

## PURCHASE ORDER

### TERMS AND CONDITIONS

#### 1. Applicability.

(a) These purchase order terms and conditions (the “**Terms**”) govern any purchase order issued by DeGroat Industrial Group, Inc., d/b/a Lumbertrades.com (“**DIG**”) that incorporates these Terms by reference (each, the “**Purchase Order**”). The delivery of the Purchase Order to the party identified as Seller in the Purchase Order (the “**Seller**”) is an offer by the DIG for the purchase of goods specified in the Purchase Order (the “**Goods**”) from Seller in accordance with and subject to these Terms. The Terms together with the terms of the Purchase Order are referred to herein as the “**Order**”.

(b) The Order, together with any documents incorporated therein by reference, constitutes the sole and entire agreement of the parties with respect to the Order, and supersedes all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral, with respect to the subject matter of the Order. The Order expressly limits Seller’s acceptance to the terms of the Order. The Order’s terms and conditions prevail over any terms or conditions contained in any other documentation and expressly exclude any of Seller’s general terms and conditions of sale or any other document issued by Seller in connection with the Order.

(c) DIG may from time-to-time purchase Goods from Seller for further sale to a third party purchaser (“**End Buyer**”). Seller acknowledges and agrees that DIG may effect such transactions and that title and risk of loss transfers to End Buyer upon delivery of the Goods to DIG by Seller for further delivery to End Buyer. Seller is solely responsible for packaging such Goods.

(d) These Terms apply to any repaired or replacement Goods provided by Seller hereunder.

(e) DIG is not obligated to any minimum purchase or future purchase obligations under the Order.

2. Acceptance. The Order is not binding on DIG until Seller accepts the Order by providing a written confirmation to DIG (email acceptable), signing and returning the Purchase Order, or starting performance in accordance with the Order and providing DIG written notification of its performance (email acceptable) within two days of Seller’s receipt of the Order. If Seller does not accept the Order within two days of Seller’s receipt of the Order, the Order will lapse. DIG may withdraw the Order at any time before it is accepted by Seller.

3. Delivery Date. Subject to Section 4, Seller shall deliver the Goods in the quantities and on the date(s) specified in the Purchase Order; if no delivery date is specified in the Purchase Order, Seller shall deliver the Goods within ten days of Seller’s receipt of the Purchase Order (the “**Delivery Date**”). Timely delivery of the Goods is of the essence. If Seller fails to deliver the Goods in full on the Delivery Date, DIG, in its sole option, may: (a) agree in writing to a different Delivery Date; or (b) terminate the Order immediately, without liability to Seller or DIG, by providing written notice to Seller, and Seller shall indemnify DIG against any losses, claims, damages, and reasonable costs and expenses attributable to Seller’s failure to deliver the Goods on the Delivery Date. DIG has the right to return any Goods delivered prior to the Delivery Date at Seller’s expense, and Seller shall redeliver such Goods on the Delivery Date.

4. Quantity. If Seller delivers more than the quantity of Goods ordered, DIG may reject any or all excess Goods. Any such rejected Goods shall be returned to Seller at Seller’s risk and expense. The total Price (as hereinafter defined) for the Goods shall be adjusted on a pro rata basis to include any excess Goods not rejected by DIG. Seller shall in no event deliver to DIG less than the quantity of Goods ordered except with DIG’s express prior written consent, which may be withheld in DIG’s discretion.

5. Ship to Location. The Seller shall deliver the Goods to the address specified in the Purchase Order (the “**Ship to Location**”) or as otherwise instructed by DIG.

#### 6. Shipping Terms.

(a) Title passes to DIG upon delivery of the Goods to the Ship to Location. Seller bears all risk of loss or damage to the Goods until delivery of the Goods to the Ship to Location.

(b) Seller shall be responsible for arranging the shipping of the Goods to DIG according to DIG’s instructions or, if there are no instructions, in a manner sufficient to ensure that the Goods are timely delivered in undamaged condition and in compliance with the terms and conditions of the Order, industry standard, and applicable law. Seller shall pay all costs of carriage and insuring the Goods in transit to the Ship to Location. Unless otherwise specified in the Purchase Order, the Price (defined below) includes all insurance, packaging, and transportation costs to the Ship to Location.

