

SALE AGREEMENT TERMS AND CONDITIONS

1. **DEFINITIONS: TERMS AND CONDITIONS.** "NCS" means NCS Technologies, Inc., a Virginia corporation. The "Buyer" shall mean the person, company, or entity ordering goods or Products from NCS and to whom NCS has agreed to sell or otherwise provide such goods or Products. The "goods" or the "Products" means the items specified on NCS's Acknowledgment, referenced by NCS part number or the description, which are being sold or otherwise provided to Buyer "Acknowledgment" means the document or communication sent by NCS Technologies, Inc. in response to Buyer's order, which acknowledges the order and advises that NCS will ship Products. All sales are expressly conditional on Buyer's agreement to the terms and conditions of this Sale Agreement. No additional or different terms on Buyer's purchase orders, business forms, or otherwise apply. NCS objects to any different or additional terms. If this Sale Agreement is construed to operate as an acceptance of any offer made on behalf of Buyer, such acceptance is expressly made conditional on Buyer's assent to any and all additional terms, and to any and all different terms, contained in this Sale Agreement. Buyer's taking delivery of any goods made the subject of an acknowledgment document or communication shall be Buyer's assent and agreement to the terms and conditions of this Sale Agreement. No representation or warranty shall be deemed to have been made by NCS with respect to any matter unless expressly and specifically made in the Sale Agreement. This Sale Agreement constitutes the entire agreement of Buyer and NCS regarding its subject, but if Buyer and NCS have duly executed a signing written agreement to cover transactions falling within the subject of this Agreement which provides that such signed written agreement is the entire agreement with respect to such transactions.

2. **PAYMENT TERMS:** NCS will grant United States federal, state and local government entities net 30 payment terms unless otherwise stated in a specific contract. All other entities will be granted credit terms in the sole and absolute discretion of NCS. NCS may change the limit or the length of payment terms or withdraw the extension of credit entirely at any time without consulting BUYER. NCS may require payment in advance of shipment. NCS will invoice BUYER upon shipment, and, unless otherwise agreed in writing signed by an authorized officer of NCS, payment shall be due within the number of days specified from the invoice date. NCS may change or withdraw credit at any time and require payment in advance of shipment. Buyer shall pay the invoiced amount to NCS, without deduction or setoff, so that it is received by NCS at the address designated in the invoice by the due date. Amounts not paid by the due date shall bear interest at the lesser rate of (a) one and one-half percent (1.5%) per month or (b) the highest rate of interest permitted by applicable law, from the day after due date until paid. If any check offered by Buyer to NCS in payment of invoiced amount or any other amount due under this Sales Agreement is returned for lack of sufficient funds, a "stop payment," or any other reason, Buyer will pay NCS a returned check handling fee in the amount of fifty dollars (\$50.00) for each instance in addition to any fees imposed by financial institution processing the transaction. Failure to pay invoiced amount, returned check handling fee(s) and associated fees, or to compensate NCS for Products delivered will result in collection action. Any instance of a check being returned will result in Buyer being placed on certified check status. Return to company check status is at the sole discretion of NCS. Buyer shall pay all costs of collection or other remedies for its default or breach of contract, including attorney's fees, court costs, and any other costs incidental thereto. Buyer need not be notified of default and hereby waives any notice of default from NCS. Prices are in U.S. dollars, F.O.B. NCS's facility in Gainesville, Virginia or such other facility as NCS may designate as the place of delivery. Prices do not include any municipal, state or federal sales, use, excise, value added, or other taxes, and do not include any shipping, insurance, or freight charges. In addition to the prices specified, the amount of any such taxes and charges shall be invoiced by NCS and paid by Buyer.

3. **PURCHASE ORDER.** All quotations of Buyer's order ("PO") are subject written acceptance by NCS. All POs received are subject to final written acceptance by NCS including any exceptions thereto, before any responsibility for performance shall exist on the part of NCS. All changes from the written quotation of NCS must be approved and accepted in writing by NCS. Buyer is hereby notified in advance of NCS's objection to any proposed additional or different terms and conditions. Any PO issued by Buyer with respect to a quotation from NCS received in excess of thirty (30) days from the date of the quotation by NCS shall be subject to written confirmation of acceptance by NCS. NCS' acceptance of any PO occurs only to the extent of (i) written acceptance of the PO by NCS or (ii) NCS's shipment of Products requested in the subject PO. Any PO submitted by Buyer who is late in any payment due NCS or for an amount greater than such Buyer's existing credit limit with NCS shall be deemed automatically rejected by NCS. Written acceptance by NCS as used herein, or any other agreement legally binding NCS, requires the signature of an officer of NCS; no other signatures are authorized.

