



GENERAL TERMS AND CONDITIONS OF SALE

1. Basis of Sale. All products and services furnished by Seller are sold on the terms and conditions stated herein and Seller's performance under any proposal or contract is made expressly conditional upon Buyer's agreement to such terms and conditions.

2. Precedence. These terms and conditions shall take precedence over any terms and conditions contained in Buyer's purchase order or other similar form or in any documentation incorporated by reference in Buyer's purchase order. No term or condition of any purchase order additional to, or different from, the terms and conditions set forth herein, shall become part of any agreement between Seller and Buyer unless expressly agreed to in writing physically signed by Seller.

3. Purchase Orders. By submitting a purchase order to Seller, Buyer agrees to be subject to these terms and conditions in their entirety. All purchase orders must be bona fide commitments showing definite quantities. No purchase order, whether or not submitted in response to a quotation by Seller, shall be binding upon Seller until Seller has accepted such purchase order by issuing an order acknowledgement.

4. Delivery Terms. For shipments within the domestic United States, shipments will be made FOB Origin. For shipments outside the domestic United States, delivery terms for all products shall incorporate Incoterms 2010. In the event Buyer, Buyer's agent, or Buyer's forwarder provides inaccurate or insufficient information to complete export declarations or re-routes shipments in-transit (i.e. any shipment that has left SRC Medical's dock) resulting in export declarations that do not match the actual shipment, Buyer will be responsible for any additional costs, fees, fines, or penalties levied against seller by a government or a carrier. Seller may, at its option, make partial shipment and invoice Buyer therefore. Delivery dates are estimates only and shall not be binding on Seller.

5. Payment. Unless otherwise set forth on Seller's invoice, payment terms are Net 30 days from the date of invoice. Payment and discount terms due date is calculated from the date of the invoice to the date the payment arrives in vendor's lockbox. Seller reserves the right to charge interest, or a fee in lieu of interest, at the highest rate allowed by the law on all overdue accounts, plus all costs associated with the collection of such overdue accounts (including, without limitation, attorneys' fees), with each fraction of a month counted as a full month. Whenever Seller in good faith deems itself insecure, Seller may cancel any outstanding purchase order with Buyer; decline to make delivery of products to Buyer; revoke any extension of credit to Buyer; reduce any unpaid debt by enforcing its security interest, created hereby, in all products (and proceeds therefrom) furnished by Seller to Buyer; and take any other steps necessary or desirable to secure Seller fully with respect to Buyer's payment for products and services furnished or to be furnished by Seller.

6. Delivery. Any dates quoted by Seller for delivery of any products are approximate only. Seller shall not be liable for any delivery of products in advance of or subsequent to the date quoted for delivery, however caused, and time for delivery is not of the essence. Seller reserves the right, at its option, to deliver overruns and underruns that are customarily and commercially reasonable and to invoice Buyer therefore.

7. Order Cancellation/Rescheduling. Buyer may not cancel a purchase order accepted by Seller without the express written consent of Seller.

8. Retention of Title/Security Interest. Seller shall have, and Buyer hereby grants to Seller, a security interest in all products and all proceeds therefrom until such time as the entire purchase price, whether represented by notes, open account or otherwise, is paid in full in cash to Seller. Buyer shall cooperate with Seller in complying with all applicable laws and regulations and perform all acts deemed necessary or advisable by Seller to perfect and ensure Seller's security interest in said products. If requested by Seller, either prior to shipment or at any time when any part of the purchase price remains unpaid, Buyer shall give to Seller in Seller's usual form, a financing statement or such other document as may be required to perfect such security interest.

9. Inspection/Acceptance/Return. Buyer shall be conclusively deemed to have inspected and accepted the products within 10 days of receipt. Any deficiency in the quality or quantity of such products must be reported within 5 days after such deficiency is or should have been discovered during the inspection period. Buyer's claims regarding any such deficiency not discovered or discoverable during the inspection period shall be barred if not reported within the reporting period. Buyer may not return any products, under warranty claim or otherwise, without first reporting to Seller the reasons for such return and obtaining Seller's prior approval purchase, and then observing such reasonable instructions as Seller may give in authorizing any return.

