

TERMS & CONDITIONS

This agreement made and entered into between Kalaty Rug Corp. hereafter referred to as KRC and the name appearing on page 1 of this agreement in the area titled "Bill to" hereafter referred to as the consignee.

GENERAL TERMS & CONDITIONS

- 1. Immediately upon the breach by the consignee of any provisions of any agreement by the KRC or the failure of the consignee to meet any payment schedules or credit or other financial requirements which may, from time to time, be requested by KRC, KRC shall have the right at any time and without incurring any liability to (i) cancel any purchase order or sales order previously accepted by KRC, or (ii) refuse or delay the shipment of goods.
2. KRC makes no warranty or representation of any kind, express or implied, with respect to the goods except that the goods conform to the size and description specified on the invoice. In the event any goods are not as warranted, the KRC's sole obligation shall be to replace, at its option, such goods, in no event and under no circumstances shall KRC be liable for any indirect, special, consequential or incidental losses or damages, including, without limitation, lost profits.
3. All sizes of the goods are approximate.
4. Claims for defects must be made in writing within ten days after receipt of the goods and before the goods have been converted or in any manner changed from their original condition, and unless such claims shall have been made in conformity with the foregoing provisions KRC shall not be liable to the consignee, and the consignee shall not be entitled to reject the goods or cancel this contract.
5. Consignee shall not make deductions of any kind from any amount posted for the goods becoming due to KRC unless the consignee shall have received a credit memorandum from KRC authorizing such deduction.
6. Any terms, provisions or conditions submitted by the consignee to KRC inconsistent herewith or in addition hereto shall have no force or effect and all purchases shall be governed by the terms and conditions hereof and any written agreement in effect between the consignee and KRC.
7. Notwithstanding any of consignee's instructions to KRC, KRC, in its sole discretion, may apply any payments received from consignee to such goods that KRC deems advisable.
8. Delivery of goods to a common carrier or licensed trucker or consignee's assigned carrier or truck man shall be F.O.B. our New York warehouse and will constitute delivery to the consignee and all risks of loss or damage in transit will be borne by the consignee who shall be solely responsible for making claims for such loss or damage to the carrier or trucker.
9. KRC may make partial shipments on account of purchase orders or sales orders, which shipments shall be separately invoiced or consigned and paid for when due, without regard to subsequent deliveries.
10. If KRC engages an attorney to enforce the provisions hereof or to obtain payment hereunder, consignee agrees to pay all legal expenses including reasonable attorney's fees and other expenses that KRC may incur.
11. This agreement shall be deemed to have been made in and fully performed in the state of New York and shall be governed and constructed in accordance with the laws of the State of New York, without any conflicts of law and any breach or threatened breach hereof shall be determined exclusively by a state or federal court of competent jurisdiction in New York County, New York.
12. If this form is not signed and dated then the signed and dated delivery receipts, bill of ladings or any kind of form showing delivery of goods to consignee or common carrier or truck man shall be deemed as signing and dating this agreement.
13. KRC's customer bill of lading provides for limited insurance coverage declared at \$125.00 per 100 pounds. Consignee shall notify KRC in writing of any additional insurance requested, bearing in mind that cost of such insurance is the responsibility of consignee.
14. No failure or delay by KRC in exercising any right hereunder or under any other agreement with consignee shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise of KRC's rights.
15. Goods shall not be returned without prior authorization from KRC. Goods returned without approval constitute consignee's authorization for KRC to sell the goods for consignee's account, however, consignee shall continue to be liable for the entire balance of account.
16. If consignee shall default in the payment of any indebtedness when due and such default shall continue for ten (10) days then all the liabilities and obligations of the consignee to KRC whether then due or not, shall at the option of KRC and without further notice become immediately due and payable.
17. In the case of consignment, all rights and title to all the goods listed on the Consignment belong to KRC, until payment for the same is made in full to KRC. Transportation, insurance, payment in full for, or the return of the goods, if so demanded by KRC, shall all be the sole responsibility and at the expense of the consignee.
18. If the consignee's firm or officer(s) goes bankrupt, the goods, either sold or consigned will remain the property of KRC, if they have not already been paid for in full.
19. In the case of consignment, all sales by consignee hereunder shall be made only for cash, and no goods shall be sold for less than the consignment price thereof. Payment by any check shall not be considered the equivalent of cash, but shall be conditional until actually paid.
20. In the case of consignment, all goods shall be kept at consignee's place of business specified herein, and shall not be removed from there unless sold to a buyer in the ordinary course of business. No rug shall be displayed on the floor of consignee's premises, or soiled.
21. In the case of consignment, immediately upon affecting a sale, the consignee shall send to KRC a report, together with the proceeds of the sale up to the amount of the consignment price thereof. The proceeds of sale shall not be co-mingled with the consignee's other property.
22. In the case of consignment, the consignee may return and KRC may require the return of goods, or any part thereof, any time before its sale.
23. A \$35 charge will be assessed for any returned check.
24. A) KRC can terminate any account without prior notice at it's own discretion. B) KRC can change customer's price level at any time with 30 a day prior notice.
25. All drop ship orders will incur a fee of \$15 per rug/package and a lower fee for 10 packages or more.
26. Customer is only authorized to sell KRC products at their Brick & Mortar physical store location. Under no circumstances can the customer sell on the internet or any other media, unless an agreement has been signed.

RETURN POLICY

- 1. All returns require a Return Authorization number (RA#).
2. Returned rugs must be in original condition. Rugs must be returned within 30 days of invoice date for full credit of rug's invoice amount. Customer is responsible for round-trip freight/shipping charges.
3. Rugs returned within 31-120 days of invoice date will be credited rug's invoice amount minus 25% Restocking fee. Customer is responsible for round trip freight/shipping charges.
4. No returns accepted after 121 days past invoice date.
5. Call tags are not issued for rugs with a manufacturer's defect. Upon notification to Kalaty, customer must ship rug back at own cost and mark defects clearly on the rug. If rug is deemed defective, customer will be issued credit on cost of the rug plus twice the invoiced freight amount.
6. If a rug received damaged due to transit, same should be noted with carrier or rug should be refused, and Kalaty should be notified as soon as possible.

I/We hereby have read and agree to all terms & conditions on this document:

Company Name _____ Signed By _____ Signature _____ Date ___/___/___