

Conditions of sale and delivery

of

**Sägewerk Schwaiger GmbH & Co. KG
Zum Sägewerk 7-9
94491 Hengersberg**

Updated 01/06/2010

General statements

The following conditions are valid regarding all of the deliveries and any performance carried out by Sägewerk Schwaiger GmbH & Co. KG, hereinafter called "seller" or "we", as well as concerning all of our offers and contracts on deliveries (hereinafter called "products") and performance to be carried out by us, as far as other arrangements have not been explicitly laid down in writing.

These conditions are also valid regarding all of our future declarations, offers and contracts. Conditions of purchase and sale drawn up by the purchaser (or "customer") but not explicitly recognised by us in writing are conditional for us to the full extent and will not be part of the contract, even in case we do not explicitly raise any objections against them. Conditions of sale and delivery, updated 01/06/2010.

1 Offer, conclusion of contract, stipulation of contractual duties

1.1

Indicating the current price, unless divergent quotations are given explicitly, our offers always are subject to change. Regarding performance, measurements and dimensions of products and packages, weights, illustrations and drawings and simulation outcomes, statements made by us are obligatory only if there is an explicit confirmation in writing in this respect. Any offer or quotation is to be considered as a complete whole, any withdrawal of lots or single items, modification of quality or quantity, or fixing an other place of delivery is allowed by our prior approval only; however, freight charges stated by us are not obligatory in any case.

1.2

As far as the contractual duties and/or the features of our performance or deliveries is/are concerned, particulars and statements are obligatory only if they have been explicitly laid down in writing as part of the contractual relationship.

Statements issued by means of pamphlets, brochures and leaflets, offers, advertising messages or any other published work, or statements made by third parties do not constitute any claims to performance, to warranty, or to compensation for damages against us in any case.

1.3

For manufacturing our sawmill products we use commercially available round wood from different regions which is stored for different periods of time and which, regarding its quality and its suitability for particular products, is judged by us by its external appearance. Using commodity we have in stock or newly produced goods, our consignments of goods are prepared for delivery at our own discretion.

Unless there are other arrangements, our performance as well as our deliveries are considered to be conformable to contract and free of physical defects if they are equal to the average value of the quality standards and levels that are customary in trade; the suitability regarding a designated use earmarked by the purchaser is obligatory only if this has been explicitly laid down in writing as part of the contract. Regarding the quality of performance and of deliveries and in relation to the risk of procurement, we assume assurances and guarantees only if and as far as this has been explicitly laid down in writing.

1.4

Contracts and requests for performance and any modifications of and amendments to such contracts and requests for performance as well as all other arrangements which refer to a contract or its fulfillment are to be laid down in writing. We are entitled to use the written or the electronic form; in that case the purchaser is also entitled to make statements that way.

Verbal agreements come into effect only if they are confirmed in writing by one of the parties to the contract immediately. If a contractual document is not drawn up in writing, an order placed with us is not obligatory before it has been confirmed by us in writing.

In case we start to carry out performance or deliveries although there is no explicitly given agreement or confirmation in writing, a contractual relationship is constituted only after we have carried out such performance or deliveries completely. Our duties are laid down in the contractual document signed by the two parties to the contract or, if there is not such a document, in our confirmation of order.

1.5

Our obligations always are to be seen with the reservation that, as the result of a congruent covering business arranged by us which also includes deliveries of upstream and supplier products as well as deliveries of raw materials and supplies or the provision of services rendered by any third parties which are necessary for our production or regarding our readiness to deliver, we are supplied in

accordance with the regulations and in due time (= commercial term: “Conditional ability to supply in accordance with the regulations and in due time”).

1.6

As far as we take up goods or use services in order to fulfill our contractual obligations towards our customer, we carry out inspections of incoming goods or other controls only in our own interest and according to our needs.

1.7

Changes made for the purpose of product improvement which are customary in trade or changes which are the results of new and improved techniques as well as – relating to the sample, the offer or the contract – differences in weights and measurements and deviations from the original material, structure, surface and colour remain reserved as far as they are in the nature of the used materials, or as far as they do not have any negative effects regarding the designated use or the serviceability, and as far as they are acceptable to the purchaser.

