

1. Definitions

- 1.1 "Seller" means Fun Thoughts New Zealand Limited trading as FunTo, its successors, assigns or any person acting on behalf of and with the authority of Fun Thoughts New Zealand Limited trading as FunTo
- 1.2 "Customer" means the person(s) buying the Goods as specified in any invoice, document or order, and if there is more than one Customer is a reference to each Customer jointly and severally.
- 1.3 "Goods" means all goods, materials, parts, chattels and services provided, supplied or manufactured by the Seller to the Customer at the Customer's request from time to time.(where the context so permits the terms "Goods" and "Services" shall be interchangeable for the other)
- 1.4 "PPSA" shall mean the Personal Property Securities Act 1999.
- 1.5 "Price" means the Price payable (plus any Goods and Services tax (GST) where applicable) for the Goods & Services as agreed between the Seller and the Customer in accordance with **clause 6 below**.
- 1.6 "Terms" means these Terms of Trade.

2. Acceptance

- 2.1 The Customer is taken to have exclusively accepted and is immediately bound, jointly and severally, by these Terms if the Customer places an order for or accepts delivery of any Goods
- 2.2 These Terms may be amended by the Seller from time to time, and shall prevail to the extent of any inconsistency with any other document or agreement between the Customer and the Seller
- 2.3 Goods are supplied by the Seller only on the terms and conditions of trade herein to the exclusion of anything to the contrary in the terms of the Customer's order notwithstanding that any such order is placed on terms that purport to override these terms and conditions of trade.
- 2.4 These terms and conditions are meant to be read in conjunction with the Terms and Conditions posted on the Seller's website or in the Seller's Sample Supply Form. If there are any inconsistencies between the two documents then the terms and conditions contained in this document shall prevail.
- 2.5 The Customer accepts when placing an order, the Customer is to allow sufficient time for delivery especially where long distance or international freight/courier is part of the delivery process. Whilst the Seller shall provide the Goods in a timely manner, the Seller shall not be held liable for any delays with delivery due to third party services.
- 2.6 The Customer agrees to notify the Seller in writing about any errors on the invoice within fourteen (14) days of the invoice date if any part of an invoice is in dispute. If the Customer fails to notify the Seller within the fourteen (14) day period then the invoice shall be presumed to be free from any error and full payment shall be due in accordance with the invoice due date. In the event the Customer does dispute all or any part of the invoice then the Customer may only withhold payment for that part of the invoice that is in dispute and shall pay the balance of the invoice when due.
- 2.7 The Customer shall not assign all or any of its rights or obligations under the Terms unless specifically agreed in writing by the Seller
- 2.8 The benefits and obligations of the Terms shall be governed by New Zealand law except to the extent expressly negated or varied by these Terms. If any of the Terms are held to be unenforceable, that term will be severed to the extent that it is invalid (and no further) and the remaining terms shall remain binding.
- 2.9 All the rights and remedies under the Terms shall remain in full force notwithstanding any neglect, forbearance or delay in enforcement by the Seller
- 2.10 Any notice provided by the Supplier to the Customer, including notification of any alterations of these terms, shall be deemed to be delivered and received by the Customer immediately if sent to the Customer's last known fax or email address, or three days after posting to the Customer's last known mailing address.

3. Online Ordering

- 3.1 The Customer acknowledges and agrees that:
- The Seller does not guarantee the websites performance or availability of any of its Goods; and
 - On-line ordering may be unavailable from time to time for regularly scheduled maintenance and/or upgrades; and
 - There are inherent hazards in electronic distributions and as such the Seller cannot warrant against delays or error in transmitting data between the Customer and the Seller including orders, and the Customer agrees that to the maximum extent permitted by law, the Seller shall not be liable for any losses which the Customer suffers as a result of on-line ordering not being available or for delays or errors in transmitting orders.

3.2 The Seller reserves the right to terminate your order if it learns that you have provided false or misleading information, interfered with other users or the administration of the Seller's Services, or violated these terms and conditions.

3.3 The Customer accepts that garments sizing and quality may vary between batches due to the Seller's supplier's stock.

4. Electronic Transactions Act 2002

4.1 Electronic signatures shall be deemed to be accepted by either party providing the parties has complied with Section 22 of the Electronic Transactions Act 2002 or any other applicable provisions of that Act or any Regulations referred to in that Act.

