

PENN COLOR, INC.
("Purchaser")
PURCHASE ORDER TERMS & CONDITIONS

ACCEPTANCE. Acceptance of this purchase order (the "Purchase Order") is expressly limited to the terms stated herein. Any terms and condition printed on any quote, proposal, order acknowledgment, invoice or other document issued by the seller of the goods or services provided hereunder ("Seller") which conflict in any way with these terms and conditions are hereby rejected and the terms and conditions herein shall prevail. Seller's written confirmation of acceptance of this Purchase Order, commencement of work on the goods or services subject to this Purchase Order, shipment of such goods, or acceptance of any payment by Purchaser, whichever occurs first, shall be deemed acceptance of this Purchase Order.

PRICE & PAYMENT. Seller shall furnish the goods and services called for by this Purchase Order at the price or prices stated herein. Any increase in any stated price can only be accomplished through a written amendment of this Purchase Order duly signed by Purchaser. Purchaser will not be responsible for any charge not shown on the face of this Purchase Order unless otherwise agreed by Purchaser in writing. Seller assumes all risks in regards to fluctuation in exchange rate. Unless otherwise set forth on the Purchase Order, payment terms are net 60 business days from receipt of a proper invoice.

TAXES. Purchaser shall not be liable for any Federal, State or local taxes unless separately stated on this Purchase Order and billed as a separate item. No sales/use tax shall be added when an exception is indicated on the face of this Purchase Order.

CHANGES. Purchaser shall have the right to make changes in drawings, designs, specifications, materials, packaging, time and place of delivery and method of transportation. If any such changes cause an increase or decrease in the cost, or the time required for the performance, an equitable adjustment shall be made and this Purchase Order modified in writing signed by the Purchaser accordingly.

WARRANTIES. Seller warrants that all goods and services provided hereunder will conform to applicable specifications, drawings, and samples, will be merchantable, of good material and workmanship, free from defects in material, design and workmanship, and will be fit and sufficient for the particular purpose intended. These warranties are in addition to all other warranties, express, implied or statutory. Payment for, use, inspection of, or acceptance of goods or services shall not constitute a waiver of any breach of warranty.

COMPLIANCE WITH LAWS. Seller's performance of this Purchase Order shall comply with all applicable Federal, State and/or Municipal laws, and with all rulings and regulations issued thereunder, including, but not limited to, all applicable customs, environmental, tax, labor, mercantile, sanitary and price control legislation, regulations and orders, the Fair Labor Standards Act, the Rehabilitation Act of 1978, Vietnam Era Veterans Readjustment Assistance Act of 1974, Executive Order 11246, the Occupational Safety and Health Act of 1970, as amended.

DELIVERY. Time and place of delivery are of the essence. Purchaser may fully or partially terminate this Purchase Order if Seller fails to timely deliver the involved goods or services.

SHIPPING. Unless otherwise stated on the Purchase Order, the shipping terms are DDP (Purchaser Location). All shipments must be made in accordance with specified shipping and routing instructions, and Seller shall assume full responsibility for failure to comply with such instructions. All excess transportation expense incurred by Purchaser as a consequence of improper shipping or routing shall be paid by Seller to Purchaser, immediately at Purchasers request. No charges shall be charged to the Seller for boxing, crating, packing, cartage or trucking unless provided for herein or agreed to in writing duly signed by Purchaser. Seller shall be held liable for any loss or damage incurred in transit or delivery through improper boxing, crating, packing, cartage or trucking.

REJECTION. Purchaser may reject any goods or work within a reasonable time after discovery of any patent or latent defect.

BLANKET ORDERS. Blanket orders are used solely as an administrative aid to simplify the processing of multiple orders or services over a period of one year. Blanket orders will be identified as such on the face of the Purchase Order and will explicitly state the coverage period. The order amount and value is intended for forecasting purposes only and is not binding. All remaining terms and conditions shall apply and be binding on transactions entered into pursuant to the blanket order. The blanket order number must be referenced on all invoices.

TERMINATION FOR CONVENIENCE. Purchaser reserves the right to terminate this Purchase Order or any part hereof for its sole convenience. In such event Seller shall immediately stop all work. Seller shall be paid a reasonable termination charge consisting of a percentage of the Purchase Order price reflecting the percentage of the work completed prior to the notice of termination, plus actual direct and verifiable costs resulting from termination. Seller shall not be paid for any work done after notice of termination, nor for any costs incurred by Seller which could reasonably have been avoided.

