

A|Tile Limited Warranty

LIMITED WARRANTY

Statement of Warranty:

Aproduct offers a warranty on its products to the original purchaser, for one year from the date of purchase, to be free of manufacturing defects.

Aproduct warrants only to its immediate customers and to no other person that its products will, on the date of ship, meet the foregoing terms of Aproduct's Bid confirmation, Order Acknowledgement, or Sales Order pursuant to which such products were sold.

Tile and natural stone are subject to standard variances resulting from the manufacturing process or origin. Aproduct does not provide warranty on products that are within the industry standard variance levels.

Defects and Claims

In the event of a defect within any product distributed to Customer by Aproduct, Customer agrees to notify Aproduct immediately upon becoming aware of such defect. If a defect in manufacturing or coloring is identified in advance of installation, Customer agrees to not install any defective product without the written agreement of Aproduct.

Aproduct reserves the right to inspect any and all defects prior to any repair, remediation or settlement of such defect. In the event that Aproduct is required to participate in the repair, remediation or settlement of any defect, Aproduct must be included in all discussions and decisions related to such repair, remediation and/or settlement. In the event that the Customer fails to notify Aproduct on a timely basis, or fails to allow Aproduct the right of inspection, discussion or decision making in advance of repair, remediation or settlement of any defect, Customer agrees to release Aproduct from any liability for the defect or claim.

Customer misuse including negligence, physical or chemical abuse is not covered by this warranty. Improper installation, installation defects or errors are not covered by this warranty. Warranty claims must be submitted in within 30 days upon discovery of the proposed defect.

TERMS AND CONDITIONS OF SALE

Acceptance

The Terms and Conditions ("Terms") contained herein apply to all quotations and offers made by Aproduct LLC ("Aproduct") and to all purchase orders accepted by Aproduct. These Terms may in some instances conflict with some of the terms and conditions affixed to a Buyer's purchase order or to any other procurement document issued by the Buyer. In such cases, the Terms contained herein shall govern, and acceptance of Buyer's order is conditioned upon Buyer's acceptance of the Terms and Conditions herein, irrespective of whether the Buyer accepts these conditions by a written acknowledgement, by implication, by acceptance of products ordered, or by payment for products ordered. Aproduct's failure to object to provisions contained in any communication from Buyer shall not be deemed a waiver of the provisions herein. Any changes in the Terms contained herein must specifically be agreed to in writing, signed by an officer of Aproduct before becoming binding on either party.

Aproduct reserves the right at any time to amend these Terms and Conditions, and Buyer shall be deemed to accept such amended Terms and Conditions by ordering products offered after the date of such amendment.

Product and Prices

Unless agreed to otherwise, in advance, in writing and signed by an Officer or Director of Aproduct, all offered prices are F.O.B. Aproduct's facility. All pricing quotes must be documented in writing and issued by Aproduct to be valid. Unless otherwise stated, prices quoted are firm for 30 days from the date quoted. Aproduct reserves the right to change its prices and the specifications of its products at any time without notice.

Prices do not include state, local, federal or other taxes and duties, and the same will be additionally charged unless a valid tax exemption or re-sale certificate is furnished to Aproduct prior to shipping. State and local taxes, when charged, are assessed based on those rates in effect at the Aproduct location selling or servicing the Buyer. All state, local, federal or other taxes and duties are the responsibility of the Buyer. Aproduct's failure to assess or collect adequate taxes at the time of sale does not relieve Buyer of the responsibility for actual tax liabilities.

All Aproduct tiles are nominal sizes. Sizes and prices include recommended joint allowances and joints shall not be deducted when estimating quantities.

Special order or Non-Stock Product (products not included in our current price list) orders require a 50% deposit. Buyer agrees that special order or Non-Stock Product orders are non-cancelable.

