



Master Warranty & Product Liability

Compactors • Dumpers • Containers • Carts • Vertical Balers

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Safety Notice

Proper maintenance and repair is essential to the safe, reliable operation of our products. Service and maintenance procedures recommended are described in the service manual and are effective for performing service operations. Some of these service operations may require the use of special tools or devices especially designed for the purpose. These tools or devices should be used when and as recommended. These operating instructions are not intended as a substitute for training and experience in proper use and safety procedures in operating this equipment. Anyone who uses service procedures or tools that are not recommended by SP Industries, Inc., assumes all risks to persons, equipment and property.

Product Warranty — Compactor, Vertical Baler, Dumper

SP Industries, Inc. (herein referred to as S.P.I.) warrants each new compactor, vertical baler and dumper to be free from defects in material and workmanship under normal use and service as follows:

Compactor Ram and Frame Weldment - Three (3) Years

Vertical Baler Platen and Frame Weldment - Three (3) Years

Compactor and Vertical Baler Hydraulic and Electrical Equipment - One (1) Year

Dumper Frame Weldment, and Hydraulic and Electrical Equipment - One (1) Year

Vertical Baler Feed Gate and Mechanical Bale Eject Platform and Chain - 90 Days

S.P.I.'s obligation under this warranty is limited to replacement of any defective part or material, and normal labor, per flat rate schedule. During such period, this warranty excludes any obligation by S.P.I. for the cost of transportation or any other cost arising out of such replacement in excess of this Standard Warranty Reimbursement Program.

This warranty shall not apply to any compactor, vertical baler or dumper that has been subject to misuse or negligence; or any compactor, vertical baler or dumper that is modified by other than S.P.I. factory personnel or factory authorized personnel.

Throwing heavy, non-compactible items into the compaction chamber from a height greater than the compaction chamber opening will create impact loads that will damage the floor and floor supports. This is considered misuse and is not covered under the standard warranty.

Intentionally throwing hardened steel items such as nuts, bolts, chips, and scrap will cause excessive wear and damage to the ram and compaction chamber. This is considered misuse and is not covered under the standard warranty. Consult the factory for information concerning the possibility that material being thrown into the compaction chamber will cause damage.

Ram hold down bars, wear strips, ram guide shoes, and the upper scraper bar wear under normal operation. These items must be periodically inspected, lubricated, and adjusted or replaced as needed. The adjustment and replacement of these items is not covered under the standard warranty and is the responsibility of the owner of the equipment. Any part that has a grease fitting or oil cup that fails due to the lack of lubrication as outlined in the Parts and Service Manual is not covered under the standard warranty and is the responsibility of the owner of the equipment. These items will be covered under the warranty — after factory inspection — if they fail due to faulty workmanship.

S.P.I. final assembly personnel inspect and test all equipment before shipping. As outlined in the Service Manual, hydraulic and electrical connections may loosen during shipment and/or during normal operation. All loose electrical and hydraulic connections, as well as rubbing hydraulic hoses, loose limit switch arms, push buttons and wires must be serviced at the time of installation and subsequent maintenance checks per the Service Manual maintenance schedule. This service is considered normal maintenance and is not covered under the standard warranty. In addition, failure of electrical and hydraulic components due to improper installation and maintenance is not covered under the standard warranty.

S.P.I. neither assumes nor authorizes anyone to assume for it any other obligation or liability in connection with such compactors, vertical balers and dumpers.

This warranty excludes any obligation by S.P.I. for loss of product down time or any other incidental or consequential damage incurred at any time.

This warranty is the only warranty applicable to compactors, vertical balers and dumpers manufactured by S.P.I. and is expressly in lieu of all other warranties, expressed or implied, including any implied warranty of merchantability or fitness for a particular purpose.

Replacement parts are subject to a 90 day warranty and are specifically excluded from the Standard Warranty Program.

Customer Responsibility

It is the responsibility of S.P.I. Dealers and Distributors to install the compactor, vertical baler or dumper in conformity with current ANSI Z245.2 and Z245.5 as well as any applicable codes and regulations. **IMPORTANT:** Furnished with each compactor, baler and dumper is a compactor, baler or dumper Operation Service Manual, including an electrical schematic specifically for that unit.

