

PRICING AND TERMS

The information in this Pricelist replaces all information in prior Pricelists, catalog pages, and swatch cards and is offered without prejudice.

All prices shown are per unit unless otherwise noted. Prices do not include shipping, installation or sales and use taxes. All pricing is subject to change at anytime without prior notice. Prices should be confirmed with your Kwalu Sales Representative or the Kwalu Sales Department before placing an order. All prices are F.O.B. factory loading dock Matamoros, Mexico.

All new accounts where the initial orders are under \$1,000 require the full amount in advance, and orders over \$1,000 require a 50% deposit with the order and the balance due under regular terms upon approved credit. Orders will not be placed in production until the deposits are received. Terms are net 30 days from invoice date. A charge of 1.5% per month or 18% annually will be made on an unpaid balance if payment is not made according to the term of sale. If the invoice is not paid in full, the warranty mentioned below does not apply. In the event that a collection agency, attorney or court must be used to effect collection, the Customer agrees to pay all reasonable and actual collection agency fees, attorney fees and court costs.

Retainage or other forms of escrow are not permitted. Back charges incurred, for any reason, will not be accepted unless previously agreed to in writing by Kwalu. We reserve the right to add 1.5% per quarter on material shipped 6 months or more from date of order entry. After 18 months, prices will be evaluated based on market conditions.

If you choose to pay by credit card, please note a 2.5% convenience fee will be charged on all Credit card transactions (AMEX, mastercard and visa).

All questions regarding credit, invoices, adjustments, billing and payment application should be directed to:

Kwalu LLC
Attn: Accounting
6160 Peachtree Dunwoody Rd., Bldg. C
Atlanta, GA 30328
1-877-MY-KWALU (877-695-9258)

All transactions between the Customer and Kwalu, LLC will be governed and construed in accordance with the laws of the state of Georgia. Customer submits to the exclusive jurisdiction of the courts of Fulton County, Georgia with respect to any legal proceedings arising between Customer and Kwalu, LLC.

QUOTATIONS

All quotations by Kwalu Sales Department are guaranteed for 30 days – unless otherwise extended in writing.

ACCEPTANCE

Orders are subject to acceptance by us under the terms and conditions as presented in this document, our Pricelists and sale order confirmations. Where these terms and conditions conflict with the terms and conditions of the Customer's contract, the terms and conditions herein shall prevail. Terms and conditions not particularly expressed therein are excluded from the Customer's contract and are specifically disclaimed by us.

If a Customer owes overdue balances to us relating to previous orders at the time it submits a new purchase order, then we may refuse both to accept and/or schedule the new purchase order for production until the Customer has settled all the overdue balances on its account.

ASSEMBLY REQUIRED ON SOME PRODUCTS

Some of our products require some assembly, including fully upholstered furniture, beds and tables. All overbed table bases require assembly. The bases are cartoned and the tops are shipped on a pallet.

CARTONING

All products are shipped in cartons and / or on pallets, whether common carrier or blanket wrap carrier, and no additional charges for cartons apply.

A number of products (including recliners, sleepers, table tops, headboards, footboards, mirrors, casegoods, overbed table tops and bases, etc.) are shipped on a pallet. Pallet charges apply.

PASSAGE OF TITLE / FREIGHT CLAIMS

All sales are made F.O.B. loading dock. While we will do everything possible to ensure your order arrives in good condition and on time, we cannot be held responsible for freight damage or delays. Freight claims are the Customer's responsibility. Do not refuse product damaged in transit, as we are not responsible for damage to product that occurs during shipping or storage. When you receive an order, please follow these few simple steps:

1. Thoroughly inspect all incoming orders.
2. If an item has been freight damaged, it is important to note the damage on the delivery receipt. Call the carrier within five working days to request an inspection and freight claim instructions.
3. Claims for concealed damage must be filed with the carrier within five days of receipt. Failure to do so will result in loss of right to claim. The product should then be installed as soon as possible.
4. If a shipment is received undamaged but is not what you ordered, call us within five working days of receipt.

