## NORMAC TERMS AND CONDITIONS

These Terms and Conditions ("<u>Terms</u>") are agreed to as of the date set forth below between Norton McMurray Manufacturing Company ("NORMAC") and the undersigned buyer ("<u>Buyer</u>") and govern the sale of any and all goods ("<u>Products</u>") which NORMAC may sell to Buyer after the earlier of: (i) date set forth below; or (ii) September 30, 2013.

1. Entire Agreement; Modification. These Terms (including Confirmations, and, to the extent that they do not purport to add, modify or delete these Terms or any Confirmation, the "<u>Agreement</u>") constitute the entire understanding of the parties relating to the purchase and sale of Products, and supersede all prior oral or written understandings, proposals, and agreements. The Agreement may not be modified except by a writing signed by NORMAC. NORMAC shall not be bound by prior course of dealing or trade usage. NORMAC OBJECTS TO ANY NEW OR DIFFERING TERMS PROPOSED OR ADDED BY BUYER BY PURCHASE ORDER, PRE-PRINTED FORM, ACKNOWLEDGEMENT, OR OTHER DOCUMENT. NO SUCH TERMS SHALL BE A PART OF THE AGREEMENT.

2. Purchase Orders. Orders (each, an "Order") shall be placed in writing and are subject to acceptance by NORMAC. NORMAC's acceptance shall be evidenced by the delivery by NORMAC of a confirmation (a "Confirmation"). NORMAC is not obligated to accept any Orders, nor, until NORMAC has accepted an Order by a Confirmation, to sell any Products to Buyer. Each Order shall be deemed to incorporate these Terms, and, despite the issuance of a Confirmation, no terms of an Order shall be deemed accepted. A Confirmation may contain information such as estimated delivery dates. Delivery dates provided by NORMAC are estimates only and NORMAC is not liable for failure to deliver on such dates. NORMAC may allocate Products among its customers in its sole discretion, and/or make deliveries in installments. Delivery of a obligation to accept delivery and pay for the Products delivered. Delay in delivery or nonconformity of an installment shall not entitle Buyer to cancel other installments.

**3. Change Orders.** No Order may be terminated, cancelled, or rescheduled by Buyer without NORMAC's prior consent. Any such changes shall be made only in a writing signed by an authorized representative of NORMAC. If Buyer asks NORMAC to cancel an Order less than ten (10) days before the original scheduled shipping date, and NORMAC consents to such cancellation, then the Order shall be subject to a charge of fifteen percent (15%) of the total invoice amount relating to the Order.

4. Delivery and Risk of Loss. All shipments by NORMAC are F.O.B. Origin (NORMAC's facility). Transportation charges shall be paid by Buyer. For Products that are shipped by carrier, subject to NORMAC's right of stoppage in transit, delivery of the Products to the carrier shall constitute delivery to Buyer and risk of loss to any Products shall thereupon pass to Buyer. Risk of loss for all other Products shall pass to Buyer upon tender of delivery to Buyer. However, NORMAC shall bear the risk of loss for Products that are rightfully rejected by Buyer under Section 5. Selection of the carrier may be made by NORMAC unless specified by Buyer.

5. Acceptance. Shipments to Buyer are final except for non-conforming Products or those that are not identified in an Order. Buyer shall be deemed to have accepted Products unless written notice of rejection is received by NORMAC within sixty (60) days after delivery or tender of delivery under Section 4. Buyer waives any right to revoke acceptance thereafter. Buyer shall report any nonconformity or discrepancy in shipment quantity within ten (10) days after identification thereof.

6. Returns. (1) NORMAC may, in its sole discretion, accept the return of conforming Products for credit or refund. No conforming Products may be returned, except upon express written authorization of NORMAC, and in compliance with guidelines provided by NORMAC. Returns will be assessed a 30% restocking fee. Buyer shall be responsible for freight, packing, handling, and shipping costs for returns. (2) NORMAC shall accept (and Buyer shall accept from any person purchasing the Products directly or indirectly from or through Buyer) return of any Products for which a person (whether a user, installer, retailer, wholesale, distributor or otherwise) objects to or declines to accept the 60-Day Limited Warranty, Limitation of Remedies and Disclaimer.