S.P.I.'s Dealer and/or Distributor must train authorized operators in safe methods and use of the compactor, vertical baler or dumper system.

The manuals should be retained for future reference and use.

The post-delivery inspection form must be filled out completely, with a customer's authorized agent signature, and a copy must be forwarded to S.P.I. in order for the unit to **qualify for the Warranty Program.**

In the event of failure of a component of the product, the Dealer or distributor must contact S.P.I.'s Service Manager provide him with a description of the problem, and **the model and serial number** of the product.

IMPORTANT: No claims will be accepted for normal post delivery inspection, lubrication or adjustments. All units are inspected and adjusted at the time of manufacture. Shipping can loosen fittings and possibly change adjustments. The time involved in the pre- or post-delivery inspection and adjustments must be part of the installation charge to the end user.

When S.P.I.'s Service Manager is advised of a service problem, presumed to be covered under warranty, the following actions will occur.

Parts necessary to return the unit to service will be sent to our Dealer or Distributor. The Dealer or Distributor will be invoiced for these parts and will be responsible for any freight charges. A statement on the face of the invoice will read
AUTHORIZATION NO. _____

The failed parts and a copy of invoice noting the Authorization Number must be returned to S.P.I.'s Service Department within thirty (30) days from date of failure in order to be considered for warranty replacement. **Shipments will not be accepted unless freight is prepaid.**

Upon receipt of the part, it will be examined by the Service Manager. If it is determined to be defective, the original invoice for the replacement part(s) will be credited to the Dealer's or Distributor's account.

In addition to the above, a credit for labor will also be issued to the Dealer or Distributor's account. This credit will be limited to a fair, agreed upon rate.

In cases where no Flat Rate hours are prescribed, a copy of the repair order must accompany return parts, S.P.I.'s Service Manager will review repair orders and determine the number of hours that will be paid. Any hours in excess of "Flat Rate Schedule" will be rejected. In addition, any claim received for work not listed in the "Flat Rate Schedule" will be rejected unless a "Warranty Authorization Number" has been assigned for this unlisted labor expenditure. No credit will be allowed for labor hours spent in inspection or diagnosis of equipment problems.

In case of failure of the equipment that will require repair by welding, re-welding, and/or fabrication of additional steel weldment material, the Dealer and/or Distributor shall be required to send photographs of the inspection, and obtain prior approval of method, and procedure, and a "Warranty Authorization Number" from the Service Manager to ensure that:

1. The correct method of repair as prescribed by S.P.I. is followed.
2. A copy of the work order is included with return parts.

Failure to comply with this procedure will result in rejection of the warranty claim and a voided warranty.

Travel time (man and truck) will be allowed on the basis of:

First 25 miles \$ 15.00
up to 100 miles \$ 15.00 per 25 miles
over 100 miles \$ 10.00 per 25 miles

No allowance whatsoever will be made for replacement of components or labor that our inspection subsequently shows not to be defective.

**Warranty And Service On All
Major Components Not
Manufactured By S.P.I.**

If your equipment fails (i.e., motor) and it is under warranty, have the equipment checked out by an electrician or service personnel. If there are no problems with fuses or wiring, the motor should be taken to the nearest authorized motor warranty center (if you do not have a listing of authorized motor warranty centers, call S.P.I.'s Service Department to determine the location of the center in your area). The motor warranty center will check the motor to determine whether or not it is factory defective.

If the motor failed due to defects in material or workmanship, the motor warranty center will repair or replace the motor at the motor manufacturer's expense. If the motor failure was not caused by defective factory material or workmanship, it will be repaired only if the customer agrees to pay for the expense.

S.P.I. will not absorb the cost for pick-up or delivery service to service centers on defective motors. Removal and reinstallation are covered in the Standard Warranty Program.

Product Warranty — Container & Cart

S.P.I. warrants its solid waste handling equipment to be free from defects in material and workmanship, under normal use and service, for a period of Ninety (90) Days from the date when these products are first placed in operation, but not to exceed One Hundred Eighty (180) days from the date of shipment.

