

1. Scope. The sale of the products, materials and/or goods described on this invoice ("Products") by Generac Power Systems, Inc., including its affiliates and subsidiaries (collectively, "Seller") to Buyer is expressly conditioned upon Buyer's agreement to each and every term contained in these Terms and Conditions (the "Terms"), which shall control over any inconsistent or contrary provision in Buyer's purchase order or other related documents ("Buyer Documents"). Any terms and conditions contained in Buyer's Documents are expressly rejected by Seller. Buyer's provision of a purchase order to Seller shall constitute implicit acceptance of the Terms. Acceptance of a purchase order by Seller does not constitute an agreement to accept future purchase orders from Buyer. Seller has the right to reject and not accept any purchase order from Buyer for any reason prior to delivery. No amendment to or modification of the Terms is effective unless it is in writing, identified as an amendment to and signed by an authorized representative of each party.

2. Payment Terms. Buyer shall pay all invoiced amounts due to Seller within thirty (30) days from the date of receipt of Seller's invoice. Buyer shall make all payments in US dollars. Buyer shall pay interest on all late payments at the greater of the rate of two percent (2%) per month or the highest rate permissible under applicable law, calculated daily and compounded monthly. Buyer shall reimburse Seller for all costs incurred in collecting any late payments, including, without limitation, attorneys' fees. Seller, in its sole discretion, may suspend work, shipment or delivery until payments for Products or other past due invoices are made. Seller may also require prepayment from Buyer or cancel any outstanding purchase order due to Buyer's financial condition or nonpayment. Buyer shall reimburse Seller for reasonable cancellation or storage charges for cancelled or delayed shipments. Seller may apply any payments received to Buyer's oldest outstanding invoices regardless of any instructions to the contrary from Buyer. Seller may apply any payments received against all or any part of any damages it may suffer (resulting from any breach of the contract by the Buyer) upon notifying the Buyer of its intention to do so. Buyer shall pay all costs and expenses (including attorneys' fees) incurred by Buyer to collect any past due amount for Products sold, whether or not litigation is commenced.

3. Delivery. All Products purchased by Buyer are shipped EXW Seller's manufacturing facility or FOB Port (whichever is applicable in Seller's sole discretion) (Incoterms 2010). The

shipment date in any invoice or order acknowledgment, if any, is not fixed or guaranteed. Seller assumes no liability for loss, damage or consequential damage due to delays.

4. Title and Risk of Loss. Title and risk of loss pass to Buyer once Seller places Products available for shipment. As collateral security for the payment of the purchase price of the Products, Buyer hereby grants to Seller a lien on and security interest in and to all of the right, title and interest of Buyer in, to and under the Products, wherever located, and whether now existing or hereafter arising or acquired from time to time, and in all accessions thereto and replacements or modifications thereof, as well as all proceeds (including insurance proceeds) of the foregoing. The security interest granted under this provision constitutes a purchase money security interest under the Wisconsin Uniform Commercial Code. Buyer shall execute any other document, including a financing statement or other document similar to the UCC-1, necessary to perfect Seller's security interest in the Products. Buyer authorizes Seller to file at Buyer's expense any financing statement related to the Products without Buyer's signature, except where prohibited by law.

5. Taxes. Buyer shall pay all federal, state and local sales, use or other excise taxes, charges and duties arising from Buyer's purchase order and all other taxes, charges and duties of whatever nature assessed upon the Products.

6. Cancellation; Returns. Buyer may terminate a purchase order only upon payment of all of the Seller's costs incurred up to and through the date of termination plus a reasonable profit on such costs. In no case may Buyer terminate the order after shipment of the Products. Buyer may not return Products to Seller without Seller's written consent. Should Buyer receive Seller's written consent to return Product(s), Buyer may be required to pay a restocking fee to Seller of up to twenty percent (20%) of the Product(s)' purchase price in Seller's sole discretion.

