

LILY KOO, LLC
GENERAL TERMS AND CONDITIONS OF SALE
Effective, August 17, 2020

The General Terms and Conditions of Sale set forth in this document shall apply to all orders placed by the Buyer for any Lily Koo, LLC (Lily Koo) products or services whether or not such orders are subject to signed purchase orders or other agreements between the Buyer and Lily Koo.

WHO MAY PURCHASE LILY KOO PRODUCTS OR SERVICES:

Lily Koo Buyers include Retail Stores, To-the-Trade Showrooms, Interior Designers, Architects, Set Designers/Stagers, Real Estate Developers, and professionals in the Hospitality Industry.

All Buyers must provide a valid Resale Certificate* and/or Permit and one of the following:

- Proof of active membership to a design organization including but not limited to:
 - ASID – American Society of Interior Designers
 - IIDA – International Interior Design Association
 - AIA – American Institute of Architects
 - IDS – Interior Design Society
 - ASP – Accredited Staging Professionals
 - RESA – Real Estate Staging Association
- Current Business License
- Business card with Name and Trade Name

* Buyers with Resale Certificates that include expiration dates must submit an updated certificate when the certificate expires. Examples of States with dated Resale Certificates include: New Jersey (1 year), Arizona (1 year), Colorado (2 years), Connecticut (2 years), Indiana (2 years), etc.

* The following 5 States do not impose Sales Tax and therefore do not issue Resale Certificates: Alaska, Delaware, Montana, New Hampshire, and Oregon.

Tax exempt organizations (USA only) must provide a valid State Certificate of Tax Exemption in addition to one of the items above.

PRICING:

All prices are in US dollars and are subject to change without notice.

All written quotations provided by Lily Koo are valid for a period of thirty (30) calendar days unless the Buyer is notified otherwise by Lily Koo. After the thirty (30) calendar day period expires, all prices are subject to change without notice.

INTERNET MINIMUM ADVERTISED PRICING (IMAP) POLICY:

Lily Koo Buyers remain free to establish their own resale price. To preserve the integrity of Lily Koo pricing, a Buyer may not:

- (a) list the price of Lily Koo products on the internet - or -
- (b) sell Lily Koo products to any other person who lists the price of Lily Koo products on the internet

Resellers may advertise that a customer may call or email for pricing or email for pricing of Lily Koo products.

The IMAP Policy applies to all communication initiated via the internet by the reseller, regardless of form, which results in the listing of Lily Koo pricing on the internet. The IMAP Policy also applies to advertising that implies significant discounting of Lily Koo products.

If a Buyer violates this IMAP policy, the Buyer will be asked to cease advertising or promoting Lily Koo products on the Internet in violation of the IMAP policy. Failure to comply will result in Lily Koo ceasing to accept Purchase Orders from the Buyer.

Lily Koo will act unilaterally on this policy. All matter of interpretation, application, and enforcement of the policy shall remain within the unilateral authority and sole discretion of Lily Koo.

ORDERING FROM LILY KOO:

To avoid delays, all purchase orders should be submitted in writing and contain the following:

1. Business name and billing address
2. Buyer's name and contact information
3. Lily Koo Item Code
4. Quantity
5. Item Description (e.g. Stockton 8 Dining Table)
6. Item Side Marks
7. Finish
8. Upholstery Details:
 - a. Fabric Name
 - b. Lily Koo Item Code(s) the fabric will be applied to
 - c. Special Application Instructions including Welt or Nail Trim
 - d. A COM/COL Tag if applicable
9. 3rd Party Shipping Instructions including Ship To address and Ship Via details
10. Any additional special instructions

ORDER ACCEPTANCE:

All purchase orders, including emailed purchase orders, submitted by the Buyer to Lily Koo shall be deemed an irrevocable offer by the Buyer to purchase the products described therein. Acceptance of purchase orders is based on the express condition that the Buyer agrees to all of

the Terms and Conditions included in this document which supersedes any terms and conditions included in the Buyer's purchase order. No changes to the terms and conditions will be binding unless made in writing and approved by an officer of Lily Koo, LLC. in writing. A waiver of any one term or condition shall not be deemed a waiver of any other term or condition.

