

**MOHAWK CARPET CORPORATION
INCLUDING ITS DIVISIONS AND SUBSIDIARIES
(INDIVIDUALLY AND COLLECTIVELY REFERRED TO HEREIN AS "SELLER")**

TERMS AND CONDITIONS OF SALE

1. Title to the goods covered hereunder (the "Goods") passes to the Buyer upon the delivery of the Goods to the Buyer. Delivery to the Buyer occurs and the Seller's liability to Buyer ceases when the Goods: (1) are loaded on a third party carrier, acting as the Buyer's agent, for delivery to the Buyer; (2) are picked up by the Buyer at the Seller's shipping; or (3) are delivered by the Seller to the Buyer's receiving point, whichever occurs first.
2. Except that the Goods shall be of merchantable quality, Seller makes NO WARRANTY OF ANY KIND, EXPRESSED OR IMPLIED, INCLUDING NO WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE. Buyer understands and agrees to assume all risks and liability for the Goods, results obtained by the use of the goods covered by this order, whether used individually or in combination with other goods; except as expressly warranted by Seller herein. The description of the Goods is for the sole purpose of identifying the same for sale and does not constitute a warranty or representation that the Good shall conform to such description or condition.
3. Buyer shall inspect the Goods immediately upon their arrival and shall within ten (10) working days after arrival at their destination give written notice to Seller of any claim that (1) the Goods do not conform with the terms of the Buyer's purchase order (the "Order") or (2) that the Goods do not comply to specification or are otherwise defective, provided that a casual visual inspection should have revealed such defect. If Buyer shall fail to give such notice, the Goods shall be deemed to conform to the terms of the Order, and Buyer shall be deemed to have accepted and shall pay for the Goods in accordance with the terms of the Order.
4. Buyer hereby agrees to defend Seller against claims, to indemnify Seller against liabilities, and to hold Seller harmless from any damages, costs, or economic detriment of any kind, foreseen or unforeseen, paid or incurred, arising out of or in any way associated with Goods, except as may relate to Seller's express warranty of merchantability made herein.
5. Seller's liability to any consumer, if any, shall be limited to the express warranties set forth in Seller's consumer warranty booklet except where local law provides otherwise. Seller shall not be bound by any claim adjustment made by the Buyer without prior written authorization by Seller's representative. All claims are subject to Seller's written Claim Policy and Procedures. A copy of said Claim Policy and Procedures will be furnished by Seller upon request. Return of merchandise will be accepted only when written authorization for return has been given by Seller. Any unauthorized returns coming back to any location of Seller are subject to refusal by Seller and may be returned to the dealer on a freight collect basis. No action will be taken on a claim until an agent of the Seller has inspected the merchandise and has sent a written report to Seller's proper representative. If the agent in its report considered the merchandise defective and the Seller determines the claim is valid, Seller may, at its own option, repair or replace such merchandise within a reasonable time, or, at its option and in lieu thereof, make a financial settlement with the Buyer which settlement amount shall be no greater than the invoiced amount of the merchandise, except where local laws provide otherwise. These are the exclusive remedies the Buyer shall have against Seller for consumer claims for defective merchandise and in no event shall the Buyer be entitled to receive consequential or incidental damages. Seller will not be liable for any claim on any goods sold by Seller as irregulars, mill ends, or any other goods sold by Seller at prices less than the standard discount and the Buyer will indemnify Seller against any consumer claim related to such goods. All replacements will be subject to a usage charge.
6. The terms of payment may vary by product as stated on each invoice. Terms are FOB Mill or warehouse points and begin from invoice date. A finance charge of 1 1/2% per month or the maximum rate allowed by law, whichever is less, will be charged on each payment received after due date. A fifty (\$50.00) dollar fee will be charged on each check returned due to insufficient funds. Checks will not be re-deposited. In the event a legal action is commenced solely to enforce any of the terms of purchase or obligations created hereby or hereinafter, the prevailing party in such action will be entitled to a reasonable attorney's fee or collection costs incurred in connection with the collection of the account.
7. Credit arrangements are subject to approval by Seller's Customer Financial Services Department and are subject to change without notice. In the event that Buyer fails to fulfill the terms of payment or in case the Seller shall have any doubt at any time as the buyer's financial responsibility, Seller may, if applicable, decline to make further deliveries except upon receipt of cash or satisfactory security.
8. Buyer shall reimburse Seller for all taxes, excises or other charges that Seller may be required to pay to the government upon the sale, production or transportation of the goods sold hereunder.
9. No liability shall result from delay in performance or nonperformance of this agreement directly or indirectly caused by fire, explosion, accidents, flood, labor trouble or shortage, act of or authorized by any government, inability to obtain suitable material, equipment, fuel, power or transportation, or act of God or arising from contingencies, happenings or causes beyond the party affected. Quantities so affected by any such circumstances may be eliminated without liability but this agreement shall otherwise remain unaffected.
10. Orders are not assignable or transferable by Buyer in whole or in part, except with the written consent of Seller.
11. In the event of inability for any reason to supply the total demands for the goods specified, Seller may allocate its available supply among any or all of the purchasers on such basis as it may deem fair and practical, without liability for any failure of performance which may result therefrom.
12. No terms, prices or conditions, other than those stated in this agreement, and no agreement or understanding in any way modifying the terms and conditions herein shall be binding on the Seller, unless such modifications are made in writing on Seller's stationery and executed by an officer of Seller. No modifications or waiver of the terms contained herein shall be deemed affected by the Buyer's documents containing other or different terms. Acceptance by the Buyer of the Order is expressly limited to the terms and conditions contained herein. In the event an order shall be deemed an acceptance of the Buyer's offer, then the order is expressly conditioned upon the Buyer's assent of the terms and conditions, contained herein.
13. The contract formed from Seller's acceptance of the Order shall be subject to the terms of that certain Master Agreement between Buyer and Seller, the terms of which are incorporated herein by this reference.
14. Buyer acknowledges and accepts Seller's marketing requirements as presented by Seller's territory manager. Seller reserves the right to terminate its business relationship with any Buyer at its discretion.
15. By executing this Application you are giving the Company or any of its divisions, affiliates or subsidiaries permission to fax, email or mail product, advertisements or promotion announcements to the fax numbers, email addresses or mailing addresses you have provided to us. You will promptly notify company of any change in your fax, email or mailing address.