

charges to be paid by Consignee. If Nourison does not exercise the option to terminate this Agreement, and if Consignee does not send the required monthly report by the fourth month, Nourison may invoice Consignee for the entire balance of Consigned Merchandise, and Consignee hereby agrees to pay that invoice within 30 days of invoice date.

5. Risk of Loss / Insurance. Risk of loss, damage or destruction of Consigned Merchandise shall pass to Consignee when Consigned Merchandise is received by Consignee, and shall remain on Consignee until Consigned Merchandise is returned to and received by Nourison.

Consignee shall insure Consigned Merchandise in its possession against loss, damage, destruction, or theft in an amount equal to the full value of such Consigned Merchandise. Consignee shall pay all premiums, deductibles, and other costs incurred in connection with such insurance and shall designate Nourison as loss payee. In the event of loss, Nourison shall be entitled to immediate payment of proceeds of any insurance claims. Consignee shall deliver to Nourison a Certificate of Insurance naming Nourison as loss payee. Notwithstanding the adequacy of insurance, Consignee shall remain obligated to pay Nourison the purchase price for any item of Consigned Merchandise.

6. Title to Consigned Merchandise. Nourison is the owner of Consigned Merchandise, retaining full title to each item until its sale by Consignee. The Parties intend that Nourison shall have a "true Consignment" with respect to Consigned Merchandise within the meaning of sections 9-102(a)(20), 9-103(d) and 9-109(a)(4) of the UC, and not a "Consignment intended as security". Consignee hereby authorizes Nourison to perfect Nourison's interest in the Consigned Merchandise, including the filing of UCC financing statements with the applicable public offices.

7. Termination. Upon thirty (30) days written notice, either Nourison or Consignee may terminate this Agreement. Upon termination, all Consigned Merchandise unsold as of the end of such notice period shall either be paid for at the prices shown on the applicable Consigned invoices, or returned to Nourison in original condition at Consignee's risk and expense.

8. Other provisions. This Agreement shall be governed by the laws of the State of New Jersey without regard to conflict of laws principles. This Agreement may be executed in counterparts, all of which together shall for all purposes constitute one agreement, binding on Nourison and Consignee. This Agreement contains the complete terms of agreement between Nourison and Consignee. Any modification of this Consigned Agreement shall not be enforceable unless in writing and signed by both Nourison and Consignee.

IN WITNESS WHEREOF, EXECUTED AS OF THE DATE SET FORTH ABOVE BY THE REPRESENTATIVES OF THE PARTIES HERETO WITH DUE AND FULL AUTHORITY.

CONSIGNEE:

NOURISON INDUSTRIES INC.

By: _____
Signature

By: _____
Signature

Print Name: _____

Print name: _____

Title: _____

Title: _____