Lily Koo reserves the right, at its sole discretion, not to accept any purchase order, including any purchase orders issued in connection with quotes previously provided by Lily Koo. Lily Koo acknowledges all orders in writing via email. The order confirmation is the final expression of agreement between the Buyer and Lily Koo and supersedes all prior oral and written communication with regard to the order.

It is the Buyer's responsibility to carefully review the order confirmation and the attached drawings (if applicable) and to advise Lily Koo in writing of any errors, omissions or discrepancies within five (5) business days of receipt. Failure to notify Lily Koo of any errors, omissions, or discrepancies within five (5) business days of receipt shall constitute Buyer's irrevocable approval of the order confirmation.

CHANGE REQUESTS:

All Purchase Order change requests must be submitted in writing. All confirmed order change requests must be submitted in writing within five (5) business days of the Order Confirmation date. All change requests are subject to approval and acceptance by Lily Koo and may result in additional costs to the Buyer.

PAYMENT TERMS:

All purchase orders require an initial payment of at least fifty (50%) percent with the balance due before shipment from the Lily Koo USA distribution center or the Java, Indonesia Atelier for direct shipments.

Acceptance of third-party payments is an accommodation of Lily Koo and does not create any relationship, express or implied, between Lily Koo and the third-party. All deposits and balances paid on an order shall be credited to the account of the named Buyer.

Purchase orders received without the initial payment of at least fifty (50%) percent will be held without processing until payment is received or for 30 days, whichever is longer. If payment is not received within 30 days, the Purchase Order will be cancelled.

The Buyer will receive notification as to the date the order will be available for pick up. If payment is not made within 2 weeks of the available pick up date, Lily Koo reserves the right to transfer the order to storage. The Buyer bears the risk of loss or damage and all costs incurred by such transfer and storage. Postponement of pick-up beyond 3 weeks of the available pick up date will result in storage charges per month equal to 4% of the order value.

If storage charges and the cancellation fee (below) exceed the payments made on the order by the Buyer, the order will be considered cancelled and all payments will be applied to storage charges and fees.

The Buyer agrees to pay all reasonable attorney fees and legal costs incurred or paid by Lily Koo in connection with any suit, action, or proceeding to collect any amount owed under these Terms or any order confirmation subject to these terms.

ORDER CANCELLATION REQUESTS:

ALL SALES ARE FINAL. Accepted purchase orders may not be cancelled by the Buyer and shipped orders cannot be returned. Should Lily Koo make an exception to this rule and agree to accept a cancellation or a return, a 30% order cancellation fee will be applied.

Note: No returns or cancellations are accepted on Special Order or Non-Standard items.

Costs of shipping will be payable by the Buyer. Merchandise returns without a return authorization number pre-assigned by Lily Koo will not be accepted and will be returned to the shipper freight collect.

SPECIAL ORDER DESIGNS (SODS):

Buyers may submit requests for dimension customization for quantities of 12 or more of the same item. Lily Koo Engineering will evaluate all requests and prepare SOD drawings and pricing for the Buyer's review and signature. A signed SOD drawing is required for production to begin. As noted above, no returns or cancellations are accepted on SODs.

NON-STANDARD FINISH SURCHARGES:

Buyers may submit orders for items in non-standard finishes with the following surcharges applied:

- 15% Surcharge for case goods and tables in solid lacquer and non-standard finishes
- 10% Surcharge for all other items in solid lacquer and non-standard finishes with the exception of case goods and tables which are subject to a 15% Surcharge as noted above.

LILY KOO FABRICS:

Lily Koo has partnered with select fabric houses to offer Buyers a curated selection of fabrics in a wide range of colors. If color matching is essential, it is the responsibility of the Buyer to request cuttings for approval as dye lots may vary.

CUSTOMER'S OWN MATERIAL (COM) AND LEATHER (COL):

IMPORTANT NOTE: Fabric and/or leather shipments to Indonesia exceeding \$1,499 in value require specific import licensing. Please contact Lily Koo for details before shipping COM /COL to the factory.

