

TERMS AND CONDITIONS OF AGREEMENT

Placement of an order with Creative Labels of Vermont, Inc. constitutes Agreement to the following terms and conditions.

1. **Estimates.** Estimates not accepted within thirty (30) days are subject to review. Prices are based on material costs at time of estimate.
2. **Orders.** Unless otherwise agreed in writing, orders are non-cancellable.
3. **Experimental work.** All preliminary work performed at the Customer's request will be charged at current rates and may not be used until CLOV has been reimbursed for all charges billed.
4. **Creative Work.** Sketches, copy, dummies, disk data, and all preparatory work developed and furnished by CLOV shall remain its exclusive property and no use of same shall be made, nor any ideas obtained there from be used, except upon compensation to be determined by CLOV, unless previously identified and included in the estimated price.
5. **Condition of Copy.** If, upon receipt of original copy, manuscript, or disk data, the condition of such material differs from the material upon which CLOV's original estimate was based, the original estimate shall be null and void and a new estimate will be issued.
6. **Preparatory Materials.** Working mechanical, art, type, negatives, positives, flats, plates, disks, disk data, and other items supplied by CLOV shall remain its exclusive property unless otherwise agreed in writing.
7. **Alterations.** Any work performed in addition to the original specification shall be charged at then-current rates.
8. **Prepress Proofs.** Prepress proofs shall be submitted with original copy. Corrections are to be made on the master set and returned marked, "OK," or "OK with corrections," and signed by the Customer. Disk data changes will be made on the disk and identified with a revised file name. If revised proofs are desired, request must be made when the first proofs are returned. CLOV cannot be held responsible for errors if the Customer fails to return proofs with indication of changes or if the Customer has instructed CLOV to proceed without submission of further proofs. The accuracy of all proofs and proof data is the Customer's responsibility.
9. **Press Proofs. Press OKS.** Unless specifically provided in the estimate, press proofing is an additional charge. An inspection sheet can be submitted for Customer approval, provided that the Customer is available at the press make-ready time. Lost press time due to Customer delays or Customer changes and corrections will result in additional charges.
10. **Color Proofing.** Slight color changes resulting from differences in equipment, processing, proofing substrates, papers, inks, pigments, and other conditions are to be expected from time and time and shall not constitute grounds for rejection of the goods.
11. **Overruns/Underruns.** Overruns and underruns shall not exceed 10% of quantities ordered or percentage agreed upon. CLOV will bill for actual quantity delivered within that tolerance. If Customer requires exact quantities, the percentage tolerance will be doubled.
12. **Customer's Property.** CLOV will maintain fire, vandalism, malicious mischief, and sprinkler leakage insurance on all property belonging to the Customer while such property is in its possession. CLOV's liability for such property shall not exceed the amount recoverable under such policy of insurance. Customer's property of extraordinary value shall be insured by the Customer, pursuant to mutual Agreement. Disk data is not included in this responsibility and original data files are the Customer's liability. Only disk copies are to be sent to printer.
13. **Delivery.** All delivery dates are contingent upon receipt of artwork and customer-approved proofs. Unless otherwise specified, the price confirmed is for a single shipment, without storage, F.O.B CLOV shipping platform, Winooski, Vermont. Confirmations are based on continuous, uninterrupted delivery of complete orders, unless otherwise agreed. Charges related to delivery from Customer to CLOV or from Customer's supplier to CLOV are not included in any estimate unless specified. Priority pickup or delivery service will be provided at then-current rates upon Customer request. Material delivered from Customer or his supplier will be confirmed and verified with return documents, indicating only the number of cartons, packages or items shipped. CLOV cannot inventory contents of such cartons or accept liability for shortages based on supplier's documents.
14. **Production Schedules.** Schedules will be established and adhered to by the Customer and CLOV, provided that neither shall incur liability or penalty for delays due to war, riot, civil disorder, fire, labor trouble, strikes, accidents, energy failure, equipment breakdown, delays of suppliers or carriers, action of government or civil authority, acts of God or other causes beyond the control of the Customer or CLOV. Where production schedules are not adhered to by the Customer, final delivery date(s) will be reestablished by CLOV.
