

# Trestlewood Partners Program

## Purpose

Trestlewood's primary objective is to provide its customers with unique, high-quality, competitively-priced reclaimed and other distinctive wood product options. We believe that if we are to be successful in accomplishing this objective, each sale of a Trestlewood product must involve:

- (1) A quality product;
- (2) An accessible, knowledgeable, honest sales representative;
- (3) Knowledgeable, skilled professionals (architects, engineers, interior designers, builders, installers, etc.); and
- (4) Convenient purchase options.

Trestlewood is not in a position to provide all of these components of a successful Trestlewood sale itself, nor does it wish to divert its resources to an attempt to become so positioned. We would rather focus our efforts on areas in which we believe we can make the greatest contribution and then rely heavily on "partners" to fill in gaps and extend the effectiveness and reach of our reclaimed wood (and other unique wood) efforts.

We view one of our most important responsibilities to be the putting in place of a consistent, fair system for rewarding Trestlewood partners who help us fulfill our mission. We call this system our "Partners Program." We attempt to administer the Trestlewood Partners Program in the way that we deem most likely to:

- (1) Reward each partner's investment in Trestlewood market development;
- (2) Promote a level playing field for all partners;
- (3) Maintain program flexibility so that the program can be adapted to individual partner needs; and
- (4) Maximize Trestlewood's ability to fulfill its mission of providing its customers (including its customers' customers) with unique, high-quality, competitively-priced wood product options.

Often these objectives are consistent with each other; sometimes they involve trade-offs. We have developed the following administrative guidelines to help us achieve the proper balance in our efforts to accomplish these objectives. These guidelines are subject to change as we learn from our mistakes and fine-tune our approach. The balance of this document summarizes these administrative guidelines and provides additional information about Trestlewood and how we do things.

## Administrative Guidelines

### A. Partners Program Eligibility

In order to participate in the Trestlewood Partners Program, a company or individual must:

1. Offer capabilities which increase Trestlewood's ability to fulfill its mission of providing its customers with unique, high-quality, competitively-priced wood product options;
2. Work with Trestlewood products on an ongoing basis;
3. Understand and subscribe to Trestlewood's commitment to quality control and customer service (see Section I);
4. Be committed to making the time investment necessary to understand Trestlewood products and policies;
5. Understand and accept Trestlewood's *Product Liability and Return Policy*, *About Trestlewood*, *Trestlewood Partners Program* and other administrative documents issued by Trestlewood;
6. Carefully review and take the steps necessary to understand Trestlewood proposals (including proposal terms and specification sheets and other documents referenced thereby) before signing said proposals; and
7. Be committed to accurately and thoroughly representing Trestlewood products and policies to its customers and other key players involved in its customers' projects (and to require its customers to pass product and policy information "down the line.")

In general, one-time purchasers of Trestlewood products or customers who purchase Trestlewood products solely for personal use do not qualify for participation in the Partners Program.

A company or individual that desires to be a Trestlewood partner should fill out and return to Trestlewood a "Trestlewood Partner Application" form. Each approved partner will be assigned a specific Trestlewood salesperson as its account representative.

Trestlewood acknowledges that the guidelines set forth above can be subjective in nature. Trestlewood reserves the sole right to determine whether a company or individual satisfies Partners Program requirements and, hence, qualifies as a participant. We further reserve the right to rescind a company or individual's right to participate in the Partners Program at any time.

## **B. Partner Types – Functional Areas**

Most Trestlewood partners fit into one or more of the following functional areas:

- 1. Manufacturing Partners** – manufacture Trestlewood products into other Trestlewood products or into products of their own;
- 2. Construction Partners** (builders, installers, timber framers, etc.) – incorporate Trestlewood products into construction projects;
- 3. Service Partners** (architects, engineers, interior designers, etc.) – offer services associated with Trestlewood products;
- 4. Distribution Partners** – provide wholesale and/or retail distribution outlets for Trestlewood products; and/or
- 5. Market Development Partners** – work with Trestlewood to promote Trestlewood products.

## **C. Partner Levels**

Trestlewood partners generally qualify for discounts from Manufacturers Suggested Retail Pricing (MSRP.) The magnitude of the discount given to a specific partner for a specific product is largely determined by the partner's "partner level."

Partner levels are typically assigned on the basis of such factors as (1) the partner's annual purchase volume; (2) the degree to which the partner satisfies the Partners Program eligibility requirements set forth in Section A; and (3) the geographic area and product involved. A partner can be assigned different partner levels for different products, different geographic areas, etc.