Transportation and Energy Surcharge

A Transportation and Energy Surcharge is separately charged to the Buyer to defray the fluctuations and uncertainty in costs related to transportation, fuel, general expenses of logistics, and numerous other costs, assessments, and surcharges imposed upon Aproduct as it warehouses and positions product throughout its global supply chain. Many of these costs fluctuate continuously based on market conditions and other factors outside of Aproduct's control and cannot reasonably be reflected in Aproduct's competitive price list for products. Aproduct reserves the right to apply the variable surcharge in its sole discretion. All invoices are subject to the surcharge and subject to change without notice.

Credit

All orders, shipments and deliveries by Aproduct are subject to credit approval by Aproduct's Credit Department. As part of this credit approval, Aproduct may at any time decline to make any shipments or deliveries, and/or impose other terms or conditions or security arrangements as Aproduct, in its sole discretion, deems appropriate. Aproduct reserves and Buyer hereby grants Aproduct a security interest in any products sold to the extent of the invoiced amount. If Buyer defaults under any obligation hereunder, Buyer agrees to make products available so that Aproduct can repossess them. A copy of the invoice may be filed with appropriate authorities at any time as a financing statement. Upon Aproduct's request,

Buyer will execute any documents to perfect Aproduct's security interest in any products.

Aproduct reserves the right in its sole discretion to require prepayment from any Buyer at any time and may refuse to sell and/or withhold further shipment until all overdue balances are made current.

Buyer shall be liable for, and shall reimburse Aproduct for all costs and expenses it may incur in connection with collection of any amounts owed or in enforcement of its rights, including without limita-

tion, reasonable attorneys' fees and expenses, court costs, and cost of collection agencies.

Payment

Buyer's obligation to pay outstanding invoices and all other amounts is not subject to reduction, set-off, counterclaim, or Buyer's receipt of payment from any third party. Buyer shall pay Aproduct on a timely basis pursuant to the credit terms provided and shown on Aproduct's invoice. Aproduct shall retain a purchase money security interest in all products sold until the entire purchase price has been paid in cash, in full. No check, money order, credit card, electronic payment or other form of payment shall constitute payment until it is paid by the bank on which it is drawn or by the institution of issue transmission.

Aproduct, in its sole discretion, reserves the right to specify the form of payment acceptable for settlement of invoices and other amounts (i.e. check, certified check, money order, credit card, wire transfer, ACH, or other electronic or non-electronic form or payment). Additionally, should the acceptance of any form of payment cause Aproduct to incur additional costs and fees, Buyer agrees to reimburse Aproduct for any such fees upon Aproduct's request.

Any disputed amounts should be reported immediately and remitted with the undisputed amount by the payment due date. All billing disputes must be made within thirty (30) days of the applicable invoice date, or will be deemed to be waived. Balances remaining unpaid at the due date are subject, at the sole discretion of Aproduct, to the assessment of late fees applied at the rate of 1.5% per month, or the highest rate permitted by law, whichever is lower, until paid.

Title and Delivery

All shipments by Aproduct are F.O.B. Aproduct's facility, or, if applicable, the facility of an Aproduct affiliate or agent. Title and risk of loss or damage to products passes to Buyer upon delivery to Buyer, or a common carrier, at Aproduct's facility, or, if applicable, the facility of an Aproduct affiliate or agent.

Buyer acknowledges and agrees that delivery dates, when quoted, are estimates only and may be changed. Aproduct will use reasonable efforts to deliver in accordance with quoted delivery dates. However, Aproduct shall not be liable for nonperformance or delays caused by a shortage of raw materials, manufacturing problems, delivery or labor problems, priorities, acts of regulatory agencies or judicial bodies, discontinuation of a product line, acts of God or third

parties, infringement claims, or other causes beyond its reasonable control.

Aproduct reserves the right to make delivery in installments. All such installments shall be separately invoiced and paid for when due, without regard to subsequent deliveries. Delay of any shipment shall not relieve the buyer of its obligation to accept remaining installments. In the event that Aproduct's ability to supply products becomes constrained, for any reason whatsoever, Aproduct may reduce quantities, delay shipments, or allocate products among its customers at its discretion.