4. **PRICES.** All prices are F.O.B. NCS's facility in Gainesville, Virginia, or such other facility as NCS may designate. Prices are exclusive of applicable taxes, shipping, and insurance, which are the sole responsibility of Buyer. Unless otherwise specified, price quotations are valid for thirty (30) days from the date of issuance and effective only for orders accepted within that period. NCS reserves the right to adjust prices at the time of invoicing to reflect price increases resulting from any changes requested by Buyer in regard to delivery, materials, performance, or specialized equipment that requires NCS to incur costs in excess of those included in NCS's quotation. NCS reserves the right to correct all typographical or clerical errors, which may be present in the prices or specifications of a price quotation.

5. **CANCELLATION.** Any request by Buyer for cancellation in total or in part of any PO must be submitted in writing to NCS as a Request for Cancellation stating the reasons for the cancellation. Special orders or orders for custom products cannot be cancelled. In the event of cancellation, Buyer shall be liable for payment of charges

incurred, including overhead, and profit, prior to the date that notice of cancellation is received by NCS for all parts peculiar to Buyer's requirements. Upon payments by Buyer of these charges such parts become the property of Buyer. NCS will store said parts for a reasonable period of time pending the receipt of Buyer's instruction for disposition. Such storage is at Buyer's risk and may be subject to storage charges if stored by NCS for longer than thirty (30) days from the cancellation date. Buyer shall be liable for the charges incurred to convert modified standards parts for return to NCS's inventory, plus a restocking charge of twenty percent (20%) of the sales price of the cancelled Product.

6. DELIVERY: NCS shall deliver goods F.O.B. NCS's facility in Gainesville, Virginia, or such other facility as NCS may designate. Title to all Products passes to Buyer upon delivery of goods to the carrier for shipment per Buyer's instructions. NCS shall deliver goods in commercially reasonable domestic United States packaging, unless Buyer requests special packaging. The cost of any special packaging shall be separately charged to Buyer unless a carrier which Buyer has designated is indicated on the Acknowledgment. NCS may make the goods available for pick-up by any carrier which NCS may select for shipment to Buyer. NCS will not be responsible to pay for the differences in cost between one mode and another, or for any other transportation-related costs, even if NCS selects the carrier as described in the immediately preceding sentence. NCS shall in no event be liable for any damage or loss to the goods while in transit, and any such claims are to be placed by the Buyer with the carrier. NCS reserves the right to over ship or under ship the last scheduled delivery quantity for any goods designated on the Acknowledgment as "nonstandard" or similarly designated. Any dates of delivery of the goods stated on the Acknowledgment are approximate. NCS agrees only to use reasonable efforts to deliver goods in accordance with its acknowledged delivery dates, but shall not be liable for delay or for failure to deliver any goods ordered. NCS reserves the right to make deliveries before any acknowledged schedule delivery date, and may make deliveries in part or in whole. NCS's invoices for partial or early deliveries shall be accepted and paid as rendered, and, in the case of partial deliveries, without regard to whether the balance of the order is delivered. Buyer must report shipping errors to NCS within forty-eight (48) hours after delivery. Buyer may not cancel, change, or reschedule any order, in whole or part, unless NCS first agrees in writing in each case. Any such agreement by NCS is conditioned upon Buyer's compensating NCS for any damages, costs, and expenses incurred by NCS as a result of such cancellation, rescheduling, or change, and upon Buyer's payment of any other charges and compliance with any other terms reasonably required by NCS. Buyer understands and acknowledges that in the event demand for goods is in excess of NCS's or its supplier's capacity, NCS may, in its sole discretion, allocate its production among itself and its other customers, postpone delivery of goods for a period of time consistent with its capacity and other commitments, or cancel scheduled deliveries for such goods. NCS shall not be liable or responsible to Buyer for failure to supply goods, or for making only partial shipment against any order. Notwithstanding the foregoing, if NCS fails to ship any ordered goods within forty-five (45) days after the acknowledged delivery date and such failure is not cause by Force Majeure (as defined below) or the fault of Buyer. Buyer may, as its sole and exclusive remedy, cancel the order with respect to Products not delivered by giving notice to NCS of such cancellation no later than the sixtieth (60th) day after the acknowledged delivery date.

