



Len-Tex Corporation

Terms and Conditions of Sale

Limited Warranty

1. ACCEPTANCE

The terms and conditions set forth herein contain the sole, entire, and exclusive agreement between the Seller and the Buyer in this transaction, superseding all prior discussions, proposals, negotiations, representations, and agreements. Any additional or conflicting terms, whether or not material, shall not, in any manner by implication, by waiver, or otherwise, govern the relationship between Seller and Buyer. Any waiver, modification or amendment of these terms and conditions shall only be effective as against the Seller if such waiver, modification, or amendment is contained in a written instrument duly executed by or on behalf of Seller. Acceptance of the Agreement by Seller is specifically conditioned upon the terms and conditions set forth herein.

2. SHIPMENTS

(A) Shipment dates are based upon Seller's best judgement, are subject to production limitations and factory schedules, and are hence not guaranteed.

(B) All sales, unless otherwise specified herein, are F.O.B. Seller's plant. Buyer is solely responsible for notifying the carrier as to any damage to or loss in transit of goods.

(C) Claims for shortages shall not be accepted by Seller unless such claims are received by Seller in writing within forty-eight (48) hours after delivery of goods to Buyer and are accompanied by a reference to Seller's order number. Seller shall be given a reasonable opportunity to inspect any shipment claimed by Buyer to contain a shortage. Use of goods by Buyer prior to such inspection by Seller shall constitute acceptance of the goods and a waiver of all claims by Buyer.

3. PRICE

(A) All orders shall be priced in accordance with Seller's prices in effect on the date of shipment.

(B) Seller's price does not include any tax or other charge now or hereafter imposed by law or regulation, domestic or foreign, upon any goods herein sold, or on the production, manufacture, sale, transportation, disposal, or delivery thereof. Accordingly, in addition to the price specified herein, the amount of any such tax or other charge applicable to this transaction herein shall be paid by the Buyer.

4. PAYMENT

(A) Payment for all shipments shall be made by the Buyer against Seller's invoice within thirty (30) days from the date of the invoice, terms net cash, unless otherwise indicated on the face of the invoice.

(B) If at any time, in Seller's opinion, the financial responsibility of the Buyer becomes impaired or unsatisfactory, the Seller may decline to extend any additional credit to the Buyer.

(C) In addition to other legal remedies, if Buyer fails to fulfill the terms of payment, Seller may defer further delivery of goods hereunder, or may, at its option, cancel all further delivery of goods to Buyer.

(D) If Seller is required to pursue collection action to recover unpaid invoices for goods sold and delivered, Seller shall be entitled to interest on the unpaid overdue balance at 18% annual interest from the date of the overdue invoice plus actual attorneys fees arising from the cost of suit.

5. FORCE MAJEURE

(A) Any delays in or failure of performance or delivery by Seller shall not constitute default or give rise to any claims for damages if and to the extent caused, directly or indirectly, by acts of God, acts of the Buyer, acts or regulations of governmental authority (civil or military, executive, legislative, judicial or otherwise), strikes or other concerted acts of workers, lockout, labor difficulties, fires, floods, accident, earthquakes, tidal waves, or other natural disasters, epidemics, war, riots, rebellion, sabotage, insurrection, difficulties or delays in public transportation, or in public or postal delivery services, fuel shortages, inability to purchase from Seller's usual sources of supply, inability to obtain sufficient energy, labor, machinery, facilities, supplies or materials, as required, due to failure of any third party to honor its contractual obligations.

(B) When any such circumstance or circumstances exist as enumerated in 5 (A), Seller shall have the right, in its sole discretion, to allocate its available production, deliveries, services, raw materials, or other resources among any or all Buyers, as well as among departments, divisions, subsidiaries and affiliates of Seller, upon any such basis as Seller may determine, without liability to Seller whatsoever for any failure of performance for Buyer which may result therefrom. In any event, Seller may determine not to allocate any of its available production, deliveries, services, raw materials, or other resources to Buyer, without liability to Buyer whatsoever for any failure to perform which may result therefrom.

