

## AGREEMENT

Buyer and Seller hereby agree that the terms and conditions of sale by Short Block Technologies, Inc. ("SBT") are set forth hereunder and are made a part of this transaction. The term "Buyer," as used herein, includes the purchaser and all other persons who use or access SBT products through the purchaser. The terms of this agreement may not be modified by any verbal or written agreement. This document sets forth the entire agreement between the parties, and all prior negotiations are merged herein.

## LIMITATION OF WARRANTIES AND DAMAGES

**THE WRITTEN WARRANTIES PROVIDED HEREUNDER ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ALL WARRANTIES OF MERCHANTABILITY AND WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE. SBT SHALL NOT BE LIABLE TO THE USER OR BUYER FOR ANY INCIDENTAL, CONSEQUENTIAL, OR SPECIAL DAMAGES OF ANY TYPE. THE EXCLUSIVE REMEDY OF THE USER OR BUYER, AND THE LIMIT OF THE LIABILITY OF SBT, FOR ALL LOSSES, DAMAGES, OR INJURIES FROM THE USE OF SBT PARTS, PRODUCTS, OR REPAIRS (INCLUDING CLAIMS BASED UPON CONTRACT NEGLIGENCE, STRICT LIABILITY, OR TORT) SHALL BE THE REPLACEMENT OR REPAIR REMEDIES SPECIFIED UNDER THE WRITTEN WARRANTIES SET FORTH HEREINBELOW. THESE TERMS ARE AN ESSENTIAL PART OF THE BARGAIN BETWEEN THE PARTIES BASED UPON THE PRICE OF SALE NEGOTIATED HEREIN.**

**1. Warranties** SBT hereby provides a limited warranty upon its crankshaft, engine parts, pistons, and remanufactured engines as specifically set forth hereinbelow. These limited warranties are effective January 1, 2005. The express written warranties set forth herein constitute the only warranties made by SBT in connection with this transaction. As noted hereinabove, all other warranties, express or implied, including warranties of merchantability and fitness for a particular purpose, are expressly disclaimed. All limited warranties specified herein are conditioned upon Buyer's immediate notice to SBT of the alleged fault or defect. All warranty claims must be furnished to SBT, in writing, within a period of fourteen (14) days from Buyer's discovery of any defect or problem covered herein or must be reported to SBT, via telephone, with the issuance of a specific returned goods authorization number. Telephonic notice shall not be effective unless an authorization number is issued by SBT. From the date of notice to SBT, the Buyer must return the defective unit within thirty (30) days to SBT; otherwise, all warranties hereunder are null and void. All prior warranties of SBT are replaced by the limited warranties as follows:

**A. Remanufactured Engines** SBT warrants its standard remanufactured engines for a period of one (1) year from the date of the original purchase against any failure that would require replacement. In the event that an engine with a two (2) year warranty is purchased, all the same guidelines apply with the exception of the term. SBT's obligations hereunder are limited to the repair or replacement of the engine. The foregoing are the Buyer's exclusive remedies. SBT assumes no liability for labor charges or damage to other components or assemblies resulting from failure of the engine. This warranty does not apply to an engine which has been subject to modification or has been disassembled, including, but not limited to, removal of the head. Any warranty work performed by SBT does not extend the original warranty period. The defective engine must be returned to SBT, postage prepaid, within the one year warranty period with an SBT issued RGA (returned good authorization) number.

This warranty does not apply to personal watercraft (pwc) used for rental or commercial purposes. SBT offers no warranty for pwc used for rental or commercial purposes. Your account must be in current and in good standing before SBT will perform any warranty work.

**B. Piston Lifetime Limited Warranty** SBT warrants its pistons to be free from defects in parts and workmanship for the lifetime of the personal watercraft. The determination as to whether or not a part is defective rests with SBT management, and such determination is final. All products alleged by Buyer to be defective must be returned to SBT, postage prepaid, with an SBT issued RGA (returned goods authorization) number. This limited warranty does not cover labor or other costs or expenses incidental to the repair/or replacement of the piston. SBT assumes no liability for labor charges nor damage to other components or assemblies resulting from failure of parts.