7. Prices. Prices shall be as specified by NORMAC and shall be applicable for the period specified in the NORMAC sales quote or Confirmation (as applicable). If no period is specified, prices shall be subject to change at any time. Despite the foregoing, prices shall be subject to increase in the event of an increase in NORMAC's costs or other circumstances beyond NORMAC's reasonable control. Quoted prices may be exclusive of, and Buyer shall be responsible for, all production, sales, use, excise, value added and similar taxes and duties.

8. Payments. Buyer agrees to pay each invoice for Products within 30 days after the earlier of (A) the invoice date, or (B) the delivery date. Buyer shall pay all amounts due without any setoff, deduction or other reduction. Buyer hereby grants, assigns and conveys to NORMAC a first-priority purchase money security interest in all Products as security for Buyer's obligations hereunder. If any amount is not paid when due, NORMAC shall be entitled to receive interest thereon on the unpaid amount at the rate of 1.5% per month (or a lower rate that is the highest permissible rate under applicable law).

9. Credit Approval; Application of Payment. Orders are subject to credit approval by NORMAC. NORMAC may require payment in advance of the manufacture or shipment of Products, or other financial assurances. Any payment may be applied by NORMAC against any obligation owing from Buyer to NORMAC. If NORMAC believes that Buyer's ability to make payments may be impaired, or if Buyer fails to pay any invoice within ten (10) days after it is due, NORMAC may, in its sole discretion, either: (i) suspend delivery or performance of any Order, or any portion thereof, until payment is made; or (ii) terminate any Order, or any remaining balance thereof. In either event, Buyer shall remain liable to pay for any Products already shipped, and to pay for actual costs plus reasonable profit, for all non-standard Products (as designated by NORMAC) for which production has begun.

10. Intellectual Property. Buyer agrees that all of NORMAC's information, trade secrets, technical and non-technical data, business methods and models, drawings, processes, formulas, ideas, concepts, know-how, techniques, sketches, models, inventions, processes, algorithms and formulas, improvements, developments, designs, and specifications constitute confidential information of NORMAC (collectively, "<u>Confidential Information</u>"). Buyer agrees not to access, use, disclose, copy, impair, infringe, transfer, merge, or make any translation or derivative work of Confidential Information. Further, Buyer shall not: (i) cause or permit the disassembly or reverse engineering of Products or Confidential Information; or (ii) remove or destroy any copyright notices, or other proprietary markings placed upon or contained within Products or Confidential Information.

**11. Insurance.** Buyer maintains, and agrees that it will continue to maintain during all periods in which Products used or re-sold by it are in use, at its own cost and expense, the following types and amounts of insurance insuring against claims, demands or actions arising out of or in relation to the Products: (i) workers' compensation insurance in an amount sufficient by virtue of the laws of the states where the Products are installed; and (ii) general liability insurance in which the limit of liability for injuries, including accidental death, and property damage, of at least \$1,000,000 for any one occurrence.

12. Custom Orders. If NORMAC accepts a custom or special order: (A) NORMAC's agreements and obligations to defend or settle against intellectual property infringement shall not apply; and (B) Buyer hereby grants to NORMAC a royalty-free, non-exclusive, fully-paid up, perpetual license to use, execute, copy and create derivative works of Buyer materials and Buyer confidential information received in connection therewith, and agrees that any developments, enhancements, or improvements thereto shall be NORMAC's exclusive property.

