

# GENERAL SELLING CONDITIONS

## 1. BUYER'S ACCEPTANCE

These Terms of Sale (the "Terms") shall apply to every sale by Zutano, Inc. (the "Seller") of its products to you (the "Buyer"). This order form is the complete and exclusive statement of the terms of the agreement between Seller and Buyer regarding the transaction described herein. If Buyer does not give Seller written notice of objection to the terms hereof within five (5) business days after Buyer receives this form, Seller will consider Buyer to have assented to such terms.

## 2. ORDERS/CANCELLATIONS/REVISIONS

No order will be valid unless and until accepted by Seller. Seller reserves the right to refuse any order. After acceptance by Seller, no order may be cancelled or modified by Buyer except as provided herein. No modification or waiver of the Terms shall be effective against Seller unless in writing and signed by a representative of Seller. Order revisions will only be valid upon Seller's prior written authorization and will only be accepted by Seller if the product ordered has not yet been shipped. Order revisions will be considered if written notice is submitted to Seller by e-mail or fax within fifteen (15) days of order placement. Buyer acknowledges that delivery of a revised order may be delayed and Seller bears no responsibility to Buyer for any shipping delay in connection with such revision.

Seller may cancel an order, in whole or in part, without liability, if Seller believes that Buyer's ability to make payment is or may become impaired. Seller also reserves the right to cancel, in whole or in part, or to suspend or delay, in whole or in part, any orders due to shortages of, or failure of Seller's supplier's to deliver the goods; or any other event of force majeure or beyond Seller's control.

An order placed by Buyer with Seller can be canceled, suspended or extended only with Seller's written consent. Cancellations are subject to a 10% cancellation fee if canceled by the buyer within the ship window or there after.

## 3. PRICING/PAYMENT TERMS

Orders are accepted subject to Seller's price list in effect at the time of shipment. Prices do not include, and Buyer shall be liable for, freight plus any applicable surcharge, as well as all taxes, duties and other governmental charges assessable on account of this order.

Credit terms are made at the discretion of Seller. Net 30 day terms may be granted to Buyer only upon submission and acceptance of a credit application. Seller may, in its sole discretion, at any time, require prepayment for all or any part of an order. In the event of an overdue payment, Seller shall have the right to suspend deliveries and may terminate the order, as well as any and all other orders and contracts with Buyer. In such event, interest will accrue at a rate equal to (18% per annum) on the number of days elapsed or the maximum rate permitted under applicable law, if lower.

Seller reserves the right to limit or revoke any credit extended to Buyer or to suspend, postpone or cancel delivery of an order in the event of Buyer's failure to pay for goods when due or for any reason deemed good and sufficient by such parties.

## 4. SHIPMENTS/RETURNS

All goods are sold F.O.B. Seller's distribution point unless otherwise specified. Title and risk of loss or damage to the goods shall pass to Buyer upon shipment.

The delivery date of the goods is as specified by Seller and all delivery dates are approximate only. Delay in delivery of any installment shall not relieve Buyer of the obligation to accept remaining deliveries, and Seller remains liable for payment in full for goods received.

Return requests shall be considered only if made within fifteen (15) days of the date of invoice. All returns are subject to Seller's pre-authorization, and a return authorization number (the "RA") must be written on the outside of any returned package. Returns are for credit only.

Buyer shall be responsible for all costs in connection with a return unless return is due to Seller's shipping error.

Returns are subject to a 10% restocking fee, which shall be deducted from any credit granted to Buyer. Seller reserves the right to refuse any unauthorized returns or returns of merchandise which is not in first quality condition, including, but not limited to, properly re-bagged and free of any retailer markings or hangtags.

## 5. ORDER SPECIFICATIONS

Orders must be for a minimum of 6 pieces per style and color. An order shall be for a minimum of \$1000.00 per season, and a fill-in order shall be for a minimum of \$250.

## 6. LIMITATION ON DISTRIBUTION/SALES

Buyer shall sell Seller's goods only as indicated on the order form. Buyer shall not sell Seller's goods through auction, through a Co-op or at "private sale" without the prior written permission of Seller.

## 7. CLAIMS AND LIMITATIONS OF WARRANTY

Products which do not conform to their description or which are defective in material or workmanship will be replaced or, at Seller's option, credit for the original purchase price will be allowed provided that Buyer notifies Seller of such defect within fifteen (15) days of the date of invoice and Buyer returns such products in accordance with Seller's instructions. No products may be returned by the Buyer without Seller's prior authorization. All Returns shall be subject to verification on arrival at Seller's facility. The forgoing constitutes Buyer's sole and exclusive remedy and Seller's sole obligation. Seller makes no other warranty or representation with respect to the products, either express or implied, including without limitation, that of merchantability or fitness for a particular use. Seller shall not be liable for direct, indirect or consequential damages under any circumstances.

## 8. INTELLECTUAL PROPERTY

All fabric designs and prints embodied in the products are the sole and exclusive property of Seller and shall not be duplicated or otherwise copied or exploited without the express written consent of Seller. Furthermore, Seller's trademark and logo are the sole and exclusive property of Seller and shall not be used by Buyer except with the express written consent of Seller.

## 9. GOVERNING LAW/ARBITRATION

These Terms shall be governed by the laws of the State of Vermont applicable to contracts made and to be performed in that state. Any controversy or claims arising out of or relating to any sale hereunder shall be determined and settled by arbitration in accordance with the Commercial Rules of the American Arbitration Association. The arbitration award will be final as between the parties.

## ONLINE SELLING CONDITIONS

### 1. IMAGERY

Zutano provides photographic images of its product for use by online retail websites. Images appearing on our web site or provided through file share links and other media are the property of Zutano, Inc. and include certain copyright and trademark materials, the use of which are more thoroughly outlined in Zutano Graphics Usage Rights and Rules found on our website, [www.zutano.com](http://www.zutano.com).

### 2. ONLINE PRACTICES

Zutano prohibits SEO (search engine optimization) tactics such as keyword stuffing, use of hidden text, cloaked pages, link farming and other SEO practices whose sole purpose is to redirect search results to a particular target web page in a manner that conflicts with the search engines' Terms of Service.

### 3. CORRESPONDENCE

When you purchase from Zutano and share your email with us for business purposes, you give Zutano permission to send you email correspondence in relation to your wholesale account. These emails may include promos, tradeshow information, info on new releases, etc. We do not share your email with other companies or marketing organizations. If you do not wish to be part of this list please click the "unsubscribe" link at the bottom of the email.