

PART SALES MANUAL



PIERCE

1.0.0 TERMS OF SALE

Unless otherwise specified on the invoice, all invoices are to be paid in full, NET 30 days from invoice date. All quotations, sales orders, and deliveries are subject to Pierce credit approval.

All goods remain the entire property of Pierce until full payment of the invoice has been received. A 1.5% per month (18% per annum) administration fee will be charged on past due amounts.

The price list is subject to change without prior notice.

2.0.0 LOCATION

Pierce Pacific Manufacturing, Inc.

4424 NE 158th Ave
Portland, OR 97230

Telephone: 503.808.9390
Toll Free: 800.824.3637
Fax: 503.808.9370

3.0.0 DEALER DISCOUNT LEVELS

Parts sales discounts are awarded to high volume dealers, and are based on performance during the previous calendar year. This discount structure is in place to reward dealers committed to stocking and supporting Pierce & Denharco products. The aggregate volume of parts sales purchased by a dealer's branches collectively are accumulated to designate an earned discount level for the entire company. The company, regardless of purchasing branch, earns that level of discount for the entire year.

In the interest of this document, Pierce and Denharco parts will simply be referred to as "Pierce parts". The following defines all discount levels, as well as how each classification is achieved.

CLASS A DEALER

In the previous calendar year, minimum purchases of genuine Pierce parts must equal or exceed:

- \$200,000 USD
 - Pre-tax (exclusive of any returns)

Purchaser must be an authorized excavator dealer/distributor.

CLASS B DEALER

In the previous calendar year, minimum purchases of genuine Pierce parts must equal or exceed:

- \$125,000 USD
 - Pre-tax (exclusive of any returns)

Purchaser must be an authorized excavator dealer/distributor.

CLASS C DEALER

All authorized excavator dealers that do not meet Class A or B classification requirements.

Purchaser must be an authorized excavator dealer/distributor.

NOTE: New dealers must place an initial order equal to or greater than \$5,000 USD (pre-tax) to establish an account as a class C dealer.

Existing Class C dealers must purchase a minimum of \$5,000 USD annually in order to remain a qualified Pierce parts distributor. If criteria is not met, dealer will be reclassified as Class D in the next calendar year.

CLASS D DEALER

Non-authorized excavator dealers that supply value-added service parts and support to end-user customers (example: hydraulic service, field servicing mechanics, used equipment dealer, rental house, manufacturer, etc.), or authorized dealer that did not meet class C requirement in the previous calendar year.

NOTE: New Class D dealer must place an initial order equal to or greater than \$5,000 USD (pre-tax) to establish an account as a class D dealer.

Existing class D dealers must purchase a minimum of \$5,000 USD annually in order to remain a qualified Pierce parts distributor. If criteria is not met, then non-authorized dealers will be reclassified as Class L in the next calendar year. Authorized dealers will remain as a Class D dealer.

CLASS L CUSTOMER

All end users & non-authorized dealers that don't meet criteria above.

4.0.0 PARTS SALES DISCOUNT STRUCTURE

PARTS DISCOUNT (ALL ORDERS)	CATEGORY 1	CATEGORY 2
CLASS A	30%	20%
CLASS B	25%	20%
CLASS C	20%	15%
CLASS D	10%	10%
CLASS E	0%	0%

CATEGORY 2 PARTS (PRT2) = Predetermined select components, often high dollar parts (such as delimber booms, drive motors, computers, custom fabrications, etc.). Contact Pierce parts sales department for specific item identification.

CATEGORY 1 PARTS (PRT1) = All other service parts.

5.0.0 RUSH ORDER

Pierce attempts to ship rush orders on the same day providing 1) the order is received before 3:00 p.m. Pierce local time (PST), 2) the parts are in stock, and 3) the required freight carrier is available. For orders processed after 3:00 p.m., order may be subject to an expediting fee.

5.1.0 ORDERS AFTER BUSINESS HOURS OR CARRIER PICK UP

An additional charge of \$400 USD will be invoiced each time the dealer requires shipment after regular business hours.

5.2.0 STOCK ORDERS

For stock orders exceeding \$7,500 USD, Pierce pays standard ground transportation to a single location.

6.0.0 AFTER BUSINESS HOURS EMERGENCY SERVICE

After business hours = 5:00 pm TO 7:00 am (PST).