13. Force Majeure. Neither party shall be liable for delays or failures in performance (other than the payment obligations or breach of confidentiality requirements) resulting from acts or events beyond the reasonable control of such party, including acts of war, terrorism, acts of God, earthquake, flood, supplier delays arising from any cause, embargo, riot, sabotage or dispute, governmental act or failure of the internet, power failure, energy interruption or shortages, other utility interruption, telecommunications interruption, if such party: (i) gives the other party prompt notice of the cause; and (ii) uses reasonable commercial efforts to promptly correct such failure or delay.

14. Miscellaneous. (A) All terms regarding confidentiality, non-disclosure, intellectual property, disclaimers, limitation of liability, indemnification, and payment, and any other provisions which must survive to give effect to their meaning, shall survive the Agreement. (B) NORMAC's rights and remedies hereunder upon a breach by Buyer are in addition to any and all other remedies available at law or in equity, and NORMAC may exercise any and all remedies cumulatively and concurrently. The waiver or failure of either party to exercise any right provided herein shall not be deemed to be a waiver of any further rights hereunder. (C) Buyer may not assign the Agreement in whole or in part without the prior written consent of NORMAC. Any attempted assignment without consent will be void. (D) This Agreement shall inure to the benefit of, and be binding upon the parties and their successors and permitted assigns. (E) There are no express or implied third party beneficiaries to this Agreement. (F) This Agreement shall be governed by the laws of the State of Illinois without regard to choice of law principles. (G) The parties consent and submit to the exclusive jurisdiction and venue of the state and federal courts located in Kane County, Illinois for any dispute relating to the terms, interpretation or performance of this Agreement (other than claims for preliminary injunctive relief or other pre-judgment remedies). Buyer waives any objections to such jurisdiction or venue and agrees that such jurisdiction, venue and forum is proper. (H) The prevailing party may recover, in addition to any other remedy, reimbursement for reasonable attorneys' fees, costs of investigation, expert fees and other related expenses incurred in connection with any enforcement of rights under this Agreement in law or in equity, including an action for declaratory relief. (I) EACH PARTY UNCONDITIONALLY AND IRREVOCABLY WAIVES ITS RIGHT TO A JURY TRIAL OF ANY CLAIM ARISING DIRECTLY OR INDIRECTLY OUT OF THE AGREEMENT.

1. Limited Warranty. NORMAC warrants, only to the Buyer named herein to whom the Products are originally sold, and for a period of sixty (60) days after delivery, that the Products at the time of shipment will be free from defects of materials and workmanship. THE FOREGOING EXPRESS WARRANTY IS GIVEN IN LIEU OF ALL OTHER WARRANTIES, AND EXCEPT FOR THAT EXPRESS WARRANTY, THE PRODUCTS ARE BEING SOLD "AS IS" and "WITH ALL FAULTS." NORMAC EXPRESSLY DISCLAIMS ANY OTHER WARRANTIES, INCLUDING WITHOUT LIMITATION ANY WARRANTIES OF MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE, NONINFRINGEMENT, TITLE, CONDITION, OR ANY WARRANTY ARISING FROM COURSE OF DEALING OR USAGE OF TRADE, DESPITE NORMAC'S ACTUAL KNOWLEDGE OF ANY PRODUCT'S INTENDED USE OR ANY ADVICE OR REPRESENTATIONS THAT MIGHT HAVE BEEN RENDERED BY NORMAC CONCERNING THE DESIGN, MANUFACTURE, SALE OR USE OF THE PRODUCTS. No statement, conduct or description by NORMAC or its representatives, beyond this limited warranty, shall constitute a warranty. TO THE EXTENT THAT ANY WARRANTIES MAY NOT BE DISCLAIMED UNDER APPLICABLE LAW, THOSE WARRANTIES ARE EXPRESSLY LIMITED TO THE EXCLUSIVITY, THE DURATION OF THE WARRANTY PERIODS, AND ARE SUBJECT TO THE EXCLUSIVE REMEDIES SET FORTH HEREIN. Buyer disclaims reliance on (i) any sales descriptions or representations made by any employee or agent of NORMAC, or (ii) any brochures, catalogs, advertisements, or other product/sales literature not expressly incorporated herein. None of NORMAC's employees or agents has authority to issue or make any warranty. Buyer is not relying on any technical or other advice from NORMAC in connection with its purchase or use of the Products. Products are subject to tolerances and variations consistent with trade usage and practices concerning dimension, weight, size, composition, surface, properties and condition.