5. Change in Control

5.1 The Customer shall give the Seller no less than fourteen (14) days prior written notice of any proposed changes or changes of ownership of the Customer and/or any other change in the Customer's details (including, but not limited to, changes in the Customer's name, address, contact phone or fax numbers or business practice). The Customer shall be liable for any loss incurred by the Seller as a result of the Customer's failure to comply with this clause.

6. Price and Payment

6.1 At the Seller's sole discretion, the Price shall be either:

- As indicated on any invoice provided by the Seller to the Customer; or
- The Seller's quoted price (subject to clause 6.2) which will be valid for the period stated in the quotation or otherwise for a period of thirty (30) days

6.2 The Seller reserves the right to change the Price if a variation to the Seller's quotation is requested. Variations will be charged for on the basis of the Seller's quotation, and will be detailed in writing, and shown as variations in the Seller's invoice. The Customer shall be required to respond to any variation submitted by the Seller within ten (10) working days. Failure to do so will entitle the Seller to add the cost of the variation to the Price. Payment for all variations must be made in full at the time of their completion.

6.3 The Seller reserves the right to correct miscalculations and typographical errors in their quotation,

6.4 The Seller reserves the right to change the price where a bulk discount (quantity pricing) has been offered by the Seller, and the Customer subsequently reduces the quantity of the Goods ordered.

6.5 At the Seller's sole discretion, a non-refundable deposit may be required.

6.6 Time for payment for the Goods being of the essence, the Price will be payable by the Customer on the date/s determined by the Seller which may be:

- On delivery of the Goods;
- Before delivery of the Goods
- By way of instalments/progress payments in accordance with the Seller's payment schedule;
- For certain approved Customers, due twenty (20) days following the end of the month in which a statement is posted to the Customer's address or address for notices;
- The date specified on any invoice or other form as being the date for payment; or
- Failing any notice to the contrary, the date which is fourteen (14) days following the date of any invoice given to the Customer by the Seller

6.7 Payment may be made by cash, cheque, bank cheque, electronic/on-line banking, credit card (a surcharge per transaction may apply), or by any other method agreed between the Customer and the Seller.

6.8 The Customer shall not be entitled to set off against, or deduct from the Price, any sums owed or claimed to be owed to the Customer by the Seller nor to withhold payment of any invoice because part of that invoice is in dispute.

6.9 Unless otherwise stated the Price does not include GST. In addition to the Price, the Customer must pay to the Seller an amount equal to any GST the Seller must pay for any supply by the Seller under this or any other agreement for the sale of the Goods. The Customer must pay GST, without deduction or set off of any other amounts, at the same time and on the same basis as the Customer pays the Price. In addition, the Customer must pay any other taxes and duties that may be applicable in addition to the Price except where they are expressly included in the Price.

7. Delivery of Goods:

7.1 Delivery ("Delivery") of the Goods is taken to occur at the time that:

- (a) The Customer or the Customer's nominated carrier takes possession of the Goods at the Seller's address; or
- (b) The Seller (or the Seller's nominated carrier) delivers the Goods to the Customer's nominated address even if the Customer is not present at the address;

7.2 At the Seller's sole discretion the cost of delivery is either included in the Price or is in addition to the Price

7.3 Any time specified by the Seller for delivery of the Goods is an estimate only and the Seller will not be liable for any loss or damage incurred by the Customer as a result of delivery being late. However, both parties agree that they shall make any endeavor to enable the Goods to be delivered at the time and place as was arranged between both parties. In the event that the Seller is unable to supply the Goods as agreed solely due to any action or inaction of the Customer, then the Seller shall be entitled to charge a reasonable fee for redelivery and/or storage.

7.4 No failure or refusal by the Customer to take possession of any Goods shall affect the time of Delivery.

8. Risk

8.1 Risk of damage to or loss of the Goods passes to the Customer on Delivery and the Customer must insure the Goods on or before Delivery.

8.2 If any of the Goods are damaged or destroyed following delivery but prior to ownership passing to the Customer, the Seller is entitled to receive all insurance proceeds payable for the Goods. The production of these terms and conditions by the Seller is sufficient evidence of the Seller's right to receive the insurance proceeds without the need for any person dealing with the Seller to make further enquiries.

