

1. **SALES AGREEMENT.** The terms of this Agreement govern all quotations, order confirmations, and all past, present and future sales by Haley Brothers Inc., a division of T. M. Cobb Company and/or by T. M. Cobb Company (collectively "**Seller**"), to you, the Buyer. All sales are final. This document constitutes Buyer's agreement that any additional or different terms contained in Buyer's oral or written offer, purchase order, or acceptance shall not apply to any sales, quotations, or other transactions between Seller and Buyer. Seller and Buyer do not intend to create third party beneficiary rights by this or any other agreement and agree that no such rights have been or will be created.
2. **QUOTATIONS.** Unless otherwise stated in writing and signed by an officer or general manager of Seller, quoted prices are firm only for 30 days and then expire unless a prior purchase order is given to Seller. Verbal quotations are not binding.
3. **PAYMENT.** Payment is requested within 30 days of the date of the invoice. Seller shall be entitled to service charges (interest) on any invoice not paid within thirty days. Service charges shall be charged at the rate of 1.5% per month. Payments on any invoice that is 60 days or older shall be made to Seller at 16027 Ventura Blvd., Suite 503 Encino, California 91436. Invoices shall not be considered past due until the 90th day after the date of the invoice. However, failure to pay invoices within the requested 30 days may result in the cessation of credit sales or in the reduction of the amount of credit allowed. In the event Buyer fails to make payment on any invoice within 90 days of the invoice date, Buyer shall be in breach of this Agreement and Seller may elect to declare Buyer's entire account immediately due and payable.
4. **DELAYS.** Delivery dates given by Seller are estimates. Buyer is cautioned to make allowance for delays and Buyer is warned that **Seller shall not be liable to Buyer, or to anyone else, for delays.**
5. **CLAIMS PROCEDURE and INVOICES.** If Buyer believes that any invoice sent to it by Seller is inaccurate, Buyer must make a claim to Seller within ten days of the date Buyer receives the invoice. Buyer's failure to make a claim to Seller shall create an irrebutable presumption that all of the materials were received by Buyer, that the materials were not damaged, that the kind and quantity of materials received were exactly as ordered by Buyer, and, that the price indicated on the invoice is the fair market value and the price agreed to by Buyer. A claim for a latent defect must be made within 14 days of the date Buyer discovered, or could have reasonably discovered, the latent defect. **Buyer must make all claims in writing, by certified return receipt requested mail.** If Seller denies receiving a written claim, Buyer may only file an action on the claim if Buyer first gives Seller a copy of the green card receipt signed by Seller or the Post Office record of delivery to Seller. Buyer's failure to strictly comply with the claims procedure set forth in this section shall be a complete bar to any claim or to any setoff. Any suit against Seller must be filed within one year after the invoice date. Failure to file suit within one year shall be a complete bar to any setoff or to any recovery against Seller. **Seller's investigation of a verbal claim shall not be deemed a waiver of the claims procedure set forth in this section, for that claim or for any other claim.**
6. **RETURNS.** Goods may not be returned to Seller for credit without Seller's prior written consent. **Buyer must examine the goods prior to installing, altering or otherwise using the goods.** No returns will be allowed and no credit will be given if the claimed defect, non-conformity, or damage could have been discovered through the exercise of reasonable investigation and care before they were used or installed.
7. **REPRESENTATIONS AND WARRANTIES.** There have been no representations or warranties made by Seller with respect to the goods sold to Buyer, except for the written limited warranty statements published and distributed in Seller's catalogs. **ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND ALL OTHER IMPLIED WARRANTIES ARE EXCLUDED.** All doors must be handled, stored, installed, finished, primed, and painted/stained as set forth in Seller's written warranty documents including, but not limited to Seller's One Year Limited Warranty for Residential Wood Flush Doors. **Buyer is reminded that all six sides of every door must be properly sealed. Proper sealing requires the application of one coat of prime and two coats of paint of all wood surfaces.** The failure to properly handle, store, install, finish, prime and paint/stain any door: (i) creates an irrebutable presumption that any door defects are a direct result of such failure; (ii) voids all warranties; and (iii) bars any claims against Seller for door defects of any kind. Buyer agrees to notify its customers of, all use, maintenance, and care requirements published and distributed in Seller's catalogs.
8. **LIMITATIONS OF LIABILITY.** Any liability of Seller to Buyer, whether arising out of or related in any way to any contract, negligence, strict tort, warranty, or otherwise, shall be limited to Seller's choice of any one of the following: (a) the repair of the defective goods by Seller; (b) the payment by Seller to Buyer of the reasonable cost of repairing the defective goods; or (c) the cancellation of the contract, Buyer's return of the

goods in question to Seller, and Seller's refund of the purchase price to Buyer. These remedies are exclusive; Buyer waives all other remedies. In addition, **Seller shall not, under any circumstances, be responsible for special, economic, consequential or incidental damages** such as, but not limited to: loss of or damage to other property; lost profits or revenue; damage to reputation; the labor and material cost of replacing defective goods; or damages caused by delays, back-charges, or loss of use.

9. ATTORNEYS' FEES AND SUIT. In the event of a lawsuit brought by either Buyer or Seller, the successful party shall be entitled to attorneys' fees as follows: 40% of the claim but not less than \$1,500 if the claim is \$5,000 or less; 33.3% of the claim if the claim is over \$5,000; or reasonable attorneys' fees if the defendant filed an Answer in the action (even if the Answer is ultimately stricken). Any suit, by Buyer or Seller, must be brought in the Los Angeles Superior Court (Northwest District, Van Nuys), or in the Federal District Court in Los Angeles. Buyer shall pay \$50.00 to Seller for each and every check issued by Buyer and returned unpaid to Seller. This Agreement shall be governed by the laws of the State of California.

10. SEVERABILITY. If any part of this Agreement is held invalid or unconscionable, that part shall be fully severable, and the remaining provisions shall remain in full force and effect.

11. ENTIRE AGREEMENT. **The provisions of this Document and the provisions in any signed Credit Agreement shall constitute the sole and entire agreement between Buyer and Seller** and supersede all prior oral representations, warranties, statements, promises and understandings with respect to the subject matter hereof, and may not be modified or terminated except by a document, in writing, signed by an officer, owner, or general manager of Seller and Buyer. Seller has not made any promises or representations to induce Buyer to enter into this Agreement and Buyer is not relying upon any promise or representation not contained in this Document or in a written agreement signed by an officer or general manager of Seller.

12. WAIVERS. Seller may delay exercising or may omit to exercise any right, remedy or requirement, without waiving that or any other past, present or future right, requirement, or remedy, except in writing by Seller. Seller's consistent waiver of any right, requirement, or remedy shall not establish a "course of dealing" which could be construed as a waiver of any of the provisions of this Agreement.

13. COLLATERAL RECOVERY. If Seller successfully asserts a claim on a mechanic's lien, stop notice, or payment bond, Seller shall credit Buyer's account only with the net amount recovered by Seller after deduction of all costs and actual attorneys' fees (whether or not some or all of those fees are included in a Court award or in a settlement agreement). Furthermore, in the event that Seller is unsuccessful in its attempt to recover from a collateral source, Seller's reasonable costs and attorneys' fees may be added to Buyer's account. In any mechanic's lien, stop notice, or payment bond action against third parties only, all of Seller's invoices shall be deemed due within 30 days of the date of the invoice.

14. INDEMNIFICATION. Buyer shall defend, indemnify, and hold Seller harmless from and against any claims by third parties for delays or other damages that are excluded by Sections 4, 5, 6, 7, and 8 of this Agreement; and Buyer shall not file any action against Seller for indemnification.