

Magnelab, Inc.
600 Weaver Park Road
Longmont, CO 80501



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APPLICATION FOR CREDIT

DATE _____
COMPANY NAME _____ PHONE _____
BILLING ADDRESS _____ FAX _____
CITY _____ STATE _____ ZIP CODE _____

PLEASE CHECK AND COMPLETE THE APPROPRIATE BOX:

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|---|
| <input type="checkbox"/> CORPORATION NAMES OF PRINCIPALS OF FIRM _____ PRESIDENT _____ CONTROLLER _____ |
|---|

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|---|
| <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> PROPRIETORSHIP NAMES OF PRINCIPALS OF FIRM _____ OWNER/PARTNER _____ PARTNER _____ |
|---|

NAME OF BUYER _____ NAME OF ACCOUNTS PAYABLE _____
HOW LONG IN BUSINESS _____ TYPE OF BUSINESS _____
PARENT COMPANY _____ TAXPAYER ID# _____

SALES TAX: ALL SALES ARE CONSIDERED TAXABLE UNLESS RESALE CERTIFICATE IS FILLED OUT, SIGNED AND VERIFIED

BANK NAME _____ CONTACT NAME _____
CONTACT PHONE _____

TRADE CREDIT REFERENCES

1) **FIRM NAME** _____ ADDRESS _____
CONTACT _____ PHONE _____
2) **FIRM NAME** _____ ADDRESS _____
CONTACT _____ PHONE _____
3) **FIRM NAME** _____ ADDRESS _____
CONTACT _____ PHONE _____

CREDIT LINE REQUESTED \$ _____ INITIAL ORDER AMOUNT \$ _____

The above named firm hereby makes application for credit and provides the information contained herein for the purpose of requesting Magnelab, Inc. (hereafter "Magnelab" or "Seller"), principal U.S. offices located at 600 Weaver Park Rd., Longmont, CO 80501 to make periodic sales to it on credit. In consideration thereof, it is agreed and understood that 1) the undersigned is the authorized agent of the applicant and is duly empowered to enter into and make binding agreement on its behalf; 2) applicant authorizes its creditors, banks, financial institutions, and all credit reporting agencies to release credit, banking, and financial data to Magnelab; 3) all payments should be remitted to Magnelab, Inc., 600 Weaver Park Rd., Longmont, CO 80501 and 4) Magnelab standard terms and conditions of sale on page two of this application shall govern all sales of goods from Magnelab to the applicant, unless otherwise expressly agreed to in writing by Magnelab. Further, it is agreed that Delaware courts shall have exclusive jurisdiction to litigate any dispute between applicant and Magnelab and any and all litigation shall be instituted and litigated in the state or federal courts located in the State of Delaware unless mutually agreed in writing by both parties. Applicant waives any right to a change of venue or change of jurisdiction and hereby submits to and acknowledges the jurisdiction of any such court, state, federal, as provided herein.

I HEREBY FULLY ACCEPT AND AGREE TO MAGNELAB'S STANDARD TERMS OF SALE ON PAGE TWO HEREOF AND CERTIFY THAT THE ABOVE INFORMATION IS TRUE AND CORRECT.

SIGNATURE OF APPLICANT/BUYER _____ TITLE _____

(PLEASE SEE PAGE TWO FOR STANDARD TERMS AND CONDITIONS)

Standard Terms and Conditions of Sale

MAGNELAB, INC

1. ACCEPTANCES AND CANCELLATION OF ORDERS

Each order for goods is subject to acceptance in writing by a duly authorized agent of Magnelab, Inc. (hereinafter 'Magnelab'). Any written acknowledgment of receipt of an order shall not, in and of itself, constitute such acceptance. Orders accepted by Magnelab may be canceled by Buyer only upon written consent of Magnelab. In the event of cancellation or other withdrawal of an order for any reason and without limiting any other remedy which seller may have as a result of such cancellation, reasonable cancellation or restocking charges, which shall include all expenses then incurred and commitments made by Magnelab shall be paid by Buyer to Magnelab. Special orders for items not normally stocked are non-cancelable and non-refundable.

