

**CLARKE POWER GENERATION, INC.
STANDARD TERMS AND CONDITIONS OF SALE**

1. **Product.** Clarke Power Generation, Inc. ("Clarke") manufactures and sells engine generator sets (the "Product"). The attached sales order ("Sales Order") and these standard terms and conditions of sale ("Terms and Conditions") shall constitute the contract between Clarke and Buyer (the "Contract") with respect to the Product covered in the attached Sales Order. **ALL SALES OF CLARKE PRODUCT ARE SUBJECT TO AND CONDITIONED ON BUYER'S ACCEPTANCE OF THESE TERMS AND CONDITIONS. BUYER'S FAILURE TO NOTIFY CLARKE IN WRITING OF ANY OBJECTIONS TO THESE TERMS WITHIN TEN DAYS AFTER BUYER'S RECEIPT HEREOF, AND BUYER'S ACCEPTANCE OF THE PRODUCT SPECIFIED IN THE ATTACHED SALES ORDER AND DELIVERED AGAINST ITS ORDER, CONSTITUTES BUYER'S ASSENT TO AND ACCEPTANCE OF THESE TERMS. CLARKE HEREBY EXPRESSLY REJECTS ANY ADDITIONAL, INCONSISTENT OR CONFLICTING TERMS PROPOSED BY BUYER.** Clerical errors are subject to correction in all cases. Any provision of these Terms and Conditions that is invalid under applicable law or court order shall not in any way invalidate or affect the remaining provisions of these Terms and Conditions.
2. **Payment Terms.** Unless otherwise specifically stated in the attached Sales Order, payment of net invoice is due (a) upon receipt of the invoice or (b) if Buyer has approved credit with Clarke, 30 days after the invoice date. If payment is received after the due date, Clarke may impose a late charge equal to 1.5% of the delinquent amount per month (or portion of a month). Buyer shall pay all costs of shipment of the Product ordered.
3. **Delivery.** All stated delivery dates are approximate. Clarke will use reasonable commercial efforts to schedule Buyer's order for delivery as nearly in accordance with Buyer's instructions as possible and advise Buyer accordingly. However, Clarke does not guarantee, or assume any liability for failure to meet any delivery date proposed by Buyer or Clarke. If delivery is rescheduled by Buyer, Buyer shall pay to Clarke all costs incurred by Clarke as a result of the change.
4. **Warranty.** Clarke warrants that all parts of the Product (except as described below) will be free from defects in material and workmanship for 12 months or 1,000 hours, whichever occurs first. The warranty period begins when the Product is first started up by Clarke or an authorized Clarke service provider. Clarke will, at its option, repair or replace any parts of the Product that are defective in material and workmanship during the warranty period. Any Product or its parts requiring warranty service shall be transported or shipped freight prepaid to Clarke or to a repair facility Clarke designates. Any defects in material and workmanship of engines of the Product are the sole responsibility of the engine manufacturer under its warranty, and are not covered by Clarke's warranty. Clarke replacement parts installed on the Product by Clarke or a Clarke authorized service provider prior to the expiration of the warranty period will be covered until the original warranty period expires or 90 days after the installation date of the replacement parts, whichever occurs later. Clarke replacement parts installed on the Product by Clarke or a Clarke authorized service provider after expiration of the warranty period will be covered under warranty for 90 days after the installation date. In order for the warranty to apply, the Product must be started up by Clarke, and Buyer must complete the Clarke warranty, startup validation and pre-inspection return form and return it to Clarke within 60 days of the startup date.