TERMINATION FOR CAUSE. Purchaser may terminate this Purchase Order or any part hereof for cause in the event of any default by the Seller or Seller's failure to comply with the terms and conditions of this Purchase Order. In the event of a termination for cause, Purchaser shall have no liability in connection with this Purchase Order.

PURCHASER PROPERTY. All materials, equipment, special dies, molds, jigs, tools, etc., either supplied to Seller by or on behalf of Purchaser or paid for by Purchaser for the manufacture of goods and/or provision of services covered by this Purchase Order shall remain the property of Purchaser and shall be handled, stored and kept by Seller in good order and repair to protect it from risk of loss or damage and clearly identified as Purchasers' Property through labels and/or signs, at all times while in Seller's possession. Seller will immediately notify Purchaser if at any time such materials or equipment provided by Purchaser has been damaged, lost, stolen, encumbered or otherwise affected. Seller shall be liable to Purchaser for any such damage, loss, encumbrance, theft or affection of Purchaser's property while in Seller's possession or care, or for any other action or omission attributable to Seller that prevents the use or disposal by Purchaser of Purchasers' Property.

INDEMNIFICATION. Seller shall defend, indemnify and hold harmless Purchaser against all damages, claims or liabilities and expenses (including attorneys' fees) arising out of or resulting in any way from any defect in or breach of warranty for the goods or services purchased hereunder, Seller's noncompliance with the terms hereof, or from any act or omission of Seller, its agents, employees or subcontractors.

INTELLECTUAL PROPERTY INDEMNITY. Seller warrants that the sale or use of the goods or services covered by this Purchase Order will not infringe any patent or other intellectual property right, and Seller agrees to indemnify, save harmless, and defend Purchaser, at Seller's cost, from all loss and liability, including claims for profits, by reason of any actual or alleged infringement by Purchaser or persons selling or using Purchaser's products, of any patent or other intellectual property right applicable to the use or sale of the goods or services provided hereunder.

CONFIDENTIAL INFORMATION. Seller agrees that all information, including but not limited to drawings, documentation, specifications, and prices, supplied by Purchaser relating to this Purchase Order, shall be treated as confidential and proprietary belonging to Purchaser, and are furnished under the express understanding that such material may not, in whole or in part, be disclosed to any other person or used for any purpose other than performing this contract, without the prior written permission of Purchaser. All documents containing confidential information are to be returned to Purchaser upon request or upon completion of this Purchase Order.

FORCE MAJEURE. Purchaser may delay delivery or acceptance occasioned by causes reasonably beyond its control. Seller shall hold such goods at the direction of the Purchaser and shall deliver them when the cause affecting the delay has been removed.

INSURANCE. In the event that Seller's performance hereunder requires services by Seller's employees to be done on Purchaser's property, Seller agrees that all such work shall be done as an independent contractor. In such circumstance and through such performance, Seller shall purchase and maintain insurance providing coverage against liability for the claims set forth below, with the following limits in liability: Workers' Compensation – statutory; Employer's Liability -- \$1,000,000 each occurrence; General Liability (bodily injury & property damage combined) - \$2,000,000 each occurrence; and Automobile Liability - \$2,000,000 each occurrence. Seller shall provide Purchaser certificates of insurance satisfactory to Purchaser evidencing the above coverage.

ASSIGNMENTS AND SUBCONTRACTING. No part of this Purchase Order may be assigned or subcontracted without prior written approval duly signed by Purchaser.

SET-OFF. All claims shall be subject to deduction or setoff by the Purchaser by reason of any counterclaim arising out of this or any other transaction with Seller.

WAIVER. Purchaser's failure to insist on performance of any of the terms or conditions herein or to exercise any right or privilege or Purchaser's waiver of any breach hereunder shall not thereafter waive any other terms, conditions, or privileges, whether of the same or similar type.

ENTIRE AGREEMENT, MODIFICATION. This Purchase Order, and any documents referred to on the face hereof, constitute the entire agreement between the parties. This Purchase Order may not be modified orally. Any modification must be in writing signed by Purchaser.

GOVERNING LAW, VENUE. This contract shall be governed and construed according to the laws of the Commonwealth of Pennsylvania, without regard to conflict of law principles. The state courts located in Montgomery County, PA and the federal courts located in Philadelphia, PA have exclusive jurisdiction over all claims and disputes to arise in connection with this Purchase Order.