

TERMS AND CONDITIONS OF SALE

1. Price and Delivery

All prices are FOB shipping point or our factory, San Jose, CA. Delivery shall be established by mutual agreement and/or defined as acknowledged by NK Technologies. All orders are subject to a \$100 minimum order total. Drop shipments are done on an as needed basis and may incur an additional handling charge.

2. Shipping and Risk of Loss

NK Technologies shall package products for normal shipping considerations. Further NK Technologies may arrange and prepay all transportation charges with the understanding that all costs associated with the delivery beyond the FOB point will be billed to and assumed by the purchaser. All risk of loss or damage to the products pass to the buyer upon delivery to the carrier at the FOB point: the carrier acting as the buyer's agent. No third party freight billing can be permitted.

3. Terms of Payment

Payment shall be made in full within thirty (30) days from the date of product shipment. NK Technologies reserves the right to require full or partial payment in advance of shipment or otherwise change payment terms.

4. Title

Title to the products will pass to the buyer upon delivery to the carrier at the FOB point; provided however, NK Technologies will retain a purchase money security interest in each product until all of its claims arising out of the furnishing of such products have been satisfied in full.

5. Warranty

NK Technologies warrants that all NK Technologies' manufactured products will be free from defects in material and workmanship for the period of five (5) years after receipt by the buyer unless otherwise stated in the product literature. This warranty does not apply to any products

or parts not manufactured by NK Technologies; however NK Technologies does agree to assign and transfer to the buyer, insofar as it is permitted by contract or by law, the manufacturer's warranty pertaining to any such products. If any product fails to conform to the warranty applicable to such product, NK Technologies' sole and exclusive liability shall be, at its option, to repair, replace or credit the purchaser's account with an amount equal to the price paid for such products which are returned by the purchaser during the acceptable warranty period with such products' manufacturing date code intact.

THE FOREGOING WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. ALL WARRANTIES (OTHER THAN THOSE EXPRESSLY SET FORTH ABOVE) ARE HEREBY DISCLAIMED AND EXCLUDED BY NK TECHNOLOGIES. NK TECHNOLOGIES NEITHER ASSUMES NOR AUTHORIZES ANY PERSON TO ASSUME ANY OTHER LIABILITIES IN CONNECTION WITH THE SALE OR USE OF ANY PRODUCTS.

6. Returns

Unless agreed to in advance by NK Technologies, all sales are considered final and all merchandise shall be considered the property of the purchaser. At its discretion, NK Technologies may allow for the return of product purchased within the last 180 days in exchange for a restocking charge of twenty-five (25) percent and/or an offsetting order for a value amount equal to or exceeding that of the product returned. Returns of product categorized as "N-R", non-returnable is prohibited. Any merchandise, warranty or other type of product return shall require a Return Material Authorization (RMA) issued by authorized NK Technologies' factory personnel. Unless agreed to in advance by NK Technologies, all products returned shall be shipped at the expense of the purchaser.