

Terms & Conditions of Sale

1 ACCEPTANCE

2 The written order acknowledgment (Order Confirmation) document is confirmation of the order made by Buyer. It is expressly agreed that the terms and conditions stated here are the sole terms and conditions of the order and sale. IMPERIAL-Newton Corp may be referred to herein as "Seller" or as the "Company". Buyer may hereafter referred to as "Customer" or "Buyer".

3 PRICES

4 Prices are subject to change without notice from order to order, to meet the needs and fluctuating cost of producing parts in various batch quantities and designs. To the extent the prices quoted therein have been estimated from a specification, sketch or description provided by the Buyer versus our standard product offering, such prices are subject to adjustment to accommodate changes required by Buyer's specifications to our manufacturing process.

5 DELIVERY

6 (a) The estimated Shipment Date set forth on the Order Confirmation is an estimate only and not a promise ship date. The estimated ship date will be deemed accepted by the Buyer unless objected to, in writing, within twenty-four (24) hours from receipt of the Order Confirmation by email or fax. Any delivery not in dispute shall be paid for regardless of other controversies relating to other deliveries or undelivered material.

7 (b) Seller's performance is at all time subject to change or cancellation due to causes beyond Seller's control, including but not limited to fires, strikes, machinery failure, accidents, catastrophes, acts of God, delays by outside vendors, war conditions, shortages of labor, material or means of transportation, governmental order and Regulations, legal interferences or prohibitions, embargoes, defaults on the part of suppliers, and any other events or conditions which shall make performance by the Seller difficult or impossible.

8 (C) Seller will make a good faith effort to perform and make delivery at the time estimated, but because of the nature of Seller's work notice is hereby given to the Buyer that no liability shall attach or accrue to Seller for early or late performance or delivery.

9 (d) If Buyer claims any discrepancy in count or style, Buyer must notify Seller in writing, within three (3) calender days after its receipt of shipment.

10 (e) Delivery shall be ExWorks\F.O.B. Seller's premises unless otherwise agreed in writing and noted on the Order Confirmation. Seller reserves the right to determine the place of manufacture and shipment of all orders. Risk of loss passes to the Buyer immediately upon shipment. If Seller agrees to other terms in writing, the shipment must be insured at Buyer's expense to protect Seller from claims of loss or damage in transit.

11 (f) Prices include all charges for Seller's normal packing and crating. Seller is not obligated to provide any special containers or labeling. If Seller agrees to provide special packing and crating, or labeling it reserves the right to charge Buyer a reasonable price therefore.

12 (g) Any order to be delivered to the Buyer on credit is subject to the prior approval of Seller's credit department. First opening order must be paid in advance of shipment.

13 (h) Seller shall have the right, in addition to all other it may possess, an any time, for credit reasons or because of Buyer's defaults in its obligations hereunder, to withhold shipments, in whole or part, and to recall materials in transit, retake the same, and repossess all materials which may be stored with Seller for Buyer's account, without the necessity of taking any other precessing, and Buyer consents that all the materials so recalled, retaken or repossessed shall become Seller's absolute property. The foregoing shall not be construed as limited, in any manner, any of the rights or remedies available to the Seller under the Uniform Commercial Code as adopted in the State of Colorado or any default of Buyer.

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PRODUCTION

- (a) All specifications are subject to standard commercial variations. Any sample provided by Buyer to Seller shall be considered a specification if agreed as such in writing.
- (b) Where Buyer requires test or inspections not regularly provided, Seller will make a reasonable extra charge therefore. One hundred percent (100%) inspection is not promised by Seller, nor included by Seller in its price unless otherwise specified in writing. Sampling inspection shall be deemed the normal accepted practice for inspecting any lot of parts.
- (c) In making materials to buyer's specifications it may be impossible to produce exactly the quantity ordered. It is therefore agreed that shipment by Seller of ten percent (10%) over or under the amount specified by Buyer shall be accepted by Buyer as completing its order.
- (d) Typographical and clerical errors and omissions by Seller are subject to correction.

