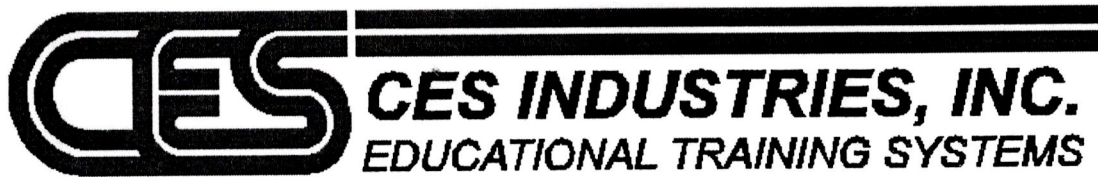


MEMORANDUM OF UNDERSTANDING

BETWEEN



2023 New Highway, Farmingdale, New York, USA 11735

AND



AFE BABALOLA
UNIVERSITY

AFE BABALOLA UNIVERSITY

KM. 8.5 AFE BABALOLA WAY

ADO-EKITI, EKITI STATE, NIGERIA

AUGUST 2012

MEMORANDUM OF UNDERSTANDING BETWEEN
AFE BABALOLA UNIVERSITY, ADO-EKITI, EKITI STATE,
AND CES INDUSTRIES INC. NEW YORK, USA.

THIS MEMORANDUM OF UNDERSTANDING is made this Eighth Day of August, 2012

BETWEEN

AFE BABALOLA UNIVERSITY, a University duly registered and recognized by the Nigerian University Commission, located at KM. 8.5 AFE BABALOLA WAY ADO-EKITI, EKITI STATE, Nigeria (Herein after referred to as 'ABUAD' and which expression shall where the context so admits include its Governing Council successors in title and assigns of the one part)

AND

CES INDUSTRIES INC. located at located at 2023 New Highway, Farmingdale, New York 11735 USA (Which expression shall where the context so admits include its Board of Directors, Assigns and Successor in title of the other part and **ACY MICROSYSTEM LIMITED**, a Nigerian company specializing in the supply and distribution of all CES hands-on technology education teaching systems and delivery of skill based technopreneurship training throughout Africa. (Which expression shall where the context so admits include its Board of Directors, Assigns and Successor in title.

AFE BABALOLA University and CES INDUSTRIES INC. /ACY MICROSYSTEM LTD. are jointly referred to as "partners"

WHEREAS

1. Being one of the fastest growing Universities in Nigeria since 2009, AFE BABALOLA University is a privately owned university whose mission amongst others is to:
 - a. To be a result-oriented institution for producing highly skilled and socially relevant graduates capable of applying scientific knowledge for the resolution of social problems.

- b. To be a world-class Educational Centre of Excellence in academics, character, sport and Vocational development in order to produce sound and agile professionals.
- c. To be a university with a stable academic calendar.
- d. To be a citadel for the promotion of an authentic learning environment.
- e. To lead education reform in Nigeria by example.

2. **CES Industries Inc. New York** has been in the industry of supplying, designing, manufacturing, and selling teaching equipment in technology teaching products across the globe for more than 40 years with our partners. Our customers include Technical, Vocational, and High Schools, Colleges, Industry, Government, and Military.

CES Industries Inc. utilizes the concept of self-paced education, internationally recognized certifications, and hands-on hardware equipment and software applications and complete curriculum.

The focus of our offering is to support in real and practical terms the University's effort at skill acquisition, job creation and employment generation.

It utilizes the concept of self-paced education, internationally recognized certifications, and hands-on hardware equipment and software applications and a full and complete curriculum in these laboratories:

- i To provide innovative and customized products, services and solutions to create long-term value and potential growth for it's clients.
- ii The parties recognize the benefits to be gained by both organizations through cooperative interactions that will strengthen the activities in the area of engineering technologies.
- iii And in furtherance of this, this memorandum of understanding is to facilitate all cooperative initiatives between the parties.