This warranty is expressly limited to the replacement or repair at its factory in Hopkins, Michigan, or such other place as S.P.I. may designate, of such product as shall be returned to it with transportation charges prepaid and that shall appear to its satisfaction, upon inspection at such factory or other place designated by it, to have been defective in material or workmanship.

This warranty does not obligate S.P.I. to bear the cost of labor in replacing defective parts. S.P.I. makes no warranty in respect to trade accessories, the same being subject to warranties, if any, of their respective manufacturers. No warranty, express or implied, is made or authorized to be assumed with respect to products of S.P.I. other than that herein set forth.

This warranty is expressly limited to S.P.I. equipment installed by an authorized S.P.I. dealer or distributor. If any other party installs S.P.I. equipment, this warranty becomes null and void in its entirety.

S.P.I. does not assume liability for loss of product, time or any other consequential damages.

Installation Instructions

Model:	CP-711 APT-331	CP-1001 CP-2101 CP-2101-HD SC SCS SCM	CP-3101 CP-4101 CP-2201 CP-3001 CP-4001	CP-2102 CP-3002 CP-4002 CP-6101 CP-6002 CP-7002	CP-8002 CP-13001	PC-3000 PC-4000 PC-6000 PC-7000 PC-9000	Dumpers	Vertical Balers
Component	Labor Hours Required							
Timer	.5	.5	.5	.5	.5	.5	N/A	.5
Relay	.5	.5	.5	.5	.5	.5	N/A	.5
Starter	1.0	1.0	1.5	1.5	1.5	1.5	1.0	1.0
Transformer	.5	.5	.5	.5	.5	.5	.5	.5
Solid State Circuit Board	1.0	1.0	1.0	1.0	1.0	N/A	N/A	N/A
Motor	2.0	2.0	2.0	2.5	2.5	2.0	1.5	2.5
Coupling	2.0	1.0	1.0	1.5	1.5	1.5	1.0	1.0
Hydraulic Pump	2.0	2.0	2.0	2.0	3.0	2.0	1.5	1.5
Solenoid Coil	.5	.5	.5	.5	.5	.5	.5	.5
Directional Valve	1.0	1.0	1.0	1.0	1.5	1.0	1.0	1.0
Start-Stop Switch	.5	.5	.5	.5	.5	.5	.5	.5
Off-On Switch	.5	.5	.5	.5	.5	.5	.5	.5
Jog-Run Switch*	.5	.5	.5	.5	.5	.5	N/A	.5
Retract-Run-Extend**	.5	.5	.5	.5	.5	.5	N/A	.5
Limit Switch	1.5	1.5	1.5	1.5	1.5	1.5	N/A	1.5
Pressure Switch	1.0	1.0	1.0	1.0	1.0	1.0	N/A	1.0
Relief Valve	.5	.5	.5	.5	1.0	1.0	.5	.5
Cylinder Seal Kit	4.0	5.0	6.0	7.0	7.0	7.0	4.0	6.0
Cylinder	3.0	4.0	4.0	5.0	5.0	6.0	2.0	3.0
Hydraulic Hose	.5	.5	.5	.5	.5	.5	.5	.5
Wiper Strip	2.0	2.0	2.0	2.0	2.0	2.0	N/A	N/A
Deodorizer System Pump	1.0	1.0	1.0	1.0	1.0	1.0	1.0	N/A
Oil Heater	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Ram Guide Shoes	N/A	1.0	1.5	1.5	2.0	2.0	N/A	4.0
Pump Adaptor	1.5	1.0	1.0	1.5	1.5	1.5	1.0	N/A

* Auto-Manual Switch on Vertical Baler

** Up-Down Switch on Vertical Baler

Pre-Delivery Inspection

Inspect and completely service each new machine before delivery. Use the S.P. Industries PRE-DELIVERY INSPECTION REPORT, check all items. (See the Information Packet supplied with the compactor.) Make any necessary repairs or adjustments, then report what you correct. Record any optional equipment or attachments to meet your customer's order. Be sure you know the condition of the machine at the time of delivery. Keep a copy of the PRE-DELIVERY INSPECTION REPORT in your machine history file.

