

SHAW AUTHORIZED DEALER AGREEMENT FOR DISNEY-BRANDED CARPETING PRODUCTS

THIS AGREEMENT is made between Shaw Industries, Inc. ("Shaw") having its principal place of business at 616 East Walnut Avenue, Dalton, Georgia 30720, and the Dealer whose registration details have been submitted to the electronic form.

Shaw markets high quality flooring products for residential use and has entered into a license agreement with Disney Consumer Products. ("Disney") to manufacture and sell Disney-branded carpeting (the "Products"). Because of the features and benefits of the Disney program (the "Disney Program"), Shaw desires to distribute Products through a limited number of reputable dealers who meet each of the requirements set forth in this Disney Authorized Dealer Agreement ("Agreement").

Dealer desires and by signing accepts, to be appointed as an authorized non-exclusive Dealer for the Disney Products and hereby warrants and represents that it shall at all times meet each of the requirements set forth in this Agreement.

Based upon the foregoing, Shaw and Dealer have agreed to the following:

1. TERRITORY

- (a) Dealer is authorized to sell the Products to customers located in the territory as identified on the Program Form (hereinafter called the Territory).
- (b) Dealer shall not sell or offer the Products for sale from any location(s) other than those which Shaw has authorized on the Program Form. Dealer shall sell the Products only to consumers who visit Dealer's authorized location(s). Dealer shall not sell or otherwise transfer the Products to any other person or entity for purposes of further resale.
- (c) Dealer acknowledges that due to the sophisticated nature of the Products, it is desirable that they be presented to consumers in an environment where they can be displayed and demonstrated and under circumstances where their specifications, features and product benefits can be explained fully by knowledgeable sales personnel.

2. SHOWROOM

- (a) Dealer warrants and represents to Shaw that it is actively engaged in business, on a full-time basis, as a dealer of goods exclusively in retail outlets, presently maintains a retail showroom(s) in the Territory (hereinafter called "the designated retail showroom(s)" or "the designated location(s)"), and that the designated location(s) is of sufficient capacity to display the Products.
- (b) Dealer shall prominently feature the Disney merchandising units on the showroom floor.
- (c) All sales personnel shall be thoroughly familiar with flooring products in general, and shall possess complete knowledge concerning the Products and their specifications, features and Product benefits.
- (d) Dealer shall refrain from attaching or associating any additional trademarks or trade names or other trade designations to the Products and from affixing or associating any Disney trademarks or trade names or other trade designations to products other than the Products.

3. FUTURE GROWTH

As a material inducement for Shaw to enter into this Agreement, Dealer agrees to participate in Disney sales events to actively advertise and promote the Disney Program and the Products during the promotional periods, and further agrees to advertise the Disney program via web, print, TV, and or radio to generate store traffic and consumer awareness of the Disney Program in the Dealers market area. Dealer's purchases of the Products from Shaw shall total no less than \$20,000 annually. Dealer hereby represents to Shaw that it is capable of achieving such expectations. Dealer and Shaw will work together to set goals for future growth.

4. ADVERTISING

Because of the substantial investment Shaw will be making in the advertising and promotion of the Disney Program, Dealer agrees that except during specifically designated Shaw/Disney promotions, Dealer shall advertise all Products at or above Shaw's Minimum Advertised Price ("MAP"). Shaw shall have the right to terminate Dealer for cause in accordance with the provisions of paragraph 6 if Shaw determines Dealer is in violation of this MAP policy. Notwithstanding the foregoing, Shaw is solely responsible and for administering and determining violations of the Shaw MAP Policy. Although Shaw recommends selling the Products at or above the Shaw MAP, Dealer may sell the Products at any price it chooses.

5. PROGRAM FORM

Dealer acknowledges receipt of the current confidential dealer cost schedule and MAP pricing schedule applicable to the Products (hereinafter called "the Program Form"). The Dealer's payment options due under this Agreement are set forth in detail on the Program Form which has been executed by Dealer. The Program Form is an integral part of the Disney Program and it should be, and hereby is, made a part of this Agreement. Dealer acknowledges that, unless otherwise provided by applicable law, Shaw may at any time modify or discontinue selling any Product without advance notice to Dealer, and Dealer shall have no claim against Shaw for failure to furnish Products of the design or type previously sold.

