

TERMS AND CONDITIONS OF SALE AND WARRANTIES

The following terms and conditions apply to all transactions and agreements pertaining to the sale of goods and services by Anthony, Inc. ("Anthony") to any purchaser ("Buyer") and to any extension of credit by Anthony to Buyer for such purchase.

1. PRICE. Prices for goods sold as shown on the face of each purchase order or work order ("Order") or sale invoice are F.O.B. the place of shipment as designated by Anthony, packaged for shipment and are subject to change without notice. Prices and terms of any service to be performed by Anthony, including installation services, are also set forth in each Order.

2. TERMS OF CREDIT. All credit terms are net 30 days from date of Invoice. Any deductions from the net invoice amount must be approved by a representative of Anthony authorized to make such changes. If credit is extended to Buyer, Anthony reserves the right to revoke such credit if Buyer fails to make timely payment for any goods delivered. Anthony reserves the right to require payment or other assurances which it deems necessary prior to the shipment of any goods if, in Anthony's good faith opinion and judgment, Buyer's financial condition has deteriorated or the risk of non-payment has otherwise increased. Credit is subject to approval upon receipt of a completed credit application. Any goods shipped prior to credit approval shall be delivered on C.O.D., "Cashiers Check", or pre-payment terms. A \$25.00 charge will be applied for each returned check. Goods may not be returned for credit unless prior authorization and an authorization number have been issued by Anthony. A 1½% per month charge will be assessed on past due amounts.

3. SHIPMENT OF GOODS; RETURNS. Commercially reasonable efforts will be made to ship goods on the scheduled shipment dates and to maintain consistent production schedules. Anthony shall not be liable for any claims or consequential damages arising from any failure to meet scheduled shipping dates. If Buyer refuses shipment or delivery of any standard catalog products pursuant to an acknowledged Order, Buyer will be responsible for: (i) return shipment of such products to Anthony in original shipping containers; (ii) return freight to Anthony prepaid by Buyer; and (iii) a restocking charge to be determined by Anthony of not less than 25% of the sale price of each product. Buyer assumes the risk of any damage or loss upon return shipment, the amount of which will be assessed by Anthony and added to the restocking charge. No custom products or custom sizes of catalog items may be returned to Anthony for credit unless those products are not consistent with an acknowledged Order or are defective. If they are defective or otherwise non-conforming, Anthony reserves the right to cure or make a conforming delivery at the ship-to location. Costs for special packaging and/or handling requested by Buyer will be billed to Buyer. Shipping terms are specified on the face of Anthony's quotation and/or price list, as applicable. Unless otherwise specified by Buyer in writing, Anthony shall select the method of shipment of materials to the specified delivery address of Buyer. Buyer shall pay the cost of any freight increase resulting for any general increase or any governmental ruling or regulation, Anthony may, without prior notice, invoice Buyer for such additional costs. Acceptance and rejections of glass sheets, assembled sealed glass units, and finished doors shall be in accordance with the defect criteria set forth in Industry Specification ASTM C1036-06 Standards, level Q3.

4. TITLE AND RISK OF LOSS; SECURITY INTEREST. Title to goods and risk of loss or damages thereto pass to Buyer upon completion of loading of goods on carrier at Anthony's factory. Buyer will unload shipments promptly and Buyer will be liable for any additional charges such as demurrage, storage, and labor incurred by its failure to do so. All claims by Buyer for damages to the goods incurred during shipping shall be made to the carrier. Buyer grants a security interest to Anthony in all such goods to secure payment of all amounts due.

5. INSTALLATION SERVICES. All installation work that is required to be completed by Anthony pursuant to an Order will be performed in accordance with Anthony's drawings, specifications and completion schedule. Buyer must cooperate with Anthony and its designated contractors to facilitate completion of such installation services within the time required under the Order.