If part or all of the products are to be delivered from outside of the continental borders of the United States, and such products are not available for any reason, then Aproduct may in its reasonable discretion replace the same with like products, but shall be under no obligation to do so. If Aproduct does not replace same, then Aproduct shall notify Buyer within a reasonable period of time and as Buyer's sole and exclusive remedy Aproduct shall give Buyer credit based upon Buyer's prepayments, if any, for the products.

Inspection and Acceptance

Any product sold or provided by Aproduct shall be deemed accepted by Buyer upon delivery. Claims for damage, shortage or errors in shipping must be recorded on the original receiving documents and reported within twenty-four (24) hours following delivery to Buyer.

It is the Buyer's responsibility to inspect all merchandise prior to installation. If for any reason the material is incorrect or unacceptable for installation, Buyer shall make such claim to Aproduct, in writing, before installation.

Aproduct's liability in respect to all claims shall be limited to accepting the return of incorrect or unacceptable product before installation, and then only after Aproduct has been notified in writing that the material is incorrect or unacceptable and has had the opportunity to inspect the product and conduct its own investigation. All original packaging materials must be kept until after inspection. Subsequent to any investigation, Aproduct shall have the right to supply substitute products. If substitute products are to be supplied, Aproduct shall have up to 90 days following the conclusion of Aproduct's investigation to so substitute.

All claims for incorrect or unacceptable product should be received in writing within 30 days from shipment date and prior to installa-

tion. Installation of product is deemed acceptance of product and Aproduct shall not be liable for, and will not recognize, claims made after the start of the installation including claims of incorrect product; claims of incorrectly sized, colored, shaded, calibrated, or packaged product; claims of product not matching prior shipments; and/or any other product claims. Aproduct shall not be responsible for improper installation of products.

Returns

Special order or Non-Stock Product are not returnable and deposits on such are non-refundable. Returns of Aproduct Stock Product (product contained within Aproduct's current price list) is subject to the prior authorization of Aproduct, in its discretion.

All return requests must be made within 30 days of shipment date. All product accepted for return must be in its original, unopened packaging, in full case quantities, and in good condition – suitable for resale. Returns are subject to a 25% Restocking Fee. Additionally, all costs of returning product to an Aproduct facility, or the facility of an affiliate, agent or original manufacturer, will be the responsibility of the Buyer. After the assessment of all costs of return, Buyer's account will either be credited for the excess of its deposit over such costs, or charged for the net of such costs in excess of its deposit.

Indemnification

Buyer shall at its own expense apply for and obtain any permits and inspections required for the installation and/or use of Aproduct's products. Aproduct makes no promise or representation that the products will conform to any federal, state or local laws, ordinances, regulations, codes or standards.

Aproduct shall not be responsible for any losses or damages sustained by the Buyer, or any other person, as a result of improper installation or misapplication of Aproduct's products. Buyer shall indemnify and hold harmless Aproduct and its agents and employees against any loss, damage, claim, suit, liability, judgment or expense (including, without limitation, attorney's fees) arising out of, or in connection with, any injury, damage to or loss of any property, or violation of any applicable laws or regulations resulting from, or in connection with, the sale, transportation, installation, use, or repair of Aproduct's products by the Buyer.

Warranty

Aproduct warrants only to its immediate Buyer, and to no other person, that its products will, on the date of shipment, meet the terms of Aproduct's Bid Confirmation, Order Acknowledgement, or Sales Order pursuant to which such products were sold.

Manufactured Products: Aproduct warrants that manufactured products will be free from defect for a period of one year from date of purchase. Defect is defined as a shortfall in the product to perform to specifications as disclosed in product or trade literature, within industry allowable tolerances as set forth in standard, national industry protocols.