15. **Customer Furnished Materials.** Paper stock, inks, camera ready art, film, color separation, disk data files, and other material furnished by Customer shall be manufactured, packed, and delivered to CLOV's specifications. Any delays or impaired production due to failure to meet such specifications shall result in additional charges.
16. **Terms.** Unless otherwise agreed in writing, payment in full shall be made within fifteen (15) days of delivery, upon an approved credit application. Customer agrees to make all claims for defects, damages, or shortages in writing within fifteen (15) days after delivery of all or part of such order. Failure to make claims within this period shall constitute Customer's irrevocable acceptance of the goods and services and a waiver of any claims that the product failed to comply with agreed terms, conditions, or specifications. Interest shall be charged on overdue balances at a rate of 1.5% per month.
17. **Liability.** CLOV's liability shall be limited to the invoice price of any defective goods and shall in no event include special or consequential damages, including lost profits. As security for payment of any sum due or to become due under terms of any Agreement, agreed estimate, or invoice, CLOV shall have the right, if necessary, to retain possession of, and Customer hereby agrees to grant, a security interest and lien against all Customer property in the CLOV's possession, including work-in-process, material related to final product, and all finished work. The extension of credit or the acceptance of notes, trade acceptances, or guarantees of payment shall not affect such security interest and lien.
18. **Indemnification.** Customer agrees to indemnify and hold CLOV harmless from any and all loss, cost, expense, and damages (including court costs, and reasonable attorney fees) on account of any and all manner of claims, damages, actions, and proceedings that may be instituted against CLOV alleging that CLOV violated any copyright, trademark, moral right, right of publicity, code, or proprietary right of any person, or that it contains matter that is defamatory, libelous, obscene, or scandalous, or invades any person's rights to privacy or other personal rights, except to the extent that CLOV independently contributed to the matter. Customer agrees, at Customer's own expense, to promptly defend and continue the defense of any such claim, demand, action or proceeding that may be brought against CLOV, provided that CLOV shall promptly notify Customer with respect thereto, and provided further that CLOV shall give Customer a reasonable time in which to undertake and continue the defense thereto.
19. **Severability.** In the event that any provision of this Agreement should be held to be void, voidable, unlawful or, for any reason, unenforceable, the remaining portions hereto shall remain in full force and effect.
20. **Attorney's Fees.** In the event that any action, suit, or other proceeding is brought to interpret, enforce, or obtain relief from a breach of this Agreement, or which otherwise arises from or is connected with the subject matter of this Agreement, the prevailing party shall recover all of such party's reasonable attorney's fees incurred in each and every such action, suit or other proceeding, including any and all appeals or petitions there from.
21. **Modifications.** No modifications, amendments or waivers of any of the provisions contained in this Agreement, or any future representations, promise, or condition in connection with the subject matter of this Agreement, shall be binding upon any party hereto unless made in writing and signed by such party or by a duly authorized officer or agent of such party.
22. **Choice of Law and Jurisdiction.** In the event that any action, suit, or other proceeding is brought to interpret, enforce, or obtain relief from a breach of this Agreement, or which otherwise arises from or is connected with the subject matter of this Agreement, this Agreement shall be governed by and construed in accordance with the laws of the State of Vermont, including its choice of law provisions. The parties expressly consent to personal jurisdiction of any such action in the United States District Court in Burlington, Vermont (if subject matter jurisdiction can be had there) or, alternatively, in the Chittenden Superior Court, in Burlington, Vermont. The parties agree that the federal and state courts of Vermont shall be the exclusive forum for any and all actions, suits or other proceedings arising from or related to this Agreement and they waive objections to venue in Vermont.

AGREED AND ACCEPTED:

	_____	_____
	Customer name	Date
By:	_____	_____
	Its authorized representative	Title