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**FUJIFILM SONOSITE, INC. STANDARD TERMS AND CONDITIONS OF SALE**

**PLEASE NOTE:** If you are purchasing FUJIFILM SonoSite, Inc. products under a GPO or IHN contract with FUJIFILM SonoSite, Inc., the terms of your GPO/IHN contract, and not these Standard Terms and Conditions, will govern your purchase of FUJIFILM SonoSite, Inc. products.

These are the exclusive Terms and Conditions governing the sale of products listed on the Confidential Quotation attached hereto (the "Products") by FUJIFILM SonoSite, Inc. ("FFSS") to the customer identified on Page 1 of the attached Confidential Quotation ("Customer"). These Terms and Conditions and the Confidential Quotation attached hereto (together, the "Agreement") set forth the entire contract between the parties and supersedes all prior understandings or agreements of FFSS and Customer with regard to the purchase and sale of Products. FFSS will not be bound by, and specifically objects to, any term, condition, or other provision that is different from or in addition to the provisions of this Agreement (whether or not it would materially alter this Agreement) that Customer proffers in any purchase order, receipt, acceptance, confirmation, correspondence, or other document that Customer proffers as an acceptance of this Agreement, unless FFSS specifically agrees to such provision in a written instrument signed by FFSS.

**1. Acceptance, Performance and Credit Approval.** FFSS will deliver to Customer, and Customer will accept and pay for, all Products ordered by Customer pursuant to an order that has been accepted by FFSS. All orders are subject to acceptance by FFSS either in writing or by shipping Products. FFSS may accept any order in whole or in part and FFSS's shipment of less than all Products ordered will constitute acceptance only as to those Products shipped. A condition of FFSS's obligation to deliver the Products is its approval of Customer's credit and payment arrangements.

**2. Firm Order.** Customer may cancel any Product order or modify it by reducing the quantity of Products ordered, prior to Product shipment, without additional charge. Unless otherwise provided herein with respect to AxoTrack Kits, as defined herein, in the event of any cancellation or modification of an order within thirty (30) days after shipment of Products has occurred, FFSS may charge Customer a re-stocking fee equal to twenty five percent (25%) of the amount otherwise payable under the Agreement for the affected excess Products. Product orders may not be cancelled or modified more than thirty (30) days after shipment to Customer.

**3. Delivery.** FFSS will use reasonable efforts to meet any delivery date specified in the orders, but will not be liable for any failure to meet such dates. Unless otherwise specified in this Agreement, FFSS will deliver the Products FCA (Incoterms 2000) FFSS's manufacturing facility, or a third party distribution facility used by FFSS. Title to and the risk of loss, damage or casualty to the Products transfers to Customer at the time FFSS delivers the Products to a shipping agent at FFSS's manufacturing facility, or if Products are being drop-shipped from a third party distribution facility, at the time the distributing party delivers the Products to a shipping agent at the distributing party's facility. All orders designated as "Section 179 Orders" will be delivered FOB, Customer's designated shipping address, and title to and risk of loss, damage or casualty to the Products will transfers to the Customer at the time the Products are delivered to the shipping address designated by Customer. Customer is responsible for all transportation costs (including, but not limited to, shipping charges, premiums for freight insurance, inspection fees, customs, duties, import or export fees, assessments, and all other costs incurred in transporting the Products to the shipping destination) and will be responsible for any claims against the carrier arising from or relating to shipment.

**4. Prices.** Unless specified otherwise in this Agreement, the purchase prices, charges, and other amounts payable by Customer for the Products will be as specified by FFSS in its then-current standard price list.

**5. Taxes.** The prices described in paragraph 4 do not include any sales, use, value-added, withholding or similar taxes. Customer will pay or reimburse FFSS for all taxes or other amounts payable to governmental authorities in connection with the applicable transactions (other than FFSS's net income taxes), or will provide FFSS with an exemption certificate satisfactory to FFSS.

