



October 1, 2003

Michael Angelo's Gourmet Foods, Inc.
COUPON REDEMPTION POLICY

This policy statement explains the terms and conditions under which **Michael Angelo's Gourmet Foods, Inc.** will reimburse retailers for coupon submissions. Proper store redemption of our coupons entitles the retailer ("you") to submit coupons for reimbursement by **Michael Angelo's Gourmet Foods, Inc.**

Your redemption of our coupons must be in compliance with Michael Angelo's Gourmet Foods, Inc. requirements as outlined below. Notwithstanding any course of dealings between us, no purchase order, invoice, retailer-policy or similar document shall be construed to modify any of the terms of this agreement. This policy statement represents the entire agreement of the parties. Any modification must be in writing and signed by an authorized Michael Angelo's representative.

Redemption at the Store

1. Coupons are redeemable only by a consumer purchasing the product(s) indicated in the coupon, including, but not limited to the brand, quantity and size with the face value of the coupon deducted from your retail price.
2. Coupons may not be reproduced, photocopied, trimmed or altered in any way by the retailer.
3. Coupons are non-assignable and are void if transferred from their original recipient to any other person, firm or group. **Michael Angelo's Gourmet Foods, Inc.** does not permit the unauthorized distribution, collection, sale or assignment of its coupons for any reason. Therefore, **Michael Angelo's Gourmet Foods, Inc.** coupons are not to be used in swap boxes, gathered and distributed by any person or group for charitable fundraising purposes, or otherwise used in any way except as described in Requirement 1 above unless otherwise stated in writing from **Michael Angelo's Gourmet Foods, Inc.**
4. Coupons are void if taxed, restricted or prohibited by law.
5. The consumer must pay applicable sales tax.
6. Coupons are only redeemable by dealers located in the United States, including Military bases.

Processing Coupons for Payment

1. **Michael Angelo's Gourmet Foods, Inc.** will accept properly redeemed and identified coupons directly from the retailer, through the retailer clearinghouse, a retailer-billing agent, or wholesaler-billing agent. Coupons from unauthorized intermediary agents will not be accepted.
2. All applicable IRS reporting requirements, including obtaining an appropriate taxpayer identification number, must be complied with.
3. To redeem coupons for **Michael Angelo's Gourmet Foods, Inc.**, send properly redeemed coupons to:

Michael Angelo's Gourmet Foods
P.O. Box 880032
El Paso, TX 88588-0032

Policy for Payment and Denials

You will be reimbursed for the following three items:

1. The face value of coupons or, if the coupon calls for free merchandise, for your retail sales price (up to the stated cap amount).
2. 8 cents for handling each coupon properly redeemed. An industry study, independently conducted by Arthur Anderson, identified that the 8 cents covers the following costs:

Front-End handling by the Retailer	\$.048
Store to Headquarters Accounting	\$.040
Store Occupancy	\$.040
Sundry Loss	\$.056
Cost of Funds	\$.096
Coupon Processing	\$.088

3. Reasonable postage
 - Retailers who sort and submit directly will be reimbursed for reasonable postage indicated on the package received.
 - Retailers using a retail clearinghouse or billing agent will be reimbursed for the lesser of the claimed postage or **\$8.00 per thousand** coupons.

You will **NOT** be reimbursed for unreasonable postage or any additional fees.

Coupon reimbursement, including postage or handling fees, **may not be deducted from invoices for any reason. Such deductions breach this agreement and may be subject to legal action.**

To challenge a denial:

1. Present a written appeal to Michael Angelo's, stating the reason for your appeal therein.
2. Upon request, present evidence of sufficient stock to cover coupons submitted to us for payment.
3. Michael Angelo's will notify you of its decision regarding your appeal within 90 days.

Other Information

1. The cash redemption value of each coupon is 1/20 of one cent.
2. It is FRAUD to present coupons for redemption other than as provided by this Redemption Policy. **Michael Angelo's Gourmet Foods, Inc.** utilizes a third party agent to monitor all retail reimbursements for cents-off merchandise coupons and to determine the validity of submissions.
3. Failure to observe these terms and conditions for proper redemption may, at the sole option of **Michael Angelo's Gourmet Foods, Inc.**, void all coupons submitted for reimbursement and all coupons may be retained as property of **MICHAEL ANGELO'S GOURMET FOODS, INC.** without payment.
4. FAILURE TO ENFORCE ANY TERMS OR CONDITIONS HEREOF SHALL NOT BE DEEMED A WAIVER OF SUCH TERMS OR CONDITIONS OR ANY OTHER PORTION OF THIS POLICY.