NOW THEREFORE THIS MEMORANDUM OF UNDERSTANDING WITNESSES AS FOLLOWS:

That both parties agree to collaborate in the following areas:

1. To make AFE BABALOLA UNIVERSITY, a CompTIA A+ Certification Testing Centre: Computer Technology Industry Association (CompTIA) is the world's leading industry regulator in information Communication Technology and internet security. ICT & IS Personnel are certified by passing different examinations conducted by this organization at different accredited Centres across the world. CES Industries Inc. is a recognized partner with CompTIA and is empowered to facilitate the following under this agreement:

- a) CES shall refer candidates sitting for all CompTIA qualifying examination in Nigeria to use the ABUAD CompTIA Centre.
- b) Guarantees ABUAD that the examination charges to the candidates sitting the relevant examination in ABUAD CompTIA Centre shall be competitive and not out of range from that in the United States of America and Payment shall be remitted through ABUAD monetary machineries as allowed by the relevant laws of Nigeria.
- c) Guarantees ABUAD that the required 'mark-up' over and above CompTIA examination charges to be earned by ABUAD as commission shall be determined solely by ABUAD and that inputs of CES are advisory only.
- d) Guarantees ABUAD that the only commitment, outside the existing purchase order, on the part of ABUAD is the Provision of suitable property upon which relevant equipment which shall be provided by CES/ACY will stand and the security of the entire investment.
- e) ABUAD shall provide a dedicated air conditioned portion of a room that has internet access and two instructors or administrators that are assigned the responsibility of the center.

CES will train the instructors to be test administrators; supply the computers; hook up the network; assist in all of the documentation for ABUAD. CES will also offer discounts for the A+ Computer Repair exams.

2. Research & Development: CES Industries Inc. appreciates the high rate of technological development around the industrialized world and the contrast in the developing world for practitioners to bridge this gap, CES industries Inc. along with her partner proposes to support AFE BABALOLA University in research development in the following areas: Electronics, Mechatronics, and Computer Engineering. In order to achieve the greatest result with minimum

investments, the following contractual obligations on both parties shall be embarked upon:

- a) Two lecturers of ranks not below senior lecturer per year shall be nominated by ABUAD for service training in academic-based and/or industrial based enterprises where CES has influence across the world; more particularly in the United States and Europe.
- b) The two lecturers shall be in related fields but different research agenda. The cost of passages, accommodation and feeding shall be borne by CES and her Partner while stipends for incidental are to be paid to staff by ABUAD.
- c) Relevant technical personnel from CES and Partners shall be made available at ABUAD site for the purposes of transfer of Knowledge where it is considered cheaper and easier to do so. Only accommodation, feeding, and logistics shall be provided by ABUAD.
- d) No one person can enjoy the service training and conference sponsorship simultaneously.
- e) ABUAD obligation under this arrangement is to release the staff members so accepted to undergo these inclusive and exclusive training packages which have the potentials to grow in many dimensions if given the required support and drive.

3. JOB Employment and Job Creation:

CES is expanding their business through her African distributors, **ACY Microsystem Limited**. This creates employment opportunities and the potentials of ABUAD graduates that will emerge from this technological broad based training of the trainers, shall cause jobs to be generated within this collaboration/partnership with ABUAD. Hence, ABUAD graduates have guaranteed employment after a number of years of this collaboration. To start with CES and Partners shall be committed as follows:

- a) At the end of the first year of this agreement, CES shall employ maximum of two first class degree holders in areas of Engineering of ABUAD.
- b) At the end of the second year, very high class of second class upper graduate shall be qualified to work within ACY organization. ^{thereafter} The number depends on the success of the collaboration and job created through this partnership.

4. CES shall set up CES Electronics/Mechatronics Lab at ABUAD. This Lab shall be funded by ABUAD. The payment plan shall be made as follows: Minimum of fifty percent paid by September 30th, twenty-Five percent by October 30th while the balance twenty-Five percent on/before December 2012/January 15th, 2013 after delivery. Details of the equipment is provided in the Invoice.
5. CES/ACY shall provide support and maintenance of the equipment for a period of six months and upon the expiration ABUAD shall bear the financial cost of maintenance.
6. CES/ACY/ABUAD shall set up a renowned Computer Repair and Assembly Plant at ABUAD that shall provide employment creation, adequate training/skills for both students/staff, income generation for the University. Proceeds/liabilities from this Joint venture shall be shared between the three parties.
7. Organization of joint conferences, seminars and workshops in the areas of Mutual interest.

