



i3 Sales Terms and Conditions

1) ACCEPTANCE

Acceptance of Buyer's order is expressly limited to and made conditional upon these Sales Terms and Conditions. Any of Buyer's terms and conditions which are in addition to or different from these Sales Terms and Conditions offered by the Buyer at any time, whether or not such terms or conditions materially alter these Sales Terms and Conditions and irrespective of i3's acceptance of payment, which are not separately agreed to in writing by an authorized representative of i3 are hereby objected to and shall be of no effect.

2) DELIVERY

- a) Buyer shall take delivery of product(s) as set forth herein ("Agreement"). Any order stating a different delivery schedule shall not become part of this Agreement, unless, however, the delivery schedule is made a part of this Agreement by mutual agreement by authorized representative of i3 and Buyer and made a part of this Agreement by written authorization.
- b) All non-USML product shipments shall be INCOTERMS: EX-W at Sellers dock. Title and risk of loss for products pass to the Buyer upon tender to the carrier for shipment. Buyer will be deemed to have accepted the product within ten (10) days after the tender to carrier.
- c) Buyer is responsible for insurance against any and all damage to the product being shipped.
- d) The product will be shipped in standard commercial packaging unless otherwise specified and agreed to. Cost of any special packaging requirements will be the responsibility of the Buyer.

3) PRICES

- a) Prices will be quoted in U.S. dollars. Prices quoted are firm for thirty (30) days from the date of quotation. After such period prices are subject to change at i3's discretion.
- b) i3's production prices will be based on a mutually agreed to forecasted volume for the 12-month period at issue. i3 will perform quarterly assessments of purchase volume rates against annual volume rates. In the event that the actual purchase volume rate is below the forecasted volume rate and upon written notice to the Buyer, pricing will, at i3's discretion, be adjusted accordingly. Prototype prices are based on quoted quantities.
- c) i3 will have the right to revise prices in the event of:
 - i) any variation of market prices of components, parts and raw materials;
 - ii) changes in specifications, or
- d) Changes in the volume upon which such prices were quoted.

4) BUYER RESPONSIBILITIES

Buyer represents and warrants that:

- a) It assumes all responsibility for any higher level assemblies incorporating i3's products.
- b) It will not:
 - i) make any representations or warranties about i3 or its products other than those i3 specifically authorizes in writing; or
 - ii) take any action or make any commitment on behalf of i3 without prior authorization in writing.
- c) i3 will invoice Buyer after the products have been shipped. Buyer will pay the full amount of the invoice as set forth in the i3 quote. However, i3, at its discretion, has the right to require payment before shipment or payment via letter of credit. Failure of the Buyer to comply with applicable credit terms or limits of this Agreement may result, at i3's discretion, in stop shipments to the Buyer. Late payment of invoices may be assessed a charge of 2.0 percent of the balance due per month or the statutorily allowed maximum rate of interest in accordance with the laws of the

State of New York. Note: Any fees incurred for currency conversion are the Buyer's responsibility.

- d) i3 reserves a purchase money security interest in product sold to Buyer and the proceeds thereof, in the amount of the purchase price in the event of default by Buyer in any of its obligations to i3. i3 will have the right to repossess the product sold hereunder without liability to Buyer. i3 may file a copy of the invoice with appropriated authorities at any time as a financing statement and/or chattel mortgage to perfect its security interest. At i3's request, Buyer will execute financing statements and other instruments that i3 request to perfect i3's security interest.

5) CANCELLATION

Cancelling any portion of an order for products will result in a cancellation fee equal to the full price of the portion of the order affected.

6) CHANGES

- a) In the event that i3's ability to supply product becomes constrained, i3 may, as i3 deems reasonable, reduce quantities or delay shipments, with advance notice.
- b) i3 retains the right to discontinue or end of life any product with prior written notification to the Buyer.
- c) i3 will have the right to change the i3 specifications of any product/process.
- d) Buyer initiated engineering changes will be subject to an administration fee. In addition all charges related to the implementation of the change will be passed to the Buyer. i3 retains the right to adjust product pricing based on any engineering change.

7) TAXES

The Buyer is responsible for all taxes related to products and services except for taxes based on i3's net income.