**6. Payment.** FFSS will issue invoices for all amounts payable under this Agreement. If FFSS approves extending credit to Customer, Customer will pay the amount set forth on FFSS's invoice within thirty (30) days from the date of such invoice, or any alternative time period agreed to on the Confidential Quotation form. If Customer's credit rating is not satisfactory to FFSS, FFSS may require shorter payment terms or payment in advance. Any amount not paid within the time period specified on the Confidential Quotation form will be subject to a finance charge equal to 1.5% per month or the highest rate allowable by applicable law, whichever is higher, determined and compounded daily from the date due until the date paid. Payment of such finance charges will not excuse or cure Customer's breach or default for late payment. If Customer has provided Customer's credit card or debit card for payment, Customer hereby authorizes FFSS to charge such credit card or debit card to obtain payment.

**7. Trade-In Equipment.** Customer agrees to return to FFSS, at the time of installation of the FFSS equipment purchased under this Agreement (the "New Equipment"), any FFSS equipment listed on this Agreement as being traded in (or "uptraded") by Customer and used to reduce the price of the New Equipment (the "Trade-In Equipment"). Customer shall give the Trade-In Equipment to the FFSS representative who performs the installation of the New Equipment and the representative will provide Customer with a receipt for the Trade-In Equipment. In the event Customer does not return the Trade-In Equipment at the time of installation or by insured delivery within the 30 days following installation of the New Equipment, FFSS may invoice Customer for the Trade-In Equipment in an amount equal to the value of the credits shown in this Agreement. Customer agrees to pay the amount of such invoice within 30 days of date of such invoice. Any amount not paid

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within that time period shall be subject to the finance charge specified in Section 6. Customer must provide all Trade-In Equipment to FFSS in good working condition, reasonable wear and tear excepted.

**8. Discount Sensor Program.** The following terms and conditions apply to Customer's participation in the Discount Sensor Program ("DSP"), which provides for discounted pricing on sensors used with FFSS's impedance cardiography products ("ICG Sensors"):

(a) Customer agrees to purchase, ICG Sensors at the intervals and prices, and in the quantities, specified in the Confidential Quotation attached hereto.

(b) The initial term of Customer's participation in the DSP will be twelve (12) months, beginning with the date of first shipment specified in the FFSS Order Acknowledgement. Thereafter, Customer's participation in the DSP will be automatically renewed for additional one year periods unless Customer or FFSS delivers written notice to the other party, at least thirty (30) days prior to the end of the then-current DSP term, of its decision not to renew the DSP. Customer may not terminate its participation in the DSP during the DSP term without FFSS's written consent.

(c) Customer shall pay for scheduled shipments of ICG Sensors within thirty (30) days from the date of shipment (subject to prior credit approval). If Customer has provided Customer's credit card or debit card for monthly payment of DSP charges, Customer hereby authorizes FFSS to charge such credit card or debit card to obtain payment for each DSP shipment.

(d) FFSS may terminate Customer's participation in the DSP if Customer is past due on any amounts owed to FFSS. Termination by FFSS shall not relieve Customer's obligation to pay any amounts already due to FFSS. If FFSS terminates Customer's participation in the DSP for reasons of non-payment, Customer shall pay FFSS for (i) all amounts past due, (ii) monthly interest on the unpaid amount at the rate of 1.5% per month, and (iii) an amount equal to the difference between the non-DSP price and the DSP price for all ICG Sensors previously purchased by Customer under the DSP.

(e) The regularly-scheduled shipping date for ICG Sensors shall be the date specified on the FFSS Order Acknowledgement. Subsequent shipments will occur within fifteen (15) days of such date during the month of shipment.