PAYMENT

- (a) Buyer agrees that payment in full is due based upon terms as noted on face of Invoice.
- (b) For accounts not paid within agreed upon terms, Buyer will be subject to interest charged on the unpaid balance of the Invoice at the rate of 19.8% APR. Said interest shall be charged beginning the first day following due date of Invoice.
- (c) any account not paid within terms is subject to cancellation or conversion to cash account, collateral required, or other modification as deemed appropriate at the sole discretion of the Company.

WARRANTY

- (a) If Buyer claims that any material shipped by the seller is suspect of being defective or fails to meet the specifications, Buyer shall contact Seller to obtain a Return Material Authorization (RMA) prior to causing any product to be returned for any reason.
- (b) Advance notification to Seller of specifics of the reason for return shall be in writing, signed by an authorized representative of Buyer, and shall state any and all facts and charges relative to Buyer's claim for warranty consideration.
- (c) If Seller agrees to cover product under warranty, Seller will, at its option, replace the defective material, repair it, or otherwise settle Buyer's claim and pay return shipping cost to an address inside the contiguous United States of America or Canada. Delivery to locations outside these regions shall be at the expense of Buyer.
- (d) Notwithstanding the above, Seller shall have no obligation or liability whatsoever with respect to its materials for normal wear and tear, or if persons other than Seller shall have performed any repair work on, or made any alterations to said material, or for any material or part thereof which has been damaged through accident, negligence, misuses or abuse.
- (e) THE FOREGOING OBLIGATIONS ARE IN LIEU OF ALL OTHER OBLIGATIONS AND LIABILITIES OF SELLER, AND SET FORTH BUYER'S EXCLUSIVE REMEDY FOR ANY CLAIM OF DAMAGES IN CONNECTION WITH OR RELATING TO THE MATERIAL, INCLUDING ITS DESIGN, SUITABILITY FOR USE, INSTALLATION OR OPERATION. SELLER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. SELLER WILL IN NO EVENT BE LIABLE FOR ANY DIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES WHATSOEVER AND SELLER'S LIABILITY UNDER NO CIRCUMSTANCES WILL EXCEED THE CONTRACT PRICE FOR THE MATERIAL FOR WHICH LIABILITY IS CLAIMED. NO WAIVER, ALTERATION OR MODIFICATION OF THE FOREGOING CONDITIONS SHALL BE VALID UNLESS MADE IN WRITING AND SIGNED BY AN AUTHORIZED REPRESENTATIVE OF SELLER.
- (f) Not all of Seller's 485,000(+) products are covered by warranty due to propensity of some products or designs to be subject to abuse or failure. For example (but not limited to), some products excluded from warranty coverage include reducing adapters, thinwall sockets, and extreme designs which IMPERIAL-Newton at their sole discretion determines are pushing the limits of modern materials and

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designs or likely to have a short life span. Contact your Sales person with questions regarding coverage of specific products not covered under warranty.

30 **RETURNS**

- 31 Due to the special nature of products sold by the Company, all sales are final.
- 32 Special, custom and non-stock products are not returnable and non-cancellable except for exchange under warranty consideration.
- 33 No return of any product shall be made without first contacting the Company and obtaining a Return Material Authorization (RMA) code. Some products in brand new, unused, unaltered and saleable condition may, at the sole discretion of the Company, be considered for return to inventory on a case by case basis and subject to restocking fee.
- 34 Any product returns, if authorized, shall be at the buyers shipping expense.
- 35 Used, damaged, abused or altered product may not be returned or credited. Any alterations, abuse, use in product demonstrations (e.g., floor samples) or non-intended use will void warranty.
- 36 Any non-warranty approved product returns are subject to a restocking fee not less than 15% of end user list prices.
- 37 All funds credited in correlation with product returns shall be issued in store credit only.
- 38 In order to protect Seller's employees and agents, the indication and status of any contamination and/or decontamination is required prior to shipment, and clearly labeled on any packaging, for any returns of any product under any circumstances where hazardous contamination (e.g. chemical, biological, radioactive, etc..) is a possibility.
- 39 Product shall not be returned soiled or contaminated with any unidentifiable substance, and must be thoroughly cleaned and deemed safe to handle with bare hands prior to return to Seller's facilities.

