

SOUTH BAY TECHNOLOGY, INC.

Terms and Conditions of Sale

This is a firm offer that South Bay Technology, Inc. ("SBT") assures you will be held open until the "valid until" date shown on this quote. For this offer to be effective, your written acceptance of it must be received by SBT at 1120 Via Callejon, San Clemente, CA 92673 USA no later than that date.

THIS OFFER MAY BE ACCEPTED ONLY ON THE TERMS SET FORTH IN THE QUOTE AND THESE TERMS AND CONDITIONS. ANY TERMS IN YOUR ACCEPTANCE THAT ARE IN ADDITION TO OR NOT IDENTICAL WITH THE TERMS OF THE QUOTE AND THESE TERMS AND CONDITION WILL NOT BECOME PART OF THE CONTRACT.

SBT reserves the right to revoke this offer earlier if, in SBT's judgment, SBT is required to do so because of natural disasters, acts of governments, labor unrest, supplier delays, or other causes beyond SBT's control.

To accept this offer, you must deliver your purchase order, which SBT must receive no later than the "valid until" date shown on this quote. No other form of oral or written acceptance will be valid or binding on SBT. If SBT does not receive your notice of acceptance within this time, this offer will lapse.

The goods described in the quote will be delivered in a single lot F.O.B. SBT's facility at 1120 Via Callejon, San Clemente, CA 92673 USA. Delivery will be made within the time period shown on this quote.

Terms of payment for domestic customers are net 30 days on approved credit. Terms of payment for export customers are by irrevocable letter of credit. Prices quoted do not include any sales, use, excise, or other tax. Title to the goods and each item thereof shall remain in SBT, notwithstanding delivery and acceptance, until the full purchase price thereof including interest and all sums for which Buyer is obligated under this Agreement is paid to SBT. Buyer agrees that SBT shall not be required to accept payment other than by the means and manner set forth in this quote.

The parties expressly agree and understand that this writing may not be contradicted, supplemented, or explained by evidence of course of performance, course of dealing, or usage of trade.

The parties intend this writing to be the final expression of the terms of their agreement and further intend that this writing be the complete and exclusive statement of all the terms of their agreement. This writing supersedes all prior agreements and all oral agreements made contemporaneously with the execution of this agreement. Any prior agreements or oral contemporaneous agreements may not be used to contradict, supplement, or explain this writing.

This contract may not be modified, amended, or rescinded except by a writing signed by all parties to this contract or their duly authorized agents.

Buyer shall receive and inspect the goods as the goods arrive at destination. If Buyer receives the goods or takes possession of the goods without inspection, this shall constitute a waiver of Buyer's right to inspect. All shipping damage or shortages in the goods shall be reported at once by Buyer to the carrier and a claim filed for same by Buyer. The parties agree that if SBT does not receive written notice in SBT's office within 48 hours after delivery of the goods that the buyer elects to return the goods sold under this contract, the buyer will be considered to have accepted all the goods shipped. For rejection of goods tendered under this contract to be effective, SBT must receive within 48 hours after delivery of the goods a written description of all alleged defects on which the buyer intends to rely. After acceptance of delivery, Buyer shall not be entitled to revoke that acceptance. Whether or not the buyer accepts the goods, buyer will bear the risk of their loss or damage from the time that the SBT ships the goods until SBT regains possession of them at SBT's facility at 1120 Via Callejon, San Clemente, CA 92673 USA.

Buyer represents and warrants that Buyer is not insolvent as that term is defined in California Commercial Code Section 1201(23). If Buyer becomes insolvent before delivery of the merchandise, Buyer shall notify Seller in writing. A failure to notify Seller in writing shall be deemed a reaffirmation of Buyer's solvency at the time of delivery.

No waiver of any term or condition of this Agreement shall be valid and enforceable unless supported by consideration and in writing signed by the waiving party.

Any controversy or claim arising out of or relating to the Agreement, or the breach thereof, shall be settled by binding arbitration in accordance with the rules of the American Arbitration Association, and judgement upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The venue for such arbitration shall be Orange County, California. The prevailing party shall be entitled to recover its reasonable attorney's fees and to all other costs incurred.

NOTE: THIS QUOTE DOES NOT INCLUDE COSTS OF INSTALLATION OF THE GOODS AT BUYER'S FACILITY. THIS QUOTE DOES NOT INCLUDE THE COSTS OF TRAINING OF BUYER'S PERSONNEL. INSTALLATION AND/OR TRAINING COSTS SHALL BE COVERED BY SEPARATE QUOTES.

SBT WARRANTS THE GOODS AS SET FORTH IN THE ATTACHED WARRANTY. THERE ARE NO WARRANTIES THAT EXTEND BEYOND THE TERMS OF THE ATTACHED FACTORY WARRANTY. SBT EXPRESSLY DISCLAIMS ANY WARRANTY OF ANY OTHER KIND, INCLUDING ANY WARRANTY THAT THE GOODS ARE MERCHANTABILITY OR FIT FOR A PARTICULAR PURPOSE.