2 Prices

2.1

Unless there are other explicit arrangements for a given situation, our prices are prices in euros ex works, exclusive of turnover tax and without other taxes and public charges imposed on sale or trade in goods, without packaging, insurance, freight, customs duty, and without installation work or other types of work.

2.2

Subject to an other explicit contractual arrangement it is agreed that, even in case there is an agreement about a given price, we are entitled to charge an adequate surcharge corresponding to the changed state of facts if our performance or deliveries or our part order or any part of our performance is not requested within a period of 4 months from conclusion of contract on and if there is an increase in labour and energy costs and/or in freight charges and/or in taxes and other public charges or if taxes and other public charges are imposed for the first time.

2.3

We are allowed to charge the delivery or the performance that has already been carried out and to demand payment.

2.4

We are entitled also to offer the purchaser the conclusion of an open account agreement by registering all the invoices of both parties by means of a customer's account maintained by us and sending an account statement to him.

It is agreed that our offer is accepted if the purchaser does not inform us in writing about his rejection of the offer within a period of one month after receiving the first account statement.

2.5

As far as bulk and quantities or confirmations of balance have been explicitly indicated by us by means of our account statements, these indications are considered to be valid and obligatory regarding the claims of both parties to the contract if the purchaser does not raise any objections in writing within a period of two weeks after receiving such an account statement.

3 Delivery, performance

3.1

Deadlines regarding performance or delivery are obligatory only if they have been laid down in writing. In case of doubt those delivery deadlines are valid that are indicated by means of a confirmation of order.

The period of fulfillment starts with the conclusion of contract, but not before the fulfillment of given duties to cooperate of the purchaser which are necessary to fulfill the contractual obligations, in particular submission of documents which are to be adduced by the purchaser, any provision that is to be made by the purchaser, authorisation, release, or agreed advance payment or provision of other guarantees.

In case of a given advice of readiness to deliver, the agreed deadlines are considered to be met even if the performance or the deliveries cannot be carried out in due time and if this is not attributable to a fault on our part.

3.2

If the nonfulfillment of deadlines regarding performance or delivery is attributable to circumstances which are beyond our control or to other disorders and disturbances we are not responsible for, for example war, terror attacks, bans on export and import, industrial conflicts which also affect our suppliers, an adequate extension of the agreed deadlines comes into effect even in case we are defaulting on performance at that moment.

3.3

In case of a culpable nonfulfillment of a binding deadline regarding performance or delivery for reasons that differ from those mentioned under the clause 3.2, the purchaser has the right to withdraw from the contract at the end of an adequate period of time laid down in writing.

3.4

Further rights of the purchaser resulting from delay, especially any rights to claim for further compensation for damages, remain foreclosed to the determined extent laid down in the article 7, Liability.

3.5

In case of a divisible performance and if the related part order does not constitute an unacceptable burden for the customer or a burden which cannot be compensated by us, we are also entitled to fulfill our contractual obligations by carrying out such part orders.

3.6

In case the purchaser is entitled to enforce a right of selection, of fulfillment or subsequent fulfillment, or the right to rescind the contract and/or to claim for compensation for damages and expenses because the contract was infringed by us, we are allowed to ask him to exercise his rights within an adequate period of time.

If the purchaser does not react thereupon, he is allowed to claim for compensation for damages substituting performance and/or to rescind the contract only after a further adequate period of time, which anew is to be set by him, will have lapsed.

4 Passage of risk; shipment, obligation to inspect and obligation to lodge a complaint

4.1

Subject to other contractual arrangements we are obliged towards our customer to hand over the products or to carry out performance at our business premises (= ex works) specified in the contract as place of performance.

Handing over the products the risk of chance destruction or loss as well as the risk of chance deterioration of the products passes from us to the purchaser.

4.2

If, as per the purchaser's wish, the products are delivered to an other place and if no further information is given to us by the purchaser, the shipping method is at our discretion unless other arrangements have been made explicitly.

4.3

If there is a delay regarding handover or a delay in shipment due to circumstances which are beyond our control, the risk passes from us to the purchaser on the day the readiness to hand over or to deliver is notified to the purchaser.