In the event that the parties wish to execute future joint research or consultancy agreements, such agreements shall specify the institutions' exploitation of intellectual property rights. Such agreement shall also define the financial, legal and other commitments of each institution.

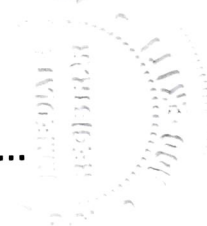
8. The agreement shall become effective upon the date of signature by the authorized representative(s) of each institution and shall remain in effect for ten years. Either party may terminate the agreement upon six months notice, so as to give any current programme sufficient time to conclude. The notice provision shall not negatively affect any programme at the time of the decision. This agreement may be renewed in writing by mutual consent of the parties.
9. In the event of any dispute, difference or disagreement arising out of or in connection with this agreement, both parties shall nominate one arbitrator each. The two will appoint a third arbitrator who will head the arbitration that will determine the dispute in line with Nigerian law and treaties. And their decision shall be final.

IN WITNESS WHEREOF, the parties hereto have caused their respective seal to be affixed the day and year first above written.

THE COMMON SEAL of the within named AFE BABALOLA UNIVERSITY was hereunto affixed in the presence of

AaRE AFE BABALOLA (SAN)
Founder/President
AFE BABALOLA UNIVERSITY

Prof. SIDI OSHO
Vice Chancellor



Prof. Israel Esan Owolabi
Provost, College Of Engineering

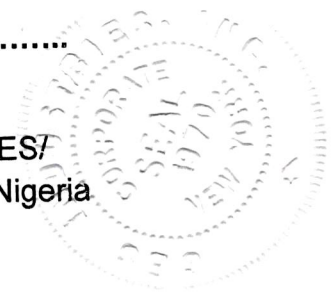
In the presence of:

Name: Lady christi Oluwande
Address: Afe Babalola University, Ado-Ekiti
Occupation: REGISTRAR
Signature & Date: Oluwande 8th Aug 2012

THE COMMON SEAL of the within named CES INDUSTRIES INC. /ACY MICROSYSEM LIMITED was hereunto affixed in the presence of

Dr. Mitchell B. Nesenoff
President
CES Industries Inc.

Mr. Kingsley O. Obasohan
Head African, Operations CES/
ACY Microsystem Limited, Nigeria



In the presence of:

Name: EMARANDA OLARINDE
Address: AFE BABALOLA UNIVERSITY ADO EKITI
Occupation: PROVOST COLLEGE OF LAW
Signature & Date: E. O. Olarinde 8.08.2012

ACY MICROSYSTEM LIMITED

Exclusive Distributor for  Industries Inc. New York in Africa
Educational Training Systems

14, Amore Street
Off Toyin Street
Ikeja, Lagos
Tel: 08076582421
Hotline: 080-99554983
E-mail: info@acymicrosystem.com

PROFORMA INVOICE

ACY Quote/Order No.	AFE BABALOLA/2809/2012	Customer Details
Customer Reference No.	AFE BABALOLA/2809/2012	AFE BABALOLA UNIVERSITY
Date	19/06/2012	
This Quotation is Valid For	60 DAYS	

We thank you for your order and have pleasure in issuing our proforma invoice as hereunder.
Please ensure that our quotation/order reference appears on your order/payment documents.

Warranty Parts Only

Item	Product Type, Description	Unit Cost Naira	Qty	Total Cost Naira
	Equipment			
	Electronics Lab			
1	CES 651 Electronics Training System	747,200.00	10	7,472,000.00
2	CES 702 Digital Training System	780,800.00	10	7,808,000.00
3	CES 4708 Digital Storage Oscilloscope	144,000.00	10	1,440,000.00
4	CES 4025 Digital Multimeter	32,000.00	10	320,000.00
5	CES 950E Electronics CAI Software (Site License)	800,000.00	1	800,000.00
6	CES 950D Digital CAI Software (Site License)	800,000.00	1	800,000.00
	SUB TOTAL			18,640,000.00
	ADD 5% VAT (KV06002882438)			932,000.00
	ALL ORDERS ARE MADE OUT TO "ACY MICROSYSTEM LTD"			
	GRAND TOTAL			19,572,000.00

ALL ORDERS INCLUDE DELIVERY, INSTALLATION AND INSTRUCTOR TRAINING

Acceptance of Quote	Name	Date	Order No

