

Private Customers' Terms and Conditions for the Wood Trade (Consumer i. S. §13 Civil Code) Date: 1 January, 2002

1. On principle, payment should be paid in cash, without any deductions (cash discount, rebates etc.). On this occasion, posted flat rate freight costs should be adhered to. Goods are only freely delivered as far as the kerb.

2. Should any defects occur, the product must not be processed or installed, otherwise the guarantee, in this respect, is cancelled.

3. Wood is a natural product; hence, its natural features, variations and characteristics are always noticed. In particular, during purchase and on using our products, the customer should take into account its biological, physical and chemical qualities. The fluctuation margins of natural colour, structure and other differences are all part of natural wood and pose no reason for complaints or liability. Please seek expert advice.

4. We adhere with the law accordingly, with regards to general faults, product liabilities, fatal body or health injuries as well as a breach of major contractual obligations. That also goes for our sales representatives, agents and assistants. There is no compensation for anybody else or anything else. Nevertheless, this does not apply should there be a guarantee or there is a procurement risk. A 14-day deadline extension will be granted, should we not deliver on time.

5. Herewith, we would like to inform you of the fact that we process your personal data from our business relationship in accordance with the regulations of the German Federal Data Protection Act.

6. The delivery remains our property until entire payment is received. By default and after a reminder, we can cancel the purchase and recover our products.

**General Terms of Payment and Delivery for the Wood Trade (ALZ)
For Use in Business Dealings with Non-Consumers**

Date: 1 January, 2002

1. VALIDITY

1.1 Unless otherwise expressly agreed, apply – a supplement of customs in the timber trade (Tegernseer Gebräuche) – in business dealings with non-consumers, the following "general terms of payment and delivery" (ALZ). That includes all contracts, deliveries and other services - including, on this occasion, rendered consultancy services which are not the subject of an independent consultation contract i. S. §310, I Civil Code.

1.2 Herewith, divergent conditions, in particular the buyer's purchase conditions are contradicted.

1.3 Should the sales representative in an isolated case, not have expressed inclusion, during the course of a current business connection between traders, the General Terms of Payment Delivery, still apply as part of the contract.

2. QUOTES AND CONTRACT AGREEMENT

2.1 Unless formally expressed as binding, legal offers in catalogues, sales documents and the internet are not always binding, i.e. they are taken only as a request to bid for a quote.

2.2 Orders are only accepted either through written confirmation to the sales representative or if they have been immediately processed. The invoice is then considered to be confirmation of the order.

2.3 Should the sales representative learn from contract agreement data, of default in previous deliveries and concludes, according to his best sales' judgement, that payment for received goods is endangered by the buyer's inability to pay, the sales representative is entitled, after, in his opinion, an adequate period, to demand matching payment with delivery or appropriate securities and in the case of refusal to withdraw from the contract, whereby invoices for part deliveries that have already been carried out, are immediately due.

3. DATA STORAGE

The buyer is herewith informed of the fact that the sales representative processes personal data gained within the scope of the business connection in accordance with the regulations of the German Federal Data Protection Act.

4. DELIVERY, RISK TAKING AND ARREARS

4.1 The supply of goods to, through a sales representative, an agreed place of delivery, is the risk of the buyer.

4.2 Part deliveries are allowed to a reasonable extent.

4.3 The delivery deadline is extended - also in cases of delayed delivery – appropriate to occurrence of unforeseen force and all unforeseen, after contract agreement, arising obstacles, which is not the fault of the sales representative (in particular also operational disturbances, strike, lockout or problems on the road routes), if possible that it can be proved on delivery of sold goods that such obstacles were subject to considerable influence. This also applies should the situation arise from the sales assistant's supplier and sub-suppliers. The sales representative shall inform the consumer as soon as possible, the start of and end of occurring obstacles. The buyer can ask for an explanation from the sales representative, who in turn will state whether he will have to withdraw or is able to deliver within an adequate period. The buyer can withdraw, should the sales representative not be able to give an immediate explanation. In this case, claims for compensation are excluded. The preceding regulations also apply to the buyer accordingly, if the above-mentioned obstacles occur at his end.

4.4 The sales representative is liable for timely delivery for himself and his agents. He however is not liable through any fault of his suppliers, because these are not his agents. Nevertheless, the sales representative is obliged to claim against the suppliers at the demand of the buyer.

