

Buckeye Pacific, LLC

Purchase Order – Terms and Conditions

1. *Definitions.* These Terms and Conditions of Purchase Order are referred to below as “these Terms.” “Buyer” means Buckeye Pacific, LLC, and these Terms shall be for the benefit of Buckeye Pacific, LLC and its affiliates who may also buy from Seller (“Affiliates”). “Seller” means the vendor identified in the Purchase Order, and its subsidiaries or affiliates. These Terms and Conditions and the Purchase Order issued by Buyer into which these Terms are incorporated are referred to collectively below as the “Purchase Order.” The goods to be purchased by Buyer under the Purchase Order are referred to below as the “Goods.”
2. *Entire Contract.* Goods purchased from Seller will be confirmed with a Purchase Order from Buyer. Unless a separate written agreement is signed by both parties, the entire contract between Buyer and Seller is contained in the Purchase Order and these Terms.
3. *Acceptance.* **Any additional or different term or condition stated by Seller in any acknowledgement form, or in otherwise acknowledging or accepting the purchase order, is deemed by Buyer to be a material alteration of the Purchase Order and is hereby rejected by Buyer. Buyer rejects any such additional or different terms or conditions not specifically accepted by Buyer in writing.**
4. *Seller’s Warranties.* Seller warrants that all Goods sold hereunder or pursuant hereto shall strictly conform to the specifications set forth in the Purchase Order and are free from liens and patent infringement. Seller also warrants and represents that all of the Goods will be of merchantable quality, free from all defects in design, workmanship and materials, and will be fit for the particular purposes for which they are purchased and that the Goods shall be provided in strict accordance with the specifications, samples, drawings, designs or other requirements (including performance specifications) approved or adopted by Buyer.

Seller represents and warrants that all Goods furnished to Buyer will comply with and be manufactured, priced, sold, and labeled in compliance with all applicable federal, state, and local laws, rules, ordinances, regulations, government standards, and codes, including without limitation, food safety, health and safety, environmental protection, labor, consumer product safety regulations and labeling requirements, and the Federal Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S. C. 6901 et seq. Seller further represents and warrants that all Goods furnished to Buyer shall comply with all United States laws and regulations applicable to trademark, trade secret, copyright, and patent rights.

Seller represents and warrants that all Goods are and will be manufactured, processed, labeled, packaged, accurately marked, tagged, tested, certified (including kosher, fair trade, non-gmo, FSC, organic, or other certificates, if applicable), weighed, inspected, shipped and sold in compliance with all legal requirements, including by way of example all legal requirements relating to labor, health, safety, environment, labeling, country of origin designation and Customs requirements; all FDA, toxic substances, OSHA, CPSC and EPA regulations; Federal Food and Drug Act, or any other food safety statute and the requirements of California Proposition 65. Seller represents and warrants that no component of the goods were mined, produced, or manufactured in whole or in part in the Xinjiang Uyghur Autonomous Region of the People's Republic of China or produced by any entity included on the UFLPA Entity List. Seller further represents and warrants that Supplier has used no child, indentured, or forced labor in the production or shipment of the Goods.

Seller shall at Seller's expense, satisfy all governmental requirements for registrations, permits, notices, reports, licenses and supplier notifications with respect to manufacturing, packaging, labeling, waste disposal, specifications of Goods and use of Goods. Seller shall be deemed the generator and owner of any waste(s) generated in connection with Seller's performance under the Purchase Order, and as such Seller shall be solely and independently responsible for any liabilities caused by such waste(s); and Seller shall safely, properly and in compliance with applicable laws, regulations and ordinances, dispose of waste(s) or arrange for the disposal of waste(s) in a manner that is safe, proper and in compliance with all applicable laws, regulations and ordinances.

Seller shall include an itemized list of Goods, a Certificate of Analysis and Safety Data Sheets with each shipment. Seller represents and warrants that the Goods may be transported and introduced into interstate commerce.

