

TERMS & CONDITIONS OF SALE



LIMITED WARRANTY OF STERNDRIVE ENGINEERING EFFECTIVE 9/18/2006

1. WARRANTY. All products sold by Sterndrive Engineering ("SEI") are warranted for either a period of **one (1) year or three (3) years** from the **date of actual purchase**. A condition precedent to the enforcement of these warranties is proof of purchase of the SEI product. Satisfactory evidence of purchase must be supplied by customer prior to receiving warranty benefits hereunder. These one (1) year and three (3) year warranties against defects in material and workmanship are the sole and exclusive warranty provided by SEI and all other warranties and potential damages are limited and excluded hereunder, as set forth below. These warranties commence on the shipment date of products sold by SEI to purchaser or upon the date of purchase from a properly authorized SEI dealer to its customer.

2. WARRANTIES LIMITED TO MANUFACTURED GOODS. SEI offers a three (3) year fault free warranty on assembled sterndrive halves (upper and lower) and on outboard lower units (OLUs) and a one (1) year limited warranty on all other parts and outboard lower unit jet drives. These warranties do not apply to any repairs, alterations, or work undertaken by third parties not involved in the actual manufacturing of the product. SEI's three (3) year fault free warranty covers any failure that would require repair or replacement. SEI's one year warranty does not apply to damages or problems caused by removal of parts, adjustments to the product, tune ups, normal wear and tear, damages caused by accidents, improper use of the product, improper installation or service of the product, misuse, neglect, improper maintenance, or operation with fluids, fuels, lubricants, oils, or other such items which are not suitable for use with the product or otherwise not recommended for the product by SEI. SEI's one year warranty also does not warrant or make representations with respect to installation errors, work by servicing dealers, servicing mechanics, or others, and does not cover damage caused by acts of God, flood, fire, storms, or other natural acts or disasters. Both warranties specified herein are null and void in the event that the model number and other identification numbers on the product have been altered, defaced, removed, or eliminated or the product has been disassembled in any manner without prior authorization by SEI. Neither one (1) year nor three (3) year warranty covers use of the product for racing or other competitive activities. The manufacturer offers no warranty with respect to the rental or use of the product for commercial purposes, or in the event of intentional destruction, or in applications exceeding horsepower limits stated by SEI. Warranty is void if used for the wrong application.

3. EXCLUSION OF OTHER WARRANTIES. THE WARRANTIES OFFERED BY SEI AGAINST DEFECTS IN WORKMANSHIP AND MATERIALS ARE THE EXCLUSIVE WARRANTIES OFFERED BY MANUFACTURER. **ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY, AND WARRANTIES FOR FITNESS FOR A PARTICULAR PURPOSE, ARE HEREBY EXCLUDED.** SEI OFFERS NO WARRANTIES WHICH EXTEND BEYOND THE DESCRIPTION ON THE FACE OF THIS DOCUMENT. EXCEPT AS PROVIDED HEREUNDER, ALL EXPRESS AND IMPLIED WARRANTIES, OF WHATSOEVER NATURE, INCLUDING WARRANTIES ARISING UNDER THE UNIFORM COMMERCIAL CODE AND UNDER STATE AND FEDERAL LAW ARE EXCLUDED. SUBJECT TO THE ONE (1) YEAR WARRANTY HEREUNDER, PURCHASER ACCEPTS THE PRODUCT "AS IS" AND "WITH ALL FAULTS," AS MAY BE THE CASE. **SEI MAKES NO WARRANTIES, GUARANTIES, OR REPRESENTATIONS REGARDING THE RELIABILITY OR USE OF THE PRODUCT EXCEPT AS SET FORTH HEREUNDER.**

4. LIMITATION OF DAMAGES. SEI SHALL **NOT BE LIABLE** TO THE USER OR PURCHASER OF ITS PRODUCTS, FOR ANY **LABOR CHARGES AND INCIDENTAL, CONSEQUENTIAL, OR SPECIAL DAMAGES OF ANY TYPE**. THE EXCLUSIVE REMEDY TO THE USER OR BUYER, AND THE LIMIT OF LEGAL LIABILITY OF SEI HEREUNDER, SHALL BE THE REPLACEMENT OF ANY DEFECTIVE PARTS OR THE REPAIR OF ANY AND ALL DEFECTIVE MATERIALS AND WORKMANSHIP. REPAIR OR REPLACEMENT OF DEFECTIVE WORKMANSHIP AND MATERIALS SHALL BE THE **EXCLUSIVE AND SOLE REMEDY** PROVIDED TO USER AND/OR PURCHASER. UNDER NO CIRCUMSTANCES WILL SEI OR ITS DIRECTORS, OFFICERS, SHAREHOLDERS, EMPLOYEES, OR AGENTS BE LIABLE TO PURCHASER OR USER FOR ANY SPECIAL OR INDIRECT DAMAGES INCLUDING DAMAGES FOR THE LOSS OF BUSINESS PROFITS, BUSINESS INTERRUPTION, PERSONAL INJURY, AND GENERAL COMMERCIAL DAMAGES, INCLUDING ALL LOSSES ARISING OUT OF THE INABILITY TO USE OR OPERATE THE PRODUCT.

