

STANDARD TERMS AND CONDITIONS OF QUOTATION AND SALE

1. **COMPLETE TERMS.** Sales and quotations by TG Labs LLC, a Colorado Limited Liability Corporation, ("TGL"), are governed by these Standard Terms and Conditions of Quotation and Sale ("Terms and Conditions"). This is an offer conditioned on TGL's customers' ("Buyers") acceptance of all, and only, these Terms and Conditions. This is the final and complete expression of all Terms and Conditions of the agreement. Any representations, promises, warranties, or statements that are not contained here are void. These Terms and Conditions can be modified, waived, or amended only by a written instrument signed by officers both Buyer and TGL.
2. **ORDERS.** Orders will be initiated by Buyer issuing a purchase order ("Order") to TGL. Orders will identify equipment manufactured, assembled, or otherwise produced by TGL ("Product"), unit quantities, part numbers, descriptions, applicable prices and requested delivery dates. Orders can be submitted via telephone, mail, fax, email, or TGL internet website.
3. **QUOTATION OF PRICE.** All written quotations of price ("Quote") made by TGL will be valid for a period of thirty (30) days without exception from time Quote has been generated by TGL. TGL will make every reasonable effort for timely delivery of Quote to customer however TGL does not assume responsibility for delays in receipt of quotations to Buyer unless otherwise stated hereunder in these Terms and Conditions. TGL under any circumstance will not honor or provide verbal quotations of price.
4. **TERMS OF PAYMENT.** Terms of payment shall be as set forth on TGL's documentation acknowledging Buyer's Order or documentation provided to Buyer upon Buyer's receipt of Products ("Invoice"). If Buyer fails to pay any sum owed hereunder when due, interest shall accrue to TGL's credit on such sum at the rate of 1½% compounded per month or the highest rate allowed by law, whichever is lower. If TGL, in its sole discretion, finds it necessary to employ an attorney to collect any past due sum owed hereunder, it may collect, in addition to any other sum owed hereunder, all applicable attorney's fees and costs. Credit cards accepted are MasterCard, Visa and American Express. COD orders have no minimum and must be paid with certified funds (certified check, money order or cashier's check). Payment of any additional COD charges or shipping charges as a result of COD by carrier will be the sole responsibility of the Buyer. There is a \$25.00 service charge on all returned checks.

Penalties, in addition to interest, may be incurred on outstanding balances of \$1,000 or more if amount due is not paid within 90 days. **PENALTIES OF \$50.00 PER DAY PER ACCOUNT MAY BE IMPOSED FOR DELINQUENT PAYMENT.** Penalty amount shall not incur finance charges but will be accessed until the account is paid

below \$1,000.00 dollars.

5. **CANCELLATION.** Buyer may, without charge, cancel an Order for standard Products provided such order has not begun production and if cancellation request is received fourteen (14) business days prior to delivery date. Buyer requests to cancel an order for standard Products already in production or if written notice of cancellation is received by TGL less than fourteen (14) days prior to delivery date in writing may be accepted by TGL in its sole discretion, which acceptance will be subject to Buyer's payment of reasonable termination charges as determined by TGL. Buyer may not cancel or terminate any non-standard Products, except with written consent from TGL and only then upon payment of reasonable termination charges as determined by TGL.
6. **RETURNS.** Buyer may return non-custom Product to TGL up to thirty (30) days after delivery to Buyer's shipping address for any reason as long as Product has not been used or custom designed for your application. Upon approval by authorized TGL personnel, Buyer may return un-used stock Products to TGL, LLC for credit. These used stock Products must not be damaged and must be returned in as-new, re-sellable, condition based upon inspection by authorized TGL personnel. A refund totaling 75% of the returned instrument's full purchase price will be given to Buyer via method of TGL's choosing within thirty (30) days. All returned items, including accessories, are subject to a 25% restocking fee.
7. **FINANCIAL RESPONSIBILITY.** Any credit terms offered by TGL are available only for so long as Buyer complies with all of its obligations under these Terms and Conditions, including, without limitation, the provisions requiring timely payment of Invoices within stated terms. If credit terms are no longer available, Buyer shall pay cash in advance for all purchases. If TGL shall have any doubt at any time as to Buyer's financial responsibility, TGL, at its option and its sole discretion, either may (a) decline to make further shipments except upon receipt of cash in advance or upon giving of other security satisfactory to TGL, or (b) terminate this sale. Nothing in this paragraph is intended to affect the obligation of Buyer to accept and pay for the Products.
8. **NO DEDUCTION.** Buyer shall not be entitled to deduct from the price invoiced to it by TGL the amount of any claim asserted by Buyer against TGL, unless such claim shall have been allowed, in writing, by TGL. The provisions of the preceding sentence are of the essence of this sale.
9. **LIMITED WARRANTY.** THE WARRANTIES SET FORTH IN ATTACHMENT A OF QUALITY ARE EXTENDED IN LIEU OF AND TO THE EXCLUSION OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THE BELOW WARRANTIES RUN ONLY TO THE BUYER HEREUNDER; THEY ARE NOT INTENDED TO, AND DO NOT, RUN TO ANY SUBSEQUENT BUYER, NOR MAY THEY BE TRANSFERRED TO ANY OTHER