6. WARRANTIES. Except as otherwise provided in this Section 6 or in any Order or other agreement between the parties, Anthony makes the following warranties ("Warranty"): (i) all products manufactured and sold by Anthony will be free from defects in materials and workmanship and, subject to other applicable Warranty periods, will perform in accordance with applicable refrigeration standards as of the date of manufacture for a period of 12 months from the date of shipment, provided that the installation, maintenance, servicing and repairs of such products have been performed strictly in accordance with Anthony's specifications, and (ii) all installation work and other services performed by Anthony will be completed or rendered in a good and workmanlike manner. The Warranties covering certain products and services are subject to and will expire at the end of the following periods: (a) for a period of 10 years from the shipment date, Anthony will replace any sealed glass unit that is part of an original Anthony-manufactured refrigerator door if any seal breaks from ordinary and proper use and internal visible condensation results, (b) for a period of 5 years from the shipment date, Anthony will replace any defective Anthony-manufactured LED lighting fixture component, and will arrange for and cover the reasonable cost of labor for such replacement work completed within the first 12 months of such period, (c) for a period of 90 days from completion, Anthony will arrange for and cover the reasonable cost of labor necessary to correct or replace any deficient installation work or other service provided by Anthony. Anthony's liability under the Warranty for goods manufactured and sold by Anthony is limited to the repair or replacement, at Anthony's option, of any such defective products or deficient installation service, without charge, at Anthony's Sylmar manufacturing plant or at the premises where the installation service was performed. Except as otherwise provided or limited, Anthony will provide all necessary parts and labor at its cost to fulfill said Warranty. All parts will be shipped standard ground freight. Any and all warranties set forth in this Section and/or all warranties implied or expressed in law shall be automatically terminated and deemed void if any nongenuine or nonauthorized Anthony parts are used or installed on any Anthony products. Anthony reserves the right to change its Warranty provisions at its sole discretion at any time and without prior notice.

No Warranty for Non-Standard Products. A "Non-Standard Product" is any product that is different in any manner from any Anthony product that has been previously designed and manufactured by Anthony in accordance with its standard specifications. A Non-Standard Product also includes any standard Anthony product that has been specially designed or modified to meet a particular Buyer specification, or that contains any additional or substituted product, part, accessory, equipment, fixture, component or material, or that has been

assembled, manufactured, produced, or installed by any method or process, which is different from Anthony's standard specifications for such product. Anthony expressly disclaims and make no warranties, express or implied, as to the condition, design, utility, quality, adequacy, or capacity with respect to any standard or Non-Standard Product, including, without limitation, any warranty of merchantability or fitness of such product for a particular purpose or intended use, whether or not such product has been designated by Anthony as a Non-Standard Product. All Non-Standard Products, whether sold separately, or incorporated and/or attached to Standard Anthony products, and all services relating to such products, are sold to and accepted by Buyer "as is" and "with all faults." Without limiting any other provision of an Order, Anthony shall have no liability to Buyer for any claim, loss, damage, consequential damages or expense associated with any Non-Standard Product and/or its use or operation, or any other equipment or property of Buyer caused by or alleged to be caused by any such product or its use or operation, whether directly, indirectly, incidentally or consequentially, or by any inadequacy thereof or deficiency or defect therein. The foregoing exclusion of warranty cannot be modified or waived except as expressly set forth in a writing signed by an officer of Anthony authorized to make such modification or waiver.

THE ABOVE WARRANTIES ARE GIVEN IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. ANTHONY SHALL NOT BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES INCLUDING BUT NOT LIMITED TO INJURY TO PERSONS OR PROPERTY.

7. ACCEPTANCE OF PRODUCTS BY BUYER/CLAIMS: Upon delivery or completion, all shipments and installation work must be inspected for damage, loss, shortage or deficiencies prior to acceptance from the carrier or contractor. If damage, shortage or deficiency exists with respect to any shipment or service and it is not concealed, Buyer shall secure a notation of such damage or shortage from the delivering agent on the freight bill or delivery receipt or from the installing contractor, as applicable. If any damage, defect or deficiency is concealed, Buyer must notify Anthony thereof within five (5) days of delivery or completion and hold the merchandise or installation work for inspection by Anthony. Any claims for visible loss, damage or deficiency must be filed by Buyer with Anthony in writing immediately upon receipt of the materials or completion of the work. All claims of Buyer that materials delivered or services performed do not conform to the accepted Order shall be handled as claims for breach of warranty and Buyer shall be limited to those remedies available for breach of warranty.

