

ROBOTEQ, INC.

TERMS AND CONDITIONS OF SALE

1. ORDERS

By placing an order via Internet, buyer agrees to these Terms and Conditions of Sale. All Internet orders are subject to review and acceptance by Roboteq, Inc. Roboteq reserves the right to reject such orders which, in its sole opinion, may contradict these terms and conditions or may infringe upon the laws of the United States. Buyer agrees to pay an amount equal to any and all applicable state, and local taxes.

2. TITLE & DELIVERY

All sales are F.O.B. point of shipment. Title and risk of loss pass to Buyer upon delivery of items to carrier at shipping point, which delivery shall constitute delivery to Buyer for all purposes. Unless specific instructions from Buyer specify which method of shipment is to be used, Roboteq will exercise its own discretion. Quoted shipping dates are approximate.

3. PAYMENT

All orders are prepaid by means of credit card, check or wire transfer at Roboteq discretion. By placing the order Buyer agrees to such payment terms as indicated by Roboteq

4. 30-DAYS MONEY BACK GUARANTEE

Buyer may return qualifying items to Roboteq within 30 days of receipt for a refund minus restocking charges. A qualifying item is a standard product (custom or customized products are excluded) purchased in single quantity, for which Roboteq has issued to the Buyer an RMA (Return Material Authorization) and returnable freight prepaid in complete, undamaged, unaltered and working condition. A prepaid charge of \$ 37.50 applies to all returns to cover the cost of performing quality test and restocking. Buyer may exercise this return right only once for the same product.

5. LIMITED PRODUCT WARRANTY

IT IS EXPRESSLY AGREED THAT NO WARRANTY OF MERCHANTABILITY, WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, NOR ANY OTHER WARRANTY (EXPRESS, IMPLIED OR STATUTORY) IS MADE BY ROBOTEQ, EXCEPT THAT ROBOTEQ WARRANTS GOODS TO BE FREE FROM DEFECTS IN MATERIALS AND WORKMANSHIP IN NORMAL USE AND SERVICE.

The liability of Roboteq under this warranty is limited solely to the repair, replacement or issuance of credit (at the sole discretion of Roboteq) for such products that become defective within three (3) months after delivery to buyer (the "Warranty Period"), provided that (1) the defective items are returned to Roboteq upon Roboteq issuance of an RMA, transportation charges prepaid by Buyer and (2) Roboteq's examination of such item discloses to Roboteq's satisfaction that such defects have not been caused by improper handling, storage, testing or installation, abuse, misuse, neglect, repair, alteration or accident. Robot combat is considered abusive use and not covered by this warranty.

6. EXTENDED WARRANTY

In addition to the Limited Product Warranty, Roboteq further extends the warranty to cover parts for three additional years from the date of purchase. During this period, Roboteq will repair controllers and charge only for the labor. In order to provide a defined cost to the customer, the labor charge is fixed at 50% of the list price plus round trip shipping charges. This does not extend the warranty period or create a new warranty period. In the event that Roboteq deems the repair labor too onerous, Roboteq reserves the right, at its discretion, to replace the returned unit with a new unit at the above mentioned 50% cost. In no event shall Roboteq be liable for loss of profits, loss of use, incidental damages, consequential damages or any loss, costs or damages of any kind based upon a claim for defective products or breach of warranty.

7. LIFE SUPPORT DEVICES, USE AS WEAPON, SAFETY HAZARDS

Roboteq's products are not authorized for use as components of life support devices, lethal weapon systems or any outlawed application. It is Buyer responsibility to exert due diligence while using Roboteq's products in all applications where High Power and or Motion Control are involved and Buyer acknowledges (1) having the required experience and skills, and (2) taking the necessary precautions, for a safe utilization of Roboteq's products.

Roboteq disclaims any warranty or responsibility for such usage, which shall be at buyer's sole risk, even if Roboteq has been previously notified of such usage.

8. LIMITATION OF LIABILITY

LIABILITY OF ROBOTEQ TO BUYER FOR DAMAGES FOR ANY CAUSE WHATSOEVER, AND REGARDLESS OF THE FORM OF ANY ACTION, WHETHER IN CONTRACT OR IN TORT, INCLUDING, BUT NOT LIMITED TO, NEGLIGENCE, SHALL BE LIMITED TO THE GREATER OF \$5,000 OR THE PRICE SPECIFIED IN THE SALE CONTRACT FOR THE SPECIFIC PRODUCT(S) THAT DIRECTLY OR INDIRECTLY CAUSED THE DAMAGES. IN NO EVENT SHALL ROBOTEQ BE LIABLE TO BUYER OR OTHERS FOR LOSS OF GOODWILL, LOSS OF PROFITS, LOSS OF USE OR OTHER SPECIAL, COLLATERAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, REGARDLESS OF THE FORM OF ACTION THEREFORE, WHETHER IN CONTRACT OR IN TORT, INCLUDING, BUT NOT LIMITED TO, NEGLIGENCE, EVEN IF ROBOTEQ HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. BUYER ASSUMES ALL LIABILITY FOR ANY AND ALL DAMAGES ARISING FROM OR IN CONNECTION WITH, THE USE OR MISUSE OF THE PRODUCTS BY BUYER, ITS EMPLOYEES, OR OTHERS.

9. GOVERNING LAW

This sales agreement will be governed by and construed in accordance with the laws of the State of Arizona. In the event any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.