4.5 In the case of a delay in delivery, the buyer is obliged, at the request of the sales representative, to explain within an adequate period whether he insists on continuing with the delivery or due to the delay, wishes to withdraw from the contract and/or requires compensation rather than the delivery.

5. PAYMENT

5.1 Unless otherwise agreed, on receipt of goods, the purchase price, without reduction, is instantly due.

5.2 Drafts are only allowed by special arrangement. Bills of exchange and drafts shall be accepted exclusively but not in lieu of payment. For matching payment with delivery, the sales representative can demand immediate cash payment on delivery, should problems arise from bills of exchange or drafts.

5.3 In cases of default in payment, the legal regulations are applied. Existing, agreed cash discounts will not be guaranteed, as long as the buyer is in arrears with previous deliveries.

5.4 Should the buyer after a reminder, fall into default (§286 paragraph 1 Civil Code) or he is not able to honor the contract, the sales representative is entitled, after sending a previous reminder, to take back the product, if necessary to enter the buyer's company and to take back the goods. Moreover, the sales representative can also prohibit further transportation of the delivered goods. The reclaiming of goods is not a withdrawal of the contract.

5.5 Should the buyer know at completion of contract that a shortage or any other reason to claim for the goods exists, he does not have the right to refuse to pay or to hold back money. This also applies, if the buyer because of gross negligence in reading the contract and missing the fact that a shortage or reason for objection exists. This however does not apply should the sales assistant cunningly have not declared these facts or that he has guaranteed that the goods are in a good state. Incidentally, payment may be withheld due to shortages to a reasonable extent or other objections to a reasonable extent. Should a dispute arise, an appointed official from the Chamber of Industry and Commerce will decide on the amount. He will decide on the distribution of the expenses including the cost of his intervention.

5.6 Compensation is only possible with legally ascertained claims approved by the sales representative.

6. WOOD QUALITIES

6.1 Wood is a natural product; hence, its natural features, variations and characteristics are always noticed. In particular, during purchase and on using our products, the customer should take into account its biological, physical and chemical qualities.

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7. CLAIMS, GUARANTEE AND LIABILITY

7.1 According to §434 Civil Code the sales representative is liable for the following claims: The buyer has to examine the received product immediately for amount and state of goods. Obvious defects are to be reported in writing within 14 days to the sales representative. The German Commercial Code §377 remains unaffected for mutual commercial transactions between traders.

Otherwise it will be referred to the "Tegernseer Gebräuche".

7.2 If the buyer notices defects in the product, he may not make it available, i.e. it may not be divided, be resold or processed, until agreement on the carrying out of the complaint is reached or a proof safeguarding method comes from an appointed official at the Chamber of Industry and Commerce.

7.3 With legitimate complaints and in the interests of the buyer, the sales representative can justifiably determine, taking into consideration the type of defect, how to make good the damage, (replacement, improvement).

7.4 The buyer has to inform the sales representative immediately of any guarantee case entered by a consumer.

7.5 Claims for defects in quality lapse with a period of 12 months. This does not apply, if longer periods have been stipulated in accordance with Civil Code §§438 paragraph 1 No. 2 (construction and construction property), 479 paragraph 1 (contribution claim) and 634a paragraph 1 No. 2 (deficiencies in construction).

7.6 Section 8 (general liability limitation) is valid for compensation claims.

8. GENERAL LIABILITY LIMITATION

8.1 Damage and expenditure claims by the buyer (in the following: compensation claims), for whatever legal reason, particularly due to violation of contractual obligations and from unauthorised action are excluded. This does not apply in cases where there is a guarantee or a procurement risk. Furthermore, these are not valid, as far as you are mandatorily liable eg. in accordance with the product liability law, in cases of gross negligence due to damages arising due to death, injury to body or health as well as the breach of fundamental contractual duties. Nevertheless, compensation claims for breach of contractual obligation is however limited to foreseeable damages for specific contracts, as far as no gross negligence exists or is liable due to death, injury to body or health. At a disadvantage to the buyer, a change in the burden of proof is not associated with it.

