



INTRODUCTION TO GRAPHIC COMMUNICATIONS Section No.

TRADE CUSTOMS 1001

1

QUOTATIONS

A quotation not accepted within sixty (60) days is subject to review. All prices are based on material costs at the time of quotation.

2

ORDERS

Orders regularly placed, verbal or written cannot be canceled except upon terms that will compensate printer against loss incurred in reliance of the order.

3

EXPERIMENTAL WORK

Experimental or preliminary work performed at the customer's request will be charged for at current rates and may not be used until the printer has been reimbursed in full for the amount of the charges billed.

4

CREATIVE WORK

Creative work, such as sketches, copy, dummies and all preparatory work developed and furnished by the printer, shall remain his exclusive property and no use of same shall be made, nor any ideas obtained therefrom be used, except upon compensation to be determined by the printer, and not expressly identified and included in the selling price.

5

CONDITION OF COPY

Upon receipt of original copy or manuscript, should it be evident that the condition of the copy differs from that which had been originally described and consequently quoted, the original quotation shall be rendered void and a new quotation issued.

6

PREPARATORY MATERIALS

Working mechanical art, type, negatives, positives, flats, plates and other items when supplied by the printer, shall remain his exclusive property unless otherwise agreed in writing.

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ALTERATIONS

Alterations represent work performed in addition to the original specifications. Such additional work shall be charged at current rates and be supported with documentation upon request.

8

PREPRESS PROOFS

Prepress proofs shall be submitted with original copy. Corrections are to be made on "master set:" returned marked "OK" or "OK with corrections" and signed by customer. If revised proofs are desired, request must be made when

proofs are resumed. Printer cannot be held responsible for errors under any or all of the following conditions: if the work is printed per customer's OK.; if changes are communicated verbally; if customer has not ordered proofs; if the customer has failed to return proofs with indication of changes; or if the customer has instructed printer to proceed without submission of proofs.

9

PRESS PROOFS

Unless specifically provided in printer's quotation, press proofs will be charged for at current rates. An inspection sheet of any form can be submitted for customer approval, at no charge, provided customer is available at the press during the time of make ready. Lost press time due to customer delay, or customer changes and corrections, will be charged at current rates.

10

COLOR PROOFING

Because of differences in equipment, processing, proofing substrates, paper, inks, pigments, and other conditions between color proofing and production pressroom operations, a reasonable variation in color between color proofs and the completed job shall constitute acceptable delivery.

11

OVER RUNS AND UNDER RUNS

Over runs or under runs not to exceed 10% on quantities ordered, or the percentage agreed upon, shall constitute acceptable delivery. Printer will bill for actual quantity delivered within this tolerance. If customer requires guaranteed exact quantities, the percentage tolerance must be doubled.

12

CUSTOMER'S PROPERTY

The printer will maintain fire, extended coverage, vandalism, malicious mischief and sprinkler leakage insurance on all property belonging to the customer, while such property is in the printer's possession; printer's liability for such property shall not exceed the amount recoverable from such insurance. Customer's property of extraordinary value shall be insured through mutual agreement.

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DELIVERY

Unless otherwise specified, the price quoted is for a single shipment, without storage, F.O.B. local customer's place of business or F.O.B. printer's platform for out-of-town customers. Proposals are based on continuous and uninterrupted delivery of complete order, unless specifications distinctly state otherwise. Charges related to delivery from customer to printer, or from customer's supplier to printer, are not included in any quotations unless specified.

Special priority pickup or delivery service will be provided at current rates upon customer's request. Materials delivered from customer or his suppliers are verified with delivery ticket as to cartons, packages or items shown only. The accuracy of quantities indicated on such tickets cannot be verified and printer cannot accept liability for shortage based on supplier's tickets. Title for finished work shall pass to the customer upon delivery to carrier at shipping point or upon mailing of invoices for finished work, whichever occurs first.