8) LIMITED WARRANTY

- a) i3 warrants product (except prototypes) to be free from defects in material and workmanship for one (1) year from date of shipment with the exception to circuit board assembly components in which the manufacturer's warranty shall apply.
- b) i3's sole liability and the Buyer's sole remedy for breach of warranty shall be limited as stated in this section 8 and section 10.
- c) If Buyer claims that any products are nonconforming, Buyer shall:
 - i) promptly notify i3 in writing of the basis of such nonconformity;
 - ii) follow i3's instructions for return of the products; and
 - iii) at i3's request, return the products freight collect to the i3 designated location.
- d) If i3 determines such products do meet warranty as identified herein, i3 will, at i3's option, repair or replace the products, or issue a credit at the most recent price. If i3 replaces the products, the Buyers returned products become the property of i3. This warranty does not cover products that are defective because of unintended use, accident, abuse, misuse, negligence, modification, improper handling, next level assembly processing, maintenance, removal or alteration of labels by Buyer or a third party, failure caused by a product which i3 did not provide or for which i3 is not responsible, for use or storage in other than i3's specified operating environment.
- e) If i3 determines that such products are conforming and, therefore, not subject to the warranty as identified herein, i3 will notify the Buyer:
 - i) i3 will return the products to the Buyer at the Buyer's expense. Additionally, the Buyer will be responsible for the original returned product's freight charges to i3.
 - ii) Upon a joint agreement between i3 and the Buyer, i3 will repair or replace the products.
- f) This warranty is not transferable. i3 does not warrant:
 - i) uninterrupted or error free operation or functionality of the products;
 - ii) that i3 will correct all defects, or services.
 - iii) no course of dealing, course of performance, usage of trade, or description of products or services shall be deemed to establish a warranty, express or implied.
- g) All prototypes are provided "as is" without warranty or indemnification of any kind by i3.
- h) THE FOREGOING WARRANTIES ARE THE BUYER'S EXCLUSIVE WARRANTIES

AND REPLACE ALL OTHER WARRANTIES OR TERMS, EXPRESSED OR IMPLIED, INCLUDING THE WARRANTY OF NON-INFRINGEMENT AND THE IMPLIED WARRANTIES OR TERMS OF MERCHANTABILITY, FITNESS OR USE FOR A PARTICULAR PURPOSE, AND SATISFACTORY QUALITY.

9) PATENTS AND COPYRIGHTS

- a) i3 shall have no obligation regarding any claim based on any of the following:
 - i) Anything Buyer provides which is incorporated into a product or service including, but not limited to, specifications, designs, documents, reports, or data;
 - ii) Buyer's modification of a product or service;
 - (1) The combination, operation, use of a product/service with any product, data, or apparatus that i3 did not provide; or
 - (2) Infringement by a non-i3 product alone, as opposed to its combination with products i3 provides to Buyer as a system.
- b) If a third party claims that a product or service i3 provides to Buyer infringes on that party's patent or copyright, and such claim is based upon any of the factors which constitute grounds for i3 to have no obligation to indemnify Buyer pursuant to the provisions of Section 10.0, subparagraph (a), Buyer will defend i3 against that claim at Buyer's expense and pay all costs, damages, and reasonable attorney's fees awarded by a court of competent jurisdiction.
- c) No license, immunity or other right is granted herein by either party to the other party, whether directly or by implication, estoppels, or otherwise, with respect to any patent, trademark, copyright, mask work, trade secret, or other intellectual property rights.
- d) Nothing in this Agreement grants either party any rights to use the other party's trademarks or trade names, directly or indirectly, in connection with any product, service, promotion, publication or publicity without prior written approval of the trademark owner.

10) LIMITATION OF LIABILITY

- a) i3 is only liable for the value of the product supplied to the Buyer subject to the terms of this Agreement, minus the value of any salvageable components, regardless of the Buyer's usage.
- b) Under no circumstances is i3 or its subcontractors liable for any of the following:
 - i) Third-party claims against Buyer for damages;
 - ii) Loss of or damage to Buyer's records or data; or
 - iii) Special, incidental, or indirect damages or for any economic consequential damages (including lost opportunities, profits and savings), even if i3 is informed of their possibility.

