JONAL LABORATORIES, INC. - TERMS AND CONDITIONS OF PURCHASE

1. GENERAL. This purchase order, including any documents incorporated herein by reference, contains the entire agreement between the parties. The terms and conditions set forth on the face and reverse side of this purchase order are the only terms and conditions applicable hereto. Any attempt by Seller to supplement, modify, alter, revoke or amend these terms and conditions or any part of this purchase order shall not be effective unless specifically agreed to by Purchaser in writing.

2. WARRANTY OF MATERIAL. Seller warrants to purchaser and its customers that the articles specified herein shall be free from defects in material and workmanship and shall conform to the requirements of this order. All materials shall be received subject to inspection and test. Rejected articles will be returned at Seller's expense and adjustment made either by credit or replacement at Purchaser's discretion.

3. CHANGES, The Purchaser shall have the right to make changes from time to time, subject to an equitable adjustment of the price. No modification of this order shall be binding upon Purchaser unless made by the Purchaser in writing.

4. DELIVERIES. Time and quantities are expressly made the essence of this order and the Purchaser reserves the right to terminate this order as to any or all articles if shipment is not made as required. Seller shall not be liable for delays due to causes beyond his control and without his fault.

5. PURCHASER FURNISHED MATERIALS AND INFORMATION. All designs, tools, patterns, drawings or other information or materials supplied by the Purchaser to the Seller for use in the manufacture of the articles contracted for herein shall remain the property of purchaser and shall not be used in the production, manufacture or design of articles for any other purchaser, nor for the manufacture or production of larger quantities than those specified. Seller shall not disclose nor make available any such information or materials to any other party, except with the express consent in writing to the Purchaser. At the termination of this contract such information or materials shall be disposed of as the Purchaser shall direct.

6. WARRANTY OF INTELLECTUAL PROPERTY. By acceptance and in consideration of this order, the Seller warrants that the sale or use of any or all articles or material delivered hereunder will not infringe any intellectual property rights that the Seller will at his own expense defend any action, suit or claim in which such an infringement is alleged; and that Seller will save Purchaser and/or its customers harmless from any loss, damage or liability of any nature arising from any claim of such infringement.

7. PRICE. The price to be paid for the articles or materials covered by this order shall in no event exceed the applicable maximum price, if any, established by Government regulation and any provision or condition of the order which is in violation of any such regulation shall be of no effect.

8. COMPLIANCE WITH LAWS. In the performance of the work hereunder the Seller shall comply at all times with all applicable State, Federal and Local laws, rules and regulations. In accepting this order, Seller shall be deemed to represent that these goods will be or were purchased in compliance with all applicable requirements of sections 6,7 and 12 of the Fair Labor Standards Act, as amended and of regulations and orders of the United States Department of Labor issued under section 14 thereof. Seller shall insert a certificate on all invoices submitted in connection with this order stating compliance with the above Fair Labor Standards Act of 1938, as amended.

9. NON-DISCRIMINATION. The Seller will not discriminate against any employee or applicant for employment because of race, color, religion, sex, political belief, physical or learning disability, marital status, sexual orientation or national origin. The Seller will utilize affirmative action to insure that applicants are employed and that employees are treated equally during employment, without regard to their race, color, religion, sex, or national origin, with due regard to their qualifications and abilities.

10. LABOR DISPUTES. Whenever an actual or potential labor dispute is delaying or threatening to delay the performance of this order, Seller will immediately give notice thereof to the Purchaser. Such notice shall include all relevant information with respect to such dispute including what steps are being taken to assure the timely performance of this purchase order.

11. GOVERNMENT CONTRACTS. If this Purchase Order is a Government subcontract, any applicable provisions of Federal Statutes and Regulations as are mandatory under Purchaser's contract shall be incorporated herein and become a part of this Purchase Order.

