



TERMS AND CONDITIONS OF SALES (January 2018)

INTRODUCTION

Certified Wood Products, Inc.TM (CWPI) is a supplier and distributor of Division 06 forest products and related materials. Our transactions with you, our customer (referred to as “buyer” in this document), are governed by the following Terms and Conditions of Sales. Please read them carefully and contact us with any questions, concerns or need for clarification.

From time to time, we may need to modify these terms and conditions. You will be given the current version when you receive our Order Acknowledgment for each order you place with us.

GENERAL TERMS

CWPI's Order Acknowledgement documents the sale between you as buyer and CWPI as seller. Order Acknowledgements are entered with the understanding that buyer understands, agrees with, accepts and will comply with the Terms and Conditions of Sales, unless otherwise agreed in writing between buyer and the CWPI. CWPI may cancel any order because of buyer's failure to comply with any of the terms in this Terms and Conditions of Sale and CWPI's Order Acknowledgement. CWPI's cancellation rights are not its exclusive remedy and it retains all other rights and remedies available to it.

- Quotations must be accepted verbally or by CWPI's Order Acknowledgement and delivered to CWPI by the deadline stated in the Quotation.
- Once CWPI places a specific order with its vendors, the order cannot be cancelled or terminated except upon payment for CWPI's loss, damage and expenses arising from the cancellation/termination.
- If buyer cancels an order after it has been shipped to buyer or refuses delivery, the cancellation will be treated as a return and buyer is responsible for paying CWPI all applicable costs and fees - including restocking and cancellation fees.
- Order modifications are handled on a case by case basis with appropriate CWPI and buyer approvals and documentation.

CWPI may be asked to estimate project needs for the product it will be supplying. All quantities stated by CWPI are good faith estimates only. Buyer is responsible for determining and ordering actual items and quantities required for completion of the scope of the work. Prices quoted are based upon the items and quantities shown on the Order Acknowledgement.

SHIPMENT AND DELIVERIES

If buyer requests product be delivered by a certain date, buyer must discuss with CWPI to verify product and shipping availability. All listed shipping and delivery times are good faith estimates only and cannot be guaranteed by CWPI. When CWPI learns of a delay in shipping or delivery, it will notify buyer as soon as reasonably possible.

Once Orders have been placed, products are shipped via common carrier freight or dedicated truck load carrier unless otherwise specified. CWPI may ship the entire order at one time or any portion(s) of the order on one or more vehicles within the time of shipment and/or loading agreed upon in the Order Acknowledgement.

Freight deliveries that are dock to dock, require the receiving party to remove the product from the truck via a loading dock or with a forklift. For residential (or other non-dock) deliveries, the freight company is required to move the product to the tailgate of the truck and the receiving party is required to unload the product.

In the case of offshore shipments, if the buyer's choice of port is unavailable to CWPI, CWPI will choose an alternate port of arrival and will notify the buyer of the required change and any additional transportation costs for the port changes.

PAYMENT TERMS

- New customers need to complete a new account application which includes a credit check.
- All shipments are subject to CWPI's prior approval of buyer's credit. If not approved, or at any time buyer's credit worthiness becomes impaired or unsatisfactory, other arrangements may be discussed and approved by CWPI.
- Invoices are issued when the product is shipped. Invoices are payable in USA currency unless otherwise stated on the Order Acknowledgement and the Invoice.
- Buyer is liable for all expenses (including legal fees) incurred by CWPI in collecting past due amounts from buyer.
- Terms are 1% 10 Days (ADF, ADT & ADI) or Net 30 from the Invoice date, unless otherwise agreed to in writing and/or noted on the Invoice. Note: ADF means After Deducting Freight, ADT means After Deducting Taxes and ADI means After Date of Invoice.
- No retainage may be withheld by buyer.
- All amounts due bear interest during the time they remain unpaid and may be charged interest at a rate of 1.5% per month (18% per annum).
- If buyer fails to make payments according to the terms agreed upon, CWPI may defer further shipments until such payments are made. CWPI may pursue other available remedies.
- CWPI may cancel any order upon buyer's filing for bankruptcy, appointment of a receiver or otherwise becoming subject to third party administration. Cancellation fees will apply.

TAXES & DUTIES

- All applicable taxes are paid by buyer. If buyer is exempt from tax liability, the appropriate exemption form needs to be completed and submitted to CWPI in advance of invoicing.
- For shipments to any foreign nation, all applicable duties, VAT, taxes and charges are paid by buyer in addition to the price of the product.

RETURN OF GOODS

- CWPI cannot accept returns on custom orders.
- For non-custom orders, CWPI has a 30-day return policy, subject to its prior written approval, a 20% restocking fee and pre-paid return freight. CWPI may refuse returns if the product is not in re-saleable condition per CWPI's standards of quality.

CLAIMS

In the case of a dispute or claim concerning the product's grade, shipments are subject to reinspection by the agency which published the rules under which the product is graded. The conclusion from a reinspection by such agency, or any other re-inspector agreeable to both buyer and CWPI, shall be taken as a basis for final settlement.

