

## Terms and Conditions of Sale

**CRG INDUSTRIES, LLC, an Ohio limited liability company, and their respective affiliate, CORNERSTONE RESEARCH GROUP, INC., an Ohio corporation, (collectively, "SELLER"), acknowledges and hereby accepts the purchase order dated \_\_\_\_\_, 2013, from \_\_\_\_\_ (the "BUYER"), a copy of which is attached hereto (the "PURCHASE ORDER"). SELLER's acceptance of the PURCHASE ORDER is hereby expressly made conditional on BUYER'S acceptance of the following terms and conditions:**

### **1. General Conditions**

- a. All sales are subject to the terms and conditions stated herein. Additional, contrary, or modified terms proposed by BUYER shall not become part of the Contract governing this order, and SELLER hereby objects to any of such additional, contrary, or modified terms, unless agreed to in writing by SELLER. These terms and conditions shall supersede any provisions, terms, or conditions contained on any confirmation, order, or other writing BUYER may give or receive, and the rights of the parties shall be governed exclusively by these terms and conditions. ACCEPTANCE OF BUYER'S ORDER IS EXPRESSLY LIMITED TO THE TERMS AND CONDITIONS CONTAINED HEREIN AND ON THE FACE HEREOF, AND ANY DOCUMENTS EXPRESSLY INCORPORATED HEREIN BY SELLER.
- b. Acceptance of SELLER's quotation as evidenced by BUYER's purchase order constitutes agreement to these terms and conditions. All orders are accepted by SELLER with the understanding by BUYER that they are subject to SELLER's ability to obtain the necessary raw materials, and subject to SELLER's current schedules, government regulations, orders, directives and restrictions that may be in effect from time to time.
- c. Price quotations are firm for thirty (30) days from the date of the quotation, and for the purchases designated thereon, and all prices are subject to change upon the expiration of such thirty (30) day period, and for any purchase not specified on such quotation.
- d. In the event that BUYER desires to make changes to the statement of work, work content, quantities, specifications, or delivery schedule, BUYER shall submit to SELLER a change order, which will be subject to further acceptance by SELLER, and subject to these terms and conditions. Upon acceptance by SELLER, a mutually-agreed adjustment shall be made to the original order to reflect the modifications agreed to in the change order.

### **2. Proprietary Information**

- a. All PROPRIETARY INFORMATION with respect to the product and processes of SELLER is defined in and shall be subject to the PROPRIETARY INFORMATION EXCHANGE AGREEMENT executed by SELLER and BUYER on \_\_\_\_\_, such PROPRIETARY INFORMATION shall include, but not be limited to, the technology described in pending US Patent Application Serial No. \_\_\_/\_\_\_\_\_ and any foreign or domestic patent application claiming priority thereto (the "PENDING PATENT APPLICATION"), and any other patented or patent-pending technology, specifications, know-how, product composition, technical

information, fabrication methods, processes, drawings, tool design, materials, trade secret and other information.

- b. SELLER grants BUYER a limited non-exclusive license to use SELLER's PROPRIETARY INFORMATION for the limited purpose of fabricating composite parts using only the materials purchased under the PURCHASE ORDER.
- c. IMPROVEMENTS shall be defined herein as any new or modified process, product or technology of any form, that (a) would infringe the as-filed, published, or issued claims of the PENDING PATENT APPLICATION, (b) represents a new application of a process, product or technology disclosed in the PENDING PATENT APPLICATION, or (c) performs the same function or serves the same purpose as SELLER's PROPRIETARY INFORMATION in a new, better, or more economical way ("IMPROVEMENTS"). BUYER shall disclose any such IMPROVEMENTS to SELLER in writing within sixty (30) days of its reduction to practice or its documentation or other constructive reduction to practice.
- d. To the extent that BUYER develops such IMPROVEMENTS and elects to forgo trade secret protection for such IMPROVEMENTS, BUYER hereby grants SELLER a nonexclusive, irrevocable, royalty-free license to such IMPROVEMENTS, and any patent or patent application disclosing such IMPROVEMENTS, provided such IMPROVEMENTS are developed during the pendency of the PENDING PATENT APPLICATION or the term of any patent granting therefrom and further provided any technology commercialization under the license to IMPROVEMENTS includes an acknowledgement that use of the technology by SELLER is subject to a license from BUYER. The aforementioned license to the IMPROVEMENTS shall not restrict SELLER from extending a sublicense to others to practice the IMPROVEMENTS or from selling materials to others for the purpose of practicing the IMPROVEMENTS.
- e. BUYER agrees to not reproduce, reverse assemble, reverse compile, or otherwise attempt to reverse engineer SELLER's PROPRIETARY INFORMATION.

