

TERMS AND CONDITIONS FOR PRODUCT DEVELOPMENT SERVICES

Placing Your Order

Telemonitor, Inc. (TMI) requires written purchase orders (“Purchase Orders”) for all Product Development Services orders. Purchase Orders must include pricing, delivery requirements, and a detailed description of the item(s) to be developed (the “Product”). Purchase Orders which are based on proposals or price quotations prepared by TMI must reference those proposals or price quotations by number and date.

Purchase Orders or requests for price quotations may be mailed, faxed, or sent by e-mail to sales@telemonitor.com. Purchase Orders are not effective until accepted in writing by TMI.

By submitting an order as provided herein, the customer agrees to be bound by these Terms and Conditions for Product Development Orders and the terms of any quotation issued by TMI (collectively, the “Terms and Conditions”). In the event there is any discrepancy between the Terms and Conditions and any purchase order, acknowledgment, or other documentation issued by the customer, the Terms and Conditions shall control.

Pricing and Quotations

All prices are F.O.B. Columbia, Maryland. Prices are subject to change without notice. Written price quotations are valid for 30 days from the date of such quotation, unless otherwise indicated in writing. Purchase Orders received on expired price quotations are subject to price modifications.

Product Development orders may be quoted on either a time-and-materials (“T&M”) or fixed-price basis, as mutually agreed. Fixed-price quotations require well-defined specifications of the Product and may, at TMI’s option, provide for progress payments based on specific project milestones.

Terms

TMI’s standard terms are Net 30 days from the date of invoice, subject to prior credit approval. Credit must be established prior to acceptance of the order and initiation of work. TMI shall have the right to require partial or full payment in advance from customers without established credit. A service charge of 1.5% per month will be added to any invoices not paid within the applicable credit terms. The customer is liable for any expenses, including but not limited to attorneys’ and/or collection fees, which TMI incurs collecting past due accounts. Future orders from a customer who takes over 60 days to clear their account will only be accepted on a COD or cash-in-advance basis until credit is re-established.

Monthly invoices will be submitted by TMI for T&M orders and will include a summary listing of materials, travel expenses, and other direct expenses. The customer has the right to audit timesheets and purchasing records on-site at TMI upon mutually agreed upon advance arrangements.

Deliveries & Ownership

Prototypes and other hardware will be delivered to the customer as specified in the Purchase Order. For T&M orders, any unused purchased materials which were paid for by the customer will be delivered upon request following receipt by TMI of final payment.

Upon project completion and receipt by TMI of final payment, TMI will deliver to the customer all drawings, schematics, component documentation, computer source code, and computer-aided design (CAD) files (collectively, the “Design Documents”) generated under the Purchase Order and will grant to the customer an exclusive

license to the software, source code, object code, know-how, and other intellectual property represented within the Design Documents (“Intellectual Property”) for use in connection with the development and manufacture of the Product.

Cancellation

All Purchase Orders canceled after acceptance by TMI of such order are subject to cancellation charges. Cancellation charges for T&M orders will include the labor to pack for shipment all materials, equipment, and documentation. TMI will use commercially reasonable efforts to cancel all open purchase orders for material, but all non-cancelable material will be billed to the customer. Canceled fixed-price Purchase Orders will be billed on a T&M basis from the last completed milestone.

Disclaimer

TMI does not assume any liability arising out of the application or use of any Design Documents. Customer assumes ownership and full responsibility for the Design Documents. TMI products and designs are not normally authorized for use in devices or systems intended to protect, support, or sustain life. The customer agrees to notify TMI of any such intended end use in the Purchase Order, whereupon TMI will determine availability and suitability of its product or design for the use intended.

Except as expressly set forth herein, TMI expressly excludes and disclaims all warranties, conditions, representations, indemnities, and guaranties, whether express or implied, arising by custom, prior oral or written statement by TMI, or otherwise (including, but not limited to, any warranty of merchantability or fitness for a particular purpose).

Hold Harmless

The customer hereby agrees to indemnify and hold TMI, its agents, affiliates, and subsidiaries harmless from and against any loss, damage, or expense suffered by TMI, including reasonable attorneys’ fees and costs, by reason of (i) breach by the customer of any warranties or agreements, (ii) any act or omission of the customer, (iii) any claim, cause of action, or lawsuit arising from the sale, use, storage, transportation, or handling of the products and services provided hereunder, or (iv) any settlement, judgment, or payment with respect to any of items (i), (ii), or (iii) hereof.

Governing Law

All legal disputes arising as a result of or with respect to the Terms and Conditions will be governed and settled by the laws of the State of Maryland, excluding the conflict of law rules of that state, and the customer agrees the jurisdiction and venue shall rest exclusively within the courts of the State of Maryland including the United States District Court for the District of Maryland.

Telemonitor, Inc.

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