

TERMS AND CONDITIONS AGREEMENT

Effective January 1, 2014

Orders: Once an order has been placed and any type of work commenced, orders cannot be cancelled except upon terms that will compensate VIP Samples for work processed; this would include, but is not limited to, design work and materials purchased.

Prototyping: Prototypical work performed at Customer's request will be charged for at VIP Samples prevailing rates. Such sketches, drawings, mock-ups, fabric scans, plates, presswork, copy, dummies and all other preparatory work (including digital files) created or furnished by VIP Samples shall remain the property of VIP Samples and no use of same shall be made, nor any ideas obtained therefrom be used, except upon compensation to VIP Samples.

Drawings, Photography and Plates: Artwork, drawings, fabric scans, photography, printing plates and other items when supplied by VIP Samples shall remain the property of VIP Samples unless otherwise agreed upon in writing.

Changes/Modifications: Invoice prices are only for work according to the original specifications. If through Customer error, or change of mind, work must be re-done or repeated, such extra work will carry an additional charge at prevailing rates for work performed.

Approval of Proofs, mock-ups, and prototypes: Our Customers are responsible for transportation charges (out bound and inbound) for mockups, first offs, advance and/or prototype sampling. All such shipments are sent from VIP Samples via UPS or FedEx using the Customer's account. When proofs are submitted to the Customer and corrections (if any) are made thereon, the proofs must be returned to VIP Samples marked "Approved" or "Approved with corrections" and signed with the name or initials of the person duly authorized to pass on same. If revised proofs are desired, request must be made when proof is returned. VIP Samples is not responsible for errors if work is completed as per Customer's approval.

Copyrights: Our Customers must warrant that the subject matter they are directing us to print or reproduce is not copyrighted by a third party. Our Customers must also recognize that because subject matter does not have to bear a copyright notice in order to be protected by copyright law, absence of such notice does not necessarily assure a right to reproduce. Our Customers must further warrant that no copyright notice has been removed from any material used in preparing the subject matter for reproduction. To support these warranties, our Customer must agree to indemnify and hold VIP Samples harmless for all liability, damages, and attorney fees that may be incurred in any legal action connected with copyright infringement involving the work produced or provided.

Quantities Delivered: "Overs and Unders" represent the variable quantities inherent in the manufacturing process, and while they may vary from job to job, both are a normal part of the production process. The overruns or underruns illustrated in the chart below shall constitute an acceptable delivery amount and the excess or deficiency shall be invoiced to the Customer proportionately. **Customer may request EXACT QUANTITIES be produced, but such requests must occur at the time of quoting and will result in a 10% upcharge to the original price quote.**

Order Quantity			Over/Under	
1	to	400	+/- 20	~5.0%
401	to	1,000	+/- 40	~4.0%
1,001	to	1,500	+/- 60	~4.0%
1,501	to	2,500	+/- 75	~3.0%
2,501	to	4,999	+/- 100	~2.0%
5,000+	to	10,000+	+/- 150	~1.5%

Customer's Property: All Customer's property that is handled by or stored by VIP Samples is at the Customer's risk, and VIP Samples is not liable for any loss or damage thereto. VIP Samples reserves the right to assess handling and storage fees when a Customer requires their property to be held at VIP Samples past the completion date. It is understood that handling, processing, or storage of Customer's property is solely for the benefit of the Customer, whether gratuitous or charged for. If raw material (fabric, coverstock, collateral material, etc.) is sent in EXCESS of that specifically required by the job specifications, VIP Samples reserves the right to charge additional handling fees. **VIP Samples is not responsible for the quantity or quality of yardage or materials subsequently returned to the Customer at the completion of the project when such items are sent to VIP Samples in excess of that required by the job specifications.**

Quotes: Quotes submitted to customers by VIP Samples presumes fabric will be delivered to VIP Samples on standard fabric tubes (cardboard type) and will be regular 54" wide UTR (Up The Roll) fabrics unless specified otherwise. There is an upcharge for Sheer, Velvet, Chenille, and Wide-Width fabrics. Additionally, Sample Books whose spine capacity exceeds 3" high will be subject to a Special Construction surcharge.