10. Warranty. Buyer assumes all risk and liability for the use of Seller's products, whether used singly or in combination with other products. Seller warrants that all new and unused products furnished by Seller shall be free from defects in material and workmanship under normal use for a period of twelve months from the date of manufacture of such products, provided that such products are stored in accordance with Seller's storage instructions. Product construction and product performance characteristics are subject to standard industry tolerances.

THE FOREGOING WARRANTY EXTENDS ONLY TO BUYER, AS THE ORIGINAL PURCHASER, AND, TO THE EXTENT APPLICABLE, IS IN LIEU OF ANY AND ALL OTHER WARRANTIES, TERMS AND CONDITIONS, REPRESENTATIONS, INDEMNITIES, AND GUARANTEES WITH RESPECT TO ANY PRODUCTS SOLD BY SELLER TO BUYER, AND IN LIEU OF ANY OTHER OBLIGATION ON THE PART OF SELLER, EXPRESS OR IMPLIED, OR ARISING BY LAW OR CUSTOM, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

In the case of Seller's breach of warranty or any other breach of the transactions contemplated by these terms and conditions (including, without limitation, any repair made or undertaken to be made under warranty), the exclusive remedies therefore shall be: (i) repair; (ii) replacement; or (iii) credit for, the purchase price of the defective products upon return of the defective products. Selection among the exclusive remedies described above shall in each case be at Seller's sole discretion and subject to Buyer's compliance with Seller's return procedures.

10. Limitation of Liability. UNDER NO CIRCUMSTANCES WHATSOEVER SHALL SELLER BE LIABLE FOR ANY INDIRECT, SPECIAL, OR CONSEQUENTIAL DAMAGES, WHETHER FORESEEABLE OR UNFORESEEABLE, INCLUDING, WITHOUT LIMITATION, DAMAGE OR LOSS OF PROPERTY OR EQUIPMENT, LOSS OF PROFITS OR REVENUE, COST OF CAPITAL, LOST GOODWILL, COST OF PURCHASED OR REPLACEMENT PRODUCTS, CLAIMS FOR SERVICE INTERRUPTIONS, IMPAIRMENT OF OTHER ASSETS, OR OTHERWISE, AND WHETHER ARISING OUT OF BREACH OF WARRANTY,

BREACH OF CONTRACT, NEGLIGENCE, MISREPRESENTATION, OR OTHERWISE. IN NO EVENT SHALL SELLER'S LIABILITY EXCEED THE COST OF THE PRODUCTS AT ISSUE.

11. Indemnification. Buyer shall indemnify and hold harmless Seller, and shall pay to Seller the monetary value of any losses (including all attorney's fees and related costs and expenses) arising, directly or indirectly, from or in connection with: (i) Buyer's use of the products and (ii) any negligence or willful misconduct of Buyer.

12. Force Majeure. Seller shall be excused from performing in the event of acts of God, strikes, riots, fires, war, revolution, civil commotion, acts of a public enemy, acts of terror, assertions by third parties of infringement claims, late or non-delivery by suppliers to Seller, lack of adequate production capacity, failure or delay in plant start-up, breakdown of machinery or shortages of raw materials, power, equipment, field, transportation, containers, local, federal, or foreign governmental prohibitions or limitations on performance, any act, law or regulation of any government with jurisdiction over Seller, and all other contingencies beyond the reasonable control of the party claiming excuse which render performance by such party impractical. In the event of shortage of production or supply of products for any reason, Seller reserves the right to allocate its supplies of products to itself as well as to unaffiliated customers, as it deems equitable.

13. Assignment. Buyer shall not assign its rights under any transactions contemplated by these terms and conditions without the express prior written consent of Seller.

14. Amendment. These terms and conditions may be amended or supplemented only by a separate, signed agreement expressly amending or supplementing one or more of these terms and conditions and signed by a duly authorized representative of Seller and Buyer.

15. Severability. In the event any of the terms and conditions contained herein is held to be invalid, illegal or unenforceable for any reason, such invalidity, illegality or unenforceability shall not affect any other term or condition.