8.3 If the Customer requests the Seller to leave goods outside the Seller's premises for collection or to deliver the Goods to an unattended location then such Goods shall be left at the Customer's sole risk.

8.4 The Customer acknowledges that the Goods supplied may exhibit variations in shade, colour, texture, surface and finish and may fade or change colour over time. The Seller will make every effort to match products supplied with samples but shall not be liable in any way whatsoever where such variations occur.

8.5 Whilst every care is taken by the Seller to carry out the instructions of the Customer, it is the Customer's responsibility to undertake a final proofing of the designs. The Seller shall be under no liability whatsoever for any errors not corrected by the Customer in the final proofing. Should the Customer's alterations require additional proofs this shall be invoiced as an extra.

8.6 Where materials, equipment, artwork or images are supplied by the Customer for the provision of Services the Seller shall accept no liability for imperfect work caused by defects in, or the unsuitability of such materials, equipment, artwork or images supplied by the Customer for the Services.

8.7 The Seller shall take all reasonable efforts to ensure the safety of any materials, artwork, equipment or images supplied by the Customer; however the Customer acknowledges and accepts that materials are left with the Seller at their own risk and the Customer agree that the Seller shall not be liable for any theft, loss, damage or misuse of such materials, artwork, equipment or images

8.8 In the event that materials ordered by the Customer from a third party to be delivered to the Seller for embellishment, the Seller is not responsible to check that the materials delivered are the correct style, quantity or quality as ordered by the Customer. If, during production the Seller realises that the materials supplied by the third party are not the expected style, quantity or quality then the Seller shall cease production and charge the Customer for all Services performed to date plus an administration charge.

8.9 The Customer acknowledges that the Goods supplied may:

- (a) Fade and change colour over time;
- (b) Lose shape and condition where care instructions are not followed; and
- (c) Mark or stain if exposed to certain substances.

9. Title

9.1 The Seller and the Customer agree that ownership of the Goods shall not pass until

- (a) The Customer has paid the Seller all amounts owing to the Seller;
- (b) The Customer has met all of its other obligations to the Seller.

9.2 Receipt by the Seller of any form of payment other than cash shall not be deemed to be payment until that form of payment has been honoured, cleared or recognised.

9.3 It is further agreed that until ownership of the Goods passes to the Customer in accordance with clause 9.1;

- (a) The Customer is only a bailee of the Goods and must return the Goods to the Seller on request.
- (b) The Customer holds the benefit of the Customer's insurance of the Goods on trust for the Seller and must pay to the Seller the proceeds of any insurance in the event of the Goods being lost, damaged or destroyed.
- (c) The Customer must not sell, dispose or otherwise part with possession of the Goods other than in the ordinary course of business and for market value. If

the Customer sells, disposes or parts with possession of the Goods then the Customer must hold the proceeds of such act on trust for the Seller and must pay or deliver the proceeds to the Seller on demand.

(d) The Customer shall not convert or process the Goods or intermix them with other goods in a manner which makes the Goods readily identifiable as Goods of the Seller but if the Customer does so then the Customer holds the resulting product on trust for the benefit of the Seller and must sell, dispose of or return the resulting product to the Seller as it so directs.

(e) The Customer irrevocably authorises the Seller to enter any premises where the Seller believes the Goods are kept and recover possession of the Goods;

(f) The Seller may recover possession of any Goods in transit whether or not delivery has occurred.

(g) The Customer shall not charge or grant an encumbrance over the Goods nor grant nor otherwise give any interest in the Goods while they remain property of the Seller.

(h) The Seller may commence proceedings to recover the Price of the Goods sold notwithstanding that ownership of the Goods has not passed to the Customer.

10. Personal Property Securities Act 1999 ("PPSA")

10.1 Upon acceptance of these terms and conditions the Customer acknowledges that:

- (a) These terms and conditions constitute a security agreement for the purposes of the PPSA; and
- (b) A security interest is taken in all Goods and/or collateral (account) - being a monetary obligation of the Customer to the Seller for Services- that have previously been supplied and that will be supplied in the future by the Seller to the Customer.