5. *Seller's Liability.* Seller is responsible for the cost of replacing defective and/or nonconforming Goods as specified in the Buyer's Purchase Order following rejection by Buyer. Seller shall be liable to Buyer for all damages arising from defects, nonconformity of the Goods, delays in shipments and any other misrepresentation or breach by Seller, including but not limited to incidental and consequential damages.

6. *Indemnification.* Seller agrees to defend, indemnify, and hold harmless Buyer and its customers from all claims, losses, damages, costs, and legal fees of any nature whatsoever, including but not limited to consequential or incidental damages, arising out of, or related to the Goods, and any acts or omissions, including the negligence of Seller, its agents, employees, subcontractors, or any other persons directly or indirectly acting on behalf of them.

The indemnified losses shall include, without limitation, those losses incurred as a result of any violation of any law, regulation, or order; bodily injury, death or property damage; breach of warranty; recall; representation or misrepresentation regarding a product's attributes or performance ability.

7. *Insurance.* Seller agrees to maintain, in force, insurance coverage for the indemnity obligations set forth in above, including contractual liability insurance.

8. *Set-Off.* Buyer and Seller agree that Buyer may deduct and set-off from any sums due and owing Seller amounts equal to the costs, damages and losses that Buyer has incurred as a result of the failure of the Goods to comply with the specifications and/or any breach of this or any other contract by Seller.

9. *Extra Charges.* No extra charges of any kind will be allowed for Buyer's account unless specifically agreed to by Buyer.

10. *Inspection/Claims.* Final acceptance or rejection of the Goods shall be made as promptly as practical after delivery to the ultimate destination, except as otherwise provided in the Purchase Order. Failure to inspect, accept or reject the Goods or failure to detect defects by inspection shall neither relieve Seller from responsibility for the Goods nor impose liabilities on the Buyer.

11. *Recalls; Tainted Goods Claims.*
 1. Recalls; Safety Notices. If all or any portion of the Goods are the subject of a recall (or safety notice) or other action required to bring the Goods into compliance with the specifications, the Purchase Order or these Terms and Conditions whether initiated by Buyer, Seller, or a government or consumer protection agency, Seller shall be responsible for all costs and expenses associated with the recall, notice or action and shall promptly reimburse Buyer for all actual costs and expenses incurred by Buyer in recalling, publishing notices about, shipping and/or destroying the Goods (and where applicable, any products with which the Goods has been packaged, consolidated or commingled), including refunds to customers and Seller's net landed cost of unsold Goods.

 1. Defects; Tampering. In the event of a claim or potential claim of any defect regarding any Goods or of any tampering with the Goods, Seller agrees to promptly notify Buyer, contact the FDA and/or other appropriate government agency, and immediately conduct at its expense a full and complete analysis of said Product. In the event that Buyer becomes aware of a claim or a potential claim of any defect regarding the Goods or of any tampering with the Goods, Buyer shall promptly notify Seller of the same.

12. *Title; Risk of Loss; Delivery.* Title to the Goods and risk of loss shall pass to Buyer at time of delivery of Goods to the required location and acceptance by Buyer of such Goods. The goods will be delivered in the time frame set forth in the Purchase Order. Any change in freight rates between the date of the Order and bill of lading date above and beyond the negotiated price shall be for the account of Seller. For

any Order identifying the delivery term as mill truck, "DLVD," or delivered, the default 2020 INCOTERM applicable is DAP to the designated destination.

13. *Changes.* Buyer shall have the right at any time to make changes in drawings, designs, specifications, materials, packaging, time and place of delivery and method of transportation. If any such changes cause an increase or decrease in the cost, or the time required for the performance, an equitable adjustment shall be made and the Purchase Order shall be modified in writing accordingly. Seller agrees to accept any such changes subject to this paragraph.