4.4

The products are to be inspected by the purchaser immediately after receiving them, even in case the consignment is not sent to him but to a third party whose name was notified by the purchaser. Letters of complaint, shortfall quantities or other complaints are to be notified immediately after they have become known, and they are to be communicated in advance by telephone or telefax so that we are enabled to carry out an inspection and to take evidence ourselves. Apparent defects and differences are to be indicated not later than 48 hours after receipt.

Further customs of trade, especially the version of 17/05/2004, page 5 of 11, of the duty to give notice and the code of conduct (so-called "Tegernseer Gebräuche" in German language) as well as the merchant's obligation described in the article 377 of the German code of commercial law (Handelsgesetzbuch [HGB]) remain unaffected.

5 Deficiencies, warranty, limitation of liability in time

5.1

As far as deficiencies regarding our fulfillment of the contractual obligations are concerned, in the first instance we give warranty by means of subsequent improvement or substitute delivery at our discretion. In case we decide on subsequent improvement, the faulty products are to be returned for the purpose of repair. The most favourable freight-out-and-home charges for delivery from/to the purchaser's domestic delivery address that was agreed concerning the original delivery of the products are borne by us as far as the complaint proves justified.

The purchaser has to give us or a third party singled out by us the possibility and the appropriate time which is necessary to do the relating work which is to be done under warranty. He is entitled to do such work himself, except for the cases described in the article 637 of the German Civil Code (Bürgerliches Gesetzbuch [BGB]), by our approval only.

In case we deliver substitute items, we have the right to demand that, as per our wish, the purchaser either optimally utilises the faulty products or disposes of them, settles up with us and pays out the proceeds, net of his recycling and disposal charges, to us, as far as the purchaser himself deals in such products or similar products, or as far as the utilisation or disposal is reasonable for him for other reasons.

5.2

Claims based on defects are not given in case of a merely negligible divergence from the agreed quality or in case of a merely negligible detriment to suitability.

5.3

Our warranty duty as well as our liability expires if there is a change to our products – even in case of installation of non-original parts –, unless the defect or damage is not causally attributable to the mentioned change, and if instructions regarding dispatch, packaging, installation, treatment, use or

maintenance are not observed, or if improper assembly or activation or changes or repairs is/are given on the part of the purchaser or a third party.

5.4

Natural wear and tear as well as damages caused by improper treatment are not covered by warranty. First and foremost we are neither liable for any changes regarding the state or the operational mode of our products which result from improper storage or unfit operating supplies nor for climatic or other effects which, according to the contract, are not implied.

Defects which are caused by faults in construction or by the use of unfit material are not covered by warranty if, despite our prior warning, the purchaser has prescribed the type of construction or the material. We do not assume warranty regarding parts provided by the purchaser.

If the purchaser has received faulty assembly instructions or directions for use and if, resulting from that, an assembly or the application (use) is not possible in accordance with the rules, his claims regarding physical defects are limited to the delivery of faultless assembly instructions or directions for use.

5.5

In case we fail to fulfill subsequently, the purchaser is allowed to demand the rescission of the contract (repudiation) or the reduction of the purchase price (abatement) according to the statutory regulations. As far as claims for compensation for damages are concerned, the conditions laid down in the article 7, Liability, come into effect.

5.6

Subject to contractual or non-contractual claims for compensation for damages according to the article 7, Liability, further rights or other rights due to a defect which do not fall under the claims described in this article 5 remain excluded.

However, as far as a defect is to be considered as insignificant, the relating claim for compensation for damages of the purchaser does not comprise the purchase price that was paid but only the economic damage that occurred because the object was not faultless.

5.7

In case a customer's complaint does not prove justified, we are entitled to charge the purchaser any expenses incurred by it.

5.8

As far as deficiencies in title which are not constituted by the infringement of the industrial property rights of third parties are concerned, the provisions laid down in the article 5 apply accordingly.

5.9

The period of limitation of liability in time regarding claims against us which are to be seen in conjunction with deficient delivery or performance or with the infringement of contractual obligations on our part starts with delivery in case of corporeal things, with acceptance in other cases.