PLEASE NOTE: Refusal to accept an order from the carrier does not relieve you of responsibility for payment and may result in additional charges.

GENERAL WARRANTY PROVISIONS

We warrant our manufactured products for the relevant time periods stipulated in the Pricelist.

General 1-Year Limited Warranty:

We warrant all products irrespective of the stated warranty period against defective material and workmanship for one year from date of purchase. This warranty is applicable only to those parts actually manufactured by us. Products not manufactured by us (including, without limitation, upholstery material and locking mechanisms on the sleeper beds and recliners, overbed table mechanisms, etc.) are not covered under our warranty but are governed solely by the guarantees or warranties, if any, of the manufacturer of such parts. We will accept no responsibility for the durability of Customer's Own Material (C.O.M.). Seats on our chairs are warranted against defective material and workmanship for one year from date of purchase.

10-Year Structural Frame / Panel Warranty:

All products that have a stipulated 10-year warranty, have a 10-year structural warranty on all frames and panels manufactured with our patented technology against breakage during normal use (we define normal usage per application for which the item was designed). Any frame or panel product found to be defective while under this warranty will be repaired or replaced, at our discretion. This warranty does not apply to any product that has been altered, subjected to misuse, abuse, improper cleaning, negligence, or accident.

Hard Use:

Certain products have been engineered to withstand hard use. Only the following products shall be covered under our warranty when used in hard use applications:

- Seating and Tables – those products ending with the letter "M" plus any products from the Momentum, Dynamic, Oslo, or Copenhagen collections
- Casegoods – Phoenix range

Certain chairs have been designed for specific applications. For example, dining, sleeping or working. None of our products have been designed to be stood on or climbed over.

Behavioral:

Certain products have been engineered to withstand behavioral applications. Only products designated as behavioral shall be covered under our warranty when used in those applications.

Certain chairs have been designed for specific applications. For example, dining, sleeping or working. None of our products have been designed to be stood on or climbed over.

10-Year Frame Finish / Panel Warranty:

All products that have a stipulated 10-year warranty are backed by our 10-year Kwalu finish guarantee. The finish on all frames and panels manufactured with our patented technology can be repaired using our Repair Procedure. This covers scuffs incurred during normal use. See “Care and Maintenance” below for repair procedures.

Ultra-Violet Protection:

Products that are ordered to be UV protected – parts made from Kwalu are warranted against structural degradation for a period of ten years, and against color fading of no more than 20% of the original color for seven and a half years. We recommend the Kwalu finish is rubbed with 0000 steel wool annually to keep the finish looking clean and new, and to remove any yellowing which may occur.

This warranty expressly excludes products that have been exposed to UV that have neither been ordered nor manufactured to be UV resistant.

Other General Warranty Provisions:

The warranty provisions outlined above do not apply to any product which has been subjected to misuse, abuse, neglect, lack of normal maintenance, accident, or whose original construction has been altered by anyone except us. We define normal usage per application for which the product was designed. We shall not be liable for consequential or individual damages arising from any product defect. We will replace or repair defective products covered by the warranty provisions outlined above during the above stated periods, provided the Customer notifies us within 30 days of the discovery of a

defect and the product or defective portion is returned promptly as directed.

To make a claim under the warranty provisions outlined above, contact us for written return authorization. DO NOT return merchandise without written authorization. Merchandise returned without written notification will be refused. Return Authorizations are numbered and specify method of transportation and any applicable freight costs. After inspection of the returned item, if it is established by us to be defective under the terms of our warranty, the product will be repaired or replaced at our expense, to include applicable return freight costs. However, if determined not to be covered under our warranty, the item will be repaired or replaced at the Customer’s expense, F.O.B. factory loading dock. Authorization for return will be voided if product is not received within 30 days of authorization.