7. LIMITED WARRANTY.

7.1 Notwithstanding statements provided to Buyer by NCS pursuant to an Acknowledgment, or the terms of any written contract, or unless otherwise specified by NCS in writing ("Warranty Period"), no warranty is provided for Products sold or otherwise provided to Buyer by NCS hereunder. NCS coordinates the manufacturer's warranty for such products, if any, to the Buyer without recourse to NCS. NCS does not adopt any manufacturer warranty. EXCEPT FOR AN EXPRESS WARRANTY OTHERWISE FURNISHED BY NCS UNDER A SEPARATE DOCUMENT OR THE EXPRESS WARRANTIES SET FORTH ABOVE IN THIS SECTION 4.1. THERE ARE NO WARRANTIES, EITHER EXPRESS OR IMPLIED. NCS DISCLAIMS AND EXCLUDES ANY AND ALL WARRANTIES, INCLUDING WITHOUT LIMITATION ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AGAINST INFRINGEMENT AND THE LIKE, AND ANY AND ALL WARRANTIES ARISING FROM ANY COURSE OF DEALING OR USAGE OF TRADE. IN NO EVENT SHALL NCS BE LIABLE FOR LOSS OF USE OR FOR ANY INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO CONSEQUENTIAL DAMAGES FOR PERSONAL INJURIES. THE FOREGOING LIMITATION OF LIABILITY SHALL APPLY WHETHER ANY CLAIMS BASED ON PRINCIPLES OF INDEMNITY OR CONTRIBUTION, THE FAILURE OF ANY LIMITED OR EXCLUSIVE REMEDY TO ACHIEVE ITS ESSENTIAL PURPOSE OR OTHERWISE. BUYER ACKNOWLEDGES THAT IT IS NOT RELYING ON NCS'S SKILL OR JUDGMENT TO SELECT OR FURNISH SUITABLE GOODS FOR BUYER. NCS MERELY COORDINATES THE WARRANTIES OFFERED BY THE MANUFACTURER OF THE PRODUCTS SOLD AND DOES NOT ADOPT SUCH WARRANTIES, NOR DOES IT CREATE ANY ADDITIONAL WARRANTIES. NOTHING HEREIN SHALL BE CONSTRUED AS NCS ADOPTING ANY MANUFACTURER WARRANTY. NCS shall not be responsible for delays in performance or claims for damages whatsoever resulting from delays at manufacturing plants, transportation, inability to obtain material or services, or due to strike, fires, flood, storms, war, insurrections, riots, any government regulation, order act or instruction, or any other circumstance beyond NCS's reasonable control, and Buyer's acceptance of goods and/or services shall constitute a waiver of any claims for damages due to such delay.

7.2. PRODUCTS AND SERVICES PROVIDED BY NCS ARE NOT DESIGNED, INTENDED OR AUTHORIZED FOR USE IN ANY LIFE SUPPORT OR OTHER APPLICATION WHERE PRODUCT FAILURE COULD CAUSE OR CONTRIBUTE TO PERSONAL INJURY OR SUBSTANTIAL PROPERTY DAMAGE. IF BUYER OR ANY OF ITS DIRECT OR INDIRECT CUSTOMERS APPLIES ANY PRODUCT OR SERVICE PURCHASED OR LICENSED FROM NCS TO ANY SUCH UNINTENDED OR UNAUTHORIZED USE, BUYER SHALL INDEMNIFY AND HOLD NCS AND ITS RESPECTIVE SUPPLIERS, HARMLESS AGAINST

ALL CLAIMS, COSTS, DAMAGES AND EXPENSES ARISING, DIRECTLY OR INDIRECTLY, OUT OF ANY SUCH UNINTENDED USE, EVEN IF SUCH CLAIM ALLEGES THAT NCS OR ANY OTHER PERSON OR ENTITY WAS NEGLIGENT IN DESIGNING OR MANUFACTURING THE PRODUCT.

