

TERMS AND CONDITIONS

1. THE TERMS AND CONDITIONS SET FORTH BELOW AND ON THE FACE SIDE HEREOF CONSTITUTE THE EXPRESSION OF ALL THE TERMS OF THIS AGREEMENT AND A COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN BUYER AND SELLER. ALL REPRESENTATIONS, PROMISES, WARRANTIES OR STATEMENTS BY ANY AGENT OR EMPLOYEE OF SELLER THAT DIFFER IN ANY WAY FROM THE TERMS AND CONDITIONS HEREOF SHALL BE GIVEN NO EFFECT OR FORCE. Any additional, contradictory or different terms contained in any initial or subsequent order or communication from Buyer pertaining to the goods described on the face hereof (sometimes herein called the "Goods") are hereby objected to. No course of prior dealings between the parties and no usage of the trade shall be relevant to supplement or explain any term used in this Agreement. Acceptance or acquiescence in a course of performance rendered under this Agreement shall not be relevant to determine the meaning of this Agreement even though the accepting or acquiescing party has knowledge of the nature of the performance and the opportunity for objection. All orders are subject to the approval by Seller at its offices in Cleveland, Ohio. No waiver or alteration of the terms herein shall be binding unless in writing and signed by an executive officer of the Seller.

2. Prices are firm for 30 days except for one year contracts for which prices are firm for 90 days. Thereafter, prices are subject to change without notice. Unless otherwise agreed by Seller, all prices are F.O.B. shipping point, freight collect for all bearings. Prices stated are subject to change without notice in the event of: (i) alterations in specifications, quantities, designs, or delivery schedules; (ii) increases in the cost of fuel, power, material, supplies, or labor; and/or (iii) foreign or domestic legislation enacted by any level of government, including tax legislation, which increases the cost of producing, warehousing, or selling the Goods purchased hereunder. No discount will be allowed unless specifically set forth on the face side hereof.

3. Unless otherwise specifically provided, the contract price includes sales, use, excise and similar taxes, whether federal, state or local. Any additional government taxes or levies, as well as changes in the Foreign U.S. currency exchange rate, required to be paid or assumed by Seller subsequent to the execution of an order and relating to undelivered merchandise shall be for Buyers account.

4. All payments are due net thirty days after date of invoice. A finance charge will be charged to Buyer at 1-1/2% per month compounded, or such lesser rate permitted by law, on balances outstanding more than sixty days from the date of shipment and will be charged monthly until full payment is received. Until the purchase price and all other sums due pursuant hereto are paid in full, Seller retains a security interest in the Goods and in all proceeds of said Goods. Buyer shall execute financing statement(s) on request and irrevocably authorizes Seller to execute and file same.

5. Title to the Goods sold and risk of loss of such Goods passes to Buyer upon delivery by Seller to carrier and any claims for losses or damage shall be made by Buyer directly with carrier. Seller shall not be responsible for insuring shipments unless specifically requested by Buyer and any insurance so requested shall be at Buyers expense.

6. Seller reserves the right to consider any order for Goods that are of standard manufacture complete if the total shipment is within 10% of the total due. Orders for Goods that are of special manufacture are subject to a 10% overrun or underrun with the understanding that buyer will be billed for the quantity shipped. All Original Equipment orders are subject to a \$1000 minimum and Aftermarket orders are subject to a \$100 minimum.

7. In the event of cancellation or alteration by Buyer, Buyer shall pay to Seller, promptly upon receipt of an invoice, 15% of the remaining purchase price as partial liquidated damages, plus, in the case of a special order all actual costs incurred by Seller in connection with the unshipped portion of the order.

8. Non-defective standard Goods may be returned to Seller only upon written approval of Seller, freight prepaid to point designated by Seller and subject to a minimum restocking charge of 15% of the purchase price. Goods returned without the authorization of Seller will be refused and all charges incident to such refusal, such as storage, redelivery, return freight, etc. will be borne by Buyer.

