

DOC'S INDUSTRIES INCORPORATED
STANDARD TERMS AND CONDITIONS OF SALE

1. **BUYER AND SELLER:** As used herein, "Seller" means Doc's Industries Incorporated. The term "Buyer" means a party who submits any purchase order, electronic order or any other order to Seller. The term "Order" means any purchase order, electronic order or any other order submitted by the Buyer and accepted by Seller. Each Order is subject to these standard terms and conditions of sale (the "Terms"). The Terms are the only terms and conditions of sale that govern the sale of products (the "Product" or "Products") from Seller to Buyer on any Order.
2. **PRICES:** All prices for Products shall be stipulated on an Order, on Seller's Website, in Seller's promotional literature for the Products, or quoted directly by Seller, and are subject to change, without notice, at any time prior to Seller's acceptance of an Order. Prices are FOB Seller's factory or distribution center. All applicable fees, sales or other taxes Seller pays or is required to collect or pay upon sale of Products will be added to the invoice for the Order. If such amount is not included in invoice for the Order, it may be invoiced separately later.
3. **TERMS OF PAYMENT:** All sales of Products are on a cash basis, unless a credit account is approved by Seller. If any payment is not made when due, Seller may impose interest on the unpaid balance of the price at the rate of 1.5% PER MONTH or the maximum rate permitted by law, whichever is greater. If Buyer fails to pay any amount when due under the Order and these Terms, Seller may declare all payments owing under the Order and the Terms, and any other agreement with Buyer, to be immediately due and payable and may refuse to perform any obligations then remaining unperformed under the Order or these Terms or any other agreement with Buyer. Any returned check or electronic payment is subject to a non-sufficient funds charge of \$75.
4. **DELIVERY / RISK OF LOSS:** All sales of Products are FOB Seller's factory or distribution center unless there is written agreement with Buyer stating otherwise. Delivery shall occur and risk of loss shall pass to Buyer upon delivery of the Products to either Buyer, or a carrier at point of shipment, whichever occurs first. Transportation shall be at Buyer's sole risk and expense, and any claim for loss or damage in transit shall be against the carrier only. Therefore, all claims for breakage, damage and losses should be made directly to the transportation company. An estimated date of shipment may be included in the acceptance of the Order, but it is to be understood that it is only an estimated shipping date. All estimated shipping dates are subject to delays caused by: civil insurrection, war, fire, strikes, labor stoppages, acts of God, or any other factor or cause beyond Seller's control; none of which factors or cause shall give rise to any liability on Seller's part whatsoever, including loss of use or for any indirect or consequential damages.
5. **ACCEPTANCE.** Buyer agrees to promptly inspect each Product received from Seller. Buyer shall be deemed to have accepted each Product received from Seller within three (3) business days following receipt by Buyer unless Buyer has previously notified Seller in writing of any claim for breach under these Terms. All claims for damage occurring in transit shall be submitted directly to the carrier.

6. **SECURITY INTEREST AND INSURANCE.** Title and risk of loss for the Product passes to Buyer upon delivery of the Products to Buyer, or upon delivery to a carrier at point of shipment, whichever occurs first. Seller retains a purchase money security interest under the California Uniform Commercial Code (“CUCC”) in the Products for all unpaid Orders until the unpaid price, and any collection costs, are paid in full. By signing any quote, purchase order, bill of lading, request for purchase, order confirmation or contract Buyer shall be deemed to have provided an authenticated signature under the CUCC and these Terms shall be deemed incorporated by reference into all such writings. Buyer shall allow Seller to file any financing statement evidencing Seller’s security interest and these Terms shall be deemed by Buyer and Seller to constitute a security agreement under the CUCC. Until paid for in full, Buyer shall not encumber or allow any lien to attach or convey the Products. Buyer shall be responsible for maintaining insurance on all Products for all unpaid Orders for the invoice amount.

7. **LIABILITY OR RESPONSIBILITY:** Seller assumes no liability or responsibility for any acts, misuse of product, advertising, and/or violations of any local, state or federal regulations or laws violated by the Buyer. Buyer assumes all responsibility for Buyer’s acts and is responsible for researching local, state or federal regulations relating to the sale or use of the Products.