A telephone message service is available to receive calls after regular business hours. This message service can be reached by dialing the following numbers:

LOCATION	TOLL FREE	DIRECT	DAYS OF OPERATION	HOURS OF OPERATION
PORTLAND, OR	800.824.3637	503.808.9390	M-F (PST)	7am – 5pm
EMERGENCY	503.805.0060		SAT/SUN	M-F: 5pm-7am (PST)

6.1.0 DROP SHIPMENTS (TO LOCATIONS OTHER THAN SELLING DEALER LOCATION)

For orders that are drop shipped, a discount reduction of 5% will apply to all dealer classifications regardless of Category 1 and Category 2 parts classification.

7.0.0 ORDERING PARTS PROCEDURE

7.1.0 REQUIRED INFORMATION

- Purchase order number.
- Pierce part number(s).
- 'Ship to' address and shipping instructions.
- 'Bill-to' address.
- Serial Number of the Pierce product (when applicable) for which the part is intended (when required by Pierce Parts Sales Department).

NOTE: There is no minimum order requirement.

7.2.0 PURCHASE ORDERS

Orders may be placed by FAX, electronic mail (e-mail) or verbal telephone orders.
(For contact information, refer to last page.)

8.0.0 ERRORS IN SHIPMENT AND PURCHASE ORDERS

8.1.0 SHIPPING ERRORS BY PIERCE

Pierce assumes the responsibility for shipping errors made by its own personnel, and will absorb the cost to exchange, replace, correct or return the merchandise shipped in error. It is the responsibility of the dealer to notify Pierce of the error within 24 hours of receiving the incorrect parts in order for corrective action to promptly occur.

Return Pierce parts shipped in error 'collect' back to Pierce at the direction of the Pierce Parts Sales Department. A Return Materials Authorization number (RMA#) number will be assigned by the Pierce Parts Sales Department.

Pierce reserves the right to refuse the return of those parts if, in Pierce's opinion, the dealer is not acting in good faith.

Please refer to Section 11.0.0 "Return of Merchandise" for conditions and procedures.

NOTE: All merchandise returned to Pierce without an RMA# will be refused and returned to the dealer at the dealer's expense without notification.

9.0.0 ORDER CANCELLATION

See 11.0.0 or contact Pierce for proper return procedure. When order has already shipped, no cancellation is possible.

9.1.0 CHARGES

No orders will be cancelled without written confirmation. All cancellation requests must be confirmed in writing (by fax or e-mail).

For cancelled orders that have already been processed, Pierce charges a 15% cancellation fee.

No cancellation charges are applicable if the order has not yet been processed.

10.0.0 TRANSPORTATION

10.1.0 ADDRESS OF DELIVERY

The dealer is responsible for including on all purchase orders, the address to which the shipment is to be delivered. If no delivery instructions are present on the purchase order, the goods will be shipped to the dealer's primary location using the best ground method available.

The dealer may choose to have the order shipped directly to a different address. In this case, the ship to address must be made clear in writing.

10.2.0 PAID BY THE DEALER

When the dealer pays transportation costs and no carrier is specified at the time of the order, Pierce will select the carrier of its choice without assuming cost or responsibility for the goods.

Pierce responsibility ends with the carrier's pick-up at Pierce. At that time, the dealer becomes entirely responsible for the merchandise in case of claim, loss or damage.

11.0.0 RETURN OF MERCHANDISE

11.1.0 RETURN PROCEDURES

A Return Materials Authorization number (RMA#), as well as the assigned return location will be provided by the Pierce Parts Sales Department. All parts authorized for return should be sent with attached RMA#, Attn. Pierce Parts Sales Manager.

For further details regarding returning goods, please follow directions found in the Pierce Warranty Manual.

11.2.0 RETURN CONDITIONS

Any parts to be returned must be new, cleaned and identified with the Return Materials Authorization number (RMA#) clearly labeled on the return packaging, along with a hardcopy accompanied within the shipment.

All returned goods must be returned to Pierce freight 'prepaid'.

Defective (or returnable) parts must be returned to Pierce within 15 working days after the request was made.

No credit will be granted for returned parts that have been inspected and evaluated by the dealer or customer without Pierce's consent. At the dealer's request, Pierce will ship the parts back freight 'collect'.

Credits for returned goods will be based upon the original price paid (with proof of purchase), or in some cases, on the current list price at the time of return, less the applicable stock discount based upon the dealer's classification (see section 6.0.0). Also, items to be returned must be a stocking item by Pierce at the time of return.

Custom/special orders do not qualify for return.

Credit notes will be issued within 30 days after receipt and acceptance of the returned parts.

