



DURCON INCORPORATED PO TERMS AND CONDITIONS

The term "goods" as used herein refers to all materials, supplies, equipment, parts, accessories, ingredients and other items to be sold or leased to Buyer hereunder. The term "services" refers to all services of any nature whatsoever ordered or required by Buyer hereunder. The term "Buyer" shall mean Laboratory Tops, Inc., a Delaware Corporation (d/b/a Durcon Incorporated). The term "Seller" shall mean the company identified as Seller on the front of this order.

1. ACCEPTANCE; APPLICABLE TERMS AND CONDITIONS OF ORDER. This order is accepted by Seller promptly sending to Buyer its written acceptance either by email or fax within ten (10) days of the order's date or upon delivery by Seller of goods or services that are accepted by Buyer. Acceptance is limited to the terms and conditions of this order. This order, with any attachments, constitutes the entire agreement of the parties. Buyer shall not be bound by any provisions in Seller's order acknowledgement or acceptance forms or other documents (including counter offers) which propose any terms or conditions in addition to or differing with the terms and conditions set forth herein. No waiver or modification or additions to the terms of this order shall be valid unless in writing and signed by the parties. In the event there is any conflict between these printed terms and the front of this order, the front of this order shall govern.

2. PRICES; PAYMENT. Buyer shall not be billed at prices higher than those stated on the front of this order. Unless otherwise specified, the price stated includes all charges for packing, hauling, storage and transportation to point of delivery which shall be FOB Buyer's factory. If Buyer specifically agrees to pay any delivery charge, Seller will pay all delivery charges in excess of any delivery charge Buyer has agreed to pay. The price stated includes all costs and charges incurred by Seller including without limitation all costs of design, engineering, development and manufacturing of the goods or performance of the services called for by this order. Seller will pay all taxes except state or local sales or use tax or similar taxes which Seller is required by law to collect from Buyer. Seller shall remit those sales taxes collected from Buyer to the appropriate taxing authority. Seller agrees that any price reduction made to other customers with respect to the goods or services covered by this order subsequent to its placement but prior to payment will be applicable to this order. Buyer shall remit payment for the goods or services received within 60 days of such receipt.

3. DELIVERY. Substitutions will not be accepted. The order must be shipped complete by date requested but must not be shipped more than one week in advance of the time or times specified herein, without Buyer prior approval. The invoice for the order shipped (or portion of the order shipped) must accompany the shipment. When more than one shipment is made against any order, indicate "Final Shipping" on shipping papers and invoice accompanying the last shipment in the order. Seller shall not ship excess quantities without Buyer prior approval, as stated herein, shipping plus or minus 10% of order quantity per line item may be authorized by Buyer upon request by Seller. Except as otherwise provided herein Buyer shall not be obligated to accept untimely, excess or under shipments and such shipments in whole or in part may, at Buyer option, be returned to Seller, or held for disposition at Seller's expense and risk. Seller shall invoice all shipments in triplicate. The invoice shall describe the items, state the purchase order number and be attached to the original bill of lading or other shipping receipt. Buyer payment term shall be net 60 days.

4. WARRANTIES. Seller warrants that the items and services covered hereunder will conform to applicable specifications, instructions, drawings, data and samples will be merchantable, of good material and workmanship, free from defects and will be fit and sufficient for the purpose intended. Seller warrants that all goods and services it provides shall be in compliance with all applicable federal, state and local laws, regulations, standards and orders. These warranties shall be in addition to all other warranties, express, implied or statutory. Payment for, inspection of, or receipt of articles or services shall not constitute a waiver of any breach of warranty.

5. INSPECTION AND TESTS. All goods ordered hereunder may be subject to inspection, testing and if appropriate rejection by Buyer at all times and places, including the period of manufacture and in any event prior to acceptance. Seller agrees to permit access to Seller's facilities at all reasonable times for inspection of goods by Buyer agents or employees and will provide all tools, facilities and assistance reasonably necessary for such inspection at no additional cost to Buyer. Such goods may be subject to final inspection and acceptance by Buyer after delivery to Buyer. It is expressly agreed that inspections and/or payments prior to delivery will not constitute final acceptance. If the goods delivered do not meet the specifications or otherwise do not conform with the requirements of this order, Buyer shall have the right to reject such goods. Goods which have been delivered and rejected in whole or in part may, at Buyer option, be returned to Seller or held for disposition at Seller's risk and expense.