Our obligation under the warranty provisions outlined above is limited to the repair or replacement of the defective item. In no case shall liability under the warranty provisions outlined above exceed the original purchase price of the defective item. We will not assume labor charges for unauthorized field repairs.

The warranty provisions outlined above extend to the original purchaser only.

Upholstery:

All upholstery fabrics are subject to warranty offered by the respective upholstery mills only. Cuts or tears detected after signing for receipt of upholstered products are not covered.

Fabric Puddling:

The content of certain fabrics makes these fabrics susceptible to puddling and wrinkling over which Kwalu has no control. Slight changes in weather and humidity can affect these fabrics. Kwalu will not assume responsibility when this happens.

C.O.M.:

We do not warrant quality or durability of materials provided by the Customer (Customer’s Own Material).

Mechanisms:

All mechanisms for, amongst other things, recliners, sleeper beds and overbed tables are subject to warranty offered by respective manufacturer only.

Laminates:

All laminates for tabletop surfaces are subject to warranty offered by respective manufacturer only.

Solid Surface:

All Kwalu products that feature solid surface tops and or solid surface components are free from defects in workmanship for the period of 10 years.

Kwalu assumes no responsibility or warrants for graining and color match of any solid surface top and or solid surface component due to the natural variations of the material over which we have no control. This warranty does not include damage from normal wear and tear, and changes in solid surface finishes, including surface staining, and color fastness, due to aging, exposure to light or direct sunlight. Kwalu also assumes no responsibility for repairs or replacement to solid surface tops or components sustaining damages resulting from user modification, attachments to a product, misuse, abuse, alteration or negligent use of the product.

Graining/Color:

Graining and color of any frame or panel may vary due to the natural variation of materials/components over which we have no control. Every effort is made to keep our color standards constant from batch to batch, from frame to frame, and from panel to panel. However, we do not warrant graining or color differences from batch to batch, from frame to frame, or from panel to panel. Also, we do not warrant graining or color differences between frames and panels. If a repeat order is needed to match an existing order, we suggest you request a sample of the current color standard. We try to minimize variations between samples and finished goods, but some variation can occur.

Care and Maintenance:

To protect the top panels on casegoods and table tops, place felt pads on the bottom of any accessories.

To ensure durability and longevity of all products, it is important to clean, care for and maintain your products. We recommend you perform routine maintenance every 30 days as outlined in our cleaning and maintenance schedule which can be requested from the Kwalu Sales Office.

NOTE: Products requiring adjustments or showing any signs of structural failure should be taken out of service immediately until the required adjustments or repairs are completed.

Cleaning agents that contain abrasives, such as Ajax® or Comet® will scratch the finish and should not be used. Customers should not use aromatic or chlorinated hydrocarbons, ketones, or nitro compounds on the finish of the frames or panels. The list of chemicals and substances mentioned above is not meant to be exhaustive. Customers can contact our Sales Department for a complete list of substances that should not be applied to the finish of the frames and panels. Please visit our web site for further information.

NOTE: Warranty may be voided if proper maintenance procedures are not followed. Users of our products should visit our website at www.kwalu.com for the current Maintenance Procedures.

MATCHING UP ORDERS

If an order is to match a previous shipment, it must be clearly stated on your purchase order. Please provide our office with the original invoice number and date of shipment. Periodically, our suppliers discontinue materials and requested materials cannot be provided. Customer will be notified in this case.

SALES ORDER CONFIRMATION

Customers must notify us within 5 working days of receipt of the sales order confirmation of any discrepancy between the purchase order and the sales order confirmation; otherwise we cannot accept responsibility for manufacturing errors. Please use the sales order confirmation number when inquiring about

your order.