9. Shipping dates, where stated, are approximate and not guaranteed. In no event shall Seller be liable for non-performance or delay in performance of orders or in shipment of Goods or for any damages suffered by Buyer as a result thereof, when such non-performance or delay is directly or indirectly caused by, or in any manner arises from fires, floods, earthquakes, other acts of God, accidents, riots, war, strikes, other labor difficulties, operation of law, government regulations or requirements, fuel, transport or materials shortage, or any other cause or causes beyond Sellers control, whether or not they are similar in nature to any of those specified above.

10. Prices stated are based on Sellers standard packaging. Seller reserves the right of packaging the goods in pallets, bulk or individual cartons. Packaging shall be standard commercial packaging and acceptable to commercial carrier. Special customer packaging will be furnished and only when specified and so stated herein and the cost thereof shall be borne by Buyer.

11. Sellers duty to perform hereunder is expressly made conditional upon Sellers ability to obtain from its usual supplier, products in quantity sufficient to meet its obligation under this and other sales agreements and in no event shall Seller be liable for non-performance or for delay in performance of orders or in shipment of products, or for any damages suffered by Buyer as a result thereof, when such non-performance or delay is caused by, or in any manner arises from Seller's inability to obtain products in such quantities. In the event that Seller is unable to obtain products in sufficient quantities and in the event that such inability only partly effects Sellers capacity to perform, Seller shall allocate quantities that are available among its customers (customers under contract and regular customers not then under contract) in a manner that, in Sellers judgment, is both fair and reasonable. Upon the occurrence of the contingency referred to

in this Section 11, Seller shall seasonably notify Buyer of its inability to perform and shall indicate in such notice the extent to which Seller is able to perform.

12. Each shipment and partial fulfillment of an order shall be treated as a separate and independent contract for which Buyer shall make payment as invoiced. All orders and shipments shall be at all times subject to the approval of Seller's credit department. If Buyer fails to pay according to any invoice or if Seller, prior to delivery, discovers that Buyer is insolvent or will not fulfill his obligations to effect payment, Seller may alter the terms of payment or request security. If no security acceptable to Seller is made, Seller may discontinue further shipments or cancel the contract without obligation or liability to itself and without prejudice to any other lawful remedy.

13. Upon receipt of shipment, Buyer shall immediately inspect the Goods. Unless Buyer provides Seller with written notice of any claim for shortages of or defects in the Goods within forty-eight (48) hours after receipt of shipment, such Goods shall be deemed finally inspected, checked and accepted by Buyer.

14. The purchase of the Goods does not entitle Buyer to employ the same with any patented process owned by Seller or others.

Except in the case of articles, materials and designs furnished or specified by Buyer, Seller, at its own expense, shall defend any suit brought against Buyer on the ground that use of the Goods infringes any United States Letters Patent existing on the date of this agreement, and shall pay the amount of any judgment that may be awarded against Buyer in any such suit, provided and upon condition that Buyer shall have made all payments due under this agreement and shall (i) promptly deliver to Seller all infringement notices and other papers received by or served upon Buyer, (ii) permit Seller to take complete charge of the defense of such suit and to compromise the same, if deemed advisable, and (iii) assist in every reasonable way in the conduct of such defense.

In the event that Buyer shall be enjoined by a court of competent jurisdiction from which no appeal can be taken from using the Goods for the intended purpose on the ground that use of the Goods infringes any such United States patent, or if it is established to Seller's satisfaction, upon due investigation, that use of the goods infringes any such United States patent, Seller, at its option, may either (i) procure for Buyer a license to continue using the Goods, (ii) modify the Goods so as to make them noninfringing without serious impairment of performance, (iii) replace the Goods with goods which are substantially the equivalent but noninfringing, or (iv) remove the Goods from Buyer's plant, in which event Seller shall refund to buyer the purchase price less depreciation at the rate of 20% per year. The foregoing sets forth Seller's entire liability to Buyer for patent infringement based on the possession and use of the Goods by Buyer. Seller shall have no obligation whatsoever arising out of any patent infringement claims directed to a process or a method.

Buyer agrees to defend and indemnify Seller against any claims or liabilities for, or by reason of, the infringement of any United States patent arising from the manufacturer of any of the Goods in accordance with specifications furnished by Buyer or from the sale thereof.

WARRANTY

15. Seller warrants that the Goods, if manufactured by Seller, will be free from defects in material and workmanship for a period of (1) year after the date of shipment.

