

SERVICE AGREEMENT

THIS GENERAL SERVICE AGREEMENT (the "Agreement") created June 2014 AND effective with all Customers upon acceptance and payment of Design, Development and/or Invoice.

BETWEEN:

"The Customer" _____ Customer Seeking Services of CRW DESIGN _____,

Located at _____

AND

CRW Design of 50 Victoria Drive, Uxbridge, Ontario
(the "Service Provider" / "CRW Design")

BACKGROUND

- A. The Customer is of the opinion that the Service Provider (CRW Design) has the necessary qualifications, experience and abilities to provide service to the Customer.
- B. The Service Provider is agreeable to providing such services to the Customer on the terms and conditions set out in this Agreement.

TERMS

Creative Development: the process of developing a production ready pattern based on the details provided to the Service Provider by the Customer.

Production Sample: the sample that has been approved by the Customer and provided to the Service Provider for the purpose of production in large quantities. The Service Provider will not continue with quantity production without an approved sample, in the production fabric, from the Customer.

Quantity Production: Production of a garment(s) that has been approved by the Customer and provided to the Service Provider for sewing and manufacturing of a garment(s) in quantities greater than one piece.

IN CONSIDERATION OF the matters described above and of the mutual benefits and obligations set forth in this Agreement, the receipt and sufficiency of which consideration is hereby acknowledged, the Customer and the Service Provider (individually the "Party" and collectively the "Parties" to this Agreement) agree as follows:

Ontario Consumer Protection Act, 2002

1. Consumer rights as outlined in the Ontario *Consumer Protection Act 2002* can be found at the end of this Agreement in Appendix A.

Services Provided

2. The Services will also include any other tasks which the Parties may agree on. The Service Provider hereby agrees to provide such Services to the Customer.
3. The Customer hereby agrees to engage the Service Provider to provide the Customer with services (the "Services) consisting of:

Creative Development:

- The development of a Customer's garment(s), including but not limited to pattern(s), sample(s), fabric sourcing, grading of the pattern(s), trim selection, branding and finishing requirements of the garment(s)
- CRW Design agrees to provide the Customer with support during their development of the garment(s) to create a production ready sample and prepare them for quantity production.

Sample Development:

- Creating a sample based on the details and specifications provided by the customer with the intention of CRW Design producing a minimum quantity of 100 pieces, consisting of no more than 3 colour-ways and up to 5 sizes, unless otherwise agreed in writing.
- Creating a sample for the Customer's approval prior to grading the pattern and any quantity production; the sample is for the purpose of sewing specifications during the quantity production of the garment(s).
- A sample is considered approved once the pattern is graded. The Customer assumes all responsibility for quantity production completed once the pre-production sample is approved and returned to the Service Provider.
- If changes are required after the first sample, there will be a second sample fee; additional sample(s), pattern changes and any fabric and/or trim required, will be invoiced separately.
- CRW Design cannot guarantee that a second or third sample will not be required. Sampling garments in various fabrics, different fits, and sewing changes all impact the fit and overall look of the garment. If the Customer wants changes made to a sample that require additional pattern changes, then a pattern change fee and a new sample fee will be charged.
- CRW Design cannot guarantee exact production pricing without completing a production sample. Should the price change during production, the Customer will be notified right away and advise CRW Design how to proceed.

Pattern Development:

- Creating a pattern based on the specifications provided by the Customer to the CRW Design
- Grading of a pattern based on the Customer's size specifications provided to CRW Design. Should no size specifications or measurements be provided by the Customer, the Customer accepts and approves the grading of the pattern based on standard grading rules used in pattern grading and does not hold CRW Design liable for any inconsistencies with the grading for any quantity production. WILL NOT GRADE UNTIL SAMPLE IS APPROVED OR APPROVED WITH CHANGES IF NEEDED

Pattern Grading:

- Once the sample is approved, grading is done to size each garment based on the garment sizes a Customer wants to produce (IE: XS, S, M, L etc.)
- Payment of the grading invoice, is sample approval by the Customer to CRW Design. Grading of a pattern may be based on the Customer's size specifications provided to CRW Design or at the request of the Customer, use a standard grade rule for the garment. Should no size specifications or measurements be provided by the Customer, the Customer accepts and approves the grading of the pattern based on standard grading rules and does not hold CRW Design liable for any inconsistencies with the grading.

