

KREISS TERMS AND CONDITIONS -- IMPORTANT

These terms and conditions apply to your sale and/or order from KREISS Home Furnishings ("KREISS.") These terms and conditions are in addition to those described in your invoice. Your acceptance of these terms and conditions, as well as those listed in your invoice, is signaled by your making an initial payment towards an order and/or by signing the invoice.

FOR SALES:

The following terms and conditions apply to any sales from KREISS and are in addition to the terms and conditions listed on your invoice.

ALL MERCHANDISE SOLD IN STORE, SUCH AS FLOOR SAMPLES, IS SOLD "AS/IS". PLEASE EXAMINE CAREFULLY AS ALL SALES ARE FINAL AND NO REFUNDS OR EXCHANGES ARE PERMITTED. NO EXCEPTIONS.

Delivery of sale items is available for an additional cost.

FOR ORDERS:

The following terms and conditions apply to any orders from KREISS and are in addition to the terms and conditions listed on your invoice. Headers are for informational purposes only.

A. FINISH WAIVER

It is understood that all KREISS finishes are custom and done by hand, one piece at a time. Consequently, no two pieces will be exactly alike (due to hand finishing, different woods, detailing, etc.) KREISS cannot finish-match. It is further understood that finishes will vary (at times substantially) from photos, samples, literature and finishes displayed on the showroom floor.

B. PARITIAL SHIPMENTS

Fulfillment of your order in a timely manner may require more than one shipment, depending on the availability of items. Total freight charges may increase in the event of a split shipment.

C. FREIGHT COLLECT

All products are F.O.B. San Diego. Customer is responsible for freight charges.

D. PRICES

All prices F.O.B. KREISS, San Diego, California. Please allow 72 hours notice in the event of a pick-up. All prices subject to change without notice. Prices do not include tax or freight. **BUYER MUST PROVIDE A VALID RESALE CERTIFICATE AT THE TIME OF PURCHASE OR BE SUBJECT TO SALES TAX.**

E. CUSTOMER RESPOSIBILITY

CUSTOMER ACCEPTS RESPONSIBILITY FOR ALL MEASUREMENTS RELATING TO PIECES FITTING THEIR PROJECTS. KREISS IS NOT RESPONSIBLE FOR MEASUREMENTS RELATING TO CUSTOMER'S ELEVATOR, HALLWAY, OR STAIRCASE FOR DELIVERY AND INSTALLATIONS.

F. CUSTOM ORDERS

Custom orders incur special labor and material and **cannot be cancelled**. Custom orders are non-returnable. All orders placed are considered custom orders.

50% of cost is due at time of order. Balance due upon completion of order, and prior to release of goods for shipment.

Customer authorizes KREISS to utilize provided credit card(s) to pay initial payment and balance due upon order completion. Lead times provided by KREISS are estimates and are not guaranteed.

G. REFUSAL TO ACCEPT DELIVERY

If a customer refuses to accept delivery of goods within 14 days of notice of completion customer will be charged 5% of the order subtotal per month for storage, with a minimum charge of \$500 per month regardless of order subtotal. Furthermore, KREISS shall be permitted, but not required, to mitigate its damages by selling said goods to another customer. KREISS shall have complete discretion or whether or not to mitigate its damages or to continue to charge customer for storage and insist on customer accepting delivery. In the event KREISS sells the goods under this provision then customer shall be liable to KREISS for storage fees, as well as the difference between the sales price and original order price, as well as attorneys' fees/costs pursuant to this agreement.

H. CANCELLATION POLICY

Orders are processed immediately and cannot be cancelled.

I. RETURN POLICY

All sales are final. Customer may only return orders under exceptional circumstances and only with explicit approval from KREISS. KREISS shall have the sole discretion to determine whether or not to approve any such returns. In the event KREISS exercises its discretion, and permits a Customer to return an order, then the order shall be subject to restocking fees.