6. BUYER PROPERTY. Title to and the right of immediate possession of any property, including without limitation, patterns, tools, jigs, dies, molds, equipment or material furnished or paid for by Buyer in connection with the goods or services supplied by Seller shall remain property of Buyer. No articles made therefrom shall be furnished by Seller to any other party without Buyer prior written consent. Seller shall keep adequate records of such property which shall be made available to Buyer upon request, and shall store, protect, preserve, repair and maintain such property in accordance with sound industrial practice, all at Seller's expense. Unless otherwise agreed to by Buyer, Seller shall insure Buyer interest in such property against loss or damage by reason of fire (including extended coverage), riot or civil commotion. Copies of certificates of such insurance will be furnished to Buyer on demand.

In the event that Buyer property becomes lost or damaged to any extent from any cause while in Seller's possession, Seller agrees to indemnify Buyer or replace such property, at Seller's expense, in accordance with Buyer request. At the completion of the goods requested by Buyer in this order for which Buyer property was required, Seller shall request disposition instructions for all such property, or the remainder thereof, whether in its original form or in semi-processed form. Seller agrees to make such property available to Buyer at Buyer request, in the manner requested by Buyer including preparation, packing and shipping as directed. Expenses for preparation for shipment will be for Seller's account and shipment shall be made F.O.B. Seller's plant.



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7. DRAWINGS AND SPECIFICATION REVIEW. If during the term of this order, Buyer representatives review drawings, specifications, or other data developed by Seller in connection with the order and make suggestions or comments or approve such documents and data, such action is only an expression of opinion by Buyer and shall not serve to relieve Seller of any responsibility for the reliability, quality, rate of output, cost, delivery, performance or any other requirements of this order.

8. DRAWINGS AND DATA. Seller shall keep confidential all information; drawings, specifications, or data furnished by Buyer, or prepared by Seller specifically in connection with the performance of this order, and shall not divulge or use such information, drawings, specifications or data for the benefit of any other party. Except as required for the efficient performance of this order, Seller shall not make copies or permit copies to be made without the prior written consent of Buyer. Seller shall not use, either directly or indirectly, any such data or any information derived therefrom for any purpose other than to perform this order without obtaining Buyer written consent.

9. USE OF INFORMATION. Seller agrees that all information heretofore or hereafter furnished or disclosed to Buyer by Seller in connection with the placing or filling of this order is furnished or disclosed as a part of the consideration for this order, that such information is not, unless otherwise agreed to by Buyer in writing to be treated as confidential or proprietary, and that Seller shall assert no claims (other than for patent infringement) by reason of the use or disclosure of such information by Buyer, its assigns or its customers.

10. ADVERTISEMENTS. Seller shall not in any manner advertise or publish the fact that it has furnished, or contracted to furnish, Buyer the goods or services herein mentioned without prior written consent of Buyer. Seller shall not disclose any details in connection with this order to any party except as may be otherwise provided.

11. TOOLING. Unless otherwise specified in this order, all tooling and/or all other articles required for the performance hereof shall be furnished by Seller, shall be maintained in good condition and replaced when necessary at Seller's expense.

12. TERMINATION. Buyer may terminate the performance of the work under this order in whole at any time, or from time to time in part, by written notice to Seller. Upon receipt of such notice, Seller shall, unless the notice directs otherwise, immediately discontinue all work and the placing of all orders for materials, facilities and supplies in connection with the performance of this order and shall proceed to cancel promptly all existing orders and terminate all subcontracts insofar as such orders or subcontracts are chargeable to this order. Upon the termination of work under this order, full and complete settlement of all claims of Seller with respect to the terminated work shall be made as follows: (i) as compensation to Seller for such termination, unless such termination is for the default of Seller as defined below, Buyer shall pay Seller the percentage of the total order price corresponding to the proportion of the amount of work completed on the date of termination to the total work to be done as Seller's full compensation for the work completed under this order; and (ii) upon Buyer's payment to Seller in accordance with this paragraph, title to all equipment, materials, work-in-progress, finished products, plans, drawings, specifications, information, special tooling and other things for which Seller has paid shall vest in Buyer. Nothing contained in this paragraph shall be construed to limit or affect any remedies which Buyer may have as a result of a default by Seller.

