

LIMITED – REBUILT ENGINE WARRANTY (REW) – D32 FOR SDI REBUILT ENGINES

Stauffer Diesel Inc. and Stadco Products Division (SDI) provides with each SDI Rebuilt engine, for non-highway duty, to which SDI assigns Rebuilt Engine Warranty (REW) status the following D32 limited warranty coverage, limited to the continental USA.

1. Providing that the customer has fulfilled all of his obligations pursuant to purchase agreement, including his obligations as to payment, plus those specified herein, SDI warrants to the original customer (Buyer) of each SDI rebuilt engine (Engine) to which REW status has been granted by SDI, as evidenced by SDI original invoice to Customer, that such Engine will be free from defects in Rebuilding workmanship and material under normal use and normal service.

This warranty is limited to claims made by the Buyer within the first to occur of **(a.)** twelve (12) consecutive months of use following first use of the Engine, **(b.)** 2,000 hours of operation following first use of the Engine, or **(c.)** 18 months from the date of SDI's initial invoice for the Engine; and is conditioned upon Buyer providing immediate notice upon first discovery of any alleged defect to the Warranty Administrator of SDI; 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. SDI obligations hereunder are further limited as additionally set forth in other sections of this warranty.

Term of Time to be determined from date of SDI Invoice. In the absence of a functioning engine hourmeter, in any case, SDI reserves the right to be final judge whether an Engine is eligible for warranty coverage.

2. This warranty is conditioned upon performance by Buyer of proper installation, and all normal routine maintenance and normal service as required by operating conditions, which must be performed by the Customer, at Buyer's own expense, in accordance with instructions set forth by SDI, including but not limited to the following;

(a.) Proper Installation of REW Engine in accordance with Instructions and directives provided by SDI, and, (b.) Operation of REW Engine in accordance with corresponding Manufacturers Operators manual and directives provided by SDI, and, (c.) Use only genuine original-manufacturers Engine parts, including routine maintenance and repair parts.

SDI instructions and directives referenced in this warranty or furnished with the Engine are made a part of this warranty by reference.

3. SDI's obligations under this Engine warranty are limited to repair of Warranty defect within the warranty period, including repairing or replacing with new or rebuilt components at SDI's option, free of charge, F.O.B. SDI's facility in Ephrata, PA, or such other facility as SDI may specify or, at SDI's sole option, paying Buyer the amount SDI reasonably determines to be the estimated cost of repair to the Engine. In any event the total aggregate liability of SDI hereunder is limited to and shall not exceed the amount paid to SDI for the Engine by the initial Buyer. This warranty does not cover charges from Buyer or any third-party for anything unless authorized by SDI in advance, in writing.

SDI reserves the right to extract all data contained in all related control devices and electronic data storage devices and examine such data for the purpose of failure analysis. SDI'S LIMITED ENGINE WARRANTY IS IN LIEU OF ALL WARRANTIES, EXPRESS OR IMPLIED. UNDER NO CIRCUMSTANCES WILL THE BUYER BE ENTITLED TO RESCISSION OR TO A REDUCTION IN THE PURCHASE PRICE OR ANY DIRECT, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES WHATSOEVER, INCLUDING WITHOUT LIMITATION, LOSS OF TIME, INCONVENIENCE, LOSS OF USE OF EQUIPMENT, COST OF RENTAL OR REPLACEMENT OR OTHER COMMERCIAL LOSS.

4. SDI, at its option, may elect to have an Engine shipped to SDI for repair of Warrantable Failure; in which case, Engine shipment to SDI will be the Buyer's responsibility and return of the Engine to Customer will be SDI's responsibility.
5. **This warranty does not cover failures which are caused by the following conditions:**
 - a. Engine damages due to lack of lubrication/lube oil, for any reason whatsoever.
 - b. Defects, damage or deterioration due to normal use, wear and tear, exposure to the elements, corrosion or prolonged or improper storage.
 - c. Damage or defects due to failure to comply with Engine OEM Manufacturers Operators Manual (or SDI directives) instructions for proper Engine installation, operation, maintenance or lubrication.
 - d. Damage or defects due to misuse, alteration, negligence, accident, or use of the Engine in an improper or excessive manner for a purpose for which it was not intended or operation of the Engine with improper material, fuel or lubricants or damage due to the presence of water, grit or other impurities in fuel, lubrication oil or intake (combustion) air supply.
 - e. Travel time, travel expenses, food and lodging expenses in event warranty repair or parts replacement are performed away from SDI premises.
 - f. Labor and expenses for Engine removal & replacement.
 - g. Electrical goods, electronic components, Engine controlling devices and control systems and wiring harnesses, unless installed by SDI and furnished as a new replacement item, concurrent with Engine Rebuild.
6. SDI MAKES NO OTHER WARRANTIES FOR REW ENGINES, EXPRESSED OR IMPLIED, SDI DOES NOT AUTHORIZE ANY OTHER PERSON OR COMPANY TO ASSUME ON ITS BEHALF, ANY OTHER OBLIGATION OR LIABILITY. MODIFICATION OF ANY OF THESE WARRANTY TERMS IS VALID ONLY IF RENDERED IN WRITING AND SIGNED BY AN OFFICER OF SDI.

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. The courts of Lancaster County, Pennsylvania shall have exclusive jurisdiction and venue of any matters arising with respect to this warranty.

Effective date: March 15, 2019

STAUFFER DIESEL INC., 34 Stauffer Lane, P.O. Box 586, Ephrata, PA 17522 USA