8. SOFTWARE: INTELLECTUAL PROPERTY.

8.1. "Software" means all computer programs and associated documentation provided directly or indirectly by NCS to or for Buyer, and every copy of such programs and documentation so provided or subsequently made. Any Software provided or obtained pursuant to an Acknowledgment is not sold, but is licensed, on a nonexclusive, nontransferable basis, without the right sublicense only for installation and use on the NCS hardware equipment with which such Software is provided by NCS, and subject to any other restrictions which may be designed in NCS's product description for the Software. No title, ownership, or intellectual property rights of any kind are transferred to any license. All Software, and all copyrights, trademarks, patents, trade secrets and other intellectual property rights pertaining to the Software are the property of NCS and/or its suppliers. Unless otherwise agreed in writing signed by an authorized officer of NCS, Software programs shall be provided in machine-readable object code form only. The licensee shall not decompile, disassemble, reverse engineer, or otherwise attempt to derive source code from any Software, shall not modify, merge, adapt, create derivative works based on, or disclose, any Software, and shall not copy or reproduce and Software except as may be permitted in any other license agreement pertaining to the Software. Any third party supplier from whom NCS has acquired rights to license and Software is an intended third party beneficiary of the provisions of this Section 5.1.

8.2. All trademarks, service marks, trade names, logos, or other words or symbols identifying any Products, NCS services, or NCS's business are and will remain the exclusive property of NCS or its suppliers or licensors. No license is granted with respect thereto. NCS shall exclusively own all right, title and interest in and to any and all patents, copyrights, mask word rights, trademarks, trade secrets, know-how, and any and all other forms of intellectual property, as well as any and all inventions, works of authorship, algorithms, ideas, methods, improvements, and mask works, whether or not patentable, copyrightable, or otherwise protectable, which are developed, created, conceived, or reduced to practice by NCS itself, jointly with others, or on NCS's behalf, in the course of or in arising out of work done pursuant to an Acknowledgment Except as expressly provided in this Terms of Sale Agreement, no license is granted by NCS expressly, by implication, by estoppel or otherwise, under any patent, trademark, copyright, mask work right, trade secret, or other intellectual property right. The sale of any Product by NCS shall not in any way confer upon Buyer, or upon any anyone claiming under Buyer, any license (expressly, by implication, by estoppel or otherwise) under any patent claim of NCS or others covering or relating to any combination, machine or process in which such Product is or might be used, or to any process or method of making such a Product.

9. INFRINGEMENT. NCS will: (i) defend or settle, at its option and expense, any claim against Buyer alleging that any Product furnished pursuant to an Acknowledgment infringes or otherwise violates any United States patent, copyright, or trademark; (ii) reimburse Buyer for any costs incurred at NCS's written request in cooperating fully with NCS to facilitate the defense or settlement of such claim and (iii) pay all damages and costs assessed by final judgment against Buyer and attributable to such claim. NCS will have the right, at any time and at its option and expense, to (i) procure for Buyer the right to continue using such Products; (ii) replace or modify any such Products provided or to be provided to be free of the infringement claim and/or (iii) discontinue further deliveries of such Product and require return of such Products and refund the purchase price paid less a reasonable allowance for use, damage, or obsolescence. NCS's total liability under this section shall not exceed the total price paid to NCS by Buyer for the Products given rise to claim; and NCS's obligations hereunder are conditioned upon: (i) Buyer giving NCS prompt written notice of any such claim; (ii) NCS having complete control of the defense and settlement thereof; and (iii) Buyer cooperating fully with NCS to facilitate the defense or settlement of such claim. Notwithstanding the foregoing, NCS shall have no obligation to defend or settle any claim, and Buyer shall indemnify and save harmless NCS and its suppliers and affiliated companies from all damages, costs, expenses, liabilities, and claims, for any infringement or other violation of any patent, copyright, trademark, trade secret, or other intellectual property right arising from: (i) compliance with Buyer's specifications, designs or instructions; or (ii) relating to use of any Product in a manner or for a purpose not suggested in writing by NCS or in combination with another item. **THE FOREGOING STATES THE SOLE AND EXCLUSIVE REMEDY AND OBLIGATION OF NCS FOR INFRINGEMENT OR OTHER VIOLATION OF ANY INTELLECTUAL PROPERTY RIGHTS AND IS IN LIEU OF ALL WARRANTIES, EXPRESS, IMPLIED, OR STATUTORY, IN REGARD THERETO.**

