

KL SELECT
STANDARD TERMS AND CONDITIONS OF SALE

THIS AGREEMENT is made and entered into on the date indicated below, by and between KL Select, and the undersigned Dealer, whose name and address appear on the signature page hereof.

DEFINITIONS:

1. "Dealer" shall mean any company purchasing or ordering Products from or through KL Select.
2. "KL Select" shall mean KL Select, a Connecticut company, currently having its principal place of business at 125 Old Norwich Rd, Quaker Hill, CT 06375.
3. "Products" shall mean all leather goods, packaging, and accessories ordered or purchased from or through KL Select.

DEALER DUTIES:

The Dealer will use its best efforts to promote demand for and sale of the Products, and will use prudent business judgment to maintain adequate facilities and sales personnel for this purpose. The Dealer will maintain a place of business and display area satisfactory to KL Select at all times. The Dealer agrees to comply with all of KL Select's guidelines, including, but not limited to, those relating to Products sales, promotions, display and merchandising. KL Select currently makes available to the Dealer reasonable quantities of promotional and advertising material to aid in the sales and merchandising of the products. The Dealer agrees to deliver to its representation of warranty concerning KL Select or its products other than stated in such documents.

TRADEMARKS AND PATENTS:

Certain Products sold by or through KL Select bear trademarks, some of which may belong to KL Select and some of which KL Select may use by permission of the owners of such marks. The Dealer acknowledges and agrees that KL Select is the exclusive owner and/or licensed user of the following valid trade names and trademarks: "Kensington KL Select", "KL Select", "Kensington Leather Company". Under no circumstances shall Dealer infringe any such marks, and under no circumstances shall Dealer accrue any rights in such marks or claim to have obtained ownership of, or authority to use, any such marks, whether by Dealer's advertising or resale of Products or otherwise. At KL Select's request, the Dealer will provide copies of any and all of the Dealer's ads utilizing any KL Select trademarks or logos. The Dealer agrees not to utilize any of KL Select's trademarks or logos in a disparaging manner or in any manner, which would mislead the public. Neither in advertising nor in KL Select's business establishments shall Dealer place any goods or likenesses of any goods other than the Products in proximity to any KL Select trademarks. Upon KL Select's request, or if this agreement is terminated, the Dealer will discontinue the use of KL Select's trademarks and logos.

TRANSHIPMENTS AND PRICING POLICIES:

Dealer agrees that (a) Dealer will not sell any Products from any store of Dealer which has not previously been approved by KL Select in writing; and (b) Dealer will not sell, distribute, market or ship any Products of KL Select to any merchant or re-seller who has not previously been approved by KL Select in writing, and (c) Dealer will not catalog any KL Select Product without written permission. This understanding is an essential term of this agreement, the breach of which constitutes a total repudiation by such Dealer of any and all agreements and understandings between KL Select and such Dealer regarding the purchase and sales of Products. All new Dealers must be pre-approved by the Sales Representative serving KL Select accounts within the Dealer's territory. In addition, although Dealers are free to price Products at whatever price they choose, KL Select, in its discretion, may not supply Products to Dealers which KL Select believes will sell or have sold at a price below keystone or the Suggested Range of Retail Pricing as published by KL Select from time to time. This Policy does not apply to periodic sales or promotions, and applies to first quality goods and not seconds or closeout merchandise.

CREDIT TERMS:

KL Select's Terms are 10, 15, and 30 days net with approved credit. A KL Select Credit Application must be completed, signed and returned before credit will be approved. Dealers requesting shipment prior to credit approval should expect merchandise to be prepaid before shipping, or to be shipped C.O.D. If, in KL Select's judgment, the financial condition of the Dealer at any time prior to delivery does not justify the terms of payment specified, KL Select may require additional information, letters of credit, personal guarantees or advance payments. However, nothing in this paragraph shall be deemed to require KL Select to accept, process, or deliver pursuant to any order, regardless whether Dealer has provided security to KL Select.

