

Applicant's Remorse: Subject to the exceptions below regarding discounted discontinued Feizy® Home Collection goods, if Applicant is not happy with the goods for any reason other than non-conformity or defectiveness of the goods, Applicant may return goods in undamaged NEW CONDITION for full refund within thirty (30) days of receipt of goods. Shipping and handling costs to return the merchandise (both ways) shall be the responsibility of Applicant. If conforming and non-defective goods are returned AFTER thirty days of receipt of goods, Applicant shall pay a twenty percent (20%) restocking fee in addition to shipping and handling. No refund shall be permitted for goods returned beyond 60 (sixty) days from the date of sales invoice. Applicant must obtain a Return Merchandise Authorization # from Feizy® before returning the goods.

LIMITED WARRANTIES

SUBJECT TO THE EXCEPTIONS BELOW REGARDING DISCOUNTED DISCONTINUED FEIZY® HOME COLLECTION GOODS APPLICANT MAY RETURN THE GOODS FOR A FULL REFUND OR REPLACEMENT, INCLUDING, THE COST OF THE GOODS, SHIPPING AND HANDLING IF THE GOODS ARE DEFECTIVE AS DESCRIBED BELOW. APPLICANT MUST OBTAIN A RMA # AS HEREIN DESCRIBED AND PROVIDE WRITTEN NOTICE WITHIN 30 DAYS OF RECEIPT OF GOODS OF ANY CLAIMED DEFECTS. THE DEFECTS MUST BE DESCRIBED WITH PARTICULARITY.

• **LIMITED IMPLIED WARRANTY OF MERCHANTABILITY:**

FEIZY® EXPRESSLY LIMITS ANY WARRANTY OF MERCHANTABILITY WITH RESPECT TO THE GOODS BEING SOLD UNDER THIS AGREEMENT TO THIRTY (30) DAYS FROM THE TIME OF RECEIPT OF GOODS.

• **LIMITED IMPLIED WARRANTY OF FITNESS:**

FEIZY® EXPRESSLY LIMITS ANY WARRANTY OF FITNESS FOR ANY PARTICULAR PURPOSE WITH RESPECT TO THE GOODS BEING SOLD UNDER THIS AGREEMENT TO THIRTY (30) DAYS FROM THE TIME OF RECEIPT OF GOODS. APPLICANT MUST FOLLOW RETURN POLICY DIRECTIONS AS STATED ABOVE. SOME STATES DO NOT ALLOW DURATION LIMITATIONS ON IMPLIED WARRANTIES, SO THE ABOVE LIMITATIONS MAY NOT APPLY TO YOU.

NOTWITHSTANDING THE LIMITED WARRANTIES ABOVE, DISCOUNTED AND DISCONTINUED FEIZY® HOME COLLECTION MERCHANDISE IS SOLD "AS IS WHERE IS" WITH NO WARRANTIES EITHER EXPRESSED OR IMPLIED. FEIZY® SPECIFICALLY WAIVES THE WARRANTY OF MERCHANTABILITY AND WARRANTY OF FITNESS FOR THESE ITEMS.

ASSIGNMENT CLAUSE

Neither party may assign any of their rights or obligations hereunder without obtaining the prior written consent of both Feizy® and the Applicant.

GOVERNING LAW

The parties agree that in the event of any dispute or disagreement between them relating to this agreement, the law of the State of Texas shall govern their rights and duties hereunder. In addition, the parties agree that any legal action related to this agreement brought by either party shall be brought and exclusively maintained in the courts in and for Dallas County, Texas. Applicant hereby expressly waives any objection to venue or to the exercise of personal or subject matter jurisdiction over Applicant by such courts, and by its signature on the face side hereof, voluntarily submits to the jurisdiction of those state courts.

WAIVER

The failure or delay of Feizy® to insist on performance of any provision of these terms and conditions or to exercise any right or remedy available under these terms and conditions shall not be construed as a waiver of that provision, right, or remedy in any later instance. No payment or accepted by Feizy® of a lesser amount than is due Feizy® from the Applicant shall be deemed to be anything but a payment on account; and the acceptance by Feizy® of any monies for a lesser amount with an endorsement or statement thereon, or upon a letter accompanying said monies that said lesser amount is payment in full, shall not be deemed in accord and satisfaction of the debt; and, Feizy® may accept said monies without prejudice to recover the balance due or pursue any other remedy available to it.