This warranty only applies if the Product has been properly installed, maintained, serviced and operated in accordance with Clarke's operations and maintenance manual and all local standards and codes applicable in the location of the installation. This warranty does not apply to normal wear and tear or consumable items. This warranty also does not apply if the Product has been subject to misuse, abuse, neglect, alteration, modification, accidents, damages by circumstances beyond Clarke's control; to improper installation (if by others than Clarke or a Clarke authorized service provider), operation, maintenance or storage; or to parts or components not manufactured by or for Clarke. This warranty does not cover labor, shipping and material costs for Product removal and reinstallation when necessary to make a warranty repair. Clarke does not authorize any person to assume or create for it any obligation or liability in connection with the Product other than as expressly set forth herein. Buyer must notify Clarke, in writing, of any warranty claim during the warranty period or 30 days thereafter for this warranty to apply. Clarke shall have a reasonable time after receiving notice to repair or replace any defective part or Product.

CLARKE MAKES NO WARRANTIES OR GUARANTEES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE, OTHER THAN THOSE EXPRESSLY SET FORTH ABOVE, WHICH ARE MADE EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES WITH RESPECT TO THE PRODUCT. IN NO EVENT SHALL CLARKE BE LIABLE FOR SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THESE TERMS AND CONDITIONS OR THE PRODUCT, OR FOR INDEMNIFICATION OF BUYER ON ACCOUNT OF ANY CLAIM ASSERTED AGAINST BUYER, OR FOR ANY OTHER DAMAGE OF ANY KIND, WHETHER DIRECT OR INDIRECT, NOT EXPRESSLY ASSUMED HEREUNDER.

5. **Inspection and Claims for Shortages or Damaged or Defective Items.** Buyer shall inspect all Product upon delivery and shall notify Clarke in writing of any shortages in its order or any readily ascertainable damaged or defective Products within 30 days of delivery. Failure of Buyer to do so shall relieve Clarke of any responsibility for such matters.
6. **Buyer's Indemnification.** Buyer shall indemnify and hold Clarke harmless from and against all suits at law and in equity and all liabilities, claims, demands and damages arising out of or attributable to (a) Buyer's breach of any term hereof or (b) Buyer's or user's design, specifications, misapplication or modification of the Product, failure to perform required maintenance services or failure to cooperate with Product recalls.
7. **Special Orders.** If Buyer requires any particular specification, design or modification of the Product that is not part of the standard Product offered by Clarke, Buyer shall indemnify, defend and save harmless Clarke against all suits at law or in equity and from all damages, claims and demands for actual or alleged infringement of any patent because of the specification, design or modification required by Buyer.
8. **Product Changes.** Clarke reserves the right to make changes in the design or construction of any Product covered by Buyer's purchase order at any time and in any manner Clarke considers necessary or advisable prior to delivery. Clarke shall not be obligated to make any such changes to any Product previously sold to Buyer. Any changed Product shall be accepted as standard in fulfillment of Buyer's purchase order.
9. **Price changes.** Clarke reserves the right to make Product price changes at any time. Buyer will be notified in writing of any price change at least 30 days prior to shipment of Buyer's order. Buyer may cancel its order for any item subject to a price change by written notice to Clarke within 10 days of such notification. All sales will be made at the prices in effect at the time of shipment.

