

Terms and Conditions of

EFE Bid/Confirmation of Customer Purchase Order

The following terms and conditions shall apply to all transactions, contracts and agreements entered into between EFE Laboratories, Inc. as Seller ("EFE" or "Seller") and the individual, entity or Company that accepts the EFE bid and/or places the purchase order ("Company" or "Buyer"). Whenever a term defined by the Pennsylvania Uniform Commercial Code ("UCC") is used herein, the definition contained in the UCC shall control.

Acceptance. A Bid Letter shall constitute no more than Seller's offer to provide specific goods to Buyer in accordance with the terms and conditions provided therein. Provided it is within the time period specified in the Bid Letter, Buyer's associated Purchase Order(s) shall be deemed an acceptance of those terms and conditions and the additional terms and conditions expressly set forth in this document. Any and all terms or conditions contained in the purchase order(s) that conflict with, differ from or modify the terms or conditions contained herein, or in the Bid Letter, shall not be applicable and such terms and/or modifications are expressly rejected, unless specifically accepted in writing by Seller.

Final Terms. The Terms and Conditions contained herein are intended as a final expression of such terms and apply to any and all contracts between the parties. No purchase order, acknowledgement, or any other document (whether previously provided or subsequently dated or executed) that contains terms that conflict with, differ from or modify the terms or conditions contained herein shall be applicable and such terms and/or modifications are expressly rejected. Terms and conditions contained herein may not be modified except by written authorization of Seller. No course of prior dealings between the parties and no usage of trade shall be relevant to alter, supplement or explain any term herein.

Changes. No change shall be made to a purchase order except upon written authorization of Seller. Upon such written authorization, if any such change causes an increase or decrease in the costs of or the time required for Seller's performance, Buyer agrees that an equitable adjustment shall be made in the price or delivery schedule, or both. Seller shall not be liable for any resulting damages to Buyer or any of its customers occasioned by delay in delivery.

Partial Cancellation/Termination by Buyer. If Buyer terminates a Purchase Order, in whole or in part, at any time and for any reason, Seller will immediately stop its performance and cancel all of its cancellable commitments pertaining to the terminated work and do only such work as is necessary to preserve and protect then existing work in progress. In the event of such cancellation or termination, Buyer shall be liable for (a) the Purchase Order price for goods previously completed and/or delivered in accordance with the purchase order(s) and not previously paid for, plus (b) all inventory acquired or ordered in good faith for the purpose of fulfilling the purchase order(s), and (c) all other costs and expenses, direct or indirect, associated with the terminated work including, without limitation, overhead expenses of Seller. Seller's cancellation charges shall be at Seller's sole discretion, and Buyer agrees to promptly pay Seller for such costs and expenses within thirty (30) days of the date of Seller's invoice for such.

Partial Cancellation/Termination by Seller. Seller may, by written notice to Buyer, cancel the Purchase Order, or any part of it, without penalty, upon the occurrence of any of the following events ("Events of Default"): a) A voluntary or involuntary proceedings in bankruptcy (or insolvency) by or against Buyer or the winding up or liquidation of its affairs; b) The consent by Buyer to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, or other similar official of Buyer for any substantial part of its property; or c) The making by Buyer of any assignment for the benefit of creditors.

Delay in Acceptance of Goods. Buyer shall promptly notify Seller in writing of any anticipated delay in the acceptance of goods. Buyer shall be liable for all resulting damages to Seller, direct or indirect, occasioned by such delay in acceptance, including but not limited to warehousing, overhead, cost of capital and all other reasonable costs identified by Seller. Seller's charges shall be at Seller's sole discretion. If Buyer delays the acceptance of good beyond a reasonable time, as determined solely by Seller, then Seller reserves the right, at its sole discretion, to deem the purchase orders(s) as a Termination by Buyer and proceed according to the Termination by Buyer provisions as specified above. In such event, Seller will give Buyer written notice and permit Buyer 10 days to accept the goods or otherwise cure the delay to Seller's satisfaction.

Invoices. Seller will invoice Buyer for each shipment applied against a purchase order. Discount privileges, if any, will be specified on the invoice and will apply from the date of shipment of goods. Payment must be received by Seller within the discount privilege time period to apply. Invoices shall be payable, and must be received by Seller, when due.

