

Welco Lumber Corp.
Purchase Contract Terms and Conditions

The terms and conditions below (the “**Terms**”) are incorporated into and made a part of any agreement for the purchase of Goods (as defined below) from Welco Lumber Corp.

1. **Definitions.** As used in these Terms:
 - a. “**Business Day**” means a day other than a Saturday, Sunday, or other day on which commercial banks located in Seattle, Washington, are authorized or required by law to close.
 - b. “**Buyer**” means the entity or individual that purchases Goods from Seller.
 - c. “**Credit Application**” means the credit application submitted by Buyer to Seller in connection with purchasing Goods from Seller.
 - d. “**Effective Date**” means the earlier of: (i) the date Buyer accepts in writing Seller’s written proposal for a sale of Goods; and (ii) the date Seller confirms in writing Buyer’s oral acceptance of Seller’s written proposal for a sale of Goods.
 - e. “**Goods**” means any products, materials, or items of any kind that are purchased from Seller.
 - f. “**Objection Notice**” has the meaning stated in Section 5.a.
 - g. “**Order**” means an order for the purchase of Goods from Seller.
 - h. “**Order Documentation**” means a written proposal for the sale of Goods that is prepared by Seller and is accepted orally or in writing by Buyer.
 - i. “**Pick-up Deadline**” has the meaning stated in Section 7.
 - j. “**Purchase Contract**” has the meaning stated in Section 2.a.
 - k. “**Seller**” means Welco Lumber Corp.
 - l. “**Seller Indemnified Parties**” means (i) Seller and each of its directors, officers, and employees, and (ii) each Welco Affiliate and each of its directors, officers, and employees.
 - m. “**Seller’s Premises**” means any location owned, rented, or leased by Seller.
 - n. “**Welco Affiliate**” means any entity that controls, is controlled by, or is under common control with Seller.

2. **Applicability.**

- a. By ordering Goods from Seller, Buyer enters into a binding legal agreement with Seller (the “**Purchase Contract**”). The terms and conditions of the Purchase Contract consist of these Terms, the Order Documentation that is applicable to Buyer’s Order, and Buyer’s Credit Application (if any). A purchase order or similar document submitted by Buyer can constitute acceptance by Buyer of Seller’s written proposal for a sale of Goods, but the terms and conditions contained in any purchase order or similar document from Buyer will not be incorporated into the Purchase Contract except to the extent they accept Seller’s proposal. The Purchase Contract becomes legally binding on Buyer and Seller on the Effective Date.
- b. The terms of the Purchase Contract supersede all prior or contemporaneous understandings, agreements, negotiations, representations, warranties, and communications, both written and oral, between Buyer and Seller. Buyer accepts these Terms in their entirety without any additions, deletions, modifications, or exceptions. Fulfillment of an Order does not constitute acceptance of any additional or different terms proposed by Buyer.
- c. If there is a conflict between these Terms and other terms in the Purchase Contract, the conflict will be resolved by giving effect to provisions in the following order of priority: (i) these Terms; (ii) the Order Documentation; and (iii) the Credit Application (if applicable).

3. **Payment Terms.** Buyer warrants that Buyer is solvent and that Buyer is able to pay the purchase price for Goods ordered. Seller will invoice Buyer in a manner that is consistent with the Purchase Contract, and Buyer will pay each invoice according to its terms and according to the terms of the Purchase Contract. In no event will any payment to Seller be subject to any retention, “pay when paid,” or “pay if paid” provisions. At its discretion, Seller may assess an administrative service charge of 2% per month to any late payment, up to a maximum of 18% per annum (or, if lower, the highest charge permitted by applicable law).

4. **Delivery.**

- a. Seller will fulfill its delivery obligations for the Goods within a reasonable time after the Effective Date, subject to the availability of the Goods. Buyer and Seller may agree that Goods will be made available for pick-up at Seller’s Premises. Seller cannot guarantee any particular delivery date for Goods. Seller has the right to make partial deliveries.
- b. If any Order Documentation uses the delivery term “DLVD,” that means the Goods will be delivered via common carrier to the designated place of destination. Unless otherwise specified in Order Documentation, Buyer will be responsible for all loading costs and will provide equipment and labor reasonably suited for receipt of the Goods at the delivery or pick-up point.
- c. Any increase in freight rates between the Effective Date and the bill of lading date beyond the negotiated price will be paid by Buyer.