11) EXPORT

- a) Regardless of any disclosure made by Buyer to i3 of an ultimate destination of products, Buyer will not directly or indirectly transfer any information including but limited to product, technical data, software, or any system incorporating said product to any country or person subject to international Traffic and Arms Regulations (ITAR) and Export Administration Regulations (EAR) without first obtaining approval and if applicable, all required licenses and authorizations from all relevant U.S. Government agencies and departments.
- b) Buyer must:
 - i) Disclose to i3 in writing any intention to export any products and ultimate destination at time of order.
 - ii) Agrees to provide all information necessary to determine all relevant export authorizations to export and import products and technical data, including as applicable the Export Classification Control Number (ECCN) and respective subheadings under the Export Administration Regulations (EAR), and the United States Munitions List (USML) Category with Paragraph under the International Traffic in Arms Regulations (ITAR);
 - iii) Recognizes that i3 is not responsible for non disclosure of the intended function, or ultimate end-use of the Buyer's products and technical data. The Buyer holds full responsibility for providing all necessary information for the export and import of custom products and technical data
 - iv) Agrees to assist with obtaining any required licenses and authorizations for export and import of products and technical data and with making any required filings. Buyer will be fully responsible for the correctness of information provided by Buyer and any use of it to comply with applicable export regulations.

- v) Buyer shall immediately notify i3 if your firm is, or becomes listed in any Denied Parties List or if your firm's export privileges are otherwise debarred, denied, suspended, or revoked in whole or in part by any Government entity or agency.

12) GENERAL

- a) **CONFIDENTIALITY:** No information exchanged between the parties shall be considered confidential. Any exchange of confidential information must be made under a separate confidentiality agreement signed by the parties. Buyer shall not disclose the terms or conditions of this Agreement without i3's prior written approval.
- b) **WAIVER/MODIFICATION:** This Agreement may not be amended or modified except by a written amendment mutually agreed to and signed by both parties.
- c) Each party shall comply, at its own expense, with all applicable United States (local, state and federal), European Economic Union, and any other country or country group laws and regulations, and shall procure all licenses and pay all fees and other charges required thereby.
- d) **FORCE MAJEURE:** Except for Buyer's obligation to pay, neither party will be responsible for failing to perform under this Agreement for acts of God, natural disasters, epidemics, quarantines, restrictions, or other similar causes beyond its reasonable control.
- e) **JURISDICTION:** The validity, construction and performance of this Agreement will be governed by the substantive laws of the State of New York, United States as though this Agreement were executed in and fully performed within the State of New York. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement. Neither party will bring a legal action against the other more than one (1) year after the cause of action arose, except for actions for nonpayment or to enforce intellectual property rights. Both parties waive the right to a jury trial in any dispute arising out of this Agreement. Both parties agree any action concerning this Agreement will be brought in a court of competent jurisdiction in the State of New York and hereby consent to the exclusive personal jurisdiction of any such court.
- f) **ASSIGNMENT:** Buyer may not assign or delegate this Agreement or any rights and obligations hereunder to any other party without the prior written consent of i3, except to an entity resulting from merger, consolidation, amalgamation or reorganization of a party with an entity which is under common control by the same shareholders who controlled that party before such transaction.
- g) **FAILURE TO ACT:** No delay or failure by either party to act in the event of a breach or default hereunder shall be construed as a waiver of that or any subsequent breach or default of any provision of this Agreement.
- h) **SEVERABILITY:** If any part, term or provision of this agreement is declared unlawful or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall remain in full force and effect.

ENTIRE AGREEMENT: This Agreement constitutes and contains the entire agreement and understanding between the parties hereto and the subject matter hereof, and supersedes any and all previous agreements, memoranda or other understandings of the parties hereto pertaining to the subject matter hereof. No amendments or variations of the terms and conditions of this Agreement shall be valid unless in writing and signed by both of the parties hereto.

BY ITS EXECUTION HEREOF, THE BUYER ACKNOWLEDGES THAT THE BUYER HAS READ THIS ENTIRE AGREEMENT, UNDERSTANDS IT, AND AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS. FURTHER, THE BUYER AGREES THAT THIS AGREEMENT IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN THE PARTIES SUPERSEDING ALL PROPOSALS OR PRIOR AGREEMENTS, ORAL OR WRITTEN, AND ALL OTHER COMMUNICATIONS BETWEEN THE PARTIES RELATING TO THE SUBJECT MATTER HEREOF.

i3:

BUYER:

Authorized Signature Date

Authorized Signature Date

Typed or Printed Name Title

Typed or Printed Name Title