



February 15 2008.

RE: Dropship program procedures and policies

Dear Customer,

The present document constitutes The Kids Fun Company "Dropship program procedures and policies".

Please read the following points carefully and advise if any discrepancies.

Order Procedures and Policies

1. All orders are to be sent to TKFC Inc. (The Kids Fun Company)

- Web Access Interface is possible if you possess this system. (Contact Diane Pelletier)
- By fax at 450-696-1333
- Via email at order@tkfco.com
- By mail or courier to:

TKFC Inc.
1490-1, Place d'Anjou Street,
Laval (QC) H7G 2N3
Canada

Note: We confirm receipt of all orders via email or fax to you as we receive them.

2. Delivery turnaround time:

- Maximum shipping delay of 5 working days to exit our plant in Montreal or Wisconsin, unless otherwise advised at PO confirmation process.
- All orders are shipped via FEDEX or UPS GROUND from Montreal or Wisconsin, or your carrier, unless otherwise arranged prior to shipping (third party billing).
- Minimum of 5 working days for delivery to the customer.
- Estimate a minimum of 2 weeks (10 working days) for delivery to the customer, from the time order is received in our offices.
- Shipments are effective once a week, on Fridays.
- As demand increases, deliveries will increase in frequency to two, three, or more times per week.

TKFC Inc. (The Kids Fun Company) 1490-1 Place d'Anjou Street, Laval (QC) H7G 2N3 Canada
tel.: (514)359-1998/ Fax.: (450)696-696-1333 email.: infokfco.com WEBSITE: www.tkfco.com



3. Terms and conditions:

- Transport charges are paid by TKFC Inc. and invoiced to you. Rates are available upon request.
- Customer's **Ship To** address, fax and phone numbers must appear on the PO.
- Terms are NET 30 days from date of invoice.
- All orders drop shipped by TKFC Inc. are entirely payable to TKFC Inc..
- TKFC Inc. can accept debit notes, but will only issue the credit notes after the status of the shipment claim has been verified and confirmed.
- TKFC Inc. will not accept deductions unless the credit notes have been issued.

4. Order cancellation procedures:

• To cancel an order without any charges, cancellation must come through before confirmation is sent back to you.

• Once the order is confirmed, it is too late to stop it.

(When the order is confirmed as received by TKFC Inc., it is already in the plant and is either in the process of being shipped or has already left.)

• Any orders cancelled after it has been confirmed or after it has left our warehouse will be subject to the following:

• The customer will assume the costs of shipping to and from our warehouse in Montreal or Wisconsin.

• The customer will assume the repacking costs and the handling charges.

(These costs vary between 15% and 25% of the product's price, excluding shipping.)

5. Return policies and procedures:

• **Returns will not be accepted without prior authorization.**

- Call Dominique Juliani Sr. at 514-359-1998 for return authorization numbers.

NOTE: Return addresses will be supplied with return authorization number

6. Unused product:

• The customer will assume the costs of shipping to and from our warehouses (in Montreal or in Wisconsin, whichever is closest to ship point).

• The customer will assume the repackaging costs and the handling charges.

(These costs vary between 15% and 25% of the product's price, excluding shipping)

- After receipt and inspection of the merchandise, TKFC Inc. will issue a credit note accordingly.

7. Used Product:

• The customer will assume the costs of shipping to and from our warehouse in Montreal or Wisconsin.

• The customer will assume the repackaging costs, handling charges, and replacement parts.

(These costs vary between 25% and 100% of the product's price, excluding shipping)

- After receipt and inspection of the merchandise, TKFC Inc. will issue a credit note accordingly.

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8. Damages:

As it has been in the past, parcels or boxes are damaged during transportation. In our efforts to continuously improve, we have upgraded our packaging (double walled cardboard, more strapping...) to minimize losses of articles due to damaged boxes.

Here are the guidelines we would like your sales team or claims department to adopt in order to avoid major problems and the pains associated to them.

- The carrier (Fedex or UPS) is responsible for any parcel or box(es), damaged or not, left at your customer's door without a signature. It is your customer's responsibility to report this to Fedex at 1-800-GO-FEDEX or UPS at 1-800-PICK-UPS. This initiates a claim process. Your customer must then advise you.
- If the parcel is received damaged, your customer must note this on the Fedex paperwork upon signature, by simply writing <<**Damaged Box(es)**>> on the Bill of Lading. Fedex or UPS is responsible. Your customer must notify us (1-514-1998) of any missing part(s).
- If the parcel is estimated as being not acceptable, we strongly recommend that your customer refuses it and advise your company in order to initiate the replacement. We will only replace products upon your demand and NOT your customers.
- Please warn your customers that in any replacement cases, they must allow us to confirm the problem or RA(Return Authorization). Any replacements will be invoiced to you. We will only issue credit notes for returns after having physically received them.

It is virtually impossible for any of us to prepare and account for all eventualities, therefore, these guidelines are written as such. Any and all other situations will be handled on a case-by-case basis.

We would like to point out that our mindset is to solve any and all problems that may arise, in a quick and painless manner to you, your customers, and ourselves. We also ask that you use initiative, as opposed to asking for our permission in resolving such problems.

The Kids Fun Company's commitment

TKFC Inc. Promises to ship all orders as quickly as it is possible to do so.

TKFC Inc. is responsible for supplying you with shipping information such as Tracking numbers as soon as the merchandise is picked up.

TKFC Inc. cannot guarantee you a delivery date but will make every attempt possible to acquire transit information.

TKFC Inc. will advise you of anything that may delay or affect the delivery of the merchandise.

TKFC Inc. will not be held responsible should any product become <not available> for any reason.

We appreciate your patronage and we strive continuously to improve on our end in order to better serve you, our valued customer.

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