

TRI-STATE BEARING COMPANY, INC. TERMS AND CONDITIONS OF SALE

1. GENERAL PROVISIONS: The relationship between any customer or buyer as described in any invoice, sales agreement or purchase order entered (the "Customer") with Tri-State Bearing Company, Inc. ("TSB") for the purchase of any bearings, belts, sheaves, chain, sprockets, clutches, brakes, seals, gearmotors, or any other product (collectively "Product") is conditioned upon the terms and conditions stated herein, TSB's quote and invoice as tendered to Customer, as the same may be amended or supplemented from time to time (collectively "Agreement") all of which are incorporated herein. Customer's acceptance of this Agreement may be confirmed in writing or any verbal or physical manifestation of acceptance including, but not limited to, Customer's receipt of Products or payment to TSB for the sales/purchases described herein. Customer may not assign this Agreement without TSB's prior written consent. IN THE CASE OF A CONFLICT BETWEEN THIS AGREEMENT AND ANY OTHER DOCUMENTATION SUPPLIED BY CUSTOMER, INCLUDING BUT NOT LIMITED TO, A PURCHASE ORDER, THE CONTENTS, TERMS AND CONDITIONS OF THIS AGREEMENT SHALL PREVAIL. THIS PROVISION, AND EACH AND EVERY OTHER PROVISION OF THIS AGREEMENT, MAY NOT UNDER ANY CIRCUMSTANCES BE MODIFIED, CHANGED, AMENDED OR WAIVED VERBALLY, BUT MAY ONLY BE MODIFIED, CHANGED, AMENDED OR WAIVED BY A WRITTEN AGREEMENT EXECUTED BY TSB.

2. PAYMENT TERMS: Customer agrees to pay the amount as set forth on the invoice in accordance with the terms of the invoice, unless other terms are stated in writing expressly agreed to by the parties. Customer shall assume, in addition to the purchase price, all taxes, however designated, levied or based on such price of the Products or on this Agreement, including, but not limited to, state and local sales, use, privilege or excise taxes based on gross revenue, and any taxes or amounts in lieu thereof paid or payable by TSB in respect of the foregoing, exclusive, however, of taxes on net income. It is understood that any pricing with respect to this Agreement is based upon the information and specifications furnished by Customer to TSB at the time this Agreement is entered. If any changes in such information or specification occurs, then it is understood the pricing and other terms and conditions of this Agreement may be amended and modified by TSB. At TSB's sole option, Customer shall pay cash in advance, or upon delivery, or as otherwise specified by TSB. In the event that Customer defaults on its obligation to pay each invoice when due, then, in addition to all other rights and remedies available to it, TSB shall have the option to withhold any further shipments of Products, until Customer's account is paid in full. Further, in the event payment is not received according to the terms herein, TSB may, at its discretion, assess interest at the maximum rate allowed by law or at the rate of 1.5% per month, whichever is greater. Customer also agrees to pay all attorney's fees and costs incurred by TSB in pursuit of payment which is past due including, but not limited to, collection agency commissions, court costs and attorney's fees.

3. CANCELLATION: No cancelled order or returned Products from any source will be accepted by TSB, without written approval, together with shipping instructions, from TSB. If permission is granted, the returned Products may be subject to a restocking fee plus freight cost.

4. SECURITY INTEREST: Customer hereby grants to TSB a purchase money security interest in the Products to secure payment of the purchase price, and any and all other sums due and owing from the Customer to TSB. Customer authorizes TSB to file financing statements in necessary jurisdictions and represents that no third party has a prior security interest in the Products. Customer shall not sell, transfer, pledge, mortgage, lease or otherwise encumber the Products sold hereunder until TSB is fully paid the purchase price, and any and all other sums due and owing from the Customer to TSB. In the event of failure to make payment on the due date in accordance with terms designated, the entire balance shall become due and payable at once. In case of default of payment, and to the extent permitted by law, TSB shall have the right to take possession of the Products immediately, wherever it may be found, and remove it with or without process of law and may retain all money paid hereunder. Customer agrees to pay TSB's costs of collection, including without limitation reasonable attorney's fees and legal expenses, and that the same are secured by the security interest granted herein.

5. LIMITATION OF WARRANTY; WARRANTY DISCLAIMER: TSB WILL WARRANT THE PRODUCTS ONLY TO THE EXTENT WARRANTED BY THE THIRD PARTY MANUFACTURER AND THIS WARRANTY IS EXPRESSLY LIMITED TO SUCH THIRD-PARTY WARRANTY. EXCEPT AS EXPRESSLY SET FORTH HEREIN, TSB DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE PRODUCTS SUPPLIED HEREUNDER. THIS WARRANTY DOES NOT APPLY TO ANY PRODUCT WHICH HAS BEEN SUBJECT TO ABUSE, MISHANDLING, OR IMPROPER USE AS DETERMINED BY TSB.

