

TERMS AND CONDITIONS OF SALE

1. ORDERS regularly entered, with a bona fide purchase order or signed agreement, cannot be cancelled except upon the terms that will compensate the Printing Co-op against loss. All work done to the date of cancellation is billable to the customer with a normal profit. The work done to the date and/or the materials, if billed to the customer, remains the customer's property, and the Printing Co-op has the right to immediately ship all material to any point designated F.O.B. origin. If the material is the property of the Printing Co-op, the Printing Co-op may use said materials on other production runs and will advise the customer of this decision. The Printing Co-op reserves the right to reject an order if the order is entered with specifications other than those that were quoted when the order was placed or if the order is entered more than 30 days after the date of the quotation.

2. CHANGE ORDERS: If there is a change in specifications or instructions to the original estimate and these changes result in additional costs, the Printing Co-op will inform the customer, in writing, what these additional costs will be. The work performed will be billed at the current rate as agreed, and the completion date may be delayed.

3. EXPERIMENTAL WORK performed under the direction of customer's request and against a bona fide purchase order, or signed agreement, shall be charged to the customer at a "cost plus profit" basis. An additional charge at current rates may also be made for work requested by the customer that is different from or in addition to the work, as specified in the estimate.

4. ELECTRONIC ARTWORK AND/OR OTHER MATERIAL FURNISHED BY THE CUSTOMER: If the customer desires to furnish electronic artwork or any other material, it must, first of all, be completely satisfactory to the Printing Co-op, who must be fully aware of this at the time of bid. Electronic Artwork supplied must be of a quality that the Printing Co-op considers completely acceptable. Artwork, film, color separations, special dies, tapes, disks, electronic files, or other materials furnished by the customer must be usable by the Printing Co-op without alteration or repair. Items not meeting this requirement will be identified by the Printing Co-op and may be repaired by the customer, or by the Printing Co-op at the Printing Co-op's current rates.

5. LAYOUTS AND DUMMIES: All layouts and dummies created by the Printing Co-op remain the property of the Printing Co-op and may not be used by the customer. Conversely, all layouts or dummies supplied by the customer to the Printing Co-op remain the property of the customer and may not be retained as the property of the Printing Co-op without the written consent of the customer.

6. CREATIVE WORK: The Printing Co-op may provide creative work in the form of creative briefs, ideas, concepts, demos, sketches, dummies, storyboards, comprehensive layouts, prototypes or by other means. Creative work may be communicated verbally, visually and/or electronically. This work is the sole property of the Printing Co-op and may not be used by the customer in any form or derivation without the Printing Co-op's written permission or without customer's payment of compensation as determined by the Printing Co-op. Customer's rights to use such creative work shall further be limited to the original agreed-upon purpose and for a time limit of one year specified unless otherwise agreed in writing.

7. ARTWORK, NEGATIVES, PLATES, POSITIVES, OVERLAYS & TEMPLATES: Original artwork remains the property of the Printing Co-op unless purchased by payment of a separate fee. Ownership of any and all of these items is determined entirely upon who created them. If the customer desires property that was created or supplied by the Printing Co-op, that property should be transferred to the customer for an additional full payment, plus profit, for the work involved. The liability of the Printing Co-op goes no further than to faithfully reproduce the products from the materials supplied by the customer. The Printing Co-op is not required to store these materials beyond the time of delivery. Artwork stored for more than one year will be charged a \$25.00 set up fee to update the file to the current software release and to ensure the file is production ready. Charges will be automatically added to your invoice for reprints that are older than one year.

8. PANTONE COLORS (PMS): Color may not match exactly, only near tonal values may be expected. PMS color may vary from the original order and reorders.

9. COPYRIGHT / TRADEMARK LAWS: The Printing Co-op assumes that all artwork submitted by the customer is in full compliance with the laws governing copyright and/or trademark. If the subject matter is copyrighted, the customer warrants that it owns the copyright or has express permission of the owner to reproduce the copyrighted subject matter, and that it has not removed any copyright notice from any material to be reproduced without written permission. The Printing Co-op will not be held liable for any damages, costs, or expenses arising under these laws as consequences or our use of this artwork.

10. PROOFS: All materials and data created by the Printing Co-op, including, but not limited to, artwork, plates, dies, film, data, and digital output files, shall remain the Printing Co-op's exclusive property. On new or change repeat orders the Printing Co-op will submit electronic proofs for the customer's review and approval. Corrections will be communicated electronically and returned to the Printing Co-op on a "master set" marked "OK," "OK With Corrections," or "Revised Proof Required" and electronically authorized or signed by the client. Until the master set is received, no additional work will be performed. The Printing Co-op will not be responsible for undetected production errors if:

- Proofs are not required by the customer;
- The work is printed per the customer's OK;
- Requests for changes are communicated orally.

