



YANMAR REPOWER ENGINES

LIMITED WARRANTY

A. Warranty and Warranty Period.

Supplier warrants that each Product ("replacement engine") from Supplier for Purchaser under this Agreement will be free from defects in workmanship under normal use and service for **24 months or 2,000 hrs.** from the earlier of (i) the date of first installation of the Product by Purchaser or Purchaser's dealer and (ii) the date on which the Product is sold by Purchaser or its dealer to a third party; but in no event longer than 30 months from the date of Supplier's shipment of the Product to Purchaser or its designee. Parts and materials manufactured by others and incorporated in the Products shall be covered only by the warranty, if any, of the manufacturer thereof. Supplier shall assign to Purchaser any such warranty, to the extent assignable, and Supplier shall not provide any other warranty with respect to such parts and materials. Supplier's warranty set forth in this Section A is subject to, and qualified by, the terms and conditions set forth in this Section hereof and the warranty administration provisions set forth in Schedule B hereto which are incorporated herein by reference.

B. Warranty Exclusions.

The following are not covered by Supplier's warranty:

- (i) Failure caused by a defective part that was specified by Purchaser or purchased by Supplier from Purchaser or from one of Purchaser's suppliers.
- (ii) Failure to register engine with Yanmar REPOWER division. See selling dealer for assistance.
- (iii) Failure caused by incorrect installation or adjustment following shipment by Supplier.
- (iv) Failure caused by improper application, overloading, operator misuse, abuse or negligence following shipment by Supplier.
- (v) Failure resulting from lack or untimely application of normal maintenance and operating service, including without limitation, lubricants, coolant, fuel, tune-ups, inspections or adjustments.
- (vi) Failure caused by improper storage or handling of the Product subsequent to shipment by Supplier and prior to installation.
- (vii) Failure caused by accident or act of God.
- (viii) Failure caused by the use of unauthorized accessories or parts.
- (ix) Failure caused by the use of Yanmar unauthorized filters, elements, and fluids.
- (x) Failure caused by improper or unauthorized repairs or services.
- (xi) Failure caused by a pre-existing condition of the equipment into which the Product is installed.
- (xii) Failure caused by unauthorized modification of the Product (or the equipment into which the Product is installed) that alters its form, fit, or function.
- (xiii) Location of the Product outside of the Territory at any time.
- (xiv) Policy claims or customer goodwill considerations.
- (xv) Progressive damages.

This warranty shall be void and of no force and effect if repairs made to the Product (or made to the equipment into which the Product is installed) are not made in conformity with the applicable original manufacturer specifications.

Obligation to Refund, Repair or Replace.

Supplier's obligation to Purchaser with respect to any Product for breach of Supplier's warranty set forth in this Section 11 is limited, at Supplier's option, to credit or refund of the price of any non-conforming or defective Product or replacement or repair of such non-conforming or defective Product. Fuels, lubricants, coolant, filters and other maintenance items are not covered by Supplier's warranty.

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If Supplier elects to repair or replace a non-conforming or defective Product, Supplier will reimburse Purchaser, at Purchaser's standard labor rate, for removal and/or repair of the defective or failed Product and/or installation of the replacement Product by Purchaser, Purchaser's authorized dealer or Purchaser's or such dealer's customer, provided that Purchaser provides to Supplier supporting documentation of such charges satisfactory to Supplier. Labor charges incurred on customer installed Products or repairs are not covered by Supplier's warranty. Labor for adjustments, tune-ups, inspections and other maintenance items are not covered by Supplier's warranty. The following are not covered by Supplier's warranty: the cost of any transportation charges expended on or in connection with the repair, return or replacement of any non-conforming or defective Product, injury to any person or property, or death of any person, overtime, machine down time, rental costs, loss of revenue, incidental or consequential expenses, replacement and/or disposal of environmentally harmful substances, diagnostic services or testing, payment to third parties for services not agreed by Supplier in writing prior to the use of such services, travel time, mileage, meals, tolls, lodging and other travel expenses.

D. Maximum Reimbursement.

Notwithstanding any other provision of this Agreement, in no event shall Supplier's total obligation with respect to any Product for breach of this warranty (including, without limitation, replacement or repair of the Product, or labor charges and transportation costs, if any) exceed the price of the Product paid by Purchaser to Supplier for such failed Product.

E. Disclaimer.

THE WARRANTY SET FORTH IN THIS SECTION IS EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. PURCHASER ACKNOWLEDGES THAT ITS SOLE REMEDY FOR BREACH OF THIS WARRANTY BY SUPPLIER IS AS PROVIDED ABOVE AND SUPPLIER SHALL NOT BE LIABLE IN TORT, FOR NEGLIGENCE OR STRICT LIABILITY OR FOR LOSS OR INTERRUPTION OF USE, PROFIT OR BUSINESS OR ANY OTHER INCIDENTAL OR CONSEQUENTIAL INJURY OR DAMAGE, ALL OF WHICH ARE EXPRESSLY WAIVED AND RELEASED BY PURCHASER. SUPPLIER'S OBLIGATIONS UNDER THE WARRANTY SET FORTH IN THIS SECTION 11 ARE CONDITIONED UPON COMPLIANCE BY PURCHASER AND ALL OTHER USERS OF THE PRODUCTS WITH OPERATION, LOADING, USE, HANDLING, MAINTENANCE AND STORAGE IN ACCORDANCE WITH GOOD COMMERCIAL PRACTICES, AND ONCE THE PRODUCT IS SO INCORPORATED INTO THE EQUIPMENT, THE RECOMMENDATION OF THE ORIGINAL MANUFACTURER OF SUCH EQUIPMENT. SUPPLIER SHALL NOT BE RESPONSIBLE FOR FAILURES CAUSED BY IMPROPER INSTALLATION, IMPROPER USE, MISLOADING, OVERLOADING, OVERHEATING, IMPROPER CLEANING, FAILURE TO PERFORM PROPER PREVENTIVE MAINTENANCE, PHYSICAL ABUSE, OPERATION FOR WHICH THE PRODUCT (OR THE EQUIPMENT INTO WHICH THE PRODUCT WAS INSTALLED) WAS NOT DESIGNED, ALTERNATION, LACK OF LUBRICANTS OR FLUIDS, RUST, CORROSION OR DAMAGE CAUSED BY ELECTROLYSIS, ACCIDENT, OR FOR OTHER DAMAGE CAUSED BY FIRE, FLOOD OR OTHER EXTERNAL CONDITIONS UNRELATED TO THE REMANUFACTURE OF THE PRODUCT, OR FOR NORMAL WEAR AND TEAR.