2. DELIVERY

All prices quoted and goods shipped are FOB Magnelab's facility. Magnelab reserves the right to ship plus or minus five percent (5%) of order quantities ordered by buyer. Title to and risk of loss of all goods shall pass upon Magnelab delivery to carrier for shipment to Buyer. Unless otherwise agreed by Magnelab in writing, Buyer shall pay all freight, handling, delivery, and insurance charges for shipment of goods. Choice of carrier and shipping method and route shall be at the election of Magnelab unless specifically designated by Buyer. Magnelab shall not be liable for delays in delivery or for failure to perform due to causes beyond the reasonable control of Magnelab, which causes shall include, without limitation, acts of God, acts of omission of Buyer or civil or military authorities, fires, strikes, epidemics, quarantine restriction, flood, earthquakes, riot, war, delays in transportation or inability to obtain necessary labor, materials or supplies. In the event of any delay, the contractual date of delivery, if any, shall be extended for a period equal to the time lost as a consequence of such delay without penalty to Magnelab. Magnelab shall be entitled to refuse or to delay shipments upon failure by Buyer to pay promptly any payments due Magnelab whether on this or any other contract between Magnelab and Buyer. Magnelab shall have the right to deliver all goods covered hereby at one time or in portions from time to time within the time for delivery provided in such order.

3. TERMS

Unless specified by Magnelab in writing (refer to payment terms on face of Buyer's invoice) payment in full of net amount owing, without offset or deduction, is due 30 days from invoice date. If payment is not received within such 30 day period, a late payment charge of 1 % per month of the unpaid balance or the maximum amount allowed by law, whichever is less, shall be paid by Buyer.

All checks are accepted subject to collection, and Buyer agrees to pay all costs of collection. Including reasonable attorney fees and costs. Any check received from Buyer may be applied by Magnelab against any obligation of Buyer to Magnelab under this or any other agreement, notwithstanding any statement appearing on or referring to such check. Acceptance of any partial payment shall not constitute a waiver of Magnelab's right to payment in full of all amounts owing from Buyer to Magnelab.

Magnelab shall have the right to refuse to ship to Buyer on credit at anytime and shipments made to Buyer on COD or other basis shall be subject to the terms and conditions of sale contained herein. Magnelab shall retain a purchase money security interest in all goods sold to Buyer until the full purchase price therefore and any late payment charges have been paid.

4. INSPECTIONS AND ACCEPTANCE OF GOODS

Buyer is deemed to have accepted products unless notice of rejection is given within a reasonable time, which is agreed to be within ten (10) days after receipt. CLAIMS OF LATE DELIVERY are void unless made prior to receipt of products, and receipt of products shall constitute a waiver of any claim of late delivery. No return will be accepted without a 'Return Material Authorization' (RMA#). Material must be returned as directed by the location issuing the RMA# and be in its original packaging.

5. RIGHT TO INCREASE PRICES BY MAGNELAB

Unless otherwise specified on the face of this agreement, Magnelab reserves the right to increase the selling price of any and all goods ordered by Buyer in which delivery is not within 6 months from the date of the purchase order. Magnelab further reserves the right to increase the selling price of any or all goods ordered by the Buyer for which the Buyer subsequently specifies a later delivery date than that shown on his purchase order and confirmed by Magnelab.

6. TAXES

Magnelab prices do not include sales, use, excise, or similar taxes. Accordingly, Buyer shall in addition to prices specified by Magnelab, pay any sales, use, excise, or similar tax attributable to the sale of goods covered hereby, or, in lieu thereof, provide Magnelab with tax exception certificates acceptable to the taxing authorities.

7. DISCLAIMER OF WARRANTIES/LIMITS ON REMEDIES

Magnelab disclaims any warranty respecting the merchantability of the products sold to Buyer or their fitness for any particular purpose or use. Magnelab liability arising out of any sale of

goods to Buyer is expressly limited to either (1) refund of the purchase price paid by the Buyer for such goods (without interest), or (2) repair and/ or replacement of such goods, at Magnelab election, and such remedies shall be exclusive and in lieu of all others. In no event shall Magnelab be liable for indirect, special, incidental, or consequential damages of any nature, including, but not limited to, personal injury or property damage. Buyer's recovery from Magnelab for any claim shall not exceed the purchase price paid by the Buyer for the goods, irrespective of the nature of the claim, whether in warranty, contract or otherwise.