(f) Customer may reduce the volume of ICG Sensors scheduled to be shipped in the next scheduled DSP shipment. Such request must be sent to FFSS's Sales Administration Department in writing at least two (2) weeks prior to the scheduled shipment date. Customer may request such reductions a maximum of three (3) times during each one year term of the DSP. Such reductions shall not reduce Customer's obligation to purchase the total number of ICG sensors that Customer has committed to purchased during the term of the DSP. The volume of ICG sensors omitted at Customer's request from any shipment shall be added to the next regularly-scheduled shipment to Customer, unless otherwise agreed in writing between FFSS and Customer.

(g) FFSS may increase the price of ICG Sensors sold under the DSP by providing advance written notice to Customer. Such price increases will become effective at the beginning of the next one year renewal term for Customer's DSP.

(h) Customer confirms that its participation in the DSP is not contingent upon its purchase of any other item or service from FFSS.

**9. AxoTrack® I Sterile Procedure Kits.** The following terms and conditions apply to Customer's purchase of the AxoTrack I Sterile Procedure Kits ("AxoTrack Kit(s)"):

(a) Customer agrees to purchase AxoTrack Kits at the prices and in the quantities, specified in the Confidential Quotation attached hereto.

(b) Customer may cancel any AxoTrack Kit order or modify it by reducing the quantity ordered, prior to shipment, without additional charge. However, customer agrees that the AxoTrack Kits purchased are non-refundable and may not be cancelled or modified after shipment to Customer.

(c) FFSS may terminate Customer's ability to purchase the AxoTrack Kits if Customer is past due on any amounts owed to FFSS. Termination by FFSS shall not relieve Customer's obligation to pay any amounts already due to FFSS. If FFSS terminates Customer's ability to purchase AxoTrack Kits for reasons of non-payment, Customer shall pay FFSS for (i) all amounts past due and (ii) monthly interest on the unpaid amount at the rate of 1.5% per month.

(e) Customer confirms that its purchase of AxoTrack Kits is not contingent upon its purchase of any other product or service from FFSS.

**AxoTrack is a registered trademark of Soma Access Systems, LLC.**

**10. FFSS Direct Purchase Option.** The following provisions apply to all Products offered or purchased under the FFSS Direct Purchase Option ("DPO"):

(a) The prices offered in the attached Confidential Quotation are valid exclusively for sales conducted under the DPO. Those prices are not valid, and cannot be used as a reference, for any purchase of FFSS products outside of the DPO.

(b) The Confidential Quotation attached hereto is not valid after the expiration date stated therein. If Customer receives any in-person demonstration of the Products by a FFSS representative during this period, the pricing offered in the Confidential Quotation will no longer be valid, and FFSS will provide a new price quote.

(c) Notwithstanding Section 2 of these attached Standard Terms and Conditions, Customer may cancel its order under the DPO at any time within the twenty (20) day period immediately following delivery of the Products. To cancel an order, Customer must, within twenty (20) days after delivery, (i) notify FFSS in writing of cancellation and (ii) return the Products to FFSS via courier (at the address listed on this quote) in good working condition. All shipment costs will be borne by FFSS. If cancellation is completed within such twenty (20) day period, Customer

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will receive a full refund of all amounts paid for the Products.

**11. Express Warranty and Disclaimer of Other Warranties.** FFSS's exclusive warranties for the Products are contained in the attached Warranty Schedule, which forms an integral part of this Agreement. **FUJIFILM SONOSITE, INC. MAKES NO OTHER REPRESENTATION, WARRANTY OR PROMISE OF ANY KIND, WHETHER EXPRESS OR IMPLIED, REGARDING THE PRODUCTS (OR ANY SPARE OR COMPONENT PARTS, ACCESSORIES OR SERVICES SUPPLIED BY FFSS HEREUNDER). FFSS DISCLAIMS AND EXCLUDES ANY WARRANTY OF MERCHANTABILITY, WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, WARRANTY OF NONINFRINGEMENT, OR WARRANTY OR CONDITION ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING, USAGE OR TRADE, STATEMENTS OF FFSS REPRESENTATIVES, OR SAMPLES PREVIOUSLY SUPPLIED.**

