

**FAIRFIELD MANUFACTURING COMPANY, INC.
STANDARD CONDITIONS OF SALE**

ACCEPTANCE OF ORDERS

1. All orders will be subject to acceptance by Fairfield at Lafayette, Indiana.
2. Orders will be accepted at the quoted prices subject to adjustments to meet any general labor and material increases. Orders will be invoiced at prices reflecting actual costs at time of shipment. Increased quantity requests on an existing order will be accepted only if no shipments have been made on that order.
3. Unless otherwise stated, all prices are quoted in U.S. Dollars. All quoted prices are subject to the addition of any applicable sales, excise, use or other taxes levied by either municipal, state or federal authorities.
4. Orders for Torque-Hub service parts less than \$60.00 is subject to a \$20.00 handling fee per order. Split shipments of Torque-Hub service parts will be made at a cost of \$25.00 each to cover packing and billing, if considered necessary by Fairfield.

APPLICATION GUIDELINES

Fairfield's guidelines for applications are intended solely as assistance to Purchaser and Fairfield assumes no liability whatsoever for any use or application of Fairfield's products by Purchaser.

CHANGES, DELAYS, OR CANCELLATIONS

1. Notice of purchase order changes, delays, or cancellations must be made by Purchaser in writing and accepted by Fairfield in writing. Cancellations or delays by Purchaser will only be accepted on terms indemnifying Fairfield against associated losses.
2. For Torque-Hub orders, no cancellations will be accepted within 90 days of the scheduled ship date, and certain items will be subject to payment in full upon cancellation.
3. No changes will be accepted if shipments are scheduled within 60 days.
4. If Purchaser cancels or delays deliveries before material for ordered products has been received in Fairfield's plant, Fairfield reserves the right to charge the Purchaser reasonable amounts for all obligations previously incurred by Fairfield in connection with such products. If Purchaser cancels deliveries or delays deliveries by more than 30 days after materials for ordered products has been received in Fairfield's plant, Fairfield reserves the right to charge for the material and work previously obtained or-performed in connection with such products.
5. All promised delivery dates are Fairfield's best estimates, and may be subject to unforeseeable delays. Fairfield will not be liable for any delay in performance or delivery, or for damages suffered by Purchaser by reason thereof, if the delay is due to Purchaser's changes or other causes beyond Fairfield's reasonable control, and in any such event the time for delivery will be extended for a period equal to the time lost by reasons of any such delay.
6. All cancelled or delayed products or materials not shipped to Purchaser will be held up to 60 days without storage charges, after which time Fairfield reserves the right to impose storage charges.

WARRANTY

Fairfield Manufacturing Company, Inc. warrants to the Purchaser, and the Purchaser only, that its products are manufactured in conformance to drawings and/or specifications furnished or approved by Purchaser. THIS WARRANTY IS SUBJECT TO THE "WARRANTY LIMITATIONS" AND "REMEDIES" SECTIONS HEREOF.

WARRANTY LIMITATIONS

THE ABOVE WARRANTY IS EXPRESSLY IN LIEU OF ALL OTHER EXPRESSED OR IMPLIED WARRANTIES IN CONNECTION WITH THE DESIGN, SALE OR USE OF FAIRFIELD PRODUCTS, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND ANY WARRANTIES THAT EXTEND BEYOND THE DESCRIPTION OF THE PRODUCTS. In order to establish a valid warranty claim, Purchaser must notify Fairfield within twelve (12) months of delivery of the product to the Purchaser. This warranty does not apply to any product which as been repaired or altered outside Fairfield's factory in any way that in Fairfield's judgement affects its stability, or has been subjected to misuse, negligence, or accident. Fairfield neither assumes nor authorizes any person to assume for it any other warranty or liability in connection with the sale of Fairfield products.

