

IPW Product Development, Inc.
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PURCHASE ORDER GENERAL TERMS AND CONDITIONS

Welcome to IPW Product Development, Inc. ("Innovation Products"). The following General Terms Conditions apply to all purchase orders between any customer and Innovation Products. These terms and conditions exclusively govern all orders and the sale of all products by Innovation Products. All business activities of Innovation Products shall comply with all applicable Federal, state and local laws and ordinances, industry minimum standards, and any other applicable rules or regulations pertaining to product safety, employment and manufacturing.

ARTWORK: Artwork must be submitted in accordance with the instructions outlined in *Art File Guidelines*. If art does not meet these guidelines, art charges as well as delays to an order may occur. Vector art creation, design, and modifications will be charged at an hourly rate of \$50.00.

CANCELLATIONS AND CHANGES: Innovation Products reserves the right to commence production upon receipt of written order confirmation. In the event of cancellation by customer after written confirmation of an order has been received by Innovation Products, customer will be required to pay for all work completed as of the date of cancellation. Any changes requested after artwork has been approved as final by customer may incur additional film and screen charges billed at Innovation Products' standard rates then in effect. In addition, restock fees up to 50% of the total order cost may apply. All cancellations and changes to any pending order must be submitted in writing within 48 hours of original order approval.

CLAIMS: No returns will be accepted without prior written consent of Innovation Products. Innovation Products disclaims any responsibility for goods after 48 hours in customer's possession.

COPYRIGHT/TRADEMARK LAWS: Innovation Products assumes that artwork submitted for reproduction in producing an order, was submitted in full compliance with the laws governing copyright, trademarks, etc. Customers, by placing any order, agree not to hold Innovation Products responsible for any damages, costs and/or expenses arising under these laws as a consequence of our use of said artwork. Customer hereby agrees to pay, defend, indemnify, and hold Innovation Products and its officers, directors, employees, agents, successors and assigns harmless from and against any and all claims, demands, damages, liabilities, losses and costs (including attorneys fees and costs) arising from, related to, or in connection with any third party infringement or other intellectual property claim or demand.

FORCE MAJEURE: Innovation Products cannot be held responsible for failure to fulfill a delivery commitment as a result of situations beyond our control. This includes, but is not limited to, occurrences such as natural disasters (hurricanes, floods), labor strikes, congestion at ports of entry, US Customs/Homeland Security holds and delays, or failure of subcontractors to perform. Innovation Products will provide written documentation in support of any Force Majeure or commercial impracticability condition upon request.

INVENTORY: Innovation Products requires 24 hours from time of the submission of a final purchase order or signed estimate, as the case may be, to guarantee stock on hand of any product.

ORDERING: To ensure your order will be processed as quickly as possible and that all ship dates will be met, please be specific on your purchase orders. Please type or print legibly our item number, quantity, imprint color(s) and location, complete shipping information, and any other information relative to your order. Innovation Products will not be responsible for any misinterpretation of copy layout on handwritten orders or layouts. Please carefully proofread all artwork for accuracy as neither Innovation Products, nor any of its manufacturers or suppliers will be

liable for errors in submitted artwork. It is important that a ship date be included to expedite your order. Innovation Products will only be responsible for meeting ship dates and cannot guarantee in-hands or special event dates due to carrier delays or other Force Majeure.

On re-orders please include the previous invoice number, a brief description of the imprint, and the month/year of the previous order. Also specify if there will be color or copy changes. We cannot guarantee exact color matches on repeat orders.

Orders valued over \$5,000.00 require a signed Innovation Products estimate or company PO.

OVER/UNDERRUN POLICY: To maintain quality control, we reserve the right to ship up to 5% over or under the quantity ordered and bill accordingly. Orders which specify "exact quantity" will have that quantity only decorated and could result in an underrun after firing. This is industry standard and must be considered as fulfillment of the order.

ELECTRONIC PROOFS: Billed at \$15.00 each, electronic proofs serve as final confirmation of the order and are mandatory. If you would like any changes to be made to a proof, please be as detailed as possible in your directions. The last proof approved is what will be produced. Customer will be responsible for any charges incurred after proof approval. To avoid any potential miscommunication we strongly encourage producing a pre-production sample to confirm the decoration/color/position on the item, as each product/logo combination is always a new experience. Pre-production samples must be quoted per order. Production begins after receipt of written proof approval.

PRICING: Pricing is subject to the expiration date on the estimate provided. Beyond said estimate, all prices are subject to change without notice. Merchandise is subject to change or withdrawal, or may be temporarily or permanently out of stock.

PRODUCT PROOF: Pre-production samples/product proofs are quoted per product/decoration. Any revisions on proofs will be charged a new proof charge that includes any additional art, die or screen charges. Production time begins upon receipt of signed proof approval.

PRODUCTION TIMELINE: Production timeline commences upon product approval, or proof approval if a pre-production sample/product proof has been waived. Holds or changes to an order after the production timeline has begun will result in a delay to the final delivery. Production timelines may be modified due to other orders that enter the production queue during the hold or change period which result in a delay in of the date of final delivery.

RETURNS: It is your responsibility to check for discrepancies or defects in an order within 48 hours of receipt of product. Returns must be authorized by Innovation Products in writing in advance. Claims for returns for defective goods must be made in accordance with the terms of the LIMITED WARRANTY, below. Altered or embellished garments, excluding irregulars, are not returnable.