40 **EXPORT CONTROLS AND RELATED REGULATIONS**

- 41 Customer represents and warrants that it is not designated on, or associated with, any party designated on any of the U.S. government restricted parties lists, including without limitation, the U.S. Commerce Department Bureau of Industry and Security ("BIS") Denied Persons List; Entity List or Unverified List; the U.S. Treasury Department Office of Foreign Assets Control ("OFAC") Specially Designated Nationals and Blocked Persons List; or the U.S. State Department Directorate of Defense Trade Controls ("DDTC") Debarred Parties List. Customer shall comply with all applicable U.S. economic sanctions and export control laws and regulations, including without limitation, the regulations administered by OFAC, the Export Administration Regulations administered by BIS, and the International Traffic in Arms Regulations administered by DDTC.

42 **FOREIGN PRINCIPAL PARTY IN INTEREST; FREIGHT FORWARDER AND DOCUMENTATION**

- 43 It is specifically agreed that customer shall be the foreign principal party in interest and/or that its freight forwarder shall act as customer's agent in such capacity for purposes of the Foreign Trade Regulations or other regulatory purposes, and customer and its freight forwarder are responsible for all routed export transactions documentation, including but not limited to the filing of the required Electronic Export Information/Automated Export System records.
- 44 At IMPERIAL-Newton's request, customer or its freight forwarder shall provide copies of any export, shipping, or import documentation prepared by customer or its freight forwarder related to sales to customer by IMPERIAL-Newton.

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U.S. FOREIGN CORRUPT PRACTICES ACT

Customer acknowledges that it is an independent contractor and represents, warrants, and covenants that it has not paid, offered or agreed to pay, authorized the giving of, or caused to be paid, directly or indirectly, money or anything of value to any foreign official (as defined in the U.S. Foreign Corrupt Practices Act, as amended), a foreign political party or party official, or any candidate for foreign political office in connection with the purchase and resale of the products ordered from the Company.

DISPUTE RESOLUTION

Actions by IMPERIAL-Newton for non-payment by customer of the purchase price of products sold by IMPERIAL-Newton, or for redress of other breaches by customer of these terms and conditions, may be brought by IMPERIAL-Newton, at its option, before any U.S. or foreign judicial court of competent jurisdiction. At IMPERIAL-Newton's option, disputes between customer and IMPERIAL-Newton, including all claims for non-performance by IMPERIAL-Newton, shall be finally settled by arbitration in Denver County, Colorado, U.S.A, in accordance with the Commercial Arbitration Rules ("Rules") of the American Arbitration Association, by a single arbitrator appointed in accordance with said Rules, applying these terms and conditions and consistent provisions of the federal and state laws (except conflict of law rules) of the State of Colorado, U.S.A. The language of the arbitration shall be English. IMPERIAL-Newton and its affiliates and third party suppliers shall not be liable for any damage as a result of any delay or failure to deliver due to any cause beyond the Company's or its third party supplier's reasonable control, including, without limitation, any act of God, act of Customer, embargo or other governmental act, regulation or request, fire, accident, strike, slowdown, war, riot, delay in transportation, or inability to obtain necessary labor, materials or manufacturing facilities and resources.

In the event of any such delay, the date of delivery shall be extended for a period equal to the time lost because of the delay. Customer's exclusive remedy for failure to deliver or for catastrophic delays (defined as greater than 4 weeks beyond estimated ship date), or for the Company's or its third party supplier's inability to deliver for any reason shall be rescission of the sale of Product(s).

