Nonconforming Goods:** All material furnished on the Order must be at least equal to the standards of the industry and will be subject to Purchaser’s inspection and approval after delivery, notwithstanding any payment. Purchaser shall have a reasonable time within which to inspect prior to Purchaser’s acceptance thereof. Goods that deviate in quantity, quality, or specifications, or Goods shipped contrary to Purchaser’s instructions, Goods substituted for Goods described by Purchaser, Goods not shipped in containers conforming to Purchaser’s specifications (or, in the absence of such specifications, in recognized standard containers), or Goods allegedly violating any statute, ordinance, or administrative order, rule, or regulation may be rejected by Purchaser and returned or held at Seller’s expense and risk. Purchaser may charge to Seller all expense of inspecting, unpacking, examining, repacking, storing, and reshipping any rejected goods. The remedies herein afforded to Purchaser are not exclusive, but Purchaser may hold Seller liable for any and all damages arising from any breach or default set forth herein.
- 6. Shipping Instructions:** Seller shall follow shipping instructions of the Order, or, if there are none, ship by least expensive means of transportation and route. Any excess cost resulting from a deviation from this condition will be charged to Seller. Seller shall furnish for each shipment, a packing list, receipted bill of lading, or other receipts from the transportation company. Purchaser will pay no labor or material charges for packaging, crating, or wrapping unless such charges are set forth in the Order. Seller shall prepay transportation charges on all goods purchased FOB Purchaser’s destination unless otherwise set forth in the Order. Seller shall send shipping notices to Purchaser on day of shipment via regular U.S. mail, electronic mail or facsimile. Seller will indicate plainly the Order number on all bills of lading, freight bills and invoices.
- 7. Price:** Prices set forth in the Order are firm and not subject to increase. If Seller’s quoted prices for the Goods covered by the Order are reduced (whether in the form of a price reduction, close-out, rebate, allowances, or additional discounts offered to anyone) at time prior to any shipment, Seller agrees that the price of Purchaser for such Goods will be reduced accordingly, and that Purchaser will be billed

at such reduced prices. Unless otherwise provided herein, such prices include all costs for packing, insuring and transporting the Goods ordered to Purchaser's facility. Purchaser shall not be liable for any taxes or governmental charges or fees with respect to the Order other than those which Seller is required by law to collect from Purchaser or otherwise set forth in the Order.

**8. Payment and Discounts:** Terms of payment are as previously arranged, or if specified in the Order, then as so specified therein. Cash discount period will begin after receipt of Goods or properly completed invoice, whichever is later. All claims for money due or to become due from Purchaser shall be subject to setoff by Purchaser by reason of any counterclaim arising out of this or any other transaction with Seller.

**9. Patent or Copyright:** Seller warrants that the sale or use of Goods purchased hereunder will not infringe or contribute to the infringement of any patents or trademarks or copyrights either in the United States or foreign countries. Seller covenants and agrees to defend and hold harmless Purchaser, its successors, assigns, employees, agents, distributors, dealers, affiliates, customers and users of its products against any claim or demand based upon such infringement, and Seller shall, at its own expense, defend any suit or proceeding brought against Purchaser based on a claim that any apparatus, or any part thereof, furnished under the Order constitutes an infringement of any patent, trademark, or copyright. Seller shall pay all damages and costs awarded against Purchaser, its successors, assigns, employees, agents, distributors, dealers, affiliates, customers and users and, in the event such apparatus or any part thereof is held to constitute infringement and the use of such apparatus or part is enjoined, Seller shall, at its own expense, either procure for Purchaser the right to continue using such apparatus or part, or replace same with noninfringing apparatus or part, or modify it so it becomes noninfringing, or remove such apparatus or part and refund the purchase price and the transportation and installation costs thereof.

**10. Inventions and Proprietary Rights:** Seller agrees to promptly disclose to Purchaser all ideas, inventions, discoveries and improvements that are made, conceived, compiled or reduced to practice by Seller, solely or jointly with others, that arise from Seller design and/or deliver of goods to Purchaser in connection with the Order. Seller further agrees to assign to Purchaser all right title and interest to all such "New Developments." Seller understands and agrees that all New Developments which are subject to copyright protection under the United States Copyright Act of 1976, as amended, shall be considered "works made for hire" within the meaning of section 101 of the Copyright Act and that such works constitute and contain valuable proprietary assets and trade secrets of Purchaser. In event that, notwithstanding the foregoing, title to and ownership of any New Development initially vests in Seller, Seller agrees to execute, at Purchaser's request, all documents as may be necessary to grant, transfer and assign all such title and ownership thereof to Purchaser. To the extent applicable, Seller agrees to obtain written assurances from its employees and contract personnel of their agreement to the terms hereof.