SHIPPING: Freight estimates provided are not guaranteed and are subject to change without notice as rates can fluctuate. Please state if you wish to use a specific carrier when ordering or manufacturer or supplier will select the most economical house carrier. Title for goods passes to the buyer at F.O.B. point. All goods are shipped at the buyers risk and all claims must be made with the freight carrier, normally within 14 days of receipt of merchandise. We do not guarantee on-time delivery or safe carriage of goods. Recourse rests exclusively with the transportation company. No adjustments will be given for any delayed or damaged shipments or for any other reason beyond manufacturer or supplier control. No C.O.D., Parcel Post, or Priority Mail shipments.

TERMS: Net terms are available on approved credit; otherwise payment on all orders is due at the time of order confirmation. Interest charges will be assessed on all past due balances at the rate of 1.5% per month, for actual days lapsed. For your convenience, we accept Visa, MasterCard and American Express. For such a convenience we charge a 3% credit card handling fee. This fee may be waived if the credit card payment is made at the time of order confirmation. Exceptions may be made on a case by case basis. All transactions are processed in US

Dollars and payment must be made in US Dollars. Any payment made in any other currency will be subject to a bank currency conversion adjustment.

EXCLUSIVE LIMITED WARRANTY; LIMITATION ON LIABILITY: AS THE SOLE AND EXCLUSIVE WARRANTY IN CONNECTION WITH THE SALE OF PRODUCT BY INNOVATION PRODUCTS, INNOVATION PRODUCTS WARRANTS ONLY THAT THE GOODS SHALL BE FREE FROM MATERIAL DEFECTS ON THE DELIVERY DATE, PROVIDED YOU STORE AND HANDLE THE DELIVERED GOODS IN SUCH A MANNER THAT MEETS OR EXCEEDS THE STORAGE AND HANDLING PROCEDURES UTILIZED BY INNOVATION PRODUCTS. YOU MUST PROVIDE INNOVATION PRODUCTS WITH WRITTEN NOTICE OF ANY WARRANTY CLAIMS NO LATER THAN TWO (2) BUSINESS DAYS AFTER RECEIPT OF THE APPLICABLE ORDER OF GOODS. FAILURE TO PROVIDE WRITTEN NOTICE WITHIN SUCH TWO (2) BUSINESS DAY PERIOD SHALL VOID INNOVATION PRODUCTS' WARRANTY IN ITS ENTIRETY. AS INNOVATION PRODUCTS' SOLE RESPONSIBILITY AND LIABILITY, AND YOUR ONLY AND EXCLUSIVE REMEDY FOR ANY BREACH OR BREACHES OF SUCH WARRANTIES, INNOVATION PRODUCTS SHALL, UPON WRITTEN NOTICE FROM YOU, EITHER (AT INNOVATION PRODUCTS OPTION) REPLACE THE DEFECTIVE PORTION OF THE GOODS, OR ACCEPT RETURN THEREOF AND REFUND THE PRICE PAID BY YOU FOR THE DEFECTIVE PORTION. ANY MISUSE, IMPROPER HANDLING, STORAGE, USE, MODIFICATION OR ALTERATION OF THE GOODS BY ANY THIRD PARTY SHALL VOID THE FORGOING WARRANTY. YOU SHALL BE SOLELY RESPONSIBLE FOR THE COST OF ANY SHIPMENTS TO RETURN DEFECTIVE PRODUCTS OR PACKAGES HEREUNDER TO INNOVATION PRODUCTS, AND ALL RISK OF LOSS OR DAMAGE DURING SHIPMENT SHALL BE BORNE BY YOU. CUSTOMER HEREBY EXPRESSLY WAIVES ANY AND ALL OTHER WARRANTIES OR GUARANTEES, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

PARAGRAPH HEADINGS: The headings preceding each of the above paragraphs are for convenience only and shall not be considered in the construction or interpretation of these General Terms and Conditions.

SAVINGS CLAUSE: In the event any of the terms, conditions or covenants contained in these General Terms and Conditions shall be held to be invalid, then any such invalidity shall not affect any other terms, conditions or covenants contained herein which shall remain in full force and effect.

ENTIRE AGREEMENT: These General Terms and Conditions and the purchase orders constitute the complete agreement of the parties with respect to the subject matters referred to herein and supersedes all prior or contemporaneous negotiations, promises, covenants, agreements or representations of every nature whatsoever with respect thereto, all of which become merged and finally integrated into these General Terms and Conditions. In the event of a conflict between these General Terms and Conditions, and the Terms and Conditions of any purchase order, these General Terms and Conditions shall govern and the conflicting terms of the purchase order shall be of no force or effect. Customer understands that in the event of litigation, controversy or dispute concerning any of the terms, conditions or provisions of these General Terms and Conditions, Customer shall not be permitted to offer or introduce any oral evidence concerning any other oral promises or oral agreements between the parties relating to the subject matters of these General Terms and Conditions not included or referred to herein and not reflected by a writing. These General Terms and Conditions cannot be amended, modified or supplemented except by a written document signed by all parties affected.

ATTORNEYS FEES: Should Customer or Innovation Products retain counsel to enforce any of the provisions hereof, or to protect their respective interests in any matter under a purchase order or under these General Terms and Conditions, the non-prevailing party in any action pursued in a court of competent jurisdiction (the finality of which is not legally contested) agrees to pay the prevailing party all reasonable costs, damages, and expenses, including attorneys' fees, expended or incurred in connection therewith.

GOVERNING LAW; VENUE: These General Terms and Conditions and all purchase orders shall be governed by and construed in accordance with the internal laws of the State of California without reference to the rules of conflicts of laws thereof. Any dispute with respect to the enforcement, interpretation, or any other aspect of these General Terms and Conditions and/or any purchase order shall be maintained in the state or federal courts located in Orange County, California, and the parties hereby irrevocably submit themselves to the personal jurisdiction of such courts.