

**NETWORK TECHNOLOGIES INC
TERMS AND CONDITIONS**

Any goods or services sold or provided to customer ("Customer") by Network Technologies Inc. ("NTI") are sold or provided solely pursuant to the Terms and Conditions hereinafter set forth, and any of the Customer's terms or condition, in addition to or different from those contained herein, whether added to this form or contained in any purchase order, acknowledgment, confirmation or other document prepared or submitted by Customer, are hereby objected to and shall be of no effect. Customer's ordering or accepting any goods or services referenced on the reverse side hereof or making payment under this Invoice shall be deemed acceptance of these Terms and Conditions.

1. **Payment.** All payments shall be in legal tender of the United States of America. In the event Customer fails to make payment in full within the time period set forth herein, or within the time period expressly agreed upon in writing by the parties, such failure to pay on time constitutes a material breach of contract by Customer and permits NTI to suspend further delivery under any contract between Customer and NTI. If NTI has to take legal action or file an arbitration to collect any amounts due based hereunder, Customer shall pay all court costs and arbitration fees, as well as, all reasonable attorney's fees and other related costs and expenses incurred by NTI in bringing and prosecuting such action.

2. **Prices.** The prices set forth on the reverse side hereof are not discountable unless expressly stated on the reverse side hereof.

3. **Taxes.** All prices are quoted exclusive of taxes. All taxes applicable to any order placed hereunder, including, but not limited to, Ohio or other applicable sales or use taxes, are additional and, to the extent legally permissible, shall be paid by Customer.

4. **Shipping.** All prices are f.o.b. NTI's facility referenced on the reverse side hereof. All freight and shipping costs shall be the responsibility of Customer, unless specifically noted on the quotation or on the reverse side hereof.

5. **Finance Charge.** A finance charge of the lesser of 1 1/2% per month, 18% ANNUAL PERCENTAGE RATE, or the highest rate permitted by law, shall be charged on all amounts unpaid thirty (30) days after the date of NTI's invoice.

6. **Force Majeure.** NTI shall not be deemed to be in default of any of its obligations hereunder due to any delays caused by acts of God, fires, floods, strikes, work stoppages, equipment failure, power failures or outages, accidents, allocations, or other controls or regulations of federal, state or local government, shortages of cars, fuels, power, materials or labor, or any other cause beyond its reasonable control.

7. **Inspection and Claims.** It is Customer's obligation to inspect all goods upon receipt. All claims of any nature shall be barred unless written notice thereof is received by NTI, at its address set forth on the reverse side hereof, within five (5) days after receipt of the goods and the goods relating to such claims are held intact and properly protected, unless instructed otherwise, in writing, by NTI pending inspection by NTI's authorized inspector. **Failure To Notify NTI Of Any Non-Conformance Within Five (5) Days After Receipt Of Any Goods Shall Constitute Acceptance Of Such Goods And Waiver Of All Claims With Respect To Any Non-Conformance.**

8. **Transportation and Risk of Loss.** Upon delivery to a common carrier, Customer or Customer's agents or representatives, of any goods processed or purchased hereunder, the risk of loss or damage to such goods shall pass to Customer, and NTI shall have no further liability therefor.

9. **Customer's Insolvency.** NTI shall have the unrestricted right to cancel, withhold, or delay its performance or delivery in the event of the happening of any of the following or any other comparable events, in which event NTI shall have no liability for any losses or damages claimed by Customer: (i) Customer's failure to timely pay any obligation to NTI, (ii) Customer's insolvency or commission of an act of bankruptcy; (iii) commencement of proceedings by, for or against Customer under any law relating to bankruptcy or the relief of debtors; (iv) the appointment of a receiver or trustee for Customer; (v) the execution by Customer of an assignment for the benefit of the creditors; and (vi) the determination by NTI, in its sole judgment, that Customer's financial condition is such as to endanger its performance hereunder.

10. **Warranty.** NTI warrants only that all goods sold pursuant hereto will meet the written specifications set forth or referenced on the face hereof.

