



## **VENDOR TERMS AND CONDITIONS**

You are the “Buyer” and LTA Machining Inc. is the “Seller”. Buyer’s submission of a purchase order is acceptance of all the following Standard Terms and Conditions, making these Standard Terms and Conditions, together with seller’s quotation, the binding legal agreement between the parties.

Acceptance of buyer’s order is conditional on Buyers agreement to the terms and conditions printed below. An order or acceptance by buyer of any goods delivered by seller hereunder shall be conclusively deemed agreement to the Standard Terms and Conditions below. Seller’s failure to object to provisions contained in any communication from buyer will not be a waiver of the provisions hereof.

### **Standard Provisions:**

1. Effect of Buyer modifications to this quotation: The price and delivery terms in this quotation are subject to change if Buyer wishes to change any terms of this quotation. Prices on any quotation are firm for 30 days unless reaffirmed in writing by seller.
2. Acceptance of this quotation may be by any reasonable and customary written communication: No inconsistent terms in Buyer’s purchase orders, such as quantities, delivery schedules or inconsistent printed text will have any force or effect unless specifically agreed to in writing by LTA Machining Inc. Any terms additional to, or different from the terms of this quotation are expressly rejected by LTA Machining Inc.
3. Title and Delivery: All shipments of goods shall be delivered FOB Seller’s plant and title and liability for loss or damage thereto shall pass to Buyer upon Seller’s delivery of goods to a carrier for shipment to Buyer, and any loss or damage thereafter shall not relieve Buyer from any obligation hereunder. Buyer shall be liable for costs transportation, insurance, and other expenses incurred. Buyer agrees that Seller may deliver goods in installments and shipping dates are only an estimate. Seller shall not be liable for any loss or expense incurred by Buyer, whether by contract, tort, consequential, incidental, or otherwise, if Seller fails to meet estimated delivery schedule despite Seller’s best efforts.
4. Price increases for materials: This quotation is based on the present cost of materials. Buyer shall pay LTA Machining Inc. for any increase in cost of materials purchased by LTA Machining Inc. to fulfill this contract.
5. Payment terms: Based on NET 30 unless otherwise arranged.
6. No warranties on goods, limitation on liability: The goods sold to Buyer will meet the specifications set forth in the quotation, and no other express or implied warranties are made by LTA Machining Inc., including any warranty of fitness to perform any particular function unless expressly stated in this quotation. Buyer has furnished the drawings, 3 D models, and specifications for the goods and Buyer is not relying on LTA Machining Inc. to select goods or engineering designs. LTA MACHINING INC. DOES NOT WARRANT THAT THE GOODS ARE



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FIT FOR ANY PARTICULAR PURPOSE AND MAKES NO WARRANTY OF MERCHANTABILITY OR NONINFRINGEMENT. Buyer shall indemnify and hold harmless LTA Machining, Inc. from any claims or liability arising from any use of the Goods subject of this contract.

7. Limitation on Liability: LTA MACHINING INC. SHALL NOT BE LIABLE FOR ANY INCIDENTAL, INDIRECT, OR CONSEQUENTIAL DAMAGES. THE REMEDIES OF BUYER SET FORTH IN THESE TERMS AND CONDITIONS ARE EXCLUSIVE, AND THE LIABILITY OF HTE MANUFACTURING, INC. WITH RESPECT TO ANY CONTRACT OR SALE, OR ANYTHING DONE IN CONNECTION THEREWITH, WHETHER IN CONTRACT, IN TORT, UNDER ANY WARRANTY, EXPRESS OR IMPLIED, SHALL NOT, EXCEPT AS EXPRESSLY PROVIDED HEREIN, EXCEED THE PRICE OF THE GOODS UPON WHICH SUCH LIABILITY IS BASED. FURTHER, LTA MACHINING INC. SHALL NOT BE LIABLE OR RESPONSIBLE FOR LOSSES, DETENTIONS, OR DELAYS OCCASIONED BY ACCIDENT, STRIKES, OR FIRES AFFECTING HTE MANUFACTURING, INC.'S OPERATIONS, OR THE OPERATIONS OF ITS SUPPLIERS, OR ANY OTHER CAUSES BEYOND THE CONTROL OF LTA MACHINING INC.

8. Raw materials availability: This contract is contingent upon the availability of raw materials required for the manufacture of the goods. LTA Machining Inc. shall not be deemed in breach of this agreement for delay in manufacture or delivery where such raw materials are unavailable. In such case, LTA Machining Inc. may, at its option, cancel this agreement or deliver to you a pro-rata share of its production.

