



SALES TERMS AND CONDITIONS

1. Scope/Binding Effect. THESE TERMS AND CONDITIONS OF SALE APPLY TO ALL QUOTATIONS AND OFFERS MADE BY AND PURCHASE ORDERS ACCEPTED BY ROSEBURG FOREST PRODUCTS CO., ROSEBURG SOUTH LUMBER, LLC, ROSEBURG WEST MDF, LLC, ROSEBURG FOREST PRODUCTS CANADA, AND ROSEBURG SOUTH ENGINEERED WOOD, LLC (EACH A "SELLER"). TO THE EXTENT THAT THESE TERMS AND CONDITIONS CONFLICT WITH OR ARE DIFFERENT FROM THOSE CONTAINED IN ANY BUYER PURCHASE ORDER OR OTHER PROCUREMENT DOCUMENTS, THESE TERMS AND CONDITIONS WILL CONTROL. BUYER'S ACCEPTANCE AND PAYMENT FOR THE GOODS SHALL CONCLUSIVELY CONFIRM ASSENT TO THESE TERMS.

2. Prices/Payment. Prices are those in effect at the time of acceptance of an order. All prices are in U.S. dollars, FOB Seller's mill. Amounts not paid when due will bear a late payment charge of 1½ percent per month or the maximum legal rate, whichever is less.

3. Delivery. Unless otherwise stated in the order acknowledgement, delivery is FOB Seller's mill. Title and risk of loss pass to Buyer upon transfer to the carrier at the shipping point, freight prepaid. Delivery dates are approximate. Seller will make best efforts to meet specified delivery dates but shall otherwise not be responsible for delayed deliveries.

4. Taxes. All prices are exclusive of any present or future sales, revenue, or excise tax, duties, tariffs, or other similar charges, all of which shall be paid by, and the sole responsibility of, Buyer.

5. Acceptance. Buyer shall accept or reject products upon receipt. Failure to notify Seller in writing of nonconforming products within such period shall be deemed an unqualified acceptance. Any use of the products by Buyer which is not related to acceptance testing shall constitute acceptance.

6. Quantity Variation. Unless specifically noted, a quantity variation of up to 10 percent of the quantity order is authorized. All shortage claims must be supported by

an affidavit within 72 hours and Buyer shall, if requested by Seller, cause total shipment to remain intact for inspection by Seller.

7. Warranty. Seller warrants that upon delivery products will conform to applicable specifications and will be free from material defects in materials or workmanship. Seller will repair or replace, at its option, any product found to be defective or nonconforming, provided that: (a) Buyer gives prompt written notice of the defect or nonconformity; (b) at Seller's request Buyer has returned the nonconforming product to Seller, freight prepaid; (c) Seller has determined in its sole discretion that Buyer has not improperly handled or shipped a product, or subjected the product to misuse, misapplication, accident, alteration, neglect, improper or inadequate maintenance, installation, or repair. Seller makes no warranty with respect to goods custom made to Buyer's specifications, and Buyer agrees to hold Seller harmless from claims based upon compliance with such specifications. THIS WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES OR OBLIGATIONS EXPRESS OR IMPLIED. SELLER EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

8. Limitation of Liability. IN NO EVENT WILL SELLER BE LIABLE FOR INDIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, OR CONSEQUENTIAL DAMAGES OF ANY KIND SUSTAINED FROM ANY CAUSE OR ARISING OUT OF ANY LEGAL THEORY, WHETHER CONTRACT, NEGLIGENCE, STRICT TORT LIABILITY, OR OTHERWISE. IN NO EVENT SHALL SELLER BE LIABLE TO BUYER IN AN AMOUNT EXCEEDING THE PURCHASE PRICE OF THE SUBJECT PRODUCT. THESE LIMITATIONS INCLUDE ANY LIABILITY THAT MAY ARISE OUT OF THIRD-PARTY CLAIMS. ANY LAWSUIT BY BUYER AGAINST SELLER SHALL BE FILED WITHIN ONE YEAR FROM DELIVERY OF THE SUBJECT PRODUCT BY SELLER. THESE LIMITATIONS SHALL APPLY NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OR OF ANY LIMITED REMEDY PROVIDED HEREIN.

9. Force Majeure. Seller shall not be responsible for delays caused by acts of God, fires, floods, strikes, accidents, or delay by suppliers of material, shortages of material, inability to obtain necessary labor or manufacturing facilities, or other causes beyond its reasonable control.

10. Disputes. The rights and liabilities of the parties arising out of or relating to this agreement will be governed by the laws of the state of Oregon; venue in any lawsuit between the parties will lie exclusively in state or federal courts in Oregon; and the prevailing party in such litigation will be entitled to recover all reasonable attorneys' fees and other expenses (in addition to statutory "costs" of litigation), including attorneys' fees and expenses in connection with any trial, appeal, or petition for review. Prior to commencing of litigation, the parties will mediate their dispute pursuant to the mediation rules of the American Arbitration Association, with the mediator's fees to be split equally between the parties.

11. **Termination for Cause or Convenience.** In the event of default, bankruptcy, or failure or inability of buyer to perform, Roseburg may terminate the order for cause, and in the event of such termination, buyer will be financially responsible for any proprietary product manufactured for buyer.

12. **Governing Law.** Except where inconsistent with the terms and conditions contained herein, all orders shall be governed by the Uniform Commercial Code provisions applicable to transactions in goods ("UCC"), regardless of whether this order is characterized as a transaction in goods or a transaction in services. This order shall be interpreted and enforced under the laws of the State of Oregon.

13. **Modifications and Amendments.** No waivers, amendments, or modifications of any of the terms or conditions of the order shall be valid unless reduced to writing and signed by both parties. The terms and conditions of this order shall not be amended or modified by the course of performance or course of dealing between the parties.

14. **Mutuality.** All debts and obligations of Roseburg and buyer to each other are mutual and subject to set-off. For purposes of this paragraph, "Roseburg" and "Buyer" shall be deemed to include each party's respective subsidiaries and affiliates which directly or indirectly control or are controlled by that party through 100% equity ownership.

15. **ENTIRE AGREEMENT.** THIS IS THE ENTIRE AGREEMENT BETWEEN THE PARTIES. IT SUPERSEDES ALL PRIOR OR CONTEMPORANEOUS AGREEMENTS, UNDERSTANDINGS, OR REPRESENTATIONS WITH RESPECT TO THE SUBJECT MATTER HEREOF. THIS AGREEMENT MAY NOT BE MODIFIED OR AMENDED EXCEPT IN WRITING SIGNED BY BOTH PARTIES.