6. LIMITATION OF LIABILITY; LIQUIDATED DAMAGES: CUSTOMER AGREES THAT TSB SHALL NOT BE LIABLE FOR ANY EXEMPLARY, SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, TREBLE

OR LIQUIDATED DAMAGES OF ANY KIND, INCLUDING BUT NOT LIMITED TO ECONOMIC LOSS DAMAGES OR LOSS OF PROFITS OF ANY KIND, DAMAGES ARISING FROM THE CUSTOMER OR USER OF THE PRODUCTS OR OTHERWISE FROM THIS AGREEMENT. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, CUSTOMER AGREES THAT TSB'S LIABILITY FOR PERSONAL INJURY, DEATH OR PROPERTY DAMAGE, WHETHER ARISING IN CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE, SHALL NOT EXCEED THE PURCHASE PRICE PAID FOR THE PRODUCT. SUCH SUM SHALL BE CUSTOMER'S SOLE, COMPLETE AND EXCLUSIVE REMEDY AND SHALL BE PAID AND RECEIVED AS LIQUIDATED DAMAGES OR A LIMITATION OF LIABILITY AMOUNT AGREED ON BY THE PARTIES AND NOT AS A PENALTY.

9. INDEMNITY: TO THE FULLEST EXTENT PERMITTED BY LAW, CUSTOMER SHALL INDEMNIFY, HOLD HARMLESS AND DEFEND TSB, ITS OFFICERS, DIRECTORS, EMPLOYEES, AND AFFILIATES, FROM ANY AND ALL CLAIMS, DEMANDS, SUBROGATION CLAIMS BY CUSTOMER'S INSURERS, CAUSES OF ACTION, FINES, CONTROVERSIES, LIABILITIES, REGULATORY ACTIONS, SEIZURES OF PRODUCT, LOSSES, DAMAGES, COSTS AND EXPENSES (INCLUDING, BUT NOT LIMITED TO ATTORNEY'S FEES AND EXPERT WITNESS AND LITIGATION EXPENSES AND COSTS) (HEREINAFTER COLLECTIVELY "CLAIMS"), ARISING FROM OR IN CONNECTION WITH ANY INJURY, DEATH, PROPERTY DAMAGE OR ANY OTHER CLAIM, WHETHER BASED UPON CONTRACT, WARRANTY, TORT, STRICT LIABILITY OR OTHERWISE, RELATING TO THIS AGREEMENT, THE BUSINESS RELATIONSHIP BETWEEN THE PARTIES, THE PRODUCT PROVIDED HEREUNDER, CUSTOMER'S USE, MODIFICATION, OR ALTERATION OF THE PRODUCT, CUSTOMER'S FAILURE TO MAINTAIN THE PRODUCT OR KEEP SUCH IN OPERATIVE CONDITION OR CUSTOMER'S BREACH OF THIS AGREEMENT. THE INDEMNITY PROVISIONS CONTAINED IN THIS AGREEMENT SHALL SURVIVE THE TERMINATION OR EXPIRATION OF THE AGREEMENT.

10. ONE-YEAR LIMITATION OF ACTIONS; LEGAL FEES: To the fullest extent permitted by law, it is agreed that no suit or cause of action or other proceeding shall be brought against TSB more than one (1) year after the date the Product was delivered to Customer, whether known or unknown when the claim arises or whether based on tort, contract, or any other legal theory. TSB shall be entitled to recover from Customer all reasonable legal fees, court costs and expenses incurred in connection with TSB enforcing the terms and conditions of this Agreement.

11. FORCE MAJEURE: TSB shall not be liable for any loss or damage of any kind resulting from delay, inability to deliver, or to perform any other work under this Agreement on account of fire, flood, labor problems, access to premises, accidents, acts of civil or military authorities, acts of God, or from any other causes beyond TSB's control.

12. VENUE AND CHOICE OF LAW: This Agreement shall be governed by and construed in accordance with the laws of the State of Indiana, not including the choice of law rules thereof, and each party by execution of this Agreement hereby consents to exercise of exclusive jurisdiction and venue for any lawsuit arising under this Agreement in the Circuit or Superior Courts of Vanderburgh County, Indiana.

13. EVENTS OF DEFAULT: Customer shall be in default of this Agreement upon the occurrence of including but not limited to, any of the following: (a) Customer's failure to make due and punctual payment of any payment due pursuant to this Agreement; (b) Customer's failure to perform any obligation under this Agreement; (c) An order, judgment or decree entered, with the approval or consent of TSB, by any court of competent jurisdiction, approving a petition seeking reorganization of Customer or appointing a receiver, trustee, or liquidator (or other officer having power, under applicable law, similar to those of a receiver, trustee, or liquidator) of Customer or of all or a major portion of its assets, and such order, judgment, or decree shall continue unstayed and in effect for any period of sixty (60) consecutive days; (d) Customer fails to provide TSB with adequate assurances of due performance under the Agreement, after receiving a written request for the same from TSB; (e) Customer's financial position materially deteriorates; or (f) Customer shall cease to do business as a going concern.

14. SEVERABILITY: If any provision of this Agreement is held by any court or other competent authority to be void or unenforceable in whole or in part, this Agreement will continue to be valid as to the other provisions and the remainder of the affected provision. This Agreement may be executed simultaneously in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The parties agree that this Agreement may be signed by electronic transmission in portable document format or facsimile transmission and shall be deemed to be original signatures.