8. **WARRANTIES:** Seller warrants that the Products shall be delivered free from defects in material, workmanship, and title, which warranty shall expire thirty (30) calendar days from delivery. If the Products do not meet the warranty of this paragraph, Buyer shall promptly notify Seller in writing prior to expiration of the thirty (30) calendar day period. If Buyer claims that any Products do not meet the warranty of this paragraph, or otherwise breach these Terms, Buyer shall afford Seller a prompt and reasonable opportunity to inspect all such Products. Seller shall not be liable for a breach of the warranty of this paragraph if: (i) Buyer makes any further use of the Products after giving notice to Seller of the breach; (ii) a claimed defect arose because Buyer failed to follow all oral or written instructions as to the storage, installation, commissioning, use or maintenance of the Products; (iii) Buyer altered or repaired the Products without the prior written consent of Seller, or (iv) any other accident, negligence, alteration, improper care, improper storage, improper maintenance, abuse or misuse of the Products by Buyer, or unrelated to Seller. Unless otherwise restricted by mandatory applicable law, THE WARRANTY SET FORTH HEREIN IS EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, WHETHER EXPRESSED OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY AND ALL WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT, QUALITY AND FITNESS FOR USE AND FOR PURPOSE, ANY ADVICE AND RECOMMENDATION AND ANY OBLIGATIONS OR LIABILITIES THAT MAY BE IMPUTED TO SELLER, ANY AND ALL OF WHICH ARE HEREBY EXPRESSLY DISCLAIMED, DENIED AND EXCLUDED. BUYER EXPRESSLY AGREES IT WILL NOT CLAIM OR OTHERWISE ADHERE TO (AND/OR ALLOW ANYONE ACTING ON THE BUYER’S BEHALF AND/OR BY ANYONE DERIVING THE LEGALITY OF ITS CLAIM FROM BUYER) ANY WARRANTY THAT IS NOT SPECIFICALLY STATED IN THE TERMS. SELLER NEITHER ASSUMES NOR AUTHORIZES ANY OTHER PERSON TO ASSUME FOR IT, ANY OTHER LIABILITY IN CONNECTION WITH THE SALE, USE OR HANDLING OF ANY AND ALL PRODUCTS SPECIFIED OR CONTEMPLATED BY THESE TERMS OR ANY ORDER. THE REMEDIES SET FORTH IN THIS SECTION SHALL BE BUYER’S

SOLE AND EXCLUSIVE REMEDY AND SELLER'S ENTIRE LIABILITY FOR ANY BREACH OF THE LIMITED WARRANTIES SET FORTH IN THIS SECTION.

9. **CONSEQUENTIAL DAMAGES / REMEDY:** Seller shall not be liable for incidental or consequential losses, damages or expenses, directly or indirectly arising from the sale, handling or use of the Products, or from any other cause relating thereto. The Seller shall not be liable for any incidental or consequential damages arising from any Order, the breach of any warranty, the failure to deliver, delay in delivery, delay on nonconforming condition, or for any other breach of these Terms or other contract or duty between Seller and Buyer. Buyer's exclusive remedy and Seller's exclusive liability for any and all claims as to Products delivered, whether or not such liability arises in equity, at common law, by statute (including but not limited to the California deceptive trade practices act or similar statute of other jurisdiction), or under the law of contracts, torts (including without limitation, negligence and strict liability without regard to fault), or property, is expressly limited, at Seller's option, to repair or replacement (in the form originally designed or shipped) of the Products not complying with these Terms, plus transportation costs, or at Seller's election, to the repayment of, or crediting Buyer with, an amount equal to the purchase price of the Products.

10. **CANCELLATION, SUSPENSION, or DELAY:** These Terms and any Order cannot be cancelled, suspended or delayed by Buyer without Seller's prior written consent. If Seller agrees to a cancellation, suspension or delay of these Terms, Buyer shall pay to Seller at least all costs incurred by Seller up to the date of such cancellation, suspension or delay.

11. **BACK CHARGES:** Seller will not approve or accept returns or back charges for labor, materials, or other costs incurred in modification, adjustment, service or repair of any Order unless previously approved by Seller in writing.

12. **CHANGES IN DESIGN:** Seller reserves the right to modify the design and construction of the Products to incorporate improvements or to substitute material equal or superior to that originally specified in any Order.

13. **DISPUTES AND JURISDICTION:** These Terms are deemed to be entered into in California and to be a California contract and shall be governed and construed in accordance with the laws of the state of California without regard to the conflicts of law provisions thereof. Seller and Buyer specifically agree that any legal action brought relating to goods purchased or relating to this contract will be brought and tried in California. The Buyer and Seller further agree to submit to the exclusive and personal jurisdiction and venue of the state and federal courts within the city of Simi Valley, State of California. Buyer hereby waives all objections to venue, and Buyer consents to service of process by certified mail addressed to the same address as that address designated for the delivery of the goods purchased hereunder.

14. **WAIVER:** The failure of either Buyer or Seller to, at any time, require performance by the other of any of its obligations hereunder shall in no way affect the full right to require such performance at any time thereafter. The waiver by Buyer or Seller of any remedy with respect to a breach of any provision hereof shall not be taken as a waiver of a remedy with respect to any succeeding breach of such provision or any breach of other provision.

15. **SEVERABILITY:** Buyer and Seller agree that each provision contained in these Terms shall be treated as a separate and independent clause, and the unenforceability of any one clause shall in no way impair the enforceability of any of the other clauses herein. Moreover, if one or more of the clauses contained in these Terms shall for any reason be held to be excessively broad as to scope, activity or subject so as to not be enforceable at all, such provision or provisions shall be construed by the appropriate judicial body by limiting and reducing it or them, so as to be enforceable to the extent compatible with the applicable law.

16. **MODIFICATION:** Notwithstanding anything to the contrary contained in these Terms, Seller may, from time to time, change the Terms without the consent of Buyer. The Terms may not be modified except by written agreement referring specifically to these Terms and signed by a duly authorized representative of Seller. Any provisions of any Order, including Buyer's purchase order, that is inconsistent with these Terms, shall be of no force and effect. In the case of a conflict between these Terms and any Order, including Buyer's purchase order, these Terms shall control.

17. **NO THIRD-PARTY BENEFICIARIES:** This Agreement is for the sole benefit of the Buyer or Seller and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of these Terms.

18. **SURVIVAL:** Provisions of these Terms which by their nature should apply beyond their terms will remain in force after any termination or expiration of any Order.