



Standard Terms and Conditions of Sale

These terms and conditions ("Agreement") govern the sale of Products and Services by Grand Restaurant Equipment & Design Inc. ("we/us") to our customers ("you"). If you submit conflicting or supplemental terms we reject them and our terms always take precedent. Our performance is not an agreement to supplemental or conflicting terms. Your acceptance of our Quotation, Sales Order or Change Order constitutes your agreement to these terms and conditions, which then become in full force and effect.

1. ORDERS. We will provide to you a Quotation, Sales Order or Change Order (collectively the "Order") that itemizes the Products and/or Services to be delivered, along with their related prices. The Order will also include any special terms that may apply. Upon your review and acceptance, the Order becomes subject to the terms and conditions contained herein, which become binding, and the Order may not be changed, cancelled or rescheduled without our prior consent. We have compiled the Order based on our analysis of your requirements. In the event that we inadvertently overlooked or misquoted an item, you agree that we may submit a Change Order that incorporates the required modifications.

2. PRICE. Our prices are specified on our Order and invoice. We may increase the price of undelivered Products or Services if our cost increases or there is a change in market conditions or availability beyond our control. Price quotes automatically expire thirty (30) days from the date issued, or as otherwise stated in our quotation.

3. TAXES. Unless you deliver to us a tax-exempt certificate in advance of Product delivery, we will charge you, and you agree to pay any and all applicable duties and/or sales or use tax at the rates and in accordance with federal, state and local law. The taxes due may be included in the Order or may be added later or adjusted through a Change Order.

4. PAYMENT. Payment in full is required in advance of Product order, shipment or Service delivery. Payment may be made by check, money order, or wire transfer (all fees paid by you). We will accept a credit card for your convenience, but a convenience fee may be added to the total amount due. If we have extended credit to you, terms of payment shall be those specified on the Order. In the event of any past-due amount, we will invoice you and you agree to pay a service charge computed at the rate of 1.5% times the amount remaining unpaid each month.

5. FREIGHT/DELIVERY. Upon Order acceptance and payment, we will promptly place orders for the required Products or Services. We are not liable for any delay in placing the order if the delay is caused by your signatory, your payment, or product availability constraints. Delivery will be made to the location that you have specified and that appears on our Order. All product sales are F.O.B. manufacturer. Unless otherwise noted on the Order, Product will be delivered to your door. Title and risk of loss pass to you upon delivery. Our delivery dates are estimates and we are not liable for delays in delivery or for failure to perform due to causes beyond our reasonable control. In no case will a freight carrier or service sub-contractor be deemed as our agent. Delivery of partial orders does not entitle you to cancel any pending deliveries.

6. ACCEPTANCE. Shipments of Product are deemed accepted by you upon delivery unless you reject them upon receipt. You will perform all inspections and tests as promptly

as possible, but in no event later than 7 days after Product delivery, at which time you will be deemed to have irrevocably accepted the Products. Any discrepancy in shipment quantity must be reported within 7 days after delivery.

7. RETURNS With the exception of custom fabricated or special order Product, you may return any new, unused, Product in its original packaging material after first contacting us to obtain approval from the manufacturer and a return material authorization. Any product returned by you will be subject to restocking fees and return freight charges, which you agree to pay.

8. VALUE-ADDED SERVICES. We have no responsibility to design, specify, verify, unpack, inspect, set-up or install the Product unless those services are specified on the Order. Immediately upon our completion of equipment installation (if ordered by you), you or your designated general contractor will make a final inspection and sign-off on your acceptance of the installation service. In no case do we perform building construction or modifications or make any electrical, mechanical or plumbing connections.

9. INSURANCE. If you purchase Value-Added Services from us and those services require performance by our personnel or our sub-contractors at your location, you agree to purchase and maintain a standard Builder's risk policy naming us as a loss payee; and provide us a copy of that policy at least fifteen (15) days prior to service delivery.

10. TECHNICAL ASSISTANCE or ADVICE. If technical assistance or advice is offered or given to you, it is given free of charge and only as an accommodation for you. We shall not be held liable for the content or your use of such advice or assistance, nor shall any statement made by any of our representatives in connection with the Products or Services constitute a warranty, express or implied.

11. USE OF PRODUCTS. Products sold by us are not intended or authorized for use in home, residential, life support, life sustaining, or other applications in which the failure of the Product could reasonably be expected to result in personal injury, loss of life or catastrophic property damage. If you use or sell the Product for use in such applications: (a) you acknowledge that such use or sale is at your sole risk; (b) you agree that we and the Product manufacturer are not liable, in whole or in part, for any claim or damage arising from such use; and (c) you agree to indemnify, defend and hold us and the Product manufacturer harmless from and against any and all claims, damages, losses, costs, expenses and liabilities arising out of or in connection with such use or sale.

12. SECURITY INTEREST. You hereby grant to us an irrevocable security interest in the Products, which is our guarantee of your performance under Section 4 (Payments).