J. C.O.M. YARDAGE REQUIREMENTS

Based on 54" plain goods. Pattern matching and non-railroad fabric – add 15% to price. Add 10% more fabric for repeats under 15," 20% more fabric for repeats on 15"-24"; 40% more fabric for 45" goods.

Please side mark all C.O.M. with your name, your representative's name and your order number. **WE ARE NOT RESPONSIBLE FOR RETURN OF EXTRA C.O.M.**

KREISS RESERVES THE RIGHT TO REJECT CUSTOMER'S C.O.M. and may request additional fabric after viewing C.O.M.

GENERAL C.O.M. PROCEDURES – The following is provided as a general information guide to understanding the procedures governing C.O.M. fabrics.

- Yardage requirements and pricing as stated is based on 54" wide plain fabrics that do not require matching and that can be railroaded.
- KREISS railroads fabric unless otherwise instructed.
- Fabrics with stripes or general patterns are upholstered so the patterns or stripes run vertically.

Matching includes: Body inside to outside. Backs inside to outside arms. Back pillow will be matched to seat cushions, front band and flounce. Additional requirements for this match are 10% more fabric and 10% labor charge on price.

- Plaids will generally fall into the strip requirements plus an automatic horizontal match will occur thru the back pillows and seat cushions when possible.
- Center match florals, birds, etc. is subject to placement on C.O.M. and generally results in more unused fabric and additional labor time. Also 15% additional fabric above normal repeat and 15% labor charge.
- Due to cushion design, e.g. waterfall, knife edge, many fabrics with definite pattern direction will not result in a satisfactory match when cushions are turned over. It may be advisable to alter the cushion pattern to a boxed design to effect proper matching and direction of patterns on both sides of cushions. Please qualify your C.O.M.'s and authorize the factory on the RO's to make this change if necessary.
- If either non-railroad fabrics or those less than 54" wide are used, 10% more yardage will be required as well as 10% more labor cost be added. Please contact the factory on all C.O.M. fabrics that require additional special tailoring or for those fabrics that do not conform to the above description. Extra C.O.M cannot and will not be returned. Customer is responsible for inspection of C.O.M. or COL. KREISS cannot be liable for flaws in C.O.M. or COL.

K. FABRICS

KREISS fabrics cannot be guaranteed against fading, shrinking, or cracking. Purchaser or workroom must examine all fabrics before cutting. Slight color variation must be expected. Customers are cautioned that KREISS merchandise/fabrics should not be placed in direct sunlight, which may cause fading or discoloration.

L. SHIPPING

Shipping and installation cost, if not listed on this invoice, is additional. Shipping is handled via a third party and KREISS is not responsible for freight damage or other shipping issues after the goods are picked up from KREISS. California residents

must pay sales tax on all orders. Other items such as customs duty charge, and other fees and taxes may apply for international addresses as well as Hawaii, Alaska, and Puerto Rico.

M. DELIVERY TIME AND CUSTOMER'S DUTY TO INSPECT GOODS

Customer agrees to pay balance due and accept delivery of their merchandise within 14 days of completion of order and agrees to provide shipping destination of all orders, along with contact telephone numbers. (Please allow (5) days for processing after receipt of check). Merchandise that is not shipped 30 days after completion will be relocated to a public storage facility at the customer's expense. See Paragraph "G" contained herein.

ANY CLAIM FOR DAMAGES OR DEFECTS MUST BE SUBMITTED IN WRITING TO KREISS AND/OR THE CARRIER AT TIME OF DELIVERY. Failure to do so waives any claim that the Order was damaged or defective at time of delivery.

