

## **Blu Pharmaceuticals, LLC Commercial Sales Policy**

### **Terms and Conditions**

Prices and terms are F.O.B. Shipping Blu Pharmaceuticals, LLC. and are subject to change without prior notice. Purchase agreements shall be construed in accordance with the laws of the State of Kentucky. The parties agree that any and all claims arising under purchase agreements shall be subject to the jurisdiction of the courts of the State of Kentucky.

Payment for sales and services is to be made from invoice and within the terms agreed to and as stated on the invoice. Unless otherwise negotiated, full payment is due within 30 days of invoice date. Statements of past due accounts are mailed only as a courtesy. Failure to pay invoices in full and within agreed terms may be subject to curtailment of shipment plus other actions as appropriate. In the event Blu Pharmaceuticals, LLC incurs collection costs or institutes suit to collect any amount under this agreement or any portion thereof, customer promises to pay such additional collection costs, charges, and expenses, including reasonable attorneys' fees if the account is placed in the hands of an attorney for collection.

Customer agrees not to make any deduction from payment unless a credit memorandum has been issued and received by the customer. Credits are valid for 12 months from date of issue and are valid only against future purchases.

Payments must be made in U.S. currency only and may be made in the form of check, money order, wire transfer, or credit card. Do not send cash. To ensure timely and accurate posting of payments, please send all payments with copies of invoices, credit memorandums and statements.

The purchase of prescription drugs requires proof of appropriate license(s). Product will not be shipped without proper documentation. Blu Pharmaceuticals, LLC reserves the right to limit purchase quantities.

For sales into states where Blu Pharmaceuticals, LLC is not required to collect sales tax, the customer agrees to report, collect and remit all applicable sales and use taxes to the appropriate taxing authority. If required, the customer is responsible for providing Blu Pharmaceuticals, LLC with documentation of proof of sales tax exempt status.

The policies, prices, terms and conditions of sales stated may be changed at any time without notice.

### **Pricing**

All orders and credits whether based on submitted quotations or not, are subject to acceptance and approval by Blu Pharmaceuticals, LLC.

### **Terms**

Standard terms of sale are 2% 30/net 31 days from invoice date

### **Damaged Shipments and Discrepancies**

If damage is visible at the time of delivery, a notation of damages should be made on the carrier's delivery or freight bill or shipment can be refused. Notification of delivery problems must be made to Blu Pharmaceuticals, LLC within ten (10) business days of receipt of damaged shipment to ensure processing of replacement order and to file a freight claim with the carrier.

Notification of shipping errors, discrepancies and other claims against sales must be made within ten (10) days of receipt of goods in order to receive credit. To avoid processing fees, return of product for damages and discrepancies must be received by Blu Pharmaceuticals, LLC within 30 days of invoice date. Product received after 30 days may be subject to a processing fee of up to 20%.

**Delay in Transit**

Blu Pharmaceuticals, LLC is not responsible for delays in transit due to weather conditions, carrier strikes and other acts of nature which may impede shipment of product. If an expected delivery has not been received within 10 business days after product was ordered, please call customer service for status of order.

**Shipping**

A charge of \$5.95 per order **may be** charged on orders under \$75.00 to cover the cost of shipping and handling. Large orders and special handling requests are billed at an additional cost.

Blu Pharmaceuticals, LLC uses common carrier for delivery. Next day, second day, and Saturday delivery is available on request at an additional charge. To guarantee next day or second day delivery, orders must be placed before 1:30 p.m. Central Standard Time (CST).

**Force Majure**

Blu Pharmaceuticals, LLC shall not be liable for failure to supply products or to perform on any contract due to strike, acts of nature, acts of Government, interruptions in transportation, inability to obtain supplies of raw materials, product recalls or any other causes beyond Blu Pharmaceutical's control.

**Warranty Provisions**

The Products of Seller are sold to Distributor at prices that contemplate that such products are free from defect in manufacture and workmanship at the time of sale. In the event that any product is proved to have been defective at time of sale, Seller will make an appropriate adjustment in the original sales price of such product.

Effective 10/01/07