PERSON, UNLESS OTHERWISE SPECIFICALLY STATED IN WRITING BY AN OFFICER TGL.

TG Labs, LLC warrants to the original purchaser that for twenty four (24) months from the date of shipment the items manufactured by TGL shall be free from defects in materials and workmanship. Under this warranty the product will be repaired or replaced at manufacturer's option, without charge for parts or labor when the product is carried or shipped prepaid to the factory together with proof of purchase. The foregoing shall constitute the exclusive and sole remedy of the purchaser for any breach by TGL of this warranty. This warranty does not apply to any equipment, which has not been installed and used in accordance with the specifications recommended by TGL for the proper and normal use of the equipment. Buyer agrees hereunder that TGL reserves the right to void any warranty, written or implied, if upon TGL's examination of Product shall disclose to TGL's satisfaction that the Product did not fail due to accident, misuse, neglect, abuse, alteration, improper installation, unauthorized repair or improper testing by Buyer or agent of Buyer. TGL shall not be liable under any circumstances for indirect, special, consequential, or incidental damages in connection with, or arising out of, the sale, performance, or use of the equipment covered by this warranty. TGL does not recommend, warrant or assume responsibility for the use of its products in life support or critical applications or systems. TGL's warranties are herein above set forth shall not be enlarged, diminished or affected by, and no obligation or liability shall arise or grow out of TGL's rendering of technical advice in connection with Buyer's order of the Products furnished hereunder.

When a product is returned to TGL for periodic re-calibration it is considered normal preventative maintenance and is not covered by any warranty. Yearly recalibration is required during warranty period. Failure to recalibrate unit on a yearly basis will void warranty. This Warranty is in lieu of all other relevant warranties, expressed or implied, including the implied warranty of merchantability and the implied warranty of fitness for a particular purpose, and any warranty against infringement of any patent.

Continued use or possession of Products after expiration of the applicable warranty period stated above shall be conclusive evidence that the warranty is fulfilled to the full satisfaction of Buyer. TGL makes no warranty as to experimental, non-standard or developmental Products.

10. **EXCLUSIVE REMEDIES.** If the Products furnished by TGL fail to conform to TGL's exclusive LIMITED WARRANTY, TGL's sole and exclusive liability shall be (at TGL's option) to repair, replace or credit Buyer's account for any such Products which are returned by Buyer during the applicable warranty period set forth above, provided that (i) TGL is promptly notified in writing upon discovery by Buyer that such Products failed to conform to this contract with a detailed explanation of any alleged deficiencies, (ii) such Products are returned to TGL, F.O.B. TGL's plant, and (iii) TGL's examination of such Products shall disclose to TGL's satisfaction that

such alleged deficiencies actually exist and were not caused by accident, misuse, neglect, abuse, alteration, improper installation, unauthorized repair or improper testing. If TGL elects to repair or replace such non-conforming Products, TGL shall have a reasonable time to make such repairs or replace such Products. TGL also reserves the right, at its sole discretion, to credit the Buyer's account of any shipping charges in whole or in part incurred by the Buyer associated with the return of Products to TGL's plant. THE FOREGOING STATES THE SOLE AND EXCLUSIVE LIABILITY OF TGL AND IS IN LIEU OF ALL WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, IN REGARD THERETO, AND IN NO EVENT SHALL TGL BE LIABLE FOR SPECIAL, COLLATERAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES.