10.2 The Customer undertakes to:

- (a) Sign any further documents and/or provide any further information (such information to be complete, accurate and up-to-date in all respects) which the Seller may reasonably require to register a financing statement or financing charge statement on the Personal Property Securities Register (PPSR).
- (b) Indemnify, and upon demand, reimburse the Seller for all expenses incurred in registering a financing statement or financing charge statement on the PPSR or releasing any Goods charged thereby.
- (c) Not register, or permit to be registered, a financing statement or financing charge statement in relation to the Goods and/or collateral (account) in favour of a third party without prior written consent of the Seller; and
- (d) Immediately advise the Seller of any material changes in its business practices of selling the Goods which would result in a change in the nature of proceeds derived from such sales.

10.3 The Seller and the Customer agrees that nothing in sections 114(1) (a), 133 and 134 of the PPSA shall apply to these terms and conditions.

10.4 The Customer waives its right as a debtor under sections 116, 120(2), 121, 125, 126, 127, 129, 131 and 132 of the PPSA.

10.5 Any rights of the Seller in addition to those under Part 9 of the PPSA shall continue to apply.

10.6 Unless otherwise agreed to in writing by the Seller, the Customer waives its right to receive a verification statement in accordance with section 148 of the PPSA.

10.7 The Customer shall unconditionally ratify any actions taken by the Seller under clause 10.1 to 10.5

11. Security and Charge:

11.1 In consideration of the Seller agreeing to supply the Goods, the Customer charges all of its rights, title and interest (whether joint or several) in land, realty, or other assets capable of being charged, owned by the Customer either now or in the future to secure the performance by the Customer of its obligations under these terms and conditions (including, but not limited to, the payment of any money)

11.2 The Customer indemnifies the Seller from and against all the Seller's costs and disbursements including legal costs on a solicitor and own client basis incurred in exercising the Seller's right under this clause.

11.3 The Customer irrevocably appoints the Seller and each director of the Seller as the Customer's true and lawful attorney/s to perform all necessary acts to give effect to the provisions of this clause 11 including, but not limited to signing any documents on the Customer's behalf.

12. Customer Disclaimer

12.1 The Customer hereby disclaims any right to rescind, or cancel any contract with the Seller or to sue for damages or to claim restitution arising out of our any inadvertent misrepresentation made to the Customer by the Seller and the Customer acknowledges that the Goods are bought relying solely upon the Customer's skill and judgement.

13. Defects

13.1 The Customer shall inspect the Goods on delivery and shall within seven (7) days of delivery (time being of the essence) notify the Seller of any alleged defect, shortage of quantity, damage or failure to comply with the description or quote. The Customer shall afford the Seller an opportunity to inspect the Goods within a reasonable time following Delivery if the Customer believes the Goods are defective in any way. If the