9. Force Majeure: LTA Machining Inc. will not be liable for any delay or failure in performance resulting from labor disputes, war, riot, insurrection, fire, flood, accident, storm, act of God, or other causes beyond its control, or from LTA Machining Inc.'s good-faith compliance with any foreign or domestic governmental law, rule, order or regulation, whether or not it later is held invalid.

10. Special tooling: Unless otherwise specifically provided in LTA Machining Inc.'s quotation, special tooling developed by LTA Machining Inc. to complete this contract shall be the property of LTA Machining Inc. Special tooling supplied by Buyer or special tooling developed by LTA Machining Inc. subject to property ownership of Buyer shall be maintained by LTA Machining Inc. with reasonable care at Buyer's risk or loss of damage arising from force majeure events. Buyer is encouraged to provide its own insurance against such loss or damage. In the event Buyer does not claim such special tooling subject to property ownership of Buyer within two years after completion of LTA Machining Inc.'s deliveries under this contract, then title shall transfer to LTA Machining Inc. and it shall have the right, following 30 days' written notice to Buyer, to dispose of such special tooling without liability to Buyer.

11. Buyer's requests for changes: Following acceptance of this quotation, any technical, quantity, delivery or other change requested by Buyer shall be in writing and shall be construed as a request to renegotiate the contract without prejudice to the rights of LTA Machining Inc. under the contract.



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12. Cancellation by Buyer: In the event Buyer cancels this contract following acceptance of this quotation, Buyer agrees to pay LTA Machining Inc. the greater of: (a) 20% of the contract amount; or (b) LTA Machining Inc. expenditures for raw materials, unamortized tooling, labor incurred, handling and overhead, and all work completed to date and in progress, but not yet delivered to Buyer, plus a cancellation charge of 10% of the amount calculated under (a) or (b). This is without prejudice to such other and additional rights as are available to LTA Machining Inc. under the law or equity.

13. Incidental charges: Any special packaging requirements, source inspection by Buyer on the premises of LTA Machining Inc., or other requirements not expressly provided for shall be subject to additional charges by LTA Machining Inc.

14. Short count: Buyer shall be deemed to have accepted the numerical count of goods shipped unless Buyer notifies LTA Machining Inc. in writing of any claim for short count within 15 days after delivery to Buyer.

15. Nonconforming goods: Goods delivered to Buyer shall be deemed to conform to this contract unless Buyer notifies LTA Machining Inc. in writing of any claim of nonconformance within 15 days after delivery to Buyer. Buyer will then await instructions and unless otherwise agreed to in writing by LTA Machining Inc. Returns, regardless of reasons, will not be accepted without obtaining a prior written Return Goods authorization (RGA) from LTA Machining Inc. Buyer assumes the full risk and expense of returning goods to LTA Machining Inc., including but not limited to damage arising from Buyer's improper packaging. LTA Machining Inc. agrees to repair or replace nonconforming goods or allow a credit for nonconforming goods at its option, which shall be the sole liability of LTA Machining Inc. with respect to nonconforming goods.

16. Customer-supplied raw or semi-finished materials: In the event this contract requires LTA Machining Inc. to perform work on raw or semi-finished materials supplied by Buyer but not purchased by LTA Machining Inc. from Buyer, Buyer shall supply an adequate excess to allow for machining losses. If LTA Machining Inc. scraps any such materials, it shall not be liable to Buyer for such scrapped materials. Buyer warrants that any raw or semi-finished materials shall be suitable for the operations intended to be performed by LTA Machining Inc., free of defects in workmanship and material. If found defective during processing, Buyer shall promptly deliver suitable replacements at no charge to LTA Machining Inc. Buyer shall pay LTA Machining Inc. for all work performed to the time when the defect was discovered.

17. Other indemnification: Buyer agrees to defend at its own expense, indemnify and hold harmless LTA Machining Inc. from all claims of patent infringement of trade secret misappropriation arising from its performance under this contract, including damages, costs and attorney's fees.

18. Taxes: Prices quoted are subject to added charges levied by any government taxing authority, all of which shall be paid by Buyer.

19. Construction, modification: This quotation upon acceptance becomes the entire understanding of the parties with respect to this subject matter and supersedes all



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representations or under-standings relating thereto. It may not thereafter be modified orally, but only in writing, signed by the party to be charged; and, it shall be construed in accordance with the laws of California.

20. California Law: This transaction shall be deemed to have been made and entered into in the State of California. The Purchaser agrees that this transaction shall be construed and enforced in accordance with the internal laws of the State of California without regard to its conflicts of law provisions that apply to the laws of other jurisdictions. All terms which are defined in the Uniform Commercial Code as adopted in the State of California shall have the same meaning herein as in such Code, in addition to all rights and remedies specified herein. Any litigation between the Parties shall take place in the state or federal courts situated in Ventura County, California, and the parties expressly submit to the jurisdiction of such courts.