8.2 This regulation is valid for the buyer accordingly.

9. RESERVATION OF PROPRIETARY RIGHTS

9.1 Until complete payment is received, the sales representative reserves the right to ownership of the goods. Until all outstanding accounts are settled that arose from the business relationship between the buyer and the seller including any emerging, future accounts and also any co-existing or subsequent agreed concluded contracts, the sales representative reserves the right to ownership of the goods. This also applies in the case where individual or all claims by the seller are included in a regular invoice and the balance is calculated and accepted. As soon as the buyer pays the bill, guarantee for the goods is then valid, but the goods remain the property of the sales representative until the money is cleared. After a reminder, should the buyer default, the sales representative is entitled to take back the goods. The buyer is obliged to return the goods.

9.2 If the buyer's retained goods are combined with movable items, as is seen as handling to the seller, without him being engaged, the new product becomes the property of the sales representative. On processing together with other goods not belonging to the seller, the seller acquires co-ownership of the new product, have right to the value of his share of the goods at the time of processing. According to legal regulations, the sales representative becomes co-owner should the product with goods not belonging to the seller, according to Civil Code §§947, 948 become linked, mixed or mingled. The buyer acquires sole-ownership upon connection, mixing or mingling, he then must transfer the value of the seller's share as co-ownership at the time of processing the goods ie. linking, mixing or mingling. In these cases, the buyer, who in sole-ownership or joint-ownership with the seller, is not entitled to demand storage costs.

9.3 Should the retained goods be sold individually or together with goods not belonging to the seller, the buyer should transfer the remaining balance from the resale, the outstanding amounts in the sum of the value of the retained goods with all ancillary rights and status; the seller agrees to the cancellation. The value of the retained goods is the seller's invoice figure, the seller however remains apart, as long as rights of third parties stand in the way. Should the resold, retained goods be in joint ownership with the seller, then the cancellation of the arrears equals the seller's joint ownership portion value.

9.4 If the buyer builds the retained goods into an essential component in property, ship, ship construction or aircraft of a third party, the buyer relinquishes the original, transferable arrears as reimbursement to the value amount of the retained product with all subsidiary rights including those on which collateral has been provided, and with the rank above all other claims; the seller agrees to the cancellation. Paragraph 9.3, clauses 2 and 3 are valid accordingly.

9.5 If the buyer builds the retained goods into an essential component in his property, ship, ship construction or aircraft, the buyer relinquishes the original, transferable arrears as reimbursement to the value amount of the retained product with all subsidiary rights including those on which collateral has been provided, and with the rank above all other claims; the seller agrees to the cancellation. Paragraph 9.3, clauses 2 and 3 are valid accordingly.

9.6 The buyer is entitled to resell, to use or to integrate the retained goods only in the usual proper course of business and only with the authorised stipulations and that the arrears in the terms of Paragraph 3 to 5 switch over to the seller. The buyer is not entitled to pledge or assign as security other orders from the retained product.

9.7 The seller is authorised to collect arrears from the buyer in accordance with Paragraph 3 – 5 under reservation of revocation. The seller will not make use of his own recovery authority as long as the buyer meets his payment obligations also to third parties. On request, by the seller, the buyer has to name the debtors of the cancelled arrears and to inform them of the cancellation.

9.8 In handing over the necessary documents for cancellation, the buyer has to immediately inform the seller about any execution measures of third parties with regards to the retained product or any cancelled arrears.

9.9 With default and/or an application for the start of an insolvency procedure it terminates the right for wide disposal, for use or integrating the reserved product or authorisation to collect the resigned arrears; the collection authorisation also expires should there be a cheque protest or act of protest. This does not apply to the liquidator's rights.

9.10 Should the value of the granted securities of the arrears exceed by more than 20% (if necessary pre-payments, down payments), the seller is obliged at his own choice to retransfer or release. On repayment of all arrears, demanded by the seller with regards to the business connection, the buyer hands over the ownership of the retained product and the resigned arrears.

10. BUILDING CONTRACTS

As with all construction work, including assembly, the German Construction Contract Procedures (VOB, Parts B and C) in its current version is applicable during contract conclusion, as long as the order is given by a contracting partner active in the building trade.

11. JURISDICTION AND APPLICABLE RIGHTS

11.1 The seller's headquarters is the place of fulfilment for duties and legal venue for deliveries and payments (including cheque and bill complaints) as well as all disputes arising between the parties, as long as the buyer is a businessman, legal entity of the public law or is public law special property. Nevertheless, the sales representative is entitled to sue the buyer at his headquarters.

11.2 The relations between the contracting parties are regulated exclusively according to the rights applying in the Federal Republic of Germany excluding the UN-purchase rights.

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