14. *Force Majeure and Cancellation.* The Purchase Order can be cancelled or rescinded only by a writing signed by both of the parties, except as otherwise expressly provided in these Terms and Conditions. In the event of Unites States of foreign government intervention, trade restrictions, and/or quotas which may delay or prevent delivery of the Goods or any part thereof, Buyer, at Buyer's option, may cancel purchase of Goods without liability. In the event any of the Goods shall become subject to any governmental fees or duties not presently in effect, or to any increase in any existing fee or duty, including any antidumping duty or countervailing duty, Buyer, at Buyer's option, may cancel the unshipped balance of the Goods without liability.

15. *Seller Compliance.* The Seller agrees to comply with the following: A) Executive Order 11246 as amended and all regulations promulgated pursuant to that Executive Order including but not limited to the provisions of paragraphs (1) through (7) of the "Equal Opportunity Clause" and the "Certification of Nonsegregated Facilities", each of which is incorporated herein by reference, B) Section 503 of the Rehabilitation Act of 1973 including the applicable parts of the affirmative action clause entitled "Affirmative Action for Handicapped Workers" (41 CFR 60-741.4) incorporated by reference, C) The Vietnam Era Veterans Readjustment Assistance Act (30 USC §2012) including the applicable parts of the affirmative action clause entitle "Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era" (41 CFR 60-250.4) incorporated herein by reference, D) Executive Order 13496 "Notification of Employee Rights Under Federal labor laws" (29 CFR Part 471, Appendix A to Subpart A) also incorporated herein by reference, E) Seller agrees to comply with all applicable commercial and public anti-bribery laws, including,

without limitation, the US Foreign Corrupt Practices Act, the Canadian Corruption of Foreign Public Officials, and the UK Bribery Act and F) Seller hereby represents and warrants that neither Seller, nor any persons or entities holding any legal or beneficial interest whatsoever in Seller, are (i) the target of any sanctions program that is established by Executive order of the President or published by the Office of Foreign Assets Control, U.S. Department of the Treasury (“OFAC”); (ii) designated by the President of OFAC pursuant to the Trading with the Enemy Act, 50 U.S.C. App. § 5, The International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06, The Patriot Act, Public law 107-56, Executive Order 13224 (September 23, 2001) or any Executive Order of the President issued pursuant to such statutes; or (iii) named on the following list that is published by OFAC: “List of Specially Designated nationals and Blocked Persons.” If the foregoing representation is untrue at any time, an event of default will be deemed to have occurred without the necessity of notice to Seller.

16. *Default.* Time is of the essence. The Goods are to be made available to Buyer for shipment within the shipping period stipulated in the Purchase Order or as otherwise specified and agreed to by Buyer in writing. In the event Seller fails to make shipment strictly in accordance with the delivery terms of the Purchase Order or Buyer’s change order, Buyer, at Buyer’s option, may cancel the unshipped balance of the Goods without liability, and pursue any and all remedies at law or in equity for breach of contract against Seller.

17. *Dispute Resolution.* Except as specifically set forth in this Section 17, any claim of any kind that arises out of or relates to the Purchase Order, or to the interpretation or breach thereof, shall be brought solely in the State of Oregon or in Buyer’s discretion, in the state in which Buyer or any Affiliate is located. Buyer may, in its sole discretion, join Seller in any dispute or proceeding brought by Buyer’s customer that arises from or relates to the Goods sold by Seller. Except with respect to a joinder in a proceeding involving Seller’s customer, which shall be governed by the law of the state where the action is filed, all claims and disputes arising out of or related to the Order Confirmation shall be governed by and in accordance with the state law of Oregon. The 1980 United Nations Convention on Contracts for the International Sale of Goods, as amended, shall not apply to the Purchase Order. In connection with any proceeding, each party shall pay its own attorney and other professional fees and costs.

18. *Environmental.* Seller acknowledges that the Goods sold to Buyer may contain organic material or be classified as regulated articles that may pose an environmental hazard under various laws and regulations. Seller is in compliance with all Federal, State and Provincial requirements, including but not limited to laws related to food safety, and the manufacture, transportation, and storage of hazardous materials, and indemnifies Buyer for any non-compliance issues that may arise.

