

LIMITED WARRANTY

FAAC International, Inc. ("Seller") warrants the first Purchaser of the product to be free from defects in material and workmanship for a specific period as defined below ("Warranty Period"). The Warranty Period commences from the date of invoice.

| Brand(s) | Product Type(s) | Warranty Period |
|---------------|---|--|
| FAAC & Viking | Gate Operators | 3 years |
| FAAC | Control Boards, Vehicle Barriers, Bollards, Door Operators, Intercoms | 2 years |
| Viking | Pad Mount Gate Operators | 5 years |
| Magnetic | Vehicle Barriers & Pedestrian Gates | 2 years or 2 million cycles (whichever occurs first) |
| All | All other products | 1 year |

Control Boards, Accessories or Spare Parts factory installed or sold with any of the products above carry the same warranty period as the product they are sold with, excluding batteries that carry a maximum 2 year warranty.

Products repaired under warranty carry the remainder of the original warranty period. For products repaired outside of warranty, the Seller warrants that all parts used for the repair will be free from defects in materials and workmanship for a period of ninety (90) days.

Defective products must be returned to Seller, freight prepaid by Purchaser, within the warranty period. A Return Material Authorization Number (RMA) must be obtained before product is returned. Items returned will be repaired or replaced, at Seller's option, upon an examination which discloses to the satisfaction of the Seller that the item is defective. The Seller will return the warranted item freight prepaid.

This limited Warranty covers the product under the normal use and service for which it was intended, provided it has been properly installed and operated. Seller's obligations under this warranty shall be limited to the repair or exchange of any part. This warranty shall not apply to products or parts thereof which have been repaired or altered, without Seller's written consent, outside of Seller's workshop or altered in any way so as, in the judgment of Seller, to affect adversely the stability or reliability of the product(s) or has been subject of misuse, negligence, or accident, or has not been operated in accordance with the product's instructions or has been operated under conditions more severe than, or otherwise exceeding, those set forth in the specifications for such product(s).

When the warranty service involves the exchange of an operator or part, the item the Seller replaces becomes its property and the replacement becomes Purchaser's property. The Purchaser represents that all removed items are genuine and unaltered. The replacement may not be new but will be in good working order and at least functionally equivalent to the item replaced. The replacement assumes the warranty service status of the replaced item.

The products are not warranted to meet the specific requirements, if any, of safety codes of any particular state, municipality, or other jurisdiction, and the Seller doesn't assume any risk or liability whatsoever resulting from the use thereof, whether used singly or in combination with other machines or apparatus. The Seller does not assume nor authorizes any person to assume for them any other liability in connection with the sale or use of the products of beyond that extended herein.

The warranty hereinabove set forth shall not be deemed to cover maintenance parts, including, but not limited to hydraulic oil, motor brushes, or the like. No agreement to replace or repair shall constitute an admission by the Seller of any legal responsibility to effect such replacement to make such repair, or otherwise. All products sold by the Seller are subject to design and/or appearance modifications, which are production standards at the time of shipment. The Seller may, but shall not be required to, modify or update products shipped prior to a current production standard.

THIS WARRANTY IS EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES EXPRESSED OR IMPLIED INCLUDING THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR USE. THIS WARRANTY SHALL NOT APPLY TO PRODUCTS OR ANY PART THEREOF WHICH HAVE BEEN SUBJECT TO ACCIDENT, NEGLIGENCE, ALTERATION, ABUSE, OR MISUSE OR IF DAMAGE WAS DUE TO IMPROPER INSTALLATION OR USE OF IMPROPER POWER SOURCE, OR IF DAMAGE WAS CAUSED BY FIRE, FLOOD, LIGHTNING, ELECTRICAL POWER SURGE, EXPLOSION, WIND STORM, HAIL, AIRCRAFT OR VEHICLES, VANDALISM, RIOT OR CIVIL COMMOTION, OR ACTS OF GOD.

The Seller shall not be liable for any loss or damage whatsoever resulting, directly or indirectly, from the use or loss of use of the product(s). Without limiting the foregoing, this exclusion from liability embraces a Purchaser's expenses for downtime or for making up downtime, lost profit, damages for which the Purchaser may be liable to other persons, damage to property, and injury to or death of any persons.

This limited warranty extends only to wholesale customers who buy directly through the Seller's normal distribution channels. The Seller does not warrant its products to end consumers. Consumers must inquire from their selling dealer as to the nature and extent of that dealer's warranty, if any.