Quantity Production (Full Production):

- Producing a quantity greater than one piece following the pattern and sample approved by the Customer.
- Once payment has been made for the Production Sample and the Grading, the customer has accepted the garment as the guideline for full production. CRW Design will produce the garment based on the productions sample approved by the Customer.
- Should a Customer change fabric for production and does not agree to produce another sample, the Customer will not hold CRW Design responsible for sizing, fit or how the garment is produced.
- Any fabric provided by the Customer, is the responsibility of the Customer. CRW Design is not responsible for any inconsistencies, colour changes, damages, knitting defects etc... of the fabric.
- If a Customer provides their own fabric for production, CRW Design will do their best to ensure the garment matches the sample. If concerns do arise, the customer will be contacted to discuss the concerns.
- The Customer accepts up to 5% over/under in quantities and accepts all "seconds" / damages that are a result of fabric or trim that is supplied by the customer.

Fabric/Trim/Pattern Storage

- Material for any services provided by CRW Design on behalf of the Customer that is in the possession of CRW Design remains the responsibility of the Customer's. CRW Design is not liable for any damage, harm or loss that may occur to the Customer's material(s), such as fire, theft, water or any other cause that may result in the material(s) loss of quality and inability to use for production.

- Any fabric remaining after production, is the Customer's responsibility to have picked up and/or storing. Should a Customer wish to have CRW Design store fabric between production runs, there is a minimum \$100.00 per month fee that will be invoiced to the Customer. The fabric storage fee is based on how much fabric is being stored. Should there be more than 1, 8-Foot shelf used for storing the fabric, the cost will increase.

Term of Agreement

1. The term of the Agreement (the "Term") will begin on the date of this Agreement and will remain in full force and effect indefinitely or until the Customer has not required the Services of CRW Design for more than one year. At which time this Agreement expires and the Customer does not hold CRW Design accountable for any intellectual property not picked up by the Customer.
2. In the event that either Party wishes to terminate this Agreement, that Party will be required to provide 30 days notice to the other Party in writing.
3. Except as otherwise provided in this Agreement, the obligations of the Service Provider will end upon the termination of this Agreement.

Performance

4. The Parties agree to do everything necessary to ensure that the terms of this Agreement take effect.

Currency

5. All monetary amount referred to in this Agreement are in CAD (Canadian Dollars)

Compensation

6. Sample Development and Pattern Development services rendered by CRW Design as required by this Agreement, the Customer will provide compensation (the "Compensation") to CRW Design of \$65.00 per hour not including any costs for creating a pattern and/or sample such as trim, fabric etc. The Customer agrees to pay for physical development of the pattern, all sampling and grading as quoted in writing by CRW Design to the Customer.

CRW Design will provide all expected costs to the Customer via email in a written quote outlining all cost(s) involved in creating the pattern and sample required by the Customer. Once the Customer has provided full payment as outlined on the quote provided CRW Design, the Customer has then provided approval and assumes all responsibility for the pattern(s), sample(s), trim and grading of the garment(s).

7. The Compensation will be payable, while this Agreement is in force, according to the following payment terms:

The Customer will pay in full for all pattern development, sampling and preproduction services prior to the Creative Development of a garment(s). Only once payment has been received in full will CRW Design continue with the Creative Development design process.

Full production of a garment(s), a 50% deposit of the production will be paid prior to starting production, including pattern grading, fabric, labels, decorating and/or any other requirements for production. The balance of the production order will be paid in full prior to shipping or pick up of the finished production. Changes to quantities, shipping, additional trim and/or finishing will be invoiced once production is complete and is required to be paid in full prior to shipping or pick up.

8. The Compensation as stated in this Agreement does not include sales tax, or other applicable duties as may be required by law. Any sales tax, duties or additional shipping will be charged to the Customer in addition to the Compensation noted above.

Additional Compensation

9. In addition to the Compensation, the Service Provided will be entitled to the following additional compensation for performing the Services:

Additional changes to a sample will be invoiced based on the changes required. The cost for changes may be up to \$65.00 per garment, per change. If the changes required will alter the fit of the garment, then the customer will be responsible for costs of creating a new sample to approve the changes made. Should any additional pattern changes be required and/or a new sample is needed for approval, these costs will be sent to the customer for approval, invoiced and paid in full by the customer prior to the changes being completed. Should the Customer not require a new sample with the changes made, the Customer will provide in writing to CRW Design, and will not hold CRW Design accountable for any defect or production issues that may occur during full production of the garment(s) as a result of not providing a production ready sample.

Sample(s) approved for full production will be returned to CRW Design for the duration of the full production of the garment(s). The production sample will be required for all production services required by the Customer. The production sample will be used as the template for producing the Customer's production of the garment(s). Should the Customer find issues with the full production, the production sample will be used as the guideline for quality and approving the production by CRW Design. If production matches the production sample and no alterations to fabric or changes to pattern or trim have been made, the Customer accepts the production as completed and will not hold CRW Design responsible for defects in the final production.

Once the Customer has accepted production either by picking up the production or having it shipped, and paid in full for the production services provided by CRW Design, the Customer agrees not to hold CRW Design responsible for any production issues or challenges that may occur with the product and/or services provided by CRW Design.

