

SOUTH BAY TECHNOLOGY, INC.

WARRANTY

1. What is covered by this warranty

South Bay Technology, Inc. ("SBT") warrants, to the original buyer only, that the product that is the subject of this sale (a) conforms to SBT's published specifications and (b) is free from defects in material or workmanship. This warranty expires one year from the date of delivery. If the buyer discovers within this period a failure of the product to conform to specifications, or a defect in material or workmanship, the buyer must promptly notify SBT in writing. In no event may that notification be received by SBT later than 12 months from the date of delivery. Within a reasonable time after notification, SBT will correct any failure of the product to conform to specifications or any defect in material or workmanship, with either new or used replacement parts. Such repair, including both parts and labor, will be performed at SBT's expense. All warranty service will be performed at service centers designated by SBT. If SBT is unable to repair the product to conform to the warranty after a reasonable number of attempts, SBT will provide, at its option, one of the following: a replacement product or a full refund of the purchase price. These remedies are the buyer's only remedies for breach of warranty.

2. What is not covered by this warranty

SBT does not warrant (a) any product, components, or parts not manufactured by SBT; (b) defects caused by failure to provide a suitable installation environment for the product; (c) damage caused by use of the product for purposes other than those for which it was designed; (d) damage caused by accidents, disasters such as fire, flood, wind, and lightning; (e) damage caused by unauthorized tampering, alteration, attachments or modifications; (f) damage caused by operation on low or excessive voltages; (g) damage during shipment; or (h) any other abuse or misuse by the buyer.

3. Warranty claims

Buyer shall return all defective equipment to SBT's repair facility by prepaid freight. If SBT provides replacement parts for field servicing at buyer's facility, Buyer shall return all defective parts to SBT by prepaid freight. SBT reserves the right to inspect parts to verify alleged defects before issuing credit to buyer. All repaired and/or replaced parts will be returned to buyer F.O.B. SBT's facility at 1120 Via Callejon, San Clemente, CA 92673 USA.

4. Disclaimer of warranty

THE FOREGOING WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

5. Limitation of remedies

In no event will SBT be liable for any special, incidental, or consequential damages based on breach of warranty, breach of contract, negligence, strict tort, or any other legal theory. Damages that SBT will not be responsible for include, but are not limited to, loss of profits; loss of savings or revenue; loss of use of the product or any associated equipment; cost of capital; cost of any substitute equipment, facilities, or services; downtime; the claims of third parties including customers; and injury to property. This limitation does not apply to damages caused by breach of the warranty of title and against infringements or to claims for personal injury.

6. Time limit for bringing suit

Any action for breach of warranty must be commenced within 15 months following delivery of the product.

7. Allocation of risks

This Warranty allocates the risks of product failure between SBT and the original buyer of the goods. This allocation is recognized by both parties and is reflected in the price of the goods.