**12. Exclusive Remedy and Release of Other Liabilities.** In the event of any breach of the foregoing warranties, Customer shall follow the procedure specified below under FFSS WARRANTY SCHEDULE, and FFSS will provide the remedy specified in the Schedule. **THIS REMEDY SHALL BE THE EXCLUSIVE AND SOLE REMEDY OF CUSTOMER FOR ANY BREACH OF WARRANTY.** The warranties, obligations and liabilities of FFSS and the remedies of Customer set forth in this Agreement are exclusive, and except as provided for in Section 12 (Indemnification), **CUSTOMER HEREBY WAIVES, DISCLAIMS AND RELEASES, ALL OTHER WARRANTIES, OBLIGATIONS AND LIABILITIES OF FFSS AND ALL OTHER RIGHTS, CLAIMS AND REMEDIES OF CUSTOMER AGAINST FFSS** express or implied, arising by law or otherwise, with respect to the Products and any other goods or services delivered under this Agreement including, without limitation, any obligation, liability, right, claim or remedy in tort (including claims for FFSS's own negligence or strict liability) or for infringement.

**13. Indemnification.** FFSS will defend and indemnify Customer from and against (a) any third party claim for bodily injury (including death) or damage to tangible property to the extent caused by a defect in the design or manufacture of the Products or (b) any third party claim arising out of any infringement by the Product of any patent arising under the laws of the United States, provided that Customer: gives FFSS prompt written notice of the claim; allows FFSS to control the defense and settlement of the claim; assists and cooperates with FFSS in connection with the defense and settlement of the claim; complies with any court order or settlement made in connection with the claim (e.g., as to future use of any infringing Product); and does not settle the claim without FFSS's prior written consent. This paragraph will not apply to (i) any claim to the extent such claim arises out of the negligence or willful misconduct of Customer; (ii) any claim to the extent it results from any use of the Product in connection with any equipment or other items not furnished by FFSS, (iii) any claim arising from any use not in conformity with applicable instructions and manuals, and (iv) any claim arising out of or relating to Products manufactured by third party suppliers which do not carry the FFSS label, even if such products are sold by FFSS, including, without limitation,

AxoTrack Kits.

**14. Excused Performance.** FFSS will not be responsible for, or be considered to be in breach of or default under this Agreement on account of, any cause or event beyond FFSS's reasonable control (including, but not limited to, FFSS's inability, after due and timely diligence, to procure materials, parts, equipment or services).

**15. Limitations of Liability.** FFSS WILL NOT IN ANY EVENT BE LIABLE FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL OR INDIRECT DAMAGES OR LOSS OF REVENUE, LOSS OF BUSINESS OR OTHER FINANCIAL LOSS, ARISING OUT OF OR IN CONNECTION WITH ANY PRODUCT OR OTHER GOODS OR SERVICES FURNISHED UNDER THIS AGREEMENT. FFSS's liability (whether in contract, tort or otherwise, and notwithstanding any fault, negligence, strict liability or product liability of FFSS) with regard to any product or other goods or services furnished under this Agreement will not exceed the lesser of (a) \$500,000 or (b) three (3) times the purchase price paid by the Customer to FFSS for the same.

**16. Embedded Software and Videos.** FFSS retains title to all software and computer programs (the "software") embedded in any Product. FFSS grants to Customer a non-transferable license to use the software, on the condition that (a) Customer will use such software only in accordance with applicable instructions and manuals furnished by FFSS and will not copy, modify, make any derivative work based upon, publish or distribute any such software, (b) Customer will use such software only as installed in the Product, and will not transfer it to another product or device to run it, and (c) Customer will not, and will not authorize third parties to, decompile, reverse engineer, or apply any process to derive the source code or extract the object code of the software. The same terms and conditions set forth in this section with respect to software shall also apply to the Visual Guide Series videos that are embedded in the X-Porte Product.

