

TERMS AND CONDITIONS OF QUOTATION AND SALE

Buyer and seller agree that, unless otherwise expressly agreed in a writing signed by both parties, any purchase orders and subsequent sales of Seller's products are made under these terms and conditions, and that **SELLER SHALL NOT BE BOUND BY BUYER'S TERMS AND CONDITIONS**. The failure of Buyer to object within a reasonable time in writing to the terms hereof shall constitute acceptance of these terms and conditions.

1. **TITLE.** Risk of loss or damage and title to the products shall pass to Buyer at the FOB point. Seller shall retain a security interest and right of possession in the products shipped until buyer makes full payment.

2. **TAXES.** The prices stated are exclusive of any federal, state, and municipal or other government tax now or hereinafter imposed on the production, storage, sale, transportation, or use of the products described herein. Such taxes applied directly to the sale hereunder shall be paid by the Buyer, or in lieu thereof the Buyer shall provide a tax exemption certificate acceptable to the taxing authorities.

3. **PRICES AND PAYMENT.** Sale of goods under this contract will be made by prepayment in advance by cashier's check, credit card, money order, or by cash on delivery. Buyer may apply for credit with Seller, and if seller approves Buyer's credit, Buyer must effect payment for goods no later than 30 days after the date of Seller's invoice. Interest will be added to and be payable at the rate of 1.5% per month or the maximum rate allowed by law on all invoices not paid when due. Payments shall be made in U.S. dollars. In the event of any order for several units, each unit(s) will be invoiced when shipped. Exceptions will be made for government purchase orders.

4. **DELIVERY.** All deliveries are FOB Seller's plant unless otherwise specified. Where Seller's existing priorities and schedules prevent strict compliance with requested delivery, orders are entered as close as possible to the requested date, and the Buyer is advised of the intended shipping schedule. Shipment dates scheduled after acceptance of an order are based upon prompt receipt of all necessary documents from the Buyer. Products are shipped as soon as available unless specified otherwise by buyer. Claims for shipment shortage shall be deemed waived unless presented to Seller in writing within forty-five (45) days of shipment. **IN NO EVENT SHALL SELLER BE LIABLE FOR INCREASED MANUFACTURING COSTS, THE COST OF COVER, LOSS OF PROFITS OR GOODWILL OR ANY OTHER INCIDENTAL OR CONSEQUENTIAL DAMAGES.**

5. **SELLER'S WARRANTY.** Seller's products are warranted against defects in materials and workmanship for a period of one (1) year from the date of delivery to Buyer. Seller shall, at its option, repair or replace equipment that proves to be defective, if Seller receives notice of such defects during the warranty period. Buyer must obtain prior approval from Seller before returning any product to Seller. Transportation and insurance charges to Seller's facility shall be paid by Buyer. Seller shall determine the existence or cause of defect. Seller shall only be liable under this warranty if the product is installed, adjusted, maintained and used by competent personnel for the purpose for which it was designed and manufactured. If it is found that the product is not defective, Buyer will be notified, the product returned at the buyer's expense, and a charge made for examination and testing. Faults caused by unauthorized modification or misuse of this equipment are not covered by this warranty. A Return Material Authorization number must be obtained from Seller for return of any products. **THE ABOVE IS IN LIEU OF ALL OTHER WARRANTIES EXPRESSED OR IMPLIED. SELLER SPECIFICALLY DISCLAIMS THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. THE WARRANTIES PROVIDED HEREIN ARE BUYER'S SOLE AND EXCLUSIVE REMEDIES. IN NO EVENT SHALL SELLER BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES DUE TO BREACH OF THIS WARRANTY OR ANY OTHER OBLIGATION UNDER THIS ORDER OR CONTRACT.**

6. **CHANGES.** By mutual agreement, an order may be suspended or changes made in quantity, designs, specifications, place of delivery, and methods of shipment. If any such change causes an increase or decrease in the price of the equipment or in the time required for performance, Seller shall make an equitable adjustment and notify the buyer within thirty (30) days from the change is agreed upon. In any event, changes shall not be binding upon nor be put into effect by Seller unless confirmed in writing by seller's appropriate representative.

7. **CANCELLATION AND TERMINATION.** (a) If Buyer refuses to accept a delivery date shipped in accordance with Buyer's order and shipping instructions, Buyer shall pay a \$50.00 refusal fee and associated shipping charges. Where special equipment or services are involved, the Buyer shall be responsible for all related work in progress; however, Seller shall take responsible steps to mitigate damages immediately upon receipt of cancellation notice and shall notify

subcontractors to do likewise. Buyer shall pay a \$100.00 or 35% (whichever is greater) restocking charge on any unwanted products manufactured by Seller returned to Seller within sixty (60) days of shipment; no returns will be accepted after sixty (60) days. Products distributed by Seller but not manufactured by Seller are subject to manufacturer's restocking policies. A Return Material Authorization number must be obtained from Seller for return of any products. (b) Seller reserves the right to cancel all or part of any order accepted if inaccurate or incorrect information is supplied by Buyer on any customer OEM certification required by Seller, or if bankruptcy proceedings are initiated by or against buyer. (c) Seller shall not be liable for any delay or failure to perform due to any cause beyond its reasonable control, including but not limited to acts of governments, natural catastrophes, acts of buyer, interruptions of transportation or inability to obtain necessary labor or materials. The delivery schedule shall be considered extended by a period of time equal to the time lost because of any excusable delay. In the event Seller is unable to wholly or partially perform because of any cause beyond its control, Seller may terminate this order without liability to Buyer.

8. **INDEMNITY AND LIMITATION OF LIABILITY.** No action shall be brought for any breach of this order or contract more than one (1) year after the accrual of such cause of action. **IN NO EVENT SHALL SELLER BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES. BUYER'S SOLE REMEDY FOR ANY BREACH HEREUNDER SHALL BE LIMITED TO REMEDIES SET FORTH HEREIN.** Seller recommends against the use of its products as critical components in any life support devices or system whose failure to perform can reasonably be expected to cause any significant harm to a human. Buyer assumes all risk for application and agrees to indemnify Seller for all damages, which may be incurred due to use of Seller's standard devices in diagnosis or treatment of humans.

9. **QUOTATIONS.** All quotations shall expire thirty (30) days from date of issuance unless otherwise stated on quote.

10. **PROPRIETARY INFORMATION.** All proprietary information, which is specifically designated as such, disclosed by either party to the other in connection with this order, shall be used solely for installation, operation, maintenance and support of equipment furnished under this order only and shall be protected by the recipient from disclosure to others with the same degree of care as that which is accorded to its own proprietary information. Information will not be subject to this provision if it is or becomes a matter of public knowledge without fault of recipient party, if it was a matter of written record in the recipient party's files prior to disclosure to it by the other party, or if it was or is received by the recipient party from a third person under circumstances permitting its disclosure.

11. **ACKNOWLEDGEMENT.** Buyer acknowledges that he has read and understands these Terms and Conditions and agrees to be bound by them. A waiver of any provision of this agreement shall not be construed as a waiver or modification of any other term hereof. The validity, performance, and construction of this contract shall be governed by the laws of the State of California

12. **HANDLING CHARGES.** Orders billed and shipped to any destination other than the 50 United States shall be processed for a handling fee of \$125.00, plus all applicable freight, duty and customs fees.

AUTHORIZED DISTRIBUTORS ARE EXEMPT FROM THE HANDLING CHARGES LISTED ABOVE.

13. **MINIMUM ORDER.** Minimum order amount shall be \$50.00. Seller shall not accept orders under this amount.