SEI MAXIMUM LIABILITY TO USER OR PURCHASER, FOR DAMAGES OF ANY NATURE, REGARDLESS OF THE TYPE OF CLAIM, INCLUDING BREACH OF CONTRACT, NEGLIGENCE, PRODUCT LIABILITY, TORT, OR OTHERWISE, SHALL BE STRICTLY LIMITED TO THE **PURCHASE PRICE** SEI PRODUCT. ALL WARRANTIES PROVIDED HEREUNDER ARE GRANTED SOLELY BY SEI AND NO MODIFICATION OF THIS WARRANTY SHALL BE VALID, UNLESS REDUCED IN WRITING AND APPROVED BY THE DIRECTORS OF SEI. NO THIRD PARTY, INCLUDING DEALER, SERVICE AGENTS, WORKMEN, OR THE LIKE MAY MAKE ANY ACTUAL OR IMPLIED MODIFICATION, EXTENSION, OR REVISION TO THIS WARRANTY PLAN. THIS WARRANTY IS INTENDED TO LIMIT THE RIGHTS OF ANY USER OR PURCHASER TO THE ONE (1) YEAR OR THREE (3) YEAR WARRANTY SET FORTH HEREIN AND SHALL BE STRICTLY CONSTRUED TO ACCOMPLISH THAT OBJECTIVE.

5. NOTIFICATION. All notices furnished to SEI hereunder, including all notifications to SEI of claims under the aforementioned limited warranty, shall be furnished to SEI at its principal offices located at 115 S. Forest Lakes Blvd., Oldsmar, FL 34677. You are required to notify SEI of any alleged defect to the product within the applicable warranty period; and you are also required to furnish such additional information, warranty applications and other materials reasonably requested by SEI in order to process your warranty claim. Your failure to furnish all materials reasonably requested by SEI shall void all warranty rights hereunder. SEI will inspect and investigate your warranty claim; and only those defects covered by the above written warranty will be repaired or replaced, in the sole discretion of SEI. Should warranty service be required, you will be responsible for delivering the product, at your expense, together with proof of purchase and other documentation requested by SEI, to the repair facility designated by SEI for such repairs. All warranty claims herein must be furnished to SEI, in writing, within a period of 14 days from buyer or user's discovery of any defect or problem covered hereunder. From the date of notice to SEI buyer or user must return the defective unit as instructed by SEI within thirty (30) days from the date of first notice of defect; otherwise, all warranties hereunder are null and void.

6. TERMS OF PURCHASE. Purchaser agrees to be responsible for all freight charges for products received from or returned to SEI. In the event that a balance due becomes delinquent, SEI will be entitled to recover late charges of 1½ percent per month until paid in full, banking charges or a reasonable attorney's fee and court costs where applicable. All refused or returned items must be received by SEI in the same condition (new and undamaged) and will be subject to freight charges and a 10% restocking fee. Purchaser agrees to waive the right to challenge or set aside any lawful charge made by SEI for the sale of its products or services.

7. VENUE FOR ENFORCEMENT. This Agreement is made in the State of Florida, and all products manufactured by SEI are sold at its principal offices in Oldsmar, Florida. The limited warranties specified hereunder, and all rights and claims of user or buyer hereunder, must be enforced in the State of Florida. Venue for the enforcement of this Agreement and for the resolution of any disputes between SEI and its buyers or users, including all suits to construe the terms of this Agreement, shall be adjudicated in Hillsborough County, Florida. In the event that buyer or user asserts any claims against SEI, under these warranty plans or otherwise, and in the event that such claims are not resolved through direct negotiations between the parties, then all such claims and disputes shall be subject to non-binding mediation in Pinellas County, Florida, as a condition precedent to buyer asserting any legal action against SEI. Said mediation shall be conducted by a certified mediator under the laws of the State of Florida, and each party shall be responsible for paying an equal share of all mediation costs. This mandatory mediation shall be a condition precedent to the filing of any legal action or lawsuit, and the terms of this Agreement shall be enforceable by any court of competent jurisdiction.

8. GENERAL TERMS. The terms and conditions of the limited warranty plans set forth hereunder are a part of the bargain between the parties hereto, and are material to setting the price of sale of SEI's products. The terms and conditions set forth hereunder constitute the entire agreement and transaction between the parties; and all prior discussions, negotiations, telephone conferences, dealings, course of conduct, and other relationships between the parties are hereby merged into this Agreement. This Agreement shall supercede all prior negotiations and dealings between the parties, and time shall be of the essence in construing the terms hereof. By concluding the transaction between the parties, buyer and SEI agree to all of the terms and conditions set forth hereinabove.