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SCHEDULE B TO SUPPLY AGREEMENT - WARRANTY ADMINISTRATION

The following provisions shall apply to all warranty claims made by Purchaser to Supplier pursuant to above Section of the Agreement:

A. Claim Information.

Each warranty claim made by Purchaser to Supplier shall contain the following information:

- (i) Name and address of authorized dealer or customer whose Product is the subject of the warranty claim, if applicable.
- (ii) Machine model, type, subtype and serial number.
- (iii) Hour meter reading at time of install of the Product or over-the-counter sale to customer.
- (iv) Hour meter reading at time of failure.
- (v) Product part number.
- (vi) Product serial number, if applicable.
- (vii) Installation date (or purchase date if over-the-counter sale).
- (viii) Failure date.
- (ix) RePower ID number.
- (x) Failure codes and descriptions.
- (xi) A Return Material Authorization (RMA) number assigned by Supplier,
- (xii) Proof of purchase and installation (if installed by an authorized dealer or Purchaser's or such dealer's customer) via copies of the invoices.
- (xiii) Detailed description of the failure including cause of failure and clear photographs that show the failure.
- (xiv) Repair history on the Product related to the warranty claim.
- (xv) Freight cost to return the failed or defective Product to Supplier.
- (xvi) For a warranty claim to be valid, the following conditions must be met: (v) an RMA number must be obtained prior to the return of any defective Product or any repairs being performed on such Product, (w) the warranty claim must be submitted by Purchaser to Supplier in writing within thirty (30) days of the initial determination that a Product is defective and, unless Supplier instructs otherwise, the defective Product must be returned to Supplier, labeled with the assigned RMA number, freight prepaid and according to Supplier's shipping instructions, within such thirty (30) day period, (x) only one failure per warranty claim, (y) failed cores must be returned to Supplier assembled and complete and (z) upon Supplier's request, Purchaser shall provide such additional information as requested by Supplier to analyze the root cause of the failure of such Product.

B. Warranty Claim Processing.

Warranty claims shall be processed by Supplier within thirty (30) days of receipt, provided that such claim is complete and all supporting documentation has been provided to Supplier, and within such time period Supplier shall inform Purchaser whether such warranty claim is valid or denied. If Supplier denies a warranty claim due to incomplete or inaccurate information or documentation, Purchaser may submit a corrected and completed warranty claim within twenty (20) days of notice of such rejection.

C. Shipping/Handling.

With respect to a valid warranty claim, freight to transport the replacement Product to Purchaser and, upon

Supplier's request, to return the defective Product to Supplier shall be for Supplier's account, provided that such transportation is pursuant to Supplier's instructions, and provided further that Purchaser provides to Supplier supporting documentation of such charges satisfactory to Supplier. Freight charges incurred as a result of Supplier's instructions not being followed shall be for Purchaser's account. Freight charges incurred to return failed or defective Product to Supplier shall be for Purchaser's account where Supplier determines that Purchaser does not have a valid warranty claim with respect to such Product. Mileage, insurance, duty, taxes, and other transportation related charges are not covered by Supplier's warranty.

D. Claim Reversal.

In the event (i) prior to Supplier's completion of its warranty claim analysis, Supplier provides a replacement Product, and if Supplier subsequently determines that Purchaser's warranty claim is not valid, or (ii) Supplier provides a replacement Product (and/or any reimbursable amount to Purchaser), and the failed Product was not timely returned to Supplier upon its request, was returned incorrect or incomplete or was returned disassembled, Supplier shall issue to Purchaser a reversal notice, in which case Purchaser shall promptly reimburse Supplier the amounts set forth on such reversal notice.

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E. Disposition of Returned Products/Cores.

For all valid warranty claims, the failed Product becomes the property of Supplier. With respect to a failed Product that has been returned to Supplier, where such failed Product included a core, Purchaser may, within ten (10) days of delivery of such Product to Supplier, provide written instructions to Supplier that, if such core was not destroyed by Supplier during testing, such core should be (i) returned to Purchaser at Purchaser's expense and risk, (ii) re-used by Supplier or (iii) scrapped by Supplier. If Purchaser fails to timely provide such written instructions, such core shall automatically become the property of Supplier.

OWNER SIGNATURE		
OWNER'S NAME		
STREET • ROUTE		
CITY • TOWN	STATE)	ZIP

DEALER REPRESENTATIVE SIGNATURE
MACHINE MODEL
MACHINE SERIAL NUMBER
DATE OF DELIVERY