**11. Confidential Information:** All information furnished or disclosed to Seller by Purchaser in connection with the Order which is identified as "Confidential" or "Proprietary" is received in confidence, shall remain the property of Purchaser and shall not be disclosed to any third party without Purchaser's prior written consent. Seller shall not use any such information for any purpose other than to perform the Order. If requested, Seller shall execute Purchaser's Non-Disclosure Agreement before receipt of any such confidential information. Seller will return, upon demand, all such confidential information to Purchaser upon completion by Seller of its obligations hereunder. The obligations of this paragraph shall survive expiration or termination of the Order.

**12. Compliance with Law:** Seller guarantees that all Goods delivered hereunder are produced, packed, labeled and shipped in compliance with all applicable laws. Seller agrees to comply with all federal, state, county and local laws, rules, codes, executive orders and regulations (the "Laws") applicable to its provision of Goods (materials and services) hereunder. Timber Products will not do business with those who engage in illegal logging and we require our suppliers to source wood fiber in compliance with all relevant laws and regulations of the state, province or country where the wood fiber is harvested. Additionally, we encourage our suppliers to source wood fiber from forests managed according to generally accepted sustainable forestry practices. Seller acknowledges they comply with The Lacey Act (16 U.S.C. 3371 et seq.) and the California's Supply Chain Transparency Act (SB 657), if applicable. Upon Purchaser's request, Seller will promptly provide Timber Products with a statement of origin for all Goods and U.S. Customs documentation for Goods wholly or partially manufactured outside the United States. Seller agrees to hold harmless Purchaser, its successors, assigns, employees, agents, distributors, dealers, affiliates, customers and users from any liability arising from Seller's failure to comply with such laws.

**13. Indemnification by Seller:** Seller will indemnify, save harmless, and defend Purchaser, from all liability for loss, damage, or injury to person (including wrongful death) or property in any manner arising out of or incident to the performance of the Order except to the extent loss, damage or injury results from the gross negligence or willful misconduct of Timber Products. Seller shall promptly pay all claims and demands for labor performed and for material, machinery, or fuel furnished in the performance of any Work contemplated by the Order, and shall fully defend and indemnify Timber Products against all such claims, debts and obligations arising from or relating thereto.

**14. Safety:** Seller guarantees without payment that the design and performance of all items, including machinery and structures, temporary or permanent, conform with the requirements of applicable insurance and government health and safety regulations in the state where they are being installed, including regulations administered by OSHA, EPA and other federal and state regulatory agencies, whether shown in drawings or specifications or not. The Seller or manufacturer of any items delivered hereunder must provide any information about the risk(s) associated with the use of the equipment or substance, even if the risks are considered to be common knowledge with the use of the items supplied. Seller agrees that if its employees or subcontractors are required to enter upon any premises occupied by Purchaser for purposes of constructing any improvement or operating equipment its employees or subcontractors shall follow all state and federal safety regulations including, but not limited to, fall protection, confined space entry, fire safety, and hazardous energy control, as well as all Timber Products' safety procedures as explained in the Contractor Safety Orientation provided by Timber Products.

**15. Chemicals and Hazardous Substances:** All **Safety Data Sheets** (SDS, formerly MSDS) required by applicable state and federal law, including OSHA Hazard communication standard (29 CFR 1910.1200), EPA's Emergency Planning and Community Right-to-Know Act (EPCRA) and all reporting requirements under federal and state environmental agencies, shall accompany all goods (including, without limitation, any chemicals or hazardous substances) provided under the Order.

**16. Contractors/Subcontracting:** If an Order requires a Contractor/Seller to construct any improvements or operate equipment on any premises occupied by Timber Products, the Contractor/Seller shall furnish all labor, material, services, tools, equipment, and fixtures necessary to perform and complete in a good and workmanlike manner the Work described in the Order or any written amendment thereto. All such Work shall be done in accordance with all laws, ordinances, building codes, rules and regulations applying to the Work, including, but not limited to, the Americans with Disabilities Act, environmental regulations and the Occupational Safety and Health Act of 1970, as amended. Contractor/Seller shall have control over, and be solely responsible for, all means, methods and sequences for performing the Work. Contractor/Seller also acknowledges that any of its employees or subcontractors working at any premises occupied by Timber Products must first complete a Contractor Safety Orientation before commencing the Work.

**17. Insurance:** Unless otherwise agreed, in the event the Order requires Seller to enter upon any premises occupied by Timber Products for purposes of constructing any improvement or operating any equipment, Seller shall, at its sole cost, carry Commercial General Liability including Premises/Operations and Products/Completed Operations with limits of \$1,000,000 per occurrence and \$2,000,000 aggregate; Automobile Liability with limits of \$1,000,000; statutory Workers' Compensation; all policies to be endorsed to name "Timber Products Co. LP and its subsidiaries and divisions, officers, employees and agents as Additional Named Insureds, and be primary and not contributing with or in excess of any insurance carried by Purchaser." Subcontractors under control of the Seller and retained to assist Seller in the performance of the work described in the Order are required to maintain the same insurance coverage. Certificates of insurance evidencing coverage are required. Such insurance shall not be cancelled without 30 days prior written notice of cancellation to Timber Products.