10. **Taxes.** Prices quoted do not include any taxes which may now or hereafter be applicable to or imposed upon the Product or services involved in completion of any purchase, including, without limitation, sales, use and similar taxes. Buyer shall pay or reimburse Clarke or its subcontractors or suppliers, as applicable, for any such taxes paid by Clarke or its subcontractors or suppliers.
11. **Cancellation.** Buyer may only cancel an order upon payment to Clarke by Buyer of an amount equal to the amount of all out-of-pocket and other expenses incurred by Clarke in reliance upon Buyer's order plus 5% of the total amount of such expenses.
12. **Title - Risk of Loss.** Title to the Product shall remain with Clarke until the Product is fully and unconditionally paid for by Buyer, and Buyer agrees to perform all acts necessary to ensure the retention of title by Clarke to such Product during such period; provided, that Buyer shall immediately reimburse Clarke for any and all reasonable expenses incurred by Clarke (including reasonable attorney's fees and expenses of disposal) in the event that Clarke retakes possession of any Product in order to enforce its rights under, or to recover damages for a material breach or default of Buyer's obligations under this Contract. Buyer agrees to maintain the Product in proper operating condition and to provide protection and insurance as necessary to prevent loss, damage or destruction of the Product until full payment for the Product has been made. Clarke shall have, and Buyer hereby grants, a security interest in the Product delivered to Buyer to secure any and all payment obligations of Buyer to Clarke under this Contract. Buyer authorizes Clarke, in its discretion, to file UCC Financing Statements (or their equivalent in any foreign jurisdiction) in order to perfect (or otherwise provide notice of) the security interests granted in this Contract. At Clarke's request, Buyer shall execute such documentation reasonably required by Clarke to perfect its security interest. In event of dispute, neither Clarke's acceptance of less than the full payment of any amount owed by Buyer nor Clarke's repossession of the Product shall constitute a waiver of Clarke's right to collect the entire unpaid balance owed to Clarke, or be deemed as satisfaction of any claim of Clarke.
13. **Disputes.** Buyer shall make no set-off, retention or other deduction from amounts to be paid to Clarke under the Contract without the express written consent of a duly authorized representative of Clarke. This Contract shall not be governed by the 1980 U.N. Convention on Contracts for the International Sale of Goods; rather, this Contract shall be solely governed by, and construed in accordance with, the laws of the State of Ohio, U.S.A., without regard to conflicts of law principles that would recognize the application of any other law. Any controversy or claim arising out of or related to the Contract or the breach thereof, (a) shall be settled by arbitration administered by the American Arbitration Association in Cincinnati, Ohio under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof, and (b) must be commenced prior to the first anniversary of the date of Buyer's acceptance of the attached Sales Order. Notwithstanding the foregoing, Clarke at all times shall have the right to seek such remedies through any court, wherever located, including without limitation injunctive relief, as it deems necessary or desirable to protect its confidential information and/or its intellectual property rights. If either party incurs any actual and reasonable expenses (including attorney's fees, costs, expenses and/or disbursements) in order to enforce its rights under, or to recover damages for a material breach or default by the other party of any obligations under this Contract (including, for example, any costs associated with Clarke's repossession of the Product), the prevailing party shall be entitled to recover from the other party any such expenses incurred by the prevailing party.
14. **Resale.** If Buyer resells any of the Product sold under this Contract to any third party purchaser, Buyer shall include language in an enforceable agreement with its purchaser that makes the language in these Terms and Conditions, including the provisions in paragraph 4, binding on its purchaser and any subsequent purchasers of the Product.
15. **Compliance With Law.** Buyer shall comply with all applicable laws, including any U.S. laws and regulations that may have a direct application to Buyer, including by way of example but without limitation, U.S. export controls and economic sanctions, the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and U.S. anti-boycott regulations. With regard to U.S. export controls and economic sanctions:
 - A. Buyer acknowledges that Clarke Products or technology were sold in the United States or exported from the United States in accordance with the Export Administration Regulations and other U.S. export controls and economic sanctions regulations. Diversion to end destinations or end users contrary to U.S. law is prohibited. By accepting these products or technology, Buyer agrees to comply with all U.S. export controls and economic sanctions.
 - B. Buyer will not sell, export, re-export, transmit, divert or otherwise transfer any Clarke Products or technology directly or indirectly to any individual, business, non-U.S. government, country or other entity for the following end uses without obtaining pre-approval from Clarke:
 - nuclear;
 - missiles and rocket systems;
 - unmanned air vehicle systems;
 - chemical and biological weapons;
 - maritime nuclear propulsion;
 - non-U.S. vessels or aircraft;
 - military uses; or
 - research and development, scientific or defense-related institute, organization, etc., related to or involved with any of the above.
16. **Governing Language.** This Contract was made in English. If any translation of the Contract conflicts with the English version or contains terms in addition to or different from the English version, the English version shall prevail.