# COMPANY POLICIES

## Recitals

These terms are entered into by and between Nathan Anthony Furniture hereinafter "Company" and the Resale Buyer hereinafter "Customer."

## Introduction

Nathan Anthony Furniture is a made-to-order upholstery manufacturer located in Los Angeles, CA, USA. We are a family-owned business that has been manufacturing upholstered furniture out of the same location in Los Angeles since 1989. All our furniture pieces are made by hand. We do not provide design advice, but allow you to customize our original designs using our in-line fabrics/trims or your own C.O.M./C.O.L.

## Terms

When placing your first order, a 50% deposit, balance before delivery (CBD) is required. You will have to meet opening order requirements (depends on territory, see Rep for details). Some orders may require 100% deposit. Production does not begin until deposit is received or COM (for COM orders). A customer who has maintained an account in good standing and has ordered regularly for at least six months can apply for 30-day credit terms by providing three business references, bank contact information and a Dunn & Bradstreet number. We review accounts every six months for activity. If no activity, your account may fall inactive which means you will have to place a new opening order and reapply for terms (if any were given). For payment, we accept a company check, cashier's check, electronic funds transfers (EFT) or the following credits cards: Visa, Mastercard and American Express. All orders ship FOB Factory, no exceptions. Any late payments incur 1.25% per diem charge. We reserve the right to deny terms or cancel terms for any reason and without notice.

## Conditions

All our furniture is made to order. No refunds or credits will be given. All orders must be accompanied by a purchase order. There are no changes or cancellations after 72 hours (24 hours for cut yardage and rush orders), or once components/fabrics/parts have been ordered or fabric has been cut, whichever happens first. If you must cancel, you will incur a cancelation charge which could be as high as 50% of the invoice. Customer is responsible for freight. Company does not drop ship; all orders must deliver to a receiver. Upon receipt of merchandise, Customer has 10 days to inspect for correctness, quality, defects or damages (see "Claims" for more information).

## Returns

***All sales are final***. No refunds or credits will be given. Nathan Anthony accepts returns for inspection of manufacturing defects only. Customer must get prior "Return Authorization" (RA#) and prepay to return the item for inspection. Do not return furniture without an RA# or it will be

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rejected and sent back to you and you will be responsible for all charges from the freight company. If a manufacturing defect is determined, the merchandise will be repaired or replaced and any shipping charges will be reimbursed to Customer.

## Claims

Customer must notify the factory ***within 10 days of receipt of goods*** about a claim for quality issues, damages, defects or errors. We reserve the right to first repair/replace/correct areas on products specific to the claim. No claims will be accepted after the 10-day period. If Customer delivers merchandise to End-User, Customer is warrantying goods were free of any quality, damage, defect or error issues. There will be no claims, refunds or credits accepted or allowances made at this point. ***If the End-User has a claim, it will be subject to Customer's return policy, not Company's***. All claims must be accompanied by our Claim Form, filled in completely by the Customer detailing how the problem was discovered. The claim form must be reviewed by a Manager. A claim takes about 30 days to process depending on the details and response time of Customer. A claim will automatically close after 90 days if Customer fails to respond or provide information in order to process claim within this time frame. Once a claim closes it cannot be re-opened.

## Placing Orders

All orders must be in written form and include all necessary information, i.e., product name, leg finish, nail head finish, etc. Once all information is received, your order will be entered into a Sales Order Acknowledgement ("SO") and assigned a corresponding Sales Order Number. An estimated time for completion will then be assigned. **This is only an *estimated time frame* for completion**. Because every order is produced when ordered, we do not stock any component parts, but order components as needed, per order. Any changes/revisions after the SO is confirmed will extend the original order date, extend the estimated completion date, and/or incur change fees for parts that have been ordered. Please make sure you understand our product before ordering. If you need help, please contact your sales representative or your CSR at the factory. We expect Customer to check SO Acknowledgements for errors or duplicates and notify us within 72 hours (24 hours for fabric and rush orders) see "Conditions" for more information. Your order will be produced exactly as it appears on the SO. For items ordered on different POs/SOs or at different times we cannot guarantee sizes will match. This also applies to dye lot matches.

## Custom Orders

Custom orders are special orders that alter our original design. All **custom** orders require a 50% percent deposit to begin production, regardless of terms. The balance must be paid in full before the order ships. There is a 20% upcharge to decrease each dimension. There is a 30% upcharge per every 12 inches of increase for each dimension. To place custom orders, please fax or send drawings, photographs, fabric swatches and descriptions. When pricing custom orders, if you are decreasing the size, the upcharge is 20% per alteration. If you are increasing the size, calculate the price based on the fabric grade, add in any seat or back cushion upgrades, i.e., down inserts, and multiply the total by 30% per every 12 inches you increase, per alteration. Custom orders are excluded from special sales periods.

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We reserve the right to deny any custom request for any reason. To reiterate, all sales are final, no returns/credits.