Buyers may use COM or COL on upholstered items. Shipment of COM or COL to the Lily Koo Atelier is the responsibility of the Buyer. Customs duties, taxes and fees are the responsibility of the Buyer. Advise fabric houses and carriers that shipments are to be DDP – Delivery Duty Paid.

All COM/COL requiring backing must be backed prior to shipment. All COM/COL requiring pre-treatment must be treated prior to shipment.

Please refer to Appendix A: COM/COL for detailed information on this subject.

FIRE CODES:

Lily Koo upholstered items meet the requirements of the California Bureau of Home Furnishings Technical Bulletin 117-2013. Care should be exercised near an open flame or with burning cigarettes.

DELIVERY:

Lily Koo items shall be shipped Ex Works (EXW). For deliveries in the United States, the term is EXW-USA Distribution Center.

For direct shipments from the Lily Koo Atelier to another destination, the delivery term is EXW-Factory. Under this term, title and risk of loss transfer to the Buyer upon the signature of the Buyer’s designated carrier on the shipment Bill of Lading. The Lily Koo invoice date coincides with the Bill of Lading.

Delivery arrangements are the responsibility of the Buyer. The Buyer will receive notification as to the date the order will be available for pick up and Lily Koo Distribution Center address.

Claims for damage or loss must be reported by the Buyer directly to the Buyer’s designated carrier. Lily Koo’s willingness to assist the buyer with such claims does not indicate liability on the part of Lily Koo for the claim or replacement of the damaged or lost items.

LIMITATION OF LIABILITY AND APPLICABLE LAW:

Lily Koo’s liability for any claim of any kind, including loss or damage resulting from or in connection with the manufacture, sale, delivery, resale, repair, or use of any item provided by Lily Koo under these terms shall in no case exceed the price of the item which gives rise to the claim. In the case of a dispute, all matters shall be resolved under the laws of the State of North Carolina. Any action for breach of these Terms and Conditions must be made within one year after the sale.

WARRANTY:

Lily Koo warrants purchased items for one year from the Lily Koo invoice date against defects in materials and workmanship. The Buyer can submit warranty claims through Lily Koo Customer Service. Lily Koo reserves the right to repair or replace a defective item at its sole discretion. The

defective item will be replaced within the normal production time period required to reorder and produce the item.

This warranty applies to the original Buyer only and is not transferrable. This warranty does not extend to damage resulting from shipping, accidents, alteration, misuse, tampering, neglect, abuse, or ordinary wear and tear. This warranty does not cover floor samples or products designated as "as is" at time of purchase.

FORCE MAJEURE:

Lily Koo shall not be responsible for any delay or failure in performance to the extent that such delay or failure is caused by an event beyond the reasonable control of Lily Koo including, without limitation: acts of God, natural disasters, labor trouble, shortages of labor or materials, power outages, or war.

WRITTEN CORRESPONDENCE:

Written correspondence may be mailed to:

Lily Koo, LLC

PO Box 355

Jamestown, NC 27282-0355

INTERNET POLICY:

Prior written consent from Lily Koo is needed before Buyers advertise or in any way display the Lily Koo name, logo or product or activate a link to the Lily Koo website. Contact Lily Koo Customer Service to request approval.

APPENDIX A: COM/COL

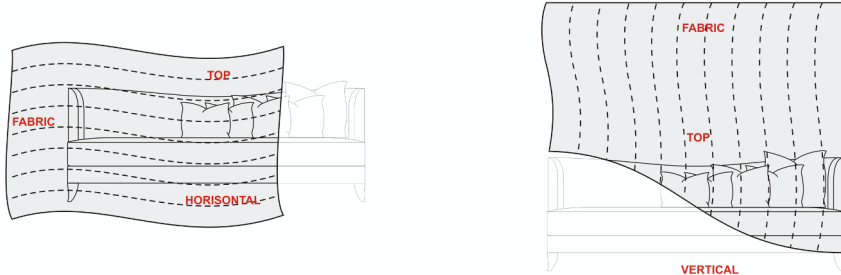
IMPORTANT: COM/COL shipments to Indonesia exceeding \$1,499 in value require specific import licensing. Please contact Lily Koo Customer Service before shipping COM/COL if your shipment exceeds \$1,499 in value.