8. Limited Warranty. Seller's warranty for the Products shall be as provided in Seller's current warranty, policies, procedures and flat rate manuals which are incorporated herein by reference. Warranty service can only be performed by one of Seller's authorized warranty service dealers. **SELLER MAKES NO OTHER EXPRESS OR IMPLIED WARRANTIES AND ALL OTHER WARRANTIES ARE SPECIFICALLY EXCLUDED, INCLUDING ANY WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR PARTICULAR OR SPECIAL PURPOSES. SELLER SHALL UNDER NO CIRCUMSTANCES BE LIABLE FOR ANY**

SPECIAL, EXEMPLARY, PUNITIVE, INCIDENTAL OR CONSEQUENTIAL DAMAGES REGARDLESS OF THE CAUSE. The Seller shall not be liable for a breach of the warranty if: (i) Buyer makes any further use of such Products after giving notice of defect; (ii) the defect arises because Buyer failed to follow Seller's oral or written instructions as to the storage, installation, commissioning, use or maintenance of the Products; or (iii) Buyer alters or repairs such Products without the prior written consent of Seller. With respect to any such Products during the Warranty Period, Seller shall, in its sole discretion, either: (A) repair or replace such Products (or the defective part) or (B) credit or refund the price of such affected Products provided that, if Seller so requests, Buyer shall, at Buyer's expense, return such Products to Seller. **THE REMEDIES SET FORTH IN THIS SECTION SHALL BE THE BUYER'S SOLE AND EXCLUSIVE REMEDY AND SELLER'S ENTIRE LIABILITY FOR ANY BREACH OF THE LIMITED WARRANTY.**

9. Limitation of Liability. IN NO EVENT SHALL SELLER BE LIABLE FOR ANY DIRECT, CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE, OR ENHANCED DAMAGES, LOST PROFITS OR REVENUES OR DIMINUTION IN VALUE, ARISING OUT OF, OR RELATING TO, OR IN CONNECTION WITH ANY BREACH OF THE TERMS, REGARDLESS OF (a) WHETHER SUCH DAMAGES WERE FORESEEABLE, (b) WHETHER OR NOT SELLER WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, (c) THE LEGAL OR EQUITABLE THEORY (CONTRACT, TORT OR OTHERWISE) UPON WHICH THE CLAIM IS BASED, AND (d) THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE.

10. Limitation of Actions. Buyer may not commence any action or demand arbitration against Seller more than eighteen (18) months after the date of sale of Products. Claims for shipping errors or merchandise defects will be waived unless made in writing to Seller within ten (10) days after receipt of such shipment. Claims for shortages, losses and apparent or concealed damages sustained in transit shall be made by Buyer with the applicable transportation carrier.

11. Indemnity. Buyer shall indemnify, defend and hold harmless Seller and its officers, directors, employees, agents, affiliates, successors and permitted assigns (collectively, "Indemnified Party") against any and all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs, or expenses of whatever kind, including reasonable attorneys' fees, fees and the costs of enforcing any right to indemnification under the Terms and the cost of pursuing any

insurance providers, incurred by Indemnified Party relating to any claim of a third party or Seller arising out of or occurring in connection with (a) the Products purchased from Seller; and (b) Buyer's negligence, willful misconduct or breach of the Terms. Buyer shall not enter into any settlement without Seller's prior written consent.

12. Offsets. Buyer shall not withhold payment of any amounts due and payable by reason of any set-off of any claim or dispute with Seller, whether relating to Seller's breach or otherwise.

13. Anti-Corruption. Buyer agrees that in performing its duties under the Terms it will not offer, promise, or make any payments, loans, gifts of money, or anything of more than nominal value to an official or employee of any government; or to an official or employee of any department, agency, or instrumentality of a government; or to an employee of any corporation or entity owned or controlled by a government; or to an immediate family member of such officials or employees; or to any political party, party official, or political candidate; or to any other person if Buyer knows or has reason to believe that any part of the payment, loan, or gift will be given directly, indirectly, or through a third party to any of the persons described above. Buyer represents and warrants that none of its agents, partners, owners, principals, or employees is or will be an official or employee of any government department, entity, instrumentality, or government-owned corporation, nor of any political party, nor is any of them a political candidate. Buyer agrees that it has no right to assign any portion of the Terms, and that it will not use sub-agents, representatives, or sub-partners that have not been approved in writing by Seller. Buyer agrees to make and keep books, records and accounts that accurately, fairly, and in reasonable detail reflect its performance hereunder.