Trestlewood acknowledges that partner level assignments can involve subjective elements; we reserve the sole right to make these assignments as we see fit.

## **D. Partner Protection: Pricing**

Trestlewood's approach to product pricing is one of the most important ways it rewards and protects its performing partners. Following is a summary of some important points about Trestlewood pricing:

1. Trestlewood takes great pains to build attractive profit potential for its partners into its pricing schedules. Prices decrease as a company or individual's partner level increases, meaning that profit potential and protection increase with partner performance.
2. Trestlewood does not dictate the prices charged by its partners to their customers. It does strongly encourage its partners to consider adopting pricing strategies which are consistent with Trestlewood's pricing.

3. Trestlewood typically (a) makes retail pricing information available to the public and (b) makes relevant partner pricing information available to partners and potential partners.
4. Trestlewood's pricing schedule is a set of pricing guidelines (which guidelines are subject to change at any time) for standard Trestlewood products. Trestlewood reserves the right to quote whatever prices it feels are appropriate given the customer, products, project, time frame and other factors involved.
5. Non-standard products require special pricing. Specific dimension and other physical characteristic requirements often impact pricing.
6. As noted in Section C, a partner can be assigned different pricing levels for different products, different geographic areas, etc.
7. It is always advisable for a partner to get a formal proposal from Trestlewood before quoting its customer. It is also important that a partner understand pricing-related proposal terms and that it clearly communicates these terms to its customers. Note, for example, that many as-is products are quoted based on "target" dimensions and lengths and then invoiced based on the dimensions and lengths of the actual pieces supplied.

#### **E. Partner Protection: Preferred Distribution Rights**

Trestlewood sometimes grants **preferred** distribution rights to one or more partners in a specific market (product, geographic area, etc.) when it feels that doing so best serves the long-term interests of Trestlewood and its customers. Trestlewood is willing to consider granting **exclusive** distribution rights in a specific market where a compelling case can be made for doing so.

What qualifies as "compelling"? This question will be answered by Trestlewood on a case-by-case basis. The bottom line is that Trestlewood is only interested in exclusive distribution arrangements which make it a better company long term. The remainder of Section E explains some of the factors we will consider in making decisions involving exclusive and other preferred distribution rights.

First, an overriding concept: Trestlewood is not interested in providing more protection and/or commitment to a particular partner than that partner provides to Trestlewood.

Second, it should be noted that we have a lot of confidence in (and, hence, place a high value on) "the Trestlewood system" (which system includes not only Trestlewood reclaimed and other distinctive wood products, but the tools (information technology, administrative, other) to efficiently make these products available to our partners and their customers.) We believe that Trestlewood is better positioned than any other reclaimed wood company to provide its partners with opportunities to profit from reclaimed and other distinctive wood products. We recognize that the high value we place on exclusive Trestlewood distribution rights will narrow, perhaps significantly, the list of potential exclusive distribution partners. This is by design. We would rather take our time in finding the right distribution partners (or not have exclusive distribution partners at all) than to rush

into exclusive distribution relationships with the first parties who express interest. We anticipate that for at least the short to medium term, exclusive distribution arrangements will be the exception rather than the rule.

Specific factors that we will consider in making decisions about exclusive and other preferred distribution arrangements include:

- 1. Market definition.** We are not interested in broad market definitions which go beyond a partner's core competencies - product, geographic or otherwise. We are the most open to preferred distribution arrangements with market definitions and rules which reward the preferred distribution partner for results that its efforts generate.
- 2. Volume.** Sales volume is crucial. We will generally not be interested in exclusive distribution arrangements that do not have the potential to quickly get to the point of generating \$500,000 in annual revenues. Many markets would require results significantly greater than this to be considered for exclusive distribution rights.
- 3. Growth.** Growth is important to us. We are looking for dynamic growth in new markets and solid, consistent growth in established markets.
- 4. Loyalty.** Trestlewood is much more likely to be interested in considering granting preferred distribution rights to a partner who is committed to Trestlewood as its sole supplier of reclaimed and other distinctive wood products than to a partner using multiple sources of reclaimed and other distinctive wood. We are looking for Trestlewood "champions," partners who are genuinely excited about Trestlewood and its products.
- 5. Focus on reclaimed.** Is reclaimed wood a focus area of the partner or a sidelight? Will the partner devote enough resources to reclaimed wood to reach sales and other goals?
- 6. Inventory investment.** A partner's willingness to make the investment necessary to keep reasonable levels of Trestlewood inventory on hand can be an important consideration.
- 7. Approach to pricing.** We want our partners to be profitable. We also want them to be (a) aggressive in moving our products and (b) fair in the treatment of their customers. It is especially important to us that partners with preferred distribution rights price Trestlewood products in a fair, consistent manner.
- 8. Product knowledge / customer service.** It is crucial to us that preferred distribution partners have a good understanding of Trestlewood products and that they are focused on all aspects of customer service, including accurate and thorough product representation. We believe that ideal candidates for exclusive distributorships are so strong in customer service that the majority of their customers would view their exclusive rights as beneficial to them rather than threatening.
- 9. Matching of corporate philosophies.** We are most likely to get together on a preferred distributorship with partners whose core values are consistent with Trestlewood's core values.