6. PATENT INFRINGEMENT

Seller agrees to defend Buyer in any suit alleging infringement by Buyer of any U.S. patent, trademark, copyright, or trade secret based on the manufacture and sale of the goods by the Seller to the Buyer, (except goods manufactured or sold by the Seller in accordance with Buyer's specifications, requirements, or designs) under this Agreement and to indemnify Buyer against liability for any such infringement

claim, provided that Buyer notifies the Seller within ten (10) days after receipt by it of any notice of commencement of any suit based upon such alleged infringement and provided further that Seller shall control and remain in control of any and all proceedings taken in defending such suit, including without limitation, utilization solely of counsel of Seller's own selection to defend such suit. The use of materials purchased by Buyer, its subsidiaries, affiliated companies, and customers, in combination with other goods, or in the operation of any process is beyond the control of Seller, and Seller shall have no obligation or liability whatsoever in connection with any suit claiming infringement by means of the use of such materials.

7. LIMITED AND EXCLUSIVE WARRANTY

Len-Tex Corporation warrants to the Buyer that for a period of five years after delivery, our wallcoverings will be free from manufacturing defects, will conform to our published specifications, will not separate from their backings, exhibit bleeding or staining caused by defects in the goods. The Buyer's sole and exclusive remedy shall be replacement of defective goods, or refund of the Buyer's purchase price, at the option of Len-Tex Corporation.

This limited warranty does not cover and expressly excludes any claim, damage, loss or expense arising out of or relating to: (a) accident or vandalism; (b) abuse, misuse or unapproved use of the wallcovering; (c) installation contrary to the Hanging Instructions and good installation practices; mold or mildew; (e) abnormal conditions of use; (f) improper maintenance or failure to maintain; (g) improper storage, handling, or shipment; (h) use of incompatible adhesive, materials, tools or equipment; (i) design, installation, or construction deficiencies of any kind or nature.

This Limited Warranty is the sole and exclusive warranty given by Len-Tex Corporation with respect to this wallcovering. All other representations and warranties, express or implied, are expressly disclaimed, including any implied warranty or merchantability, fitness for a particular purpose, or any implied warranty claimed to arise from course of dealing or usage and trade practice.

8. LIMITATION OF DAMAGES

(A) In no event will Len-Tex Corporation be liable for indirect, consequential, special or exemplary damages, whether based in contract, tort, strict liability, warranty, or otherwise.

(B) In no event shall the aggregate liabilities of Seller to Buyer arising out of or relating to the transactions, herein exceed the purchase price paid by Buyer to Seller hereunder for the goods in respect of which such claim is made.

(C) The provisions of the Seller's current Hanging Instructions are hereby incorporated by reference into this Agreement as if fully set forth herein. The use of goods sold to the Buyer by the Seller is governed by all provisions of Seller's current Hanging Instructions. Buyer shall obtain and follow Seller's current Hanging Instructions before installing or otherwise using the goods, and shall furnish the Hanging Instructions to all other persons involved in installing or using the goods. Seller's warranty obligations are conditioned upon installation and use of the goods in strict accordance with its current Hanging Instructions.

(D) All Claims for defects hereunder must be presented to Seller in writing within ten (10) days after delivery to Buyer. Failure of Buyer to give such notice shall constitute a waiver by Buyer of all claims with respect to the goods delivered. Seller shall have an opportunity to verify any such defect before materials are used by Buyer, where the defective or nonconforming goods are replaced by Seller, or Seller refunds the sales price received from Buyer for such goods, if requested by Seller. Failure to comply with these provisions shall invalidate any claim by Buyer for defects in goods against the Seller.

9. IMDEMNIFICATION

Buyer assumes all risk and liability for loss, damages, or injury to persons or to the property of the Buyer or others arising out of the use or presence of the goods purchased hereunder. Buyer agrees to indemnify and hold harmless Seller against any liability, damages, losses, costs, and expenses in connection with any suit or claim including but not limited to any loss of use, loss of profits, damages, or injuries to persons or property arising out of or relating to any use of goods purchased by Buyer, Buyer's customers, or other third parties.

10. CANCELLATION

Seller may cancel the Agreement at any time in the event that Buyer shall fail to perform or observe any term or condition hereof by giving Buyer ten (10) days written notice of cancellation. Cancellation hereunder shall not prevent Seller from pursuing any other remedy available to Seller by law or from seeking all such damages to which Seller may be entitled.

11. GENERAL

(A) Buyer shall not assign or transfer this Agreement or the benefits thereof without the prior written consent of Seller.

(B) This Agreement shall be governed by and construed according to the laws of the State of New Hampshire.