Any claim by Buyer with reference to the goods shall be deemed waived by Buyer unless submitted in writing to Seller within the earlier of (i) thirty days following the date Buyer discovered or by reasonable inspection should have discovered any claimed breach of warranty or (ii) thirteen months following the date of shipment. Any cause of action for breach of the foregoing warranty shall be brought within one year of the date the alleged breach was discovered or should have been discovered whichever occurs first.

If any of the goods are found by Seller to be defective, such goods will be replaced at Seller's cost, exclusive of labor and installation costs. Claims for defective material or workmanship must be verified by an authorized representative of Seller. Goods found to be defective must be delivered to Seller's plant, transportation charges prepaid. Seller's liability (whether under the theories of breach of contract or warranty, negligence or strict liability) under this warranty is limited to Seller's cost of replacing any Goods found by Seller to be defective and shall not exceed the original contract price for the defective product. The parties hereto expressly agree that buyer's sole and exclusive remedy against the Seller shall be for the replacement of defective Goods as provided herein.

THE FOREGOING WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED INCLUDING THOSE OF MERCHANTABILITY OR FITNESS FOR ANY PURPOSE NOT EXPRESSLY SET FORTH HEREIN. NO AFFIRMATION OF SELLER, BY WORDS OR ACTION, OTHER THAN AS SET FORTH IN THIS SECTION 15 SHALL CONSTITUTE A WARRANTY. GOODS WHICH MAY BE SOLD BY SELLER BUT WHICH ARE NOT MANUFACTURED BY SELLER ARE NOT WARRANTED BY SELLER, BUT ARE SOLD ONLY WITH THE WARRANTIES, IF ANY, OF THE MANUFACTURES THEREOF.

Seller's warranty shall only apply to Goods which have been properly mounted, housed and lubricated (when required) in accordance with Seller's factory instructions.

Seller's warranty shall not apply if Goods have been subjected to misuse, mishandling, misapplication, neglect (including but not limited to improper maintenance), accident, improper installation, modification (including but not limited to use of unauthorized parts or attachments), or adjustment or repair performed by anyone other than Seller or one of Seller's authorized agents.

IN NO EVENT SHALL SELLER BE LIABLE FOR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, INCLUDING WITHOUT LIMITATION BREACH OF ANY OBLIGATION IMPOSED ON SELLER HEREUNDER OR IN CONNECTION HEREWITH. CONSEQUENTIAL DAMAGES FOR PURPOSES HEREOF SHALL INCLUDE, WITHOUT LIMITATION, LOSS OF USE, INCOME OR PROFIT, OR LOSSES SUSTAINED AS THE RESULT OF INJURY (INCLUDING DEATH) TO ANY PERSON, OR LOSS OF OR DAMAGE TO PROPERTY (INCLUDING WITHOUT LIMITATION PROPERTY HANDLED OR PROCESSED BY THE USE OF THE GOODS). BUYER SHALL INDEMNIFY SELLER AGAINST ALL LIABILITY, COST OR EXPENSE WHICH MAY BE SUSTAINED BY SELLER ON ACCOUNT OF ANY SUCH LOSS, DAMAGE OR INJURY.

GENERAL CONDITIONS

16. No agent, salesman or other party us authorized to bind Seller by any agreement, warranty, statement, promise or understanding not herein expressed.

The sale of Goods pursuant to this contract shall be governed by the laws of the State of Ohio.

In addition to the rights and remedies conferred upon Seller by law, Seller shall not be required to proceed with the performance of any order or contract, if Buyer is in default in the performance of any order or contract with Seller, and in case of doubt as to Buyer's financial responsibility, shipments under this order may be suspended or sent sight draft with bill of lading attached by Seller.

Any clerical errors are subject to correction.

No delay or omission by Seller in exercising any right or remedy provided for herein shall constitute a waiver of such right or remedy and shall not be constituted as a bar to or a waiver of any such right or remedy on any future occasion.

This contract shall be binding upon and shall inure to the benefit of the successors, and assigns of Buyer and Seller, provided, however, that Buyer may not assign or transfer this contract, in whole or in part, except upon the prior written consent of Seller.