11. **PRODUCT RETURNS.** All returns will be processed at the sole discretion of TGL. Buyer is deemed to have accepted the Products unless written notice of rejection is received by TGL within twenty one (21) days after delivery. Buyer waives any right to reject or revoke acceptance thereafter. Buyer is responsible for all shipping costs to return Products to TGL's plant. Any loss or damage of Product during shipping from Buyer's plant to TGL's plant will be the sole responsibility of the Buyer. TGL strongly suggests that Buyer purchase insurance from carrier to insure Products during shipping. Products must be returned in new condition with all previously included paperwork and accessories.
12. **DATA ERRORS AND OMISSIONS.** TGL makes every effort to ensure the accuracy of the information published in its documents, by its distributors and on its Internet site. The documents and graphics published may contain technical inaccuracies or typographical errors. TGL makes no representations about the information and graphics presented. All such documents and graphics are provided "as-is" without warranty of any kind.
13. **INDEMNIFICATION.** Buyer agrees to hold harmless, indemnify, and defend TGL and any of its employees, directors, officers, agents, or successors from any and all fault, liabilities, costs, expenses, claims, demands or lawsuits asserted by any person or entity that the warranties, remedies, limitations, disclaimer of warranties and liabilities of TGL are other than that as specifically set forth herein or by reason of any warranty, express or implied, or remedy for breach of warranty extended by Buyer, which is more favorable than the warranties and remedies set forth herein.
14. **PRODUCT APPLICATION INDEMNIFICATION.** Buyer agrees to indemnify and hold harmless TGL and any of its employees, directors, officers, agents or successors from any and all fault, liabilities, costs, expenses, claims, demands or lawsuits, whether arising in tort or contract, against Buyer and/or TGL, including Attorney's fees, expenses and costs, arising out of the application of TGL's Products to Buyer's designs and/or Products, or TGL's assistance in the application of TGL's Products.
15. **PATENTS.** TGL shall defend any suit or proceeding brought against Buyer insofar

as such suit or proceeding is based on a claim that any Products manufactured and supplied by TGL to Buyer constitute direct infringement of any duly issued United States patent and TGL shall pay all damages and costs finally awarded therein against Buyer, provided that TGL is promptly informed and furnished a copy of each communication, notice or other action relating to the alleged infringement and is given authority, information and assistance (at TGL's expense) necessary to defend or settle said suit or proceeding. TGL shall not be obligated to defend or be liable for costs and damages if the infringement arises out of compliance with Buyer's specification (s), or from a combination with, an addition to, or a modification of the Products after delivery by TGL, or from use of the Products, or any part thereof, in the practice of a process. TGL's obligations hereunder shall not apply to any infringement occurring after Buyer has received notice of such suit or proceeding alleging the infringement unless TGL has given written permission for such continuing infringement.

If the infringement by Buyer is alleged prior to completion of delivery of the Products under this contract, TGL may decline to make further shipments without being in breach of this contract, and provided TGL has not been enjoined from selling said Products to Buyer, TGL agrees to supply said Products to Buyer, at Buyer's option, whereupon the patent indemnity obligation herein stated with respect to TGL shall reciprocally apply with respect to Buyer.

If any suit or proceeding is brought against TGL based on a claim that the Products manufactured by TGL in compliance with Buyer's specifications and supplied to Buyer directly infringe any duly issued United States patent, then the patent indemnity obligations herein stated with respect to TGL shall reciprocally apply with respect to Buyer.

THE FOREGOING STATES THE SOLE AND EXCLUSIVE LIABILITY OF TGL FOR PATENT INFRINGEMENT AND IS IN LIEU OF ALL WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, IN REGARD THERETO, AND IN NO EVENT SHALL TGL BE LIABLE FOR SPECIAL, COLLATERAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES.

16. TITLE. TGL warrants it has and will convey Products and marketable title to the Products.
17. CONFIDENTIAL INFORMATION. – TGL and Buyer mutually agree to hold confidential or proprietary information or trade secrets ("Confidential Information") in trust and confidence without restriction and mutually agree that Confidential Information shall be used only for the contemplated purposes, shall not be used for any other purpose, or disclosed to any third party unless TGL or Buyer can document said Confidential Information (a) is in the public domain through no fault of either TGL or Buyer, (b) was properly known to receiving party, without restriction, prior to disclosure by disclosing party, (c) was properly disclosed to receiving party by another person or entity or (d) has been subpoenaed or officially

requested by a court of law or other duly authorized agent of the court. Confidential Information may be furnished in any tangible or intangible form including, but not limited to, writings, drawings, presentations, computer tapes and other electronic media, samples, demonstrations, video and verbal communications. This provision shall survive the expiration, termination or cancellation of this Agreement.