8. PATENTS: INFRINGEMENTS

Magnelab makes no representations that any goods sold to Buyer are free of the rightful claim of any third party by way of infringement, or of infringement of patent or trademark or the like and disclaims any warranty against infringement with respect to any goods. Furthermore, Buyer agrees to protect, defend, indemnify, and hold harmless Magnelab from all sums, costs, expenses, and attorney fees, which Magnelab may incur or be obligated to pay as a result of any and all claims, causes of action, or judgments relating to any use by the Buyer of product sold by Magnelab.

9. DEFAULT

In the event of default by Buyer, Buyer shall pay all costs incurred by Magnelab in collecting any amounts due to Magnelab by Buyer, including reasonable attorney fees and costs. The waiver by Magnelab of any breach hereof or default in any payment shall not be deemed to constitute a waiver of any succeeding breach or default. In the event of default Magnelab shall have all the remedies provided under the Uniform Commercial Code, which shall be cumulative with one another and with any other remedies, which Magnelab may have at law, in equity, under any agreement of any type or, without limitation, otherwise. The exercise or failure to exercise any remedy shall not preclude the exercise of that remedy at another time or of any other remedy at any time. No action, regardless of form, arising out of or in any way connected with, the goods furnished or services rendered by Magnelab, may be brought by Buyer more than six months after cause of action has accrued.

10. INTEGRATION AND ASSIGNMENT

This agreement sets forth the sole and entire agreement between the parties with regard to the subject matter hereof and supersedes any and all prior or contemporaneous oral or written agreements between them regarding the same. No course of prior dealings between the parties and no usage of the trade shall be relevant to supplement or explain any term used in this agreement. Acceptance or acquiescence in a course of performance rendered under this agreement shall not be relevant to determine the meaning of this agreement even though the accepting or acquiescing party had knowledge of the nature of the performance and opportunity for objection. No subsequent alteration of this agreement whatsoever is binding upon Magnelab unless reduced to writing and signed by both Magnelab and the Buyer. No agent, employee, or representative of Magnelab has any authority to bind Magnelab to any affirmation, representation, or warranty made by agent employee or representative is specifically included within this agreement, it has not formed a part of the agreement and shall not in any way be enforceable against Magnelab. Any assignment of this agreement or any rights hereunder by Buyer shall be void without Magnelab's written consent.

11. BUYER TERMS AND CONDITIONS

Magnelab desires to provide its customer with prompt and efficient service. Accordingly, goods furnished and services rendered by Magnelab are sold only on the terms and conditions stated herein. Notwithstanding any terms and conditions on Buyer's order, the information and conditions on the Credit Application are controlling over Buyer and Magnelab. Any conflicting statements or terms listed on the Buyer purchase orders, invoice, confirmations or other Buyer generated documents ('Buyer Document') whether heretofore or hereafter submitted are negated by submission of the Credit Application and the issuance of credit by Magnelab, and all different or additional terms and conditions contained in any Buyer Documents are hereby objected to by Magnelab. Magnelab performance of any contract is expressly made conditional on Buyer's agreement to Magnelab Terms and Conditions of Sale, unless otherwise specifically agreed in writing by Magnelab. In the absence of such an agreement, commencement of performance and/or delivery shall be for Buyer's convenience only and shall not be deemed or construed to be acceptance of Buyer's terms and conditions, or any of them. If a contract is not earlier formed by a mutual agreement in writing, acceptance of any goods or services shall be deemed acceptance of the terms and conditions stated herein.

12. GENERAL

This agreement and performance by the parties hereunder shall be construed in accordance with the internal laws (excluding the laws relating to conflicts) of the State of Delaware. The parties expressly exclude the applicability of the United Nations International Sale of Goods. All agreements, covenants, conditions, and provisions contained herein shall apply to and bind the assignees and successors in interest of Buyer. If any provision or portion of this agreement is held to be invalid, illegal, unconscionable or unenforceable, the other provisions and portions hereof shall not be affected. The several captions used herein are for the convenience of the parties only and shall not affect the construction or interpretation hereof. Buyer warrants and represents to Magnelab that all goods shall be purchased for Buyer's business or commercial use and not for Buyer's personal, family, or household purposes.