

The following TERMS & CONDITIONS OF SALE AND SERVICE are an integral part of each sale made, service rendered and verbal statements made by Stauffer Diesel Inc. Stadco Division or Stadco Products Division., hereinafter called "SDI". Customers, buyers, and those seeking consultation only are hereinafter referred to as "Buyer".

Title to the goods shall remain with SDI until total purchase price is paid in full.

1. Payment Terms

a. All sales are cash unless prior credit (Open Account) has been established with SDI. All invoices are rendered in net due amount and discounts are not allowed. All payments must be in US Dollars.

b. Payment terms for credit sales are listed on each invoice. Buyer's signature on the invoice certifies the payment terms section of the invoice has been read and found to be acceptable and binding upon Buyer. A late fee of 1.5% (minimum of \$3.00) of the total remaining balance will be added monthly to all overdue unpaid Open Accounts.

c. Past due Open Accounts will be placed on credit hold, thereby preventing the extension of any further credit to Buyer. All accounts not paid within invoice or contract terms are subject to legal enforcement and collection. BUYER HEREBY AGREES TO PAY AND OTHERWISE REIMBURSE SDI FOR ANY AND ALL EXPENSES INCURRED IN COLLECTION OR ENFORCEMENT EFFORTS EXTENDED TO RECOVER THE DELINQUENT BALANCE. THESE EXPENSES INCLUDE BUT ARE NOT LIMITED TO REASONABLE ATTORNEY'S FEES, MONIES PAID TO COLLECTION AGENCIES, CLERICAL EXPENSES, AND OFFICIAL FEES.

2. Delivery All orders are FOB from an SDI facility. Method and route of shipment is at SDI's discretion unless the Buyer provides explicit shipping instructions. Shipments may be insured at the discretion of SDI and at Buyer's expense.

3. Claims and Returns

a. All sales are final. However, SDI may at its option authorize refunds or credits for returned goods via SDI Form #D24. All requests to return goods purchased from SDI for whatever reason shall be deemed waived and released by Buyer unless made either in writing or in person to SDI within thirty (30) days of the date of purchase.

b. All returns must be shipped prepaid and are subject to 20% handling charge. Buyer is responsible for transportation costs.

c. All Claims for shortages must be made in writing within seven (7) calendar days to SDI.

d. Buyer agrees that all claims against and all requests for compensation for or correction of defects; whether workmanship, repairs or product defects shall be deemed waived and released by Buyer unless made either in writing or in person to SDI within forty-five (45) days of the date rendered or delivered.

e. For discretionary returns, repairs or remedies, Buyer agrees that SDI remedy is limited to the original purchase price.

f. When unit model and serial number are not furnished with order fit and function of replacement parts is not guaranteed.

4. Shipping and Handling Claims Should a shipment be received by the Buyer in a damaged condition, the Buyer is responsible for filing a claim immediately with the Common Carrier. SDI not responsible for damage caused by the Common Carrier or any contracted carrier.

5. Special Orders Items special ordered for a customer are not returnable unless accepted by the manufacturer, and only in accordance with such terms as the manufacturer may require for return.

6. Prices All prices are subject to change without notice and are those in effect at the time of shipment. Parts supersededures from manufacturers are subject to changes of part number and price without notice.

7. Repairman's Lien All repairs made by SDI to equipment sold under This Terms and Conditions of Sale or to any other equipment subject to repairs by SDI shall be subject to an express repairman's lien. SDI shall have the right to maintain possession of any equipment upon which repairs (or alterations) are made pending satisfaction of the cost of such repairs, including labor, materials and storage charges. Pursuant to applicable law, if necessary, SDI shall have the right to sell such equipment to satisfy the lien.

8. Governing Law and Jurisdiction Each sale of SDI products and/or services and these Terms and Conditions of Sale shall be construed in accordance with the laws of Commonwealth of Pennsylvania. EXCLUSIVE VENUE AND JURISDICTION FOR RESOLUTION OF ANY DISPUTES ARISING OUT OF OR RELATED TO THE SALE AND PURCHASE OF SDI PRODUCTS OR SERVICES OR THESE TERMS AND CONDITIONS OF SALE AND SERVICE SHALL BE IN THE COURT OF COMMON PLEAS OF LANCASTER COUNTY, PENNSYLVANIA, OR, AT THE OPTION OF SDI, THE US DISTRICT COURT FOR THE EASTERN DISTRICT OF PENNSYLVANIA. Notwithstanding the foregoing, SDI may, at its discretion, submit to final and binding arbitration any disputes arising out of or related to the sale and purchase of SDI products or services or these TERMS AND CONDITIONS OF SALE AND SERVICE. If SDI elects to submit any matter to binding arbitration, Buyers consents thereto and agrees to be bound by any decision rendered, and agrees that judgement may be entered thereon.

9. Protection of Buyer's Property SDI is not responsible for protection of Buyer's property which is (may be) left on SDI premises for thirty (30) days or more pursuant to billing date, or notice to pick up date, whichever occurs first.