All of these claims come under the statute of limitation after a period of 12 months. This period is 36 months if buildings or corporeal things that are used for installation in buildings, in terms of the article 438, clause 1, number 2, of the German Civil Code (Bürgerliches Gesetzbuch [BGB]), are comprised of the contractual relationship or if claims are made because of structural defects in terms of the article 634 a of the German Civil Code (Bürgerliches Gesetzbuch [BGB]).

As far as claims due to loss of life, bodily injury, damage to health or deprivation of freedom, fraudulent concealment of defects, a guarantee concerning the quality of the object, or because a third party, owing to a right in rem, is allowed to demand the surrender of the object from the purchaser are concerned, it is not the above-mentioned deadlines which come into effect but the legal regulations regarding limitation of liability in time.

5.10

The period of limitation of liability in time will be suspended during the period of time that is necessary for the subsequent fulfillment. It will not start a new.

5.11

The regulations laid down in this article 5 apply accordingly even if we delivered products that are not equivalent to those we should have delivered or if we delivered not as many products as were ordered or if we carry out performance that is not equivalent to that we should have carried out.

6 Industrial property rights, intangible rights

If there is an infringement of an industrial property right or of copyright or if it is alleged that there is such an infringement that is attributable to our products, we are entitled, at our discretion, either to take a license concerning the products in question for the purchaser or to modify them to such an extent that the industrial property right or copyright is not infringed any longer, or to substitute the products in question for products of the same kind the use of which does not constitute an infringement of industrial property rights or of copyright.

For that purpose the purchaser will make available the products to us on our request and at our expense.

However, we are not liable if an object was manufactured according to the purchaser's specifications or if the alleged infringement of the industrial property right or of copyright is attributable to a use in connection with an other object that was not manufactured by us or if the object is used in a way that was not foreseeable for us.

7 Liability

7.1

According to the article 284 of the German Civil Code (Bürgerliches Gesetzbuch [BGB]) we are fully liable for compensation for damages as well as for compensation for futile expenses (both summarisingly called "compensation for damages" hereinafter) in case of a breach of contractual and non-contractual duties, but only in case of intent or negligence on the part of our legal representatives or (according to the article 14, clause 2, of the German Employment Protection Act (Kündigungsschutzgesetz [KSchG]) our executive employees and in case of intent or gross negligence on the part of our vicarious agents.

As far as the liability for ordinary negligence on the part of our vicarious agents is concerned, our liability is limited to such damages that are contractually characteristic and could be foreseen on concluding the contract.

Any damage that was foreseen by us as a thinkable consequence of a consummate breach of contract or that should have been foreseen by us in consideration of circumstances that were or should have been known to us is considered to be a foreseeable and contractually characteristic damage.

In case of damages that are attributable to a delay caused by ordinary negligence on our part, our liability is limited to 5 % of the agreed consideration.

7.2

If and as far as claims are made because of loss of life, bodily injury or damage to health, acceptance of a guarantee or of a risk of procurement, infringement of essential contractual duties (so-called "Kardinalpflichten" in German language), compensation for damages instead of performance, or due to mandatory liability according to the Product Liability Act or other compelling liability, we are not liable according to the clause 7.1 but according to the statutory provisions.

7.3

The compensation for damages because of the infringement of essential contractual duties is limited to the foreseeable and contractually characteristic damage in any case as far as there is no intent or gross negligence on the part of our legal representatives or our vicarious agents, or as far as we are not liable for loss of life, bodily injury or damage to health or because of the acceptance of a guarantee or of a risk of procurement.

7.4

As far as our liability is excluded or limited, this is also valid concerning the personal liability of all persons who acted at our behest initiating, concluding and/or fulfilling the contract, so in particular regarding the personal liability of all blue- and white-collar workers, legal representatives and vicarious agents bound to us by contract.

7.5

The above-mentioned rules do not constitute the reversal of the onus of proof to the disadvantage of the purchaser.

7.6

The rules laid down in the article 7 are valid as far as there are no other arrangements laid down herein or stipulated in the contract.

8 Retention of title of ownership

8.1

The products remain our property until our accounts receivable from sales and services we are conditionally or absolutely entitled to towards the purchaser by the due date, and regarding their purchase price, will have been settled and/or all bills of exchange, cheques or other documents presented by the purchaser for the purpose of payment will have been honoured and all related amounts will have been credited to our account finally.

