

IMPORTANT - READ CAREFULLY

PURCHASE ORDER GENERAL TERMS AND CONDITIONS

Seller's delivery of the goods or provision of services to Purchaser indicates Seller's acceptance of the following terms and conditions. The agreement of the parties shall consist of the Purchase Order and these Purchase Order Terms and Conditions (the "Purchase Order Agreement").

1. DEFINITIONS.

- (a) "Goods" shall mean collectively, the products, materials, merchandise, equipment, or any other good listed on this Purchase Order, which the Purchaser is buying from the Seller.
- (b) "Purchaser" wherever it is used herein shall mean Dosal Tobacco Corporation, its affiliates, or its successors, or assigns.
- (c) "Purchase Order" shall mean collectively those various contracts, agreements, purchase orders (including the "General Terms and Conditions" contained herein which are made a part of each individual Purchase Order), order acknowledgements, invoices, price lists, catalogs and the like relating to the placing of orders, sale, delivery and payment for Goods between the Seller and the Purchaser to which this Purchase Order applies.
- (d) "Seller" shall mean the vendor identified on the first page of this Purchase Order.

2. GENERAL AND CONDITIONS. This Purchase Order, including these General Terms and Conditions and any documents incorporated by reference, including all appendices, amendments or modifications thereto, constitutes the entire agreement between Seller and Purchaser with respect to the subject matter of this Purchase Order and may not be modified, added to or rescinded (*including by way of any additions, deletion, or other modifications in Seller's acceptance or response*) except in a writing signed by the Purchaser. Any additional or different terms or conditions proposed by Seller or contained in Seller's acceptance or response are hereby rejected. These General Terms and Conditions shall apply to all subsequent Purchase Orders from the Purchaser to Seller unless such Purchase Order states in writing that different terms apply. Terms stated on the face of this Purchase Order or in documents incorporated by reference on the face of this Purchase Order shall prevail over any inconsistent terms in these General Conditions. The Seller acknowledges that this constitutes a Purchase Order Agreement, which takes precedence, and is controlling, over all competing general terms and conditions.

3. SCHEDULE AND DELIVERY. Deliveries are to be made at the place, in the quantities and at the time specified, as set forth herein, or in other written instructions which may, from time to time, be furnished by Purchaser. Time is of the essence in meeting the shipment and/or delivery schedule stated in this Purchase Order. Unless otherwise indicated, all Goods shall be delivered or shipped F.O.B. at the destination designated by Purchaser, and risk of loss and damage shall pass to Purchaser upon receipt and acceptance at such destination. All shipments must be packaged so as to permit efficient handling and to provide protection in shipment and must conform to any special instructions from Purchaser. Any storage or demurrage charges accruing because of delinquency in furnishing shipping documents to Purchaser will be charged to the Seller. Shipping of this order shall be in compliance with Code of Federal Regulations, 29 CFR 1910.1200 if this purchase order involves the shipping of any item designated as a toxic substance such shipment must be in compliance with the law and accompanied by a Material Safety Data Sheet (MSDS). A toxic substance is designated as any chemical substance or mixture in gaseous, liquid, or solid state, which can cause harm to the human body.

4. SAMPLES. If requested by Purchaser, Seller shall, at its own expense, prepare and submit to Purchaser, shop samples, models and other materials to be furnished hereunder as may be requested by Purchaser. Any

such approval of samples or the receipt of materials or payment pursuant to this Purchase Order shall in no event constitute an acceptance of such materials and shall not limit or impair Purchaser's right of inspection or any other rights or remedies to which Purchaser may be entitled or relieve Seller of any of its obligations and warranties hereunder.

5. PAYMENT. Payment shall be made according to the terms of this Purchase Order. After all of the Goods to be furnished under this Purchase Order have been delivered and accepted by Purchaser in accordance with the General Terms and Conditions hereof, a final payment will be made. If the Goods to be delivered under this Purchase Order are to be delivered in lots, Seller and Purchaser shall agree on a unit or lot price. Requisitions for payment, in the form required by, and acceptable to Purchaser, shall be submitted by Seller to Purchaser on or before the 15th day of each month for conforming lots or units of materials furnished to that date. All Purchase Prices shall be F.O.B. destination, freight prepaid. All applicable direct sales taxes upon the sale of Goods shall be borne and paid by Purchaser (see the provisions of Section 9 below).