MODIFICATIONS

No amendment to, or modification or alteration of the terms and conditions set for herein shall be effective against Feizy® without Feizy's® specific written consent thereto.

COPIES OR FAXES OF THIS SIGNED DOCUMENT

All copies or facsimiles of this signed document may be considered Originals.

NON-EXCLUSIVITY OF RIGHTS

Any right granted under these terms and conditions is without limitation of Feizy's® rights as provided by law. Any remedy may be pursued independently of any other.

SEVERABILITY

If any provision of these terms and conditions is or becomes void or unenforceable by operation or law, the remaining provisions shall be valid and enforceable.

NOTICES

All notices, demands, request or other communications to be sent by one party to the other shall be in writing and shall be deemed to have been validly given or served by delivery of the same in person to the intended addressee, or by depositing the same with Federal Express or another reputable private courier service for next business day delivery, or by depositing the same in the United States mail, postage prepaid, registered or certified mail, return receipt requested.

FEIZY RUGS®

TERMS AND CONDITIONS OF OPEN ACCOUNT AND NOTICE OF LIMITATIONS OF LIABILITY

TERMS AND CONDITIONS OF OPEN ACCOUNT AND NOTICE OF LIMITATION OF LIABILITY

CONSENT TO DISCLOSURE

The applying entity (hereinafter the "Applicant") hereby authorizes Feizy Import & Export Company®, Ltd. (hereinafter "Feizy®") to inquire with anyone listed as a reference herein as well as any credit reporting agencies (collectively "Information Providers") for purposes of verifying any and all information furnished herein, and to obtain further information deemed by Feizy® to be relevant to Applicant's creditworthiness.

ECOA NOTICE

THE EQUAL CREDIT OPPORTUNITY ACT (ECOA) PROHIBITS CREDIT GRANTORS FROM DISCRIMINATING AGAINST CREDIT APPLICANT OR APPLICANT'S GUARANTOR ON THE BASIS OF RACE, COLOR, RELIGION, NATIONAL ORIGIN, SEX, MARITAL STATUS, OR AGE. THE FEDERAL TRADE COMMISSION ADMINISTERS COMPLIANCE WITH THE ECOA.

FCRA NOTICE

THE UNDERSIGNED HEREBY CONSENT(S) TO FEIZY'S® USE OF A CONSUMER CREDIT REPORT ON APPLICANT AND EACH OF APPLICANT'S GUARANTORS IN ORDER TO FURTHER EVALUATE THE CREDIT WORTHINESS OF THE APPLICANT'S GUARANTOR IN CONNECTION WITH THE EXTENSION OF BUSINESS CREDIT AS CONTEMPLATED BY THIS APPLICATION. THE UNDERSIGNED HEREBY AUTHORIZE(S) FEIZY® TO UTILIZE A CONSUMER CREDIT REPORT FROM TIME TO TIME IN CONNECTION WITH THE EXTENSION OR CONTINUATION OF THE BUSINESS CREDIT REPRESENTED BY THIS CREDIT APPLICATION. ANY SIGNATORIES HEREIN HEREBY ACKNOWLEDGE AND CONSENT TO THE USE OF SUCH CREDIT REPORT CONSISTENT WITH THE FAIR CREDIT REPORTING ACT.

STATE NOTICES

Notice For California Residents: California law requires that we inform Applicants and Guarantors that should they fail to fulfill the terms of their credit obligation, a negative report reflecting on their credit record may be submitted to a credit reporting agency. If an Applicant or Guarantor is married, he/she may apply for credit in his/her own name.

Notice For Florida Residents: Applicant and Applicant's Guarantors agree that, should Feizy® obtain a judgment against them, either jointly or individually, a portion of their disposable earnings may be attached or garnished as provided by Florida and Federal law.

Notice For Maine Residents: Feizy® may request a consumer report in connection with Applicant's application for credit. Applicants and Guarantors may ask whether a consumer report was obtained by Feizy® and Feizy® will advise Applicants and/or Guarantors of the name and address of the consumer reporting agency, if a report was obtained.