In case of outstanding invoice amounts the retention of title of ownership serves as a safeguard tool for our accounts receivable for sales and services. Taking down single receivables in an unsettled invoice as well as its balancing and its acceptance do not affect the retention of title of ownership.

In no case the passage of title of ownership from us to the purchaser depends on the circumstance that the purchaser settles accounts receivable of a third party that are asserted by us towards him or that can be offset by us.

8.2

Until the products will have been paid for completely, the purchaser is obliged to treat our products and to hold them in custody as direct possessor in such a way that they remain recognizable as our property. The purchaser holds our property in custody free of charge and on our behalf. The same shall also apply for corporeal things of which we are co-owners.

The purchaser is obliged to insure our property hold by him in custody against damages to the same extent as he did when he insured his property, and, to this effect, to provide us with all information and documents that are necessary to enforce our rights.

8.3

The purchaser is entitled to resell, to reprocess or to instal our products which are still our property or of which we are still co-owners only according to the following rules and only if the mentioned rights pass to us effectively:

The purchaser is entitled to resell the products under reservation in the ordinary course of trade; however, he is not allowed to pledge them or to transfer them as a collateral. Reprocessing or

reshaping products under reservation always is made for us in our function as manufacturer, and, concerning the new corporeal thing, we acquire the right of ownership, but without any obligation on our part.

If our right of ownership becomes invalid because of reprocessing or because of any type of combination or mixing with other corporeal things of which we are not owner, it is already being agreed that we acquire the right of co-ownership regarding the new homogeneous corporeal thing at this particular point in time and at a rate that reflects the proportion between the invoice value of our products under reservation and the invoice value of the whole new corporeal thing.

The above-mentioned powers of the purchaser become invalid in case the purchaser does not fulfill his duties towards us in due time, falls into financial collapse, suspends payment or if insolvency proceedings concerning his assets are instituted.

8.4

The purchaser is entitled to resell the products under reservation in the ordinary course of trade only if all claims that, for his benefit, arise by reselling the products to a subpurchaser or to a third party already are being ceded by him to the seller.

In case products under reservation are resold in a raw state or after reprocessing or combining them with objects of which the purchaser is the exclusive owner, the purchaser is already ceding the claims that arise from resale to the seller in their entirety. In case – after reprocessing them or combining them with other products – products under reservation are resold by the purchaser, together with products which do not belong to the seller's property, the purchaser is already ceding the claims that are equal to the value of the products under reservation and that arise from resale, together with all ancillary rights and priority over the rest.

The cession is accepted by the seller.

Even after claims were ceded, the purchaser is entitled to collect the amounts that result from such claims. The power of the seller to collect such an amount himself remains unaffected in such a case; however, the seller undertakes not to collect such amounts as long as the purchaser duly fulfills his obligations to pay or other duties.

8.5

In case products under reservation are installed in a parcel of real estate of a third party as an essential element, the purchaser is already ceding the claims he has against the third party or against the party concerned regarding payments that are equal to the value of the products under reservation, and together with all ancillary rights inclusive of the ancillary right to grant debt-securing mortgage; the cession is accepted by the seller.

In case products under reservation are installed in the parcel of real estate of the purchaser as an essential element, the purchaser is already ceding the claims that arise from the commercial sale of the parcel or from the property-related title and that are equal to the value of the products under reservation, together with all ancillary rights; the cession is accepted by the seller.

8.6

Without prejudice to other rights we are entitled to revoke any powers of the purchaser, mentioned in this article, to dispose of our ownership or our rights, if, in spite of a given reminder, the purchaser culpably infringes contractual obligations or if there are signs according to which it is to be expected that the purchaser has fallen into financial collapse or that he is in danger of falling into financial collapse and if he furthermore does not furnish a prima facie evidence of his solvency.

8.7

Handing over the documents that are necessary for an intervention, the purchaser has to immediately notify us of measures of compulsory execution on the part of third parties concerning the products under reservation or regarding the claims ceded to us in advance.

8.8

In case of delay in payment or in case of any other culpable infringement of the contractual duties on the part of the purchaser, we are entitled, in accordance with the statutory provisions, to rescind the contract and to demand the surrender of the products of which we are co-owners or of the products under reservation.