Seller shall ship only Goods free of mold (except as specifically required by the specifications) and other contaminants.

19. *Taxes.* Unless specified on the Purchase Order, the prices are inclusive of, and Seller shall be solely responsible for and pay, all federal, state, and local taxes, including, but not limited to, value added tax, goods and services tax, sales use or excise tax. No sales or use tax shall be added when a valid tax-exempt notation is indicated on the Purchase Order.

20. *Waiver.* No waiver of any provision of the Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

21. *Severability.* If any portion of the Agreement or its application is construed to be invalid, illegal, or unenforceable, then the other portions of the Agreement or its application thereof shall not be affected thereby and shall be given full force and effect without regard to the invalid or unenforceable portions.

22. *International Shipments.* International shipments must comply with all applicable laws and regulations, including those imposed or enforced by all US Government Departments (I.E. Customs and Border Protection, US Department of Agriculture, US Food and Drug Administration, US Environmental Protection Agency, ECT...). All invoices must include the following information: Purchase Order number, clear

description of the Goods, HTS classification number, unit of measure, quantity, unit price, currency, county of origin, terms of sale, and *Incoterms*® 2020 applicable to the sale. All articles and their containers, shipped to the US must be permanently marked with the country of origin.

OC TERMS

Buckeye Pacific, LLC

Order Confirmation – Terms and Conditions

1. *Definitions.* These Terms and Conditions of Order Confirmation are referred to below as “these Terms.” “Seller” means Buckeye Pacific, LLC and shall be for the benefit of Buckeye Pacific, LLC and its affiliates who may also sell to Buyer (“Affiliates”). “Buyer” means the company referenced in the Order Confirmation or corresponding credit application, and its subsidiaries and affiliates ordering Goods from Buyer. These Terms and the quotation or order confirmation into which they are incorporated are referred to collectively herein as the “Order Confirmation.” The order evidenced by the Order Confirmation is the “Order.” The goods to be purchased by the Buyer under the Order are referred to as the “Goods.”
2. *Applicability.*
 1. These Terms and the Buyer’s accepted credit application are the only terms which govern the sale of the Goods by Seller to Buyer. Notwithstanding anything herein to the contrary, if a written contract signed by both parties is in existence covering the sale of the Goods covered hereby, the terms and conditions of said contract shall prevail to the extent they are inconsistent with these Terms.
 2. The Order Confirmation, credit application, and accompanying invoice comprise the entire agreement between the parties, and supersede all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral. Seller’s acceptance of the Order is expressly conditioned on Buyer’s acceptance of these Terms in their entirety without any additions, deletions, modifications or exceptions. These Terms prevail over any of Buyer’s general terms and conditions of purchase regardless of whether or when Buyer has submitted its purchase order or such terms. Fulfillment of Buyer’s order does not constitute acceptance of any of Buyer’s terms and conditions and does not serve to modify or amend these Terms.

3. *Payment Terms.* The approved payment terms are set forth in the credit application unless specifically modified by the Order Confirmation. In no event shall payment to Seller be subject to any retention, “pay when paid” or “pay if paid” provisions.
4. *Delivery.* The goods will be delivered within a reasonable time after the receipt of Buyer’s Order, subject to the availability of the Goods. If Seller delivers to Buyer a quantity of Goods of up to 10% more or less than the quantity set forth in the Order Confirmation, Buyer shall not be entitled to object to or reject the Goods or any portion of them by reason of the surplus or shortfall and shall pay for such Goods at the price set forth in the Order Confirmation adjusted pro rata. Any change in freight rates between the date of the Order and bill of lading date above and beyond the negotiated price shall be for the account of Buyer. For any Order identifying the delivery term “DLVD” or delivered, shall mean that the Goods will be delivered via common carrier to the designated place of destination, the default 2020 INCOTERM applicable to DLVD sales is CIF or CIP as applicable given the mode of transportation.
5. *Limited Warranty.*
 1. To the extent the Goods are subject to grading agency rules, the grading and reinspection rules of the applicable grading association (WWPA, WCLIB, SPIB, APA, NLGA, NELMA or other recognized grading agency) whose stamp appears on the goods purchased by the Buyer shall be deemed included in and part of the contract except as otherwise set forth herein. Any inconsistency between those rules and these Terms shall be resolved in favor of these Terms. No other modification of those rules shall be effective unless made in writing and signed by Seller’s authorized representative and incorporated into the Order. All claims that relate to Goods failing to meet grade will be resolved through the grading agency and the manufacturer/mill who produced the Goods.
 2. **EXCEPT FOR THE LIMITED WARRANTIES REFERENCED IN SECTION 5(a) SELLER MAKES NO WARRANTY WHATSOEVER WITH RESPECT TO THE GOODS, AND SPECIFICALLY DISCLAIMS ANY (a) WARRANTY OF MERCHANTABILITY; OR (b) WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; WHETHER EXPRESS OR IMPLIED BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE, OR OTHERWISE.**