COLORS

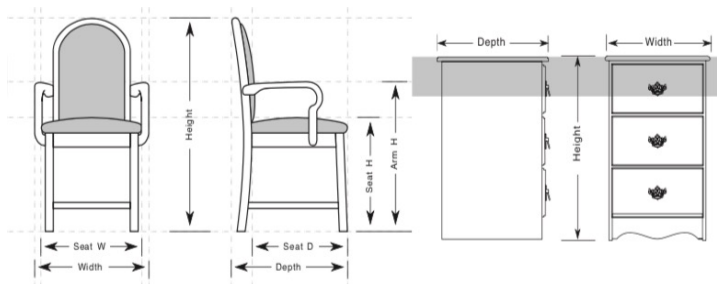
NOTE: Add 10% to the standard list price (C.O.M. price for seating) for all Outdoor UV Protected Frame Colors (Light Oak UV and Frosty White UV) plus all Premium Colors (Frosty White and Black).

CUSTOMIZED COLORS

We are able to create custom colors for all orders. For orders less than 220 items, the upcharge on customized colors to match your sample choice will be determined at the time of order. On customized colors, a sample will be sent to the customer for approval. Upon approval, additional production time will apply. We do not assume responsibility for variation in color (see “Graining / Color” under “General Warranty Provisions” above).

DIMENSIONS AND SIZE

We reserve the right to alter dimensions at our discretion. All dimensions shown in our sales literature are approximate and in some cases nominal and subject to change without notice. We assume no responsibility for overall dimensions unless specific limitations are clearly spelled out on your purchase order. Contact the Kwalu Sales Department if dimensions are critical.



OPTIONS

Please consult the “Options pricing” section of the Pricelist for any applicable upcharges for non-standard treatments or other nonstandard features and colors.

FIRE RETARDANT INFORMATION

All of our seating products are manufactured as standard with foam meeting the requirements of California Technical Bulletin #117. It is the customer’s responsibility to specify a fire retardant fabric to meet the customer’s applicable fire code requirements. We have the capability to meet California Technical Bulletin #133 with graded fabrics when required. This must be specified clearly on your purchase order. Call for a quotation if not shown in the Pricelist.

Please note that for Customer’s Own Material (C.O.M.) fabrics we are unable to certify compliance with CAL 133 or NFPA 261.

FOAM

We can furnish flame retardant foam to meet the following specifications:

- Boston Port Authority and City Code
- Port Authority of New York and New Jersey Revision 481
- FAA 25.853 (AF)
- FAR 25.853-25 (BF)
- Motor Vehicle Spec. MVSS302
- UFAC current standards as of 9/81
- NFPA 261
- BSS 7239
- TOX GAS

If specific certification is required, the customer will be charged the cost of sampling, testing and freight. Items to be manufactured in compliance with one or more of the above codes must be so stated on the customer’s purchase order at the time the order is placed. Contact the Sales Department for a quotation.

TEXTILE INFORMATION

Acknowledgement and pricing for our own Purchased Material:

1. We reserve the right to alter the grade category for any

fabric due to pattern/yardage per chair requirement.

2. Consult the Sales Department for a quotation when planning to use a combination of fabrics on a single chair. A 10% upcharge (of COM price) applies to all multi-fabric seating.
3. We do not warrant fabric.

Cleaning Methods:

Cleaning methods vary based on the type of fabric. For overall cleaning, see manufacturer's instructions.

Customer's Own Material (C.O.M.) Fabric:

1. We do not accept responsibility for the following:
 - Wearability of C.O.M. fabric
 - The disposition of any excess C.O.M. shipped to our facilities
 - Under-calculating of C.O.M. yardage
 - Flame retardancy of C.O.M. fabric

Yardage Requirements

- 20% extra yardage should be included for combination upholstery (two materials or more). Please consult the Sales Department for yardage requirements.