12. TERMINATION. The Purchaser may terminate this order in whole or in part at any time by notice in writing. Upon receipt of such notice or at the time specified therein, if any, the Seller shall incur no further costs of performance and shall terminate all orders and subcontracts given by Seller for performance. The Seller will then deliver and the Purchaser accept and pay for at the purchase order price all articles completed and ready for delivery in final form and according to specifications. As to uncompleted articles, if the articles are for use by Purchaser in fulfilling a contract that is subject to termination, settlement shall be made on the basis of and by analogy to the procedures provided by Purchaser's contract: otherwise, settlement shall be made on the basis of and by analogy to Government termination procedures. If a dispute shall arise as to any sum claimed by Seller, it shall be determined from an audit of Seller's books by a certified public Accountant chosen by Seller and acceptable by Purchaser.

13. ASSIGNMENT. This purchase order shall not be assigned by Seller without consent of Purchaser.

14. INSPECTION. (A) All material and workmanship shall be subject to inspection by Buyer before and after delivery. The Buyer may require Seller to replace rejected material or Buyer may accept any materials that conform to Seller's warranties and upon discovery of materials not so conforming may reject or keep and rework any such materials not so conforming. Cost of rework, inspection, transportation repacking and/or reinspection by Buyer shall be at Seller's expense. (B) Materials to be used in the performance of U.S. Government contracts may be inspected and tested at all reasonable times and places, either before, during or after manufacture by Buyer or by the Government agency concerned at Buyer's discretion. (C) If inspection and test are made on the premises of Seller or Seller's subcontractor, Seller shall furnish without additional charge all reasonable facilities and assistance for the safe and convenient inspection and tests required by the inspectors in the performance of their duty. The foregoing provisions of this Article are supplementary to and not in lieu of the provisions of (A) above. (D) Inspection or failure to inspect, by Buyer does not relieve the Seller of liability to perform according to the terms of the purchase order.

15. CERTIFICATE OF COMPLIANCE. When required the Seller shall furnish a "Certificate of Conformance" with each shipment that assures full conformity with the QA Requirements, applicable drawings and specifications and that test reports and inspection records are on file at the seller's or manufacturer's facility and are available for Jonal Laboratories and Government review. This certificate shall be validated by an authorized representative of the seller's quality department. An example of an acceptable "Certificate of Compliance" is as follows: "This is to certify that all items noted above are in compliance with the contract, drawings, specifications and other applicable documentation and that all required certifications, inspection and test records are on file and available for review by Jonal Laboratories and/or the Government."

BY:_____ _____

Seller's name Authorized Signature

16. PHYSICAL AND CHEMICAL ANALYSIS. When required the items or services being shipped or performed against this order require copies of actual chemical and physical test results showing actual readings taken and conformance to applicable specifications. These documents must be identifiable to the items they represent and shall be included with each shipment.

17. GOVERNMENT SOURCE INSPECTION. If notified that Government Source Inspection is required prior to shipment from your plant. Upon receipt of this order, promptly (not later than forty-eight (48) hours) notify and furnish a copy to the Government representative who normally services your plant so that appropriate planning for Government inspection can be accomplished. If a Government representative does not service your plant, contact the nearest Army, Air Force, Navy or Defense Supply Agency inspection office. In the event the representative or office cannot be located, our purchasing agent should be notified immediately.

18. AGE CONTROLS, PERISHABLE ITEMS. Articles delivered under this order shall contain: (1) Date of manufacture (2) expiration date (if required) (3) batch or lot number. If otherwise specified, the remaining shelf life should not exceed 80% of the total shelf life at time of delivery. In addition, materials purchased under this clause shall include a copy of the manufacturer's technical bulletin describing use and precautions, if applicable.

19. NONCONFORMANCES. Supplier must notify Jonal Laboratories, Inc. of nonconforming product. Supplier must make arrangements for Jonal Laboratories approval of supplier nonconforming material.

20. CHANGES PRODUCT/PROCESS. Supplier must notify Jonal Laboratories of changes in product and/or process definition and where required, obtain Jonal Laboratories approval.

21. RIGHT OF ACCESS. Supplier must grant right of access by Jonal Laboratories, their customer and authorities to all facilities involved in the order and to all applicable records.

22. FLOWDOWN. Supplier must flowdown to subtier suppliers the applicable requirements in the purchasing documents including key characteristics where required.