

LIMITED WARRANTY ON PURCHASE OF NEW EQUIPMENT

1. **Limited Warranty.** Loftin Equipment Company (“LEC”) warrants to the original purchaser (“Purchaser”) of each new generator, engine, auxiliary tank, and other power-generation assembly built and sold by LEC (“Equipment”) that the Equipment will be free from defects in materials supplied by LEC and free from defects in workmanship performed by LEC under normal use and service for a period of 12 months from the date of purchase.

LEC does not provide any warranty, and LEC specifically disclaims any liability, relating to defects in components or parts of the Equipment that are manufactured and/or supplied by others, including, by way of example, but not limitation, engines manufactured by Kubota and Scania, generators manufactured by Kohler. Purchaser’s warranty rights, if any, regarding such components and parts are limited to the warranty extended by such original equipment manufacturers (“OEMs”) and suppliers, if transferable, and are otherwise subject to any registration requirements. To the extent transferable, LEC hereby assigns to Purchaser such rights (if any) under such manufacturers’ and/or suppliers’ warranties.

Subject to the foregoing limitation, LEC will repair or replace defective Equipment (or component parts of the Equipment) when such defects are due to defective materials supplied by LEC or defective workmanship performed by LEC, provided that the Equipment shall have been properly placed into service and operated in accordance with LEC’s instructions. LEC shall not be liable for breach of this limited warranty unless: (i) Purchaser provides written notice of the defective Equipment to LEC within ten (10) business days of the time when Purchaser discovers or ought to have discovered the defect, or, in the case of a latent defect, ninety (90) days from the date of shipment, along with a full description of the defect and any additional details that may be beneficial to LEC in remedying the defect; (ii) LEC is given a reasonable opportunity after receiving written notice of any breach of warranty to examine such Equipment and Purchaser (if requested to do so by LEC) returns such Equipment (or component part) to LEC’s place of business, or such other location as directed by LEC, at LEC’s cost, for the examination to take place there; and (iii) LEC reasonably verifies Purchaser’s claim that the Equipment (or component part) is defective. Purchaser shall bear all risk of further damage to the Equipment (or other component parts of the Equipment) resulting from Purchaser’s failure to notify LEC of the defect or to otherwise take reasonable measures to minimize or mitigate further damage. Transportation and labor charges covering any Equipment or part thereof returned, which proves not to be defective, shall be at Purchaser’s expense.

LEC’s sole obligation to Purchaser is limited to the repair or replacement of any item which LEC, in its sole discretion, determines to be defective and for which LEC is otherwise responsible. The decision to repair or replace shall be at LEC’s sole option. Warranty work must be performed by LEC or an LEC-authorized repair service. Any steps taken by LEC to correct defects shall not act to extend the term of the warranty. Any parts that have been replaced shall be made available to LEC and shall be LEC’s property.

This limited warranty does not extend or apply to any loss or damage due to misuse; accident; abuse; vandalism; neglect; normal wear and tear; negligence (other than LEC's); unauthorized modification or alteration; use beyond rated capacity; environmental conditions, natural disasters, or other causes beyond the reasonable control of LEC; acts of God; improper or unauthorized installation, repair, handling, maintenance, adjustment, or application; damages caused by failure to follow LEC's maintenance procedures outlined in the applicable owner's manual; or any other cause not the fault of LEC.

Conditions Specific for Engines Warranty

The warranty is only valid if the engine is used within the engine's power definition. The power definitions are listed below.

Industrial engines

ICFN - Continuous service: Rated output available 1/1 h. Unlimited h/year service time at a load factor of 100%.

IFN - Intermittent service: Rated output available 1/6 h. Unlimited h/year service at a load factor of 80%.

Power generation engines

PRP - Prime power: Varying load. 1/12 h of accumulated peak overload to 110%. For continuous operation and unlimited yearly operation time at varying load and with a max. mean load factor of 70% of rated power. **ESP - Maximum stand-by power:** For operation under normal varying load during a power outage, in specific countries. Not overloadable. Not for applications intended for more than 500 h/year.

This limited warranty is personal to Purchaser and may not be transferred or assigned without the prior express written consent of LEC.

EXCEPT AS EXPRESSLY SET FORTH ABOVE, LEC MAKES NO OTHER WARRANTY OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED; AND LEC EXPRESSLY DISCLAIMS AND EXCLUDES ANY WARRANTIES IMPLIED BY LAW, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR INFRINGEMENT, AS WELL AS ANY WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE. PURCHASER ASSUMES FULL RESPONSIBILITY THAT THE EQUIPMENT PURCHASED MEETS THE SPECIFICATIONS AND/OR INTENDED USE OF PURCHASER AND LEC MAKES NO REPRESENTATION OR WARRANTY WITH RESPECT THERETO.