**18. Purchaser's Property:** All property and material furnished to Seller by Purchaser or specifically paid for by Purchaser shall be used only in the performance of the Order and shall remain the property of Purchaser. Such property shall be held at Seller's sole risk and shall be kept insured by Seller at Seller's expense in an amount equal to the replacement cost payable to Purchaser. Such property shall be delivered in good condition, normal wear and tear excepted, to Purchaser, FOB Purchaser's plant, immediately upon request by Purchaser. Any dies or tools otherwise paid for by Purchaser shall become the Purchaser's property upon completion of the Order.

**19. Cancellation:** Purchaser reserves the right at any time and from time to time, without cause, to cancel all or any part of the undelivered portion of the Order by written or verbal notice to Seller. In the event of such cancellation, Purchaser shall not be liable to Seller for loss of anticipatory profits. The provisions of this paragraph shall not limit or affect the right of Purchaser to terminate the Order for default by Seller.

**20. Changes:** Purchaser may direct in writing changes to the Order. Equitable adjustments will be made in price or schedule where required. Any claims for adjustment shall be made by Seller in writing not later than thirty (30) days from the date of Seller's receipt of any such direction from Purchaser. Seller shall not be excused from proceeding with a change prior to negotiation of any adjustment.

**21. Force Majeure:** Purchaser shall not be liable for failure to accept any part of the Order if such failure is the result of any cause beyond the control of Purchaser. Such causes include, but are not limited to, fires, floods, strikes, differences with employees, casualties, delays in transportation, shortages of rail cars, inability to obtain necessary materials or machinery, or total or partial shutdown of Purchaser's plant for any cause. Seller shall not be liable for delays or failure to ship or complete work or services during the time and due to causes beyond its control and not due to its fault or negligence. Both parties shall give prompt notice of an event constituting a "force majeure".

**22. Equal Opportunity:**

**41 CFR 60-1.4(a).** The Equal Employment Opportunity Clause required under Executive Order 11246 and 41 CFR 60-1.4(a), regarding nondiscrimination and affirmative action on the basis of race/ethnicity and gender, is incorporated by reference into this contract.

**41 CFR 60-741.5(a).** This contractor and subcontractor shall abide by the requirements of 41 CFR 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.

**41 CFR 60-300.5(a).** This contractor and subcontractor shall abide by the requirements of 41 CFR 60-300.5(a). This regulation prohibits discrimination against qualified protected veterans, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans.

**8 U.S.C. §1324.** Seller shall comply with all provisions of the Immigration Reform and Control Act of 1986, which is incorporated by reference into this contract. This law criminalizes the act of engaging in a pattern or practice of knowingly hiring an unauthorized alien.

**23. Assignment:** Seller shall not subcontract, sublet, nor assign any rights or claims of any portion of the Order without the prior written consent of Purchaser.

**24. No Waiver:** The failure of either party at any time to require performance by the other party of any provision of the Order will not affect the right of such party to require performance of that provision in the future. Any waiver by either party of any breach of any provision of the Order will not constitute a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself, or a waiver of any right under the Order.

**25. Rights and Remedies:** All rights and remedies of Purchaser specifically set forth in the Order shall be in addition to any other or further rights and remedies provided by law or in equity. Failure of Purchaser to insist upon strict performance of any term or condition of the Order shall not be deemed to be a waiver of Purchaser's rights and remedies.

**26. Notice:** All notices, demands, and requests under the Order by either party to the other shall be in writing and shall be sent by first-class, registered mail, postage prepaid and return receipt requested, electronic mail, facsimile or by personal delivery unless otherwise provided herein.

**27. Choice of Law/Venue:** The validity, construction, and enforceability of the Order shall be construed in accordance with the governed by the laws of the state of Oregon, without regard to principles of conflicts of law. The parties agree that all disputes relating to the Order, at the sole direction of Purchaser, shall be tried before the courts of Lane County, Oregon.

**28. Severability:** The invalidity or unenforceability of any particular provision of the Order will not affect the other provisions of the Order, and the Order will be construed as if the invalid or unenforceable provision were omitted or, if applicable, modified as any court of competent jurisdiction deems reasonable, necessary, and equitable.

**29. Binding Effect:** The Order, and all of the terms and covenants contained herein, shall be binding upon and shall inure to the benefit of all of the successors, affiliates and permanent assigns of Seller and Purchaser.

**30. Entire Agreement:** The Order contains the entire agreement between the parties relating to the subject matter contained herein. It can be amended only by a writing signed by both parties.