Products are considered "Collateral", their cumulative value will be subject to claims by us upon your failure to perform under Section 4. You agree that (a) the Collateral will remain at the physical delivery location; (b) full care will be taken to prevent the misuse or abuse of the Collateral (excluding normal wear and tear); (c) the replacement value of the Collateral will be covered by you under an insurance policy naming us as a secured party with a copy of such policy provided to us; (d) the Collateral may not be sold, transferred, or pledged to any third-party which in any way limits our first secured interest; (e) you authorize us to file any documents that we deem necessary to protect our security interests in the Collateral, the cost of such filings paid by us; (f) you agree to reimburse us for any action necessary to remedy a default related to our security interest; and (g) you agree to indemnify and hold us harmless against loss, liability, or claim including reasonable attorney fees, arising out of or in connection with the use, operation or condition of the Collateral. Upon your default, we may exercise our rights of enforcement under the Uniform Commercial Code in force in the state of Minnesota on the date of default, which includes, but may not be limited to; (a) entering your premises to take possession of, assemble and collect the Collateral or render it unusable; (b) require you to assemble the Collateral and make it available at a location we designate to allow us to take possession at a later time; (c) our disposal of the Collateral. **YOU AGREE THAT YOUR DEFAULT UNDER SECTION 4 ENTITLES US TO TAKE POSSESSION OF THE COLLATERAL WITHOUT PRIOR INTERVENTION OF ANY COURT OR OTHER PROCEEDING. WE WILL RELEASE OUR SECURITY INTERESTS ON THE COLLATERAL UPON YOUR FULL AND FINAL PAYMENT.**

13. LIMITED WARRANTY. We will transfer to you any Product warranties and indemnities authorized by the manufacturer, including any transferable warranties and indemnities for intellectual property infringement. We warrant to you that the Products we sell to you will conform to that manufacturer's applicable specifications. We also warrant that Services we deliver to you will conform to your specifications and we warrant our Services against defects in materials and workmanship for a period of one year from completion of the work. If we breach this warranty, your remedy is limited to (at our election) (a) refund of the price you paid for the Product or Service; (b) repair of the Product; (c) replacement of the Product, provided that the original Product must be returned to us, along with acceptable evidence of purchase, within 20 days from date of delivery, transportation charges prepaid. No warranty will apply if the Product has been subject to misuse, neglect, accident or modification. **EXCEPT AS PROVIDED HEREIN, ALL WARRANTIES, EXPRESSED OR IMPLIED, WHETHER STATUTORY OR OTHERWISE, ARE HEREBY EXCLUDED TO THE FULLEST EXTENT PERMITTED BY LAW. WE MAKE NO WARRANTY WITH RESPECT TO THE MERCHANTABILITY OF ANY PRODUCT OR ITS SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS AND WARRANTIES AGAINST LATENT DEFECTS.**

14. LIMITATION OF LIABILITIES. YOU WILL NOT BE ENTITLED TO, AND WE WILL NOT BE LIABLE FOR, ANY LOSS OF PROFITS OR REVENUE, PROMOTION OR OVERHEAD EXPENSES, BUSINESS INTERRUPTION COST, REMOVAL OR REINSTALLATION COSTS, INJURY TO REPUTATION, PUNITIVE DAMAGES, OR ANY INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL

DAMAGES OF ANY KIND WHATSOEVER. YOUR RECOVERY FROM US FOR ANY CLAIM WILL NOT EXCEED THE PURCHASE PRICE PAID FOR THE AFFECTED PRODUCT OR SERVICE IRRESPECTIVE OF THE NATURE OF THE CLAIM WHETHER IN CONTRACT, TORT, WARRANTY, OR OTHERWISE. YOU AGREE TO INDEMNIFY, DEFEND AND HOLD US HARMLESS FROM ANY CLAIMS BASED ON (a) OUR COMPLIANCE WITH YOUR DESIGNS, SPECIFICATIONS, OR INSTRUCTIONS, (b) MODIFICATION OF ANY PRODUCTS BY ANYONE OTHER THAN US, or (c) ANY USE OF THE PRODUCT IN COMBINATION WITH OTHER PRODUCTS.

15. FORCE MAJEURE. We are not liable for failure to fulfill our obligations under this Agreement due to causes beyond our reasonable control including, but not limited to, acts of God, natural or artificial disaster, riot, war, strike, delay by carrier, shortage of Product, acts or omissions of other parties, acts or omissions of civil or military authority, government priorities, changes in law, material shortages, fire, strikes, floods, epidemics, quarantine restrictions, acts of terrorism, delays in transportation or inability to obtain labor, materials or Products through our regular sources, all of which shall be considered an event of force majeure excusing us from our performance and barring remedies for non-performance. In an event of force majeure, our time for performance shall be extended for a period equal to the time lost as a consequence of the force majeure condition without subjecting us to any liability or penalty. We may, at our option, cancel the remaining performance, without any liability or penalty, by giving notice of such cancellation to you.

16. LAW and VENUE. All disputes and matters arising under, and in connection with, or incidental to these terms and conditions will be litigated, if at all, in and before the District Court, located in Hennepin County, State of Minnesota, USA to the exclusion of courts of other states, the United States or other countries, and the exclusion of other venues. The parties expressly consent to the exclusive jurisdiction of this court; agree that this venue is convenient and shall not seek a change in venue or to dismiss the action on grounds of forum non conveniens; and not to remove any litigation from this court to a federal court. This Agreement will be governed by the internal substantive law of the State of Minnesota, including the Uniform Commercial Code in effect on the date this Agreement becomes in force and effect.

17. GENERAL. The parties agree that (a) this contract shall not be assigned by either Party without the consent of the other; (b) that the individual executing the Order has the authority to enter into a contractual agreement for you; (c) no modifications may be made to this Agreement without the advance prior consent of both parties; (d) if any provision of this Agreement is held unenforceable, then such provision will be modified to reflect the Parties' intention and all remaining provisions of this Agreement shall remain in full force and effect; (e) Products are subject to applicable rights of third parties, such as patents, copyrights and/or use licenses; (f) the failure by one party to require performance of any provision shall not affect that party's right to require performance at any time thereafter, nor shall a waiver of any breach or default of this Agreement constitute a waiver of any subsequent breach or default or a waiver of the provision itself. These terms and conditions constitute the entire Agreement between you and us.