The merchandise to be returned must be new, have been purchased directly from Pierce, and proof of purchase (invoice #) must be provided.

For further details, please see section 4.2.0 'Returning Claimed/Defective Parts' of the Warranty Manual.

No credits are allowed for the following:

- Hydraulic hoses (custom lengths)
- Custom tube assemblies
- Parts damaged (notched, twisted, broken, bent, etc.)
- Parts showing signs of rust
- Parts showing signs of use
- Incomplete parts/assemblies
- Items installed, then removed from equipment
- Parts with broken seals
- Parts that have been repainted, repaired, reconditioned or damaged over time
- Parts that no longer have their ID or serial number
- Electronic components
- Custom made hard plumbing lines/tubes & hoses
- Open seal kits & gaskets
- Open packages or those not in its original packaging
- Items not in saleable condition
- Value below \$10
- Over 12 months since original purchase

11.3.0 FOR REGULAR INVENTORY RETURNS

Pierce will only accept parts that were purchased less than 12 months prior to the request.

Returns within 30 days are not subject to a restocking charge. Returns from 30 days to 1 year are subject to a 20% restocking charge.

Exception: special order, outdated items & some fabricated parts are not returnable.

Value of total return shall not exceed \$7,500 USD.

11.4.0 PERIODIC ADJUSTMENTS

Once per year the stocking dealer has the option to return up to 25% of the value of the parts purchased during the preceding 12 months not to exceed \$7,500 USD, with appropriate restocking charges. Only parts having been purchased during the most recent 12 months preceding the request for return are eligible for periodical returns. Some items such as special orders, outdated parts or some fabricated parts may not be eligible for return.

The dealer must submit a list of parts to be returned to the Pierce Parts Sales Manager for review. Upon Pierce approval, a Return Materials Authorization number (RMA#) will be issued.

For requested return items beyond 12 months, Pierce has no obligation to accept returns and will only consider such returns on a case by case basis, and at Pierce's discretion only.

The dealer is responsible for the transportation cost of the parts returned.

12.0.0 WARRANTY

Pierce warrants its new parts sold over the counter against any breakage resulting from defects in workmanship or materials, if used and maintained under normal conditions, for a period of ninety (90) days from the date the dealer invoices the customer.

Refer to the Pierce Warranty Manual for comprehensive warranty details.

12.1.0 REPLACEMENT COMPUTER WARRANTY

Pierce warrants its new delimeter and processing head measuring systems against defects in materials and workmanship for the duration of the product's warranty from the original date of delivery. Any replaced or repaired component shall be under warranty for the remainder of the product's warranty period. In cases of a component defect, Pierce will either repair the unit or replace it with a 'new' or 'reconditioned' unit – at Pierce's option.

Replacement computers will be sold at a predetermined transaction rate. Additionally, and in order to incentivize the customer to return a failed computer to Pierce, a core charge will also be billed to the dealer/customer. If/when the failed computer is returned to Pierce, then the core charge will be credited in-full upon receipt providing the unit is in reasonable condition. If core is credited, then customer's original computer will not be returned to original customer. The computer will go into Pierce's exchange pool. In other cases (where an "exchange" is not available), simply a credit will be issued upon the return of failed components to Pierce. Specific legacy replacement computers will only be available as 'reconditioned'. All computers and components are warranted for 90 from time of invoice.

Warranty does not cover any freight incurred in executing this policy.

This warranty does not cover computers damaged from peripheral devices, external impacts, and/or showing external signs of abuse or impact (accidental or otherwise); and/or power surges (ie lightning strikes, etc), or software upgrades.

13.0.0 CONTACT US

Pierce Pacific Manufacturing, Inc.

Physical Address:

4424 NE 158th Ave.
Portland, Oregon 97230
U.S.A.

Mailing Address:

P O Box 30509
Portland, Oregon 97294
U.S.A.

Telephone: 503.808.9110

Toll Free: 800.760.3270

Fax: 503.808.9370

E-Mail: info@piercepacific.com

Website: www.piercepacific.com

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Telephone: 503.808.9390

Toll Free: 800.824.3637

Fax: 503.808.9370

E-Mail: msb@piercepacific.com



Pierce Pacific Manufacturing, Inc.

4424 NE 158th
Portland, Oregon 97230 USA

Post Office Box 30509
Portland, Oregon 97294 USA

Telephone: 503.808.9110
Toll Free: 800.760.3270
Fax: 503.808.9111

www.piercepacific.com



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