

TERMS & CONDITIONS OF SALE

1. Anchor's Terms Control. Additional or contrary terms proposed by Buyer shall be deemed to have been rejected unless specifically agreed to in writing, signed by an authorized representative of Anchor, and Anchor's Terms and Conditions of Sale ("Terms") shall control and prevail. All orders shall be accepted only at Anchor's offices in Evansville, Indiana. Buyer may not assign any rights hereunder without the prior written consent of Anchor.

2. Confirmation of Orders. Buyer shall ensure that any written confirmations of phone or faxed orders are marked "CONFIRMATION OF PHONE (FAXED) ORDER." Buyer assumes responsibility of duplication of phone or faxed orders if not properly marked as such. Anchor may send an acknowledgment of order for the goods. Please inspect such acknowledgment carefully for accuracy.

3. Use of Goods/Indemnity. Buyer shall use, and require its employees, agents, renters, guests, licensees, and invitees to use, the purchased products in strict accordance with all safety information which may be furnished by Anchor relating to Anchor's products. Buyer shall notify Anchor promptly, and in any event within ten (10) days, of any accident or failure involving Anchor's products which results in personal injury or damage to property and shall cooperate fully with Anchor in investigating and determining causes of such accident or failure. Buyer agrees to indemnify and save Anchor harmless from any claims arising from such accident or failure when Buyer has failed to make timely notification as set out herein. Buyer further agrees to indemnify and save Anchor harmless from any loss, claims, damages, costs, or expenses, arising in any manner from Buyer's negligent use of the goods purchased hereunder.

4. Security Interest. In the event that Anchor agrees to extend credit to the Buyer for the purchase of goods hereunder, Anchor reserves a security interest in the goods furnished by it hereunder. By accepting delivery of the goods, Buyer grants to Anchor a security interest in such goods to secure the full and prompt payment for such goods until the purchase price for such goods has been fully paid in cash.

5. Shipment, Delivery, and Risk of Loss. Anchor recognizes the Buyer's need for prompt delivery. However, Anchor cannot guarantee a particular date for shipment or delivery of goods quoted, unless otherwise specifically agreed to in writing. Anchor shall not be responsible for delays in deliveries due to any contingencies beyond Anchor's control. Delivery means F.O.B. Anchor's facility, Evansville, Indiana or F.O.B. other shipping points designated by Anchor. Risk of loss of damage to and title to goods and products shall pass upon delivery to the transportation company. Upon receipt of shipment, it shall be the responsibility of Buyer to check materials and secure written acknowledgment from delivering carrier for any shortages, loss or damage. For your protection, materials must be checked before you sign for the shipment. If there is any shortage or damages, you must require the driver to make a notation on your receipt, then make a claim with the carrier for the amount of the loss or damage. Should damage not be discovered until goods are unpacked, immediately report it to the carrier so that such shortage or damage can be inspected promptly, then file a claim with the carrier along with the inspection report. ALL CLAIMS MUST BE FILED WITH THE CARRIER, AND NOT ANCHOR. If the Buyer does not specify a specific method of shipment or carrier, or if the method specified is not practical in the sole discretion of Anchor, Anchor shall control the method of shipping and carrier without liability for differences in time and/or expense. All C.O.D. shipments, if approved by Anchor, shall require cash, money order or a certified check for payment. Anchor may deliver goods in installments, and each shipment is considered a separate and independent transaction and payment shall be made as provided herein for goods delivered in installments.

6. Payment Terms and Taxes. Unless otherwise agreed to by Anchor in writing, Buyer shall pay the balance of the purchase price prior to shipment. All orders are subject to approval of credit by Anchor and may be cancelled by Anchor at any time upon a change in the creditworthiness of the Buyer, as determined solely by Anchor. Interest at one and one-half percent (1.5%) per month will be added on past due accounts. Sales tax will be applied in all states where Anchor is registered to collect sales tax, unless a valid "Exemption Certificate" is submitted to and approved by Anchor. If sales tax is charged, it will be separately stated and not included in the price of the products.

7. Cancellation and Returns. For products made to Buyer's specifications, orders cannot be canceled or returned once materials have been ordered or production commenced. All other orders may be cancelled or returned by Buyer only with the consent of Anchor. When requesting permission to return an order, Buyer will provide Anchor with the invoice number and reason for return. If the return is agreed to, Anchor will issue a Return Goods Authorization (RGA) number. Any goods returned to Anchor without an RGA number identified on the packaging will be refused at Anchor's dock. Receiving an RGA number does not imply immediate credit. Buyer has 30 days from date of shipment to request an RGA number. If an RGA number is issued, the qualifying products should be sent back to Anchor by prepaid freight or postage which can then be subject to credit. The Buyer has 14 days from the date of issuance of the RGA number to return the goods to Anchor.

