## ONE YEAR / 8,000 ENGINE HOUR GENERAL LIMITED MANUFACTURER WARRANTY

LEC extends to the original purchaser of goods for use the following Warranty covering goods manufactured by LEC subject to the qualifications indicated. For the purposes of this LEC Warranty, goods manufactured by LEC shall include only those goods which are actually manufactured by LEC, and shall not include any goods manufactured, provided, or incorporated into the final product by any other manufacturer. LEC warrants that goods manufactured by it will be free from defects in workmanship and material for a period of one (1) year or eight thousand (8,000) engine hours (whichever occurs first) following the date of purchase; provided such goods are installed, operated, maintained in accordance with LEC's written instructions.

#### **WARRANTY PERIOD NOTICE:**

- 1. The LEC Warranty Period shall expire twelve (12) months or eight thousand (8,000) engine hours (whichever occurs first) after the date on which the LEC Engine Product first was purchased (invoiced). Each purchaser shall complete a Start of Warranty Report and submit same to LEC promptly following purchase and prior to beginning installation of an LEC Engine Product to denote that such LEC Engine Product has been put Into Use. If no Start of Warranty Report is submitted to LEC, the Warranty Period will be regarded as having been put Into Use on the date of purchase and delivery from LEC without regard to installation guidelines or any other factors. (EPA Affidavit)
- 2. When a defect in part of the LEC Engine Product has been remedied, LEC shall be liable for defects in the repaired or replaced part under the same terms and conditions as those applicable to the original LEC Engine Product for a period of one (1) year or eight thousand (8,000) engine hours (whichever occurs first). For the remaining parts of the LEC Engine Product the period mentioned in Clause 1 shall be extended only by a period equal to the period during which and to the extent the LEC Engine Product could not be used as a result of the defect.
- 3. The Purchaser shall without undue delay notify LEC in writing of any defect of which it becomes aware, but in no event later than five (5) days following such notice, or the extended period under clause 2, where applicable. The notice shall contain a full description of the defect and any known additional details that may be beneficial to LEC in remedying the defect. If the Purchaser fails to notify LEC in Writing of a defect within the time limits set for in the first sentence of this Clause, the Purchaser waives the right to have the defect remedied under warranty. Where the defect is such that it may cause damage to persons or property (including the LEC Engine Product), the Purchaser shall immediately inform LEC in writing. The Purchaser shall bear all risk of damage to persons or property (including the LEC Engine Product) resulting from failure to notify LEC.

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Purchaser shall take all reasonable measures to minimize and mitigate damages and shall, in that respect comply with the instructions of LEC.

- 4. LEC's sole liability and Purchaser's sole remedy for a failure of goods under this Warranty, and for any and ALL CLAIMS arising out of the purchase and use of the goods, shall be limited to the repair of the product or replacement, at LEC's sole option and discretion, of parts that do not conform to this Warranty, provided that the repair or replacement is done by an Authorized Scania dealer/distributor after authorization in Writing from LEC. No repairs or replacements will be honored if made by an unauthorized source.
- 5. If the Purchaser has given such notice as mentioned in Clause 3 and no defect is found for which LEC is liable, LEC shall be entitled to compensation for the costs LEC incurs as a result of such notice.

#### **WARRANTY COVERAGE:**

- 1. If an LEC Engine Product has to be removed completely from its installation to make a warranty repair, LEC shall cover in accordance to Multi standard times for removal and fitting of the LEC Engine Product. As authorized by the engine manufacturer.
- 2. LEC's warranty does not cover costs of technician's travel time, expense, and transportation of parts unless approved by LEC in writing in advance.
- 3. The Purchaser shall at its own expense provide access to the LEC Engine Product and arrange for any intervention in equipment other than the LEC Engine Product, to the extent that this is necessary to remedy the defect.
- 4. Defective parts which have been replaced shall be made available to LEC within five business days and shall be LEC's property.