6. DURATION OF AGREEMENT/TERMINATION

- (a) This Agreement shall become effective on the date Shaw has executed this Agreement and shall, subject to Section 6 hereof, extend until September 31, 2012.
- (b) Either Dealer or Shaw may terminate this Agreement, with or without cause, at any time on thirty (30) days advance written notice to the other party. Each party acknowledges that such period is adequate to allow it to take all actions required to adjust its business operations in anticipation of termination. Upon termination, Dealer shall cease the use or display of any Disney trademarks or other Disney intellectual property or Promotional Materials that contain any Disney trademarks or other Disney intellectual property.
- (c) Dealer acknowledges that until it has paid Shaw all monies owed, as set forth on the Program Form, or any future amounts owed, that all Promotional Materials (except for any Disney trademarks or other Disney intellectual property contained therein) shall remain the exclusive property of Shaw subject to

the restrictions on Dealer's use or display of any Disney trademarks or other intellectual property set forth above, and that, upon any termination of this Agreement, Shaw shall be permitted reasonable access to Dealers designated location(s) to remove those items.

- (d) In the event of termination by either party with cause, Dealer's further obligation for payment of the fee as specified on the Program Form shall cease. Dealer acknowledges and agrees that any amounts already paid toward such fee will not be recoverable by Dealer from Shaw and that neither party will have any claim against the other for any refunds or rebate of any portion of the fee.
- (e) Neither party shall be liable to the other for lost profits or special, incidental, indirect or consequential damages of any kind because of any exercise of its right to terminate this Agreement, as provided hereunder.

7. MISCELLANEOUS PROVISIONS

- (a) The relationship between Shaw and Dealer is that of vendor and vendee only.
- (b) Shaw's Standard Terms and Conditions of Sale shall apply to all orders and shipments. In the event of a conflict between Shaw's Standard Terms and Conditions of Sale and this Agreement, Shaw's Standard Terms and Conditions shall govern.
- (c) All notices and demands of any kind which either Shaw or Dealer may be required or desire to serve upon the other under the terms of this Agreement shall be in writing and shall be served by personal delivery or by certified or registered mail.
- (d) Dealer has been appointed as an authorized non-exclusive Dealer for the Products because of Shaw's confidence in Dealer, which confidence is personal in nature. Dealer may not assign, transfer or sell all or any of its rights under this Agreement. Shaw shall have the right to assign this Agreement to its affiliates, divisions and subsidiaries at any time.
- (e) Shaw and Dealer understand and agree that Disney Consumer Products, Inc. and its affiliates are third party beneficiaries of this Agreement.
- (f) In the event that any of the provisions of this Agreement or the application of any such provisions to the parties hereto with respect to their obligations hereunder shall be held by a court of competent jurisdiction to be unlawful or unenforceable, the remaining provisions of this Agreement shall remain in full force and effect.
- (g) This Agreement shall be governed and construed in all respects in accordance with the laws of the State of Georgia. Any litigation instituted by Dealer against Shaw which pertains in any manner to this Agreement must be instituted in the State of Georgia. Any such litigation instituted against Dealer by Shaw may, at Shaw's option, be instituted in the State of Georgia or in the state in which Dealer maintains its principal place of business.
- (h) This Agreement shall not become effective until executed by Dealer and subsequently executed by Shaw in the State of Georgia. This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter of this Agreement. Notwithstanding anything contained herein, this Agreement shall not be deemed to supersede or otherwise impair in any manner, any security agreement(s) executed by the parties. Except as otherwise provided in the Agreement, this Agreement may not be modified, supplemented or amended, except by a written instrument executed by both parties. This Agreement can be executed in counterparts, each of which shall be deemed enforceable without production of the other.