THE AFORESAID ARE THE ONLY WARRANTIES GIVEN BY NTI AND ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS, IMPLIED, OR STATUTORY. SPECIFICALLY, THERE ARE NO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WHICH WARRANTIES ARE HEREBY EXCLUDED.

11. **Limitation of Remedy.** CUSTOMER'S EXCLUSIVE REMEDY WITH RESPECT TO ANY GOODS PURCHASED HEREUNDER THAT ARE FOUND TO BE DEFECTIVE OR OTHERWISE NOT IN CONFORMITY WITH THIS CONTRACT SHALL BE LIMITED, AT NTI'S SOLE OPTION, TO (A) REPLACEMENT OF ANY DEFECTIVE OR NON-CONFORMING GOODS OR COMPONENT THEREOF, (B) CREDITING CUSTOMER'S ACCOUNT FOR SO MUCH OF THE PURCHASE PRICE AS RELATES TO ANY DEFECTIVE OR NON-CONFORMING GOODS, OR (C) REFUNDING THE PRICE PAID FOR ANY DEFECTIVE OR NON-CONFORMING GOODS.

12. **Limitation of Liability.** NTI'S LIABILITY FOR DEFECTIVE OR NON-CONFORMING GOODS SOLD PURSUANT HERETO, SHALL BE LIMITED TO, AND SHALL IN NO EVENT EXCEED, THE AMOUNT PAID BY CUSTOMER FOR SUCH DEFECTIVE OR NON-CONFORMING GOODS.

UNDER NO CIRCUMSTANCES SHALL NTI BE LIABLE FOR ANY SPECIAL, PUNITIVE, EXEMPLARY, INCIDENTAL OR CONSEQUENTIAL DAMAGES OR FOR LOST PROFITS, EVEN IF IT HAS BEEN DISCLOSED THAT SUCH DAMAGES COULD OCCUR.

13. **Limitation of Action.** In no event may any claim by Customer arising from or relating to any agreement, order or sale of any goods or services referenced herein be brought more than one year after the date of delivery or the date such claim arose, whichever shall be earlier.

14. **Claims.** Any claim by Customer for defective or non-conforming processing, shall be governed by NTI's Claims Procedure for Processing and Services, a copy of which is either furnished herewith or can be obtained upon request to NTI at the address on the reverse side hereof.

15. **Complete Agreement.** NTI's Quotation, Sales Order and Invoice (any or all as the case may be) constitute the entire and only agreement between the parties hereto and any negotiations, representations, affirmations of fact, and courses of prior dealings, promises or conditions in connection therewith if not expressly incorporated herein shall not be binding upon NTI. No waiver, alteration or modification of any of the provisions hereof shall be binding unless in writing and signed by a specifically authorized representative of NTI.

16. **Arbitration.** Any dispute arising between the parties hereto shall be resolved by arbitration in Cleveland, Ohio, in accordance with the Rules of the American Arbitration Association, and the award of the arbitrator(s) shall be final and binding upon the parties. The arbitrator, or if a panel, the chair, shall be an attorney with background and/or experience in the electronics or computer hardware industry. The award of the arbitrator(s) may be enforced by any court of competent jurisdiction.

17. **Non-Waiver.** No waiver or failure to enforce compliance with the terms hereof by NTI shall constitute a waiver of NTI's rights to insist upon strict compliance with the terms of this order thereafter.

18. **Controlling Law.** This invoice shall be deemed made in the State of Ohio. This Invoice and any dispute arising from the goods or services referenced herein shall be governed by the laws of the State of Ohio, without regard to its conflicts of law rules. It is specifically agreed that the United Nations Treaty on the Sale of Goods does not apply.

19. **Headings.** The headings used in this Agreement are solely for the convenience of the parties and shall have no force or effect upon the interpretation of any provision hereof.

20. **Export Control Act.** You acknowledge that NTI is subject to export controls imposed by the U.S. Export Administrative Act of 1979 and any subsequent amendment or statutes and by the U.S. Department of Commerce. You agree to comply with all the export and re-export restrictions and regulations imposed by the governments of the United States and/or any country to which the any goods or software sold or licensed hereunder is shipped.