Acknowledging and Pricing of C.O.M.:

1. Orders will not be processed unless or until a C.O.M. description accompanies the customer's purchase order.
2. You must provide Kwalu with both the Purchase Order number and name of supplier for each COM fabric. You authorize Kwalu to contact each fabric supplier, from time to time, to obtain up to date information on shipping and delivery dates (including tracking numbers, etc.).
3. C.O.M. orders will be scheduled for production only after receipt of fabric. Allow 6 weeks after receipt of fabric for shipping.
4. A 10% upcharge will be applied over and above the

C.O.M. price for combination upholstery (2 or more fabrics) applied to the same product.

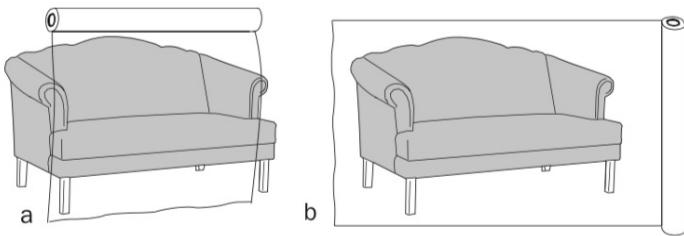
5. When supplying genuine leather, a 20% upcharge will be applied over and above the C.O.M. price.
6. Should the C.O.M. have striping, a patterned design, or a non-stretch construction, an upcharge of 10% will be applied to cover additional cutting, sewing, and upholstery labor.
7. We reserve the right to refuse C.O.M. orders (or process without responsibility) where fabrics are not suitable because of pattern, weight, width, stretch, etc.

Shipping and Application Instructions:

1. All orders specifying C.O.M. must provide the following:
 1. Two 12"x12" size fabric samples stapled to the purchase order.
 2. Instructions on how to apply the fabric (i.e. direction of the stripes, etc.) and which face to use on reversible fabrics for all striped, plaid, patterned or unusually designed fabrics.
 1. We will apply the fabric in what we determine to be the best manner and cannot be held responsible after upholstery is complete.
2. When shipping C.O.M., please tag every roll of fabric on the inside of the packaging with the following information:
 1. Dealer or designer's name
 2. Our sales order confirmation number (if available)
 3. Pattern and color of fabric
 4. Customer's purchase order number
 5. Product and area to be applied to
3. Instructions for shipping will accompany sales order confirmation.
4. Orders specified with C.O.M. will not be assigned an estimated shipping date until the material is received in house.
5. Excess C.O.M. will be returned upon written request only. Custom and shipping charges will apply.

Further COM information:

All items are available with material furnished by the Customer (C.O.M.). Yardage requirements listed in our Pricelist are based on 54" wide plain material. Generally, additional yardage is required if striped or patterned material is used, if the pattern requires matching, or if the width of the material is less than 54" wide. We will not be held responsible for tailoring, wearability, or application of C.O.M. covers. A minimum of 1 yard per fabric is required for all C.O.M. orders.



1. Fabric "UP THE BOLT" or "REGULAR" position
2. Fabric "RAILROADED" or "TOP TO SELVAGE" position

Definitions:

RR = Railroad or Top to Selvage

RW = Right Way (as woven), Top Right, In and Out of Bolt, or Up the Goods/Roll

Though every effort has been made to estimate excess yardage required for stripes and matches, we take no responsibility where additional material must be ordered.

If you desire to furnish your own leather, please figure 18 square feet per yard of 54" wide material based on the yardage requirement listed for each piece. Customer's Own Leather (C.O.L.) is priced at 20% above our C.O.M. price grade. Special colors and finishes of leather not shown in our swatch collection are available from our regular supplier.

All packages must be marked clearly with the following information on BOTH the exterior of the package and the upholstery material when sent to the factory:

- Company name
- Your purchaser order number

- Chair model number and applicable upholstery cover number

Please provide the following information on your purchase order when using C.O.M.:

- Manufacturer's name
- A sample of the C.O.M. or C.O.L.
- Manufacturer's pattern and color number
- Instructions for proper application
- Correct style number of C.O.M. or direction of stripes, patterns, etc.
- Where C.O.M or C.O.L. is to be applied (if different fabrics)
- Correct side of fabric

When no instructions are received, we will use our own judgement without recourse.