CRW Design agrees to keep the Customer informed of any production challenges that may arise and agrees to make any changes to production, with the Customer's approval, to take the necessary steps to ensure the production meets the Customer's requirements.

Provision of Extras

10. The Customer agrees to provide for the use of the Service Production in providing the Services, the following extras:

The customer will provide details of a garment, including desired fit, fabric and its content, label details and finishing requirements, such as tagging, folding, bundling, pressing etc.

If a customer chooses to provide their own pattern for development, a production ready pattern must be received prior to production. If a pattern is hard copy or digital, it must contain all pattern notches, seam allowances made to 3/8", sizes, pattern direction, trim length(s), trim location(s), trim type, label locations and size(s); CRW Design will not continue production until the pattern is received with all production details. Any pattern that a customer provides that has not been sampled prior to production, the customer assumes any and all responsibility of any garment produced and will not hold CRW Design responsible for any defects or quality issues with full production.

Once a production ready sample is received and approved by the Customer, CRW Design will continue with production.

If a Customer chooses to provide their own fabric, label(s) and/or decorating/trim, the Customer assumes any and all responsibility for production and will not hold CRW Design responsible for issues with production and/or quality that may occur; including but not limited to: damaged fabric, not enough fabric to meet the required production quantities, label errors or errors in decorating, sewing issues that result in garment torque, twisting, fabric colour changes, fraying or other quality issues that result in the garment not meeting the exact quality of the production approved sample.

If a customer chooses to provide their own fabric and trim, CRW Design agrees to notify the customer of any challenges that may occur during production but does not assume any responsibility or added expense for production errors. CRW Design will work with the customer to rectify the challenges; however, the Customer assumes any and all costs associated with the production challenges.

Payment in full by is due prior to shipping or pick up. Customers agree to inspect all production and any claims need to be received within 5 days of receipt of production. The Customer must obtain CRW Design's written authorization before returning any product for correction. Any deposit and/or payments paid will not be reimbursed. The acceptance by a common carrier constitutes delivery

All Garments are made to order and are the responsibility of the Customer's to market and sell and will not hold CRW Design liable for any garments that do not sell.

Reimbursement of Expenses

11. CRW Design will be reimbursed for all reasonable and necessary expenses incurred during production in connection with providing the Services hereunder. These costs may include but not limited to: production changes such as time spent to begin production and rescheduling of the production as a result of inconsistent fabric, delays in fabric and/or trim delivery. These expenses will be invoiced at \$65.00 per hour with a minimum of 1 hour.
12. All expenses will be invoiced to the customer and paid in full prior to starting production and/or the completion of production.

Payment Penalties

13. In the event that the Customer does not comply with the rates, amounts, or payment dates provided, a late penalty will be charged as follows:

Any payment for Creative Development that is not received in full will prevent the start of the production.

The 50% deposit for full production must be received prior to starting any production. Delay in providing the deposit, will delay the production process and prevent any agreed upon completion dates from being met. The Customer will not hold CRW Design responsible for delivery delays should the payment not be received.

If payment for production is not received in full by the end of the production, the customer's production will be held until payment is received.

Any late payments may incur a 6% interest fee per month.

Performance Penalties

14. No performance penalty will be charged if the Service Provider does not perform the Services within the timeframe provided by this Agreement
15. The Customer will not hold CRW Design accountable for any quality issues with production if the Customer has accepted the production sample and production matches the sample; and/or the customer has purchased their own fabric and/or made changes to the type fabric that does not match the production approved sample and/or the Customer does not notify CRW Design in writing within 5 days of receiving the full production of any quality concerns.

Confidentiality

16. Confidential information refers to any data or information relating to the Customer, whether business or personal, which would reasonably be considered to be private or proprietary to the Customer and that is not generally known and where the release of that Confidential Information could reasonably be expected to cause harm to the Customer.
17. CRW Design agrees not to disclose, divulge, reveal, report or use, for any purpose, any Confidential Information which has been obtained for the Creative Development and/or production of the Customer's garment(s) unless authorized by the Customer. This obligation will survive indefinitely upon termination of this Agreement.
18. All written and oral information and material disclosed or provided by the Customer to CRW Design under this Agreement is Confidential Information regardless of whether it was provided before or after the date of this Agreement or how it was provided to CRW Design.

Ownership of Materials and Intellectual Property

19. All intellectual property and related material (“Intellectual Property”) including any related work in progress that is developed or produced under this Agreement, will be the sole property of the Customer. The use of the Intellectual Property by the Customer will not be restricted in any manner.
20. The CRW Design agrees not to use the Intellectual Property for any purpose other than that contracted for in this Agreement except with the written consent of the Customer. CRW Design will be responsible for any and all damages resulting from the unauthorized use of the Customer’s Intellectual Property.