REMEDIES

Upon satisfactory proof of claim by Purchaser, Fairfield will within a reasonable time make necessary repairs or replacements, or, where the foregoing are deemed by Fairfield to be commercially impractical, refund the purchase price upon return of the products. Repair or replacement parts provided under this remedy will be supplied by Fairfield free of charge, F.O.B. shipping point, freight prepaid at the lowest available commercial rate. Purchaser charges for repairs, replacements or returns for credit will not be allowed unless previously authorized by Fairfield in writing. Fairfield's liability (whether for breach of contract, breach of warranty, tort or any other claim) in connection with Fairfield products shall not exceed the purchase price of the products, and Fairfield's said liability for Purchaser's materials in Fairfield's possession shall not exceed Fairfield's charges for work done on the materials. IT IS EXPRESSLY AGREED THAT THE FOREGOING REMEDY IS SOLE AND EXCLUSIVE AND STATES THE FULL EXTENT OF FAIRFIELD'S LIABILITY. NO OTHER REMEDY WILL BE ALLOWED, WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY AND NEGLIGENCE). FAIRFIELD WILL NOT UNDER ANY CIRCUMSTANCES BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES OR COSTS OF ANY KIND RESULTING DIRECTLY OR INDIRECTLY FROM FAIRFIELD'S PRODUCTS, INCLUDING WITHOUT LIMITATION FIELD LABOR OR EQUIPMENT COSTS, LOSS OF PROFITS, PRODUCTION, SALES OPPORTUNITIES OR BUSINESS REPUTATION OVER HEAD EXPENSE OR DAMAGE TO EQUIPMENT OR PROPERTY.

PATENTS

Fairfield agrees to indemnify and hold Purchaser harmless against claims of infringement of apparatus claims of any United States patent issued prior to order acceptance of purchaser's order, if such claims are based exclusively upon mechanical infringement by products designed and manufactured by Fairfield. Purchaser agrees to indemnify and hold Fairfield harmless against charges of infringement of any other United States patent copyright, trademark or other proprietary right sold to Purchaser by Fairfield. Each such indemnity shall include all costs of defense against such claims, including reasonable attorneys' fees. In order to be entitled to such indemnity, the indemnified part must notify the indemnifying part in writing of any such claim and tender such party the right to defend, settle, or make changes for the purpose of avoiding infringement.

TOOLS AND DIES

Die preparation and tool usage charges do not convey the right to remove tools or dies from Fairfield's control or impose on Fairfield the obligation to preserve them longer than two years from the date of Purchaser's last order. Tool drawings are not furnished without additional charge. All tool and die charges will be billed to Purchaser upon completion with payment terms of net 30 days.

GENERAL PROVISIONS

1. Fairfield reserves the right to under ship or over ship orders by 5%/a of quantity ordered.
2. Written approval from the Purchaser of any quoted deviations from original specifications is required.
3. Terms of payment are subject to change by Fairfield at any time.
4. Prices are quoted F.O.B. Lafayette, Indiana.
5. Written permission must be obtained from Fairfield before returning materials to its plant or incurring any other charges to Fairfield. Unused Torque-Hub products may not be returned but Fairfield may provide assistance to find suitable users.
6. The failure of Fairfield to insist upon strict performance of any of the terms and conditions stated herein shall not be considered a continuing waiver of any such term or condition or any of Fairfield's rights.
7. THE COMPLETE AGREEMENT BETWEEN FAIRFIELD AND PURCHASER IS CONTAINED HEREIN AND NO ADDITIONAL OR DIFFERENT TERM OR CONDITION STATED BY PURCHASER SHALL BE BINDING UNLESS AGREED TO BY US IN WRITING. These terms and conditions shall supersede any provisions, terms and conditions contained on any purchase order, confirmation, acknowledgment or other writing the Purchaser may give or receive, and the rights of Fairfield and the Purchaser shall be governed exclusively by the terms and conditions hereof. If this quotation is accepted and the Purchaser's purchase order form is used for that purpose, it is expressly and agreed that the terms and conditions herein set forth shall prevail insofar as they may in any way conflict with the terms and conditions set forth in such purchase order form, and the issuance of such purchase order by the Purchaser shall be deemed to indicate the Purchaser's agreement with the foregoing.
8. This agreement shall be governed by Indiana law, and all disputes arising hereunder shall be adjudicated in a court of competent jurisdiction in Tippecanoe County, Indiana.