6. DISCOUNTS. Notwithstanding the provisions of Paragraph 9 below, Seller expressly agrees that Purchaser shall receive the benefit of any general reduction in the price or prices of Goods ordered hereunder which may be made by Seller at any time prior to the last delivery of Goods covered by this Purchase Order. Purchaser shall also receive the full benefit of all discounts, premiums, and other favorable terms of payment customarily offered by Seller to its customers or otherwise customarily offered in the trade.

7. BINDING EFFECT. Upon execution of this Purchase Order by Seller, this Purchase Order shall constitute an offer made by Seller to Purchaser, subject to the General Terms and Conditions contained herein. Notwithstanding anything contained in this Purchase Order to the contrary, if this Purchase Order is not signed by the Purchaser, this Purchase Order, and all obligations arising hereunder, shall be null and void and of no force or effect.

8. MODIFICATIONS. The General Terms and Conditions on the face and in the body of this Purchase Order, and the Purchase Order Agreement, if any, (and in any other attachments hereto signed by the parties) constitute the entire agreement between the parties hereto and any modification of this Purchase Order, to be valid, must be in writing and signed by Purchaser's authorized representative. It is expressly understood by Seller that no substitutions or excess quantities of Goods or change in the price of the Goods will be allowed without the prior written consent of Purchaser. The receipt by Purchaser of any quotation form, sales confirmation or other document or instrument from Seller shall not, in the absence of a written acknowledgement by Purchaser expressly agreeing to same, have the effect of changing in any manner or adding to the General Terms and Conditions hereof. Purchaser reserves the right at any time to make changes in specifications, descriptions, models, and/or materials covered by this Purchase Order. If any such changes cause a material increase or decrease in the cost of, or time required for delivery under this Purchase Order, an equitable adjustment may be made in the purchase price or delivery schedule, or both, and this Purchase Order may be modified accordingly. Any claim by Seller must be asserted within thirty (30) days from the date of receipt by Seller of notification given by Purchaser of the change, or such claim shall be deemed to have been waived by Seller. Nothing in this clause, however, shall excuse Seller from proceeding with this Purchase Order as changed.

9. TAXES. The prices to Purchaser specified herein for the Goods covered by this Purchase Order include all applicable federal, state, and local taxes currently in force or hereafter enacted. Any applicable sales or use tax must be specifically identified on Seller's invoices to Purchaser. If any manufacturer's excise or other tax is included in the prices paid by Purchaser to Seller for the Goods purchased hereunder and if such tax, or any part thereof, is refunded to Seller, then Seller shall immediately reimburse Purchaser for the amount of such refund.

10. INSPECTION. All Goods purchased hereunder shall be subject to inspection and testing by or on behalf of Purchaser at all times and places by the Purchaser, prior to acceptance.

11. CERTAIN WARRANTIES. Without limitation of any other warranties, express or implied, Seller hereby warrants to Purchaser, that the Goods purchased under this Purchase Order (a) shall in any event be new, merchantable, free from defects in design, material and workmanship and fit and sufficient for the purpose intended; (b) that Seller has full right, power and authority to sell, transfer and deliver all Goods purchased hereunder free and clear of any lien, encumbrance, right or claim of others; and, (c) that all Goods purchased hereunder, and the production, sale or use thereof, do not and will not infringe on any patent, copyright, trademark or similar right. If any of the Goods furnished under this Purchase Order carry a manufacturer's warranty, Seller shall deliver such manufacturer's warranty in favor of Purchaser as an additional condition to final payment hereunder. *Warranties shall survive inspection, testing, acceptance, and payment; shall inure to the benefit of Purchaser and their respective successors and assigns; and may be transferred to and enforced by Purchaser's customers and other users of Purchaser's products.* Notice of defects or nonconformity must be given to Seller within eighteen (18) months following final acceptance of the Goods by Purchaser, unless a different time is expressly provided elsewhere in the Purchase Order or Purchase Agreement, except that in the case of latent defects, fraud, or gross mistakes comparable to fraud, notice of defects or nonconformity must be given within three (3) months after discovery of the defect or nonconformity. The Goods shall have been handled properly by Seller up to the time of acceptance by the authorized representative or designated agent of Purchaser. Seller will pass through to Purchaser all manufacturer-supplied end-user warranties on all Goods sold pursuant to a Purchase Order or Purchase Agreement.