**17. Stand-Alone Software.** FFSS retains title to all software that is furnished by FFSS on a separate medium (whether electronic or physical) from a Product ("Stand-Alone Software"). Customer's use of the Stand-Alone Software is governed by separate license terms that accompany such software, and Customer agrees to be bound by such terms. Upon request, FFSS will provide applicable licensing terms in advance of Customer's order or receipt of the Stand-Alone Software. For clarification purposes, in the case of software that is being sold by FFSS but not furnished by it, FFSS may provide Customer with information on how to obtain applicable licensing terms that govern Customer's use of such software, and Customer agrees to be bound by such terms.

**18. Intellectual Property Rights.** The Products involve valuable patent, copyright, trademark, trade secret and other intellectual property rights of FFSS. FFSS reserves all such rights. No title to or ownership of any intellectual property rights related to any Product is transferred to Customer pursuant to this Agreement. Customer will not attempt to reverse engineer any Product or component thereof (including any software) or to otherwise misappropriate, circumvent or violate any of FFSS's intellectual property rights.

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**19. Confidential Information.** FFSS may disclose to Customer certain trade secret, proprietary or confidential information ("Confidential Information"). Except as otherwise authorized by FFSS in writing, Customer will use such Confidential Information only for the purposes for which it is disclosed by FFSS, will not disclose it to any third party, and will take appropriate steps to protect it from any unauthorized use or disclosure; provided that, upon or promptly after disclosure by FFSS, the information is marked or otherwise identified as trade secret, proprietary or confidential or the Customer otherwise knows or has reason to know that the same is trade secret, proprietary or confidential.

**20. Medicare/Medicaid Disclosure.** If and to the extent any discount, credit, rebate or other purchase incentive is paid or applied by FFSS with respect to the Products purchased under this Agreement, such discount, credit, rebate or other purchase incentive shall constitute a "discount or other reduction in price," as such terms are defined under the Medicare/Medicaid Anti-Kickback Statute, on the Products purchased by Customer under the terms of this Agreement. FFSS and Customer agree to use their best efforts to comply with any and all requirements imposed on sellers and buyers, respectively, under 42 U.S.C. § 1320a-7b(b)(3)(A) and the "safe harbor" regulations regarding discounts or other reductions in price set forth in 42 C.F.R. §1001.952(h). In this regard, Customer may have an obligation to accurately report, under any state or federal program that provides cost or charge based reimbursement for the products or services covered by this Agreement, the net cost actually paid by Customer.

**21. Reimbursement Disclosure.** Any reimbursement and coverage information provided by FFSS is intended to assist Customer in determining appropriate codes and the other information for reimbursement purposes. It represents the information available to FFSS as of the date it was provided. Subsequent guidance might alter the information provided. FFSS disclaims any responsibility to update the information provided. Customer bears sole responsibility for determining and submitting appropriate codes, modifiers, and claims for the services rendered. Before filing any claims, Customer should verify current requirements and policies with the applicable payer. FFSS makes no guarantees concerning reimbursement or coverage, and Customer should not rely on any information provided by FFSS in submitting any claim for payment, without confirming that information with an authoritative source.

**22. Pre-Owned/Remanufactured Products.** For identified pre-owned/remanufactured Products, those Products have been previously owned and used; they are not new. When delivered to Customer, the Products may have received mechanical, electrical and/or cosmetic reconditioning, as necessary, and the warranty terms for those Products will be governed by the applicable Warranty Schedule set forth below.

**23. Authorized Users.** The Products purchased by Customer may only be used by or on the order of a licensed practitioner authorized to prescribe or administer medical ultrasound or impedance cardiography procedures.

**24. Nonwaiver.** Any failure by FFSS to insist upon or enforce performance by Customer of any of the provisions of this Agreement or to exercise any right or remedy under this Agreement or applicable law will not be construed as a waiver or relinquishment to any extent of FFSS's right to assert or rely upon any such provision, right or remedy in that or any other instance.

