

TERMS AND CONDITIONS OF SALES OF ALL PRODUCTS OF ADVANCED COMPOSITES, INC.

1. **EXCLUSION OF WARRANTIES:** Advanced Composites, Inc. warrants only that the goods supplied shall meet the description stated on the invoice for the goods. **ADVANCED COMPOSITES, INC. MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. ADVANCED COMPOSITES, INC. ALSO EXPRESSLY DISCLAIMS ANY EXPRESS OR IMPLIED WARRANTY AGAINST INFRINGEMENT OF PATENTS OR OTHER INTELLECTUAL PROPERTY RIGHTS OF THIRD PARTIES. THE SALE OF GOODS BY ADVANCED COMPOSITES, INC. DOES NOT IMPLY ABSENCE OF PATENTS OR CONSTITUTE A LICENSE UNDER ANY EXISTING OR PENDING PATENTS, NOR IS INFORMATION SUPPLIED BY ADVANCED COMPOSITES, INC. INTENDED OR IMPLIED AS A RECOMMENDATION FOR THE USE OF CHEMICALS. THE RESPONSIBILITY FOR DETERMINING THE EXISTENCE OF SUCH PATENTS OR OTHER INTELLECTUAL PROPERTY RIGHTS RESTS SOLELY WITH BUYER.**
2. **LIMITATION OF REMEDIES:** BUYER'S EXCLUSIVE REMEDY WITH RESPECT TO ANY CLAIM, WHETHER IN CONTRACT, IN TORT, UNDER WARRANTY, OR OTHERWISE, SHALL BE LIMITED SOLELY, AT ADVANCED COMPOSITES, INC.'S OPTION, TO EITHER THE REFUND OF THE PURCHASE PRICE OR REPLACEMENT OF ALL GOODS SHOWN TO BE OTHER THAN AS WARRANTED, AND ADVANCED COMPOSITES, INC. SHALL NOT BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING THOSE DAMAGES SOUGHT AS CONTRIBUTION OR INDEMNITY.
3. **NOTICE OF NONCONFORMING GOODS:** If Buyer considers the goods to be unsatisfactory for failure to meet the description stated on the invoice, Buyer must notify in writing Advanced Composites, Inc. within thirty (30) days of the date of shipment. Failure by Buyer to give said notice within thirty (30) days of the date of shipment shall constitute a waiver by Buyer of all claims hereunder with respect to said goods. If requested by Advanced Composites, Inc., Buyer shall promptly return to Advanced Composites, Inc., by the method designated by Advanced Composites, Inc., all unconsumed goods alleged by Buyer to be other than warranted, and Advanced Composites, Inc. will pay freight thereon only for unconsumed goods determined by Advanced Composites, Inc. to have failed to meet the description stated on the invoice.
4. **TIME FOR BRINGING LEGAL ACTION:** On any claim against Advanced Composites, Inc., Buyer must initiate legal action within one (1) year after the date of which the claim arose or such claim shall be barred notwithstanding any statutory period of limitation.
5. **PRICE AND QUANTITY; TAX; PRICE ADJUSTMENTS:** Except as otherwise provided pursuant to Paragraph 2, and without regard to any course of dealing between the parties: (1) Advanced Composites, Inc. shall not be obligated to sell or deliver any quantity of product(s) covered hereby ("Product") beyond the amount, if any, which in Advanced Composites, Inc.'s sole judgment, is available for such purpose as of the proposed date of shipment to Buyer; (2) the price of Product shall be Advanced Composites, Inc.'s price therefor as of the date of shipment; (3) Advanced Composites, Inc. reserves the right to set minimums and/or premiums or to reject orders for unusual configurations, sizes and folds; (4) unless otherwise specified on page 1 of the invoice, an overrun or underrun of up to ten percent (10%) shall constitute due performance of any order; (5) any freight allowances shall be those specified by Advanced Composites, Inc. as of the date of shipment; (6) Buyer shall allow Advanced Composites, Inc. a reasonable period for delivery of shipments of Product; and (7) any tax payable by reason of the sale, shipment, use or consumption of any of the Products sold to Buyer, other than taxes based on Advanced Composites, Inc.'s net income or profit, shall be Buyer's responsibility, and if paid by or levied or assessed against Advanced Composites, Inc., such tax shall either be added to the price of the Products or billed to Buyer separately as Advanced Composites, Inc. may elect. Advanced Composites, Inc. may change any price, freight or payment term hereof upon no less than thirty (30) days' prior written notice; provided, however, that Advanced Composites, Inc. may at any time institute or remove a temporary voluntary allowance or other similar competitive allowance without prior notice.
6. **CREDIT:** If, in Advanced Composites, Inc.'s discretion, the financial responsibility of Buyer becomes impaired, Advanced Composites, Inc. may require advance cash payment or satisfactory security and may withhold Product shipments until receipt of such payment or security. Such action by Advanced Composites, Inc. shall not constitute a change of payment terms hereunder. If amounts due hereunder are placed with an outside agency for collection, or if an attorney is retained and/or suit is brought for collection, or if collected through probate, bankruptcy or other judicial proceedings, then Buyer shall pay all costs of collection, including attorneys' fees, in addition to other amounts due.
7. **PAYMENT:** Unless otherwise specified by Advanced Composites, Inc., payment is due in full no later than thirty (30) days after the date of shipment; Advanced Composites, Inc. reserves the right to impose a finance charge of 1.5% monthly, or at the highest rate allowed by law, whichever is less, on all unpaid amounts after the due date.
8. **GOVERNING LAW:** This agreement shall be governed by and interpreted in accordance with the laws of the State of Ohio. The parties agree that the proper venue for all actions arising in connection with these terms and conditions and Products sold to Buyer shall be deemed exclusively proper only in state court in Montgomery County, Ohio or in the federal court for the Southern District of Ohio, Western Division, and the parties agree to submit to such jurisdiction.
9. **MODIFICATION:** The terms of this agreement may not be modified except by written instrument executed by Advanced Composites, Inc.
10. **WAIVER:** Advanced Composites, Inc.'s waiver of any term or condition set forth herein shall not preclude Advanced Composites, Inc. from seeking to enforce that term and condition on any other occasion and shall not constitute a waiver by Advanced Composites, Inc. of any other term and condition set forth herein.
11. **LIMITATION OF AUTHORITY OF ADVANCED COMPOSITES, INC. EMPLOYEES AND AGENTS:** No person employed by or affiliated with Advanced Composites, Inc. is authorized to assume any liability on behalf of Advanced Composites, Inc. other than the liabilities expressly provided for herein.
12. **EFFECT OF CONFLICTING TERMS IN BUYER'S ORDER:** If the terms and conditions of this invoice differ in any way from the terms and conditions of Buyer's order, then the invoice shall be construed as a counter offer and shall not be effective as an acceptance of such order unless the Buyer shall assent to the terms and conditions herein, which shall constitute the final and complete agreement between the parties.