This warranty does not apply to personal watercraft (pwc) used for rental or commercial purposes. SBT offers no warranty for pwc used for rental or commercial purposes. Your account must be current and in good standing before SBT will perform any warranty work.

**C. Crankshaft Warranty** SBT warrants its crankshafts for a period of one (1) year from the date of the original purchase against any failure that would require replacement. Any warranty work performed by SBT does not extend the original warranty period. All products alleged by Buyer to be defective must be returned to SBT, postage prepaid, with an SBT issued RGA (returned goods authorization) number. This limited warranty does not cover labor or other costs or expenses incidental to the repair/or replacement of products or parts. SBT assumes no liability for labor charges nor damage to other components or assemblies resulting from failure of parts. SBT specifically disclaims any responsibility for warranties by suppliers or manufacturers issued by or otherwise advertised by them.

This warranty does not apply to personal watercraft (pwc) used for rental or commercial purposes. SBT offers no warranty for pwc used for rental or commercial purposes. Your account must be current and in good standing before SBT will perform any warranty work.

**2. Terms of Payment** All sums due to SBT hereunder shall be paid in full no later than thirty (30) days from the date of the transaction. Any order cancelled, refused or returned new with SBT authorization will be subject to round trip freight charges and a 10% restocking fee. All delinquent accounts are subject to a late charge of 1½ percent per month until paid in full. SBT shall be entitled to recover a reasonable attorney's fee and court costs should SBT engage an attorney to collect upon this transaction or to resolve any claim or dispute arising, directly or indirectly, out of business dealings between the parties.

**3. Core Returns** Buyer must ship to SBT the used engine or part ("core"), which becomes the property of SBT upon receipt. Buyer must return the core to SBT within two weeks after receipt of the remanufactured engine or crankshaft. In the event the core is not returned within said two week period, each engine core shall be subject to a late fee of \$100.00 per week, which shall accrue until the core is received by SBT. Each crankshaft or other exchange part shall be subject to a \$25.00 per week late fee which shall continue to accrue until the core is returned to SBT. All cores must be shipped to SBT before any new orders will be processed. All cores must be returned by Buyer in a rebuildable condition. SBT reserves the right to charge Buyer additional sums for any core which is damaged, missing parts, or otherwise not reasonably subject to rebuilding. Buyer agrees to pay said additional charge, to be determined in SBT's discretion, within ten (10) days of written notice from SBT.

**4. Florida Contract** This agreement is made in the state of Florida, and all payments due hereunder shall be made to SBT at its principal offices at 1401 North Myrtle Avenue, Clearwater, Florida 33755. Venue for the enforcement of this agreement or for the resolution of any dispute between Buyer and SBT shall be adjudicated in Pinellas County, Florida, and venue for all suits shall be fixed in Pinellas County, Florida.

**5. Mediation** In the event that a Buyer asserts any claim against SBT, under the aforementioned warranties or otherwise, and if said claims are not resolved through 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's asserting any legal action against SBT. 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.

**6. Notices** All notices furnished to SBT hereunder, including all notifications to SBT of claims under the aforementioned limited warranty plans, shall be furnished to SBT, by certified mail return receipt requested, to its principal offices located at 1401 North Myrtle Avenue, Clearwater, Florida 33755.

**7. General Terms** This invoice and terms and conditions constitute the entire agreement and transaction between the parties. All prior discussions, negotiations, and dealings between the parties are hereby merged into this agreement, and this agreement shall supercede all prior transactions between the parties. Time shall be of the essence in construing the terms hereof. By concluding the transaction evidenced hereunder, Buyer and SBT agree to all of the terms and conditions set forth herein above.