(c) Seller shall give written notice of shipment to DIG when the Goods are delivered to a carrier for transportation. Seller shall provide DIG all shipping documents, including, but not limited to, the commercial invoice, packing list, bill of lading, and any other documents necessary to release the Goods to DIG within two business day after Seller delivers the Goods to the transportation carrier. The Purchase

Order number must appear on all shipping documents, shipping labels, bills of lading, invoices, correspondence, and any other documents pertaining to the Order.

(d) Unless otherwise specified in the Purchase Order, Seller may not make partial shipments of Goods to DIG.

(e) All goods shall be packed for shipment in accordance with applicable law and industry standards and according to DIG's instructions or, if there are no instructions, in a manner sufficient to ensure that the Goods are delivered in undamaged condition. Seller must provide DIG prior written notice if it requires DIG to return any packaging material. Any return of such packaging material shall be made at Seller's expense.

7. Amendment and Modification. No change to the Order is binding upon DIG unless it is in writing, specifically states that it amends the Order, and is signed by an authorized representative of DIG.

8. Inspection and Rejection of Nonconforming Goods. The DIG has the right to inspect the Goods on or after the Delivery Date. DIG, at its sole option, may inspect all or a sample of the Goods, and may reject all or any portion of the Goods if it determines the Goods are damaged, defective, or otherwise nonconforming. If DIG rejects any portion of the Goods, DIG has the right, at its sole option and effective upon written notice to Seller, to: (a) terminate the Order in its entirety, without liability to Seller; (b) accept the Goods at a reasonably reduced price; or (c) require replacement of the rejected Goods. If DIG requires replacement of the Goods, Seller shall, at its risk and expense, promptly replace the rejected Goods and pay for all related expenses, including, but not limited to, transportation charges for the return of the rejected Goods and the delivery of replacement Goods. If Seller fails to timely deliver replacement Goods, DIG may replace them with goods from a third party and charge Seller the cost thereof and terminate the Order for cause pursuant to Section 17. Any exercise by DIG of its rights and remedies under this Section 8 shall not reduce Seller's obligations or DIG's rights and remedies under the Order or applicable law, and DIG shall have the right to conduct further inspections after Seller has carried out any remedial actions.

9. Price. The price of the Goods is the price stated in the Purchase Order (the "**Price**"). Unless otherwise specified in the Order, the Price includes all fees and applicable taxes, including, but not limited to, all sales, use or excise taxes. No increase in the Price is effective, whether due to increased material, labor, or transportation costs or otherwise, without the prior written consent of DIG.

10. Payment Terms. Seller shall issue an invoice to DIG on or any time after the completion of delivery and only in accordance with the Terms. DIG shall pay all properly invoiced and undisputed amounts due to Seller within 30 days after DIG's receipt of such invoice. All payments hereunder must be in US dollars and made by ACH or cash.

11. Setoff. Without prejudice to any other right or remedy it may have, DIG reserves the right to set off at any time any amount owing to it by Seller against any amount payable by DIG to Seller.

12. Warranties. Seller represents, warrants, and covenants to DIG that:

(a) for a period of two months from the Delivery Date, all Goods will: (i) be free from any defects in workmanship, material, and design; (ii) conform to applicable specifications, drawings, designs, samples, and other requirements specified by DIG; (iii) be fit and safe for their intended purpose; and (iv) be merchantable;

(b) no claim, lien, or action exists or is threatened against Seller that would interfere with DIG's use or sale of the Goods;

(c) the Goods do not and will not infringe or misappropriate any third party's patent or other intellectual property rights; and

(d) DIG will receive good and valid title to the Goods, free and clear of all encumbrances and liens of any kind.

These warranties survive any delivery, inspection, acceptance, or payment of or for the Goods by DIG. These warranties are cumulative and in addition to any other warranty provided by law or equity. Any applicable statute of limitations runs from the date of DIG's discovery of the noncompliance of the Goods with the foregoing warranties. If DIG gives Seller notice of noncompliance with this Section, in addition to other remedies available to DIG under the Order or at law or equity, Seller shall, at its own cost and expense, promptly replace the defective or nonconforming Goods and pay for all related expenses, including, but not limited to, transportation charges for the return of the defective or nonconforming goods to Seller and the delivery of replacement Goods to DIG.

