

TERMS AND CONDITIONS OF SALES

How to Order

To order by phone, call (713) 957-8555 or 1-800-337-2559 if calling from out of town.

To order by fax, dial (713) 316-0536.

Our Customer Service Department is open to serve you 9:00 a.m. to 5:00 p.m. Central Monday through Friday.

To order on line logon to <http://Rallyinc.com> (You may need a logon ID and password)

Acceptance

Orders are subject to acceptance by Rally Inc. Your acceptance of any goods from Rally Inc. shall constitute acceptance of these terms and conditions. No terms and conditions appearing in your order that are in variance with or contrary to Rally Inc.'s terms and conditions shall be binding upon Rally Inc. unless specifically agreed to in writing.

Shipping

All orders over \$50.00 will be shipped free in Houston and Vicinity by via our trucks.

Outside Houston and Vicinity, we will always ship using the least cost alternative and add it to your invoice Rally Inc. will use its reasonable efforts to deliver Products on or before the estimated delivery date, but shall not be liable in damages or otherwise for failure to do so, regardless of the cause. All backordered items will be shipped immediately upon receipt from Rally Inc.'s supplier.

Rally Inc. reserves the right to cancel any back order if the item is not received within thirty (30) days.

Shipment of Products per routine order to Customer and subsequent back orders related to the original shipment shall be shipped FOB Destination, except for drop shipments which shall be shipped in accordance with the vendor's shipping policies. The cost of shipment, if any, will be paid by Rally Inc. and added to Customer's invoice. Shipping charges are subject to change without notice. Customer shall pay all shipping charges on special order drop shipments. Furniture and large equipment is shipped to Customer's dock. Additional charges will be applied for lift gate service, inside delivery, or set up.

When placing your order please consider the following:

Some orders may be Drop Shipped directly from the manufacturer. Additional charges may be applied and delivery times may vary.

Some orders may need to be refrigerated; any item requiring refrigeration may be shipped separately from the rest of your order Monday through Wednesday only, and will arrive in two business days. Refrigerated items are not returnable.

Some orders may be Hazardous Materials; the Department of Transportation has determined that these items require special handling. We may incur Hazardous material charges which may be added to your invoice.

Some orders may require Licensure and DEA procedure. To ship prescription drugs and devices and other controlled substances to you, we need to have a copy of your current medical license and DEA License on file.

Payment

Our payment terms are net 30 days. Invoices will be dated as of the date of the shipment; a statement of your account activities will be mailed at the end of each month. Payment is due 15 days from statement date. All payments shall be made in United States dollars and may be made by check, Visa, MasterCard or American Express. A Twenty-Five Dollar (\$25.00) fee will be assessed for each returned check.

One and one-half (1 1/2) percent per month (18% annually) finance charge will be charged on past due balances.

Rally Inc. may suspend shipment of Products to Customers whose accounts are past due, at no liability to Rally Inc.

In the event of non-payment, the customer agrees to pay all reasonable attorneys' fees and/or cost incurred for the use of a collection agency to collect the debt.

Pricing

We will make every effort to maintain prices constant and will make prices adjustments only in response to manufacturers' increases or other events outside of Rally Inc.'s reasonable control. Customer is responsible for all federal, state or local sales, use or excise tax imposed with respect to the Products.

Special Orders

If you are unable to find the product you are looking for in our catalog, please call us and let our Sales Representative or Customer Service Department help you find it.

Damages, Shortages, Claims

Rally, Inc. exercises the utmost care and caution in the fulfillment of customer orders; however, the following should be observed:

Damaged Goods

All deliveries should be inspected for shipping damage before accepting delivery. If damage has occurred, Customer should note the extent of the damage on the freight bill and contact Rally Inc. immediately. Claims for loss or damage in transit must be entered and prosecuted by Customer. In no event will Rally Inc. be held liable for any damages or expenses caused by delay in delivery.

Inspection

Customer shall have three (3) days from the date of delivery to inspect the Products and to reject any or all Products which are defective or nonconforming. Products rejected together with documentation substantiating the claim shall be promptly returned to Rally Inc. at Rally Inc.'s expense; provided, however such Products are returned no later than

thirty (30) days from invoice date. Credit will be given for incorrectly shipped, damaged, or defective products. All return freight charges for Products that are deemed to be not defective or nonconforming are the responsibility of Customer.

Shortages

All Product shortages must be reported to Rally Inc.'s Customer care at 800-337-2559, within three (3) days of invoice date.

Returns

All returned merchandise must have prior authorization. Unauthorized returns will be refused. Please call for return authorization and shipping instructions.

Any merchandise returned for credit must be received within 30 days of invoice date and in saleable condition.

There will be a 15% restocking charge for merchandise returned after 30 days of invoice date.

We will not accept any returns after 60 days of invoice date.

The following Products have return restrictions or are not returnable:

- Controlled Substances
- Diagnostic Test Kits
- Discounted or sale Products
- Discontinued Products
- Drop Shipped or Special Order
- Products shipped from manufacturer
- Expired Products
- Hazardous/ORM Materials
- Items Shipped on Ice or Dry Ice
- Opened or Defaced Products
- Used Instruments and equipment
- Oxygen Tanks
- Seasonal injectables and vaccines

Warranty

The warranties (if any) on the Products sold hereunder are only those of the manufacturer, assembler or packager of the Product, as stated in any warranty accompanying such Products, and Rally Inc. makes no warranty, express or implied, with respect thereto.