### **3. Safety and Health**

- a. BUYER shall only use the products, processes, and/or Proprietary Information for their intended use and no other uses or applications whatsoever. BUYER shall at all times comply with all Material Safety Data Sheets ("MSDS"), and all other information and materials transmitted by SELLER to BUYER, for the products sold hereunder, including, but not limited to, all warnings and safety and health information about such products and their components. BUYER will provide such information to, and shall instruct, its employees, agents, contractors, customers or any third party who may be exposed to the products about such information and precautions and make copies thereof available to such parties. BUYER assumes full liability and responsibility for compliance with the above-referenced information and precautions, and with all laws, statutes, ordinances and regulations of any governmental authority applicable to the processing, transportation, delivery, unloading, discharge, storage, handling, and use of the products. BUYER further agrees to protect, defend and hold harmless SELLER from and against all claims, demands, causes of actions, damages, losses, liabilities, costs, expenses (including attorneys' fees), penalties, and judgments (collectively, "Claims") associated with the processing, transportation, delivery, unloading, discharge, storage, handling, sale or use of any products after delivery to BUYER.

#### **4. Limited Warranty and Remedies**

- a. All products sold by SELLER shall conform to SELLER's standard product specifications at the time of delivery. BUYER shall promptly inspect any such products upon receipt by BUYER. If BUYER claims that any such product fails to conform to such standard specifications, BUYER shall notify SELLER within thirty (30) days after BUYER's receipt of such purported nonconforming product. If BUYER notifies SELLER within such thirty (30) day period, SELLER, after review and examination of the nonconforming product, in its sole discretion after determination that such product is in fact nonconforming, will furnish a replacement product conforming to such standard specifications, or may make a fair allowance therefor.
- b. SELLER'S SOLE RESPONSIBILITY AND BUYER'S SOLE AND EXCLUSIVE REMEDY IS AS STATED IN PARAGRAPH a ABOVE, INCLUDING, BUT NOT LIMITED TO, FOR ANY CLAIM IN CONTRACT, INFRINGEMENT, WARRANTY, TORT (INCLUDING, BUT NOT LIMITED TO NEGLIGENCE OR STRICT LIABILITY), STATUTORY OR REGULATORY PROVISIONS, INDEMNITY, CONTRIBUTION, OR OTHERWISE. IN NO EVENT SHALL SELLER BE LIABLE FOR CONSEQUENTIAL, SPECIAL, DIRECT, INDIRECT, INCIDENTAL, OR OTHER DAMAGES OF ANY KIND WHATSOEVER, OR FOR ANY AMOUNT IN EXCESS OF THE PURCHASE PRICE OF THE PRODUCT INVOLVED, UNDER THE FOREGOING WARRANTY OR ANY OTHER PART OF THIS AGREEMENT, AND BUYER HEREBY WAIVES FOR ITSELF AND ITS SUCCESSORS AND ASSIGNS ANY SUCH CLAIMS AGAINST SELLER.
- c. All information, materials, and recommendations for use about SELLER'S products are for informational purposes only, and do not constitute a warranty of any kind by SELLER. EXCEPT AS SET FORTH IN THESE TERMS AND CONDITIONS, SELLER MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, ARISING BY LAW OR CUSTOM, AS TO THE MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PRODUCTS, OR THE ACCURACY OR COMPLETENESS OF ANY INFORMATION PROVIDED BY SELLER, OR THE RESULTS TO BE OBTAINED WITH RESPECT TO THE PRODUCTS, PROCESSES, OR PROPRIETARY INFORMATION, ALL OF WHICH ARE EXPRESSLY DISCLAIMED. BUYER ASSUMES FULL RISK, RESPONSIBILITY, AND LIABILITY FOR THE PROCESSING OF ANY PRODUCT, INCLUDING, BUT NOT LIMITED TO, THE APPLICATION OF ANY PROCESS TO THE PRODUCTS, AND FURTHER, WITH RESPECT TO QUALITY CONTROL, TESTING, AND DETERMINATION OF SUITABILITY OF A PRODUCT FOR ITS INTENDED APPLICATION OR USE. BUYER FURTHER ASSUMES ALL RISK AND LIABILITY RESULTING FROM THE USE OF THE PRODUCT, PROCESS, OR PROPRIETARY INFORMATION IN ANY MANNER.

