

BUYER'S ASSENT TO TERMS AND CONDITIONS (a) Seller hereby objects to and rejects any and all different or additional terms or conditions contained in any order submitted to Seller by or on behalf of Buyer unless specifically agreed to in a writing. Under no other circumstances are any such different or additional terms to be considered a part of this Agreement. (b) No representative or agent of Seller has any authority to make any different or additional representations or warranties on behalf of Seller.

PRICES If no price is set forth on the face hereof, prices for the goods described herein (the "Goods") shall be as in effect at the time of shipment. The price is payable net 30 days. Interest shall be paid on demand on past due amounts at the rate of 2% per month or the highest lawful rate, whichever is less.

DELIVERY AND RISK OF LOSS (a) All sales are F.O.B. Seller's plant ("Seller's Plant"). The price for the Goods does not include charges for freight, packaging, insurance, or federal, state or municipal taxes, all of which are Buyer's responsibility. Prices are based on shipping the entire order at one time. (b) All shipping dates are estimates and are not guaranteed. **SELLER SHALL NOT BE LIABLE FOR ANY LOSSES OR DAMAGES (WHETHER INCIDENTAL, CONSEQUENTIAL OR OTHERWISE) RESULTING FROM ANY DELAYS IN SHIPPING OR DAMAGE OCCURRING DURING SHIPPING.** (c) Seller may ship the Goods to Buyer's address as shown on the face hereof by any commercially reasonable means and may select the carrier and route. Delivery of the Goods by Seller to a carrier at Seller's Plant shall constitute tender of delivery to Buyer for all purposes and all risk of loss with respect to the Goods shall pass to Buyer. Seller does not insure Goods against loss or damage in transit.

EVALUATION SAMPLES; SPECIFICATIONS; DIES, MOLDS AND TOOLS Seller is not required to supply Buyer with models, preproduction or evaluation samples (the "Samples") or test data of any kind. In any case where Seller does provide Buyer with such Samples, whether or not pursuant to designs or specifications provided by Buyer, Buyer shall examine the Samples fully. Without limiting any other provision of the Agreement, Buyer shall be solely responsible for establishing that the Samples and Goods are suitable for Buyer's projected use and any other use, commercial or otherwise, to which the Samples and Goods may be applied. Such Samples shall not be offered for sale, sold or provided to, or incorporated into, attached to or enclosed within any device, material, product or thing, that is subsequently offered for sale to or consumption or use by Buyer, any third parties or the general public. Buyer agrees to indemnify seller for all costs and damages associated with any noncompliance with this provision. All specifications are approximate. All dies, molds and tools design, data or other technical information relating to the Order remain the property of Seller.

INSPECTION AND ACCEPTANCE; RETURNED GOODS Buyer at its expense shall inspect the Goods immediately upon receipt at the Shipping Address and, within 30 days of such receipt, give Seller a full and final written statement of all purported nonconformances and defects. If Buyer fails to give written notice within the 30 day period, Buyer shall be deemed to have irrevocably accepted the Goods. Goods may not be returned, and will not be accepted by Seller without Seller's prior written approval.

FORCE MAJEURE; ADJUSTMENTS If performance by Seller is delayed or made impracticable or burdensome by any cause beyond Seller's control, including, without limitation, acts of governments, quasi-governmental bodies, God or nature, fire, flood, explosion, vandalism, sabotage, riot, insurrection, curtailment or termination of Seller's regular sources of supplies, inability to obtain or a delay in obtaining licenses, permits, materials or equipment, acts or omissions of Buyer, its agents or representatives, shipping delays, strikes or other disputes involving Seller or its subcontractors or suppliers then (i) Seller shall be excused from performance to the extent that and for so long as such performance is delayed or made impracticable or burdensome by such cause, and (ii) Seller may adjust the price of the Goods.

CANCELLATION; STOP WORK (a) Orders are non-cancelable and Buyer shall not be relieved from any obligation under this Agreement without Seller's prior written consent. (b) In the event of Buyer's default hereunder, Seller has the right to immediately cancel this Agreement, stop work, refuse to ship or stop delivery of any Goods, recover any losses or damages incurred by Seller as a result thereof, as well as seek any other remedy provided by law. Buyer's default means (i) Buyer's insolvency or the filing or institution of a proceeding under any bankruptcy, reorganization or similar law, by or against Buyer, (ii) an assignment for the benefit of creditors by Buyer, (iii) the appointment of a receiver, trustee or custodian for any of the property or assets of Buyer, and (iv) Buyer's otherwise being in default of any obligation to Seller hereunder or otherwise.