- Customer fails to comply with these provisions, the Goods shall be presumed to be free from any defect or damage. For defective Goods, which the Seller has agreed in writing that the Customer is entitled to reject, the Seller's liability is limited to either (at the Seller's discretion) replacing the Goods or repairing the Goods.
- 13.2 Goods will not be accepted for return other than in accordance with 13.1 above, and provided that:
- The Seller had agreed in writing to accept the return of the Goods; and
 - The Goods are returned at the Customer's cost within seven (7) days of the date of delivery; and
 - The Seller will not be liable for Goods which have not been stored or used in a proper manner; and
 - The Goods are returned in the condition in which they were delivered with all packaging material, brochures and instruction materials is as new condition as is reasonably possible in the circumstances.
- 13.3 At the Seller's sole discretion a refund may be provided for defective Goods.
- 13.4 Subject to clause 13.1 non-stocklist items or Goods customised to the Customer's specifications are not acceptable for return.
- 14. Warranty**
- 14.1 Subject to the conditions of warranty set out in clause 14.1, the Seller warrants that if any defect in workmanship of the Seller becomes apparent and is reported to the Seller within three (3) months of the date of delivery, (time being of the essence) then the Seller will either (at the Seller's sole discretion) replace or remedy the workmanship.
- 14.2 The conditions applicable to the warranty given by clause 14.1 are:
- The warranty shall not cover any defect or damage which may be caused or partly caused by or arise through:
 - failure on the part of the Customer to properly maintain the Goods;
 - failure on the part of the Customer to follow any instructions or guidelines provided by the Seller.
 - any use of any Goods otherwise than for any application specified on a quote or order form
 - the continued use of any Goods after any defect becomes apparent or would have become apparent to a reasonably prudent operator or user.
 - fair wear and tear, any accident or act of God.
 - The warranty shall cease and the Seller shall thereafter in no circumstances be liable under the terms of the warranty if the workmanship is repaired, altered or overhauled without the Seller's consent;
 - In respect of all claims the Seller shall not be liable to compensate the Customer for any delay in either replacing or remedying the workmanship or in properly assessing the Customer's claim.
- 14.3 For Goods not manufactured by the Seller, the warranty will be current warranty provided by the manufacturer of the Goods. The Seller shall not be bound by nor be responsible for any term, condition, representation or warranty other than that which is given by the manufacturer of the Goods.
- 15. Consumer Guarantees Act 1993**
- 15.1 If the Customer is acquiring Goods for the purposes of a trade or business, the Customer acknowledges that the provisions of the Consumer Guarantees Act 1993 do not apply to the supply of Goods by the Seller to the Customer.
- 16. Intellectual Property**
- 16.1 Drawings, sketches, painting, photographs, designs or typesetting furnished by the Seller, dummies, models or the like devices made or procured and manipulated by the Seller and negatives, positives, blocks, engravings, stencils, dies, plates or cylinders made from the Seller's original design, or from a design furnished by a Customer, remain the exclusive property of the Seller unless otherwise agreed in writing.
- 16.2 Samples and drafts submitted by the Seller on a speculative basis shall remain the property of the Seller. They shall not be used for any purpose other than that nominated by the Seller and no ideas obtained there from may be used without the consent of the Seller. The Seller shall be entitled to compensation from the Customer for any unauthorised use of such sketches and dummies.
- 16.3 Intellectual property rights in the data, artwork or files can be purchased from the Seller in addition to the Price.
- 16.4 The Customer warrants that all designs, specifications, or instructions given to the Seller will not cause the Seller to infringe any patent taken by a third party against the Seller in respect of any such infringement.
- 16.5 The Customer agrees that the Seller may (at no cost) use for the purposes of marketing or entry into any competition, any documents, designs, drawings or Goods which the Seller has created for the Customer.
- 17. Default and Consequences of Default.**
- 17.1 Interest on overdue invoices shall accrue daily from the date when payment becomes due, until the date of payment, at a rate of two and a half percent (2.5%) per calendar month (and at the Seller's sole discretion such interest shall compound monthly at such a rate) after as well as before any judgement;
- 17.2 If the Customer owes the Seller any money the Customer shall indemnify the Seller from or against all costs and disbursements incurred by the Seller in recovering the debt (including but not limited to internal administration fees, legal costs on a solicitor and own client basis, the Seller's collection agency costs, and bank dishonour fees).
- 17.3 Further to any other rights or remedies the Seller may have under this contract, if a Customer has made payment to the Seller and the transaction is subsequently reversed, the Customer shall be liable for the amount of the reversed transaction, in addition to any further costs incurred by the Seller under this clause 17 where it can be proven that such reversal is found to be illegal, fraudulent or in contravention to the Customer's obligations under this Agreement.
- 17.4 Without prejudice to the Seller's other remedies at law the Seller shall be entitled to cancel all or any part of any order of the Customer which remains unfulfilled and all amounts owing to the Seller shall, whether or not due for payment, become immediately payable if:
- Any money payable to the Seller becomes overdue, or in the Seller's opinion the Customer will be unable to make a payment when it falls due;
 - The Customer has exceeded any applicable credit limit provided by the Seller;
 - The Customer becomes insolvent, convenes a meeting with its creditors or proposes or enters into an arrangement with creditors, or makes an assignment for the benefit of its creditors; or
 - A receiver, manager, liquidator (provisional or otherwise) or similar person is appointed in respect of the Customer or any asset of the Customer.
- 18. Cancellation**
- 18.1 Without prejudice to any other remedies the Seller may have, if at any time the Customer is in breach of any obligations (including those relating to payment) under these Terms & Conditions the Seller may suspend or terminate the supply of Goods to the Customer. The Seller will not be liable to the Customer for any loss or damage the Customer suffers because the Seller has exercised its rights under this clause.
- 18.2 The Seller may cancel any contract to which these Terms and Conditions apply or cancel delivery of Goods at any time before the Goods are delivered by giving written notice to the Customer. On giving such notice the Seller shall repay to the Customer any money paid by the Customer for the Goods. The Seller shall not be liable for any loss or damage whatsoever arising from such cancellation.
- 18.3 In the event that the Customer cancels delivery of Goods, the Customer shall be liable for any and all loss incurred (whether direct or indirect) by the Seller as a direct result of the cancellation (including, but not limited to, any loss of profits);
- 18.4 Cancellation of orders for Goods made to the Customer's specification, or for non-stocklist items, will definitely not be accepted once production has commenced or an order has been placed.
- 19. Privacy Act 1993**
- 19.1 The Customer authorises the Seller or the Seller's agent to:
- Access, collect, retain and use any information about the Customer:
 - (including any overdue fines balance information held by the Ministry of Justice) for the purposes of assessing the Customer's creditworthiness;
 - for the purposes of marketing products and services to the Customer.
 - Disclose information about the Customer, whether collected by the Seller from the Customer directly or obtained by the Seller from any other source, to any other credit provider or any credit reporting agency for the purposes of providing or obtaining a credit reference, debt collection or notify a default by the Customer;
 - Where the Customer is an individual the authorities under clause 19.1 are authorities or consents for the purposes of the Privacy Act 1993.
 - The Customer shall have the right to request the Seller for a copy of the information about the Customer retained by the Seller and the right to request the Seller to correct any incorrect information about the Customer held by the Seller
- 20. Service of Notices**
- 20.1 Any written notice given under this Contract shall be deemed to have been given and received:
- By handing the notice to the other party, in person;
 - By leaving it at the address of the other party as stated in this contract;
 - By sending it by registered post to the address of the other party as stated in this contract
 - If sent by facsimile transmission to the fax number of the other party as stated in this contract (if any), on receipt of confirmation of the transmission;
 - If sent by email to the other person's last known email address.
- 20.2 Any notice that is posted shall be deemed to have been served, unless the contrary is shown, at the time when by the ordinary course of post, the notice would have been delivered.
- 21. Force Majeure:**
- 21.1 Where the Seller or the Customer is either wholly or in part is unable by reason of, an Act of God, strike, lockout, or other interference with work, war, blockade, disturbance, lightning, fire, earthquake, storm, flood explosion, governmental restraint