Notice For New York Residents: Applicants' and Guarantors' consumer credit reports may be requested in connection with this application or in connection with updates, renewals or extensions of any credit granted as a result of this application. Upon an Applicant's or Guarantor's request, a requesting party will be informed whether or not such a report was requested by Feizy® and, if so, the name and address of the agency that furnished the report. New York residents may contact the New York state banking department to obtain a comparative listing of credit card rates, fees and grace periods. New York State Banking Department: 1-800-522-3330.

Notice For Ohio Residents: The Ohio Laws against discrimination require that all creditors make credit equally available to all creditworthy Applicants and that credit reporting agencies maintain separate credit histories on each individual upon request. The Ohio Civil Rights Commission administers compliance with this law.

Notice For Vermont Residents: A consumer credit report may be requested in connection with this application or in connection with updates, renewals or extensions of any credit granted as a result of this application. Upon request, Applicants and Guarantors will be informed whether or not such a report was requested and, if so, the name and address of the agency that furnished the report.

Notice For Married Wisconsin Residents: No provision of a marital property agreement (including a Statutory Terminable Marital Property Classification Agreement under Sec. 766.588 Wis. Stats., or a Statutory Terminable Individual Property Classification Agreement under 766.70) adversely affects the interest of the creditor unless the creditor, prior to the time the credit is granted, is furnished a copy of the agreement, statement or decree or has actual knowledge of the adverse provision when the obligation to the creditor is incurred.

CANCELLATION

Feizy®, at its option, and in addition to its other remedies, may, without liability, cancel an order, refuse shipment or reduce the amount of available credit, if: (a) Applicant is in default in any payments or other performance due Feizy® under this or any other agreement, statement or invoice; (b) Applicant or any guarantor becomes insolvent or a petition in bankruptcy is filed; (c) causes, beyond Feizy's® control, make it impossible to assure its timely performance; or (d) Feizy® determines in its sole discretion that such action is otherwise warranted. Subject to the Uniform Commercial Code, Applicant cannot cancel an order after acceptance, except with Feizy's® written consent.

FORCE MAJEURE

Feizy® shall not be liable for any damage or penalty for delay in delivery or for failure to give notice of delay when such delay is due to the elements, acts of God, acts of the Applicant, act of civil or military authority, war, riots, concerted labor action, or any other causes beyond the reasonable control of Feizy®.

MONITORING PRACTICES

Applicant and Applicant's Guarantors agree that Feizy® personnel may listen to and record telephone calls between Applicant and/or Applicant's Guarantor(s) and Feizy® without future notice or requests for permission.

SECURITY

Applicant grants Feizy® a security interest under the Uniform Commercial Code in all merchandise purchased on Applicant's account for pur-

poses of securing full and prompt payment of all amounts owed to Feizy® by Applicant. Upon request Applicant shall furnish an executed UCC financing statement in a form acceptable to Feizy® for filing with the proper authorities in Texas. Additionally, Applicant shall upon purchase provide the addresses of all of Applicant's places of business and all places where the merchandise may be located in the future. Applicant agrees to supplement this list when such additional locations are added. Provided that Applicant's account is past due, Feizy® shall have the right to enter upon Applicant's premises and repossess the merchandise without any process of law.

PRICES

Unless otherwise agreed in writing, all prices and charges specified herein are subject to adjustment by Feizy®, and Applicant shall pay to Feizy®, Feizy's® prices for the goods in effect on the date of shipment by Feizy.

ALL SALES FINAL

Subject to Feizy's® Return Policy and Limited Warranties detailed below, all sales made in accordance with this agreement are final. Goods are not furnished on consignment, or subject to any condition, unless the invoice, or a separate agreement signed by Feizy® expressly sets forth such terms or conditions.

TERMS OF PAYMENT

Where Applicant has established credit, terms of payment shall be net thirty (30) days from date of invoice. Unless otherwise provided, all payments will be in United States dollars.