THE LIMITED WARRANTY OFFERED HEREIN IS THE SOLE AND EXCLUSIVE REMEDY AVAILABLE TO THE PURCHASER. CORRECTION OF DEFECTS, IN THE MANNER AND FOR THE PERIOD OF TIME DESCRIBED HEREIN, SHALL CONSTITUTE THE COMPLETE FULFILLMENT OF ALL LIABILITIES OF SELLER TO THE PURCHASER WITH RESPECT TO THE COVERED PRODUCT, AND SHALL CONSTITUTE FULL SATISFACTION OF ALL CLAIMS, WHETHER BASED ON CONTRACT, NEGLIGENCE, STRICT LIABILITY OR OTHERWISE. IN NO EVENT SHALL SELLER BE LIABLE FOR ANY LOSS OF PROFITS OR ANY INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES ARISING OUT OF SELLER'S BREACH OF THIS LIMITED WARRANTY, OR ARISING OUT OF THE CUSTOMER'S INABILITY TO USE THE COVERED PRODUCT, EVEN IF SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

Some states do not allow the exclusion or limitation of incidental or consequential damages, so the above limitation may not apply to a particular Purchaser. This Limited Warranty gives the Purchaser specific legal rights. The Purchaser may also have other rights, which vary from state to state.

GENERAL TERMS AND CONDITIONS

1. Scope:

The Terms and Conditions of Supply and Payment ("Conditions") below shall apply exclusively to all – also future – supplies and services purchased from us (subsequently referred to only as Supplies). Our customers' general terms and conditions shall only apply if we agree to them in writing.

2. Offers:

Our offers shall be non-binding. Contracts come into being only through our written confirmation of the order or by delivery. In particular, our staff shall be obliged to confirm in writing any verbal collateral agreements or promises exceeding the written contract or altering these Conditions to our disadvantage.

3. Prices:

3.1 Unless otherwise expressly agreed in writing, the prices stated in our offers shall apply for a term of two months.

3.2 Our prices are F.O.B. point of shipment and do not include any of the applicable sales tax. All costs with regard to transport and customs clearing shall be charged separately.

3.3 Should the delivery period exceed 2 months, and to the extent that, after conclusion of the contract, significant changes in material, energy, raw material or personal costs have arisen that were beyond our control, we may increase or decrease the agreed-upon prices appropriately. Should a price increase exceed 5%, the customer is entitled to terminate the contract by written notice within two weeks after information about the price increase.

4. Terms of payment:

4.1 Unless otherwise agreed, our invoices shall be payable within 30 calendar days without any deduction. Payments shall only be deemed to have been made only upon our receipt of available funds. We shall only accept checks and bills of exchange on account of payment; banking charges shall be borne by the customer.

4.2 Balances remaining unpaid after the 30th day shall be subject to interest from the due date at a rate equal to the lesser of (i) 1.50% per month, or (ii) the maximum rate permitted under Florida law.

4.3 The customer may hold back payments or offset claims only to the extent that the counterclaims are undisputed or legally binding.

5. Passage of risk and partial deliveries:

5.1 Unless otherwise agreed upon, the risk of loss shall pass to the customer when the products leave our facility in Rockledge, Florida, even if we have performed other services e.g. shipping or delivery and assembly by our own people.

5.2 We may make reasonable partial deliveries.

6. Term of delivery:

6.1 The term of delivery shall commence upon receipt of the order confirmation, however not prior to the clarification of all details of order execution and technical questions as well as the receipt of an agreed down payment or collateral when applicable. The term of delivery shall be deemed satisfied if by deadline expiration the goods are ready for shipment.

6.2 Our obligation to deliver shall be subject to our being supplied correctly and timely (particularly with regard to basic material) by our sub-suppliers, unless the incorrect or delayed delivery by our sub-suppliers is due to our fault.

6.3 Change requests of customers shall extend the term of delivery until we shall have verified feasibility and by the time period required to implement the change request in production. If the current production is interrupted by a change request, we shall be able to bring forward and conclude other orders. We shall not be obligated to reserve any production capacities during the delay.

6.4 Reasonable production revisions due to latest development shall be expressly reserved.

6.5 In case of delayed delivery, our liability in case of ordinary negligence shall be limited to 0.5 % of the net value of the goods affected by the delay per completed week of delay. Our maximum liability in such cases is 5% of the net value of the goods affected by the delay. Claims for damages instead of performance according to section 8.1 shall not be affected hereby. The customer shall inform us about its liability concerning contractual penalties to its customers no later than at the time our contract is concluded.