PAYMENT TERMS:

Upon acceptance of these Terms and Conditions of Sale, Dealer agrees to make payment in accordance with the schedule and amounts set forth in the invoices provided by KL Select, and to comply on a continuing basis with all credit terms as may be implemented. Failure on the part of the Dealer to pay invoices when due or the post-dating or bouncing of checks are grounds for non-shipment and may cause all invoices to become due and payable. In addition, a service charge equal to two percent (2%) per month shall be charged on all overdue accounts of Dealer with KL Select. In the event KL Select incurs expenses in any attempt to collect payment, Dealer will pay all reasonable costs and collection fees, including but not limited to reasonable fees and expenses of counsel. It is the Dealer's responsibility to inspect all shipments and to notify KL Select of any claims or invoice discrepancies within 30 days of invoice date. We will not accept any disputes after this time. Deductions from payments for any reason will not be allowed by KL Select are conditioned upon timely payment in accordance with KL Select invoices, and agrees to pay the full undiscounted price for any merchandise for which full and timely payment is not made in accordance with the invoice terms. A twenty-five dollar (\$25.00) Service Charge will be assessed for each instance of NSF.

ORDERING AND DELIVERY:

KL Select will make every effort to ship within a reasonable period of order receipt. Four to eight weeks should be allowed for items not currently in stock; however, KL Select shall not be held liable for loss or delays beyond reasonable control, including, but not limited to, delays or shortages in transportation or manufacturing. Unless otherwise instructed by Dealer, all backorders are considered valid, will be shipped as merchandise becomes available and will include shipping and handling charges. All installment deliveries will be separately invoiced and paid for without regard to subsequent deliveries. When merchandise is in short supply, shipping priority will be determined by past payment history. Orders will be shipped UPS Ground or FEDEX Express Saver unless otherwise requested. F.O.B. New London, Connecticut. All custom orders are subject to an additional handling fee. If a shipment is refused for any reason other than shipper error, a \$5.00 per item restocking, plus shipping costs, will be assessed to the Dealer. The order will then be canceled.

RETURNS:

Returns will be accepted for defective Products only. If Products are repairable, KL Select, at its discretion, will incur the cost to repair the Product before replacing or crediting Dealer's account. No item may be returned unless the Dealer has first notified KL Select and has obtained from KL Select a Return Authorization number (RA#). The RA# must be clearly displayed on the packaging in which such item is sent, or the return will not be accepted. All returns, for any reason must be shipped freight pre-paid. If, at KL Select's discretion, return authorization is given for non-defective merchandise, a \$5.00/item restocking fee will be assessed. Each such item to be returned to KL Select must be properly packaged and wrapped in sturdy shipping cartons such that all Products, and all boxes in which such Products are shipped, displayed or sold, are in proper condition to be sold as new. If Products and or packaging materials are not returned in a condition to be sold as new, KL Select, in its sole discretion, may return such Products to Dealer or allow only partial credit.

AMENDMENT, ASSIGNMENT, AND TERMINATION:

Unless otherwise expressly agreed in writing by a duly authorized representative of KL Select, these Terms and Conditions of Sale supersede all other communications, documents and agreements submitted to KL Select by Dealer. KL Select may terminate or amend these Conditions of Sale at will on ten (10) days' notice to Dealer. This agreement shall not be assignable, in whole or in part, without the prior written consent of KL Select. Dealer hereby agrees to notify KL Select of any changes in ownership within thirty (30) days of said changes.

CHOICE OF LAW AND SUBMISSION TO JURISDICTION:

The validity and interpretation of these Terms and Conditions of Sale will be governed solely in accordance with the laws of the Commonwealth of Connecticut. Note: If any provision's herein or portion thereof shall for any reason be held invalid or unenforceable, such invalidity or unenforceability shall not affect other provision or portion thereof.

ACCEPTANCE OF TERMS:

The undersigned hereby agrees that he/she fully understands and will comply with the Standard Terms and Conditions of Sale as outlined above.

Signature

Print Name

Date

Title

Store Name

City, State

KL Select Representative Signature

KL Select Representative Title

Date