3. Products manufactured by a third party (“Third Party Product”) may constitute, contain, be contained in, incorporated into, attached to or packaged together with, the Goods. For the avoidance of doubt, **SELLER MAKES NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO ANY THIRD-PARTY PRODUCT, INCLUDING ANY (a) WARRANTY OF MERCHANTABILITY; (b) WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; (c) WARRANTY OF TITLE; OR (d) WARRANTY AGAINST INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS OF A THIRD PARTY; WHETHER EXPRESS OR IMPLIED BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE, OR OTHERWISE.**

6. *Inspection, rejection, and claims procedure.* Buyer shall inspect the Goods, at its sole cost and expense. In the event of any claims related to the Goods, including but not limited to claims for compliance with specifications, shortages, defects, nonconformity, errors and for in transit loss or damage, (hereinafter, “Claims”), Buyer shall give written notice of any Claims to Seller within five (5) days of shipment by Seller. Provided however, that notice of any claims based on moisture content must be given to Seller within 48 HOURS AFTER RECEIPT OF SHIPMENT BY BUYER. Together with written notice, Buyer shall also provide all documents supporting any Claims and a summary of all material facts upon which any Claims are made. **FAILURE TO GIVE TIMELY RECEIVE NOTICE OF ANY CLAIMS IN WRITING SHALL CONSTITUTE IRREVOCABLE AND UNQUALIFIED ACCEPTANCE OF THE GOODS BY BUYER AND SHALL CONSTITUTE A WAIVER BY BUYER OF ALL CLAIMS WITH RESPECT THERETO.** Provided that Buyer delivers timely written notice of Claims, Seller may, in its sole discretion, either replace the portion of the Goods found by Seller to be nonconforming on the same terms applicable to the initial orders, ship additional Goods to remedy any shortage determined by Seller, repair any defects in the Goods confirmed by Seller at Buyer’s expense, or refund to Buyer the portion of the purchase price actually received by Seller for the affected portion of the Goods.

7. *Limitation of Liability.* **SELLER’S LIABILITY SHALL BE LIMITED TO THE COST OF REPLACING DEFECTIVE AND/OR NONCONFORMING GOODS AT THE POINT OF DELIVERY AS SPECIFIED IN SELLER’S ORDER CONFIRMATION WITHIN A REASONABLE PERIOD OF TIME FOLLOWING PROPER AND TIMELY REJECTION BY BUYER. IN NO EVENT SHALL SELLER BE LIABLE TO BUYER OR ANY THIRD PARTY FOR ANY LOSS OF USE, REVENUE OR PROFIT OR LOSS OF DATA OR DIMINUTION IN**

VALUE, OR FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, DELAY, EXEMPLARY, OR PUNITIVE DAMAGES WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE AND WHETHER OR NOT SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE. IN NO EVENT SHALL SELLER'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, EXCEED THE TOTAL OF THE AMOUNTS PAID TO SELLER FOR THE GOODS SOLD HEREUNDER. Except as may be provided in a written limited warranty issued by Seller, no litigation or arbitration by Buyer concerning the sale shall be commenced later than one year after date of shipment.