**25. Assignment.** This Agreement will inure to the benefit of and be binding upon the parties and their respective successors, assigns and legal representatives.

**26. Severability of Unenforceable Provisions.** If any provision of this Agreement is found to be invalid or unenforceable, then the remainder shall have full force and effect, and the invalid provision shall be partially enforced to the maximum extent permitted by law to effectuate the purpose of the Agreement.

**27. Applicable Law and Venue.** This Agreement will be interpreted, construed, and enforced in all respects in accordance with the laws of the State of Washington, without reference to its choice of law principles. The provisions of the U.N. Convention on Contracts for the International Sale of Goods will not apply to this Agreement. Customer consents to the personal jurisdiction and venue of the state and federal courts located in King County, Washington regarding any suit, proceeding or claim arising out of or related to this Agreement or its subject matter and will not commence or prosecute any such claim, suit or proceeding other than in such courts.

**28. Amendment.** No amendment, modification, or waiver of this Agreement will be valid unless set forth in a written instrument signed by the party to be bound.

**FFSS WARRANTY SCHEDULE**

**1. Scope and Duration of Warranties**

**Covered Products.** The warranties contained in this Warranty Schedule are limited to the following Products (collectively, the "Covered Products"):

(a) Newly manufactured MicroMaxx ultrasound systems, S Series ultrasound systems, M-Turbo ultrasound systems, EDGE systems, NanoMaxx ultrasound systems, X-Porte ultrasound kiosks (which are deemed to include stands, clinical monitors, control panels and triple transducer connects), and any newly manufactured transducers for those systems that are not listed in Subsections 1(b) or 1(d) below. (collectively, the "Five Year Warranty Products");

(b) (i) Newly manufactured and remanufactured 180PLUS/ELITE, iLook, and TITAN ultrasound systems and the transducers for such systems, (ii) newly manufactured TEE transducers, (iii) newly manufactured and remanufactured D2, SLA, SLT and C8 transducers for the Five Year Warranty Products, (iv) remanufactured MicroMaxx ultrasound systems, S Series ultrasound systems, M-Turbo ultrasound systems, EDGE systems, NanoMaxx ultrasound systems, X-Porte ultrasound kiosks and remanufactured transducers for such systems (excluding TEE transducers, which are covered in Section 1(e) below) (collectively, the "Other System Products");

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(c) Stands, batteries, monitors, and other accessories for all Five Year Warranty Products (excluding X-Porte), and Other System Products that carry the FFSS label, and the X-Porte battery set (collectively, the "FFSS Accessories");

(d) Newly manufactured P11x transducers for the Five Year Warranty Products;

(e) Newly manufactured L52 transducers for the Five Year Warranty Products;

(f) Remanufactured TEE transducers for the Five Year Warranty Products (the "Remanufactured TEE Transducers"); and

(g) Spare parts, add-ons, non-software upgrade packages and factory-rebuilt sub-assemblies.

For purposes of this Warranty Schedule, ex-demo equipment purchased directly from a FFSS sales representative is considered to be "newly manufactured", except as otherwise noted on the quotation provided to Customer.

**Third Party Products.** FFSS does not provide a warranty or warranty service for Products that are manufactured or developed, or licensed to FFSS, by a third party and do not carry the FFSS label, even if such Products are sold and distributed by FFSS, including without limitation, AxoTrack Kits or Q-path™ software. All warranty terms (if any) for such Products are provided by the third party manufacturer, developer, or licensor, and are governed by documentation provided by such manufacturer, developer or licensor, as applicable, and included with the shipment to Customer.

Q-path is a trademark of Telexy Healthcare, Inc.