Post-Delivery Inspection

At the time of delivery let your customer know you will be back to make an inspection in 30 days. (See the parts and service manual.) Make sure the customer understands you are coming back to inspect; the job of maintenance is the customer's, except in rentals where you have main contracts. Here the key to success is scheduling. Your Service Department should schedule the follow-up inspections and call ahead to make arrangements with the customer.

Use the S.P. Industries Follow-Up Inspection Report, check all items. Report everything that needs attention in writing to the customer. THINK PRODUCT SAFETY. Never let something go unreported that could result in an accident or injury. Schedule repairs that are needed. Observe the customer's preventative maintenance and offer suggestions if the machine appears to need better maintenance. The customer will appreciate your concern for his equipment. Have the customer SIGN the Inspection Report and be sure to give him a copy.

If repairs are needed or something unsafe or dangerous has been reported, it is a good idea for the service manager to follow-up with a letter stating what should be done and asking the customer to make an appointment for service. This is just another way to let the customer know that you care.

Keep copies of all Inspection Reports and correspondence in your machine history file.

Modifications

If a customer requests a modification to a machine, we strongly recommend the following:

First, determine whether an approved S.P.I. part, attachment or accessory can be used or substituted for the modification. A modification may impair either the safe operation or the performance of the machine. S.P.I.'s engineering department has determined in advance that approved S.P.I. parts, accessories and attachments, if properly installed, will not adversely affect the safe operation or performance of the machine.

Second, if there is not an approved S.P.I. attachment, etc., that can be used or if the customer refuses to use the S.P.I. attachment, etc., you should obtain S.P.I. engineering approval for the modification. Unapproved modifications may not only impair the safety and performance of the machine, but also will void the warranty on the machine.

Third, if the customer is unwilling to wait for S.P.I. engineering approval or the modification is disapproved, obtain a copy of the customer's modification intentions in writing so that you and S.P.I. are not held responsible for any damage or injury resulting from the modification. Notify the customer in writing if you believe the modification will cause the machine to be unsafe or if S.P.I. engineering disapproves the modification.

Manuals

Be sure all manuals are delivered with the machine. Use the Operation & Service Manual to review safe operating procedures and controls with the operator. Point out the machine safety features and the location of all warning decals. Explain how to use the Parts Manual to locate repair parts when needed. This is an ideal time to let the customer know you have a spare parts inventory to support his machine.

Your rental equipment is likely to increase your liability exposure because this equipment is usually operated by persons less familiar with the equipment and its operation

Rental Equipment

than in the case of equipment you have sold.

Here are some things you should do to reduce your exposure:

Know The Application: Be sure the machine is capable of performing the job safely.

Inspect Before Delivery: Be sure the machine has been completely serviced and is ready for work.

Make Follow Up Inspections: Check on maintenance. Does the machine need repair?

Deliver Manuals With The Machine: Use the manuals to review operation, safety, lubrication and maintenance.

Rental Agreement: Is your rental contract clearly worded? Always get the customer's signature.

Delivery Inspection Report: Use a Delivery Inspection Report similar to those shown in the Warranty section of the master manual. Be sure the customer signs to acknowledge an understanding of the operation, safety features, and use of the machines.

Keep your service, parts and sales personnel up-to-date through regular participation in factory training seminars and schools. It is especially important that your service people are exposed to the latest techniques in trouble shooting and repair procedures. Display certificates of achievements where they are visible to your customer. Be proud of your investment in manpower, development and training. Let your customers know of the extent of your involvement in providing after sales service and support.

Training

All of your personnel should THINK PRODUCT SAFETY. For example, if a serviceman notices that the customer has installed an unauthorized attachment or accessory or has made a modification that affects the safe operation of the machine, it should be reported. Then, the customer should be advised IN WRITING of your position and his responsibility. A copy must be mailed to S.P.I.'s service manager.

Your personnel should be instructed to report any potentially unsafe situations they observe. To observe an unsafe practice and not report it gives the appearance of condoning it. If your personnel are in doubt about whether or not something is unsafe, have them report it. It's better to be safe than sorry.

Product Safety

Establish a history file for each machine sold. Keep copies of all inspection reports, work orders and correspondence in this file. This file should be kept in the service department. It is a good idea to have a copy of the Machine Record Card in this file and also in the Parts Department.