10. CONFIDENTIAL INFORMATION. If Buyer receives from NCS any confidential or proprietary information of a business or technical nature in connection with the subject matter of an Acknowledgment, Buyer shall keep such information in confidence and shall use it for the purposes for which it was provided by NCS. Buyer shall not disclose or provide any such information to any other person or entity, provided, however that Buyer may disclose such information to those of its own employees who have a need to know and who have entered into confidentiality agreements with Buyer binding the employee to obligations equivalent to those of Buyer under this paragraph. NCS is not obligated to disclose or provide any confidential or proprietary information to Buyer, and NCS shall have no obligation to Buyer with respect to any confidential or proprietary information of Buyer provided to NCS unless otherwise agreed in separate writing signed by an authorized officer of NCS.

11. EXPORT LAW COMPLIANCE. Products sold or otherwise provided to Buyer by NCS and any technical data provided to Buyer by NCS are subject to the United States Export Administration Regulations. Buyer will not directly or indirectly: (a) export, re-export, or permit the export or re-export of any of NCS's Products or technical data, or any product delivered therefrom; (b) provide NCS's Products or technical data to be used for any purpose; in violation of any United States laws, regulations, or orders.

12. DEFAULT. If any of the following shall occur Buyer shall be in material default: (a) Buyer fails to timely pay for any Products or services with the terms of this Sale Agreement, or fails to timely perform or comply with any of its other duties or obligations under this Sale Agreement; (b) Buyer or guarantor of any of Buyer's obligations hereunder to NCS is or becomes insolvent, or there is filed by or against Buyer or any such guarantor in any court, pursuant to any statute either of the United States or of any state or municipality, a petition in bankruptcy, or for reorganization, or for the appointment of a receiver or trustee of all or portion of Buyer's or such guarantor's property, or Buyer or any such guarantor makes an assignment for the benefit of creditors; or (c) Buyer is in default under any other agreements with NCS and fails to cure such default within any time period granted to cure under such other agreement.

13. LIMITATION AND EXCLUSION OF DAMAGES AND REMEDIES.

13.1 FOR PURPOSES OF THE EXCLUSIVE REMEDIES AND LIMITATIONS OF LIABILITY AND DAMAGES SET FORTH IN THIS SECTION 10, REFERENCES TO "NCS" SHALL BE DEEMED TO INCLUDE NCS TECHNOLOGIES, INC. AND THE DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, REPRESENTATIVES, SUBCONTRACTORS, AND SUPPLIERS OF ALL OF THEM (PROVIDED, HOWEVER, THAT THIS SENTENCE SHALL NOT BE UNDERSTOOD OR CONSTRUED AS AUTHORIZING A CAUSE OF ACTION AGAINST, OR AS THE IMPOSITION OF ANY DUTY OR LIABILITY ON, ANY OF SUCH DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, REPRESENTATIVES, SUBCONTRACTORS, OR SUPPLIERS); AND "DAMAGES" SHALL BE DEEMED TO REFER COLLECTIVELY TO ALL INJURY, DAMAGE, LOSS OR EXPENSE INCURRED.

13.2. NCS'S ENTIRE LIABILITY AND BUYER'S SOLE AND EXCLUSIVE REMEDIES AGAINST NCS FOR ANY DAMAGES CAUSED BY ANY PRODUCT DEFECT OR FAILURE, OR ARISING FROM THE PERFORMANCE OR NON-PERFORMANCE OF ANY WORK, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT (INCLUDING WITHOUT LIMITATION NEGLIGENCE), STRICT LIABILITY OR OTHERWISE, SHALL BE: (a) FOR DELAYS IN DELIVERY, THE REMEDY SET FORTH IN SECTION 3; (b) FOR NONCONFORMITY, DEFECT, OR FAILURE IN ANY PRODUCT OR WORK PERFORMED, THE REMEDY SET FORTH IN SECTION 4; (c) FOR INFRINGEMENT, THE REMEDIES SET FORTH IN SECTION 6; (d) FOR CLAIMS OTHER THAN SET FORTH ABOVE, NCS'S LIABILITY SHALL BE LIMITED TO DIRECT DAMAGES WHICH ARE PROVEN, BUT IN NO EVENT TO EXCEED THE LESSER OF \$100,000 OR THE CUMULATIVE AMOUNT PAID BY BUYER TO NCS PURSUANT TO THE ACKNOWLEDGMENT UP TO THE TIME THE CLAIM AROSE.