If it was determined that an error occurred on the part of Anchor, Anchor will reimburse the freight charges as part of a credit to be issued. If an authorized return is not deemed by Anchor to be Anchor's responsibility, a restocking fee of up to twenty-five percent (25%), in the sole discretion of Anchor, will be assessed. Direct Shipped items sent directly from a manufactured authorized warehouse will need specific return instructions. These instructions must be followed for credit to be issued. Anchor, within 30 days of receipt of returned goods, and upon its sole discretion, will issue credit to the customer for non-conforming goods.

8. Manufacturer's Warranty. Anchor warrants that its products will be free from defects in materials and workmanship for the time period stated and subject to the further terms and conditions described on the limited warranty registration sheet accompanying such product, if any. Buyer acknowledges that not all Anchor products have a separate limited warranty registration sheet (the "Standard Warranty Products"). Standard Warranty Products are warranted to be free from defects in materials and workmanship for a period of one (1) year from the date of purchase. ANCHOR DISCLAIMS ALL IMPLIED WARRANTIES ON STANDARD WARRANTY PRODUCTS, AND THE ONE (1) YEAR LIMITED WARRANTY ON MATERIAL AND WORKMANSHIP DEFECTS SHALL BE IN LIEU OF ANY OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Buyer shall determine the suitability of the product for the intended use and assumes all risk and liability therefore. THERE ARE NO WARRANTIES OTHER THAN THOSE DESCRIBED ON THE FACE HEREOF. Buyer may obtain a copy of the product warranty by calling Anchor at 1-800-255-5552, or by writing to 7701 Highway 41 N, Evansville, IN 47725.

9. LIMITATION OF LIABILITY. BUYER'S SOLE AND EXCLUSIVE REMEDY AGAINST ANCHOR FOR DEFECTIVE OR NONCONFORMING GOODS IS FOR REPAIR OR REPLACEMENT OF DEFECTIVE PARTS OR, AT THE SOLE DISCRETION OF ANCHOR, FOR AN ALLOWANCE TOWARDS THE PURCHASE OF A REPLACEMENT PRODUCT. THIS EXCLUSIVE REMEDY SHALL NOT FAIL FOR ITS ESSENTIAL PURPOSE SO LONG AS ANCHOR IS WILLING AND ABLE TO REPAIR OR REPLACE DEFECTIVE PARTS OR, IN THE SOLE DISCRETION OF ANCHOR, TO GIVE AN ALLOWANCE TOWARDS A REPLACEMENT PRODUCT IN ACCORDANCE WITH THESE TERMS. BUYER AGREES THAT NO OTHER REMEDY, INCLUDING, BUT NOT LIMITED TO, THE RIGHT TO REJECT OR REVOKE ACCEPTANCE OF GOODS, INCIDENTAL OR CONSEQUENTIAL DAMAGES FOR LOST PROFITS, LOST SALES, LOSS OF PRODUCTION, INJURY TO PERSON, DAMAGE TO PROPERTY, OR ANY OTHER INCIDENTAL OR CONSEQUENTIAL LOSS SHALL BE AVAILABLE TO IT AND ANCHOR SHALL NOT BE LIABLE FOR SUCH INCIDENTAL OR CONSEQUENTIAL DAMAGES FOR LOST PROFITS, LOST SALES, LOSS OF PRODUCTION, PROPERTY DAMAGE, PERSONAL INJURY, OR ANY OTHER INCIDENTAL OR CONSEQUENTIAL LOSS ARISING OUT OF THE USE OF OR THE INABILITY TO USE THE GOODS. THE LIMITATIONS SET FORTH IN THIS SECTION 9 SHALL APPLY EQUALLY TO ALL ANCHOR PRODUCTS, WHETHER STANDARD WARRANTY PRODUCTS OR OTHERWISE.

10. Dispute Resolution. This transaction shall be governed by and interpreted in accordance with the laws of the State of Indiana. The parties hereto shall attempt in good faith to resolve any dispute arising out of or relating to Buyer's purchase of goods from Anchor. In the event that such attempts are unsuccessful, said dispute shall be litigated and decided exclusively by litigation in the Superior or Circuit Courts of Vanderburgh County, Indiana.

11. U.S. Government Contracts. If goods purchased by Buyer hereunder are to be used in performance of United States of America government contract or subcontract, a U.S. government contract number shall appear on the purchase order issued by Buyer hereunder.

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POOL COVER WARRANTY

To whom does the Limited Warranty apply? This Limited Warranty is extended to the original consumer purchaser only, and IS NOT transferable or assignable to any subsequent user of the pool cover.

What is covered by the Limited Warranty? Anchor warrants that the pool cover fabric will be free from defects in materials and workmanship during the Limited Warranty coverage period.