13. DEFAULT - CANCELLATION. Buyer reserves the right, by written notice of default, to cancel this order, without liability to Buyer, if any of the following events of default occur: insolvency of Seller, the filing of a voluntary petition in bankruptcy by Seller, the filing of an involuntary petition to have Seller declared bankrupt, the appointment of a Receiver or Trustee for Seller, or the execution by Seller of an assignment for the benefit of creditors. If Seller defaults by failing to perform as specified herein, or by breaching any of the terms hereof, Buyer reserves the right, without any liability to Buyer, upon giving Seller written notice, to (i) cancel this order in whole or in part, by written notice to Seller and Seller shall be liable to Buyer for all damages, losses and liability incurred by Buyer directly or indirectly resulting from Seller's breach, or (ii) obtain the goods ordered herein from another source with any excess cost resulting therefrom, chargeable to Seller, if such deficiencies are not remedied. The remedies herein provided shall be cumulative and in addition to any other remedies provided at law or in equity.

14. FORCE MAJEURE. Neither party shall be liable for defaults or delays due to Acts of God or the public enemy, acts or demands of any Government or any Governmental agency, strikes, fires, floods, accidents, or other unforeseeable causes beyond its control and not due to its fault or negligence. Each party shall notify the other in writing of the cause of such delay within five (5) days after the beginning thereof.

15. COMPLIANCE WITH LAWS. Seller agrees to fully observe and comply with all applicable federal, state and local laws, rules, regulations and orders pertaining to the production and sale of the goods ordered, and, upon request Seller shall furnish Buyer certificates of compliance with such laws, rules, regulations and orders.

16. GOVERNMENT CONTRACTS. If it is indicated on the face hereof or Seller is otherwise informed that this order is placed, directly or indirectly, under a contract of the U.S. Government or any State or other governmental authority, then all terms and conditions required by law, regulation or by the Government Contract with respect to this order are incorporated herein by reference. To the extent that the terms and conditions of this order are inconsistent with any such required terms and conditions, then the required terms and conditions shall prevail and be binding on both Buyer and Seller. Seller agrees, upon request, to furnish Buyer with a certificate or certificates in such form as Buyer may require certifying that Seller is in compliance with all such terms and conditions as well as any applicable law or regulation.



DURCON INCORPORATED PO TERMS AND CONDITIONS

17. INDEMNIFICATION. Seller agrees to indemnify and hold harmless Buyer, its successors and assigns, customers and users of its products against all suits at law or in equity and from all damages, claims and demands arising out of the death or injury, to any person or damage to any property alleged to have resulted from the goods hereby ordered, and, upon the tendering of any suit or claim to Seller, to defend the same at Seller's expense as to all costs, fees and damages. The foregoing indemnification shall apply whether Seller or Buyer defends such suit or claims and whether the death, injury or property damage is caused by the sole or concurrent negligence of Seller or otherwise.

18. PATENT INDEMNIFICATION. Seller shall indemnify and save harmless Buyer, its successors, assigns, customers or users of its products, from and against all loss, liability and damage, including costs and expenses, resulting from any claim that the manufacture, use, sale or resale of any goods supplied under this order infringe any patent or patent rights, and Seller shall when notified, defend any action or claim of such infringement at its own expense.

19. ASSIGNMENT. Neither this order nor any rights or obligations herein may be assigned by Seller nor may Seller delegate the performance of any of its duties hereunder without, in either case, Buyer's prior written consent.

20. APPLICABLE LAW. The validity, interpretation and performance of these terms and conditions shall be governed by the laws of the state of Texas, Buyer's home office.

21. INVOICES AND NOTICES. All correspondence covering this order must be addressed to Buyer's Purchasing Department and invoices covering this order must be addressed to Buyer Accounts Payable Department.