13. General Indemnification. Seller shall defend, indemnify, and hold harmless DIG and DIG's parent company, their subsidiaries, affiliates, successors or assigns, and their respective directors, officers, shareholders, managers, members, advisors, employees (collectively, "**Indemnitees**") against any and all loss, injury, death, damage, liability, claim, deficiency, action, judgment, interest, award, penalty, fine, cost, or expense, including, but not limited to, reasonable attorney and professional fees and costs and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers (collectively, "**Losses**"), arising out of or occurring in connection with the Goods or Seller's negligence, willful misconduct, or breach of the Order. Seller shall not enter into any settlement without DIG's or, as applicable, another Indemnitee's prior written consent.

14. Intellectual Property Indemnification. Seller shall, at its expense, defend, indemnify, and hold harmless DIG and any other Indemnitee against any and all Losses arising out of or in connection with any claim that DIG's or such Indemnitee's use or possession of

the Goods infringes or misappropriates the patent, copyright, trade secret, or other intellectual property right of any third party. In no event shall Seller enter into any settlement without DIG's or, as applicable, another Indemnitee's prior written consent.

15. Compliance with Law. Seller is in compliance with and shall comply with all applicable laws, regulations, and ordinances. Seller has and shall maintain in effect all the licenses, permissions, authorizations, consents, and permits that it needs to carry out its obligations under the Order.

16. Termination. DIG may terminate the Order, in whole or in part, at any time with or without cause for undelivered Goods on two days' prior notice to Seller. In addition to any other remedies that may be provided under these Terms or otherwise, DIG may terminate the Order with immediate effect upon notice to the Seller if Seller has not performed or complied with the Order, in whole or in part. If the Seller becomes insolvent, is generally unable to pay, or fails to pay, its debts as they become due, files a petition for bankruptcy, or commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization, or assignment for the benefit of creditors, then the DIG may terminate the Order upon notice to Seller. If DIG terminates the Order for any reason, Seller's sole and exclusive remedy is payment for the Goods received and accepted by DIG prior to the termination.

17. Limitation of Liability. EXCEPT AS PROHIBITED BY LAW AND EXCLUDING BREACH OF SECTION 19 OR INDEMNIFICATION UNDER SECTION 14, EACH PARTY'S MAXIMUM LIABILITY TO THE OTHER PARTY SHALL NOT EXCEED THE GREATER OF \$50,000 OR THE AGGREGATE AMOUNT PAYABLE UNDER THE ORDER.

18. Waiver. No waiver by any party of any of the provisions of the Order shall be effective unless explicitly set forth in writing and signed by the party so waiving. Except as otherwise set forth in the Order, no failure or delay in exercising any right, remedy, power, or privilege arising from the Order shall operate or be construed as a waiver thereof.

19. Confidential Information. All non-public, confidential, or proprietary information of the DIG, including, but not limited to, specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts, or rebates, disclosed by DIG to Seller, whether disclosed orally or disclosed or accessed in written, electronic, or other form or medium, and whether or not marked, designated, or otherwise identified as "confidential," in connection with the Order is confidential, may only be used for the purpose of performing the Order and may not be disclosed unless authorized by DIG in writing. Upon DIG's request, Seller shall promptly return all documents and other materials received from DIG. DIG shall be entitled to injunctive relief for any violation of this Section. This Section shall not apply to information that is: (a) in the public domain; (b) known to the Seller at the time of disclosure; or (c) rightfully obtained by the Seller on a non-confidential basis from a third party.