Ship all C.O.M. or C.O.L. prepaid to:

According to the North American Free Trade Agreement (NAFTA), goods shipped between the United States and Mexico can qualify for exemption from all duties or for a reduction in duties, if the goods can be proven to originate in any of the United States, Canada or Mexico.

To be considered for the preferential tariff treatment, you need to supply in addition to the fabric itself the following (in triplicate)

- NAFTA Certificate of Origin
- Commercial Invoice

If the fabric is of foreign origin, then the fabric must be marked with the details of the country of origin before the fabric can be imported into the US. In most cases your fabric supplier should also be able to provide you with this information

Adjustments for special request fabric patterns or widths less than 54":

To determine how much yardage is needed to cover an upholstery frame, check the price list for that particular style. Yardage requirements are approximations based on 54" wide fabrics. For fabrics with a pattern and/or less than a 54" width,

please supply extra yardage as indicated below.

WIDTH	PLAIN FABRIC NO MATCH	4"-6"	7"-14"	15"-20"	21"-27"	OVER 27"
54"	Add 10%	10%	20%	25%	30%	40%
50"	Add 10%	15%	30%	40%	45%	50%
45"-48"	Add 25%	30%	40%	45%	50%	55%
36"	Add 60%	65%	80%	90%	100%	105%

STACKING CHAIRS

Care should be taken when stacking chairs to prevent possible damage to the upholstered backs and seats by glides. We do not recommend stacking more than the stipulated number of chairs together. Refer to the stacking section of the Pricelist for products.

GLIDES ON CHAIR LEGS, TABLE LEGS & BASES

Either Nylon or Teflon glides are supplied as standard on chair legs. Black plastic octagonal glides are supplied as standard on table legs and bases.

MAXIMUM WEIGHT CAPACITY OF CHAIRS

All of our seating products have been designed and tested to the stated carrying capacity. Customers are responsible for properly selecting the appropriate chair types to take into account the physical weight and size of those who will ultimately use the chairs.

COATS ON CHAIRS

Multiple items of clothing (coats, bags, etc.) should not be hung on the backs of chairs as this practice will render the chairs unstable.

TEMPERATURE CONTROL

We are not responsible for the condition of products that are stored or installed in an environment where temperature is not controlled. Do not place products in temperatures below

freezing.

HEAT SOURCE EXPOSURE

Any exposure to heat sources closer than 18" will result in damage and will void the warranty for all seating, casegoods, tables, and wall protection products.

PLACING PRODUCT OUTSIDE

Do not place your products outside in a position of permanent exposure to direct sunlight, excluding seating with UV protection.

TABLE BASES AND TOPS

Table tops and bases ship separately and require assembly. Bases are fastened to table tops with the screws provided.

ADJUSTABLE & TILT TOP TABLE BASES

Do not slam the top and base together. Do not over tighten handle screws. Periodically check the mechanism for waste build-up and clean if necessary. Adjustable and tilt table top bases, by design, have more movement than fixed bases.

CASEGOODS

CASTERS ON CASEGOODS

Should you choose the option of casters on your casegood product, Kwalu cannot be held responsible for any accidents which may occur as a result of choosing the casters option. Further, please use caution when opening the drawers and doors on your casegood product to avoid it tipping.

Installation Guidelines: Users are responsible for correctly assembling and securing case goods according to the manufacturer's instructions. Any modifications or alterations to the casegood's structure may compromise its stability and safety.

Anchoring: Users must anchor casegoods to the wall following

the manufacturer's recommendations where applicable. Failure to do so may increase the risk of tipping incidents especially if used in areas with children or older adults. Please note that not all casegoods require anchoring, please reference the manufacturer's installation instructions enclosed with the unit.