Fabric Cutting and Application:

Fabric is cut either on the Horizontal or Vertical.

- Horizontal is “topped” to the edge of the fabric (see the drawing to the left below)
- Vertical is “topped” into the roll (see the drawing to the right below)

All COM will be cut with the major motif in a vertical manner, including stripes and textures, unless the Buyer specifies otherwise on the Purchase Order and the COM/COL tag.



Fabric Selection and Yardage:

The Buyer is responsible for the suitability, wear-ability, safety, and fire code validity of the COM/COL. Fabric backing and repellency treatment must be applied before COM/COL is sent to the Lily Koo Atelier. Lily Koo warranties do not extend to COM/COL.

Lily Koo will inspect COM/COL, trim, and/or cords for mill imperfections however Lily Koo is not responsible for defects, color inaccuracies, or other flaws. All fabric defect related claims are the sole responsibility of the Buyer and COM/COL vender.

Yardages indicated in the Lily Koo price list are for plain 54” wide fabrics. Fabrics with widths less than 54” and/or pattern repeats greater than 2” will require extra yardage as indicated below:

Fabric Width	0”-2”	3”-6”	7”-14”	15”-20”	21”-27”	Over 27”
54”	0%	10%	20%	25%	30%	40%
50”	10%	15%	30%	40%	45%	50%
45”-48”	25%	30%	40%	45%	50%	55%
36”	60%	65%	80%	90%	100%	105%

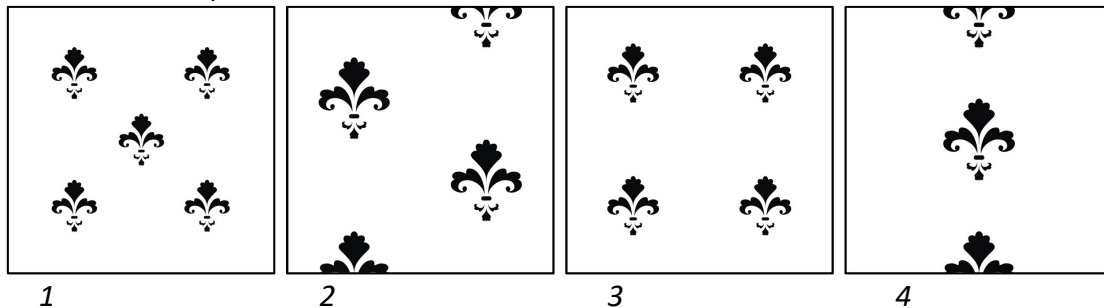
Notes:

For one repeating motif centered on the width of the fabric, use the percentage for 36” width.

For quilted COM, please add 15% additional yardage.

Plaids are not recommended on barrel back chairs where the outside arms are seamed together.

Repeat Pattern Examples:



1. Identical patterns on the sides and in the middle.
2. Identical patterns. One side is positioned half a pattern lower than the other.
3. Identical patterns on the same level.
4. Identical patterns. Each pattern is positioned a full pattern lower than the other.

This information is intended as guide only. There will be some cases, due to unusual repeats or designs, when additional yardage will be required.

Leather:

Due to the natural variations of each top grain leather hide, no two pieces will be exactly alike in color, texture, or markings. A single hide will absorb the dye in varying amounts therefore, color shading is expected. This explains why the arms of furniture may be lighter or darker than the back or cushions. Hides lighter in color will show shading variations more than hides that are darker in color. Lily Koo will make its best effort to match hides for color consistency however, a perfect color match is unattainable due to the nature of top grain leather.

Each hide of leather has been touched by nature in its own unique way. One can expect markings such as barbed wire nicks, insect bites, healed scars, and wrinkles to be visible on leather furniture. These marks are not considered defects. These marks are inherent characteristics of full top grain leathers that should be appreciated for their natural beauty.

Due to the irregularity of leather hides, sectional sewing or seams will be applied at Lily Koo's discretion in the event that the size of the hide is insufficient to cover the entire upholstered surface. Headboards, in particular, will have seams when covered in leather due to their large surface areas. Button tufting on leather headboards will not be accepted unless pre-approved.

