

TERMS & CONDITIONS OF QUOTATION

This Quotation between Proper Group International, Inc., a Michigan corporation, DBA Proper Aerospace & Machining, LLC, Proper Technologies, Proper Polymers – Anderson, Inc, or Proper Polymers – Crosswell, Inc. hereinafter referred to as “Proper Group International, Inc.” or “Seller” and the customer whose name and address appear on the quotation, hereinafter referred to as “Purchaser”:

1. OFFER AND ACCEPTANCE: This quotation shall constitute an offer to be accepted by Purchaser. Unless otherwise agreed in writing by Seller, this Quotation shall be open for acceptance no more than thirty (30) days from the date hereof, provided Seller may withdraw this Quotation at any time before Purchaser’s acceptance. The terms and conditions specified herein shall apply notwithstanding any contrary provision or condition of Purchaser’s purchase order or other form of acceptance of this Quotation (the “Purchase Order”), and no such contrary or added provision or condition will be binding on Seller. If Purchaser objects to any terms herein, such objection (Purchaser’s “Objection Notice”) must be in writing specifically detailing said objections, and received by Seller at the address stated on the face hereof **prior to Purchaser’s acceptance**. Issuance of Purchaser’s Purchase Order shall be conclusively deemed acceptance of the terms and conditions herein. If Purchaser issues an Objection Notice, then Purchaser may withdraw this Quotation. Without limitation on the generality of the foregoing, under no circumstances whatsoever, will Purchaser’s Purchase Order (or other notice to Seller) ever effect or be deemed to effect the release, waiver, discharge, revocation or other rescission of any lien rights of the Seller under the Michigan Ownership Rights in Dies, Molds, and Forms Act, Michigan Compiled Laws Section 445.611 et seq., as now in effect or as the same may be amended or replaced, (the “Michigan Mold Lien Act”), or other applicable law, notwithstanding anything contained in the Purchaser’s Purchase Order (or other notice to Seller) to the contrary. The Purchaser unconditionally submits and agrees to the controlling jurisdiction and application of the Michigan Mold Lien Act to all sales of dies, molds, tools, and forms by Seller.

2. TITLE AND DELIVERY: Unless otherwise specified herein, the goods shall be delivered F.O.B. Seller’s plant and title to said goods and liability for loss or damage thereto shall pass to Purchaser at such time provided further that such loss or damage shall not relieve Purchaser from any obligation hereunder.

3. TERMS AND METHODS OF PAYMENT: Terms of payment shall be net fifteen (15) days from date of invoice unless seller specifies herein different payment terms to Purchaser. If shipments of the goods are delayed by Purchaser, payments are due from the date of the invoice for same to Purchaser. Goods so delayed which are held for Purchaser are held at Purchaser’s sole risk and expense.

4. CONTINGENCIES: Seller shall not be liable for any delay in delivery or for non-delivery, in whole or in part, due to unforeseen circumstances attributable to causes beyond the control of Seller or Seller’s suppliers.

5. WARRANTIES: Unless otherwise provided herein, Seller warrants title and that all goods sold hereunder shall conform to this Quotation and any and all specifications, drawings, samples, or other descriptions furnished by Purchaser. **DISCLAIMER OF WARRANTIES:** THE EXPRESS WARRANTIES SET FORTH HEREIN ARE IN LIEU OF ALL OTHER WARRANTIES WHETHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. SELLER MAKES NO WARRANTIES AS TO MERCHANTABILITY OR AS TO THE FITNESS OF THE MERCHANDISE FOR ANY PARTICULAR PURPOSE AND SHALL NOT BE LIABLE FOR ANY LOSS OR DAMAGES DIRECTLY OR INDIRECTLY ARISING FROM THE USE OF SUCH MERCHANDISE OR FOR CONSEQUENTIAL DAMAGES NO WAIVER, ALTERATION OR MODIFICATION OF THE FOREGOING CONDITIONS SHALL BE VALID UNLESS MADE IN WRITING AND SIGNED BY A DULY AUTHORIZED REPRESENTATIVE OF SELLER LOCATED IN WARREN, MICHIGAN.

6. PERFORMANCE OF MOLD: Any suggestions by Seller concerning design and construction of the mold (or molds), when approved by the Purchaser, shall become the sole responsibility of the Purchaser.

7. PURCHASER WARRANTIES: Purchaser warrants and guarantees the Seller that there are no patents, copyrights, or claims of third persons for infringement of any product to be produced by use of the mold, or to interfere with the manufacture of the mold; Purchaser agrees to hold the Seller free and harmless of and from, and to indemnify the Seller against any and all damages, costs and attorney’s fees resulting from any claim, demand, or cause of action that may be instituted by anyone claiming such infringement.

8. TAXES, ETC.: Unless otherwise stated in writing by Seller all prices quoted shall be exclusive of transportation, insurance, state and local use, sales, property (ad valorem) and similar taxes.

9. ASSIGNMENT: No right or interest in this Agreement shall be assigned by either the Seller or Purchaser without the written consent of the other.