## **5. Shipping and Delivery**

- a. All products furnished hereunder will be shipped ex works from SELLER's facility, and shall be billed collect to BUYER. BUYER shall notify SELLER in complete detail as to the method of shipping and the place of delivery. If BUYER's delivery instructions are delinquent or insufficient, SELLER reserves the right to designate the method and route of shipment at BUYER's expense. Title and risk of loss or damage shall pass to BUYER when SELLER transfers the products into the possession of the carrier. The products shall be considered to be delivered on the date that the products are transferred to the possession of the carrier, or on the date that BUYER is notified that the products are ready for shipment, whichever occurs first.
- b. SELLER shall not be liable for any delay or damages (consequential or otherwise) caused by delay in shipment due, but not limited to, force majeure and other causes beyond SELLER's control. The term force majeure shall include, but is not limited to, war, blockade, civil disturbances, strikes and lockouts, labor shortages, court order, fire and other casualties, accidents and governmental actions.
- c. If shipment is delayed on the instruction of the BUYER, the cost of storage of such products from the date such products were ready for shipment will be invoiced to the BUYER. SELLER reserves the right to deliver in partial shipments.

## **6. Payment Terms**

- a. Shipment payment is due net thirty (30) days from the date of delivery. Payment is to be made in U.S. dollars, with all associated bank charges to be paid by BUYER. A one and one-half percent (1.5%) per month late fee will be assessed on all overdue balances. No reminder or notification of default is required.
- b. All taxes, fees, costs, insurance, and other charges associated with the sale, shipment, transportation insurance and importation of the products are the responsibility of BUYER, and if paid by SELLER, such expenses shall be immediately due and payable by BUYER to SELLER.
- c. Remittances marked to indicate payment in full will be deposited with the full reservation of all of SELLER's rights notwithstanding such markings, and such deposit shall not indicate SELLER's acceptance of the remittance as payment in full unless the remittance actually constitutes payment of all sums owed.
- d. Buyer's obligations of payment pursuant to the contract arising from these terms and conditions do not cease until full payment has been remitted to, and is at the free disposal of, SELLER. All payments shall be made in accordance with these terms and conditions, without any deductions of any kind. Unless and until all payments due hereunder are fully paid for, BUYER hereby grants to SELLER a security interest in the products purchased to secure the unpaid balance of such sums and all other obligations of BUYER to SELLER. BUYER grants to SELLER a power of attorney to execute and file on behalf of BUYER all necessary financing statements and other documents required to perfect the security interest granted herein.

## **7. Termination and Cancellation Charges**

- a. If BUYER terminates any order, fails to accept delivery, or wrongfully accepts products ordered, without limiting other remedies available to SELLER, BUYER shall pay cancellation charges to SELLER as invoiced by SELLER in an amount equal to:
  1. A restocking charge of twenty-five percent (25%) on all items returned to SELLER in their packaging and undamaged; and
  2. SELLER's full cost for all material, equipment and SELLER's labor charges at standard rates for engineering, assembly and/or manufacturing expended on BUYER's order, and
  3. SELLER's full cost of purchased services or products from third party vendors (including cancellation therefor) regarding BUYER's order.
- b. If, in SELLER's judgment, doubt exists as to BUYER's financial responsibility, or if BUYER is past due in payment of any amount whatsoever owing to SELLER or its affiliates, SELLER shall have the right, without prejudice to any other remedies, to suspend performance, decline to ship, or stop any product in transit, until SELLER receives payment of all amounts owing to SELLER or its affiliates.

## **8. Resale**

BUYER shall not sell, resell, distribute, or in any other manner, transfer as part of commercial activity the products purchased to any third party nor BUYER's subsidiaries nor affiliates.