20. Force Majeure. No party shall be liable or responsible to the other party, or be deemed to have defaulted under or breached the Order, for any failure or delay in fulfilling or performing any term of the Order (except for any obligations to make payments to the other party hereunder), when and to the extent such party's (the "**Impacted Party**") failure or delay is caused by or results from the following force majeure events ("**Force Majeure Event(s)**"): ( acts of God; ( flood, fire, earthquake, {OTHER POTENTIAL DISASTER(S) OR CATASTROPHE(S), SUCH AS EPIDEMICS}, or explosion; ( war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest; ( government order, law, or action; ( embargoes or blockades in effect on or after the date of this Agreement; ( national or regional emergency; ( strikes, labor stoppages or slowdowns or other industrial disturbances; and ( shortage of adequate power or transportation facilities. The Impacted Party shall give notice within 10 days of the Force Majeure Event to the other party, stating the period of time the occurrence is expected to continue.

The Impacted Party shall use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized. The Impacted Party shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause. In the event that the Impacted Party's failure or delay remains uncured for a period of thirty consecutive days following written notice given by it under this Section 21, either party may thereafter terminate this Agreement upon 10 days' written notice.

21. Assignment. Seller shall not assign, transfer, delegate, or subcontract any of its rights or obligations under the Order without the prior written consent of DIG. Any purported assignment or delegation in violation of this Section 22 shall be null and void. No assignment or delegation shall relieve the Seller of any of its obligations hereunder. DIG may at any time assign, transfer, delegate, or subcontract any or all of its rights or obligations under the Order without Seller's prior written consent.

22. Relationship of the Parties. The relationship between the parties is that of independent contractors. Nothing contained in the Order shall be construed as creating any agency, partnership, joint venture, or other form of joint enterprise, employment, or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever.

23. No Third-Party Beneficiaries. The Order is for the sole benefit of the parties hereto and their respective successors and permitted assigns, and nothing in the Order, express or implied, is intended to or shall confer upon any other individual or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of the Order.

24. Choice of Law. All matters arising out of or relating to each Order, whether sounding in contract, tort, or statute, shall be governed by and construed in accordance with the internal laws of the State of Washington, without giving effect to any choice or conflict of law provision or rule (whether of the State of Washington or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than those of the State of Washington.

25. **Choice of Forum.** Each party irrevocably and unconditionally agrees that it will not commence any action, litigation, or proceeding of any kind whatsoever against the other party in any way arising from or relating to the Order, including all exhibits, schedules, attachments, and appendices attached to the Order, and all contemplated transactions, including contract, equity, tort, fraud, and statutory claims, in any forum other than U.S. District Court for the Western District of Washington or the courts of the State of Washington sitting in County of King, and any appellate court from any thereof. Each party irrevocably and unconditionally submits to the exclusive jurisdiction of such courts and agrees to bring any such action, litigation, or proceeding only in U.S. District Court for the Western District of Washington or the courts of the State of Washington sitting in County of King. Each party agrees that a final judgment in any such action, litigation, or proceeding is conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

26. **Cumulative Remedies.** The rights and remedies under each Order are cumulative and not exclusive, and the exercise by either party of any right or remedy does not preclude the exercise of any other rights or remedies that may now or subsequently be available at law, in equity, by statute, in any other agreement between the parties, or otherwise. Notwithstanding the foregoing, the parties intend that, if DIG terminates the Order in accordance with Section 17, Seller's sole and exclusive remedy is the right to payment for the Goods received and accepted.

27. **Notices.** All notices, requests, 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 in the Purchase Order or to such other address that may be designated by the receiving party in writing. All Notices shall be delivered by personal delivery, nationally recognized overnight courier (with all fees pre-paid), email (with confirmation of receipt), or certified or registered mail (return receipt requested, postage prepaid). Except as otherwise provided in the Order, a Notice is effective only (a) upon receipt of the receiving party, and (b) if the party giving the Notice has complied with the requirements of this Section.

28. **Severability.** If any term or provision of the Order is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of the Order or invalidate or render unenforceable such term or provision in any other jurisdiction.

29. **Survival.** Subject to the limitations and other provisions of the Order: (a) the representations and warranties of the parties contained in the Order shall survive its expiration or earlier termination; and (b) the following provisions, as well as any other provision that, in order to give proper effect to its intent, should survive such expiration or termination, shall survive the expiration or earlier termination of the Order: Setoff, Warranties, General Indemnification, Intellectual Property Indemnification, Insurance, Compliance with Laws, Confidentiality, Choice of Law, Choice of Forum, and Survival.