13.3. IN NO EVENT SHALL NCS BE LIABLE FOR INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES; OR FOR LOST PROFITS, SAVINGS, OR REVENUES OF ANY KIND; OR FOR ANY ACTUAL DAMAGES IN EXCESS OF \$100,000; REGARDLESS OF THE FORM OF ACTION, WHETHER BASED ON CONTRACT; NEGLIGENCE OF NCS; STRICT LIABILITY; BREACH WARRANTY; OR OTHERWISE; WHETHER OR NOT ANY REMEDY OF BUYER IS HELD TO HAVE FAILED OF ITS ESSENTIAL PURPOSE, AND WHETHER OR NOT NCS HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

14. FORCE MAJEURE. NCS shall not be liable for any failure or delay in performance of any of its obligations under an Acknowledgment of this Sale Agreement (including without limitation any obligation regarding delivery of goods) because of any of the following: force majeure or any other cause beyond NCS's control; an act of God; war; riot; fire; terrorism; civil disturbance; explosion; accident; earthquake; flood; sabotage; inability to obtain or shortage of fuel, power suppliers, components, subassemblies or material; inability to obtain transportation; failures of non-affiliate subcontractors; or governmental laws, rules, regulations or orders (each of the foregoing causes, events, and circumstances being "Force Majeure").

15. ASSIGNMENT; SEVERABILITY; NOTICES. Buyer may not assign, delegate, or transfer, by operation of law or otherwise, any of its rights or obligations under this Sale Agreement. Any attempted or purported assignment, delegation, or transfer by Buyer shall be void, and at NCS's election, a noncurable material default by Buyer under this Terms of Sale Agreement. If any one or more provisions contained in this Terms of Sale Agreement would for any reason held to be unenforceable, by a court of competent jurisdiction, such unenforceability shall not affect any other provision of this Sale Agreement, but this Sale Agreement shall be construed and interpreted as if such unenforceable provision had not been contained herein. Any notice or other communication required or permitted by this Sale Agreement shall be given by U.S. certified mail, return receipt requested, postage pre-paid and addressed to each party at its respective address indicated on the Acknowledgment, and in the case of notices intended for NCS, a copy of the notice must be addressed to the attention of NCS Technologies, Inc., 7669 Limestone Drive, Gainesville, Virginia 20155.

16. RETURN MERCHANDISE AUTHORIZATION. Within thirty (30) days receipt of Products by Buyer or Buyer's designate, Buyer desiring to return Products must first obtain a Return Merchandise Authorization (RMA) number or shall comply with NCS's RMA procedures in effect at the time of the warranty claim. Products must be returned to NCS by Buyer F.O.B. NCS's facility in Gainesville, Virginia, freight prepaid by Buyer within forty-five (45) days of issuance of the RMA in proper packaging bearing the RMA number issued by NCS. . Conditioned on Buyer's providing prompt written notice to NCS within the applicable Warranty Period, NCS shall, as Buyer's sole and exclusive remedy, repair or replace Products not conforming to any applicable warranty. UNDER NO CIRCUMSTANCES SHALL NCS PROVIDE A CASH REFUND. If repair or replacement is not appropriate, NCS will issue a credit memo to be used for future purchase from NCS. NCS's Dead on Arrival (DOA) policy extends for a period of thirty (30) days from the date of invoice. This time frame allows Buyer to test products upon receipt. Should a component fail within this period, Buyer is permitted to return it to NCS for replacement. If Product is claimed to be defective and sent back to NCS and it proves to be non-defective upon NCS's inspection, a \$50.00 testing and handling fee will be assessed and the Product returned to Buyer. All repaired or exchanged Product will be shipped to Buyer freight prepaid. This return policy does not cover physical damage incurred in shipping or the result of Buyer misuse, neglect, alteration, accident, or improper storage, installation, or repair, and that any date codes for manufacturing date printed on the Products by NCS have not been removed are altered. In cases of shipping damage, Buyer is responsible for processing of all freight claims. In cases of Buyer handling damage, Buyer shall be responsible for all cost of repair.