Nail Heads:

Placement of Buyer provided nail heads on upholstered items may incur a surcharge based on the product type. A dining chair may take 250 nail heads whereas a sofa may take up to 1500 nail heads depending on the nail head size. Contact Customer Service for a quote.

Requests for Excess COM/COL:

Requests for excess COM/COL on a Buyer's Purchase Order will be included on the Order Confirmation. Excess COM/COL will be returned with the item produced. All costs will be covered by the Buyer.

Other COM/COL Issues:

COM/COL deemed to have defects will be returned. A "Return Authorization" will be requested from the Buyer and the COM/COL will be returned freight collect. This will ensure proper return routing of COM/COL.

Procedures for COM/COL:

1. Complete a COM/COL Tag for each item providing specific instructions on the placement of your COM/COL. Be very detailed and provide a drawing as a reference if needed.
2. Place COM/COL orders with suppliers as soon as the Order Acknowledgement is received.
 - a. **IMPORTANT: Fabric shipments to Indonesia exceeding \$1,499 in value require specific import licensing. Please contact Lily Koo Customer Service for details before shipping COM exceeding \$1,499 in value.**
 - b. All yardage requirements are approximate as they may vary due to fabric layout, the design of the item to which it is applied, or the quantity of items being ordered.
 - c. In the case of unusual repeats or design, please contact Customer Service to determine whether a full width sample is required to provide a more accurate determination.
 - d. Ask suppliers to include a copy of the completed COM/COL tag in each roll of fabric shipped to the Lily Koo Atelier.
 - e. Confirm with the supplier that taxes and duties associated with the fabric shipment are to be prepaid. The Lily Koo Atelier is unable to accept shipments requiring COD payment of these fees.
 - f. Fax or email a copy of completed COM/COL tags to Customer Service to assist in the identification of the COM/COL when it arrives at the Lily Koo Atelier.
 - g. Notify Lily Koo Customer Service in writing if COM/COL changes are made.
3. All COM/COL should be rolled on a fabric tube. Folding fabrics and leather may cause irreparable harm rendering COM/COL unusable.
4. If COM/COL is not received within 4 weeks of Order Confirmation, a storage fee may be assessed. Storage fees are \$10 per business day per item.
5. If COM/COL is not received within 8 weeks of Order Confirmation, items will be upholstered in muslin and shipped to the destination warehouse for the Buyer to arrange COM/COL application locally. Pricing will be adjusted to include storage charges and to account for muslin upholstery.

COM/COL Ship to Address:

Send all COM/COL with upholstery tags enclosed to:

PT. Chiara Allegra Living

Kawasan Pergudangan Industri dan Pangkalan Truk

Blok B-7A, Jl. Raya Semarang Demak no. 224

Genuksari – Genuk, Semarang 50117 – Indonesia

Attn: Janu

Tel: +62 24 6580000

Lily Koo COM/COL Upholstery Tag

Ship Fabric To:	PT. Chiara Allegra Living Kawasan Pergudangan Industri dan Pangkalan Truk Blok B-7A, Jl. Raya Semarang Demak no. 224 Genuksari – Genuk, Semarang 50117 Indonesia Attn: Janu Tel: +62 24 6580000
SEND ALL FABRIC SHIPMENTS DDP – DELIVERY DUTY PAID. SHIPMENTS NOT TO EXCEED \$1,499 IN VALUE PER AIRWAY BILL.	
Your Company Name:	
Your Purchase Order Number:	
Your Lily Koo Order Number: LKUS2 ___ - ___ - ___ - ___	
COM/COL Tag (circle one):	ORIGINAL REVISION # ___
Fabric House or Mill Name:	
Pattern Name:	Color:
Fabric Content:	
Country of Manufacture:	
Number of Yards or Square Feet Sent:	Cost per Yard: \$
Lily Koo Item Number to be Upholstered in this fabric:	
Quantity of Item Number:	
APPLICATION (circle one):	Horizontal (Railroad) Vertical (Top of Roll)
Return Excess COM/COL (circle one):	Yes No
Other Special Application Instructions (Add pages/drawings if necessary): 	