Buyer agrees to pay 1% interest per month on all overdue amounts. In the event an invoice is 90 days past due, Seller reserves the right, at its sole discretion, to deem the purchase orders(s) as a Termination by Buyer and proceed according to the Termination by Buyer provisions as specified above.

Limited Warranties. Seller warrants that all goods manufactured and delivered hereunder shall (a) conform to any samples, drawings, specifications or other written documents provided to Seller by Buyer, and (b) be free from all defects in workmanship and material. Buyer's sole remedy against Seller for breach of either of the specifically mentioned warranty shall be the repair or replacement, at Seller's sole option, of the defective workmanship or material. Seller expressly disclaims all other warranties, express, and/or implied, including but not limited to those of merchantability and fitness for a particular purpose. In no event shall Seller be liable, under either warranty or otherwise, to Buyer in excess of the purchase price of the products paid to Seller by Buyer. In no event shall Seller be liable for any loss or damage arising directly or indirectly from the use of the product or for consequential or incidental damages. Seller's specified warranties will expire and lapse one year from date of shipment.

Indemnification. Buyer assumes the entire responsibility and liability for, and agrees to indemnify, defend and hold harmless Seller, its officers, agents, employees, successors, and assigns from and against any and all losses, expenses (including without limitation, reasonable attorneys' and other professional fees), costs, damages (including consequential and incidental damages), demands, liabilities, suits and claims in connection with or arising out of any actual or alleged personal injury (including death) or damage or destruction to property (including loss of use) by whomsoever suffered, sustained or alleged to have been sustained, including Buyer's customers and users of the goods purchased hereunder, associated or in connection with Buyer's products.

Patents, Trademarks and Copyrights. Buyer represents and warrants that all samples, drawings, specifications and other written documents provided to Seller do not and will not infringe upon any United States or foreign patent, trademark or copyright. Buyer shall, at its own expense, defend any suit or proceeding brought against Seller, its officers, agents, employees, successors, and assigns, based on a claim that any of the goods purchased hereunder, or any part thereof, or any use thereof in the reasonable contemplation of the parties at the time of their purchase, constitutes an infringement of any patent, trademark or copyright, and the Buyer shall pay all damages and costs awarded therein against Seller.

Force Majeure. Seller, in its sole discretion, shall have the right to suspend or cancel, in whole or in part, shipments to Buyer hereunder without penalty or liability to Buyer (or Buyer's customers or users) in the event of war, riot, flood, acts of God, fire, court order, strike, work stoppage, act of governmental authority, or other causes beyond Seller's control. Seller shall not be liable to Buyer for its failure to deliver goods due to such above-mentioned causes.

Miscellaneous. (a) Buyer shall be bound by any representation or undertaking made by any of its agents or employees, specifically including but not limited to specifications, drawings, and packaging. By placing purchase orders, Buyer ratifies any such representation or undertaking made by any of its agents or employees and hereby agrees to the terms and conditions contained herein. (b) In the event that any provision contained herein is declared invalid by any tribunal or law, the remainder of the provisions shall not be affected thereby, and each term and provision not declared invalid or unenforceable shall be valid and shall be enforced to the fullest extent permitted by law. (c) The Terms and Conditions shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. (d) These Terms and Conditions and all questions relating to their validity, interpretation, performance, and enforcement shall be construed in accordance with, and shall be governed by, the substantive laws of the Commonwealth of Pennsylvania without regard to its principles of conflicts of law and Buyer consents to the exclusive jurisdiction of any of the federal or state courts located in Montgomery and Philadelphia Counties, in the Commonwealth of Pennsylvania for such. (e) Seller's waiver or acceptance of any breach by Buyer of any provisions of the Terms and Conditions contained herein shall not constitute a waiver of or an excuse for nonperformance as to any other provision of the Terms and Conditions nor as to any prior or subsequent breach of the same provision, term or condition. (f) Buyer agrees to pay all costs and expenses, including attorneys' fees, incurred by Seller in collecting overdue balances or in otherwise enforcing these terms and conditions or that of any contract entered into between Buyer and Seller.