

2011 DVD-IT Terms and Conditions

All business transactions and orders for products and/or services provided by DVD-IT, including its officers, employees, representatives and affiliates, are subject to the following terms and conditions:

CUSTOMER REPRESENTATION & RESPONSIBILITIES

Customer warrants that: (a) they are the owner, the authorized agent of the owner, or the licensee of all contents and material provided to DVD-IT; (b) the customer agrees to indemnify, defend, and hold DVD-IT harmless against any claims and/or liability resulting from claims that any law, patent, copyright, trademark, trade-name, proprietary right, or other right of any third party has been infringed by the mastering, duplication, replication, distribution, sale, rental or use of material; (c) the customer attests that the master or media presented to DVD-IT is "duplication/replication ready," that it conforms to industry standards and DVD-IT's specifications, and that the content and quality of the master and art files has been reviewed and approved for duplication and/or replication.

LIABILITY LIMITATIONS

The master material you provide will be duplicated "as is". DVD-IT is not liable for defects and/or deficiencies on duplicated or replicated media that appear as a result of defects/deficiencies on your master, or as a result of any changes that you direct us to make to your master. DVD-IT assumes no liability, nor does our insurance cover failure or delay for performance caused directly or indirectly by an act of God, a strike, a lockout, a fire, a transportation failure, an equipment failure, or loss or damage to the customer's master or other material. To protect your original master against loss or damage, DVD-IT highly recommends that customers provide a sub-master for duplication/replication rather than the original master. For tracking purposes, masters and other material provided to DVD-IT must be labeled with your company name, the title of your project, a primary contact name and phone number.

MASTER SUBMISSION & PROOFING REQUIREMENTS

It is the customer's responsibility to provide a DVD master that has been thoroughly reviewed (frame by frame) and tested for content, quality and proper functionality prior to submission to DVD-IT for mastering and replication. DVD-IT uses mastering software to verify data integrity; however, this test DOES NOT evaluate the quality of the video, audio or navigation. Likewise, DVD-IT cannot evaluate the coloration of the printing on the disc face. To ensure there is no discrepancy between our customer's quality standards and their replicated discs, DVD-IT, upon request, will supply a check (proof) disc for final verification prior to DVD replication. PLEASE NOTE: There is an additional charge and additional time required for DVD-IT to prepare, and for you our customer, to examine and approve a check disc.

🕒 DVD-IT Prepared Masters

If DVD-IT's authoring department prepares a DVD master, an "authoring" check disc will be created for customer's assessment of the content, quality and functionality. Approval must be confirmed in writing before a glass master and stamper is created and replication proceeds.

🕒 Revisions

If after reviewing the "authoring" check disc(s) the customer requests modifications or repairs, DVD-IT will make the necessary changes and prepare a revised "authoring" check disc for the customer's approval. Each revision requires a new authoring check disc and each new check disc requires customer's evaluation and written approval before DVD-IT can proceed with mastering and replication.

🕒 DVD-5 Check Disc

See procedure above.

🕒 DVD-9 & DVD-10 Check Disc

In addition to the procedure above, a "stamper" check disc may be created for client's approval. If the customer has approved the "authoring" check disc but chooses not to receive the "stamper" check disc, a written waiver is required in order to proceed with replication.

🕒 Check Disc Waiver

If a customer chooses not to receive a "stamper" check disc, a written waiver is required. The waiver acknowledges customer's option to receive a "one-off" or stamper check disc proof prior to replication and releases DVD-IT from any liability from replication errors, omissions or other quality or functionality conditions that exist on the DVD master or as a result of color match issues on the disc face.

🕒 Art File Submission

Templates and specifications will be supplied by DVD-IT. Art files that do not conform to DVD-IT's submission specifications will require modification. The customer will be notified if this is the case. If DVD-IT's technicians make the repair or modification, the customer will be billed at the rate of \$75 per hour.

🕒 Proof Approval for Custom-Printed Material

All custom printing requires customer approval of a hard-copy proof. Should a customer decline a hard-copy proof, they must sign a waiver and agree to accept the printing "as is".

QUALITY ASSURANCE

It is the customer's responsibility to check the quantity and quality of the order upon receipt. If any material provided by DVD-IT is defective or there is an error made in the printing or packaging, DVD-IT, at its own expense, will promptly replace, repair or remedy the defect/error provided that: (a) written notice is received within fourteen (14) days of product delivery or acceptance; (b) the defective product is returned to DVD-IT within thirty (30) days of delivery or acceptance; (c) the damage or defect was directly related to the manufacturing process and not a result of the customer's failure to meet industry standard submission specifications for masters, graphic layout files, customer provided content, or any other materials submitted by the customer or by a third party. Liability is limited to the replacement cost only and does not include the loss of sales or profit.