10. CANCELLATION: Prior to completion of the mold (or molds) by Seller, Purchaser may cancel this order by delivering written notice thereof to Seller, in that event, the Purchaser shall be liable to the Seller for, (a) the order price for all goods or services which have been completed in accordance with this Quotation and not previously paid for; and (b) the actual costs of work-in-process and raw materials incurred by Seller in furnishing the goods or services under this Quotation to the extent such costs are reasonable in amount and are properly allocable or

apportionable under generally accepted accounting principles to the terminated portion of this Quotation; and (c) a reasonable termination charge consisting of a percentage of the order price reflecting the percentage of the work performed prior to receipt of the notice of termination, plus actual direct costs resulting from such termination.

11. TERMINATION: Seller may immediately cancel this order without liability to Purchaser in the event of the happening of any of the following or any other comparable event: (a) insolvency of the Purchaser; (b) filing of a voluntary petition in bankruptcy by Purchaser; (c) filing of any involuntary petition in bankruptcy against Purchaser; (d) appointment of a receiver or trustee for Purchaser; (e) execution of an assignment for the benefit of creditors by Purchaser (provided that the foregoing petition, appointment, or assignment is not vacated or nullified within fifteen (15) days of such event); or (f) in the event Seller anticipates any material breach of the terms and conditions of this Quotation and Purchaser’s purchase order or other acceptance hereof. Further, in any of the foregoing events, Seller shall have the right to notify the Purchaser and any party with whom Purchaser is contractually obligated with respect to the subject matter of this Quotation, in writing, of Seller’s intention to pursue any and all remedies available to Seller under applicable law relative to Seller’s interests hereunder and, further, to withhold delivery of any mold (or molds) in the possession of Seller at such time, pending payment in full of the amount due Seller hereunder for work and services performed by Seller to such date. For purposes of the preceding sentence, the amount due Seller shall be determined in accordance with the second sentence of Paragraph 10 above.

12. SECURITY INTEREST: Notwithstanding any term or provision to the contrary herein or in any document of acceptance from Purchaser, the Seller expressly retains, and Purchaser hereby grants to Seller, as security for all obligations of Purchaser to Seller hereunder and under any other contract, note, invoice, account or other document or instrument (collectively, the “indebtedness”), a security interest in the personal property described herein, together with all additions, accessions and substitutions thereto and proceeds thereof under all applicable provisions of the Uniform Commercial Code of the State of Michigan. At Seller’s option, Purchaser further agrees to execute a financing statement to perfect Seller’s interest therein and upon Purchaser’s default under any of the terms hereof, Seller may, at its option, exercise all rights and remedies provided under the Uniform Commercial Code as a secured party, as that term is defined therein. Purchaser agrees to pay Seller all loss, cost or expense incurred in the collection of the price of the goods, including but not limited to, attorney’s fees and court costs and interest at the rate of ten percent (10%) (or at the highest rate allowable by law, whichever rate shall be lesser) on the amount due hereunder from due date until paid. Purchaser shall not attempt to sell, encumber, assign or transfer any interest in said property, or remove the same or any part thereof from the county to which the mold is first shipped within the state of Michigan (or other state) without the written consent of the secured party. If the Purchaser shall pay or cause to be paid to the Seller all indebtedness, then such security interest shall be void and of no further effect. Purchaser shall execute any and all documents pursuant to this paragraph regarding the security interest as may be required from time to time by Seller. Purchaser hereby irrevocably appoints Seller (which appointment is coupled with an interest) as its attorney-in-fact to perform all acts deemed necessary by Seller to perfect the security interest created herein.

13. INDEMNIFICATION: If Purchaser performs any work on Seller’s premises or utilizes the property of Seller, whether on or off Seller’s premises, Purchaser shall indemnify and hold Seller harmless from and against any liability, claims, demands, or expenses (including reasonable attorney’s fees) for damages to the property of or injuries (including death) to Purchaser, its employees or any other person arising from or in connection with Purchaser’s performance of work or use of Seller’s property, except for such liability, claim, or demand arising out of the sole negligence of Seller.

14. REMEDIES: The rights and remedies reserved to Seller in this Quotation shall be cumulative and additional to all other or further remedies provided in law or equity.

15. PURCHASER REPRESENTATION: Purchaser represents and warrants that any and all of its specifications relative to design and construction of the subject matter of this Quotation complies with all federal, state and local laws, executive orders, rules, regulations, and ordinances which may be applicable.

16. GOVERNING LAW: It is the express agreement of the parties hereto that this Agreement is made and executed at the Seller’s place of business; and the law of the State of Michigan shall govern all rights and duties of Purchaser and Seller hereunder.

17. ENTIRE AGREEMENT: This Quotation, together with the attachments, exhibits, or supplements, specifically referenced in this Quotation and Purchaser’s Order or other form of acceptance of this Quotation, constitutes the entire agreement between Seller and Purchaser with respect to the matters contained herein and supersedes all prior oral or written representations and agreements. This Quotation may only be modified by a new Quotation or amendment to the existing Quotation issued by Seller.

PROPER GROUP INTERNATIONAL, INC.