8. *Indemnification.* Buyer assumes and agrees to indemnify and save Seller harmless from any and all liability, including but not limited to third party claims, which may arise from the use, sale, distribution, remanufacturing, or disposal by Buyer or others of the goods sold hereunder, whether used alone or in combination with other materials, whether such liability is based on contract, tort, strict liability or other theory except the extent such liability is caused solely by Seller's gross negligence or willful misconduct.
9. *Assumption of Liability.* Buyer has selected the Goods as suitable for their use and assumes all risks and liabilities resulting from the use, sale, distribution, remanufacture, or disposal of the Goods. Seller neither assumes nor authorizes any person to assume for Seller any liability in connection with the sale, use, or disposal of the Goods.
10. *Title; Risk of Loss.* Unless expressly agreed by Seller, title and risk of loss shall transfer to Buyer upon delivery of Goods to any carrier at Seller's designated location or other shipping point ("Point of Delivery") irrespective of whether Seller has sold the Goods "freight prepaid" and notwithstanding any right of Buyer to cancel or return Goods.

11. *Force Majeure*. Seller is not be liable or responsible to Buyer or be deemed to have defaulted, for any failure or delay in fulfilling or performing its obligations under Order Confirmation, when and to the extent such failure or delay is caused by or results from acts beyond the Seller's control, including without limitation, the following force majeure events ("Force Majeure Event(s)"): (a) acts of God; (b) flood, fire, earthquake, pandemic, epidemic, or explosion; (c) war, invasion, hostilities (whether war is declared or not), piracy, terrorist threats or acts, riot or other civil unrest; (d) government order, law, or actions; (e) embargoes or blockades in effect on or after the date of this Agreement; (f) national or regional emergency; (g) strikes, labor stoppages or slowdowns, or other industrial disturbances; and (h) telecommunication breakdowns, power outages or shortages, lack of warehouse or storage space, inadequate transportation services, or inability or delay in obtaining supplies of adequate or suitable materials; and (i) other similar events beyond the reasonable control of Seller. In the event of force majeure, both Buyer and Seller will attempt to overcome it and keep each other informed of progress. If a Force Majeure Event continues for 30 days, Buyer and Seller will attempt to negotiate reasonable accommodation for performance. Should the Force Majeure Event continue for 30 days or more, Seller may terminate the Order. Seller shall not be liable for any damages or penalties whatsoever, whether direct, indirect, special, liquidated, delay, consequential, contingent, exemplary, punitive or otherwise, resulting from Seller's failure to perform or delay in performing as a result of a Force Majeure Event.

12. *Buyer Compliance*. The Buyer agrees to comply with all applicable laws, regulations and ordinances. Buyer shall maintain in effect all licenses, permits, authorizations, and permits that it needs to carry out its obligations under this Agreement. Buyer shall comply with the following: (a) Executive Order 11246 as amended and all regulations promulgated pursuant to that Executive Order including but not limited to the provisions of paragraphs (1) through (7) of the "Equal Opportunity Clause" and the "Certification of Nonsegregated Facilities", each of which is incorporated herein by reference, (b) Section 503 of the Rehabilitation Act of 1973 including the applicable parts of the affirmative action clause entitled "Affirmative Action for Handicapped Workers" (41 CFR 60-741.4) incorporated by reference, (c) The Vietnam Era Veterans Readjustment Assistance Act (30 USC §2012) including the applicable parts of the affirmative action clause entitle "Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era" (41 CFR 60-250.4) incorporated herein by reference, (d) Executive Order 13496 "Notification of Employee Rights