**10. Synergy.** We believe that the best prospects for Trestlewood preferred distributorships are partners with whom we have the greatest potential synergy. These partners are in the best position to help Trestlewood accomplish its mission.

**11. Existing relationships.** The hurdles to clear in “winning” a preferred Trestlewood distributorship will be higher in geographic and product areas in which Trestlewood does substantial amounts of business and, hence, has significant existing relationships. Any exclusive distributorships granted in such markets will be more likely to be subject to conditions/exceptions associated with preexisting relationships.

**12. Business risk minimization.** We are most interested in preferred distribution partners who “do things right” and do not cut corners for short-term gain. It is important to us, for example, that our partners have appropriate levels of liability and other types of insurance.

Trestlewood anticipates administering preferred distribution arrangements through simple, relatively short term (generally, 1 year) agreements. It is impossible to anticipate all of the twists and turns that could (and would) impact a preferred distribution arrangement. We have no desire to try to put in place a legal document that pretends to address any and all such developments over an extended period of time. We are more interested in a flexible framework that puts Trestlewood and a preferred distribution partner on the same page from a big picture standpoint, gives the parties the tools to grow reclaimed and other distinctive wood markets together and then turns both parties loose to do so. How well the parties work together and the results produced by the team effort become primary inputs in the process of negotiating (or not) mutually-acceptable agreement extensions.

## **F. Payment Terms**

1. Trestlewood’s standard payment terms are 50% deposit and 50% prior to shipment.
2. Payment can generally be made via wire transfer, cashiers check, company check or credit card (Visa, MasterCard or Discover; limit of \$5,000.00 per order.)
3. Receipt of the required deposit is a prerequisite to a proposal being considered an order and scheduled for production.
4. Where a partial shipment, order addition or other event impacting an order occurs, the customer is expected to reestablish the required 50% deposit for materials remaining to ship.
5. Trestlewood is generally only willing to consider credit terms for partners which (a) are financially strong; (b) do significant amounts of ongoing business with Trestlewood; and (c) have a solid track record of paying obligations to Trestlewood in a timely manner. We reserve the right to rescind credit terms granted to a partner at any time and for any reason and/or to require up-front payment from partners with credit accounts for specific orders (especially those involving custom products.)
6. Trestlewood is willing to consider financing mechanisms like letters of credit which can create flexibility for the partner while protecting Trestlewood.

## G. Trestlewood Products - Categories

**“We sell to our strengths.** We focus on (a) the development of standard products which our sourcing activities allow us to replicate and (b) making available ‘special-run’ products which take advantage of the unique characteristics of a specific batch of lumber, timbers or poles. We try not to ‘chase’ speculative orders that are not consistent with what we do best.” (*About Trestlewood*, Item 5)

Following are more detailed descriptions of the five primary categories of products sold by Trestlewood. Partners who understand Trestlewood’s focus on standard and special-run products can help their customers select products which Trestlewood either has in stock or can produce in a timely, cost-effective manner.

**1. Standard products.** Trestlewood focuses its product efforts on providing standard products which offer attractive, competitively-priced and replicable options for its partners and their customers. Ordering standard Trestlewood products will generally result in the most aggressive prices and lead times. Trestlewood typically barcodes standard products as they are produced and available for sale. In order to streamline the handling of these units, barcoded products are available in full units only. Note that standard products are dynamic: Trestlewood is continually fine-tuning its standard product designations to make them consistent with its material sources, production capabilities and perceptions of what its customers want.