#### **WARRANTY LIMITATIONS AND EXCLUSIONS:**

1. This Engine Product Warranty does not cover or include damage resulting from or related to accident, misuse, negligence, neglect or abuse, improper repair or maintenance, operating methods other than those in the applicable operating or owner's manual, or unauthorized modifications of the LEC Engine Products, normal wear and tear, cleaning, adjustment and normal maintenance work, or the replacement or repair of parts required to be replaced or repaired in the course of normal maintenance work; repairs made by unauthorized repair centers; corrections of alleged defects where documentation is inadequate to support the claim or the failed parts needed for analysis have been improperly preserved rendering failure analysis impossible; and/or gradual reduction in operating performance commensurate with age of the LEC Engine Product, and any such claims are excluded from this Warranty.

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- 2. LEC shall not be liable for any damage to persons or property caused by the LEC Engine Product after it has been delivered to Purchaser. LEC shall not be liable for any damage to products manufactured by the Purchaser or to products of which the Purchaser's LEC Engine Products form a part. If LEC incurs liability towards any third party for such damage to persons or property as described in the preceding sentences, the Purchaser shall indemnify, defend, and hold LEC, its owners, executives, and employees harmless for any such liability. If a claim for damage as described in this clause is lodged by a third party against one of the parties, the latter party shall immediately inform the other party thereof in writing.
- 3. 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.
- 4. This Engine Product Warranty shall be valid only for LEC Engine Products installed according to valid application guidelines.
- 5. This Engine Product Warranty shall only apply to LEC Engine Products. LEC shall not be liable for defects arising out of materials provided or design stipulated by the purchaser.
- 6. LEC shall only be liable for defects which appear under normal operating conditions and under proper use of the LEC Engine Product.
- 7. 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.
- 8. 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.
- 9. 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.
- 10. 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 Scania layup procedures

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and storage procedures, and the term of the warranty remains from the time of purchase.

- 11. The Engine Product Warranty shall not apply to rental or leased equipment used while Warranty repairs are being performed.
- 12. 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.
- 13. 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.
- 14. By its signature below, Purchaser is acknowledging this Engine Warranty is the Purchaser's only remedy in the event of a claim against LEC for failure of LEC manufactured products. This Warranty is applicable to the LEC Engine Products only, and to no other manufacturer's parts, regardless of whether they are integrated into the finished product or not, and LEC makes no other warranties, express, implied or statutory, including any implied warranty of merchantability or fitness for a particular purpose and/or warranty arising by course of dealing, course of performance, usage of trade or otherwise. All such warranties are hereby disclaimed and excluded.
- 15. In no event shall LEC be liable for loss of production, loss of profit, loss of use, loss of contracts, "downtime" losses or for any incidental, consequential, special, punitive, exemplary, or indirect loss or damage whatsoever, whether arising at law or in equity.
- 16. <u>LIMITATION OF LIABILITY</u>. LEC's total aggregate liability with respect to the engine products and/or warranty shall not exceed the fair market value of the LEC Engine Products as of the date of delivery to the Purchaser.
- 17. The remedies set forth in this Engine Product Warranty are the purchaser's sole and exclusive remedies and are LEC's entire liability for any breach of this Engine Warranty. Except as stated in this Engine Warranty, LEC shall have no liability for any losses, costs, damages or other compensation of any kind and no Party asserting a right under this Warranty shall be entitled to assert any claim for such loss, cost, damage or compensation.

This warranty provides and waives Specific Legal Rights, and other rights, by law, may vary from State to State.

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#### **DISPUTE RESOLUTION: GOVERNING LAWS:**

1. All disputes arising out of or in connection with this Engine Product Warranty shall be resolved according to the Dispute Resolution Supplement, which is incorporated herein by this reference. The provisions of this Engine Product Warranty are predicated and expressly contingent upon Purchaser's agreement to be bound by the terms of the Dispute Resolution Supplement.

Loftin Equipment Co. 1220 N 52<sup>nd</sup> Street Phoenix, AZ, 85008

Phone: 602.272.9466 - Toll Free (800).437.4376

www.loftinequip.com

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#### Appendix 1

- 1. Loftin will pay a maximum labor rate of \$130.00 per hr.
- 2. Loftin will not pay for overtime or any emergency fees.
- 3. Mileage and Travel Time will be calculated from Dealer's shop to unit's location, with a maximum mileage of 300 miles and travel time of \$1.80 per mile.
- 4. A maximum of two trips will be allowed per failure.
- 5. Invoice must have separate line items for labor and travel.

Customer Name:	 -		
Customer Signature:			
Date:			