17. PURCHASE MONEY SECURITY INTEREST. Until Buyer fully satisfies all of its obligations to NCS, NCS retains and Buyer hereby grants to NCS a purchase money security interest in all Products heretofore or hereafter sold by NCS to Buyer, as well as proceeds therefrom. Buyer shall execute and file such financing statements as NCS shall reasonably request. Buyer represents and warrants that no other liens or secured interest exist in said Products, or the proceeds therefrom. If such liens or secured interest do exist, Buyer will provide NCS with written notice of the same. If Buyer has signed a security agreement for inventory for the benefit of a financial institution, NCS recognizes that such security interest may have priority over NCS's interest.

18. WAIVER. The failure by either party to enforce at any time any provision of these standard terms and conditions shall not be construed to be a waiver of such provisions. No waiver by either party, either expressed or implied, of any breach of any these terms and conditions shall be construed as a waiver of any other breach of such terms and conditions. Any waiver granted hereunder must in writing and signed by duly authorized officer of the party against whom it is sought to be enforced.

19. NOTICE. All notices required or authorized by these standard terms and conditions shall be deemed duly given if mailed by registered or certified mail, return receipt requested, first class, postage prepaid; if to NCS, to Credit Manager, 7669 Limestone Drive, Gainesville, VA 20155-4038; and if to Buyer, to the name and address of Buyer as it appears on the invoice. NCS and Buyer shall be responsible for notifying each other of any changes of address.

20. APPLICABLE LAW; LIMITATION OF ACTIONS; JURY TRIAL WAIVER; HEADINGS; WAIVER; MODIFICATION. This Sale Agreement and any claim arising under or in connection with it; any order or Acknowledgment to which it pertains; or any transition of Product provided pursuant to any such order of Acknowledgment, shall be interpreted and decided in accordance with the laws of the State of Virginia without giving effect to conflict of law principles, and the U. N. Convention for the International Sales of Goods shall not apply. Any suit, action, or proceeding involving NCS and Buyer arising out of or relating to this Sale Agreement; any order or Acknowledgment to which it pertains; or any transaction or Product provided pursuant to any such order or Acknowledgment, shall be brought in the state or federal courts sitting in Prince William County, Virginia, and NCS and Buyer each hereby submits itself to the jurisdiction of such courts for purposes of any suit, action, or proceeding. Buyer hereby specifically waives choice of venue, consents to personal jurisdiction in Virginia and agrees to litigate any dispute with NCS regarding purchases in Virginia. No suit, action or proceeding arising out of or relating to this Sale Agreement; any order or Acknowledgment to which it pertains; or any transaction or Product provided pursuant to any such order or Acknowledgment, may be initiated after expiration of two years after the date the cause of action first accrues; provided, however, that a suit, action or proceeding may be brought by NCS to collect amounts owed for payment for Products or services provided by it, or to enforce any intellectual property rights with respect to any such Products or services, at any time within the applicable statute of limitations. NCS AND BUYER EACH HEREBY WAIVES ITS RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY DISPUTE, SUIT, ACTION, OR PROCEEDING ARISING OUT OF OR RELATING TO THIS TERMS OF SALE AGREEMENT. ANY ORDER OR ACKNOWLEDGMENT TO WHICH IT PERTAINS; OR ANY TRANSACTION OR PRODUCT PROVIDED PURSUANT TO ANY SUCH ORDER OR ACKNOWLEDGMENT, WHETHER IN CONTRACT, TORT, WARRANTY, STRICT LIABILITY OR OTHERWISE. The headings of this Sale Agreement are for convenience only and shall not affect the meaning or interpretation of any provision hereof. NCS shall not be considered to have waived any right under this Sale Agreement by course of dealing or failure to enforce or strictly enforce such right or any other right. NCS shall be entitled to all other remedies provided at law and under the Uniform Commercial Code (UCC). No modification, waiver, or variation of this Sale Agreement shall be valid unless it is in writing signed by a duly authorized officer of NCS.