8. CLAIMS BY BUYER. After submission of any such claim by Buyer, Anthony shall thereupon be afforded a reasonable opportunity to inspect the goods and work. All claims not made in the time period and manner specified above shall be deemed waived. All actions, claims or defenses by Buyer shall be deemed waived unless commenced or asserted in writing: (i) in the case of Warranty claims, within the applicable Warranty period for such claims as provided in Section 6, and (ii) in the case of all other claims, within six (6) months of receipt of the goods or completion of installation of services. No claims for visible, external damage to or shortage of goods will be allowed unless they are accompanied by an inspection report or signed delivery receipt noting such loss or damage signed by a representative of the carrier and forwarded to the Anthony Vice President, Marketing & Sales within 30 days of the invoice date.

9. CANCELLATION. Orders may not be canceled after receipt by Anthony unless Anthony consents in writing to such cancellation. Cancellation will be granted only on terms indemnifying Anthony against any loss resulting from such action. At minimum, Buyer will be liable for all cost incurred on the Order through the cancellation date.

10. CHANGES BY ANTHONY. Anthony reserves the right to change design, colors and specifications of any goods or installation services without notice to Buyer.

11. DEFAULT. If Buyer defaults in or fails to make payment for the purchase of any goods or installation service, or if a petition in bankruptcy is filed by or against Buyer, Anthony, in addition to other remedies, may repossess any goods which were previously delivered or installed and for which payment has not been received, and may refuse to make further shipment of goods or perform additional services. The prevailing party in any action arising out of a default or breach of any Order or these terms and conditions shall be entitled to an award for such party's attorneys' fees and all related costs and expenses incurred in the action.

12. ENTIRE AGREEMENT AND AMENDMENT. Each Order, sale invoice and these provisions constitute the entire agreement between Anthony and Buyer with respect to the sale and purchase of goods, any installation services and any extension of credit. If the parties agree to amend or modify any terms and conditions specified herein, such amendment or modification must be expressly stated on the face of the sale invoice or Order or by a written agreement duly executed by an officer of Anthony and by the Buyer. The terms specified herein shall control in the event of any variance between these terms and any terms contained in an Order.

13. GOVERNING LAW. Each Order and agreement between Anthony and Buyer, and all other claims or disputes that arise between the parties, whether sounding in contract or tort, shall be governed by, construed and enforced in accordance with the laws of the State of California. By entering into any Order and or other agreement with Anthony, Buyer consents to the jurisdiction of the courts of the State of California to determine all claims between the parties, regardless of whether said claims are contract claims, tort claims, patent claims, trademark claims or copyright claims. Venue for any lawsuit (State or Federal) against Anthony must be in Los Angeles County, California. Service of process on Buyer may be made by certified or registered mail addressed to the Buyer.

14. SEVERABILITY. If any provision of the terms and conditions specified herein shall be deemed invalid or unenforceable, the remaining terms and conditions shall be construed as though such provision does not appear herein and shall be otherwise fully enforceable.

14. HEADINGS. The section headings contained herein have been inserted for convenient reference and shall not be considered in any questions of interpretation or construction of any agreements between Anthony and Buyer.

Anthony products are covered by one or more of the following United States Patents: RE035392, 5301092, 5720540, 5879070, 5895111, 5910083, 5902034, 5959816, 6010227, 6298615, 6302036, 6302557, 6389993, 6343405, 5116274, 5244273, 5255473, 5333355, 5471372, 5645330, 6632100, 6637093, 6638088, 6773130, 6641419, 6490983, 6606832, 6606833, 5884361, D600529, 7603882, 7273299, 7674019, D404935, D395968, D612517, 5622414, 7731395, 8250873 B2.

Anthony products are covered by one or more of the following Foreign Patents: Canada: 2233401, Mexico:185899, 186644, 202491, 238593, 227313, 236090. Other United States and Foreign Patents Pending.