

SUNRISE/INTERART TERMS AND CONDITIONS OF PURCHASE

- 1) Articles, materials and equipment delivered hereunder shall comply with applicable specifications, drawings, standards and/or samples. If any of the goods are found at any time to be defective in material or workmanship or otherwise not in conformity with the requirements of the order, Sunrise, in addition to any other rights which it may have under warranties or otherwise, shall have the right to reject and return such goods at seller's expense, such goods to be replaced with suitable authorization from Sunrise. Sunrise shall not be responsible for paying for all or any part of goods received which do not comply to said standards, Sunrise may reject the entire shipment where it consists of a quantity of similar articles and when sample inspection discloses that a portion of the articles so inspected contains defective material or workmanship or does not conform to specifications or samples. The extent of such sample inspection shall be at the sole judgment of Sunrise unless seller agrees to reimburse purchaser for the cost of a complete inspection of the articles included in such shipment. Sunrise shall have the right to present claims within a reasonable time after actual inspection of goods. Seller shall be responsible for any or all goods rejected by Sunrise and shall notify Sunrise within a reasonable time as to disposition of said goods or forfeit judgment of disposition of goods.
- 2) Sunrise shall have the right to make changes to this order within a reasonable time after order is issued, but no additional charges will be allowed unless authorized in writing by Sunrise. If such changes affect delivery or the amount to be paid, seller shall notify Sunrise immediately and negotiate a settlement. Sunrise shall have the right to cancel the order at any time before delivery or prior to actual commencement of production.
- 3) Assignment of this order or any interest therein or any payment due or to become due thereunder without the written consent of Sunrise shall be void.
- 4) Sunrise shall be entitled at all times to deduct any amount owed by seller to Sunrise or any of its affiliated companies from any amount payable at any time in connection with this order.
- 5) Seller shall comply with all applicable Federal, State and local laws, rules and regulations and agree to hold Sunrise harmless from all liability resulting from failure to so comply,
- 6) No invoice will be passed for payment unless the following legend appears on it. "Seller represents that the goods to be furnished or the services rendered hereunder were or will be produced or performed in compliance with all applicable requirements of section 6, 7 and 12 of the Fair Labor Standards Act of 1938 as amended and of all valid and applicable regulations and orders of the administrator of the Wage and Hours Division issued under Section 14 thereof."
- 7) Tools, including dies, fixtures, molds, patterns, negatives, color separations, artwork, drawings and transparencies, owned by Sunrise and held by the Seller must be protected against possible loss or damage, and changes must be approved by Sunrise. When the cost of tools in the price unit or separately billed, such tools become the property of Sunrise upon the completion of the order unless otherwise specifically agreed to. Upon demand by Sunrise, the seller will deliver all or any of such tools to Sunrise, costs of shipment to be at Sunrises expense.
- 8) Seller shall be held responsible for any and all defects or damage caused by seller to materials supplied by Sunrise and held at seller's premises. This shall include any and all paperstocks, envelopes, packaging materials as well as artwork, film negatives, color separations, and any other Sunrise furnished materials. Damage claims on materials furnished by Sunrise must be made in writing within 10 days of receipt of said materials.
- 9) If seller's work under the order involves operations by seller on the premises of Sunrise or one of its customers, seller shall take all necessary precautions to prevent the occurrence of any injury to person or property during the progress of such work and except to the extent that any such injury is due solely and directly to Sunrise's or its customers negligence, as the case may be, shall indemnify Sunrise against all loss which may result in any way from any act or omission of seller, its agents, employees or sub-contractors, and seller shall maintain such public liability property damage and employee's liability and compensation insurance as will protect Sunrise from said risks and from any claims under any applicable workmen's compensation and occupational disease acts.
- 10) This order, including the terms and conditions on the face and reverse side herein, contains the complete and final agreements between the seller and Sunrise. Reference to sellers' bids or proposals, if noted on this purchase order, shall not affect the terms and conditions thereof unless specifically provided to the contrary herein, and no other agreement or quotation in any way modifying any of said terms and conditions will be binding upon Sunrise unless made in writing and signed by Sunrise's authorized representative.
- 11) If seller ceases to conduct its operation in the normal course of business (including inability to meet it's obligations as they mature) or if any proceeding under the bankruptcy or insolvency laws is brought by or against seller, or a receiver for seller is appointed or applied for any assignment for the benefit of creditors is named by seller, Sunrise may terminate the order without liability except for deliveries previously made or the goods covered by the order, then completed and subsequently delivered in accordance with the terms of the order.

- 12) Unless otherwise specified and agreed upon, variations in quantity of five percent over or under actual quantities ordered will constitute acceptable delivery.
- 13) Each separate package of a shipment shall be numbered and labeled with the seller's name, Sunrise's purchase order number, description of goods and stock number as they appear on the purchase order, contents and weight and approximate date of shipment. Each shipment shall include an itemized packing list stating purchase order number, description of goods including stock numbers, shipper's name and address, number and weight of all cartons, indication of quantities ordered and quantities shipped of each ordered item, and date shipped. All goods must be packed in a manner as to conform to carrier requirements and no charges will be allowed for packing, crating, freight, express or cartage unless specified on the face thereof. When shipping on pallets, merchandise must be secured to the pallet and held to a maximum height of 54 inches; cartons on pallets must be placed with required information on each carton facing outward for efficient identification and a list itemizing products on pallet attached. Sunrise reserves the right to specify routings, with the term "Best Way" to be considered a routing; if no routing is specified on the face of this order, the seller shall contact Sunrise for instructions.
- 14) Except with respect to defaults of subcontractors, seller shall not be liable for delays or defaults in deliveries due to causes beyond its control and without its fault or negligence. If at any time seller has reason to believe that deliveries will not be made as scheduled, written notice of the delay and its causes will be given immediately to Sunrise. Any delay due to default of subcontractor will be excusable if beyond the control and without the fault or negligence of both seller and its subcontractor and if seller establishes that it could not obtain supplies or sources from any other source in time to meet the delivery schedule. Otherwise, seller is responsible for complying to all requested delivery dates and shall be held liable for all costs including contingent costs incurred due to late arrival of goods.
- 15) Supplier agrees to indemnify and hold Sunrise harmless against all claims that the products purchased pursuant to this Purchase-Order constitute the infringement of any United States patent or copyright in the United States. Supplier shall assume the defense of any suit based on any claim of infringement brought against Sunrise specifically relating to the products, by reputable counsel retained at Supplier's own expense, and shall pay any damages assessed against or otherwise payable by Sunrise in any such suit as a result of the final disposition of any such claim, suit, action, proceeding or objection. Notwithstanding the foregoing, Sunrise may be represented in any such suit by its own counsel.
- 16) Sunrise shall have the exclusive copyright and/or patent ownership on any work created pursuant to this agreement, seller agrees to cooperate with Sunrise in protecting said copyrights and patents by following Sunrise's instructions with regards to the placement of Sunrise's copyright and patent notices on the works created by the seller.
- 17) Supplier agrees: a) to keep all of Sunrise business and technical information secret including but not limited to, all ideas, inventions, problems, developments, research records, technical data, product formulas, processes, designs, programs for product improvement and business and technical plans, marketing and promotion plans, lists of customers and potential customers, records of customers requirements, applications and usages, b) to use Sunrise business and technical information only in connection with performing services and preparing materials for Sunrise, c) to maintain in trust, as Sunrise property, all documents concerning business, including all notes, correspondence, and other work papers, and to return to Sunrise, upon request, all such documents and any copies thereof.