## **9. Export**

Products associated with this Purchase Order may be subject to the International Traffic in Arms Regulations (ITAR), the Export Administration Regulations (EAR) or United States Nuclear Regulatory Commission (NRC) or other domestic and foreign export regulations. If the BUYER desires to sell, resell, divert, export, re-export, transfer, transship, or otherwise dispose of the products to United States or in any other country outside of the United States, either in original form or after being incorporated through an intermediate process into other items or data, the BUYER must evaluate and classify the items as they apply to the appropriate U.S. export control regulations, as well as any applicable export or import requirements of other jurisdictions regardless of whether of U.S. or non-U.S. origin, and follow all applicable requirements of these regulations, including securing authorization for export and import through a properly executed license or agreement from the appropriate governmental agency. If BUYER is supplying technology to SELLER, or when SELLER will be outsourcing BUYER-supplied technology to a third party vendor, the BUYER agrees to inform SELLER of the appropriate export classification and any subsequent changes. If Purchase Order includes restricted items and exports to Foreign Persons, an export license or authorization must be approved prior to SELLER bringing Foreign Persons in, taking possession of, or working with any such restricted item or data. BUYER shall be responsible for obtaining licenses and agreements. SELLER shall not proceed until a copy of the approved license authority has been reviewed by SELLER's Empowered Official.

## **10. Default and Remedies**

Notwithstanding any other provision of these terms and conditions, if BUYER defaults in performing any of its obligations to SELLER hereunder or otherwise, SELLER may, at its option and without incurring any liability thereby, elect to cancel the contract arising from this document and/or to cancel any or all other agreements with BUYER, and pursue all available legal and equitable remedies. If BUYER shall be insolvent or cease doing business or be the

subject of any proceedings under any bankruptcy, insolvency, or reorganization statute or law, such act shall, at the option of SELLER, be deemed a default hereunder, and SELLER may elect to cease performing and cancel the contract arising from this document with respect to any products or services not delivered or received prior to the election, and pursue all available legal and equitable remedies, including, but not limited to, the right to accelerate any unpaid balance owed by BUYER, whether or not resulting from this contract. BUYER shall indemnify and hold harmless SELLER from any and all Claims resulting from a breach by BUYER of any of its obligations pursuant to the contract arising from this document, or resulting from any claims of any third parties. BUYER hereby agrees that SELLER would suffer irreparable harm as a result of the breach by BUYER of these terms and conditions, and that monetary damages may be inadequate to compensate SELLER for such breach. BUYER hereby further agrees that SELLER will be entitled, in addition to any other remedies available at law or in equity, to injunctive relief to enforce these terms and conditions.

### **11. Status of the Parties**

Each of BUYER and SELLER shall at all times be deemed to be, and shall be, an independent contractor with respect to the other, and nothing in these terms and conditions or in any other document shall be construed to create a joint venture, partnership, agency, or any other relationship between BUYER and SELLER for any purpose. Neither party shall have authority to enter into agreements of any kind on behalf of the other, and neither party shall have any power or authority to bind or obligate the other in any manner to any third party.

### **12. Governing Law and Jurisdiction**

The validity, construction and interpretation of all documents relating to this sale, and duties of the parties hereto, shall be governed by the laws of the State of Ohio, United States of America. Any action arising from or related hereto shall be instituted and litigated in any federal or state court located in Montgomery County, Ohio. The parties hereby irrevocably consent to the jurisdiction of the courts of Montgomery County, Ohio.

### **13. Miscellaneous**

These terms and conditions set forth the entire understanding and agreement of the parties in respect of the subject matter hereof. No provisions shall be waived, changed, or rescinded except by a writing signed by the party to be charged. No failure to enforce, or waiver of any breach of, any provision of this document shall constitute a waiver of any other provision or shall constitute an amendment or modification of this document or the contract arising from this document. If any provision of this document shall be held to be unenforceable such holding shall not affect the enforceability of any other provision of this document. No right or interest in the contract arising from these terms and conditions may be assigned by BUYER, and no delegation of any obligation owed by BUYER shall be made. Any purported assignment or delegation in violation of this provision shall be void. The provisions of this document otherwise shall bind and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.