Indemnification: By using this information users agree to hold Kwalu harmless from any claims, liabilities or damages or expenses arising from their use of the casegood, or reliance on the provided safety guidelines.

WEIGHT CAPACITY OF BEDS

All of our beds have been designed to carry a person weighing 250 pounds under normal usage circumstances.

INSTALLATION

If your PO includes installation, please note that all installation services shall be provided by Kwalu Installation Services, LLC ("Installer"). All payments for installation services received by Kwalu, LLC shall be received by it as payment/disbursement agent for Installer, for which it will charge Installer an agency fee. Kwalu, LLC shall have no obligation or liability whatsoever for, and shall make no warranties whatsoever regarding, the installation services provided by Installer. Installer shall agree to be solely responsible for such installation services and shall indemnify and hold harmless Kwalu, LLC from any and all liabilities arising therefrom. Installer may engage one or more subcontractors to perform the work.

INSTALLATION OF WALL PROTECTION

For install on a wall protection order, it is understood that the following conditions are present on location immediately prior to, and during the installation period:

1. Affected walls are cleaned of all wallpaper, dirt, or other foreign matter that may inhibit installation. The walls are patched, smoothed, cleaned, primed and fully prepared for installation.
2. The Installation crew will have full access to affected

areas of facility, from 7am to 7pm each day as a minimum including all corridors, elevators, and loading docks, etc. necessary to perform the work in a timely manner.

3. Adequate, readily accessible and convenient storage space will be provided to temporarily protect and safeguard installation material.
4. During the installation period, adequate, readily accessible and convenient work space will be provided for a temporary workstation at which all cutting, trimming and fabrication work can be preformed without concern for the safety of non-installation crew personnel.

Non-compliance with any of the above conditions will result in the assessment of additional charges to be determined by the amount of time the installation crew must devote to remedying each individual situation, plus any additional expenses incurred, such as storage costs, barriers required to cordon off the work area, etc. Additional time will be billed at a rate of \$40.00 per man-hour.

ADHESIVES FOR WALL PROTECTION

Kwalu will not warrant the installation of wall protection using any other than the recommended adhesive and application tools, which are not in accordance with Kwalu installation instructions.

When mastic adhesive is recommended, the Customer must use the specially formulated mastic adhesive supplied by Kwalu. Failure to do so will result in Kwalu not warranting the product and/or install.

When construction adhesive is recommended, the Customer must use Loctite Power Grab Heavy Duty or Loctite Power Grab AllPurpose Construction Adhesive. Other construction adhesives may cause a reaction with Kwalu material that will damage the material and the adhesive bond. Failure to use either recommended construction adhesive will negate the Kwalu product warranty. Construction adhesives are to be supplied by the Customer/Installer, and are not included with Kwalu wall protection orders. Loctite Power Grab adhesives are available at any major home improvement outlet.

MANUFACTURING CHANGES

We may make periodic changes to existing product designs to improve the general construction of our product. In this event, products may vary slightly from Pricelist or marketing materials. We reserve the right to discontinue designs, or to change designs, construction or materials without notice.

SAMPLES

We make an effort to fill all sample orders promptly. Samples are supplied on firm orders only. Lead times are as follows:

- For samples requiring special fabric, lead time is approximately 2-3 weeks from receipt of fabric.
- For all other samples, lead time is approximately 3 weeks from receipt of the order.

Please place all sample orders with your Kwalu Sales Representative or fax directly to our Sales Department.

CANCELLATIONS / CHANGES

Orders may not be cancelled or changed without our written consent. Such consent may be withheld or granted subject to conditions, service charges, and/or price changes at our sole discretion. Refunds of Customers' deposits shall not be granted in any circumstances.

OFFER TO SELL

Distribution of this Pricelist does not in itself contribute an offer to sell.

