

Sale Proposal for EMD 16-645E3 Prime Mover Re-Qualified

Ref: RFP; (1) Qualified Diesel Engine

Per your request, we are pleased to offer the following proposal for the supply of Qualified GM/EMD 16-645E3 diesel prime mover.

This letter is intended to provide you with a forum and cost structure to finalize the sale of one Qualified EMD 16-645E3 qualified prime mover. We wanted to reference Specific points that can be used as umbrella language in a purchase order your company submits.

High Level details include the following

- Supply 16-645E3
- Perform Lead and Land readings.
- Inspect and record all piston ring grooves
- Inspect complete liner, carrier and rod
- Check all bolt holes
- Check Head pots and test cocks for cracking
- Clean out Airbox and Pan. Wipe Clean.
- Clean out Strainer box and oil separator
- Check Crankshaft Thrust and record
- Check and qualify Main bearings.
- Check and Qualify Rod bearings
- Rebuilt water Pumps shall be installed.
- Rebuilt Oil pumps shall be installed
- Turbo shall be Inspected
- Injectors Shall be Qualified
- Check camshaft and aux gen drive thrust
- The governor control linkage shall be qualified and set
- Install new fuel filters
- Engine will be timed
- Engine will be water and fuel pressure tested.
- Governor will be Inspected, flushed and new oil Installed
- The engine shall be painted EMD Grey and Timing TAG installed.

PRICING PROPOSAL

Engine Equipment TOTAL PRICE: for the supply of 1 EMD 16-645E3 Qualified Locomotive engine

\$67,000.00 USD FOB Illinois. Unit Exchange. Return core must be complete and non failed. Chargebacks will apply.

TERMS AND CONDITIONS: Will proceed upon workable purchase order and credit instrument.

FOB: (equipment only) Equipment FOB Illinois

PRICES: Our prices are fixed and firm through the delivery period if ordered within in the validity period. Any extension to these periods will be subject to price escalations in accordance with applicable statistics.

VALIDITY: This proposal is open for acceptance for a period of not more than 30 days. All equipment is subject to prior sale and production scheduling.

DELIVERY: Delivery to be determined in the contractual outlay. Unit will be loaded on Flat bed truck. Extra charges for any extra crating or containerizing will apply

STANDARD WARRANTY

It is Understood this is a qualified Engine not rebuilt and as such carries no warranty of any Kind

**Seller shall in no event be liable for incidental or consequential damages.
Incidental or consequential damages are defined as follows:**

- 1).** Incidental Damages are expenses incurred in the inspection, transportation, care or custody of the part/s of any commercially reasonable charges, expenses or commissions.
- 2).** Consequential Damages are injury to person or property resulting from the defective part, lost revenues, or any claims made by third parties.
In no event shall Seller be liable for any breach of warranty in an amount exceeding 100% of the replacement price or invoiced price for the repair of the part.