When proofing color, a reasonable variation between color proofs or electronic renderings and the final product is to be expected. This is due to differences in viewing conditions, equipment, paper, inks, and toner between the color proofing process and print production. Press proofs will not be furnished unless they have been requested by the customer and presented in the Printing Co-op's quotation. A press sheet can be submitted for the customer's approval as long as the customer is present at the press during make-ready. Any manufacturing time lost or alterations/corrections made because of the customer's delay or change of mind will be chargeable at the Printing Co-op's current rates.

11. ALTERATIONS: On each proof, alterations must be clearly indicated and signed by the customer. For each item altered, it is assumed it is a customer's alteration and must be charged for, with a proper profit to the Printing Co-op. The customer must clearly indicate if it is the Printing Co-op's alteration or error and is in no way chargeable to the customer.

12. NUMBERING: The type, location, and style of numbering shall be clearly stated on the customer's quotation request and confirmed on the Printing Co-op's bid. It is understood that the Printing Co-op has no responsibility to make up missing numbers unless specifically stated in the customer's quotation request, confirmed in the Printing Co-op's bid, and stipulated in the purchase order. Crash numbers are recommended to the customer wherever possible to minimize missing numbers.

13. ASSIGNMENT: The Printing Co-op may, in its sole discretion, assign this estimate and/or subcontract any and all of the work hereunder. This agreement shall be binding upon and shall inure to the benefit of the successors, and assigns of the customer and the Printing Co-op, provided, however, that customer may not assign or transfer this agreement, in whole or in part, except on the prior written consent of the Printing Co-op.

14. DEVIATION IN QUANTITY: The great majority of orders are subject to plus or minus 10% of the original quantity. This is necessary so as to conserve vital materials and avoid inordinate waste. However, the Printing Co-op will have awareness not to automatically factor in a 10% overrun in every instance. An exception to this "10%" rule is that orders of more than 100,000 conventional one-part form without special features are subject to plus or minus 5% of the original quantity. Any deviation from this practice will be clearly stated by the customer and accepted by the Printing Co-op. If at the completion of the job the plus or minus 10% (or plus or minus 5% for orders of more than 100,000 conventional one-part forms without special features) has been exceeded, the Printing Co-op will have the right to ask customer prior to shipment that the overrun or under-run be accepted. It will be the final decision of the customer whether such an overrun or under-run is accepted. In the case of an overrun that is not accepted but that has already been shipped, the customer at the option of the Printing Co-op, must return or destroy the overrun. In orders involving special materials that are often shipped short, the Printing Co-op will not be liable to make up deviations below 10%.

15. CANCELLATION OR DEVIATION: In the event of cancellation of or deviation from all or part of the work covered hereby, customer shall give the Printing Co-op as much notice as reasonably practicable. Customer shall be liable for all costs incurred by the Printing Co-op resulting from such cancellation or deviation that are not otherwise avoidable by the Printing Co-op through reasonable commercial efforts, including, without limitation, down press and bindery time, materials ordered or inventoried on customer's behalf and not otherwise usable by the Printing Co-op in the ordinary course of its business within a reasonable period of time at the scheduled plant of production, and related obligations.

16. GRANT OF RIGHTS AND COPYRIGHT NOTICE: Grant of any reproduction rights is conditioned upon receipt of payment in full and use of proper copyright notice. All rights not expressly granted remain the exclusive property of the Printing Co-op unless otherwise stated on the face of this invoice, duration of the grant of rights is one year from invoice date and limited to use in the United States of America.

17. DELIVERY: Unless otherwise specified, the price quoted is for a single shipment, without storage, and is F.O.B. origin. All proposals based upon a series of shipments at one time or a series of shipments throughout a given period of time, with or without storage, shall be specifically stated in the customer's quotation request, confirmed in the Printing Co-op's bid, and stipulated in the purchase order. In the event that storage takes place, under no circumstances will storage be required for more than the period agreed upon by the involved parties. Liability for damage to products in storage will be assumed by an insurance policy covering the items stored and it is the responsibility of the customer to ascertain that products in storage are properly insured. A portion of the Printing Co-op's terms and conditions will state that, at the end of the storage period agreed upon, all products are to be shipped and paid for (if not previously paid for) at that time. If storage of the products as the property of the customer is to continue from that time forward, it will be done on the basis of a cost plus profit to the Printing Co-op yielding a monthly storage charge. Taxes incurred as a result of storage will be paid for by the Printing Co-op but will be part of the cost of the products to the customer.

18. DELAYS IN DELIVERY: All items produced by the Printing Co-op are made contingent upon the inability to delivery due to shortages of material, carrier delays, wars, strikes, fires, floods, accidents, government decrees (either foreign or domestic), or other contingencies beyond the manufacturer's control, such as acts of God. The Printing Co-op shall not be responsible in such contingencies. The Printing Co-op must make the customer aware of the problem as soon as it develops, and the customer shall not be held liable for cancellation of the order except for usable composition.