DISCLAIMER

RALLY INC. DISCLAIMS ANY RESPONSIBILITY WHATSOEVER TO CUSTOMER OR TO ANY OTHER PERSON FOR INJURY TO PERSON OR DAMAGE TO OR LOSS OF PROPERTY OR VALUE CAUSED BY ANY PRODUCT THAT HAS BEEN SUBJECT TO MISUSE, NEGLIGENCE, OR ACCIDENT; OR MISAPPLIED; OR MODIFIED OR REPAIRED BY UNAUTHORIZED PERSONS; OR IMPROPERLY INSTALLED. IN NO EVENT SHALL RALLY INC. BE LIABLE FOR SPECIAL, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS) FROM ANY CAUSE, INCLUDING WITHOUT LIMITATION, DAMAGES RESULTING FROM ANY UNAVAILABILITY OF, DEFECT IN, OR MISSHIPMENT OF PRODUCTS, REGARDLESS OF WHETHER SUPPLIER HAS BEEN PREVIOUSLY ADVISED OF THE POSSIBILITY OF SUCH LOSS, DAMAGES, CLAIM OR DEMAND. RALLY INC.'S LIABILITY ON ANY CLAIM FOR LOSS, COST, DAMAGE, EXPENSE OR OTHER LIABILITY ARISING OUT OF OR CONNECTED WITH THESE TERMS AND CONDITIONS, OR ANY OBLIGATION RESULTING THEREFROM, OR THE MANUFACTURE, SALE, DELIVERY, RESALE, REPAIR, SERVICE, OR USE OF ANY PRODUCT (INCLUDING BUT NOT LIMITED TO LOSS LIABILITY ARISING FROM BREACH OF CONTRACT) SHALL IN NO CASE EXCEED THE PRICE OF SUCH PRODUCTS INVOLVED IN SUCH CLAIM.

Product Changes

Factors beyond Rally Inc.'s control and the need for continuing improvements of Products require the making of changes in Products from time to time. Rally Inc. reserves the right to make reasonable changes in Products of any kind without notice, and to deliver revised versions of Products against any order, unless this right is specifically waived by it in writing. Rally Inc. shall have no responsibility whatsoever with respect to the changes made by the manufacturer of Products sold by but not manufactured by Rally Inc. and Customer acknowledges that such Products are subject to change at any time and from time to time.

Governing Law; Consent of Jurisdiction

These terms and conditions are governed by the laws of the State of Texas, U.S.A. (without regard to its conflicts of laws). Customer hereby consents to the jurisdiction of the federal and state courts located in the State of Texas in connection with any dispute that may arise hereunder.

Reporting of Discounts, Rebates or Other Price Reduction Programs

CUSTOMER SHALL BE RESPONSIBLE FOR REPORTING ALL PRICES, DISCOUNTS, AND REBATES TO REIMBURSING AGENCIES TO THE EXTENT REQUIRED BY LAW OR REGULATION, INCLUDING MEDICARE AND MEDICAID, AND OTHER ENTITIES, MAINTAINING RECORDS THEREOF, AND PROVIDING INFORMATION TO REIMBURSING AGENCIES, IN ACCORDANCE WITH ALL APPLICABLE LAWS. ANY PRICE REDUCTIONS OR DISCOUNT PROGRAMS DESCRIBED IN THE INVOICE ARE INTENDED TO BE A DISCOUNT WITHIN THE

MEANING OF APPLICABLE FEDERAL AND STATE ANTI-KICKBACK LAWS, INCLUDING, 42 U.S.C. 1320A-7B(B) AND THE DISCOUNT SAFE HARBOR PROMULGATED THEREUNDER AND CURRENTLY FOUND AT 42 C.F.R. 1001.952(H). CUSTOMER UNDERSTANDS THAT THE INVOICE MAY NOT REFLECT THE NET COST OF A PRODUCT DUE TO A REBATE OR OTHER DISCOUNT PROGRAM. CUSTOMER REPRESENTS AND WARRANTS THAT IT WILL SATISFY ANY AND ALL REQUIREMENTS IMPOSED ON BUYERS, INCLUDING WHEN REQUIRED BY LAW, THE REQUIREMENT TO ACCURATELY REPORT, OR MAKE AVAILABLE UPON REQUEST BY A FEDERAL OR STATE HEALTH CARE PROGRAM, THE NET COST ACTUALLY PAID BY SUCH CUSTOMER FOR THE PRODUCTS AND SERVICES COVERED BY THE INVOICE. FOR PURPOSES OF COST REPORTING REQUIREMENTS UNDER A FEDERAL OR STATE PROGRAM WHICH PROVIDES COST BASED REIMBURSEMENT, CUSTOMER UNDERSTANDS THAT ANY SUCH DISCOUNTS, INCLUDING REBATES, SHOULD BE PROPERLY ALLOCATED ON A UNIT BASIS SO AS TO REPORT A NET SALE PRICE THAT ACCURATELY REFLECTS THE TOTAL AMOUNT OF THE DISCOUNT RECEIVED.