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Thank you for choosing Watts Baggs to design your new bag! The following contract will outline the services that you will receive and the associated costs. Designing and manufacturing a custom bag is a complex process that requires the skills of many trained employees. Each custom bag is unique so prices can vary between bag projects. However, all custom bags will require most of the following steps to complete:

- 1) You will start by working with one of our designers to discuss all of your needs. We can do that via phone, Skype, email, or at our location. We can meet off-site but there may be an additional fee. During the design process we send line drawings and design ideas. We do not draw the initial bag concepts in design software in order to keep costs low for you. We can manufacture a physical prototype faster than most engineers can draw a bag.
- 2) We create all of the patterns needed to manufacture your project.
- 3) We research and order all of the necessary supplies and materials.
- 4) The Patterns are setup in AutoCAD by our engineer to optimize fabric usage and create a perfect pattern. This eliminates the human error of hand drawn patterns, which saves you manufacturing and material costs on future orders. The AutoCAD files are the property of Watts Baggs. We will send you a .bmp or .jpg image of the drawings and the layouts at anytime. If you would like to own the AutoCAD files, there will be an additional fee.
 - 5) If your project requires embroidery, we can setup and digitize any logo or text. We can send you digital proofs for your approval of the colors, style, size, placement, and stitch types of the embroidery before it is ever placed on your prototype. If you would like to own your digitized embroidery files, an additional fee may be required.
 - 6) All of the different fabrics and materials needed for your project will be cut with large commercial fabric cutters or with an automated fabric cutting machine.
 - 7) The bag prototype will be sewn here in our U.S. facility. Along with the sewing, we ensure the patterns are correct, make all of the necessary changes to the patterns, and create the sewing steps for future manufacturing.
 - 8) We complete all of the final assembly of the bag. This may include installing foams, plastics, and adding a wheel/telescoping handle system.
 - 9) Final quality control inspection is completed to ensure the bag meets your specifications.
 - 10) We ship or email pictures of the prototype and discuss any necessary changes.

- 11) We make any necessary changes to the sample or sew a new bag. If there are major changes from the original designs and concepts, there may be additional fees to redesign your bag. After we make all needed changes to the original prototype or complete a second prototype, we will negotiate a price for bag orders. Due to variances in material and labor costs, the price may change if bags are ordered after 6 months from the time the prototype was completed. However, changes in pricing are not typical.
- 12) If requested, we can have your bags sourced in our overseas factory. This requires shipping your final approved prototype to China. There may be additional fees associated with this option and it will require larger order quantities. This option is best for anyone that is looking to mark up and sell their bag to other clients, store fronts, or distributors.

	agree to pay	USD to have
my custom bag po due in full before	agree to pay project designed and manufactured by Watts Baggs. The e the design process begins.	ne prototyping fee is
a portion of your	vard with production after your prototype has been cor design costs to your first order. The amount of USD will be applied to your first order	with a minimum order
amount of	USD. We estimate your p weeks in production.	roject will take
	weeks in production.	
X	Client Representative	<u> </u>
X	Date	
X	Watts Baggs Represer	ntative
X	Date	

DISCLAIMER

Disclaimer should include (please add anything you see needed that we forgot) Not all of this needs to be added. These are ideas we thought of and saw online.

We want to be protected against lawsuits on bags made under this contract. The customer is designing the product and we will manufacture it. We do not want to be held liable for

mistakes in their designs. We want to make sure the client is responsible to make sure the prototype meets all of their needs and safety requirements for them and for anyone they sell the product to.

- To the best of our knowledge, the information contained herein is accurate. However, Watts Baggs does not assume any liability whatsoever for the accuracy or completeness of the information contained herein. All new designs present unknown hazards and should be tested by the client to ensure it is safe for public use. In particular, improper use a bag can cause injury. We cannot guarantee that these are the only hazards that may exist
- Legally binding contract governed by Utah Law
- Not liable for clients legal fees. Any law suit is agreed to go through a mediator
- Any trademarking or licensing must be completed by the client
- Customer is liable for any injury occurred because of the design they approved
- Customer is liable to request or have completed all 3rd party testing to ensure product meets all of their needs and safety requirements.
- Client ensure all materials are safe to use in their application
- Client is responsible for all costs associated with the enforcement of this contract legal and otherwise.

Possible provide spot here for initials or signature that disclaimer was read.