Return of Property

21. Upon the expiry or termination of this Agreement, CRW Design will return to the Customer any property, documentation, records, patterns, samples, trim or Confidential Information which is the property of the Customer.
22. The Customer must provide this request in writing and will provide payment in full for any shipping changes that may incur.

Capacity/Independent Contractor

23. In providing the Services under this Agreement it is expressly agreed that CRW Design is acting as an independent contractor and not as an employee of the Customer. CRW Design and the Customer acknowledge that his Agreement does not create a partnership or joint venture between them and is exclusively a contract for services.

Fabric Stored/Customer Fabric Remaining with CRW Design

24. Fabric stored/left/delivered or in the possession of CRW Design on behalf of the Customer, the Customer agrees that CRW Design is not the responsibility of CRW Design and is not insured through CRW Design. The customer is responsible for all fabric stored/left/delivered or in possession of CRW Design on behalf of the customer.

Notice

25. All notices, requests, demands or other communications required or permitted by the terms of this Agreement will be given in writing and delivered by mail and/or email to the Parties in this Agreement to the address listed above and/or on file, as follows:

a. “The Customer”

Phone:

“approval of this document is assumed once payment has been received by the Customer

Email

b. CRW Design

Email: sales@crwdesign.ca, nikki@crwdesign.ca or sherri@crwdesign.ca

Limitation of Liability

26. It is understood and agreed that CRW Design will not be liable to the Customer or any agent or associate of the Customer, for any mistake or error in judgement or for any act or omission done in good faith and believed to be within the scope of authority conferred or implied by this Agreement.

Modification of Agreement

27. Any amendment or modification of this Agreement or additional obligation assumed by either Party in connection with this Agreement will only be binding if evidenced in writing signed by each Party or an authorized representative of each Party.

Enurement

28. This Agreement will enure to the benefit of and be binding on the Parties and their representatives' heirs, executors, administrators, successors and permitted assigns.

Severability

29. In the event that any of the provisions of this Agreement are held to be invalid or unenforceable in whole or in part, all other provisions will nevertheless continue to be valid and enforceable with the invalid or unenforceable parts severed from the remainder of this Agreement.

Governing Law

30. It is the intention of the Parties to this Agreement that this Agreement and the performances under this Agreement and all suits and special proceedings under this Agreement, be construed in accordance with governed, to the exclusion of the law of any other forum, by the laws of the Province of Ontario, without regards to the jurisdiction in which any action or special proceeding may be instituted.

Waiver

31. The waiver by either Party of a breach, default, delay or omission of any of the provisions of this Agreement by the other Party will not be construed as a waiver of any subsequent breach of the same or other provisions.

IN WITNESS WHEREOF the Parties have duly affixed their signatures under hand and seal on this:

_____ day of _____, 20_____

"approval of CRW Design Term and Conditions, is assumed once payment has been received by the Customer
"The Customer" (Customer)

CRW Design (Service Provider)

Per: _____

Appendix A

Customers' Rights under the Ontario Consumer Protection Act, 2002

You may cancel this agreement at anytime during the period that ends ten (10) days after the day you receive a written copy of this agreement. You do not need to give the supplier a reason for cancelling during this 10-day period.

If the supplier does not make delivery within 30 days after the delivery date specified in this agreement or if the supplier does not begin performances of his, her or its obligations within 30 days after the commencement date specified in this agreement, you may cancel this agreement at any time before delivery or commencement of performance. You lose the right to cancel if, after the 30-day period has expired, you agree to accept delivery or authorize commencement of performance.

If the delivery or commencement date is not specified in this agreement and the supplier does not deliver or commence performance within 30 days after the date this agreement is entered into, you may cancel this agreement at any time before delivery or commencement of performance. You lose the right to cancel if, after the 30-day period has expired, you agree to accept delivery or authorize commencement of performance.

To cancel this agreement, you must give notice of cancellation to the supplier, at the address set out in this agreement, by any means that allows you to prove the date on which you gave notice.

If you cancel this agreement, the supplier has fifteen (15) days to refund any payment you have made and return to you all good delivered under a trade-in arrangement (or refund the amount equal to the trade-in allowance)

However, if you cancel this agreement after having solicited the goods or services from the supplier and having requested that delivery be made or performance be commenced within ten (10) days after the date of this agreement is entered into, the supplier is entitled to reasonable compensation for the goods and services that you received before the earlier of their 11th day after the date of this agreement was entered into and the date on which you gave notice of cancellation to the supplier, except goods that can be repossessed by or returned to the supplier.

In addition, there are other grounds that allow you to cancel this agreement. You may also have other rights, duties and remedies at law. For more information, you may contact the Ministry of Consumer and Business Services.