**Product Warranties.** FFSS warrants to Customer that each Covered Product will be free from defects in materials and manufacture and will operate in all material respects in accordance with the functional specifications in the User Guide provided by FFSS with the Covered Product, as modified by any written updates subsequently made available by FFSS. This warranty is made to Customer only and does not extend to any subsequent purchaser of the Covered Product unless (a) Customer has provided FFSS (to the attention of the FFSS Sales Administration Dept.) with advance written notice of such transfer and FFSS has not objected to such transferee within fifteen (15) days after receiving the written notice, and (b) the transferee is a qualified medical professional.

**Warranty Period.** The warranty period for all warranties is limited in accordance with Section 4 (Warranty Types) below. The initial warranty period begins on the date that FFSS delivers the Covered Products in accordance with this Agreement. The warranty period for any replacement product or component or repair to a Covered Product furnished to Customer as a warranty remedy will be the unexpired portion of the warranty period applicable to the repaired, adjusted or replaced Covered Product. If a Customer has upgraded Trade-in Equipment that is covered by a Standard Protection Extended Warranty, Total Coverage Protection, or Extended Total Coverage Protection (as defined in Section 4 below), such warranties

shall apply to the new Covered Products purchased by Customer for the remainder of the original term.

**2. Warranty Exclusions**

The foregoing warranties of Covered Products do not cover:

(a) Any defect or deficiency of the Covered Product that results, in whole or in part, from (1) failure to operate, maintain or store the Covered Product in accordance with applicable specifications, instructions and manuals; (2) the dismantling, repair or alteration of the Covered Product by unauthorized personnel, or; (3) obvious abuse, negligence, or intentional damage of the Covered Product.

(b) Damage to or malfunction of transducers due in whole or in part to (1) disinfecting or sterilizing incorrectly without the FFSS protective connector box or with chemicals not recommended by FFSS, (2) patient bite marks or holes, (3) pinched endoscopes, or (4) discoloration or chemical breakdown of endoscope.

(c) Covered Products that are used outside the United States or Canada, unless an alternative location is approved in advance by FFSS.

(d) Covered Products that are subjected to theft, vandalism or disasters such as flood, fire or war.

FFSS is not responsible for any loss of stored data that may occur while Covered Products are being repaired at FFSS's facility. Customer is responsible for backing up all data stored on a system and removing it from the system prior to receipt by FFSS.

**3. Exclusive Warranty Remedies**

In the event of a breach of warranty of a Covered Product, Customer must notify FFSS in writing within a reasonable time and in no event more than thirty (30) days after the discovery of the breach. Upon such timely notice, FFSS will, at FFSS's option, repair, adjust or replace (with new or exchanged replacement parts) the non-conforming Covered Product. If FFSS determines that such repair, adjustment or replacement cannot occur despite its reasonable efforts, then FFSS may elect to refund to Customer the amount paid by Customer for the Covered Product in exchange for such Covered Product in full satisfaction of FFSS's obligations under this Warranty Schedule. THE REMEDY SELECTED BY FUJIFILM SONOSITE, INC. IN ACCORDANCE WITH THIS PARAGRAPH SHALL BE THE EXCLUSIVE AND SOLE REMEDY OF CUSTOMER FOR ANY BREACH OF WARRANTY.

Warranty services will be performed during FFSS's normal business hours (Monday to Friday, 5 a.m – 5 p.m. (Pacific Time), excluding holidays).

**4. Warranty Types**

(a) Standard Warranty: For all Covered Products within the warranty period, except for X-Porte, FFSS will provide warranty service at FFSS authorized service locations.

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For X-Porte, the warranty service will be performed by means of in-field service repairs by FUJIFILM Medical Systems U.S.A., Inc. service personnel or authorized subcontractors, and/or by replacement of X-Porte modules delivered via overnight delivery to a U.S. Customer address only (where such service is available). For Five Year Warranty Products excluding X-Porte, Other System Products, and the P11x Transducers within the warranty period, FFSS will also provide replacement products of equivalent or better condition or loaner products delivered via overnight delivery to a U.S. address only (where such service is available), to be used by Customer during warranty service.