**2. Standard products with optional characteristics.** Many standard Trestlewood products are available with one or more optional characteristics. Such options supersede specific standard product characteristics and often involve (a) dimensions outside the range of standard product dimensions; (b) high-grading (example: timbers with minimized wane); and/or (c) narrowing the range of acceptable values of a given characteristic (example: specifying that a mixed brown/gray barnwood product should be sorted with a focus on browns.) Adding optional characteristics to standard Trestlewood products often increases the prices and lead times of said products.

**3. Custom products.** Products produced at the request of customers with characteristics which do not match the characteristics of a standard Trestlewood product (even with available options) are considered custom products. Trestlewood will consider requests for custom products on a case-by-case basis. As a general rule, Trestlewood will decline opportunities to quote custom products unless (a) it is reasonably confident that it can produce a good portion of the order from material already in stock; (b) the prospective buyer is flexible in working with Trestlewood in finding mutually acceptable alternatives should Trestlewood not be able to produce a custom item in a timely, cost-effective manner; and (c) the prospective order is large enough to justify the diversion of key resources to addressing the custom aspects of the order. Custom products will generally be more expensive and have longer lead times than standard Trestlewood products (with or without optional characteristics.)

**4. Special-run products.** Trestlewood periodically runs a unique batch of lumber or timbers into a unique end product which it then makes available to its customers as a “special-run product” (we also use this term for unique batches of material that we do not further process ourselves – i.e., the “run” part of this product category description is a bit loosely applied.) These special-run products are ideal options for customers looking for “one-of-a-kind” products. They have the additional

advantage of having short lead times. A customer should generally not order such a product expecting to be able to match it in the future. Trestlewood typically barcodes special-run products and sells them in full barcode units only.

**5. Closeout products.** Trestlewood sometimes offers special deals on closeout products. Closeout products can involve discontinued product lines or flooring profiles, less-than-usual milling quality or any number of issues. Closeout products can be a good option for customers looking for “deals.” Closeout products are generally offered in full barcoded units and cannot be returned or exchanged.

## H. Product Sourcing

**“We make every effort to extend our strengths to products which we believe will best meet the needs of our customers.** Sometimes this requires us to broaden the scope of our product offerings beyond our initial focus on reclaimed wood. Examples include rescued lumber and cover board barnwood products.” (*About Trestlewood*, Item 6) Following is some more detailed information about our product sourcing philosophy.

Trestlewood strives to provide unique wood products which (1) meet the needs of its customers; (2) are environmentally friendly; and (3) “have a history.” The majority of our products are “reclaimed” and/or “rescued”; some are “rustic.” Reclaimed wood products are reclaimed (or processed from materials which are reclaimed) from salvage projects or other prior uses. Rescued wood products are generally produced either from by-products of sawmill, logging or other wood processing operations or from nature-damaged (fire, insect, etc.) or other-damaged (truck/railcar accidents, etc.) logs or lumber. Rustic wood products are products which are manufactured/processed from new timbers, poles or lumber in such a way as to give them (or bring out in them) desirable rustic characteristics.

Trestlewood products come from a variety of sources, including salvage projects in which Trestlewood is directly involved (example: Lucin Cutoff Railroad Trestle); salvage projects conducted by others (from whom Trestlewood then purchases materials); mills and other sources of rescued materials; and Trestlewood’s own operations. Our coverboard products are a good example of this last area. Trestlewood builds coverboards that it can use both (1) to protect fresh-sawn products from weathering (where weathering is not desired) and (2) as a source of weathered lumber (barnwood) products.

Trestlewood specification sheets provide additional information about the sources of specific Trestlewood products. Some Trestlewood products are reclaimed from a single source (example: Trestlewood II products from the Lucin Cutoff Railroad Trestle); some are straight reclaimed or straight rescued or straight rustic but come from a variety of sources; and some come from various sources and are a mix of reclaimed and/or rescued and/or rustic.

Trestlewood feels that one of the most important things that it can do for the environment is to focus on finding the highest and best use for the wood that it runs through its system. We believe in finding applications that take advantage of the characteristics of a given batch of reclaimed, rescued or rustic wood, not in trying to cram this wood into product cubbyholes in which it does not fit (and which are likely to result in its unique characteristics being viewed as negatives instead of positives.)



We often salvage or purchase most of the wood from a given salvage project rather than cherry-picking the premium pieces. We derive as much satisfaction from developing character product lines as from cutting premium pieces into clear vertical grain (CVG) lumber.