2. Limitation on Liability. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, IN NO EVENT WILL THE TOTAL, AGGREGATE LIABILITY OF LEC UNDER THE WARRANTY EXCEED THE COST OF THE EQUIPMENT, OR PART THEREOF, GIVING RISE TO THE CLAIM OR LIABILITY, WHICHEVER IS LESS. LEC SHALL NOT BE SUBJECT TO ANY OTHER OBLIGATIONS OR LIABILITIES, WHETHER ARISING OUT OF BREACH OF CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY), OR UNDER OTHER THEORIES OF LAW OR EQUITY, WITH RESPECT TO EQUIPMENT SOLD BY LEC, OR ANY UNDERTAKINGS, ACTS OR OMISSIONS RELATING THERETO. FURTHER, IN NO EVENT WILL LEC BE LIABLE OR RESPONSIBLE FOR AND DISCLAIMS ANY AND ALL SPECIAL, INCIDENTAL, INDIRECT, CONTINGENT, CONSEQUENTIAL, EXEMPLARY, OR PUNITIVE DAMAGES OF ANY NATURE WHATSOEVER. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, LEC SPECIFICALLY DISCLAIMS ANY LIABILITY FOR PROPERTY DAMAGES, PENALTIES, LOST PROFITS OR REVENUE, DOWN-TIME OR LOSS OF USE, LOST GOOD WILL, COST OF CAPITAL, COST OF SUBSTITUTE GOODS OR SERVICES, OR FOR ANY OTHER TYPE OF ECONOMIC LOSS, OR FOR CLAIMS OF PURCHASER'S CUSTOMERS OR ANY THIRD PARTY FOR ANY SUCH DAMAGES, COSTS, LOSSES, OR EXPENSES. EACH PROVISION HEREOF THAT PROVIDES FOR A LIMITATION OF LIABILITY, DISCLAIMER OF WARRANTY OR CONDITION, OR EXCLUSION OF DAMAGES IS SEVERABLE AND INDEPENDENT OF ANY OTHER PROVISION AND IS TO BE ENFORCED AS SUCH.

Engine Product Warranty Limitations

1. Products manufactured by a third party ("**Third Party Products**") may constitute, contain, be contained in, incorporated into, attached to or packaged together with, the LEC Engine Products. Third Party Products are not covered by the LEC Engine Product Warranty. **LEC hereby disclaims and excludes any and all representations and warranties with respect to any Third-Party Product.**
2. This Engine Product Warranty shall be valid only for LEC Engine Products installed according to valid application guidelines.
3. This Engine Product Warranty shall only apply to LEC Engine Products of LEC's own design and manufacture and LEC shall not be liable for defects arising out of materials provided or design stipulated by the purchaser
4. LEC shall only be liable for defects which appear under normal operating conditions and under proper use of the LEC Engine Product.
5. LEC shall not be liable for defects caused by circumstances, which arise after the risk has passed to the Purchaser, e.g. defects due to faulty

maintenance, incorrect installation or faulty repair by the Purchaser or to alterations carried out without LEC's consent in Writing.

6. LEC's liability shall be limited to defects which appear within the Warranty Period. If the use or operating conditions of the LEC Engine Product exceed that for which it was designed, the warranty period shall be reduced proportionately.

7. The Engine Product Warranty shall not apply to defects caused by unsuitable or faulty installation of LEC Engine Products. Faulty installation also includes absence of or non-correct torsional vibration calculations as well as non-compliance with the application guidelines.

8. Should the Purchaser store LEC Engine Products for longer than six (6) months, the Engine Product Warranty shall only apply if, at all times during the storage period, the Purchaser stores such LEC Engine Products under roof, in an enclosed building and in full compliance with all conservation and storage procedures established by LEC from time-to-time, and the term of the warranty remains from the time of purchase.

9. The Engine Product Warranty shall not apply to rental or leased equipment used while Warranty repairs are being performed.

10. The Engine Product Warranty shall not apply to any Expenses, losses, or inconveniences which the Purchaser may sustain as a result of the purchase, use, malfunction or defective condition of our products.

11. Without prejudice to the preceding provisions regarding warranty periods, LEC's warranty shall only apply to LEC Engine Products for use, purposes and total time in use within the limits applicable to the LEC Engine Product as set forth in the manufacturer's Operator's Manual.

3. Time Limitation. ANY CLAIM OR DISPUTE AGAINST LEC ARISING OUT OF AN ALLEGED BREACH OF WARRANTY MUST BE BROUGHT WITHIN ONE (1) YEAR OF THE EVENT GIVING RISE TO THE CLAIM OR DISPUTE, OR ONE (1) YEAR FROM THE EXPIRATION OF THE WARRANTY PERIOD, WHICHEVER OCCURS FIRST, OR BE FOREVER BARRED, EXCEPT FOR APPLICABLE STATUTES OF LIMITATION REQUIRING A SHORTER PERIOD, IN WHICH CASE THE SHORTER LIMITATION PERIOD SHALL APPLY.
4. Governing Law; Venue. This limited warranty will be governed by and construed in accordance with the laws of the State of Arizona. Any legal suit, action or proceeding arising out of or relating to this limited warranty shall be instituted in the applicable state or federal

courts of Maricopa County, Arizona, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action, or proceeding.

5. Waiver of Jury Trial. LEC AND PURCHASER KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT THAT THEY MAY HAVE TO A TRIAL BY JURY