## C.O.M. Orders

Orders placed using C.O.M. (customer owned-material) will be given a "TBD" (to be determined) date of completion on the SO. Because our styles are made to order, production does not begin until C.O.M. fabric has been received, however component parts will be ordered which affects Customer's right to cancel (see "Conditions"). Company C.O.M. form must be filled out completely and mailed to us before we can finalize processing your order. Make sure to instruct the textile mill who is sending us your fabric to put Customer business name and your purchase order number (for furniture) on the packing slip so that we can match up your order with your fabric. Customer order will be significantly delayed if we receive fabric without this information, see "Lead Times" for more information. If a C.O.M. form is submitted without application instructions, Company reserves the right to use its best judgment as to the application. We expect the Customer (a professional) to select fabric that is applicable for upholstery use. Company does not warrant the fitness of C.O.M. for upholstery and is not obligated to advise Customer of same. Company must receive C.O.M. in good condition and free of flaws. Company will inspect C.O.M. but cannot be responsible to detect flaws on fabrics selected by Customer from outside vendors. If there is any problem with C.O.M. performance / application on furniture, Company will not pay to replace C.O.M. fabric or the furniture for which it was selected.

## Account Maintenance Qualifications & Updates

To maintain an "Active" account, stocking dealers must have sales activity in excess of $60,000 annually. An active account is one that is entitled to a certain discount in pricing, possible distribution protection and receives catalog updates and fabrics at no charge. If Customer falls below the sales activity thresh hold in any given year, Customer will automatically be changed to "Inactive" (without notice) and will have to place an opening order to re-Activate the account to place an order. NA reserves the right to cancel distribution protection, change discounts and charge for updates at any time and for any reason without notice.

## Lead Times

Generally, standard orders with in-line fabric take 6 weeks to manufacture. Custom orders take 8-10 weeks depending on the particulars of the order. Sabine, Eres and Perle collections take standard 8 weeks or more to produce. Market orders can take 12-weeks-plus depending on the level of customization, C.O.M. and/or other particulars are involved. Company does not start an order until fabric is received. If an order involves C.O.M., the order is not given a lead time until we receive the C.O.M. and have it inspected. Inspection of C.O.M. can take up to 1 week to complete. Keep in mind, this is ***general lead time information which is subject to change***. Check with your CSR at the factory to get up to date lead times.

## Rush Orders

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Company offers Customers an option to Rush orders. This depends on availability of materials and the production schedule. There is a charge for Rush orders. Rush charges are assessed at the time of the request and can range between 20% to 50%. Make sure to specify your **due date** when specifying "rush" on your PO.

## Cover Combinations

Combining covers creates beautiful designs, however is more labor intensive and increases significantly the cost of producing the piece. The price of combining two covers on one piece of furniture (bodies/chassis) will be determined by the highest grade in the combination, no matter the ratio of use. If the combination is between leather and fabric, use the leather grade price. If using more than two covers, call us for a quote.

## Cut Yardage

Company has many fabrics that can be purchased by the yard, called "cut yardage." Company does not stock any fabric over grade 10. Any fabric over grade 10 is a special order and customer will have to wait depending on stock at the mill. Please contact us to confirm if a fabric is in stock or can be ordered before placing your order. Lead time is generally 3-5 days for in-stock fabric. *There is a nominal cut yardage fee of $84 (retail) for any orders fewer than 5 yards or under grade 10. No half-yard orders accepted.* ***All sales are final***. There are no extra discounts on pricing. Fabric sales are excluded from special sale periods. There are no returns or credits, no exceptions.

## Pillow Orders

Customer may order additional pillows with a sofa, sectional, chair or bed order (ottomans do not apply). We offer this service as a courtesy only. If Customer orders pillows without one of the above or an ottoman, this is considered a "Pillow-only" order subject to "Purchase Pillow" Price sheet. C.O.M. pillow-only orders are not priced at grade 10, but are priced at C.O.M. price, see column labeled "C.O.M." We reserve the right to deny pillow orders at any time for any reason. Pillow orders are excluded from special sales periods.

## Swatch Requests

Company will send up to 10 swatch samples to Customer at no charge per month. Eleven or more swatch samples will incur a two dollar per sample fee. Customer prepays shipping costs.

## Storage

Company does not store pieces after completion. Arrangements for pickup must be made within 5 days of notification that your order is ready. After 2 weeks, there will be a 25% deposit required to hold the pieces up to 30 days. Company reserves the right to resell any pieces in which the Customer does not place a deposit, which are not picked up, or accepted for shipping within 30 days.

## Terms of Use

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## Freight/Delivery

Pricing on sales order acknowledgements do not include freight costs unless otherwise indicated. Freight is handled by customer. Company does not obtain freight quotes, but will work with the Customer to obtain the information it needs to obtain its own freight quotes. Company does not contract with any freight carriers currently.

## Special Delivery and Handling

Customer may request cardboard boxing provided it pays an additional cost:

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| Sofas and Loveseats – $180 | Chaises - $120 |
| Chairs - $95 | Ottomans - $70 |
| Beds - $180 | Mattresses - $180 |

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