WARRANTY Seller warrants the Goods to be free from defects in materials manufactured by Seller and in Seller's workmanship for a period of (1 year) after tender of delivery (the "Warranty Period"). **THIS WARRANTY (a) IS IN LIEU OF, AND SELLER DISCLAIMS AND EXCLUDES, ALL OTHER WARRANTIES, STATUTORY, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR OF CONFORMITY TO MODELS OR SAMPLES;** (b) does not apply to any Goods which have been (i) repaired, altered or improperly installed; (ii) subjected to improper use or storage; (iii) used or incorporated with other materials or equipment, after Buyer or anyone using the Goods has, or reasonably should have, knowledge of any defect or nonconformance of the Goods; or (iv) manufactured, fabricated or assembled by anyone other than Seller; (c) shall not be effective unless Buyer notifies Seller in writing of any purported defect or nonconformance within 30 days after Buyer discovers or should have reasonably discovered such purported defect or nonconformance; and (d) shall only extend to Buyer and not to any subsequent Buyers or users of the Goods. Buyer shall provide Seller access to the Goods as to which Buyer claims a purported defect or nonconformance. Upon request by Seller, Buyer shall, at its own risk and expense, promptly return the Goods in question to Seller's Plant.

ENCLOSED DRIVES & COUPLINGS The foregoing warranty shall apply to Coupling Products and those of our Products containing gears only if (a) the system of connected rotating parts into which our Product becomes incorporated is compatible with our Product, and if free from critical speed and torsional or other type vibration within the specified operating range, no matter how induced, and (b) the transmitted load and imposed torsional thrust and overhung loads are within the published capacity limits for the unit sold, or as specified in a contract explicitly agreed to by Rexnord in writing. Responsibility for system analysis to determine these requirements rests solely with the customer.

BUYER'S REMEDIES Seller's liability for any breach of this limited warranty is limited to either (i) repair or replacement of any nonconforming components of the Goods, or (ii) upon return of the nonconforming Goods,

return of the amount paid therefor, whichever Seller shall elect. Seller's liability for breach of this contract shall in no event be greater than the price of the item and shall not include any labor, shipping or other costs incurred in connection with any such repair, replacement, reinstallation or reshipment. Any nonconforming Goods returned to Seller must be accompanied by proof of purchase and the transportation of the Goods must be prepaid. Any Goods that are repaired or replaced by Seller shall be redelivered to Buyer F.O.B. Seller's Plant and shall be warranted, subject to the terms hereof, until the expiration of the original Warranty Period. Notwithstanding the foregoing, Seller shall have no warranty obligations unless and until Buyer performs all its obligations hereunder, including payment in full of the purchase price. **THE REMEDY SET FORTH IN THIS PARAGRAPH SHALL BE BUYER'S SOLE AND EXCLUSIVE REMEDY AGAINST SELLER AND BUYER WAIVES ALL OTHER REMEDIES AGAINST SELLER.**

INDEMNIFICATION Buyer shall defend, indemnify and hold harmless seller and its shareholders, directors, officers, affiliates, predecessors, successors and assigns, from and against any and all claims, actions, causes of action, liabilities, liens, losses and costs (including, without limitation, litigation costs and attorneys' fees), relating to the Goods or any device, material or thing to which the Goods are attached or are made a part or within which the Goods are enclosed, regardless of whether Seller may be wholly, concurrently partially, jointly or solely negligent or otherwise at fault.

LIMITATION OF LIABILITY IN GENERAL Except as provided herein, in no event whatsoever shall Seller or any of its shareholders, directors, officers, affiliates, predecessors, successors and assigns, be liable to Buyer or any of its shareholders, directors, officers, affiliates, predecessors, successors and assigns, for any loss or damages of any kind, whether direct, incidental, consequential, exemplary, special or otherwise relating in any way to this Agreement or acts or omissions in connection herewith (including, without limitation, the performance or non-performance of this Agreement and the use of or the loss of use of any of the Goods or other property), regardless of whether Seller and/or others may be wholly, concurrently, partially, jointly or solely negligent or otherwise at fault.