Buyer's acceptance of any goods covered by this invoice or payment for any goods described on this invoice shall constitute agreement to these terms and conditions. If Buyer does not agree to these terms and conditions, Buyer should return the goods to Advanced Composites, Inc. by the same manner in which the goods were shipped, at Advanced Composites, Inc.'s expense, within ten (10) business days of Buyer's receipt of the goods. Acceptance of this offer is expressly limited to the terms and conditions set forth herein. No terms or conditions stated by Buyer in acknowledging or otherwise accepting these terms and conditions shall be binding upon Advanced Composites, Inc. unless expressly agreed to by Advanced Composites, Inc. in writing.

13. **ASSIGNMENT.** Buyer shall not assign its rights or delegate its duties without the prior written consent of Advanced Composites, Inc., and any such assignment, without such consent, shall be void.
14. **SAFETY, HEALTH AND INDEMNITY.** Advanced Composites, Inc. shall furnish to Buyer Material Safety Data Sheets, including warnings and safety and health information concerning goods and/or the containers therefor. Buyer agrees to disseminate such information so as to give warning of possible hazards to persons who buyer can reasonably foresee may be exposed to such hazards, including but not limited to Buyer's employees, agents, contractors or customers. Buyer shall instruct its employees, agents, contractors and customers on the safe handling, use, selling, storing, transportation and disposal practices for the Product. IF BUYER FAILS TO DISSEMINATE SUCH WARNINGS AND INFORMATION, BUYER AGREES TO DEFEND AND INDEMNIFY SELLER AGAINST ANY AND ALL LIABILITY ARISING OUT OF OR IN ANY WAY CONNECTED WITH SUCH FAILURE, INCLUDING BUT NOT LIMITED TO LIABILITY FOR INJURY, SICKNESS, DEATH AND PROPERTY DAMAGE; PROVIDED HOWEVER, THAT IF SELLER IN THIS INSTANCE HAS CONTRIBUTED TO SUCH LIABILITY, BUYER'S INDEMNITY TO SELLER SHALL BE REDUCED BY THE PROPORTION IN WHICH SELLER CONTRIBUTED TO SUCH LIABILITY. Advanced Composites, Inc. will provide Buyer with reasonable notice and opportunity to defend in the event any claim or demand is made on Advanced Composites, Inc. as which such indemnity relates.
15. **MISCELLANEOUS.** These terms and conditions supersede all other communications, negotiations and prior oral or written statements regarding the subject matter of these terms and conditions; notwithstanding the foregoing, in the event of a conflict between:
 - (i) these terms and conditions, and
 - (ii) those set forth on the face or reverse side of this form or in Advanced Composites, Inc.'s standard invoice to which these terms and conditions are attached, then those terms and conditions of the latter (ii) shall control. All typographical or clerical errors made by Advanced Composites, Inc. in any quotation, in these terms and conditions, or elsewhere, are subject to correction. Advanced Composites, Inc. shall not be responsible or be liable for any nonperformance or any default or delay in performance if caused, directly or indirectly, by acts of God, war, fire, the elements, riot, civil commotion, strikes, lock-outs, slow downs, picketing or other labor controversies, accidents, delay or default of or failure by carriers, shortages of labor, delay in obtaining or inability to timely obtain materials, equipment or parts from regular sources, action, requests or regulation of or by any government or government authority, or failure of any party to perform any contract with Advanced Composites, Inc., the performance of which is required for production of the Products, or any other happening or contingencies beyond Advanced Composites, Inc.'s reasonable control, or without Advanced Composites, Inc.'s fault, whether similar or dissimilar to the foregoing. Deliveries or other performance may be suspended for an appropriate period of time or canceled by Advanced Composites, Inc. upon notice to Buyer in the event of the foregoing, but the balance of these terms and conditions shall otherwise remain unaffected.

977597.2