



Western Lumber Sales Limited

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GENERAL CONDITIONS OF SALE UNITED STATES

1. TERMS AND ACKNOWLEDGEMENT.

This order and any agreements between Buyer and Seller are limited to the terms and conditions of these General Terms of Sale and the terms and conditions on the face of Seller's order acknowledgment relating to this order (or Seller's invoice relating to this order if Seller does not issue an order acknowledgment). Any additional or different terms in Buyer's forms or other documents are hereby deemed to be material alterations and notice of objection to them and rejection of them is hereby given. No modification of Seller's terms and conditions will be binding on Seller unless agreed to in writing by Seller.

2. GENERAL WARRANTY AND LIMITATIONS.

(a) Products manufactured by Seller or sold by Seller under Seller's private label are warranted to be of merchantable quality and to conform to specifications and tolerances provided in the applicable industry standards, or Seller's published standards, or otherwise incorporated in this agreement. Should any such product sold hereunder be found not to meet the foregoing warranty, Seller will furnish a replacement product conforming to this warranty, or, at its election, make a fair allowance therefor. However, written notice of any claim under this warranty must be given to Seller within 30 days after delivery or after opening of the packaging when products are intended to be stored in original wrapper after receipt, and Buyer must afford Seller a reasonable opportunity to inspect the products in unaltered condition and evaluate the claims in accordance with procedures customary to the industry. SELLER'S SOLE RESPONSIBILITY AND BUYER'S SOLE AND EXCLUSIVE REMEDY IS AS STATED. SELLER SHALL NOT BE LIABLE FOR CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, OR FOR ANY AMOUNT IN EXCESS OF THE PRICE FOR THE SHIPMENT INVOLVED, UNDER THE FOREGOING WARRANTY OR ANY OTHER PART OF THIS AGREEMENT. ANY LEGAL ACTION AGAINST SELLER FOR BREACH OF THIS AGREEMENT, INCLUDING THE WARRANTY GRANTED ABOVE, MUST BE INSTITUTED WITHIN ONE YEAR AFTER DELIVERY. THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED, WHICH EXTEND BEYOND THE FOREGOING, AND THE IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE IS EXCLUDED.

(b) Products not manufactured by Seller or sold by Seller under Seller's private label are not warranted by Seller and are sold by Seller "AS IS, WITH ALL FAULTS". To the extent that the manufacturer of the product provides a warranty and such warranty is transferable, Seller will transfer such manufacturer's warranty to Buyer without incurring any liability thereunder.

3. TIME AND PLACE OF SHIPMENT. Unless the indicated shipping date is expressly guaranteed, advance information as to date of shipment is an approximation only, based upon Seller's best judgment at the time.

4. QUANTITY TOLERANCES. Unless this order expressly requires reloading of exact quantities specified, all orders are subject to under-runs and over-runs of not more than 10%.

5. TITLE AND RISK. Irrespective of any provisions concerning freight or price, title and risk of loss or damage shall pass to Buyer upon delivery of goods to any carrier, except a motor vehicle operated by Seller, at Seller's plant or other shipping point. Seller reserves the right to route all shipments, and may assist Buyer in processing claims against carriers, without incurring liability therefor.

6. TRANSPORTATION COSTS AND SHORTAGES. When prices include any costs of transportation from point of shipment, any increase in such costs becoming effective after the applicable price is quoted or established by Seller, and any costs for services provided by the carrier at no charge other than the applicable freight rate or tariff, shall be for Buyer's account. Any extra costs of utilizing substitute methods of delivery, when the intended type of carrier, vehicle or loading or unloading facilities become unavailable, also shall be for Buyer's account.

7. LATE PAYMENT CHARGE. A late payment charge of 1.25% per month on the unpaid balance will be made on all past due accounts. In no event will this charge exceed the maximum rate allowed by law. Buyer also agrees to pay reasonable attorneys' fees and other costs incurred at collection.

8. PRINTING AND DESIGN WORK. Buyer will indemnify Seller against and hold Seller harmless from any claim of infringement of Copyright, Trademark or Trade dress resulting from the use of any words, designs, or art and any claim concerning machine readability of Universal Product Code symbols that Seller is requested to incorporate in or imprint or place on the products sold hereunder notwithstanding that Seller may be consulted as to, or may perform, art or design work or other special services in connection herewith.

9. GOVERNING LAW. This agreement, including its validity, interpretation, performance, operation and enforcement, shall be governed by the laws of the Province of British Columbia Canada.