

DaySpring Cards, Inc.

THIS ORDER IS PLACED SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS WHICH MAY NOT BE VARIED WITHOUT THE WRITTEN CONSENT OF DAYSPRING CARDS, INCORPORATED. (Hereafter "DaySpring")

1. ACCEPTANCE:

- A. This contract becomes effective when the Seller's written acknowledgment is approved by DaySpring at Siloam Springs, Arkansas. In the absence of Seller's written acceptance, any performance by Seller shall constitute acceptance of this contract in accordance with the terms and conditions herein stated.
- B. None of the terms and conditions contained in this Purchase Order may be added to, modified, superseded or otherwise altered except by a written instrument signed by an authorized representative of DaySpring and delivered by DaySpring to Seller. Each shipment received by DaySpring from Seller shall be deemed to be only upon the terms and conditions contained in this Purchase Order, notwithstanding any terms and conditions that may be contained in any acknowledgment, invoice or other form of Seller and notwithstanding DaySpring's act of accepting or paying for any shipment or similar act of DaySpring.

2. WARRANTIES:

- A. Seller warrants that all articles furnished hereunder shall be free from defects in workmanship and material and shall comply with the terms of this Purchase Order and any drawings and specifications incorporated herein. If any article delivered hereunder does not comply with any implied or expressed warranties, DaySpring may require Seller to correct at no cost to DaySpring, or return such defective or non-conforming article to Seller and recover from Seller the contract price and handling costs.
- B. Seller expressly warrants that the goods covered by this order are of merchantable quality and fit and safe for consumer use. Acceptance of this order shall constitute an agreement upon Seller's part to indemnify and hold DaySpring harmless from all liability, loss, damage and expense, including reasonable counsel fees incurred or sustained by DaySpring by reason of the failure of the goods to conform to such warranties.
- C. Seller warrants that the use, sale, offer for sale, or importation of the goods delivered hereunder shall not infringe any patent covering the goods themselves or covering a process by which the goods are made, and that the goods do not infringe any other intellectual property right such as trademark or copyright, and seller agrees to defend and indemnify DaySpring against liability for any such infringement.
- D. Seller represents that the goods covered by this order have been manufactured in accordance with the requirements of the Fair Labor Standards Act and DaySpring Supplier Code of Conduct.
- E. The labeling of goods furnished hereunder shall comply with applicable industry guides specified by the Federal Trade Commission.
- F. Seller represents and warrants that all articles and services covered by this Purchase Order meet or exceed the safety standards established and promulgated under the Federal Occupational Safety and Health Law (Public Law 91-956) and its regulations in effect or proposed as of the date of this order.
- G. Seller warrants that all goods comply with applicable Federal and state laws and regulations, including, but not limited to, the Textile Fibre Products Identification Act, the Flammable Fabrics Act, the Consumer Product Safety Act, the Food, Drug and Cosmetic Act and the Hazardous Substances Act, all as amended.
- H. Seller warrants that all inks, paints, dyes and surface coatings used in the production of this order will not contain more than 0.6% lead by weight.
- I. The Seller certifies the sum of the concentration levels of lead, cadmium, mercury and hexavalent chromium in any retail, wholesale or shipping package packaging raw materials and components represented by this Purchase Order shall not exceed 100 parts per million (0.01%) by weight.

3. INSPECTION:

- A. Any article purchased hereunder shall be subject to inspection and test by DaySpring, to the maximum extent practicable at all times and places including the period of manufacture in any event prior to final acceptance. Final inspection and acceptance of goods shall be made by DaySpring after delivery or as otherwise indicated in this purchase Order and shall be conclusive except as regards latent defects and Seller's warranty obligations. No inspection and acceptance shall relieve Seller from responsibility for defects or other failure to meet the requirements of the Purchase Order.

4. CHANGES:

- A. DaySpring may at any time by a written change order issued by an authorized purchasing representative, increase or decrease the quantity of articles to be furnished hereunder, extend the time of delivery or make changes within the general scope of the Purchase Order in any one of the more of the following:

Drawings, Designs, or Specifications
Method of Shipment or Package
Place of Delivery

An equitable adjustment in price shall be made as a result of the above.

INVOICES:

- A. Invoices shall contain the following information:

DaySpring Purchase Order Number	Description of Articles	Quantities	Extended Totals
Item Number	Sizes	Unit Prices	

6. DEFAULT:

- A. Time of delivery is the essence of this Purchase Order. DaySpring may, by a written notice of default to the Seller, cancel the whole or any part of this Purchase Order if Seller fails:
 - (1) To make delivery of the goods or to perform the services within the time specified herein, or any extension thereof by change notice;
 - (2) To replace or correct defective goods in accordance with the provisions of the paragraph entitled "Warranties"; or
 - (3) To perform any of the other provisions of this Purchase Order or fails to make progress so as to endanger performance of this Purchase Order.

7. TERMINATION:

- A. DaySpring may at any time and by written notice terminate this contract or any part thereof at its convenience.

8. SHIPMENT:

- A. All goods are to be packed in accordance with sound commercial practice unless otherwise specified in this order.
- B. A complete packing list shall be enclosed with all shipments hereunder.
- C. Seller shall mark all shipments with the necessary shipping information including the DaySpring Purchase Order Number, dates of shipment, and addresses of consignor, consignee, and the Seller with whom the order was originally placed.
- D. Direct shipments by other than the Seller as shown on the Purchase Order may not be made without prior notification and approval by DaySpring.

9. GENERAL:

- A. DaySpring assumes no responsibility for any materials or goods shipped without a signed Purchase Order having been issued.
- B. When furnished or made by DaySpring, tools or dies together with incidental fixtures and materials necessary for the manufacture of goods ordered shall remain the property of DaySpring, be used in production of goods for DaySpring and kept in repair by Seller for the reasonable life expectancy of the tools or dies. In the event that DaySpring does not reorder goods produced by such tools, dies for a period of two years, Seller shall have the right to dispose of such tools at DaySpring's directions.

- C. This agreement shall be governed by the Uniform Commercial Code in the State of Arkansas as effective and in force on the date of this agreement. The warranties set forth in this agreement, and any remedies specified in connection therewith, are in addition to those provided by law, and nothing herein shall narrow or lessen the warranties and remedies available to DaySpring by applicable law. This contract may not be assigned by Seller without DaySpring's written consent.
- D. Materials or goods purchased hereunder may be utilized by DaySpring in fulfilling its government contracts. Seller assures DaySpring that it does not and will not maintain or provide for its employees any facilities in any of its establishments which are segregated on the basis of race, color, creed, religion, sex, age, national origin, individual physical or mental disability, or veteran status and that Seller does not and will not permit its employees to perform their services in any location, under its control, which maintains segregated facilities in violation of the equal opportunity clause required by Executive Order 11246, which is incorporated herein by reference, or in violation of the provisions of Title I of the Americans with Disabilities Act of 1990 and Section 503 of the Rehabilitation Act of 1973; the Vietnam Era Veteran's Readjustment Assistance Act of 1974, as amended and the Veterans Employment Opportunities Act (VEOA) of 1998. Seller also assures DaySpring that it is an equal opportunity employer.
- E. Proprietary information: Seller shall not at any time use or disclose DaySpring's proprietary information without DaySpring's prior written authorization except in the course of, in connection with and during the performance of Seller's duties under this agreement.