12. TITLE/RISK OF LOSS/INSPECTION OF GOODS. Title and risk of loss, to Goods shall pass from Seller to Purchaser upon acceptance of delivery, as evidenced by the signature of an authorized representative of Purchaser subject to timely rejection of defective, damaged, rejected or unordered Goods. All deliveries shall be checked in by a representative of Purchaser who shall note on the invoice any shortages, any defective, damaged, rejected or unordered Goods known at the time of delivery. Seller shall issue a receipt to Purchaser for any Goods returned to ensure that Purchaser receives a proper credit. Seller shall be responsible for the cost and expense of insuring, storage of and shipping any defective, damaged, rejected or unordered Goods which have been received by Purchaser back to Seller. Invoices for credit due to Purchaser, not paid within thirty (30) days shall bear interest at the lesser of (i) the rate of 1.5% per month or (ii) the maximum amount allowed under law, from the due date of the invoice.

13. FAILURE OF PERFORMANCE AND REMEDIES. A failure or refusal by Seller to perform or observe any of Seller's agreements, undertakings, warranties or other obligations under this Purchase Order shall be cause for cancellation of this Purchase Order by Purchaser at any time upon delivering written, telegraphic or facsimile notice to Seller. In the event of any such cancellation, Purchaser shall have no further obligations hereunder and Purchaser shall have the right to seek any and all remedies available at law or in equity, including injunctive relief, and Seller shall discontinue the work in accordance with Paragraph 15 below.

14. OPTIONAL CANCELLATION. Purchaser shall have the right at any time, for any reason or for no reason (whether or not Seller may then be in default hereunder), to cancel, in whole or in part, the undelivered portion of the Goods purchased hereunder by delivering written, telegraphic or facsimile notice to Seller, who shall immediately, upon receipt of such notice, discontinue all work in respect to the cancelled portion of this Purchase Order except as may be necessary to preserve and protect the Goods then in process and shall use good faith efforts to cancel and terminate all then existing orders placed or entered into by Seller. In the event of such cancellation, Purchaser shall be obligated to pay Seller only for conforming Goods delivered to the destination, in accordance with this Purchase Order prior to the date of cancellation.

15. INDEMNITY. For and in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, in hand paid, the receipt and adequacy of which are hereby acknowledged, and without limitation of any other right or remedy available to Purchaser hereunder, at law or in equity, Seller shall protect, defend, indemnify and hold Purchaser harmless from and against any and all claims, losses, damages, liabilities, fines, penalties, costs and expenses (including reasonable attorneys' fees and costs at pre-trial, trial and appellate levels) directly or indirectly arising out of or resulting from: (a) Seller's refusal or failure to perform or observe any of Seller's agreements, undertakings, warranties or obligations referred to hereunder, including without limitation, the delivery of any non-conforming Goods; or, (b) any actual or alleged injury or death to any person or damage to any property in any manner arising out of or incident to or claimed to arise out of or to be incident to the performance required under this Purchase Order.