5. **Inspection.**

- a. It is Buyer's responsibility to inspect the Goods, at its sole cost and expense, and to timely notify Seller in writing of any non-conforming Goods (such written notice is an "**Objection Notice**"). Buyer's failure to timely provide an Objection Notice to Seller constitutes irrevocable and unqualified acceptance of the Goods by Buyer and a waiver by Buyer of all claims with respect to such Goods. An Objection Notice will only be timely if it is provided within seven calendar days of: (i) in the case of Goods delivered to a carrier, the date when the Goods are delivered by the carrier to the agreed upon destination; and (ii) in all other cases (including whenever Goods are designated as customer pick-up from Seller's Premises), the date of Seller's first invoice for the Goods. The Objection Notice must sufficiently describe the alleged nonconformity so that Seller would be able to remedy any actual nonconformity, must identify the specific Goods to which it refers, and must include any relevant supporting documentation.
 - b. If Buyer timely provides an Objection Notice to Seller, then Seller may, in its sole discretion: (i) replace the portion of the Goods found by Seller to be nonconforming on the terms originally agreed upon; (ii) ship additional Goods to remedy any shortage determined by Seller; (iii) repair any defects in the Goods confirmed by Seller; or (iv) refund to Buyer the portion of the purchase price actually received by Seller (or waive the portion of the purchase price expected to be received by Seller) for the affected portion of the Goods. IN ANY EVENT, SELLER'S MAXIMUM TOTAL LIABILITY FOR ANY DEFECTIVE OR NONCONFORMING GOODS IS THE COST OF REPLACING SUCH DEFECTIVE OR NONCONFORMING GOODS AT THE PREVIOUSLY AGREED UPON POINT OF DELIVERY OR PICK-UP.
6. **Title; Risk of Loss.** Unless otherwise specified in Order Documentation, title and risk of loss for any Goods transfer to Buyer: (a) upon delivery of the Goods to any carrier at the designated shipping point; or (b) if the terms of sale are customer pick-up, the earlier of (i) the Pick-up Deadline, and (ii) the date that Buyer takes possession of the Goods from Seller's Premises. The preceding sentence applies irrespective of whether Seller has sold the Goods "freight prepaid."
7. **Customer Pick-up Deadline.** If, under the Purchase Contract, Goods are made available at Seller's Premises for pick-up by Buyer, then Buyer will take possession of the Goods and remove them from Seller's Premises no later than the end of the month immediately following the month in which Seller issues Buyer the first invoice for the Goods (the "**Pick-up Deadline**"). For example, if the date of Seller's first invoice is any day in September in the current year, then the Pick-up Deadline would be October 31st of the current year. Notwithstanding anything to the contrary, after the Pick-up Deadline: (a) Seller has no obligation to provide any storage, protection, or insurance for any Goods purchased by Buyer that are still on Seller's Premises; and (b) Seller has no liability if any Goods purchased by Buyer that are still on Seller's Premises are stolen or damaged.
8. **Assumption of Risk.** Buyer has selected the Goods as suitable for its 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 risk or liability in connection with the sale, use, or disposal of the Goods.

9. Limited Warranty.

- a. Seller warrants the Goods will conform to the description in the Order Documentation at the time of delivery to the carrier (for Goods delivered to a carrier) or at the time Seller notifies Buyer that the Goods are available for pick-up from Seller's Premises (for Goods designated to be picked up from Seller's Premises).
- b. EXCEPT FOR THE LIMITED WARRANTIES IN SECTION 9.a., SELLER MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER WITH RESPECT TO THE GOODS, EXPRESS OR IMPLIED. SELLER SPECIFICALLY DISCLAIMS ALL WARRANTIES NOT LISTED IN SECTION 9.a., INCLUDING ANY WARRANTY OF MERCHANTABILITY, WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, WARRANTY OF TITLE, AND WARRANTY AGAINST INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS OF A THIRD PARTY.

10. Limitation of Liability.

- a. IN NO EVENT WILL SELLER OR ANY WELCO AFFILIATE 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 BUSINESS INTERRUPTION, OR FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, 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. IN NO EVENT WILL SELLER'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THE PURCHASE CONTRACT, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, EXCEED THE TOTAL OF THE AMOUNTS PAID TO SELLER UNDER THE PURCHASE CONTRACT IN THE PRECEDING TWELVE MONTHS.
- b. Buyer may not commence any legal proceeding against Seller for any cause of action more than one year after the accrual of the cause of action.