TAXES

We require a State Resale/Exemption Certificate on file in our Corporate Office. Sales made without a Resale/Exemption Certificate will be charged the appropriate sales tax as required by law.

DELAY / SHIPMENTS ON HOLD

We shall not be liable for delays in performance caused by any act beyond our control. Our performance shall be extended by the period of such delay. We reserve the right to apportion our production among our Customers as we may determine to be in our best interest. Any quoted delivery dates are estimated and are subject to change. If fabric is required for any order, then the quoted delivery date will be subject to fabric availability. Orders will be scheduled for production only after receipt of fabric. Customers should allow 6 weeks after receipt of fabric for shipping unless otherwise stated by us.

Any shipment placed on hold, either by the Customer's request or due to balances owed, will be manufactured per the originally scheduled ship date. Storage charges will begin to accrue 7 days from that date.

Any manufactured order held by our factory over 30 days will be billed and must be promptly paid even though shipment is held at the factory at the Customer's request. Any charges incurred by us for C.O.D. fees, inside delivery, etc. will be invoiced to the Customer.

SHIPPING

All products are sold F.O.B. factory loading dock and are shipped via common carrier or blanket wrap carrier. We reserve the right to select routing and assume no responsibility for rate or delivery times established by carrier. We assume no responsibility for warehousing or demurrage when the Customer is unable or unwilling to accept shipment at the delivery point. The Customer's request for trailer load shipments and special routing will be accommodated, when possible, if clearly described on the original purchase order. The Customer is fully responsible for all payments, claims, and other matters arising therefrom.

Normal delivery is from dock to dock. Special requests, e.g. inside delivery, are subject to additional charge.

We will not make shipments by air or express service unless previously authorized in writing by Customer. Customers should be aware that airfreight charges for our products are calculated on a dimensional basis and such charges frequently

equal or exceed product cost. All international orders are quoted F.O.B. factory loading dock. All freight duties, value added taxes, broker fees, port charges and insurance are in addition and will be the responsibility of the Customer unless specific arrangements are made in writing for any additional services by us.

Incoterms 2000 will govern all terms relating to shipment.

MANUFACTURER'S REPRESENTATIVE / EMPLOYEE'S AUTHORITY

None of our salespersons, representatives or employees has the authority to change or alter any provisions or prices as stated in the Pricelist. We neither assume nor authorize any person to assume for us any other obligation in connection with the products.

PLACING ORDERS

All orders must be accompanied by a signed purchase order and must be received in our sales office prior to processing of your order. Production will not commence, nor will special material be purchased, until receipt of the Customer's signed purchase order. All orders must be e-mailed to sales@kwalu.com and include the following information:

- Signature on purchase order
- KWALU, LLC listed as Vendor
- Bill To and Ship To addresses

- Telephone number for Bill To and Ship To
- Fax number for Bill To and Ship To
- E-mail address for Bill To and Ship To
- Accounts Payable contact name
- Telephone number for Accounts Payable contact
- Fax number for Accounts Payable contact
- E-mail address for Accounts Payable contact
- Freight payment method: Order will be sent "prepay and add to invoice" unless otherwise indicated. If third party shipment is elected, a signed waiver is required
- If prior notice of delivery is required, then the Customer must specify a contact person and telephone number
- Flammable treatments – indicate special requirements or codes that must be stated in writing on the order. For example: CAL133. If order is to be shipped to a state requiring CAL133, it must be noted on the purchase order with the correct upcharges. If this special item is not included on the purchase order, we accept no responsibility for violations of any state ordinances. In addition, PO may not be accepted until written confirmation has been received.
- Any limitations on overall dimensions of products must be specifically referred to (see "Dimensions and Sizes" below).

Upon receipt of the e-mailed Purchase Order to sales@kwalu.com, you will receive an email confirmation, followed by a separate Sales Order Confirmation once we have verified all of the information from your Purchase Order. You may also still fax in your order at anytime to 1-877-FAX-KWALU (329-5925).