18. **DELIVERY.** Delivery shall be F.O.B. Buyer's plant (unless otherwise specified on documentation acknowledging Buyer's order), whereupon title, except for TGL's unpaid lien to the Products, and risk of loss shall pass to Buyer. Selection of routing and carrier is reserved to TGL. Any increase in delivery costs resulting from Buyer's instructions to the carrier and any extra costs of utilizing substitute methods of delivery, when the intended type of carrier or loading or unloading facilities become unavailable, shall be for Buyer's account. Every effort will be made to effect delivery at the desired time, but delivery dates are not guaranteed. Claims for shortages or incorrect or damaged Products must be made in writing to TGL within seven (7) days after receipt of shipment. Failure to give such notice shall constitute an unqualified acceptance and waiver by Buyer of all claims for such shortages or incorrect Products.
19. **SHIPMENT DAMAGE.** Product shipped from TGL's manufacturing location is carefully packed in compliance with carrier requirements. Buyer must make claims for loss or damage in transit with the carrier. All shipments should be fully unpacked and inspected immediately upon receipt. It is important to keep the shipping carton, packing material and all parts intact for inspection by the carrier's agent. Visible Loss or Damage. Any external evidence of loss or damage must be noted on the freight bill or carrier's receipt and signed by the carrier's agent. Failure to do this may result in the carrier refusing to honor the claim.
20. **DELAYS, CONTINGENCIES AND FORCE MAJURE.** In the event TGL is forced to shut down or curtail its production or is unable to ship at the time specified because of fire, flood, windstorm, or other act of God, accident, fire, explosion, labor disturbance, act of any government or any agency or subdivision thereof, judicial action, sabotage, insurrection, riot or other act of civil disobedience, act of a public enemy, technical failure, shortage of raw materials, labor, machinery, energy, or transportation, including, but not limited to, railcar shortages or any cause whether or not similar to the causes listed above, beyond TGL's reasonable control, TGL reserves the right, at its option, to cancel this order (in either case without any liability to TGL or Buyer whatsoever). In no event shall TGL be obligated to purchase material from others to enable TGL to deliver Products to Buyer hereunder. During the period of such contingency, TGL shall have the right to allocate its available supply among its buyers in TGL's sole discretion.
21. **DEFAULT.** Buyer will be in default if (a) Buyer fails to pay to TGL any amount when due under this agreement, (b) Buyer fails for a period of five days after receiving written notice from TGL to fulfill or perform any provisions of this agreement (other than the prior provision relating to due date of payments), (c) Buyer becomes

insolvent or bankrupt, or a petition therefore is filed voluntarily or involuntarily and not dismissed within thirty days from filing, or (d) Buyer makes a general assignment for the benefit of its creditors, or a receiver is appointed, or a substantial part of Buyer's assets are attached or seized under legal process and not released within thirty days thereafter. Upon Buyer's default, TGL may, at its option, without prejudice to any of its other rights and remedies, and without demand for payments past due, (a) make shipments subject to receipt of cash in advance, (b) terminate this agreement and declare immediately due and payable the obligations of Buyer for Products previously shipped, notwithstanding any other provision in these terms and conditions, (c) demand reclamation of unpaid Product, or (d) suspend any further deliveries until the default is corrected, without releasing Buyer from its obligations under this agreement. In any event, Buyer shall remain liable for all loss and damage sustained by TGL because of Buyer's default. TGL reserves the right to issue a Stop Work Order for untimely payments.

22. **TAXES.** All sales tax, excise taxes, or other forms of taxes levied against this transaction shall be paid by Buyer over and above all other sums Buyer is or may become obligated to pay hereunder. These taxes are in addition to the purchase price of the Products subject to an order. If you are exempt from tax, an original signed tax exemption certificate must be sent to TGL. Without a valid signed tax exemption certificate on file at TGL, all applicable taxes will be charged to the Buyer.
23. **MUTUALITY.** All debts and obligations of Buyer and TGL to each other are mutual and subject to setoff. For purposes of this paragraph, "Buyer" and "TGL" shall be deemed to include each party's respective subsidiaries and affiliates which directly or indirectly control or are controlled by that party through 100% equity ownership.
24. **GOVERNING LAW; VENUE AND JURISDICTION.** All issues concerning the formation, performance, or interpretation of any contract regarding this sale shall be governed by the laws of the state of Colorado, and any dispute between TGL and Buyer will be resolved in Denver County, Colorado, the prevailing party in that dispute entitled to its costs and reasonable attorney's fees.
25. **U.S. GOVERNMENT CONTRACTS.** If the Products to be furnished under this contract are to be used in the performance of a U.S. Government contract or subcontract, and a U.S. Government contract number shall appear on Buyer's purchase order, those clauses of the applicable U.S. Government procurement regulations which are required by Federal Statute to be included in U.S. Government subcontracts are incorporated herein by reference.
26. **SEVERABILITY OF TERMS.** If any phrase, clause or provision shall be declared void, the validity of any other provisions shall not be affected thereby.