Under Federal labor laws” (29 CFR Part 471, Appendix A to Subpart A) also incorporated herein by reference, (e) Buyer agrees to comply with all applicable commercial and public anti-bribery laws, including, without limitation, the US Foreign Corrupt Practices Act, the Canadian Corruption of Foreign Public Officials, and the UK Bribery Act, and (f) Buyer hereby represents and warrants that neither Buyer, nor any persons or entities holding any legal or beneficial interest whatsoever in Buyer, are (1) the target of any sanctions program that is established by Executive order of the President or published by the Office of Foreign Assets Control, U.S. Department of the Treasury (“OFAC”); (2) designated by the President of OFAC pursuant to the Trading with the Enemy Act, 50 U.S.C. App. § 5, The International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06, The Patriot Act, Public law 107-56, Executive Order 13224 (September 23, 2001) or any Executive Order of the President issued pursuant to such statutes; or (3) named on the: “List of Specially Designated nationals and Blocked Persons” published by OFAC. If the foregoing representation is untrue at any time, an event of default will be deemed to have occurred without the necessity of notice to Buyer.

Buyer assumes all responsibility for shipments of Goods requiring any government import clearance. Seller may terminate the Order if any governmental authority imposes antidumping or countervailing duties or any other penalties on Goods.

13. *Default.* If Buyer breaches or is otherwise in default under the Order Confirmation or under any other contract between the parties hereto, Seller at its option may defer delivery of the Goods until the default is cured, or may treat the default as a repudiation by Buyer of the order in its entirety, resell the Goods and hold the Buyer liable for such damages as Seller may incur, including consequential and incidental damages. For purposes of the Order Confirmation, Buyer’s insolvency shall be a default under the Order Confirmation.

14. *Security Interest.* Until the unpaid contract price and any other amounts payable by Buyer to Seller under the Order Confirmation are paid in full, Seller retains lien rights on the goods for the unpaid amounts. Buyer hereby conveys and grants to Seller a security interest in and assigns to the Seller a security interest in all goods purchased from seller, now existing or hereinafter acquired and not paid in buyers proceeds therefrom, including accounts receivable. These terms and conditions

shall operate as a security agreement, and seller may file such UCC-1 Financing Statements as it deems necessary to reflect said security interest.

15. *Cancellation.* Buyer warrants that Buyer is solvent and that Buyer is able to pay the purchase price for Goods purchased. Seller may cancel because of any arbitrary deductions made by Buyer or failure to comply with contract terms in respect to any shipment, including prior shipments, because of any transfer or changes in Buyer's business, Buyer's insolvency, suit by other creditors, failure of Buyer to meet any financial obligations to Seller, impairment of Buyer's credit worthiness, or unfavorable credit reports made to Seller through usual channels of credit information, unless, Buyer shall pay cash in advance of receiving the shipment to be made. Seller shall retain the right to renegotiate price or cancel in the event of force majeure, mill insolvency, or other causes beyond Seller's control.

16. *Dispute Resolution.* Except as set forth herein, any claim of any kind that arises out of or relates to the Order Confirmation, indemnity, or to the interpretation or breach of the Order Confirmation, shall be brought solely in the state of Oregon or the state in which Seller or any Affiliate is located. Provided however, Seller may take whatever action is necessary, in any jurisdiction, to file and perfect a construction (mechanics) lien claim, a public works bond claim, or similar claim, and may bring an action to foreclose or enforce such lien claim, bond claim, or similar claim, in such jurisdiction. If it becomes necessary for Seller to pursue collection of any amounts due Seller related to the Order Confirmation, Seller shall be entitled to its reasonable attorney fees, collection costs and expenses, whether or not an action is commenced. No action taken by Seller with respect to any lien claim, bond claim, or similar claim, or security interest, or any other action or inaction of Seller, shall be deemed a waiver of any provision of these Terms. Except with respect to a lien foreclosure action, bond claim, or similar claim, which shall be governed by the law of the state where the action is filed, all claims and disputes arising out of or related to the Order Confirmation shall be governed by and in accordance with the state law of Oregon.

17. *Collection.* Buyer agrees that if Seller extends credit to Buyer and it becomes necessary for Seller to place unpaid amounts in the hands of an attorney, or collection agency, Buyer will pay any and all costs of collection, including, but not

limited to, reasonable attorney fees and any court costs necessary to collect the past due balance. In the event an invoice is over 30 (thirty) days past due, Buyer agrees to pay a service charge of 1-1/2% per month (18% per annum) calculated from the original invoice due date.