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PRODUCTION SCHEDULES

Production schedules will be established and adhered to by customer and printer, provided that neither shall incur any liability or penalty for delays due to state of war, riot, civil disorder, fire, labor trouble, strikes, accidents, energy failure, equipment breakdown, delays of suppliers or carriers, action of Government or civil authority and acts of God or other causes beyond the control of customer or Printer. Where production schedules are not adhered to by the customer, final delivery date(s) will be subject to renegotiation.

15

CUSTOMER-FURNISHED MATERIALS

Paper stock, inks, camera copy, film, color separations and other customer-furnished material shall be manufactured, packed and delivered to printer's specifications. Addi-

tional cost due to delays or impaired production caused by specification deficiencies shall be charged to the customer.

16

TERMS

Payment shall be whatever was set forth in the quotation or invoice unless otherwise provided in writing. Claims for defects, damages or shortages must be made by the customer in writing within a period of fifteen (15) days after delivery of all or any part of the order. Failure to make such claim within the stated period shall constitute irrevocable acceptance and an admission that they fully comply with terms, conditions and specifications.

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LIABILITY

Printer's liability shall be limited to stated selling price of any defective goods, and shall in no event include special or consequential damages, including profits (or profits lost). As security for payment of any sum due or to become due under terms of any Agreement, printer shall have the right, if necessary, to retain possession of and shall have a lien on all customer property in printer's possession including work in process and finished work. The extension of credit or the acceptance of notes, trade acceptance or guarantee of payment shall not affect such security interest and lien.

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INDEMNIFICATION

The customer shall indemnify and hold harmless the printer 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, demands, actions and proceedings that may be instituted against the printer on grounds alleging that the said printing violates any copyrights or any proprietary right of any person, or that it contains any matter that is libelous or obscene or scandalous, or invades any person's right to privacy or other personal rights, except to the extent that the printer contributed to the matter. The customer agrees, at the customer's own expense, to promptly defend and continue the defense of any such claim, demand, action or proceeding that may be brought against the printer, provided that the printer shall promptly notify the customer with respect thereto, and provided further that the printer shall give to the customer such reasonable time as the exigencies of the situation may permit in which to undertake and continue the defense thereof.

DEFINITION OF A TRADE CUSTOM

The Uniform Commercial Code adopted by most states defines a trade custom, or usage of the trade, in Section 1-205(2) as: "Any practice or method of dealing having such regularity of observation in a place, vocation or trade as to justify an expectation that it will be observed with respect to the transaction in question. The

distance and scope of such a usage are to be proved as facts. If it is established that such usage is embodied in a written trade code or similar writing the interpretation of the writing is for the court." A trade custom, then, is any practice or method of doing business which is done so regularly in a particular industry as to justify an expectation by the parties that it will be observed with respect to a questioned transaction.

Trade customs are utilized by parties in interpreting their contractual relations. A trade custom may be used by the courts to translate contracts, and to further interpret an ambiguous contract. To enforce a trade custom, the moving party must show that the other party either knew or should have known of the existence of the trade custom.

TRADE CUSTOMS VS. TERMS AND CONDITIONS OF SALE

Unless specifically incorporated in a contract, trade customs are not part of the contract's terms and conditions of sale. Indeed, it is possible for the contract's terms and conditions to be inconsistent with the industry's trade customs. In such a case, the express terms and conditions supersede the trade customs. Further, the parties' course of dealing or course of performance under the contract, if different from the trade customs, also supersedes those customs.

Trade customs gain legal significance when a contract term is ambiguous and is not clarified by the parties' course of dealing or course of performance under the contract. In such cases, trade customs may be used as evidence of the intentions and expectations of the parties with respect to the ambiguous contract term. Trade customs may also be used to evidence the parties' intentions and expectations with respect to matters not provided for in a contract, or for those instances where no written contract exists

Subsequently, the independent contractor was to recommend updates to the Customs in order to align them with the actual conditions existing in the business environment of today's Printing Industry.

Utilizing a stratified random sampling technique, the contractor was sensitive to the requirement that the survey distribution reflect an appropriate mix of product lines, manufacturing processes, in-house allied services, and company sizes, geographic locations, and age.

GACNA is confident that the these amended Trade Customs reflect accurately the customs and practices which currently prevail in the Printing Industry.