N. FREIGHT CLAIMS

All merchandise to be shipped freight collect. Unless otherwise specified on your RO. Shipments will be made by carrier selected by us. No returns will be accepted without a RETURN GOODS AUTHORIZATION NUMBER and prior approval by KREISS. Please be advised that at the time of receipt of merchandise, it is your responsibility to note any and all discrepancies and/or damages to your merchandise on the carriers' Bill of Lading. This enables you to file a claim. We cannot make that claim for you. If shipment is damaged in transit, DO NOT SIGN for the shipment until the transportation company (or the delivery truck driver) has noted the nature and extent of damage. Call the transportation company within 30 days. All liability of freight damage lies between the customer and the freight carrier.

O. RATTAN

All KREISS wood and rattan products are subject to cracking. This cracking is to be expected and will not affect the structural integrity of the furniture.

NOTE – Rattan is handmade and we cannot be responsible for exact measurements.

P. MEASUREMENTS

All KREISS products are handmade. Variations of + or - 2" in measurements are to be expected.

Q. WARRANTIES

All KREISS products are sold on an outright sale basis and KREISS guarantees them to be in good condition and free of defect in material and workmanship at the time of delivery to the carrier. In the event of KREISS' breach of any warranty, customer's exclusive remedy will be that KREISS will repair or replace the defective product provided that customer returns said defective product to KREISS at the customer's expense within 30 days of receipt. In the event of a problem that requires KREISS to

receive the merchandise back for whatever reason, the customer agrees to return merchandise at their expense.

THE WARRANTY PROVIDED IN THIS CLAUSE IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

R. LIMITATION OF LIABILITY

In no event will KREISS or its suppliers be liable for special, incidental, consequential or exemplary damages arising out of this agreement or for services provided by KREISS. The above exclusion of incidental and consequential damages may not be enforceable under some applicable laws, so such exclusion may not apply to you. In no case shall KREISS'S liability for money damages exceed the invoice amount paid by you or anyone else for the product.

Force Majeure: KREISS will not be liable for any failure or delay in performance which might be due, in whole or in part, directly or indirectly, to any contingency, delay, failure, or cause of, any nature beyond its reasonable control. Such causes include, without in any way limiting the generality of the foregoing, fire, explosion, earthquake, storm, flood or other weather, unavailability of necessary utilities or raw materials, strike, lockout, unavailability of components, activities of a combination of workmen or other labor difficulties, war, insurrection, riot, act of God or the public enemy, law, act, order, export control regulation, proclamation, decree, regulation, ordinance, or instructions of any Government or other public authorities, or judgment or decree of a court of competent jurisdiction.

VERY IMPORTANT: As set forth herein, notice of any damage, defects in workmanship or material must be given by customer at time of delivery. In the event the customer fails to provide such notice, KREISS will be relieved of any and all liability hereunder and customer agrees to accept goods "as is." In the event KREISS agrees a repair or redo involving COM is needed then Customer shall provide the fabric to KREISS, at their expense, for the repair or redo or in the event of a refund, KREISS' liability shall not include a customer's fabric (C.O.M.) or freight.

S. CHOICE OF LAW

This agreement is entered into and deemed to be accepted in the State of California. The validity, interpretation, performance and enforcement of this agreement and its acceptance shall be governed by laws of the State of California.

T. INVALID AGREEMENT PROVISIONS

Should any provision of this Agreement become legally unenforceable, no other provision of this Agreement shall be affected, and this Agreement shall be construed as if the Agreement had never included the unenforceable provision.

U. ATTORNEYS' FEES

SHOULD ANY LEGAL ACTION ARISE FROM THIS AGREEMENT THE PREVAILING PARTY TO ANY SUCH ACTION SHALL BE ENTITLED TO SUCH PARTY'S REASONABLE COURT COSTS AND ATTORNEY'S FEES INCURRED. FURTHER, THE PROPER VENUE FOR ANY SUCH ACTION SHALL BE LOS ANGELES, CA, WHICH IS THE LOCATION OF THE HEADQUARTERS OF KREISS, INC., AND ALL PARTIES HERETO DO HEREBY SUBMIT TO SAID COURT'S JURISDICTION FOR ALL PURPOSES.