19. DAMAGES / LIMITATIONS OF LIABILITY: The Printing Co-op's maximum liability, whether by negligence, agreement, or otherwise, will not exceed the amount specified in the agreement. Except for claims for delay arising out of this agreement, the parties to this agreement mutually agree that supplier's liability for any and all claims whatsoever of any kind and nature arising out of this agreement shall not exceed the Printing Co-op's price to customer for performing the work (including any services) that is the subject of this agreement or fraction affected, and further mutually agree that replacing the work (including any services) or re-mailing or re-shipping a correction or corrected job as soon as possible to rectify the mistake that is the subject of this agreement shall satisfy any and all claims whatsoever of any kind and nature arising out of this agreement. Notwithstanding the foregoing, to the extent that material submitted by customer does not conform to the Printing Co-op's specifications, contains clerical or typographical errors, or otherwise does not strictly meet production deadlines as specified in this agreement the Printing Co-op shall have no liability for claims arising out of this agreement. The Printing Co-op's clerical and typographical errors will be corrected without additional charges. Under no circumstances will the Printing Co-op be liable for specific, incidental, or consequential damages, including but not limited to lost profits and lost postal discounts, however proximate or foreseeable, arising out of the work, including any services, that is the subject of this agreement. Customer agrees that the prices in this agreement for the work (including any services) that is the subject of this agreement are consideration for limiting the Printing Co-op's liability hereunder.

20. CLAIMS: Claims for defects, damages, or shortages must be made by the customer in writing no later than 10 calendar days after delivery. If no claim is made within the specified time period, the Printing Co-op and the customer will have mutually acknowledged that the job has been accepted by the customer and that the Printing Co-op's performance has fully satisfied all terms, conditions, and specifications of the purchase agreement. The Printing Co-op shall not be held liable for any costs for manufacturer's downtime, programming time, processing time, or other consequential damages, including profits (or profits lost). The Printing Co-op's liability is limited to cost or replacement of the product and necessary shipping charges. If a dispute arises as to whether or not a particular order is usable, every reasonable effort should be made by all involved parties to discuss and resolve the problem in an expeditious and equitable manner and to preserve the relationship among all parties.

21. TAX: All taxes and assessments levied by any governmental authority are the responsibility of the customer. All amounts due for taxes and assessments will be added to the customer's invoice. No tax exemption will be granted unless official proof of the customer's exemption is on file with the Printing Co-op or such documentation accompanies the order. If, after the customer has paid the invoice, it is determined that more tax is due, the customer must promptly remit the required taxes to the taxing authority or immediately reimburse the Printing Co-op for any additional taxes paid.

22. ATTORNEY'S FEES: If not paid within thirty (30) days, unless otherwise regulated, this invoice shall be subject to a 1-1/2 percent per month service charge effective as of the date of delivery. The prevailing party in any legal action or proceeding brought to enforce this agreement shall be entitled to recover from the other reasonable attorneys' fees, costs, and expenses arising out of such legal action brought before a court, mediator, arbitration, or private settlement. This agreement is made pursuant to and shall be governed by the law of the state of California, and customer consents to jurisdiction of the courts thereof.

23. TELECOMMUNICATIONS: Unless otherwise agreed, the customer will pay for all transmission charges. The Printing Co-op is not responsible for any errors, omissions, or extra costs resulting from faults in transmission.

24. WAIVER: No waiver by either party of any default by the other in the performance of or compliance with any provision, condition, or requirement herein shall be deemed to be a waiver of, or any manner release such other party from compliance with any provision, condition, or requirement in the future, nor shall any delay or omission of either party to exercise any right hereunder in any manner impair the exercise of any such right accruing to it thereafter. Any matter arising under this Agreement that creates a right of action in either party against the other party, or the enforcement of any obligation or undertaking by one party against the other, shall survive any termination or expiration of this Agreement.

25. INDEMNIFICATION: Customer represents and warrants that neither the execution, delivery or performance, nor consummation of the transactions contemplated by this Agreement will result in actual or alleged infringement of any proprietary right (including, but not limited to, trademark, trade secret, patent or copyright rights), or any actual or alleged misuse of personally identifiable information, or violation of any other laws and regulations applicable, or a violation or breach of, or default under any provision of the charter, by-laws or any material agreement to which it is a party. At all times customer's performance under this Agreement will be in compliance with any and all other rights arising from or in connection with the products or services produced by the Printing Co-op at the direction of the customer. Customer agrees to indemnify and save the Printing Co-op harmless from any and all losses, claims, or damages (including legal costs and reasonable attorney fees) that the Printing Co-op may suffer in connection with a claim related to any actual or alleged breach of the representations and warranties described above.