

TERMS AND CONDITIONS

1. Acceptance. These Purchase Order Terms and Conditions (these "Contract Terms") govern all purchase orders (the "Order") issued by the customer identified in the attached Order ("Customer") to Construction Equipment Parts, Inc., a Texas corporation ("CEPI") to buy the goods or services ("Goods" and/or "Services") set forth in this Order. This Order and the Contract Terms shall be deemed accepted by the Customer, and a binding contract between Customer and CEPI, if (a) CEPI fulfills any part of this Order, (b) CEPI's conduct recognizes the existence of a contract pertaining to this Order, (c) CEPI provides Customer with written notice of acceptance of this Order, or (d) CEPI fails to deliver to Customer a written notice of its rejection of this Order or of specific modifications requested to these Contract Terms within 10 business days of delivery of this Order to CEPI. This Order and the Contract Terms, once accepted, shall constitute the entire agreement between Customer and CEPI with reference to the matter of this Order, and it replaces and substitutes any prior discussion, negotiation, and agreement, verbal or written, express or implicit, relative to the subject matter of this Order.

2. Changes. Customer may present changes to this Order by delivery of written notice to CEPI, which CEPI may accept or reject, in its sole discretion.

3. Inspection. Payment by Customer for the Goods or Services delivered under the Order shall not constitute Customer's acceptance of such Goods or Services or waiver of any of its rights herein. Customer retains the right to inspect the Goods and evaluate the Services and if such Goods or Services do not conform to Customer's specifications or are defective as determined by Customer, Customer may (a) accept such Goods or Services as is, or (b) return such Goods at Customer's expense, subject to the return policy set forth in Section 4.

4. Return Policy. To return Goods and receive a refund, Customer must: (a) provide a copy of the original invoice showing the purchase of the Good requested for return; (b) contact CEPI to receive a return authorization number within one year of the original delivery of the Goods to Customer; (c) clearly display the return authorization number on the outside of all return packages; and (d) return the Goods within 30 days of receiving a return authorization number. The following conditions may restrict return eligibility: (i) all Goods and parts must be complete, free of damage and in saleable condition; (ii) used, weathered and "take off" parts are not eligible for return; (iii) open seal kits, gasket kits and electrical items (switched, solenoids, etc.) and rubber products are not eligible for return; (iv) special order parts may not be eligible for return. The following restocking fees will apply to returned goods: (A) 0 – 30 days, 0%, (B) 30 days – 6 months, 15% of purchase price, (C) 6 months – 1 year, 20% of purchase price, and (D) older than 1 year, not eligible for return.

5. Payment. As full consideration for CEPI's satisfactory provision of the Goods or performance of the Services, Customer will pay CEPI such amount agreed upon and specified in the Order and shall remit payment not later than 30 days following Customer's receipt of said invoice.

6. Limited Warranties. CEPI MAKES NO WARRANTIES, EITHER EXPRESS OR IMPLIED, WHETHER OF MERCHANTABILITY, FITNESS FOR PURPOSE OR OTHERWISE WITH RESPECT TO ITEMS INCLUDED IN THIS INVOICE EXCEPT AS FOLLOWS: (a) all new items and factory rebuilt, reconditioned or re-manufactured items are warranted by their respective manufacturers, not by CEPI; (b) all used or second hand items are sold "as is," (c) all products that have separate warranties attached at time of delivery or are sold with separate written warranty provided, shall be subject to such warranty to the extent it is inconsistent with the terms stated above, and (d) all items rebuilt by CEPI are warranted for one year from the date of the sales invoice covering such items against defects in materials and workmanship under normal service and use. Any repairs or alternations not authorized by CEPI in writing VOID this warranty. Further, this warranty shall not apply to any items which have been subject to misuse, negligence, or accident, including: by way of illustration only and not by limitation of improper installation, lack of lubrication or use of improper lubricants. All items must be returned to CEPI's shop with transportation charges prepaid for CEPI's inspection and determination within 90 days from the date of the sales invoice covering said items. CEPI's obligation under this warranty shall be limited as CEPI may elect, either by replacement of any defective parts, free of charge at our shop, or to payment of an amount equal to the original purchase price, per CEPI's invoice, or any parts not so replaced, but in no event in excess of the purchase price for the item in question. CEPI shall not be liable for any labor charges incurred by the Customer for removal, replacement, adjustment, or repair of any defective parts. Customer shall not be entitled to any special, consequential, or other damages. THIS IS A LIMITED WARRANTY.

7. Price. Except as provided below, prices set forth in this Order are fixed and invariable. Unless another currency is specified in this Order, all monetary amounts are deemed to be expressed in U.S. dollars.

8. Assignment. Neither party may assign any of its rights or obligations under these Contract Terms or an Order and may not delegate, subcontract or transfer any Order, the work required to be done or any payments to be made under an Order without the other party's prior written approval.

9. Force Majeure. CEPI shall not be liable for a delay in performance of its obligations and responsibilities under this Order due to causes beyond its control, and without its fault or negligence, such as but not limited to war, embargo, national emergency, insurrection or riot, acts of the public enemy, fire, flood or other natural disaster.

10. Risk of Loss. Payment for the costs of shipping the Goods shall be handled as mutually agreed by Customer and CEPI. Regardless of the method of shipment used or which party is responsible for payment of the shipping costs, Customer agrees that CEPI will deliver all Goods specified in this Order to the location(s) specified in this Order at Customer's own risk. Customer shall bear the risk of loss, destruction, or damage during shipment.

11. Governing Law; Submission to Jurisdiction. The Order and terms herein shall be construed in accordance with the laws of the State of Texas which shall have exclusive jurisdiction. Venue shall be exclusively within Dallas County, Texas.

12. LIMITATION OF LIABILITY. IN NO EVENT WILL A PARTY BE LIABLE TO THE OTHER PARTY OR ANY THIRD PARTY, IN CONTRACT, TORT OR OTHERWISE, FOR ANY LOSS OF PROFITS OR BUSINESS, OR ANY SPECIAL, INCIDENTAL, INDIRECT, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES, ARISING FROM OR AS A RESULT OF THESE CONTRACT TERMS, ANY ORDER OR ANY AGREEMENT BETWEEN THE PARTIES RELATING TO THE GOODS OR SERVICES SUPPLIER PROVIDES, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

13. Arbitration. The parties agree that any and all disputes, claims or controversies arising out of or relating to these Contract Terms or the Order shall be fully and finally settled in Dallas, Texas by arbitration administered by the AAA, in accordance with its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s), including attorneys' fees and costs of arbitration, may be entered in any court having jurisdiction thereof. The Federal Arbitration Act (Title 9 U.S. Code Section. 1, et. seq) shall govern all arbitration and confirmation proceedings.