## **I. Quality Control and Customer Service**

Trestlewood feels very strongly about quality control and customer service. It is not interested in partners who do not share these feelings. Following is a summary of some of our thoughts on this subject:

1. The accurate communication of product information to customers is a very important aspect of quality control and customer service. Reclaimed wood is accompanied by a unique set of issues. Metal, holes, checking, salt (in the case of Trestlewood's especially unique "Trestlewood II" and "Picklewood" product lines), . . . the list goes on. These issues are not negative ones – they can increase the character and, hence, the value of the wood. But the customer must know about them. Trestlewood believes that many quality control and customer service problems are avoided by being up-front with the customer about product characteristics.
2. For a partner to communicate accurate information to a customer, the partner must itself have a good working knowledge of Trestlewood products and policies. This is where partner training comes in. A company or individual should not even want to be a resale partner before making a serious investment in partner training. The partner must then stay informed of Trestlewood product and policy developments. Trestlewood will make every effort to facilitate the ongoing training of its partners, but each partner is ultimately responsible for making sure that its own training is up-to-date.
3. Specification sheets play a key role in Trestlewood's efforts to communicate accurate product information to its partners and their customers. Resale partners should consistently furnish their customers with current specification sheets for the products in which they are interested. Relevant specification sheets should be incorporated into agreements between the partner and its customers. See Section K for more information about specification sheets.
4. Trestlewood's quality control focus is on providing products which are consistent with product specification sheets. We are interested in feedback from our partners and their customers about situations where products shipped are not consistent with specification sheets. The submission of such feedback on a "Trestlewood Product Return" form triggers a review of the situation by Trestlewood, culminating in the issuing of an appropriate credit for any out-of-specification product.
5. Trestlewood's *Product Liability and Return Policy* is designed to provide the incentive to do things right the first time. This policy makes the customer responsible for verifying the suitability of Trestlewood products for his or her application before ordering them. It also limits Trestlewood's liability. It is very important that Trestlewood resale partners expose their customers to Trestlewood's *Product Liability and Return Policy* and other applicable policies and incorporate the same into their contract documents with their customers. See Section N for further treatment of Trestlewood's *Product Liability and Return Policy*.

6. Trestlewood's customer service focus is on providing accurate and timely product and policy information to its partners. While Trestlewood is available as a resource to its partners' customers, our experience has been that the partner is largely the one that determines the level of customer service received by the end customer. *About Trestlewood* notes two of the reasons for this:

**“We are primarily wholesalers.** We focus our sales efforts (including our pricing and policies) on developing long-term relationships with manufacturing, construction, service and distribution partners. Our focus on partners is largely driven by our recognition that partners can bring salespeople and expertise (see Item 4) to the table that we are not in a position to provide. . .” (*About Trestlewood*, Item 3)

and

**“We are NOT experts in the installation or use of Trestlewood products.** We are not (and do not try to be) architects, engineers, designers, builders, installers or other construction industry professionals. We strongly recommend that each project incorporating Trestlewood products enlist capable construction professionals who are fully aware of Trestlewood product characteristics so that they can carefully consider the implications thereof for the specific location and application in which Trestlewood products are to be used.” (*About Trestlewood*, Item 4)

The bottom line is that Trestlewood is very dependent on its partners for the customer service received by the end customer because the partner (or group of partners) is generally the one with (a) the contact with the end customer and (b) the expertise.

## J. Product Selection Tools

Trestlewood places a premium on providing its partners and their customers with the tools necessary to maximize the chances of selecting the Trestlewood product best suited to their application. We also place a premium on not wasting our resources (especially our sales and production people's time) in “chasing” speculative orders. To this end, we ask that customers use product selection tools in the manner in which they are intended to be used. Following are some of the tools available in selecting Trestlewood products and the guidelines we have established for their use:

1. [www.trestlewood.com](http://www.trestlewood.com) and other web sites: We strongly encourage the use of our web sites to zero in on products of potential interest. [www.trestlewood.com](http://www.trestlewood.com) is powered by *woodpics*, a Trestlewood photo service. Many of the links on [www.trestlewood.com](http://www.trestlewood.com) take the user to relevant *woodpics* photo search result pages. The web site provides access to other important information, including Trestlewood contact information, specification sheets, policy documents, etc. [www.trestlewood.com](http://www.trestlewood.com) also provides tools with which a customer can request feedback, request a catalog or register for a user account. Registered users are given access to information which is not accessible to unregistered users.

2. **woodpics:** *woodpics* is a Trestlewood photo service that can be accessed from [www.trestlewood.com](http://www.trestlewood.com) (<http://woodpics.trestlewood.com>) or direct at [www.woodpics.com](http://www.woodpics.com). *woodpics*

is about providing the customer with (a) lots of product, project and other photos and (b) search and grouping tools to help narrow these photos to those of interest to the customer. See [“About woodpics”](#) for more information.