2. Exclusions to the Limited Warranty. The express warranty is voided and shall not apply to defects, failures or resulting damage, injury or death caused by: (i) misuse, improper installation or improper maintenance of the Products; (ii) improper installation or maintenance of equipment to which the Products are connected, attached, or incorporated into; (iii) improper or unauthorized alterations, repairs, changes or modifications; (iv) use or installation of Products in improper applications or conditions or outside of any written specifications provided by NORMAC or the applicable manufacturer of components of the Products; (v) failure to adhere to NORMAC' installation instructions; (vi) failure to adhere to applicable standards set forth by laws, codes or regulations and applicable industry standards; or (vii) any other improper conduct or activities caused by fault or negligence of anyone other than NORMAC.

3. Third Party Warranties. NORMAC makes no independent representation or warranty with respect to goods, products, components or services provided by third parties in the design or manufacture of the Products.

4. Procedure for Warranty Claims. Buyer must notify NORMAC of any alleged breach of the limited warranty within ten (10) days of Buyer's discovery of the defect.

5. Exclusive Remedy for Warranty Claims. Upon any breach of the limited warranty set forth above, NORMAC may, at its election, (i) replace the defective Products; (ii) repair the defective Products, or (iii) refund the applicable portion of the price for the non-conforming Products (without interest). THESE REMEDIES ARE BUYER'S SOLE AND EXCLUSIVE REMEDY AND NORMAC'S SOLE LIABILITY WITH RESPECT TO A BREACH BY NORMAC OF THE LIMITED WARRANTY.

6. LIMITATION OF DAMAGES. NORMAC'S LIABILITY HEREUNDER SHALL NOT EXCEED THE PURCHASE PRICE RECEIVED FROM THE PRODUCT GIVING RISE TO THE CLAIM. This limitation is cumulative and not per incident. This limitation is an essential element hereof, and NORMAC's prices are determined in part by taking into account this limitation.

7. Notice of Defects. Buyer shall notify NORMAC within 24 hours of its receipt of any claim or complaint about NORMAC from a third party, shall promptly provide information requested by NORMAC, and shall cooperate with NORMAC's requests for dealing with the claim or complaint and any Products alleged to be defective.

**8.** Limitation on Actions. No action relating to the Agreement may be brought more than one (1) year after the cause of action accrues, except with respect to Buyer's indemnification obligations under Section 8.

9. Infringement. NORMAC agrees to defend or settle, at its option or discretion, any claim against Buyer alleging that any Product directly infringes any U.S. patent,

copyright, or trademark; provided that: (i) the Products are used strictly as permitted by this Agreement; and (ii) Buyer gives NORMAC prompt written notice of each such claim, tenders to NORMAC the defense or settlement of each such claim at NORMAC's expense, and cooperates with NORMAC, at NORMAC's expense, in defending or settling each such claim. If NORMAC receives notice of an alleged infringement, or if Buyer's use of the Product is prevented by permanent injunction, NORMAC may, at its sole option and expense, either (A) procure for Buyer the right to continue using such Product, (B) modify such Product so that it is no longer infringing, or (C) replace such Product with other items of equal or superior functional capability. Despite the foregoing, NORMAC's agreement to hold Buyer harmless shall not apply to any infringements consisting of the use of the Products as part of or in combination with any goods manufactured by third parties. THE RIGHTS GRANTED TO BUYER UNDER THIS SECTION 8 SHALL BE BUYER'S SOLE AND EXCLUSIVE REMEDY FOR ANY ALLEGED INFRINGEMENT OF ANY PATENT, COPYRIGHT, TRADEMARK, OR OTHER PROPRIETARY RIGHT.