COUNTRY OF IMPORTATION AND ANTI-DIVERSION

Customer represents that it is purchasing products from the U.S. and importing them to the country specified within the Customer's and IMPERIAL-Newton's documentation.

Customer agrees that the products will be shipped to the specified destination in compliance with the laws of such destination and the U.S., and that the products will not be directly or indirectly sold, exported, transferred, assigned, used, or otherwise disposed of in a manner which may result in any non-compliance with applicable U.S. laws and regulations relating to the product purchased by Customer.

Any products will be exported from the U.S. in accordance with the U.S. Export Administration Regulations and other applicable laws or regulations. Diversion contrary to U.S. law is prohibited. If requested by IMPERIAL-Newton, customer shall provide documentation satisfactory to IMPERIAL-Newton verifying delivery at the designated country.

Customer further agrees to inform IMPERIAL-Newton at the time of order of any North American Free Trade Agreement (NAFTA) or other special documentation, packaging or product marking or labeling, but IMPERIAL-Newton shall not be responsible for providing any such documentation, packaging, marking or labeling other than such documents that are necessary under U.S. export laws and regulations for export, unless IMPERIAL-Newton expressly agrees to do so.

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PERMITS, EXPORT, AND IMPORT LICENSES

Customer shall be responsible for obtaining any licenses or other official authorizations that may be required by the country of importation and/or under the Export Administration Regulations, International Traffic in Arms Regulations, Toxic Substances Control Act, or other applicable laws or regulations.

TITLE

(a) Seller's delivery of materials to a common carrier such as FedEx or United States Postal Service shall constitute transfer of title, ownership and possession to said material from Seller to Buyer.

(b) If delivery is to a carrier, any such carrier shall be deemed to be acting for Buyer and the materials shall thereafter be at the Buyer's risk.

CANCELLATIONS

(a) Buyer may not cancel an order in whole, or in part, without Seller's written consent. Custom and Non-Stock items (or non-stocking quantity) are not returnable except for warranty exchange with RMA.

(b) Buyer may not cancel any order for custom or non-stock items after 3 hours of placing said order.

(c) If Seller elects to give such consent for cancellation, Buyer shall pay the greater of (1) restocking fee of 15% of list prices on all items approved for return (2) any expense incurred by Seller in the purchase of raw materials plus ten percent (10%) to cover Seller's handling costs; (2) the cost of any tools or dies manufactured or purchased by Seller for producing said order (3) any other loss or damage incurred by Seller, including Seller's lost anticipated profits from the cancellation of Buyer's order.

TAXES

Seller's quoted prices do not include sales, use, excise, customs or other taxes which now or hereafter may be imposed with respect to any transaction involved herein and/or with respect to the manufacture, production, treatment, sale, delivery, transportation or processing of products sold by Seller. All such taxes shall be paid by Buyer, and if paid or required to be paid by Seller, the amount thereof shall be added to and shall thereafter become a part of the price payable by Buyer to Seller.

PATENTS & CONFIDENTIALITY

All orders manufactured according to specifications or requirements furnished by Buyer are quoted, accepted and manufactured in consideration of and upon the condition that Buyer represents and warrants that Seller's receipt of documents and technical data, manufacture and sale of materials pursuant to Buyer's specifications, and/or the use of said manufactured materials and specifications by Buyer, will not infringe upon nor violate any Non-Disclosure or secrecy requirement binding the Buyer, nor violate any United States or foreign patent.

Buyer agrees to forever indemnify Seller, its agents and assigns against all judgments, decrees, costs, or expenses resulting from any such alleged or actual infringement or violation and further, upon written request of Seller, Buyer agrees to defend at its own expense any action which may be brought against Seller, its suppliers, vendors, lessees, licensees and assigns under any claim of patent infringement resulting directly or indirectly from the manufacture, sale or use of materials made according to Buyer's specification.