Note that product photos generally are designed to be examples of the product in question, but not the specific pieces or units that would be supplied to the customer if an order is placed. In cases where it is important to the customer to approve photos of actual product to be shipped, Trestlewood will generally provide such photos as a final approval step after receipt of a signed proposal and required deposit (i.e., the customer has placed the order conditional upon approval of photos.) Note that photos have limitations (lighting issues, color reproduction issues, differences in finishes used on installed products, etc.); the customer should not assume that a Trestlewood product will look exactly like it does in a photo.

**3. Catalog:** We are happy to send a Trestlewood catalog to anyone who requests one. The catalog is another good tool for narrowing the search for products of interest. Printed catalogs can be requested via a [catalog request form](#) on our web site. An [online version](#) of the Trestlewood catalog is also available.

**4. Proposals:** Once a customer has largely determined which products are of potential interest (and has a feel for quantities, or at least approximate quantities, needed,) he or she should request a written proposal. Trestlewood proposals include not only pricing information but important terms (including references to applicable specification sheets.) See Section L for additional information about proposals.

**5. Specification Sheets:** We believe that product specification sheets are one of the most important parts of the product selection process. We urge our partners and their customers to carefully examine product specification sheets referred to on Trestlewood proposals as one of the best ways to confirm that they are ordering the correct product. See Section K for more information about specification sheets.

**6. Samples:** Trestlewood is generally willing to provide a small number of product samples (shipped via UPS Ground) at no or minimal cost once a customer has zeroed in on potential products of interest. Trestlewood reserves the right to charge for samples where it feels it appropriate to do so (multiple sample requests, large # of samples required, expedited shipping option, custom samples, etc.)

**It is very important that the customer understand the inherent limitations of samples.**

Partners should emphasize to their customers that:

- (a) There is no such thing as a “representative” sample, especially where dealing with reclaimed wood;
- (b) Specification sheets and proposal terms trump samples (and photos and about everything else) in being Trestlewood’s official representation of a product – if a sample seems different than described on a specification sheet, ask about it (do not just assume that the sample accurately represents the product); and
- (c) A sample should not be relied upon to establish customer expectations about characteristics that are not addressed on the specification sheet; if a customer is interested in a specific product characteristic which is not addressed by the specification sheet, it is important that this be

communicated to Trestlewood at the time of sample request (or at least no later than when a proposal is requested.)

**7. Mill Visits:** We encourage customers to visit our mills and see our products first-hand (we have found that our sales success rate goes way up when such visits happen.) We request that mill visits (a) are scheduled in advance and (b) occur after reasonable progress has been made in narrowing down product options (i.e., we would like the mill visits to be as focused as possible.)

**8. Salespeople:** Customers, of course, are welcome to talk to Trestlewood salespeople or Trestlewood partners. Information provided by salespeople or partners which goes beyond (or is inconsistent with) information on Trestlewood specification sheets or proposals is to be regarded as the personal opinion of the salesperson/partner. Proposals and documents referenced thereon (including specification sheets) are Trestlewood's official representation of its products and the terms under which they are sold.

**9. Project Visits:** In some cases, we can arrange for customers to visit projects where Trestlewood materials have been used. Keep in mind that many such projects are private residences which are likely not available for visit.

**10. Product Liability and Return Policy.** As is noted throughout the *Trestlewood Partners Program* document, Trestlewood's *Product Liability and Return Policy* is a very important part of the way we do business. The partner, the partner's customer and other key players on a project should be exposed to and understand this document. See Section N.

## **K. Specification Sheets**

This *Trestlewood Partners Program* document contains repeated references to specification sheets. This reflects the important role that specification sheets play in the way we do business. Specification sheets (combined with proposal terms) are the most important source of information about Trestlewood products. It is absolutely crucial that Trestlewood partners and their customers carefully review and understand the specification sheets referenced on a proposal before they order the materials on the proposal. This is perhaps the single most important step that can be taken to minimize the chances that a customer will not like the materials they receive.

## **L. Proposals and Order Placement**

The proposal is the mechanism by which Trestlewood communicates pricing and terms for a specific set of materials requested by a customer (often through a partner – i.e., Trestlewood issues a proposal to the partner who then issues a proposal to its customer.) It is very important that the partner and customer carefully review all aspects of their respective proposals before placing an order. Key elements of proposals include:

1. PO #: The partner should write in the PO # in the PO # field if one is required.
2. Line Items: The partner/customer should carefully confirm that line item descriptions and quantities are consistent with what is needed.