STORAGE & RETENTION OF CUSTOMER ELEMENTS

🕒 **Glass Stampers:** The governmental and industry agencies that oversee and protect technology developers and intellectual property rights owners against piracy and copy-right infringement have enacted laws and regulations that affect the disposition of the stamper discs used for replicating DVD's. Whereas, in the past, the stamper could be returned to the client, regulations now prevent this due to DVD patent licensing laws governing anti-piracy and royalty reporting. Additional information available upon request.

🕒 **Digital Files:** DVD-IT will retain customer's digital files for a period of six months from the original date of receipt, or from the date a timely re-order is placed. After any six month period has past, files will be automatically deleted from DVD-IT's server and must be resubmitted for future re-orders. This is the only notification; no reminder will be sent prior to deletion.

PAYMENT

Advanced credit approval and/or a deposit may be required. Unless otherwise agreed upon in writing, payment-in-full is required at or before the time of pick-up, delivery or ship date. If a credit card authorization form is received from a DVD-IT client, DVD-IT reserves the right to charge a 50% deposit upon order start and charge the card again for payment of balance due in-full at or before the time of pick-up, delivery or ship date. DVD-IT reserves the right to retain the master and other material/s until payment has been received in-full. DVD-IT accepts payment by cash, check, bank wire or credit card (American Express, MasterCard and Visa). Returned checks will incur a \$25.00 fee and will accrue interest of 1.5% per month on past-due balances. Sales-tax of 8.25% will be charged on all orders, or any portion thereof, delivered within the state of California unless a resale or tax-exempt certificate is on file, or is presented to DVD-IT when the order is placed.

OVER-RUN / UNDER-RUN POLICY

Production quantities of CD and DVD-replicated discs and commercially-printed paper (e.g. case-wraps, case folders, booklets, tray cards & sleeves) may vary from the quantity ordered. Customer responsibility for over-runs / under-runs follows:

DVD-IT DISC REPLICATION & PAPER PRINTING OVER/UNDER-RUN POLICY:

The final quantity of discs and printed paper (DVD case-wraps, inserts & jewel case folders/booklets) may vary from the quantity ordered.

The customer is responsible, up to the limits specified below, for all costs associated with the over/under-run variance

- 500 – 999: (+ or -) 10%
- 1,000 – 9,999 units: (+ or -) 5%
- 10,000 – 24,999 units: (+ or -) 3%
- 25,000 – 49,999 units: (+ or -) 2%
- >50K - Call

****The customer is responsible for all costs associated with the over/under-run variance****

DVD-IT CARDBOARD PRINTING OVER/UNDER-RUN POLICY:

The final quantity of discs and printed case-wrap covers may vary from the quantity ordered.

The customer is responsible, up to the limits specified below, for all costs associated with the over/under-run variance

- 1,000 – 24,999 units: (+ or -) 10%
- 25,000 – 49,999 units: (+ or -) 5%
- >50K - Call

****The customer is responsible for all costs associated with the over/under-run variance****

SHIPPING & RECEIVING

Orders can be picked up at the Hollywood sales office or shipped per our customer's instructions at the customer's expense. If no shipping instructions are received, then orders will ship via the method deemed most practical and cost-effective by DVD-IT. Please note that although DVD-IT does not dictate the shipper or shipping method, the following guidelines are strongly recommended to minimize the possibility of product damage while in transit:

DVD-IT's business is based on volume manufacturing and distribution. As such, our containers and packaging are designed for delivery by freight (i.e. - placed on a pallet and poly-wrapped to minimize movement). Customers should also be aware that discs in amaray or jewel cases can dislodge from the hub easier than in other types of packaging. Because these types of orders are more susceptible to damage from movement, customers are advised to request a specific shipping method and to purchase carrier-provided insurance for the full value of their order. If no value is declared, carrier liability is minimal and DVD-IT assumes no liability for product damaged in transit. It is the customer's responsibility to inspect shipments for damage at the point of delivery. Boxes and other packaging that appear damaged should not be accepted. If a shipment or any portion of a shipment is rejected, DVD-IT must be notified within 2 business days.

⊕ **Shipping Charges:** Quotes and pre-forma invoices provided by DVD-IT may include estimates for shipping, special handling and other related charges. The amounts specified are approximations only. Due to the potential for production overruns that affect gross weight and number of containers; destination variables like discrepancies regarding loading docks and residential vs. commercial addresses); as well as unpredictable carrier-imposed fees such as fuel surcharges, the actual cost could exceed the estimate.

CANCELLATION

If the customer cancels an order before, during, or after completion of the project, the customer is liable for all costs incurred, including all products and services expensed through the day of cancellation.

VERBAL AGREEMENTS

All agreements and directives must be in writing. To ensure clarity and avoid misunderstandings, no verbal agreements will be made. If you believe an agreement has been reached or implied, it is your responsibility to ensure that the agreement is acknowledged in writing prior to placing the order, amending the order, or at any time instructions are given or a change is made.

I have read, understand and agree to DVD-IT's Terms and Conditions:

Signature: _____

Print Name: _____ Date: _____