Files and Records

PRODUCT LIABILITY is something that should concern us all. The number of product liability suits has been increasing rapidly. Increases in settlements have forced liability insurance premiums to skyrocket. The high cost of liability insurance premiums have

Product Liability

placed a greater and increasing financial burden on most people in the refuse and waste equipment industry particularly the manufacturers, dealers and distributors of refuse and waste equipment.

A great deal has been written and said lately about what we can do to minimize our exposure to litigation. One solution is to have an active program of product liability awareness.

The items in this procedure are topics that can be used to make everyone in your organization more aware of product safety and product liability. The financial impact on every one of us including our employees could be severe if we do not all work together to control our activities and reduce our exposure to product liability suits.

Everyone should be thinking PRODUCT SAFETY AND PRODUCT LIABILITY.

Have your liability insurance policy reviewed periodically. Be sure the amount of your insurance coverage is adequate. Will it provide the protection you need to handle the increasing size of awards in product liability suits? Know the provisions of your policy especially the exclusions.

Insurance

Check the wording of your advertisements and sales literature. Are you promising something neither you nor the machine is capable of delivering? Do not promise more than you can deliver, but delivery everything you promise.

Advertisements

Your salesman should know what the customer is going to use the machine for and equip the machine to meet that application. Be satisfied that the machine sold is properly equipped to safely perform that job. Caution your salesmen about making false claims or statements about the machine performance capabilities.

Know The Application

Have your sales contract form reviewed to be sure it is complete and clearly worded. Be sure it is written consistent with current practices within the industry. Your sales agreement form should be reviewed by your lawyer. His advice should be obtained regarding any disclaimers of liability that might properly be incorporated into the sales agreement. Get the customer's signature indicating the sales agreement is understood and accepted.

Sales Agreement

Accident Reporting

To properly defend a product liability suit requires a good defense backed up with accurate statistics and facts. One of the most important sources of these statistics and facts is the Product Accident Report Form 83101.

We must know about accidents and dealers and distributors are our main source for reporting. These reports are necessary to immediately supply our insurance carrier with the facts so they can conduct an investigation while those facts are still available. Sometimes this can mean the difference between winning or losing a case.

Complete the Product Accident Report Form. Be brief and accurate - ONLY REPORT FACTS. Be prompt. Mail copies of the report to S.P. Industries.

Some of the facts to report are:

- Who was injured - name and address.
- When and where did the accident occur.
- Name and address of any witnesses.
- Name and address of machine owner.
- What machine was involved - model and serial number.
- Nature of injury.

There are two other questions we can ask, but they fall outside the category of facts that can be obtained and reported with reasonable knowledge that they are correct. You will note that both questions will involve personal opinions and appearances. The finest sense of judgment is required in reporting the answer to these questions.

HOW:

How did the accident happen?

It is well known that two or more observers of a single event will rarely give identical descriptions of what they saw or heard. The lapse of time, ability to perceive, prejudice and emotion may all influence an observer.

Someone else's opinion or description of an accident should never be reported as fact. It should be reported for exactly what it is, a statement, opinion, description or allegation by an individual observer.

WHY:

Why did the accident happen?

The "Why" of the accident can fall into either one or both of two broad classifications: operator error in judgement or the malfunction of a mechanical part. In the interests of product safety, it is necessary for us to know the facts.

Conclusions, Opinions, Appearances and Speculation based on insufficient knowledge and reported as facts are dangerous.

They could result in design changes or other types of changes that may compound the problem, not solve it. As an example; a damaged part may in fact be damaged, but to refer to it as a defective part or failed part is to draw a conclusion. The damage may have resulted from abuse, poor maintenance or many other reasons. Therefore, it is recommended that your report describe only the facts of the damage you observe. If the "Why" of an accident has been supplied by a person other than the person reporting the accident and is supplied as a conclusion, it should not be reported as fact.

REMEMBER:

It is important that you report all product accidents that may come to your attention. Accidents should be reported promptly not only because our insurance carrier requests it, but also because immediate action may be required to prevent like occurrences. Use Form 83101 for reporting.

Attach copies of reports from any other people to this form. Be sure to include name, address and phone number.

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