Buyer shall promptly unload, properly store, document with photos and cover by insurance any shipments which are the subject of a dispute or claim. Unless otherwise agreed upon between buyer and CWPI, disputes and claims are addressed in accordance with the reinspection rules of the agency which published the rules under which the product is graded. Buyer shall pay invoices when due.

Product disputes and claims must be made within 10 days of delivery of the product. CWPI will deem that good delivery was made if no dispute or claim is made within this time limit. In the event of a dispute or claim, 100% of the product must be available for inspection or buyer's right to a dispute or claim is forfeited.

If the quantity delivered is proven to be less than the contracted amount, CWPI will, without delay, make good the shortage unless the shortage is acceptable to buyer, or for some reason, no longer available. In the case of a tally discrepancy, buyer must call CWPI within 10 days of delivery. Buyer will be invoiced only for the exact quantity delivered. Buyer shall make payment, when due, under the terms of the Invoice.

If buyer makes any disputes or claims, buyer shall make full payment for the shipment in accordance with the terms of payment contained in the Invoice. Buyer is not entitled to deduct, from the price invoiced to it by CWPI, the amount of any claim made, unless CWPI has agreed, in writing, to such deductions.

If buyer rejects the delivered product for proven defective quality, or rejection is awarded by inspections, CWPI will, without delay, replace the defective product or issue a credit note to the buyer equal to the value of the defective product. If the defective quality

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is proven, but does not result in buyer's rejection of the product, buyer may pay a reduced value for the defective product and will not be entitled to any other compensation.

FREIGHT AND SHIPPING

Freight is FOB delivered unless stated otherwise. If buyer requests product to be shipped from or delivered to a location other than the quoted shipping point, buyer is responsible for any additional freight cost.

Unfortunately, items may occasionally be damaged in transit. Please inspect the product as soon as possible after delivery. If you believe the product is damaged in any way, please do not refuse the product. All freight claims must be submitted to CWPI within 24 hours of delivery via email or telephone contact.

- If you feel damage occurred during transit, ask the delivery carrier to make an inspection immediately. All damage must be noted on the Delivery Receipt (Bill of Lading) in detail and signed by the delivery carrier.
- A copy of the Delivery Receipt must be faxed, emailed or mailed to CWPI in order for a damage claim to be filed with the delivery company, in order for replacement product to be sent to the buyer.
- Buyer should photograph the damaged product on the truck and off the truck for evidence that will assist with a product damage claim. Photos must be emailed or mailed to CWPI.
- The shipping company has the right to inspect and/or claim the product if a damage claim is filed. Damaged product may need to be shipped back to CWPI. Should
- Should buyer refuse the product, this does not excuse buyer of re-delivery or return shipping costs.

FORCE MAJEURE

CWPI is not responsible for any direct or indirect damages caused by delays beyond the control of CWPI. This includes "Force Majeure" - any Act of God, or governmental agencies, war, mobilization, strike, lockout or other labor disturbance, drought, flood, total or partial fire, obstruction of navigation, strike at port of loading or discharge, or loss, damage or detention at sea, reduction, suspension or shutdown of operations, or other contingencies/causes beyond CWPI's control which prevents the order, manufacture and/or shipment of product, or beyond the buyer's control which prevents the receipt of product.

Buyer or CWPI, as the case may be, may suspend performance under the Order Acknowledgement for Force Majeure event with neither party being responsible to the other party for any damage resulting from such suspension. CWPI may, without liability, cancel such portion of its contracted volume with buyer which, as a consequence of a Force Majeure event, could not be obtained by CWPI.

Buyer or CWPI, as the case may be, will give prompt notice to the other party of any Force Majeure event which may affect the performance under the Order Acknowledgment and also when such Force Majeure event ceases, and as soon as practicable, notify to what extent it will be necessary to suspend or cancel any order volume. When any suspensions are concluded, subsequent shipments will be resumed according to the Order Acknowledgment.

LIMITED LIABILITY

CWPI has no control, or responsibility, over the use of the products it sells to buyer. Once product is delivered to and accepted at buyer's location of choice, CWPI assumes no liability for any loss, damage or expenses connected with the product's storage, installation, use, application, physical or chemical change to the product, or inability to use, etc. Buyer has sole responsibility for product once delivered on-site, except as noted in the Claims section.

CWPI's liability for personal injury and/or property damage arising from the purchase of products distributed by CWPI will be limited to the damages that are proven to have resulted from the sole gross negligence of CWPI or its directors, officers or employees. CWPI's liability to buyer will not exceed the purchase price of the products sold to buyer.

CWPI makes no warranty, express or implied, as to the suitability or fitness for any application or use of any product. Such suitability is at the discretion of the buyer, not CWPI.

CLAIMS, GOVERNING LAW AND VENUE

CWPI wants to settle, amicably, any dispute or claim that arises from either party from the transaction this Terms and Condition of Sales applies to - - our history and our reputation speak to this! If, however, this proves impossible, buyer and CWPI each agree to participate, in good faith, in non-binding mediation upon the written request of the other party.

This document will be governed by and construed under the laws of the State of Minnesota and will be venued in the Minnesota District Court for Hennepin County, Minnesota or the federal District Court for the District of Minnesota.