What will Anchor Industries, Inc. do in the event of a product defect? Anchor will repair or replace, at Anchor's sole discretion, the pool cover at no charge at any time during the first twelve (12) months of the Limited Warranty coverage period. After the first twelve (12) months of the Limited Warranty coverage period, Anchor will either, at Anchor's sole discretion, repair the pool cover, or give an allowance towards the replacement of the pool cover. The amount of the allowance will be determined by dividing the number of months remaining in the Limited Warranty coverage period by the total warranty period, and multiplying that percentage times the current dealer price.

How long is the Limited Warranty coverage period? For Mesh pool covers, the warranty period is one hundred and forty four (144) months, beginning on the date of purchase. For Solid and Five-Star covers, the warranty period is one hundred and twenty (120) months, beginning on the date of purchase.

What is not covered by the Limited Warranty? This Limited Warranty DOES NOT cover: (1) replacement of rubber ties, stainless steel springs, or other hardware, (2) damage caused by wear or abrasion at the coping edge, (3) incidental damages to the deck or surrounding surfaces of the pool [see additional limitations on incidental and consequential damages below], (4) damage caused by fire, vandalism, animals or insects, abuse and neglect, improper installation, acts of God, or use for any purpose other than covering a swimming pool, (5) premature deterioration from sun or chemical over-exposure, (6) damage caused by water levels that drop more than 1'-3" below the coping, and/or (7) adjustments to the pool cover not made by the dealer.

What you must do to receive service under the Limited Warranty: Contact your pool cover dealer if you believe there is failure covered by this warranty. The dealer may arrange for inspection of the cover and assist in determining the nature of the problem. You may contact Anchor directly for further instruction regarding the problem and possible resolution. During the first twelve months of the warranty period, Anchor will reimburse for freight charges returning the cover to the factory. You, or your dealer, must obtain Return Goods Authorization (RGA) prior to returning the cover to the factory. Covers returned without prior authorization will be refused and returned at your expense. Anchor will not reimburse freight charges for warranty claims after the first twelve (12) months of the Limited Warranty coverage period. Questions regarding warranty service should be directed to 1-800-255-5552.

LIMITATION OF IMPLIED WARRANTIES

All implied warranties, including, but not limited to, any implied warranties of merchantability or fitness for a particular purpose, in any way connected with the sale or furnishing of goods, their design, suitability for use, installation and/or operation shall be limited to the duration of the coverage period of the limited warranty described above.

SOME STATES DO NOT ALLOW LIMITATIONS ON HOW LONG AN IMPLIED WARRANTY LASTS, SO THE ABOVE LIMITATION MAY NOT APPLY TO YOU.

LIMITATION OF LIABILITY

BUYER'S SOLE AND EXCLUSIVE REMEDY AGAINST ANCHOR FOR DEFECTIVE OR NONCONFORMING GOODS IS FOR REPAIR OR REPLACEMENT OF DEFECTIVE PARTS OR, AT THE SOLE DISCRETION OF ANCHOR, FOR AN ALLOWANCE TOWARDS THE PURCHASE OF A REPLACEMENT PRODUCT. THIS EXCLUSIVE REMEDY SHALL NOT FAIL FOR ITS ESSENTIAL PURPOSE SO LONG AS ANCHOR IS WILLING AND ABLE TO REPAIR OR REPLACE DEFECTIVE PARTS OR, IN THE SOLE DISCRETION OF ANCHOR, TO GIVE AN ALLOWANCE TOWARDS A REPLACEMENT PRODUCT IN ACCORDANCE WITH THESE TERMS. BUYER AGREES THAT NO OTHER REMEDY, INCLUDING, BUT NOT LIMITED TO, THE RIGHT TO REJECT OR REVOKE ACCEPTANCE OF GOODS, INCIDENTAL OR CONSEQUENTIAL DAMAGES FOR LOST PROFITS, LOST SALES, LOSS OF PRODUCTION, INJURY TO PERSON, DAMAGE TO PROPERTY, OR ANY OTHER INCIDENTAL OR CONSEQUENTIAL LOSS SHALL BE AVAILABLE TO IT AND ANCHOR SHALL NOT BE LIABLE FOR SUCH INCIDENTAL OR CONSEQUENTIAL DAMAGES FOR LOST PROFITS, LOST SALES, LOSS OF PRODUCTION, PROPERTY DAMAGE, PERSONAL INJURY, OR ANY OTHER INCIDENTAL OR CONSEQUENTIAL LOSS ARISING OUT OF THE USE OF OR THE INABILITY TO USE THE GOODS.

SOME STATES DO NOT ALLOW THE EXCLUSION OR LIMITATION OF INCIDENTAL OR CONSEQUENTIAL DAMAGES, SO THE ABOVE LIMITATION OR EXCLUSION MAY NOT APPLY TO YOU. THIS WARRANTY GIVES YOU SPECIFIC LEGAL RIGHTS, AND YOU MAY ALSO HAVE OTHER RIGHTS WHICH VARY FROM STATE TO STATE.