This one-year express warranty is the sole warranty extended and replaces any statutory warranties to the maximum extent allowable by law. Customer misuse including negligence, physical, or chemical abuse is not covered by this warranty. Installation defects or installations that violate building codes are not covered by this warranty. All warranty claims must be reported immediately. Failure to report any warranty claim within 30 days of defect discovery will void this warranty. All products must be inspected prior to installation. Visual defects or nonconformities apparent prior to installation voids this warranty. Manufactured tile is subject to variation due to an inherent variability in raw materials and production processes. Ceramic tile with a rating of V3 or V4 may contain higher levels of variation. All products should be inspected prior to installation.

Natural Stone Products: Natural stone products, including, but not limited to, travertine, limestone, granite, marble, onyx, and slate, are products of nature mined and cut from natural formations which may inherently contain high levels of variation. Because these products are mined and cut from natural formations instead of manufactured, quality warranties are limited to the specified representations in Aproduct product literature, trade product literature, and guidelines established by the Marble Institute of America. Aproduct does not warrant natural stone products for shade, size, thickness, warping, cleft variations, surface finish variations, or other natural defects on stone products.

APRODUCT DISCLAIMS ANY AND ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE.

No agent, employee or other representative of Aproduct has the authority to create any other affirmation, warranty or representation, either oral or written, regarding Aproduct's products.

THE LIABILITY OF APRODUCT UNDER ANY THEORY OF LIABILITY (WHETHER CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE) SHALL BE LIMITED AS FOLLOWS: THE SOLE AND EXCLUSIVE REMEDY FOR ANY BREACH OF WARRANTY, EXPRESS OR IMPLIED, SHALL BE THE REPLACEMENT OF DEFECTIVE GOODS F.O.B. APRODUCT'S FACILITY OR, AT APRODUCT'S OPTION, REFUND OF THE PURCHASE PRICE OF SUCH DEFECTIVE GOODS.

IN NO EVENT SHALL APRODUCT BE LIABLE FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT, OR OTHER DAMAGES BY REASON OF ANY BREACH OF WARRANTY, OR ANY DELAY OR FAILURE IN DELIVERY, WHETHER OR NOT APRODUCT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

Buyer acknowledges and agrees that the foregoing disclaimer of warranties and limitations on Aproduct's liability are an essential basis for Buyer's agreement with Aproduct, that Aproduct would not have entered into this agreement but for such provisions, and that the exclusion of special, incidental, consequential, indirect or other damages shall apply and be enforced whether or not Aproduct is able to replace any defective goods or complete any delivery.

Any suit or other legal action that Buyer may bring against Aproduct arising out of the sale of goods or other transactions contemplated hereby (whether in contract, tort, strict liability or otherwise) must be filed within 12 months from the earlier of (i) delivery of goods hereunder, or (ii) the date of Aproduct's alleged breach. Buyer's failure to file within such period shall be deemed to act as a waiver and time bar for any and all claims against Aproduct Tile, LLC.

Non-Waiver

Aproduct's waiver of any of these Terms in any instance is limited to that instance and does not imply that Aproduct will waive such Terms on any future occasion.

Notices

Any notice to Buyer hereunder shall be deemed to have been given if sent by prepaid first class mail to the party concerned at its last known address. Notice to Aproduct shall be to its Headquarter office at 8431 Santa Monica Boulevard, Los Angeles, California 90069.

Applicable Law

Aproduct and Buyer agree that this agreement shall be deemed made in Los Angeles, California; that the internal laws of California shall govern; and that the state or federal courts sitting in Los Angeles County, California shall have jurisdiction and are the proper venue for all actions hereunder. Any dispute or disagreement arising out of the sale of goods contemplated hereby shall be submitted to binding arbitration before the American Arbitration Association (AAA) in Los Angeles, California, in accordance with its commercial arbitration rules then in effect. The arbitrator(s) shall award reasonable attorney's fees and costs to the prevailing party, and the arbitrator's award may be entered and enforced by any court of competent jurisdiction. All remedies of Aproduct hereunder shall be deemed cumulative and shall be in addition to any other remedies Aproduct may have under law. The exercise by Aproduct of any one or more remedies shall not be deemed an election of remedies by Aproduct Tile, LLC