Warranty Period (for products defined in Section 1 above):

- (1) Five Year Warranty Products: five years
- (2) Other System Products and FFSS Accessories: one year
- (3) Newly manufactured P11x Transducers for the Five Year Warranty Products: one year
- (4) Newly manufactured L52 transducers for the Five Year Warranty Products: two years
- (5) Remanufactured TEE Transducers, and Sensors: ninety (90) days
- (6) Spare parts, add-ons, non-software upgrade packages and factory-rebuilt sub-assemblies:
  - (a) ninety (90) days from the date such items are delivered in accordance with this Agreement, or
  - (b) in the case of a warranty repair or replacement, the preceding ninety (90) day period or the unexpired Standard Warranty period for the original Covered Product, whichever is longer.

To obtain warranty service, Customer must deliver the Covered Product, excluding X-Porte, to the authorized service location (at FFSS's expense). Title to and the risk of loss, damage or casualty to the Covered Products remains with Customer until delivery to the service location. FFSS's Standard Terms and Conditions or, if Customer has purchased the original Products under a GPO or IHN agreement, the terms of such agreement, govern the return of repaired or replaced Products to the Customer. With respect to X-Porte, warranty service shall be performed as set forth in Subsection 4(a) of this Warranty Schedule.

(b) **Total Coverage Protection:** For an additional charge, in addition to the Standard Warranty, FFSS will also provide the following enhanced warranty services for Five Year Warranty Products and Other System Products. Total Coverage Protection is not available for P11x, TEE, D2, SLA, L52, C8, SLT or LAP transducers, systems or transducers for veterinary use, or impedance cardiography products.

(1) notwithstanding Sections 2(a) and (b) (Warranty Exclusions), repair or replacement of Covered Products damaged by accidental mishandling, theft, vandalism, or disaster provided that no single system or transducer will be repaired or replaced more than twice during the duration of this Total Coverage Protection (including extensions of the original term), and;

(2) Loaner products, delivered via overnight delivery, to be used while Total Coverage Protection service is being performed; loaner products are not available for X-Porte.

Total Coverage Warranty Period:

Five Year Warranty Products: Five-year term (same as initial Standard Warranty period), or one year extensions of the Standard Warranty

Other System Products: one year

To obtain warranty service, Customer must deliver the affected Product to the authorized service location (at FFSS's expense), and the same terms and conditions for obtaining warranty service under the Standard Warranty shall apply.

(c) **Extended Warranties**

(1) Standard Protection Extended Warranty: extends Standard Warranty by one year increments, effective from the last day of the then-current warranty period, up to a maximum warranty coverage period of eight (8) years from the original Product ship date for Five Year Warranty Products and five (5) years from the original Product ship date for Other System Products. This extended warranty is not available for FFSS Accessories, or for P11x, D2, L52, C8, SLT or LAP transducers.

(2) Extended Total Coverage Protection: extends existing Total Coverage Protection by one year increments, effective from the last day of the then-current warranty period, up to a maximum coverage period of eight (8) years from the original Product factory ship date for Five Year Warranty Products and five (5) years from the original Product factory ship date for Other System Products. Extended Total Coverage Protection is not available for P11x, TEE, D2, SLA, L52, C8, SLT or LAP transducers, or systems or transducers for veterinary use. Extended Total Coverage Protection runs concurrently with Standard Protection Extended Warranty Coverage.

(d) **Services Warranty:** FFSS warrants that the repair services rendered in satisfaction of the warranties described in Sections 4(a)-(c) will be performed by qualified personnel in a professional manner. This warranty shall not be deemed to extend the warranty period for any Covered Product.

**NOTE: To the extent there is any conflict between the terms of this Warranty Schedule and any other documentation or statements provided by FFSS, the terms of this Warranty Schedule will prevail.**

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