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TOOLS AND FIXTURES

IMPERIAL-Newton provides finished products only, and does NOT perform services as a machine shop, design service provider, or fabrication house. In the event special tooling or fixtures are required for the production of any order, the necessary tools, dies and fixtures will remain the sole property of Seller for general use in filling Buyers order and that of any other customer. Seller does not engage in the sale of, nor add tooling charges unless agreed and specified in writing under separate contract. If at any time customer supplied tooling is required, it is presumed it will be returned after production unless specified in a separate Agreement for that special purpose in writing and signed by an Officer of IMPERIAL-Newton Corp

PERFORMANCE

The terms and conditions of all quotations, purchase orders and resulting sales shall be construed, governed and enforced solely in accordance with the laws of the State of Colorado; and the parties shall be entitled to all rights conferred upon them by the Uniform Commercial Code as adopted in the State of Colorado.

In addition, Buyer agrees to pay all costs, expenses and attorney's fees incurred by Seller as the consequence of Buyer's breach of any of its obligations hereunder.

RIDER FOR NUCLEAR APPLICATIONS

If any products sold hereunder are used in connection with any nuclear facility or activity, Seller and its suppliers shall have no liability to Buyer or its insurers for any nuclear damage or contamination, and Buyer shall indemnify Seller against any such liability, whether as a result of breach of contract, indemnity, warranty, tort (including Seller's negligence), strict liability or otherwise.

Buyer shall furnish financial protection as required by Section 170 of the Atomic Energy Act of 1954, as amended (the "Act"), including an agreement of indemnification and/or nuclear liability insurance from ANI and MAELU, or both, pursuant to Section 170 of the Act, as applicable.

Buyer shall not remove any items of equipment from the plant site or otherwise transfer any interest therein without first providing Seller with written assurance of limitation of and protection against liability (both nuclear and non-nuclear) following the proposed removal or transfer at least equivalent to that afforded to Seller. Removal or transfer contrary to this provision shall, in addition to any other legal or equitable rights of Seller, make Buyer the indemnitor of Seller and its suppliers to the same extent that they would have been protected had no such removal or transfer taken place.

Any Seller's material or equipment which becomes radioactive at the work site, shall, at Seller's option, be purchased by Buyer. Any nuclear decontamination necessary for Seller's performance (including warranty) shall be performed by Buyer without cost to Seller and prior to any return of any product to Seller's facilities. Indication of any contamination/decontamination is required for any returns of product under any circumstances where radioactive contamination is a possibility.

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GOVERNING LAW; LIMITATIONS

The rights and obligations of the parties under these terms and conditions shall not be governed by the provisions of the 1980 United Nations Convention of Contracts for the International Sale of Goods or the United Nations Convention on the Limitation Period in the International Sale of Goods. Rather, these terms and conditions shall be governed by the laws of the State of Colorado, U.S., including its provisions of the Uniform Commercial Code, but excluding its conflict of law rules.

Notwithstanding the foregoing, any legal action by customer with respect to any transaction must be commenced within one (1) year after the cause of action has arisen.

In no event, whether as a result of breach of contract, indemnity, warranty, tort (including Seller's negligence), strict liability or otherwise, shall Seller be liable for any special, consequential, incidental or penal damages including, but not limited to, loss of profit or revenues, loss of use of the products or any associated equipment, damage to associated equipment, cost of capital, cost of substitute products, facilities, services or replacement power, downtime costs, or claims of Buyer's customers for such damages.

No employee of IMPERIAL-Newton may modify or alter the terms of this agreement in any way. Any such modification must be in writing by an Officer of the Company.

This document may be updated, revised or amended in writing from time to time, without notification, as deemed necessary by the Company and will be made available via the Company web site.

Any provision which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability of such provision in any other jurisdiction.

If any provision of this Agreement is invalid or unenforceable under applicable laws, it is, to that extent, deemed omitted and the remaining provisions will continue in full force and effect.