3. Freight: When requesting a proposal, the partner should indicate (a) whether a freight quote is desired and (b) what the destination address is. The proposal will generally include a term that sets forth conditions associated with any freight quote provided; if any of the conditions are not met, the freight rate is subject to increase. In certain cases, Trestlewood leaves the freight rate open for future determination (as additional information becomes available relative to other orders that can ship with it, etc.)

4. Sales Tax: Trestlewood charges sales tax on sales unless (a) materials are being shipped via a 3<sup>rd</sup> party carrier to a state in which Trestlewood does not have a physical presence (in such cases, the customer is often liable to the state for the sales/use tax) (Trestlewood currently has a presence in UT, ID, CO, WY, MT, TX, IL and IN); (b) materials are sold in a state without a sales tax (MT); or (c) the partner is sales tax exempt (in which case, the partner is responsible for providing Trestlewood with a valid sales tax exemption certificate or other document(s) establishing its sales tax exempt status in a manner acceptable to the taxing entities.) Even if a partner and/or its customer is going to line up its own freight, it is important for Trestlewood to know the delivery location as early in the proposal/order process as possible so that it can calculate the applicable sales tax appropriately.

5. Terms: The terms section of the proposal is perhaps the most important section of all. It is very important that the partner and its customer carefully review and understand the proposal terms, including the specification sheets, *Product Liability and Return Policy* and other documents referenced thereon.

One of the proposal terms sets forth the prerequisites that must be taken care of for a proposal to become an official order. These prerequisites generally include (1) a signed proposal, (2) a PO # (if required by the partner) and (3) payment of deposit.

The partner is responsible for making sure that its proposal to its customer is consistent with Trestlewood's proposal to the partner. It is especially important that the customer is given access to specification sheets, the *Product Liability and Return Policy* and other product and policy information included on or referenced by the proposal.

#### **M. Web Sites ([www.trestlewood.com](http://www.trestlewood.com), [www.cannonsalvage.com](http://www.cannonsalvage.com), woodpics, . . .)**

Trestlewood's web sites are a focal point of our business. [www.trestlewood.com](http://www.trestlewood.com) and [www.cannonsalvage.com](http://www.cannonsalvage.com) (Cannon Salvage, Inc. is a sister salvage company located in Twelve Mile, Indiana) are both powered by woodpics, a Trestlewood photo service. We have been laying the groundwork for other initiatives designed to provide increasingly powerful access to information about Trestlewood and its products. We welcome any input from partners about web site functionality that would help them sell Trestlewood products.

#### **N. *Product Liability and Return Policy***

**“We sell our products “as-is,” with no warranties express or implied, except for any limited protection provided by Trestlewood’s current *Product Liability and Return Policy*. Simply**

put, our *Product Liability and Return Policy* is designed to (a) protect the customer from having to pay for wood that is substantively different than he or she ordered and to (b) protect Trestlewood from any and all liability other than the replacement of out-of-specification product (or the refund of purchase price of the same.) It is ultimately your responsibility to determine which Trestlewood products are best suited for your applications and how these products should be used/installed.” (*About Trestlewood*, Item 8)

Out-of-specification products should be reported as soon after product receipt as possible (see the *Product Liability and Return Policy* for deadline information) to Trestlewood via a “Trestlewood Product Return” form (available through the Trestlewood salesperson assigned to the partner account.) This salesperson will coordinate a review of the materials which the partner and its customer believe to be out of specification. The partner is responsible for helping to facilitate this review by arranging opportunities to inspect the materials in question (or, in some cases, photos of the same.) The focus of this review will be a comparison of the products in question to relevant specification sheets and proposal terms.

Our *Product Liability and Return Policy* is a very important part of how we do business. We are up-front about this policy and expect our partners to be similarly up-front with their customers. We request that a copy of this policy be given to all customers to whom a partner quotes Trestlewood materials.

Trestlewood partners are responsible for maintaining adequate levels of liability and all other types of insurance.

