

R&M MATERIALS HANDLING, INC. ("R&M") STANDARD WARRANTY

1. WARRANTY POLICY. Subject to those terms and conditions contained herein, R&M warrants that all R&M products conform in all material respects to the description identified in the quotation to Buyer and will be free from defects in material and workmanship for one (1) year from date of shipment (two (2) years for LoadMate Electric Chain Hoists excluding manual products and two (2) years for Stagemaker Concert Hoists excluding controllers and accessories) to Buyer.

THE FOREGOING REPRESENTS THE SOLE AND EXCLUSIVE WARRANTY GIVEN BY R&M TO BUYER AND IS IN LIEU OF AND EXCLUDES ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, ARISING BY OPERATION OF LAW OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

2. WARRANTY REMEDIES. Buyer's sole and exclusive remedy for R&M's breach of the foregoing warranties during the warranty period shall be, at R&M's sole discretion, the repair and/or replacement of any defective products (or component part thereof) pursuant to the terms of, and conditioned upon Buyer's compliance with the procedure identified in paragraph 5 hereof.

3. LIMITATION OF DAMAGES. R&M SHALL HAVE NO LIABILITY TO BUYER WITH RESPECT TO THE SALE OF PRODUCTS OR PROVISION OF SERVICES UNDER THE QUOTATION FOR LOST PROFITS OR FOR SPECIAL, CONSEQUENTIAL, EXEMPLARY OR INCIDENTAL DAMAGES OF ANY KIND WHETHER ARISING IN CONTRACT, TORT, PRODUCT LIABILITY, NEGLIGENCE, STRICT LIABILITY OR OTHERWISE, EVEN IF R&M WAS ADVISED OF THE POSSIBILITY OF SUCH LOST PROFITS OR DAMAGES. IN NO EVENT SHALL R&M BE LIABLE TO BUYER FOR ANY DAMAGES WHATSOEVER IN EXCESS OF THE TOTAL PRICE PAID BY BUYER FOR GOODS AND/OR SERVICES REFERENCED IN THE QUOTATION.

4. INAPPLICABILITY OF, AND VOIDING OF THE WARRANTY. This Standard warranty does not cover defects in R&M products which in the sole discretion of R&M are not defects in material and workmanship and may be attributed to other causes including, but not limited to, failure to operate and/or maintain the products in accordance with the applicable R&M Installation, Operation and Maintenance Manual, side-pulling of load, shock loading, excessive jogging, eccentric loading, overloading, accidental occurrence, improper repair, improper handling or storage of products prior to their installation, chemical exposure and/or abnormal operating conditions not identified to R&M in writing prior to R&M's issuance of a quotation, any other cause that in R&M's sole discretion cannot be attributed to defects in material and workmanship. Failure of R&M products to meet published performance specifications due to abnormal operating conditions beyond R&M's knowledge or control shall not be considered defects in either workmanship and/or material.

Modification of R&M products or related equipment and/or incorporation of non-R&M products or replacement parts into R&M products or related equipment by individuals and/or organizations other than R&M shall void this Standard Warranty.

Buyer's failure to pay in full for the goods and services provided for in the quotation shall void the warranty.

5. WARRANTY PROCEDURE. To obtain Warranty Remedies pursuant to this Standard Warranty, Buyer must strictly adhere to the following procedure. Buyer's failure to comply with the terms of this procedure shall void this Standard Warranty.

Buyer shall, within seventy-two (72) hours of any claimed nonconformance or defect in R&M products, notify the R&M Warranty Administrator in writing of the alleged nonconformance or defect by filling out a Returned Goods Authorization ("RGA") form and forwarding the same to the R&M Warranty Administrator.

R&M shall, within a reasonable time following its receipt of the completed RGA form, issue an RGA reference number applicable to Buyer's warranty claim and advise Buyer of its intention to initially accept or deny the warranty claim pursuant to the terms of this Standard Warranty. If

R&M elects to initially accept the warranty claim it shall advise Buyer of its intention to repair or replace the allegedly defective products (or component part thereof) (the "Initial Acceptance").

a. Replacement of allegedly defective products. Should R&M provide Initial Acceptance of Buyer's warranty claim and elect to replace the allegedly defective products, R&M shall, within a reasonable time, ship new, comparable, replacement products to Buyer F.O.B. Buyer for products shipped within the United States, or EX WORKS Buyer, as defined by Incoterms 2000, for products shipped outside of the United States, via the lowest cost method available.

Buyer shall return the allegedly defective products with a copy of the RGA form to R&M, FOB Buyer, or EX WORKS Buyer, as defined by Incoterms 2000, for products shipped outside of the United States, via the lowest cost method available, within thirty (30) days of R&M's Initial Acceptance of Buyer's warranty claim. If more than one item is returned, each item must be tagged with the RGA number assigned to the warranty claim by R&M.

Within a reasonable time following R&M's receipt of the allegedly defective product R&M shall inspect the product to verify the actual existence of a defect covered by this Standard Warranty. If R&M in its sole discretion determines the existence of a defect in breach of this Standard Warranty, Buyer shall be credited the cost of the replacement part provided pursuant to the foregoing ("Final Acceptance") and the warranty obligation of R&M hereunder shall be fulfilled. If R&M in its sole discretion determines that there is no defect covered by this Standard Warranty, Buyer shall be assessed the charge for any replacement products (or component parts thereof) provided pursuant to the terms of the foregoing and all freight charges incurred by R&M to both receive the allegedly defective products and to ship the replacement products therefor and Buyer hereby agrees to remit payment for the same within thirty (30) days of receipt of written demand from R&M.

b. Repair of allegedly defective products. Should R&M provide Initial Acceptance of Buyer's warranty claim and elect to repair and/or permit the repair of the allegedly defective products by Buyer or approved third parties, R&M shall, unless otherwise agreed in writing by the Warranty Administrator, pay only those direct labor costs incurred to effectuate the repair and the cost of R&M replacement products consumed during said repair provided however that the costs for all products and/or services were approved in advance, in writing by the R&M Warranty Administrator and all labor invoices are received within sixty (60) days from the date an RGA number is assigned to the warranty claim or the date the parts are shipped (whichever is later). All products to be repaired at R&M's facility or at the facility of approved third parties must be shipped FOB R&M or approved third party facility.

c. Repair or replacement of defective products. The replacement or repair of defective products by R&M or approved third-parties pursuant to the terms hereof shall not renew, or extend the original Standard warranty applicable to those products as of the original date of sale.

6. WAIVER. BUYER HEREBY WAIVES ANY CLAIM THAT THE EXCLUSIONS OR LIMITATIONS IDENTIFIED HEREIN DEPRIVE IT OF AN ADEQUATE REMEDY OR CAUSE THIS OR ANY OTHER AGREEMENT WITH R&M TO FAIL OF ITS ESSENTIAL PURPOSE. BUYER SHALL BE ENTITLED TO NO OTHER REMEDY OTHER THAN THOSE IDENTIFIED IN PARAGRAPH 2 HEROF AND RELATING TO THE PROVISION OF PRODUCTS AND/OR SERVICES BY R&M REGARDLESS OF THE FORM OF CLAIM OR CAUSE OF ACTION, WHETHER BASED IN CONTRACT, TORT, PRODUCT LIABILITY, NEGLIGENCE, STRICT LIABILITY OR OTHERWISE.