MH Warranties and Conditions of Sale

<u>1. Acceptance of Terms and Conditions.</u>

The acceptance of the terms and conditions herein and/or attached hereto is an essential prerequisite to any contract of sale made by Seller. Such terms and conditions are an integral part of any quotation made by Seller and of Seller's formal acknowledgment of any order made by Buyer. Acceptance of any goods manufactured and delivered hereunder shall constitute Buyer's acceptance of said terms and conditions. Unless specifically agreed to in writing by Seller, no terms or conditions stated by Buyer in its offer or acceptance shall be binding upon Seller if in conflict with, inconsistent with, or in addition to the terms and conditions contained herein or attached hereto. No oral agreement or other understanding shall in any way modify these terms and conditions.

2. Warranty.

Seller warrants that all products will be in compliance with the specifications set forth herein and free from defects in materials and workmanship. To make a claim under this warranty, Buyer must: 1) give Seller written notice within thirty (30) days after receipt of order, 2) immediately discontinue use of the product, and 3) request authorization to return such product freight prepaid to Seller for evaluation to validate the warranty claim. If the claimed defect is confirmed by Seller's inspection and the claim is made within thirty (30) days of the date of shipment, Seller will, at its sole option and as the Buyer's sole remedy, repair or replace such product or refund the original purchase price. This warranty is voided by alterations or by repairs of others, and Seller shall not be liable under this warranty, or otherwise, for defects caused by negligence, abuse or misuse of the product corrosion, fire, heat or the effects or normal wear and tear.

THIS WARRANTY IS IN LIEU OF ANY OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANT ABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

THE REMEDIES SET FORTH HEREIN ARE EXCLUSIVE. SELLER SHALL NOT BE LIABLE FOR ANY CONSEQUENTIAL, SPECIAL, OR INCIDENTAL DAMAGES RESULTING FROM THE DELIVERY, USE OR FAILURE OF THE PRODUCT (INCLUDING LOSS OF ANY MATERIAL STORED IN THE PRODUCT), OR FROM ANY OTHER CAUSE WHATSOEVER. BY ACCEPTING DELIVERY OF THE PRODUCT SOLD HEREUNDER, THE BUYER ACCEPTS THIS LIMITATION OF REMEDIES AS REASONABLE AND ENFORCEABLE. IN NO EVENT SHALL SELLER'S LIABILITY EXCEED THE PURCHASE PRICE FOR THE PRODUCT.

3. Payment Terms.

Standard payment terms are Prepaid, unless otherwise stated on the face of this document. If other terms are approved, Service charges will accumulate on any unpaid balance exceeding the agreed upon payment terms at a rate of 1.5% per month or portion thereof. All orders are subject to credit approval and, if Seller determines that Buyer is or may become insolvent, Seller may withhold shipment until paid in advance of shipment in cash and failing to receive cash Seller may forthwith exercise any lawful remedies available to it, including without limitation, cancellation of this agreement. Withholding of payment for any reason whatsoever will cause the warranty to be null and void. Seller shall not be responsible for switching, spotting, handling, storage, demurrage or any other transportation or related charges.

4. Shipping and Handling Terms.

All prices are F.O.B. Seller's factory Redmond, Oregon unless otherwise agreed in writing, and do not include local, state, federal, sales, use, excise or any other taxes. All shipments are to be paid by Customer at Customers risk. Receiving signature will be required unless waived by customer.

You may choose to wave the UPS signature requirement, however, the responsibility for the parcel will then be yours. UPS will leave the parcel at the door of the address given for shipping and will log into their system that it has been delivered.

5. Force Majeure.

Seller will not be responsible for any delay in performance due to acts of God, war, riots, embargoes, acts of civil or military authorities, fires, floods, accidents, quarantine restrictions, mill conditions, strikes, differences with workmen, delays in transportation, shortage of cars, fuel, labor or materials, or any other cause beyond the reasonable control of Seller.

6. Title and Risk of Loss.

Unless otherwise stated by Seller, transfer of title and risk of loss shall pass to Buyer at the time of delivery to the carrier, even when selected by Seller. This provision shall apply even if the price is quoted F.O.B., C.I.F., C. & F., destination, or C.O.D.

7. Cancellation and Returns.

No purchase order may be modified, canceled or returned except with Seller's prior written consent, and by prior payments to Seller of a sum equal to the total of out-of-pocket expenses incurred in connection with the purchase order, including but not limited to any charges made to Seller by suppliers for cancellation, plus overhead and SG&A expenses as determined by Seller. All returns require a return authorization number and must be returned in original condition. On all canceled and returned orders an industry-standard restocking charge of up to 25% shall apply.

Due to the personal nature of cannulas and face masks, the sale & delivery of these items are final, they can not be returned for refund or credit under any circumstances. Custom cut hose & tubing sales as well as special orders are also final and must be paid for in advance of shipping.

8. Indemnification.

Buyer agrees to defend, indemnify and hold Seller harmless from any and all liability, loss, damage, cost and expense, including actual attorney's fees, which Seller may suffer or incur arising from compliance with Buyer's drawings or specifications, including but not limited to, actual or alleged patent, trademark or copyright infringement.

9. Waiver.

No waiver by Seller of any breach of contract shall be deemed to be a waiver of any other or subsequent breach. All rights and remedies available to Seller shall be cumulative and in addition to any other rights and remedies provided herein or by law.

10. Compliance, Governing Law, Jurisdiction, and Venue.

Buyer warrants that it shall comply with all Federal, State and Local laws, regulations and ordinances affecting Seller. Seller makes no warranties with respect to compliance with laws. Buyer shall pay all costs and reasonable attorney's fees of Seller incurred in connection with the enforcement of the contract between the parties hereto. The contract between the parties hereto shall be governed by and construed in accordance with the laws of the State of Oregon and shall be deemed entered into a Seller's place of business. The parties agree that any controversy arising under the contract herein shall be determined by the Courts of the State of Oregon, and both parties hereby submit and consent to the jurisdiction of said Courts and agree that venue for any action arising hereunder shall lie in the City of Redmond, State of Oregon.

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Agreed and Accepted

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