18. *Environmental/Mold.* Buyer acknowledges that the Goods sold to Buyer may contain material that may pose an environmental hazard under various laws and regulations. Buyer agrees to familiarize itself (without reliance on Seller) with any hazard of such Goods and their applications and the containers in which the good are shipped. Buyer agrees to inform and train its employees and customers as to such hazards.

Seller makes no representation or warranty of any kind, express or implied, regarding the existence or nonexistence of mold or other contaminants on the Goods and Buyer waives any and all claims against Seller in connection therewith.

19. *Taxes.* Unless otherwise agreed by Seller in writing, all prices are exclusive of applicable federal, state, local and foreign sales, use, excise, value added and other taxes. Any and all current or future tax or other governmental charge applicable to the sale, delivery, shipment or storage of the Goods that Seller is required to pay or permitted to collect shall be for Buyer's account and shall be added to the price, and shall not be subject to any reduction.

20. *Waiver.* No waiver of any provision of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

21. If any portion of the Agreement or its application is construed to be invalid, illegal or unenforceable, then the other portions of the Agreement or its application thereof shall not be affected thereby and shall be given full force and effect without regard to the invalid or unenforceable portions.

22. *General.* Except as provided in Section 16, the rights and obligations of the parties under the Order Confirmation shall be governed by the laws of the State of Oregon, U.S.A. in effect as of the date of the Order Confirmation, including without limitation the provisions of the Oregon Uniform Commercial Code, but without regard to conflicts of law principles. The 1980 United Nations Convention on Contracts for the International Sale of Goods, as amended, shall not apply to the Order Confirmation. If any provision of the Order Confirmation is determined by any court or arbitrator to be unenforceable, the provision shall be modified to reflect the intent of the parties, if possible, such that it will be enforceable, or if not, then deleted, and the balance of the Order Acknowledgment shall be binding upon the parties. Any agreement signed and sent by facsimile or email shall be treated as a binding original.

23. *Notices.* All notices, request, consents, claims, demands, waivers and other communications hereunder (each, a "Notice") shall be in writing and addressed to the parties at the addresses set forth on the face of the Order Confirmation or to such other address that may be designated by the receiving party in writing. All Notices may be delivered by personal delivery, nationally recognized overnight courier (with all fees pre-paid), facsimile (with confirmation of transmission), or U.S. First-Class, certified, or registered mail (in each case, return receipt requested, postage prepaid). Notices may also be delivered via electronic mail at an electronic mail address set forth on the face of the Order Confirmation or otherwise used in the course of business between Buyer and Seller. Except as otherwise provided in this Agreement, a Notice is effective only (a) upon receipt of the receiving party (or within 14 days of transmission if receipt is not affirmatively acknowledged), and (b) if the party giving the Notice has complied with the requirements of this Section.

24. *International Goods.* The following additional terms and conditions apply to any sales of goods manufactured outside of the United States.

1. Changes in Duty and/or Freight Rates. Any changes, after date of the contract, in rate of duty, United States import taxes, or valuations by United States Customs, shall be for the account of Buyer unless otherwise specified. Any change in freight rates between contract date and bill of lading date above and beyond the negotiated price shall be for the account of Buyer.

2. Detention. Goods are sold subject to inspection by USDA, or by any other United States Government Department, Bureau or Agency with jurisdiction over them. If the goods or any part of them are detained by the United States government and not released for entry after reasonable efforts have been made by Seller to remove such detention, it is understood that Seller is not required to make a replacement of the merchandise and that the contract in regard to the detained and unreleased merchandise shall then become void and Seller shall be released of all responsibility and liability except that Seller must either refund the purchase price, if paid, plus freight charges, insurance and other expenses incurred by Buyer in connection with the transaction, or at Seller's discretion provide the same material from another source.