

- 1. Acceptance, Governing Provisions and Cancellation.** This writing constitutes the complete and exclusive statement of the terms and conditions of sale of the products and/or services described herein, and Seller's obligation to sell is expressly conditioned upon assent to these terms and conditions. Buyer will be deemed to have assented to these terms and conditions unless Seller receives written notice of any objection within 5 days of the date Buyer receives this writing. No additional or different specifications will be binding upon Seller unless specifically agreed to in writing; failure of Seller to object to provisions contained in any purchase order or other communication from the buyer shall not be constituted as waiver of these terms and conditions nor acceptance of any such provisions. No order accepted by Seller may be cancelled or altered by the Buyer, except upon terms and conditions acceptable to Seller, as evidenced by Seller's written consent. In the event of such an approved cancellation by Buyer, Seller shall be entitled to payment for all finished and in-process goods, as well as any costs incurred in the preparation of Buyer's order to the date of cancellation.
 - 2. Delivery, Claims and Delays.** Delivery of such products to a carrier at Seller's plant or other loading point shall constitute delivery to Buyer, and regardless of shipping terms or freight payment, all risk of loss or damage in transit shall be borne of Buyer. Seller reserves the right to make delivery in installments, unless otherwise expressly stipulated herein, all such installments to be separately invoiced and paid for when due per invoice, without regard to subsequent deliveries. Delay in delivery of any installment shall not relieve Buyer of his obligation to accept remaining deliveries. Further, use of the products by the Buyer shall constitute a waiver of claim for delay.

Claims for shortages or other errors in delivery must be made in writing to Seller within 10 days after receipt of shipment and failure to give such notice shall constitute unqualified acceptance and a waiver of all such claims by Buyer. Claims for loss or damage to products in transit should be made to the carrier and not the Seller.

Seller shall not be liable for any damage as a result of any delay due to any factor or event beyond Seller's reasonable control, including without limitation, an act of God, act of the Buyer, embargo or other governmental act, regulation or request, fire, accident, strike, slowdown, a war, riot, delay in transportation, inability to obtain necessary labor, materials, or manufacturing facilities. All such factors and/or events shall extend the delivery date for a period equivalent to the time lost by reason of such factors and/or events, plus thirty (30) days.
 - 3. Changes.** Seller may, at any time, make such changes in design and construction of products as shall constitute an improvement in the judgement of the Seller. Seller may furnish suitable substitutes for materials unobtainable because of priorities or regulations established by governmental authority or non-availability of materials from suppliers.
 - 4. Payment.** Unless otherwise expressly stated on the face hereof, all prices are subject to change without notice; and the price of products on order but unshipped will be adjusted to the price in effect at the time of shipment. Products are sold f.o.b. Seller's plant, freight collect, unless otherwise stated.