FAILURE TO PAY ON TIME

In the event any invoice is not paid by due date, a finance charge of 1.5% per month will be charged on the unpaid principal balance, which is an annual percentage rate of 18%. If debt is collected through an attorney at law or collection agency, reasonable collection fees and expenses will be charged. Applicant shall be liable for payment of all collection incurred by Feizy® (including court costs and attorneys' fees).

RETURNED CHECKS

All returned checks or money orders will be subject to a \$30.00 return charge. Should Applicant furnish a bankcard or other credit card for which the purchase amount is not remitted for any reason, Applicant shall pay Feizy's® actual costs incurred plus an administrative fee of \$30. If a check given upon delivery of a C.O.D. purchase is returned unpaid for any reason, Applicant will immediately return the merchandise at Applicant's own expense, with adequate insurance, or at Feizy's® option, allow Feizy® to pick up the merchandise. Failure to do so may result in commencement of legal action.

TAXES

In any tax, charge or fee now or hereafter imposed or increased by any governmental authority or agency, federal, state or municipal, upon the sale, transportation, delivery or servicing of any of the goods or products received by Applicant, and which tax or other charge is required to be paid or collected by Feizy®, directly or indirectly, the amount thereof shall be added to the prices to be paid by Applicant and shall be paid by Applicant. Feizy's® prices do not include any applicable sales, use, excise or similar taxes and the amount of any such tax which the Feizy® may be required to pay or collect will be added to each invoice, unless the Applicant has furnished the Feizy® with an appropriate tax exemption certificate acceptable to the taxing authorities.

SHIPPING AND DELIVERY

All charges for shipment from Feizy® are the responsibility of Applicant. Applicant acknowledges that all estimates of delivery dates and availability are approximate; shipping date estimates are based on the best information available and delays in manufacturing cannot be controlled; merchandise, especially handmade goods, may vary in color, quality, size, and form, and it is possible for an order to vary from the sample; and no assurances with respect to any of the above will be contractually binding upon Feizy®. Applicant waives all notice from Feizy® of late delivery or late shipment due to late receipt of order information. In no event shall Feizy® be liable for any loss or damage or for any special, incidental or consequential damages to Applicant resulting from its failure to deliver within the time specified herein or its failure to perform hereunder. The risk of loss of, or damage to, the goods shall pass to Applicant at the time Feizy® places the goods in the possession of the carrier, unless otherwise agreed in writing. Applicant waives all claims for defective packaging upon acceptance of shipment by carrier at Feizy®. If the goods delivered are not satisfactory to Applicant, Feizy's® liability is limited to repairing or replacing nonconforming goods. Cancellation, returns, credit, or refunds may be made at Feizy's® sole discretion upon Applicant's request. Feizy® is not liable for any direct or consequential damages arising from the above.

RETURN POLICY

Original Condition: All returned goods, whether non-conforming or defective, must be in ORIGINAL CONDITION defined as the condition goods were in upon delivery to Applicant.

Return Merchandise Authorization Number: All returned goods, whether non-conforming or defective, must be issued a Return Merchandise Authorization Number (RMA #), which can be obtained by calling one of Feizy's® Service Representatives at (800) 779-0877, prior to returning any goods. The RMA # must accompany all returned goods. Feizy® shall refuse to accept any returned goods which fail to adhere to the return policy instructions and/or lack an RMA #. Applicant must return the goods within 15 days of obtaining this RMA #.

Refunds: Refunds may take 6-8 weeks or more to process.

Non-Conforming: Subject to the exceptions below regarding discounted discontinued Feizy® Home Collection goods, Applicant may return the goods for a full refund, including merchandise, shipping and handling, if the goods that Applicant receives do not conform substantially to the specifications of the order, so long as Applicant complies with the return policy procedures. Within thirty (30) days of receipt of the shipment, Applicant must give Feizy® written notice of the non-conforming goods. This notice must describe the non-conforming features with particularity. If Applicant fails to give such notice, the goods shall be deemed to have been in conformity with the specifications of the order and to have been accepted by Applicant. If Applicant returns these goods described as being non-conforming to Feizy® and upon inspection, Feizy®, in its sole discretion, determines that the goods DO CONFORM, then Applicant shall bear the costs of shipping the return to Feizy® and any subsequent return to Applicant.