11. Indemnification. Buyer will indemnify and hold harmless the Seller Indemnified Parties from and against any and all losses (including attorneys' fees and other costs of defense) arising out of or relating to any action or omission by Buyer that is related to the purchase, sale, or use of the Goods, including any losses resulting from breaches by Buyer of the Purchase Contract and including any losses resulting from third-party claims.

12. Force Majeure. Seller is not liable to Buyer for any failure or delay in performing its obligations under the Purchase Contract when such failure or delay results from acts beyond Seller's control, including the following force majeure events: flood, fire, earthquake, pandemic, epidemic, or explosion; war, invasion, piracy, terrorist threats or acts, riot, or other civil unrest; government order, law, actions, embargoes, or blockades; national or regional emergency; strikes, labor stoppages or slowdowns, or other industrial

disturbances; 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 other similar events beyond the reasonable control of Seller. Should a force majeure event continue for 30 days or more days, Seller may terminate all or part of any Order that is part of the Purchase Contract. Seller will not be liable for any damages or penalties whatsoever resulting from Seller's failure to perform or delay in performing as a result of a Force Majeure Event.

13. Buyer Compliance.

- a. Buyer will comply with all applicable U.S. federal, state, and local laws, and with all applicable non-U.S. laws, in all its actions and activities related to the Purchase Contract. Without limiting the foregoing, Buyer will comply with all applicable U.S. and Canadian financial sanctions and embargo laws, all laws that prohibit money laundering, all laws that prohibit funding or supporting terrorist or criminal activities, all export control laws, and all anti-bribery and anti-corruption laws (including the U.S. Foreign Corrupt Practices Act and Canada's Corruption of Foreign Public Officials Act). Buyer will maintain in effect all licenses, permits, and authorizations that it needs to carry out its obligations under the Purchase Contract.
- b. Buyer represents that Buyer is not (i) directly or indirectly owned or controlled by any person currently included on the Specially Designated Nationals and Blocked Persons List or the Consolidated Sanctions List maintained by the Office of Foreign Assets Control, U.S. Department of the Treasury, or other similar list maintained by any governmental entity, or (ii) directly or indirectly owned or controlled by any person who is located, organized, or resident in a country or territory that is, or whose government is, the target of sanctions imposed by the Office of Foreign Assets Control or any other governmental entity. Buyer will promptly notify Seller if it becomes directly or indirectly owned or controlled by any person (I) included on a list described in clause (i) of this paragraph, or (II) located, organized, or resident in a country or territory that is, or whose government is, the target of sanctions imposed by the Office of Foreign Assets Control or any other governmental entity.

14. Import and Export Requirements.

- a. It is Buyer's responsibility to cause shipments of Goods to satisfy all applicable government import clearance requirements. Seller may terminate all or part of any Order that is part of the Purchase Contract if any governmental authority imposes antidumping or countervailing duties or any other penalties on Goods, or if Buyer does not satisfy any applicable government import clearance requirements.
- b. Buyer understands that Seller may be subject to certain export restrictions under U.S. and other laws as respects sales of Goods to certain persons and into certain countries. Seller may cancel any Order whose fulfillment would put Seller at risk of violating any export restrictions. Buyer will not resell the Goods or otherwise act in a manner that would expose Seller to a potential violation of any export restrictions.