or embargo, unavailability or delay in availability of Goods, or transport, inability or delay in obtaining Government approvals, or any other cause which is not reasonably within the control of the affected party (i.e. a force majeure event), to carry out an obligation under this agreement and that party:

- (a) Gives the other party prompt notice of that force majeure with full particulars of the probable extent to which it will be unable to perform, or be delayed in performing its obligations under this Agreement: and
- (b) Uses all possible diligence to remove that force majeure as soon as possible; then

Those obligations shall be suspended as far as it is affected by the force majeure event and during its continuance provided that:

- (c) An obligation to pay money is never excused by force majeure; and
- (d) The requirement that any force majeure event will be removed with all possible diligence shall not require the settlement of strikes, lockout or other labour disputes, or claims or demands by the government on terms contrary to the wishes of the party affected.

22. General

22.1 The failure by either party to enforce any provisions of these terms and conditions shall not be treated as a waiver of that provision, nor shall it affect that party's right to

22.2 subsequently enforce that provision. If any provision of these terms and conditions shall be invalid, void, illegal or unenforceable the validity, existence, legality and enforceability of the remaining provisions shall not be affected, prejudiced or impaired. These terms and conditions and any contract to which they apply shall be governed by the laws of New Zealand and are subject to the jurisdiction of the courts of New Zealand.

22.3 The Seller shall be under no liability whatsoever to the Customer for any indirect and/or consequential loss and/or expense (including loss of profit) suffered by the Customer arising of any breach by the Seller of these Terms & Conditions (alternatively the Seller's liability shall be limited to damages which under no circumstances shall exceed the Price of the Goods)

22.4 Neither party shall assign or sub-contract all or any part of their rights and obligations under this Agreement without the written consent of the other party.

22.5 The Customer agrees that the Seller may amend these Terms and Conditions by notifying the Customer in writing. These changes shall be deemed to take effect from the date of which the Customer accepts such changes, or otherwise at such time as the Customer makes a further request for the Seller to provide Goods to the Customer.

22.6 Both parties warrant that they have the power to enter into this Agreement and have obtained all necessary authorisations to allow them to do so, they are not insolvent and that this Agreement creates a binding and valid legal obligations on them.