DISCLAIMER OF ALL WARRANTIES

a. EXCEPT AS EXPRESSLY STATED IN THESE TERMS AND CONDITIONS OF SALE AND SERVICE, SDI SHALL BE IMMUNE FROM ANY AND ALL LIABILITY FOR DIRECT, INDIRECT, CONSEQUENTIAL, CONTRACT, SPECIAL OR INCIDENTAL DAMAGES, HOWSOEVER CAUSED, AND SHALL HAVE NO LIABILITY FOR ANY DAMAGES DUE TO THE ACTUAL OR IMPLIED NEGLIGENCE OF ANY EMPLOYEE OR AGENT OF SDI, AND SHALL HAVE NO RESPONSIBILITY FOR THE DISCRETIONARY REPAIR OR REPLACEMENT OF ANY ITEM.

b. All equipment and parts are sold ONLY with the limited warranty of the original manufacturers of the products. The manufacturer's written warranty covering engines, power equipment, generator units or other equipment is available with each unit. Additional copies of the manufacturer's warranties are available at the office of SDI. THE MANUFACTURER'S WARRANTIES ARE IN LIEU OF AND EXCLUDE ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, LIMITED OR FULL, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THE MANUFACTURER'S LIMITED WARRANTY IS THE SOLE WARRANTY WITH RESPECT TO THE PRODUCTS.

c. EXCEPT AS EXPRESSLY STATED IN THE MANUFACTURER'S LIMITED WARRANTIES, THERE ARE NO OTHER REPRESENTATIONS, WARRANTIES, CONDITIONS, OR GUARANTEES OF ANY KIND WHATSOEVER, WHETHER EXPRESS OR IMPLIED, WITH RESPECT TO THE PRODUCTS OR SERVICES MANUFACTURED, PROVIDED OR SOLD BY SDI, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Manufacturer's warranties are limited solely and exclusively to repair or replacement of engine or parts, including removal and reinstallation according to the terms of the original manufacturer's warranty and do not include any liability for any incidental consequential or other damage of any kind whatsoever. The warranties do not cover parts or accessories that fail due to abuse, misuse, neglect, alterations or accident or which have been improperly maintained or repaired, misapplied or used in applications for which they were either not designed or not approved by the manufacturer.

d. UNDER NO CIRCUMSTANCES WILL THE BUYER BE ENTITLED TO RESCISSION OR TO A REDUCTION IN THE PURCHASE PRICE OR TO ANY DIRECT, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES WHATSOEVER, INCLUDING WITHOUT LIMITATION, LOSS OF TIME, INCONVENIENCE, LOSS OF USE OF EQUIPMENT, COST OF RENTALS OR REPLACEMENT OR ANY OTHER COMMERCIAL LOSS. NO PERSON OR AGENT IS AUTHORIZED TO CREATE OR OTHERWISE MODIFY ANY WARRANTY ON BEHALF OF SDI OR TO CREATE ANY OTHER LIABILITY IN CONNECTION WITH ANY GOODS SOLD BY SDI, UNLESS MADE IN WRITING BY AN OFFICER OF SDI.

COMMUNICATION DISCLAIMER

a. For purposes of this document and all provisions expressed herein, "Communication" shall include:

1. any statements, conversations, or any other expression of ideas in any form other than in writing, that pertains, describes, or otherwise touches upon installation, maintenance, repair, or any other type of work or labor that might be performed to any piece of Buyer's equipment or related accessories, irregardless of where such equipment has been purchased or serviced.
2. any language pertaining to approval, opinion, or endorsement, either expressed or implied, of any intended usage of Buyer's equipment or accessory.

b. All Communication, except as provided in writing and signed by an SDI Officer, is designed only to provide an avenue by which a Buyer may communicate with SDI to express questions or concerns regarding a SDI product or service.

c. NO COMMUNICATION IN ANY MANNER OR FORM OTHER THAN A FORMAL WRITING, SIGNED BY AN OFFICER OF SDI, BETWEEN SDI AND BUYER, IRRESPECTIVE OF WHERE BUYER HAS PURCHASED THE PRODUCT, SHALL BE CONSTRUED, INTERPRETED, OR OTHERWISE UNDERSTOOD AS CREATING OR CONSTITUTING WARRANTIES OR GUARANTEES, EITHER EXPRESSED OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

d. NO SUCH COMMUNICATION, UNLESS IN WRITING AND SIGNED BY AN SDI OFFICIAL, SHALL BE CONSTRUED, INTERPRETED, OR OTHERWISE UNDERSTOOD AS FORMING ANY EXPERT ANALYSIS OR OPINION REGARDING PURPORTED INSTALLATION, MAINTENANCE, OR REPAIR WORK TO BE PERFORMED TO BUYER'S EQUIPMENT.

e. BUYER HEREBY ASSUMES ANY AND ALL RISK, WHETHER FORESEEABLE OR UNFORESEEABLE, THAT MAY RESULT FROM BUYER'S ACTIONS WITH REGARD TO BUYER'S EQUIPMENT, PROPERTY, OR BUSINESS INTERESTS, WHETHER OR NOT SUCH ACTION WAS A RESULT OF ANY COMMUNICATION FROM SDI.

f. SDI continually strives and endeavors to advise all Buyers concerning the best and latest practices to promote the safe operation, proper maintenance, and maximum service life of all equipment. HOWEVER, SDI DISCLAIMS ANY AND ALL LIABILITY AND RESPONSIBILITY FOR DIRECT, INDIRECT, CONSEQUENTIAL, CONTRACT, SPECIAL, OR INCIDENTAL DAMAGES, HOWSOEVER CAUSED, AND SHALL HAVE NO LIABILITY FOR ANY DAMAGES, FOR FAILURE TO INSTRUCT, COUNSEL, ADVISE, OR PROVIDE BUYER ANY AND ALL INFORMATION REGARDING EQUIPMENT SIZING, APPLICATION, INSTALLATION, OPERATION, PRODUCT SAFETY, PRODUCT IMPROVEMENT, MAINTENANCE, REPAIR PROCEDURE, OR ANY OTHER RELATED ACTION OR ADVICE THAT MAY HAVE BEEN IN THE BEST INTEREST OF THE BUYER OR ANY EQUIPMENT OR PROPERTY OWNED OR OPERATED BY BUYER.