10. Installation. Buyer acknowledges and agrees that the installer, not NORMAC, is solely responsible for the installation and use of the Products. Buyer shall comply with and shall require all of its employees, agents and customers to comply with all applicable federal, state, and local codes and safety requirements and instructions with respect to the handling, use, and installation of the goods. Buyer also represents and warrants that it will provide every purchaser with all warnings, instructions, technical data sheets, and/or bulletins pertaining to the Products. Buyer acknowledges and agrees that if any injury or damage, whether to person or property, is caused, in whole or in part, by (1) Buyer's, or its employees', agents', or purchasers', failure to comply with (i) any federal, state, or local code or safety regulation, or (ii) any installation instructions, warnings, technical data sheets and other bulletins, or (2) the negligent, incorrect, deviant, unsafe, or otherwise improper installation or use of the Product, NORMAC shall have no obligation to Buyer or any other person in respect thereof, and Buyer shall indemnify, defend, and hold NORMAC harmless against any claims, demands, loss, liability, or expense for injury or damage (whether to person or property) arising directly or indirectly from any such failure or installation.

**11. Compliance with Applicable Law.** Buyer shall observe and comply with all federal, state and local laws, ordinances, codes, administrative decisions, and regulations relating to the installation, repair, and maintenance of the Products, including without limitation environmental and pollution control laws, and export laws.

12. Indemnification by Buyer. Buyer shall, at its sole expense, indemnify, defend (through attorneys selected by or acceptable to NORMAC), and hold harmless NORMAC and any of its parents, affiliates and subsidiaries (and any of their respective directors, officers, shareholders, owners, employees, agents or representatives) from and against any and all third party claims, lawsuits, actions, demands, losses or causes of actions, damages, benefits, judgments, settlements, costs, expenses, taxes, contributions, penalties or fines arising from: (i) any act or omission on the part of Buyer (and/or its employees and/or any person or entity acting on Buyer's behalf), including any act or omission described in Section 2 above which would void the Limited Warranty; (ii) any injuries or death to any NORMAC personnel, or any damage to NORMAC's property, arising in connection with the Products, except as may result from the gross negligence or willful misconduct of NORMAC or its employees or agents; (iii) any claim based on Buyer's designs, specifications or instructions, or modification of any Product by Buyer or Buyer's representatives.

**13. LIMITATIONS OF LIABILITY**. NEITHER PARTY WILL BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, PUNITIVE, OR CONSEQUENTIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, BUSINESS INTERRUPTION, REMOVAL, REINSTALLATION, OR REPROCUREMENT COSTS, LOSS OF PROFIT, REVENUE, DATA, CUSTOMERS, GOODWILL, OR TECHNOLOGY DAMAGE, FAILURE OR MALFUNCTION, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE FOREGOING LIMITATIONS OF LIABILITY APPLY TO ALL CAUSES OF ACTION OR CLAIMS OF RELIEF UNDER ANY OTHER LEGAL OR EQUITABLE THEORY, INCLUDING TORT, INDEMNIFICATION, BREACH OF CONTRACT, AND BREACH OF WARRANTY.

**13. Subsequent Purchasers.** Any subsequent purchaser (e.g., customer of Buyer) who does not accept this Limited Warranty may return unused Products to NORMAC for a refund within 60 days of their purchase of the Product. Buyer shall provide this Limited Warranty to all commercial purchasers. Buyer and its subsequent purchasers shall also provide NORMAC's consumer Limited Warranty to all consumers.

The undersigned agree to the foregoing Terms and Conditions, Limited Warranty, Limitation of Remedies and Disclaimer.

Norton McMurray Manufacturing Company

Buyer's Company Name: \_\_

By:

Name and Title

Date

By:\_\_\_\_\_ Name and Title

Date