15. **Security Interest.** As collateral security for the payment of the purchase price for the Goods, Buyer hereby grants to Seller a lien on and security interest in and to all of the right, title, and interest of Buyer in, to, and under the Goods, wherever located, and whether now existing or hereafter arising or acquired from time to time, and in all accessions thereto and replacements or modifications thereof, as well as all proceeds (including insurance proceeds) of the foregoing. The security interest granted under this provision constitutes a purchase money security interest under applicable state Uniform Commercial Codes. This provision operates as a security agreement, and Seller may file such UCC-1 Financing Statements as it deems necessary to reflect its security interest.
16. **Cancellation.** Buyer cannot cancel an Order or terminate the Purchase Contract after the Effective Date of the Purchase Contract. Seller may cancel any Order and terminate the Purchase Contract at any time with written notice to Buyer if: (a) Buyer fails to comply with any term of the Purchase Contract, or fails to comply with any term of a contract with a Welco Affiliate; (b) Buyer is or becomes insolvent, or Buyer's creditworthiness becomes materially impaired, as determined by Seller in its sole discretion; (c) Buyer fails to meet any financial obligation to Seller or any Welco Affiliate; (d) Buyer becomes the subject of a petition in bankruptcy or any other proceeding relating to insolvency, receivership, liquidation, or assignment for the benefit of creditors; or (e) termination is otherwise permitted by these Terms. In addition, if Buyer breaches the Purchase Contract or any other contract with Seller or any Welco Affiliate, Seller at its option may defer delivery of the Goods (including deferring making Goods available for pick-up) until the default is cured.
17. **Dispute Resolution.** Except as set forth herein, any claim of any kind that arises out of or relates to the Purchase Contract may only be brought in the state or federal courts located in King County, Washington. Notwithstanding anything to the contrary, however, Seller may take any action, in any jurisdiction, to file and perfect a security interest, lien claim, public works bond claim, or similar claim, and may bring an action to foreclose or enforce such security interest, lien, bond claim, or similar claim, in such jurisdiction. Except with respect to a security interest enforcement, lien foreclosure action, bond claim, or similar claim, which will be governed by the law of the state where the action is filed, all claims and disputes arising out of or related to the Purchase Contract will be governed by and in accordance with the state law of Washington, but without regard to conflicts of law principles.
18. **Collection.** If Seller pursues collection of any past due amounts, Seller will be entitled to its reasonable attorney fees, collection costs, court costs, and expenses, whether or not an action is commenced.
19. **Environmental Hazards; Mold.** Buyer acknowledges that the Goods sold to Buyer may contain material that may pose an environmental hazard under various laws. 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. It is Buyer's sole responsibility to familiarize itself (without reliance on Seller) with any hazards related to the Goods and to provide any appropriate notice to its employees and customers regarding any such hazards.

20. **Taxes.** All prices are exclusive of applicable federal, state, local, and non-U.S. sales, use, excise, value added, and other taxes. Any and all current or future taxes or other governmental charges applicable to the sale, delivery, shipment, or storage of the Goods that Seller is required to pay or permitted to collect will be added to the amount that Buyer is required to pay Seller.
21. **Waiver.** No waiver of any provision of the Purchase Contract will constitute a waiver of any other provision, whether or not similar. A party's failure to insist on performance of any part of the Purchase Contract or failure to exercise any right thereunder on one or more occasions will not constitute a waiver of any right to demand future performance or to exercise a right in the future. No waiver will be binding unless executed in writing by the party making the waiver.
22. **Severability.** If any portion of the Purchase Contract is determined to be invalid, illegal, or unenforceable, then the other portions of the Purchase Contract will not be affected thereby and will be given full force and effect without regard to the invalid, illegal, or unenforceable portions.
23. **Amending these Terms.**
- a. Seller may amend these Terms at any time, without notice to Buyer. The version of these Terms that is incorporated into the Purchase Contract is the version that is posted on Seller's website at the start of the Effective Date.
 - b. Buyer and Seller may mutually agree in a written document to amend these Terms with respect to the Purchase Contract if the written document is signed by authorized representatives of Buyer and Seller, explicitly states that it is the intent of Buyer and Seller to amend these Terms, and specifies which Orders are affected by the amendment.
24. **General.**
- a. The 1980 United Nations Convention on Contracts for the International Sale of Goods, as amended, does not apply to the Purchase Contract.
 - b. An electronic signature will be given the same effect as a signature by hand, and an electronic copy of a signed document will be treated as an original.
 - c. Buyer may not assign all or any part of the Purchase Contract without prior written consent from Seller. Seller may assign all or any part of the Purchase Contract at its discretion.
 - d. The headings used in these Terms are for reference only and do not define, limit, or otherwise affect the meaning of any provisions hereof.
 - e. Those provisions which by their content are intended to, or by their nature would, survive the performance, termination, or expiration of the Purchase Contract, will survive the performance, termination, or expiration of the Purchase Contract.

- f. All rights and remedies provided in these Terms 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.
 - g. Any Incoterm specified in Order Documentation will be construed pursuant to Incoterms 2020.
- 25. Notices.** All notices hereunder (including any claims and waivers) must be in writing and properly addressed to the other party. A notice is effective only: (a) upon personal delivery; (b) the next Business Day after deposit with a nationally recognized overnight courier (with all fees pre-paid); or (c) the third Business Day after mailing if sent by U.S. first-class, certified, or registered mail (in each case, return receipt requested, postage prepaid).