16. ACCEPTANCE OR REJECTION. Goods shall be subject to final inspection, testing and acceptance after delivery, notwithstanding any payment or previous inspection or testing. Final inspection and testing shall be conducted within a reasonable time after delivery. Goods that are defective or that do not conform to this Purchase Order may be held for Seller's instructions at Seller's risk and expense; if instructions are not received within fifteen (15) days after notice of rejection, Goods may be returned to Seller at Seller's expense or sold for Seller's account. Alternatively, Purchaser may return defective or non-conforming Goods to Seller for repair or replacement, with Seller bearing the cost of transportation both ways; or Purchaser may repair the Goods, or have them repaired, at Seller's expense. Seller shall not replace, repair or correct defective or non-conforming Goods except in accordance with Purchaser's written authorization, and the schedule to correct or replace such Goods shall be extended only as agreed in writing by Purchaser. Any repaired or replaced Goods shall be subject to these General Terms and Conditions in the same manner as Goods originally delivered.

17. CONFIDENTIALITY. Seller shall not advertise or publish the fact that Purchaser has placed this Purchase Order or any other previous Purchase Order. Seller shall hold in confidence and not use (other than to fill this Purchase Order) or disclose to others any information, documents or materials provided by Purchaser to Seller or which result from the services provided hereunder, unless such information is generally known to the public through no fault of Seller. Seller shall take reasonable steps to prevent its employees, agents and affiliates from improper use or disclosure of such information.

18. CANCELLATION; SUSPENSION. Purchaser shall have the right, in addition to its other legal remedies, to cancel this Purchase Order in whole or in part if Seller fails to comply with any of the provisions hereof or if Seller becomes the subject of any bankruptcy or similar proceeding. In the event of such cancellation, Purchaser shall have no further obligations hereunder. Purchaser may cancel this Purchase Order or suspend the work in whole or in part at any time without cause, in which event Seller shall be reasonably compensated for work previously performed and non-cancelable orders previously placed, taking into account Seller's ability to sell the Goods to others; provided, however, that such compensation shall not exceed the total purchase price nor include profit for performance not rendered. Such termination shall not relieve the parties of their rights and obligations with respect to portions of the Purchase Order not terminated. Upon receipt of a termination notice, Seller shall immediately stop work on the terminated portion of the Purchase Order, cancel orders related to terminated work to the extent possible, and take whatever other actions are reasonable to minimize the cost of termination.

19. ASSIGNMENT. Any assignment by Seller of any of its rights or obligations under this Purchase Order without prior written consent of Purchaser shall be null and void and without force or effect.

20. COMPLIANCE WITH LAWS. Seller (and the Goods to be purchased hereunder) shall comply with all applicable federal, state, and local laws and with all applicable rules, regulations and orders issued thereunder.

Seller shall furnish Purchaser with such certificates of compliance with all applicable federal, state, and local laws, ordinances, rules, regulations and orders as Purchaser may from time to time request.

21. ATTORNEY'S FEES. In the event of litigation arising under this Purchase Order, the prevailing party shall be entitled to recover from the non-prevailing party reasonable attorneys' fees and costs at the pre-trial, trial and appellate levels.

22. ENTIRE AGREEMENT. The terms and conditions of this Purchase Order constitute the entire understanding between the parties concerning the subject matter hereof. This Purchase Order supersedes any prior understanding, contract between Purchaser and Seller concerning the subject matter hereof, and any verbal agreement between Purchaser's and Sellers agents, employees and/or representatives.

23. U.S. FOOD AND DRUG ADMINISTRATION ("FDA"). Purchaser's products are now under the jurisdiction of the FDA and as such the Goods covered by this Purchase Order must, in turn, comply with all requirements placed on Purchaser by the FDA. This shall include, but is not limited to, prompt compliance, (based on confidentiality agreements if necessary to protect Seller); with requests by the Purchaser for the Goods' ingredients and/or processes which information has to be filed by Purchaser with the FDA from time to time. Seller shall not change any of the Goods' ingredients and formulation without notifying Purchaser and providing any and all necessary documentation which Purchaser will then use to file with the FDA. Furthermore, at Purchaser's request Seller shall provide all source information with respect to the ingredients that Seller uses to manufacture the Goods and shall cooperate with the Purchaser in filing any and all information which the FDA may require from Purchaser on the Goods, including, but not limited to, access to Seller's manufacturing facilities if so requested by the FDA from Purchaser. Seller will certify to Purchaser compliance with respect to any and all manufacturing practices which the FDA may demand from Purchaser with respect to the Goods. If the FDA requires corrective changes with respect to the Goods, their ingredients, any processes, or quality audits (collectively, "FDA Non-Conformance"), it shall be Seller's responsibility to promptly take such corrective actions and/or to provide corrective action responses in a timely manner, but in no event later than thirty (30) days after receiving notification from Purchaser of such FDA Non-Conformance or by the date required by the FDA, whichever is shorter.