14. Compliance with Laws. Buyer agrees to comply with all applicable laws and regulations thereunder, including without limitation, those with respect to wages, hours, labor conditions and the Occupational Safety and Health Act of 1970. If this order (or sub-contract) covers material and/or services to be utilized in the fulfillment of a Government Contract, Buyer (or Contractor) agrees to comply with the requirements of 41 CFR 60-1.4(a), 60-300.5(a) and 60-741.5(a), the Equal Opportunity Clause set forth in Section 202 of Executive Order 11246 (and any amendments thereto), the Affirmative Action Clause prescribed by the Vietnam Era Veterans Readjustment Assistance Act of 1974; Minority Business Enterprises Clause requirements of Executive Order 11625; and the Affirmative Action Clause prescribed by Executive Order 11758 unless exempt from such compliance. These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex or national origin. Moreover,

these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color religion, sex, national origin, protected veteran status or disability.

15. No Waiver. Failure of Seller to insist upon strict performance of any of the Terms shall not be considered a continuing waiver of any of Seller's rights, or of such Terms.

16. Export Restrictions. Buyer shall not export, sell or otherwise dispose of any Products, or technical data, to any country not approved for export or to any person or entity if that export is in violation of the U.S. Export Administrative Regulations (15 CFR parts 730-774) and/or the regulations of The Office of Foreign Assets Control (31 CFR 500-597) implemented pursuant to the Trading with the Enemy Act, (50 USC 1-44) and the International Emergency Economic Powers Act (50 USC 1701-1706). Without limiting any other export restriction as otherwise provided herein, products or technical data may not be exported or re-exported, either directly or indirectly, to any country subject to sanctions or embargoes maintained by the Bureau of Industry and Security or the Office of Foreign Assets Control.

17. Governing Law; Venue; Jurisdiction. The Terms shall be governed by and construed in accordance with the internal laws of the State of Wisconsin without giving effect to its conflicts of law principles. Any legal suit, action, or proceeding relating to the Terms must be instituted in the federal or state courts located in Milwaukee County, Wisconsin. Each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action, or proceeding.

18. Confidential Information. All non-public, confidential or proprietary information of Seller, including, but not limited to, specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts or rebates, disclosed by Seller to Buyer, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as "confidential," in connection with the Terms is confidential, solely for the use of performing the Terms and may not be disclosed or copied unless authorized by Seller in writing. Upon Seller's request, Buyer shall promptly return all documents and other materials received from Seller. Seller shall be entitled to injunctive relief and any other legally available remedies for any violation of this Section. This Section shall not apply to information that is: (a) in the public domain; (b) known to the Buyer at the time of disclosure; or (c) rightfully obtained by the Buyer, as established by documentary evidence, on a non-confidential basis from a third party. This Section shall survive the termination of the Terms.

19. Force Majeure. Any delay or failure of either party to perform its obligations under the Terms (other than failure to

pay in any amounts due) will be excused to the extent that the delay or failure was caused directly by an event beyond such party's control, without such party's fault or negligence and that by its nature could not have been foreseen by such party or, if it could have been foreseen, was unavoidable (which events may include, but not limited to, natural disasters, embargoes, explosions, riots, wars, acts of terrorism, outbreaks of disease, epidemics, pandemics, civil unrest, strikes, national or local emergency, labor stoppages or slowdowns or other industrial disturbances, and shortage of adequate power or transportation facilities).

20. Relationship of the Parties. **The relationship between the Parties is that of independent contractors. Nothing contained in the Terms creates any agency, partnership, franchise, business opportunity, joint venture or other form of joint enterprise, employment or fiduciary relationship between the Parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever. The relationship is nonexclusive and Seller has the absolute right to make direct sales and appoint other buyers in any geographic area.**

21. No Third-Party Beneficiaries. The Terms are for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of the Terms.

22. Notices. All notices, requests, consents, claims, demands, waivers and other communications under the Terms must be in writing and addressed to the other party at its known address (or to such other address that the receiving party may designate from time to time). Unless otherwise agreed herein, all notices must be delivered by personal delivery, nationally recognized overnight courier or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in the Terms, a notice is effective only (a) on receipt by the receiving party, and (b) if the party giving the Notice has complied with the requirements of this Section.

23. Severability. If any provision of the Terms is found unlawful, void or for any reason unenforceable, then that provision shall be deemed severable from the Terms and shall not affect the validity and enforceability of the remaining provisions of the Terms.