

## WARRANTY

### “End User Warranty Service Contract Agreement”

1. **WARRANTY.** MAZAK warrants that any Product is free from defects in material or workmanship at the time of tender of delivery. For a period of two (2) years from the date of Original Start-Up of such Product, Mazak will repair or, if determined appropriate by MAZAK, replace any Product (except for consumable wear parts) which is (i) determined by MAZAK to be defective and (ii) is returned within said two (2) year period to MAZAK at its factory at 8025 Production Drive, Florence, Kentucky, or such other place as MAZAK may designate in writing, with all transportation charges prepaid by BUYER. Except as otherwise quoted for specialty or high-speed spindles, the spindle part component is warranted for two (2) years or 4,000 hours, whichever is earlier. For purposes hereof, the term “Original Start-Up” means the date a Product is placed under power or two (2) months from the date of delivery, whichever is earlier. MAZAK’s repair/replacement costs are limited only to repair or replacement (at MAZAK’s option) at MAZAK’s designated location. Return of any repaired or replaced Products to BUYER shall be at BUYER’s risk and expense. This repair/replacement remedy also is conditioned upon BUYER furnishing satisfactory evidence that the Product alleged to be defective has been properly maintained and correctly operated under normal conditions with competent supervision and within the operating limits for which such Product is offered and sold. This remedy shall not apply to any Product that has been subjected to misuse, abuse, neglect, or improper storage, handling, maintenance or operation. BUYER shall be solely responsible for proper training of all persons operating, maintaining or programming the Product. Should the services of a field service technician be required, MAZAK shall make every reasonable effort to send a technician as soon as practicable. Without liability, MAZAK shall have the right to withhold repair or replacement service on any Product in the event that BUYER’s accounts with MAZAK are not current. **EXCEPT AS EXPRESSLY STATED IN THIS SECTION 1, MAZAK MAKES NO WARRANTY, EXPRESS OR IMPLIED, WHETHER OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE OR OTHERWISE, WITH RESPECT TO ANY PRODUCT OR LABOR FURNISHED IN CONNECTION WITH THE SALE, DELIVERY OR SERVICING OF ANY PRODUCT. GOODS AND MATERIALS NOT MANUFACTURED BY MAZAK CARRY THE STANDARD GUARANTEE OF THE MANUFACTURER THEREOF, IF ANY, AND MAZAK SHALL NOT BE RESPONSIBLE FOR ANY DEFECTIVE PART THEREOF.**

2. **LIMIT OF MAZAK’S LIABILITY; CUSTOMER’S REMEDY.** IN NO EVENT SHALL MAZAK BE LIABLE FOR SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR OTHERWISE, INCLUDING WITHOUT LIMITATION DAMAGES FOR INJURY TO PERSON OR PROPERTY, LOST PROFITS OR REVENUE, LOST SALES OR LOSS OF USE OF ANY PRODUCT. BUYER’S SOLE AND EXCLUSIVE REMEDY AGAINST MAZAK AND ITS DISTRIBUTORS OR SALES REPRESENTATIVES SHALL BE THE REPAIR OR REPLACEMENT OF DEFECTIVE PARTS AS PROVIDED HEREIN. MAZAK’S LIABILITY ON ANY CLAIM, WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR OTHERWISE, FOR ANY LOSS OR DAMAGE ARISING OUT OF OR IN CONNECTION WITH BUYER’S ORDER, SHALL IN NO CASE EXCEED THE PURCHASE PRICE OF THE ORDER. The sole purpose of the stipulated exclusive remedy provided for herein shall be to provide BUYER with repair or replacement of defective Products in the manner provided for herein. Such remedy shall not be deemed to have failed of its essential purpose so long as MAZAK is willing and able to repair or replace defective Products in the prescribed manner. Any claim or action by BUYER arising out of or in connection this Agreement or the Product, whether in contract, tort or otherwise, must be commenced within one (1) year after the cause of action has accrued or be barred.

3. **PHOTOGRAPHS.** Photographs, illustrations, brochures, manuals or advertising materials represent in general the Products offered, but are not binding in detail. Only written detailed specifications shall be binding.

4. **WEIGHTS AND SPECIFICATIONS.** All weights, measurements and powers given by MAZAK are estimates stated as correctly as practicable. Any minor deviations shall not invalidate the sale of the Products or entitle BUYER to any price adjustment. Only the written detailed specifications shall be binding.

5. **INSTALLATION AND ACCEPTANCE.** Installation by MAZAK shall be deemed to have occurred upon the execution of the Mazak Installation Form by a Mazak Service Engineer. Except as otherwise set forth in this Section 8 or in MAZAK’s Installation Form, MAZAK shall have no obligation to provide any erection or installation services in respect of the Products. BUYER shall be solely responsible for timely site preparation for any erection, installation, warranty or other services that MAZAK may provide. Unless BUYER provides MAZAK with written notice, within forty-five (45) days after the date of shipment, of (i) any incomplete item with respect to the order of the Products or (ii) any defect in the Products, then BUYER’s acceptance of the Products shall be deemed to have occurred on the earlier of BUYER’s written acceptance to MAZAK or on the forty-fifth (45th) day after the date of shipment. In the case of proper and timely written notice to MAZAK from BUYER, then BUYER’s acceptance shall be deemed to have occurred on the date MAZAK reasonably corrects such incomplete order or defect. Notwithstanding the foregoing, any assignment of the Products by Buyer to a bank or other financing company for the purpose of an equipment lease or other financing transaction shall be deemed to be an acceptance of the Products.

6. **FORCE MAJEURE.** Except with respect to the payment of monies due hereunder and BUYER’s obligations under Sections 14 and 15 hereof, neither party hereto shall be responsible for failure to perform hereunder or for any loss or damage due to causes beyond its reasonable control, including but not limited to acts of God, fires, civil disobedience, war, acts of terrorism, riots, strikes, work stoppages, floods, water/elements, changes in governmental requirements or inability to secure equipment, raw materials or transport. Notice to this effect (“Notice of Force Majeure”) shall be given at once to the other party. Performance shall be resumed as soon as practicable after the cessation of the cause of a delay.