## **O. Information Communication**

“**We are straight shooters.** We would rather lose a sale than to plant the seeds of an unhappy customer. We emphasize that the same characteristics which make our products unique often have practical installation/use implications which should be carefully considered. We believe in telling you what we know (or at least think we know!) about the important physical characteristics of our products (through specification sheets, proposal terms, etc.), while acknowledging that there is much that we do not know. We are up-front about our policies and terms of sale. In a nutshell, we do our best to “tell it like it is” and then let you decide where and how to use our products. (*About Trestlewood*, Item 7) Some further thoughts about information communication:

1. We want partners who are straight shooters and do a consistent, thorough job of communicating accurate and complete product and policy information to their customers.
2. While Trestlewood’s ability to make sure that product and policy information gets into the hands of the end customer and the key players on its projects is limited, we reserve the right to supply product and policy information to anyone involved with Trestlewood products in any way when we have opportunities to do so. As an example, we reserve the right to send copies of *About Trestlewood*, our *Product Liability and Return Policy*, relevant specification sheets and other relevant documents with orders as they ship.

3. Partners should not assume that Trestlewood is taking care of communicating product and policy information to their customers. Documents that reach an end customer at the time materials are delivered should reinforce/remind the customer of information already received, not be the initial packet of information. **Partners are ultimately responsible for making sure that their customers are given accurate and complete product and policy information about Trestlewood products in a timely manner.**

## **P. Trestlewood and Partner Roles**

1. Trestlewood specializes in the procurement, basic remanufacturing and wholesaling of high quality reclaimed wood products. It relies on manufacturing, construction, service, distribution and market development partners to help grow reclaimed wood markets through the application of their unique knowledge and skills.

2. A partner's role, in a general sense, is to bring its unique knowledge and skills to bear in helping Trestlewood grow reclaimed wood markets. A partner's particular responsibilities depend upon such things as its area of expertise; its geographic location; and specific arrangements between the partner and Trestlewood.

3. Trestlewood invests significant time in coordinating its own and its partners' efforts. From a practical standpoint, Trestlewood's role is largely dependent on what its partners do and do not bring to the table. Trestlewood is often forced to step outside or expand its areas of focus when non-focus areas are not being covered by partners. Trestlewood is always looking for better ways to balance what it does relative to what its partners do.

4. Trestlewood takes the administration of its Partners Program very seriously. It is continually looking for new partners who offer additional capabilities upon which Trestlewood and its existing partners can draw, while doing all that it can to treat existing partners fairly.

5. Trestlewood tries to make high-quality sales tools available to its partners. Such tools include Trestlewood's web sites ([www.trestlewood.com](http://www.trestlewood.com), woodpics, . . .), catalog and other literature, samples and other sales tools.

6. Trestlewood tries to keep its partners and their customers informed of new products and services. One of the mechanisms it uses for doing so is **email updates**. Trestlewood strongly encourages its partners and their customers to sign up for these once-or-twice-a-month updates.

7. Trestlewood tries to be readily accessible to its partners and their customers. Partners are free to call or visit (or have their customers call or visit) at any time with questions about products, pricing, inventory levels or other matters. Trestlewood makes every effort to be as responsive as possible to partners' requests for quotes or other items.

8. Trestlewood maintains information about its partners which allows it to refer prospective retail customers to appropriate resale partners in the customers' geographic and product areas. Similarly, prospects who are in need of construction, manufacturing or professional services are referred to partners in the applicable field who have experience with Trestlewood products. When making referrals, Trestlewood makes every effort to refer prospective customers to partners whom it deems

(a) best suited to meet the customers' specific needs and (b) most likely to close a Trestlewood product sale. The referral process often involves judgment calls. Trestlewood accepts no liability for the referral decisions it makes.

9. One of the implications of Trestlewood's referral system is that it is important for partners to equip Trestlewood with as much information as possible about their businesses, including the products and services offered and the types of referrals they would be interested in receiving.

10. One of the most important roles of Trestlewood partners is that of providing Trestlewood with quality feedback about Trestlewood products. From project photos and testimonials that can be incorporated into [www.trestlewood.com](http://www.trestlewood.com), [www.cannonsalvage.com](http://www.cannonsalvage.com) and woodpics to suggestions about how specific products can be improved, Trestlewood values highly any information its partners can provide about how Trestlewood products are being received.

### **Q. Subject to Change**

As has already been noted, the guidelines Trestlewood uses in administering its Partners Program are subject to change at any time. Trestlewood's reclaimed wood efforts and, hence, its Partners Program are dynamic. Trestlewood is always looking for ways to improve this program and the results that it produces for Trestlewood and its partners. Trestlewood is especially excited about exploring new ways to work with its partners to grow reclaimed wood markets. It is open-minded to a wide range of mutually-beneficial "alliances," from slight variations of approaches used successfully in the past to entirely new ways of doing things.