Invoices are due and payable as indicated on the reverse side, and a late payment charge of one and one-half percent (1-1/2%) per month will be added to any invoiced amounts unpaid when due if not prohibited by law, otherwise at the highest lawful contract rate. Buyers shall reimburse Seller, upon demand, for any costs of collection incurred by the Seller, including reasonable attorneys fees. Invoices may be submitted as partial shipments are made, if during the period of the contract the financial condition of Buyer does not justify the terms of payment specified, Seller may demand full or partial payment in advance before proceeding with contract. If shipment is delayed beyond the scheduled date by Buyer, payment shall be due in full when Seller is prepared to make the shipment. If Buyer defaults in any payment when due, then the whole contract price shall immediately become due and payable upon demand, or Seller, at its option without prejudice to other lawful remedies, may defer delivery or cancel this contract.
 - 5. Security Interest.** Buyer hereby grants to Seller a security interest in the products and the proceeds thereof, to secure payment of all sums to become due the Seller hereunder, and any other indebtedness owing at any time by Buyer to Seller. The Seller shall have upon a default in payment, all of the rights and remedies of a secured party under the Uniform Commercial Code. Buyer shall execute and deliver upon Seller's request financing statements to perfect the security interest, and Buyer shall take such further action as shall be necessary or desirable to preserve and protect Seller's security interest.
 - 6. Taxes and Other Charges.** Any manufacturer tax, retailer's occupational tax, use tax, sales tax, excise tax, duty, custom, inspection or testing fee, or any other tax, fee or charge of any nature whatsoever imposed by any governmental authority, on or, measured by the transaction between Seller and Buyer shall be paid by the Buyer in addition to the prices quoted or invoiced. In the event the Seller is required to pay any such tax, fee or charge, Buyer shall reimburse Seller therefore; or, in lieu of such payment, Buyer shall provide Seller at the time the order is submitted with an exemption certificate or other document acceptable to the authority imposing the same.
 - 7. Warranties.** Seller warrants products manufactured by it and supplied hereunder to be free from defects in material and workmanship under normal use and proper maintenance for a period of twelve months from date of shipment. If within such period any such products shall be proved to Seller's reasonable satisfaction to be defective, such products shall be repaired or replaced at Seller's option. Seller's obligation and Buyer's exclusive remedy hereunder shall be within the warranty period and at Seller's option, the return of such products to Seller, f.o.b. its factory, when such return is feasible. Seller reserves the right to satisfy its warranty obligation in full by reimbursing Buyer for all payments it makes hereunder, and Buyer shall thereupon return the products to Seller. Seller shall have the right to remedy such defects. Seller makes no warranty with respect to wear or use items such as belts, chains, sprockets, discs and coils, all of which are sold strictly AS IS.
- THE FOREGOING WARRANTIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER EXPRESS AND IMPLIED WARRANTIES (EXCEPT OF TITLE) INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, PERFORMANCE, OR OTHERWISE, and in no event shall the Seller be liable for claims (based upon breach of express or implied warranty, negligence, product liability, or otherwise) for any other damages whether direct, immediate, incidental, foreseeable, consequential, or special.
- 8. Non-Liability for Damaged Apparatus.** Seller will not be responsible or liable for any damage resulting from improper storage or handling prior to placing the products in service and will not assume any responsibility, expense or liability for repairs made outside its works without proper written consent.
 - 9. Patent.** Seller will, at its own expense, defend any suits that may be instituted by anyone against Buyer for alleged infringement of any United States patent relating to any products furnished by Seller hereunder, if such alleged infringement consists of the use of such products, or parts thereof, in Buyer's business for any of the purposes for which the same were sold, and provided Buyer shall have made all payments then due hereunder and shall give to Seller immediate notice in writing of any claim of infringement and of the institution of any such suit and transmit to Seller immediately upon receipt all processes and papers served upon Buyer and permit Seller through its counsel, either in the name of the Buyer or in the name of the Seller, to defend the same and give all needed information, assistance and authority to enable Seller to do so. In case of a final award of damages in such suit Seller will pay such award but will not be responsible for any compromise made without its written consent. In addition to the foregoing, if at any time Seller determines that there is a substantial question of infringement or in the case any such product is judicially held to constitute infringement and the use of such product is enjoined, Seller may, at its expense, either procure for the Buyer the right to continue using product, or replace the product with non-infringing apparatus, or modify it so that it becomes non-infringing, or remove the product and refund the purchase price and the transportation and installation costs thereof. In no case, shall Seller pay any recovery based on Buyer's saving or profit through the use of the product, whether the use be special or ordinary.

The foregoing states the entire liability of Seller for patent infringement, and in no event shall Seller be liable if the infringement is based on the use of the product for a purpose other than that for which sold by Seller. As to any products furnished by Seller to Buyer manufactured in accordance with designs proposed by Buyer, Buyer shall indemnify Seller against any award made against Seller for any patent, trademark or copyright infringement.
 - 10. Consequential Damages; Indemnity.** SELLER SHALL NOT BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL OR CONTINGENT DAMAGES WHATSOEVER. Buyer shall indemnify the Seller against any and all losses, damages and expenses (including attorney's fees and other costs of defending any action) that it may sustain or incur as a result of any claim of negligence, breach of implied warranty, strict liability in tort, or similar claims by Buyer, its successors or assigns and its customers whether direct or indirect, in connection with the use of product furnished hereunder, including, without limitation, such as may be caused by the negligence of the Seller.
 - 11. Shipping Weights.** Seller shall not be responsible for the accuracy of shipment weights. Such weights are correct only within the limits necessary for estimating freight. For foreign shipments, 20% should be added to the approximate shipping weight.
 - 12. Storage.** If the products are not shipped within 15 days after notification to Buyer that they are ready for shipping, for any reason beyond Seller's reasonable control, including Buyer's failure to give shipping instructions, Seller may store such products at Buyer's risk in a warehouse or yard or upon Seller's premises, and Buyer shall pay all handling, transportation and storage costs at the prevailing commercial rates upon submission of invoices therefore.
 - 13. Technical Information.** Any sketches, models or samples submitted by Seller shall remain the property of Seller, and shall be treated as confidential information unless the Seller has in writing indicated a contrary intent. No use or disclosure of such sketches, models and samples, or any design or production techniques revealed thereby, shall be made without the express written consent of the Seller.