24. VENDOR'S EMPLOYMENT OF UNAUTHORIZED ALIENS. The Seller's employment of unauthorized aliens is considered a violation of Section 274A(e) of the Immigration and Nationality Act. If the Seller knowingly employs unauthorized aliens, such violation shall be cause for Purchaser's unilateral cancellation of the contract.

25. DISPUTE RESOLUTION. Any claim, dispute or other matter in question between Seller and Purchaser relating to this Purchase Order shall be subject to arbitration upon the written demand of either party. Such arbitration shall be in accordance with the Arbitration Rules of the American Arbitration Association.

26. GOVERNING LAW. The interpretation of this Purchase Order and the rights and liabilities arising hereunder shall be governed by the laws of the State of Florida.

27. TRADEMARKS, TRADE NAMES AND PRODUCT LABELING. To the extent that Seller is manufacturing or making the Goods to Purchaser's specifications and using Purchaser's trademarks, trade names, and/or trade secrets, Seller acknowledges that the names, marks, logos and insignias used to identify the Goods are valid and owned by Purchaser and that the Seller shall have no right to use such names, marks, logo or insignia without the prior written consent, respectively, of Purchaser. Seller shall in no event represent that it has any rights, title or interest in and to the name and trademarks of Purchaser. The obligations of this Section

shall survive termination of the Purchase Order Agreement and the Purchase Order Agreement for a period of ten (10) years.

28. FORCE MAJEURE; IMPOSSIBILITY OF PERFORMANCE. Neither party shall be responsible to the other or to any third party for any failure, in whole or in part, to perform any obligations hereunder, to the extent and for the length of time, that performance is rendered impossible owing to acts of God, public insurrections, floods, fires, strikes, lockouts, or other labor disputes, and other circumstances of substantially similar character beyond the reasonable control of, and not reasonably foreseeable by, the affected party (collectively, "Force Majeure"). Any party so affected shall (i) use all reasonable efforts to minimize the effects thereof and (ii) promptly notify the other party in writing of the Force Majeure and the effect of the Force Majeure on such party's ability to perform its obligations hereunder. The affected party shall promptly resume performance after it is no longer subject to Force Majeure. If the Force Majeure period continues beyond thirty (30) days, either party may terminate the Purchase Order Agreement.

29. NOTICE. All notices, requests and demands, other than routine communications, shall be in writing and shall be deemed to have been duly given when personally delivered, or when transmitted by confirmed facsimile, with a copy provided by another means specified in this Section, or two (2) business days after being given to an overnight courier with a reliable system for tracking delivery, or five (5) business days after the day of mailing, when mailed by United States mail, registered or certified mail, return receipt requested, postage prepaid, and addressed as provided in the applicable Purchase Order Agreement.

30. WAIVER. No waiver of any breach or default of the Purchase Order Agreement will constitute a waiver of any other or further breach or default hereof.

31. BINDING EFFECT, ENTIRE AGREEMENT. The Purchase Order Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the parties, constitute the entire understanding and agreement between the parties as to the subject matter hereof and supersede all other prior and contemporaneous understanding of the parties in connection herewith, and may not be modified except by an agreement in writing executed by both parties hereto.

32. SEVERABILITY. Any term or provision of the Purchase Order Agreement or Purchase Order that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or unenforceability of the remaining terms and provisions of the Purchase Order Agreement or the validity or enforceability of the offending term in any other situation or in any other jurisdiction.