6.6 Events that are unforeseeable, unavoidable, or beyond our control (e.g. force majeure, strikes and lock-outs, interruption of operations, difficulties in obtaining material or energy, transportation difficulties, shortage of staff, energy or raw material, actions by administrative or governmental bodies as well as difficulties in obtaining authorizations, in particular import and export licenses) shall extend the delivery period for the length of the disturbance and its effects. This extension of the delivery period also applies when the difficulties occurred to our sub-suppliers or during any existing delay in performance or delivery. Should the difficulty not only be temporary, both parties have the right to withdraw from the contract. In the above named cases, claims for damages are excluded.

7. Liability for defects:

7.1 We shall be notified in writing immediately of any defects, in no event later than 8 calendar days after receipt of goods, in case of hidden defects, not later than 3 calendar days after their discovery. If these periods are exceeded, any claims and rights in consideration of these defects shall lapse.

7.2 Violation of third party trademark rights is a defect only when these rights are valid in the United States of America.

7.3 In case of justified complaints, we shall, at our discretion, supply replacement or rework the goods. In the case of replacement, the customer shall be obliged to return the defective goods. Should the replacement or the rework be unsuccessful, denied or delayed in an unjustified manner, the customer shall be entitled, after a reasonable cure period, to demand reduction of the price or, in case of significant defects, withdraw from the contract and demand indemnification for damages instead of performance in accordance with Section 8.1 of these Conditions. The costs of non-performance arising through the purchased item being delivered to another place than the business establishment of the customer shall not be covered.

7.4 If the defect has been caused by an essential third-party product, we shall be entitled to limit our liability initially to the assignment of the claims and rights due to liability for defects, which we are entitled to assert against the supplier of the third-party product, unless the satisfaction of the assigned claim or right fails or cannot be enforced for other reasons. In this case, the customer shall be entitled to the aforesaid warranty rights according to Section 7.3.

7.5 No warranty shall be granted in the following cases: Inappropriate or improper use, faulty or negligent treatment, improper maintenance, inadequate construction work, unsuitable building ground, changes or repair work performed by the customer or third parties, to the extent that we are not responsible for them.

7.6 The period of limitations is 12 months after assumption of risk, unless we are liable for bodily injury, have violated our responsibilities intentionally or due to gross negligence, maliciously concealed the defect, or assumed an exceeding guarantee, or unless there is a longer statutory mandatory period of limitations.

8. General liability:

8.1 Claims for damages, regardless of their nature, against us shall be excluded, if we, our legal representatives or persons employed in performing any obligations have caused these damages through ordinary negligence. This exclusion of liability shall not apply to physical injury, or in case of assumption of a contractual guaranty, nor in case of violation of any material contractual obligations which jeopardizes the fulfillment of the purpose of the contract. Our liability, however shall be limited to the extent of guaranty, or in case of negligent violation of material contractual obligations, to the foreseeable damages typical of the contract.

8.2 Claims for damages must be presented within 12 months after the customer has attained knowledge of the damage and its obligation to pay damages, or should have attained such knowledge without gross negligence.

9. Technical documents and Software:

9.1 All figures, drawings, plans or other technical documents enclosed with our offers, deliveries or contracts shall remain our property and may not be used otherwise nor made available to third parties nor be duplicated. They are to be returned upon our request at any time.

9.2 These Terms and Conditions shall also apply for Software delivered as part of or related to supplies, unless otherwise agreed. To the extent that Software to which we possess only a derived right of use (external software or open source software) is licensed to the customer, the rights of use agreed upon between us and our licensors are additionally valid and have priority over the rights of use in these conditions. The customer will be informed about those rights of use applying to the external or open source software and having priority over the rights of use in these Conditions, or such divergent rights of use will be published on-line.

9.3 Customer shall have no right to ask for Software documentation, unless expressly otherwise agreed. We are under no obligation to provide software maintenance and service unless expressly agreed in writing. Section 7 (Liability for defects) shall remain unaffected.

10. Place of performance, place of jurisdiction, applicable law:

10.1 The place of performance for deliveries and payments shall be our place of business in Rockledge, Florida.

10.2 For all legal disputes arising from the contractual relationship as well as concerning its coming into force and its effect, the court competent for our place of business shall have exclusive jurisdiction. However, we shall be entitled to assert our claims also at the domicile of the buyer.

10.3 This agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Florida.