8.9

We undertake, at our own discretion, to release the safety bonds we are entitled to according to the stipulations laid down above inasmuch as their value, that as per our list prices is valid for this customer at that moment, exceeds the collateralized receivables by 15 per cent or more.

9 Payment, offset, maturity, requirement of assignment

9.1

Unless there are other written arrangements or unless there is a case described in the clause 2.4, our invoices are made out and sent together with the consignment, and the customer is obliged, according to the agreed terms of payment, to make payment from date of invoice. After expiration of this period the customer will be defaulting on payments. However, we are also entitled to carry out deliveries on the basis of payment that can be made step by step (at our discretion also by means of cash on delivery or direct debit authorization); the clause 2.4 remains unaffected.

9.2

The payments are to be made in cash or by remitting the outstanding amount to the account specified by us in the invoice. Discounts granted by us are to be seen from date of invoice.

9.3

An adjustment of invoice by cheque is made only on account of performance. The risks and charges relating to the remittance of the invoice amount are to be borne by the purchaser.

9.4

In case the purchaser culpably defaults on payments, we are entitled to charge interest on defaulted payment with setting an amount that is equal to the credit cost that is to be borne by us or setting an amount that is equivalent to 8 percentage points over the current base interest rate. Our right to claim for further compensation for damages we are legally entitled to remains unaffected.

In case of culpable delay in payment on the part of the purchaser, we always are entitled to revoke the permission to pay within the agreed time allowed for payment, and to accelerate the balance due resulting from the business relationship and to demand immediate cash payment, as well as to revoke discounts, even if they are not clearly shown in our order/contract or in our invoice, and to revoke other agreed benefits.

This right remains unaffected even in case of a respite or the acceptance of cheques. Furthermore we are entitled, only under the term cash before delivery or against furnishing security, to deliver products that have not been shipped yet. Our rights described in the article 321 of the German Civil Code (Bürgerliches Gesetzbuch [BGB]) (plea of unsecurity) remain unaffected in any case and are due to us if the purchaser is culpably defaulting on payments within the scope of this or an other business.

9.5

An offset against our receivables is admissible only on the basis of the purchaser's claims that are uncontested and have been legally ascertained or that are, according to his conclusive and substantiated declaration, due to him just because of the business regarding to which we are making claims.

It is not possible to claim for a retaining lien resulting from prior or other current businesses that have nothing to do with the business in question. Any assignment of claims requires our written confirmation.

9.6

We are entitled to offset payment against the debt that has been outstanding for the longest time.

9.7

In case the purchaser falls into financial collapse (= absolute insolvency, inability to pay or forthcoming ability to pay) and it is therefore requested to initiate insolvency proceedings regarding his assets, at the time of initiating insolvency proceedings all of our claims against him are considered to be due and they are to be settled obligatorily, even in case of claims maturing at a certain future date, claims subject to a condition subsequent or claims subject to a condition precedent.

As far as we have any claims against the purchaser which are not based on money or the sum of money of which is not exactly figured at that moment, we are entitled to figure the outstanding sum of money and to demand payment at equitable discretion.

9.8

In case insolvency proceedings regarding the purchaser's assets are initiated, we are entitled also to offset his claims against our claims which merely are conditionally due or which are not due yet and/or which are due to a third party of which we are, direct or indirect, a shareholding partner or which is our shareholding partner at that moment. As far as there are claims against the purchaser which are not based on money or the sum of money of which is not exactly figured at that moment, we are entitled to figure the outstanding amount of money at equitable discretion.

9.9

We are entitled to assign the claims resulting from our business relationships.

10 Place of jurisdiction, applicable law

10.1

The place of jurisdiction coincides with the operational facility from where the order is carried out if the purchaser is a merchant or a legal person under public law or a foundation under public law.

We are also entitled to institute legal action at the court which is responsible regarding the headquarters or a branch of the purchaser.

10.2

German substantive law shall apply regarding any legal relationships between us and the purchaser.

10.3

In case parts of these conditions of sale and delivery do not have binding effect, the other parts remain unaffected. An invalid condition is mutually to be substituted by an other condition that is equivalent to the economic purpose of the replaced condition. This applies accordingly if these conditions are invalid in their entirety.