

**STADCO GENERATOR SET LIMITED WARRANTY – D34
FOR RAIL DUTY GENERATORS. COVERAGE & TERMS:**

LIMITED WARRANTY

1.1 Subject to the further provisions of this Limited Warranty (D34), Stauffer Diesel Inc, t/a STADCO PRODUCTS DIVISION "Stadco" warrants to the original purchaser and to the first end user, if different from the original purchaser (but not to any subsequent transferee) (the "Customer") of the railroad duty generator set(s) manufactured and sold by Stadco as described in the original invoice ("Bill of Sale") between the Customer and Stadco for such generator set(s), which description is incorporated herein by reference (the "Product"), that the Product will be free from defects in workmanship and material when properly installed and used with normal railroad equipment under conditions of normal railroad (non-marine) use and when serviced in accordance with Stadco recommended service procedures.

1.2 This warranty is limited to Product used in the United States and Canada.

1.3 This warranty is limited to claims made by the Customer within the first to occur of (a) twenty-four (24) consecutive months of use following first use of the Product, (b) 3,000 hours of operation following first use of the Product, or (c) thirty (30) months from the date of Stadco's initial invoice for the Product; and is conditioned upon Customer providing immediate written notice upon first discovery of any alleged defect to the Warranty Administrator of Stadco; and such notice must be evidenced by a Stadco Warranty Authorization document that must be authorized and acknowledged in writing by Stadco prior to commencement of warranty procedures of any kind. Stadco warranty obligations hereunder are further limited as additionally set forth herein.

1.4 This warranty shall not apply to the Product or any part thereof which has (a) not been installed in accordance with Stadco installation instructions, (b) not been operated and maintained, including routine servicing, in accordance with Stadco directives, operating manuals and bulletins which are made a part of this warranty by reference, (c) been subject to accident, negligence, alteration, abuse, or misuse, or (d) been manufactured or assembled by Stadco from Customer owned or supplied components or designs.

1.5 Stadco's obligations under this warranty are limited to repairing or replacing with new or factory rebuilt components at Stadco's option, free of charge, F.O.B. Stadco's facility in Ephrata, Pennsylvania, or such other facility as Stadco may specify, the Product or any defective part or parts of the Product which are returned by Customer in accordance with the terms of this limited warranty within the relevant warranty period to Stadco's facility at Ephrata, Pennsylvania or such other location as Stadco may direct; or, at Stadco's sole option, paying to the Customer the amount Stadco reasonably determines to be the estimated cost of repair to the Product. In any event the liability of Stadco hereunder is limited to and shall not exceed the amount paid to Stadco by the initial purchaser of the Product. Any agreement to repair, replace, or pay costs of estimated repair shall only be valid if made in writing by an authorized officer of Stadco as evidenced by a written Stadco Warranty Claim Form; and no such agreement or writing shall constitute an admission by Stadco of any legal responsibility to effect such replacement, to make such repair, or to reimburse the Customer for any repair costs.

1.6 Stadco reserves the right to extract all data and information contained in all related control devices and electronic data storage devices and examine such data and information for purposes of diagnostic and failure analysis. To the extent any Product is repaired or replaced by Stadco, such Product and/or the component parts provided by Stadco shall carry the same warranty as the original Product, and such warranty shall run from the date of original sale of the Product and terminate as herein provided. Any Product or component of the Product that is replaced by or on behalf of Stadco shall become the sole and exclusive property of Stadco.

1.7 Stadco's limited warranty of the Product expressed herein is the sole warranty made with respect to the Product.

STADCO'S LIMITED WARRANTY IS IN LIEU OF ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Without limiting the generality of the foregoing, Stadco makes no representation or warranty regarding any engine not manufactured by Stadco, including any engine which may be furnished with the Product, and Customer shall look solely to the manufacturer of such engine, for any rights or remedies with respect to failure of such engine.

1.8 Stadco is not responsible for incidental or consequential damages or loss. In furtherance thereof Stadco shall not be liable for any loss or damage resulting, directly or indirectly, from the use or loss of use of the Product or of any equipment or product into which the Product is incorporated, and shall not be responsible to the Customer or to any person for any damages for which the Customer may be liable to other persons, or for damages to property or injury to or death of any persons.

RECALL AND TECHNICAL ADVICE

2.1 Stadco reserves the right to recall the Product at any time for remedial work in connection with mechanical function, safety, upgrade, warranty repair, or other reasons, or to provide technical bulletins, directives or guidance to Customer as to required remedial action or work. In such event Customer will follow the notice or other requirements of Stadco. Should Customer fail to follow Stadco's instructions in connection with a recall or fail to follow the technical advice of Stadco and any other requirements contained in any notice to Customer from Stadco with respect to the Product, Stadco's limited warranty with respect to the Product shall be null and void, and Customer shall indemnify, save and hold Stadco harmless from any loss or expense of any kind that Stadco may incur (including legal fees) arising out of Customer's failure to do so.

SAFETY NOTICE

3.1 To prevent possible accidents and harm to individuals and property, correct installation, maintenance, use and operation of the Product and any engine or other equipment with which the Product is used, is essential. Installation, maintenance, operation, and safety procedures specified by Stadco and/or the engine manufacturer, and by safety or governmental codes, must be followed, along with any technical or other advice provided by Stadco or others from time to time in connection with the Product, engine or other equipment with which the Product is used. Grounding equipment, guards, and other suitable safety equipment or procedures that may either be necessary, desirable or specified in prevailing safety or other codes must be provided by Customer to assure safe operation of the Product in the prevailing conditions.

NO AMENDMENT

4.1 This limited warranty may not be expanded upon or otherwise amended, unless done so in a writing signed by the President of Stadco.

GOVERNING LAW; JURISDICTION

5.1 This warranty shall be construed in accordance with the laws of the Commonwealth of Pennsylvania, without regard to its principles of conflicts or choice of laws.

5.2 THE COURTS OF LANCASTER COUNTY, PENNSYLVANIA, OR AT STADCO'S OPTION, THE FEDERAL COURTS OF THE EASTERN DISTRICT OF PENNSYLVANIA, SHALL HAVE EXCLUSIVE JURISDICTION AND VENUE OF ANY MATTERS ARISING WITH RESPECT TO THIS WARRANTY, OR ARISING OUT OF THE SALE AND USE OF THE PRODUCT BY CUSTOMER.

Effective Date: January 1, 2010.

**Stauffer Diesel Inc., t/a Stadco Products Division, 34
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