16. Waiver. Any claim or right of Seller arising out of a breach of these terms and conditions or the transactions contemplated hereunder can be discharged in whole or in part by a waiver or renunciation of the claim or right only if such waiver or renunciation is supported by consideration and is in writing signed by a duly authorized representative of Seller. The waiver by Seller of a breach of any provision of these terms and conditions or any of the transactions contemplated hereunder shall not constitute a waiver of any other breach, or a subsequent breach of such provision for the same or any other cause. No waiver shall be effective unless it is in writing and signed by a duly authorized representative of Seller.

17. Notice. All notices required or permitted to be sent to Seller or Buyer shall be given in writing, and shall be deemed duly delivered when received via: (i) e-mail, provided that a written copy of such notice is promptly delivered thereafter; (ii) facsimile, provided that a written copy of such notice is promptly delivered thereafter; or (iii) an internationally recognized commercial overnight courier service. All such notices shall be sent to the parties at such addresses as they shall make known to the other parties upon like notice.

18. Dispute Resolution. Any dispute arising under or relating to the transactions to which these terms and conditions apply shall be finally settled by binding arbitration in Ventura County, California, as modified or supplemented hereby, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The tribunal shall consist of a sole neutral arbitrator. The arbitrator shall be prohibited from granting any relief that is inconsistent with these terms and conditions. Notwithstanding the foregoing, Seller reserves the right, at its option, to alternatively bring any action or proceeding for non-payment by Buyer of any amounts owed to Seller (including, without limitation, any amounts owed to Seller for products sold to Buyer or pursuant to Buyer's indemnification obligations hereunder) in the courts of Buyer's jurisdiction. Buyer voluntarily and irrevocably submits to the jurisdiction of such court in any such action or proceeding and waives any objection it may now or hereafter have to venue or to convenience of forum. Process in any arbitration or proceedings may be served on any party anywhere in the world by notice given to the party in accordance with these terms and conditions.

19. Intellectual Property. Seller shall retain sole ownership of all right, title, and interest in and to all of its intellectual property, including, without limitation, content and materials on its website, ideas, methods, trademarks, service marks, trade names, symbols, logos, copyrights, patents, trade secrets, and know-how (collectively, the Intellectual Property), and no licenses to any Intellectual Property are created hereunder.

20. Confidential Information. All Intellectual Property, specifications, drawings, documents, designs, data, information, computer software, technical matter, samples, and/or inventions acquired, made, conceived, or developed by Seller (including, without limitation, if acquired, made, conceived, or developed in cooperation with Buyer), incident to procuring or carrying out the transactions contemplated by these terms and conditions (collectively, the "Confidential Information") is and shall be the property of Seller and shall be disclosed to Buyer only to assist Buyer, and such disclosure shall be made only on a confidential basis and in no way shall impair the confidential nature thereof. Without the express prior written consent of Seller, Buyer shall not at any time disclose, or cause or permit any employee, agent or affiliated, controlled, or controlling entity of Buyer to disclose to any person, firm, corporation, or other entity, or use for its own or their benefit, or reproduce, the Confidential Information, or any information concerning the business affairs of Seller. Confidential information shall not include any information which is: (i) otherwise in the public domain or (ii) disclosed without violation of these terms and conditions or any other agreement between Buyer and Seller relating to the transactions contemplated by these terms and conditions. The Confidential Information is provided by Seller with the express understanding that such Confidential Information is owned exclusively by Seller, and Buyer shall acquire no right, title or interest in or to the Confidential Information.

21. Governing Law/Limitations. All transactions to which these terms and conditions apply shall be governed by and construed in accordance with the laws of the California, United States of America, without reference to any choice of law provision that would cause the application of the laws of any jurisdiction other than the laws of California. Any legal action with respect to any such transactions must be commenced within two years after the cause of action has accrued. All limitations herein on Seller's liability and remedies for breach of any duty of Seller to Buyer or any other user of Seller's products are extended to Seller's affiliates, suppliers, distributors, and service providers, insofar as they may have any duties to Buyer or any other user of Seller's products.