Packaging: All outbound shipments are "bulk packed" and palletized for transport. Additional charges for the specialized box and boxing of Sample Sets will be specified in the original quote provided to the Customer and will be based on set size, collateral additions, carton printing, and labeling requirements.

Freight/Delivery: Unless otherwise agreed upon, the price invoiced is for a single shipment per EXW (Ex Works - Incoterms® 2020 Rule), origin being VIP Sample's local place of business (Grand Prairie, TX). All orders are based on continuous and uninterrupted delivery of the completed order, unless specifications distinctly state otherwise. Customer assumes responsibility for in-bound and out-bound losses and delays. **Inbound freight is to be prepaid by our Customer and shipments arriving collect will be charged a \$150 handling fee to have such shipments rebilled to Customer.**

E-Mail Security Disclaimer: We routinely check all email messages for known viruses; however, we decline any liability in case of any damage caused by a non-detected virus. All email messages sent by VIP Samples are covered by the Electronic Communications Privacy Act of 1986 (ECPA), 18 U.S.C. §§ 2510-2523. All email messages sent by VIP Samples and any attached files are the exclusive property of VIP Samples and are subject to copyright. All email messages sent by VIP Samples are deemed privileged and confidential and are intended only for the person or entity to which it is addresses. Unauthorized review, use, disclosure, or distribution is prohibited.

Claims: All claims must be made within five (5) days of receipt of goods. VIP Samples shall not be liable for any amount exceeding the cost of the Invoice and in no event for any Consequential Damage.

Taxes: Any tax and/or duty, whether included on the Invoice or not, that is applicable to any sale, shipment, transportation or use of the goods or materials shall be the obligation of the Customer.

Invoicing and Terms: Terms are generally Net 30 days on approved credit. Interest will be charged at a rate of **1.5% per month on unpaid balances** beginning 30 days after invoice date. Each shipment shall be a separate sale. Additionally, upon the Customer's failure to pay for any shipment, VIP Samples may cancel the order or suspend future delivery at its option. VIP Samples may, at any time, suspend or alter the credit terms or require payment before shipment, delivery, or order processing.

Delays: VIP Samples shall not be liable or responsible for delays or failures or shipment (1) caused by Customer or (2) arising from any cause beyond VIP Samples control. VIP Samples shall not be liable in any event for any consequential or special damages. Receipt of goods or materials by Customer shall constitute acceptance of delivery and waiver of all claims for loss or damage due to delay. A reasonable delay by VIP Samples to make any shipment or part of a shipment shall not be grounds for cancellation of the order.

Uniform Commercial Code: This sale shall be governed in accordance with the domestic laws of the state of Texas.

Disclaimer of Implied Warranties: VIP Samples warrants only that the work will conform to the description contained in the Purchase Order. VIP Samples maximum liability, whether by negligence, contract, or otherwise, will not exceed the amount specified in the purchase contract. **Under no circumstances will VIP Samples be liable for consequential damages.** ANY WARRANTY OR AGREEMENT HEREIN IS IN LIEU OF AND CANCELS ANY OTHER WRITTEN OR ORAL, EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR VIP SAMPLES OTHER EXPRESS OR IMPLIED OBLIGATIONS OR LIABILITIES. No representative, agent, or employee of VIP Samples is authorized to make any agreements or representations other than those herein expressly stated.

Applicable Law and Arbitration: This agreement is governed by the state laws of Texas. All dispute arising in connection with this agreement shall be settled by arbitration.

Valid Contract in Texas: VIP Samples, Incorporated makes delivery of this agreement with the intention that it will become a mutual and binding document for both parties. When a job quote (offer) is accepted by a customer, said acceptance is based on an agreed compliance with all terms associated with the offer which includes the provisions found within this agreement. Furthermore, it is understood that acceptance of a job quote (offer) by a customer constitutes a meeting of the minds and a clear communication that each party has consented to the terms of the agreement and that the customer has accepted the execution and delivery of this document with the intent that it became mutual and binding on both parties.