TIME LIMITATION ON ACTIONS; WAIVER (a) Any action by Buyer relating to this Agreement or the Goods must be commenced no later than 1 year after tender of delivery of the Goods. If Buyer fails to commence any such action within such period, the action shall be deemed barred and Seller shall have no liability whatsoever. (b) No failure of Seller to require strict performance by Buyer of this Agreement shall waive, affect or diminish any right of Seller to demand strict performance thereafter. The rights and remedies herein reserved to Seller are cumulative and in addition to any other rights and remedies provided by law.

GOVERNING LAW; CONSENT TO JURISDICTION This Agreement shall be deemed to have been made under, and shall be construed and interpreted in accordance with, the substantive laws of the State of Wisconsin, without regard to its choice of law rules or principals. Buyer hereby submits to the jurisdiction of the state and federal courts for the State of Wisconsin and said courts shall have exclusive jurisdiction and venue to adjudicate the rights and obligations of the parties relating in any manner to this Agreement. Buyer hereby designates the Secretary of State of Wisconsin as an authorized agent to accept service of process for Buyer.

SEVERABILITY If any provision of this Agreement is held by any court to be invalid or unenforceable, such provision alone shall be deemed to be modified or deleted, but only to the extent necessary to enable that and the remaining provisions of this Agreement to be valid and enforceable.

STEARNS DIVISION The performance of a Stearns electro-magnetic clutch, brake or clutch-brake combination depends upon the proper application of the Product, adequate run in, installation and maintenance procedures, and reasonable care in operation. All torque values listed in our bulletins are nominal and are subject to the variations normally associated with friction devices. Adequate and reasonable service factors must be applied when selecting units. The customer should take into consideration all variables shown in the applicable specification sheets.

NO ASSIGNMENT Buyer may not assign any rights or obligations under this Agreement without prior written consent of Seller.

SECURITY INTEREST; COSTS OF COLLECTION To secure all of Buyer's obligations to Seller, Buyer grants Seller a security interest in all goods purchased from Seller, together with all proceeds and products thereof (the "Collateral"). Buyer agrees not to permit any liens to attach to or dispose of (other than in the ordinary course of business) any of the Collateral prior to satisfaction of all its obligations to Seller and Buyer agrees not to permit anything to be done that may impair the value of any of the Collateral or the security intended to be afforded by this Agreement. Buyer hereby irrevocably appoints Seller (which appointment is coupled with an interest) its attorney-in-fact to do all acts and things, including the execution and filing of financing statements, or the filing of this Agreement as a financing statement, that Seller may deem necessary to perfect the security interest created by this Agreement. Buyers will pay as part of the debt hereby secured, all amounts, including reasonable attorneys' fees, incurred by Seller in taking possession of, disposing of, preserving or maintaining the Collateral after any default of any of Buyer's obligations to Seller.

PRODUCT SAFETY Products designed and manufactured by Rexnord are capable of being used in a safe manner; but Rexnord cannot warrant their safety under all circumstances. **PURCHASER MUST INSTALL AND USE THE PRODUCTS IN A SAFE AND LAWFUL MANNER IN COMPLIANCE WITH APPLICABLE HEALTH AND SAFETY REGULATIONS AND LAWS AND GENERAL STANDARDS OF REASONABLE CARE; AND IF PURCHASER FAILS TO DO SO, PURCHASER SHALL INDEMNIFY REXNORD FROM ANY LOSS, COST OR EXPENSE RESULTING DIRECTLY OR INDIRECTLY FROM SUCH FAILURE.**

SAFETY DEVICES Products are provided with only those safety devices identified herein. **IT IS THE RESPONSIBILITY OF PURCHASER TO FURNISH APPROPRIATE GUARDS FOR MACHINERY PARTS** in compliance with MSHA or OSHA Standards, as well as any other safety devices desired by Purchaser and/or required by law; and **IF PURCHASER FAILS TO DO SO, PURCHASER SHALL INDEMNIFY REXNORD FROM ANY LOSS, COST OR EXPENSE RESULTING DIRECTLY OR INDIRECTLY FROM SUCH FAILURE.**