

The following are the only terms and conditions that govern the sale of products provided to the Buyer, as identified in the accompanying quotation, by L&T Precision, LLC, a Delaware limited liability company, hereinafter known as Seller.

1. **Acceptance of these Terms:** Buyer understands that by issuing a purchase order to Seller based on a quotation which accompanied these terms and conditions, all of the terms and conditions listed below are incorporated in Buyer's purchase order. These terms and conditions prevail over any of Buyer's general terms and conditions of purchase regardless of whether or when Buyer has submitted its purchase order or such terms. Fulfillment of Buyer's order does not constitute acceptance of any of Buyer's terms and conditions and does not serve to modify or amend these terms and conditions.

2. **Prices and Taxes:** Prices will be those set forth in Seller's quotation valid at the time of order. Prices specified in Seller's quotation are valid for the time period specified therein. If no such time period is specified in Seller's quotation, price is valid for 10 days after the date the quote is submitted. All orders pursuant to Seller's quotation are subject to acceptance by Seller. Prices are Ex Works (EXW) Seller facility unless otherwise noted in writing on the quotation. The price in the quotation is subject to change if Buyer wishes to change any terms of the quotation, if the price in the quotation is no longer valid or as otherwise set forth herein. Any special packaging requirements, special quality inspections not specified on provided documentation, source inspection by Buyer on the premises of Seller, or other requirements not expressly provided in Buyers Request for Quotation (RFQ) or purchase order shall be subject to additional charges by Seller. Prices quoted are subject to added charges levied by any government taxing authority, all of which shall be paid by Buyer. All prices are exclusive of all sales, use and excise taxes, and any other similar taxes, duties and charges of any kind imposed by any governmental taxing authority on any amounts payable by Buyer. Buyer shall be responsible for all such charges, costs and taxes; provided, that, Buyer shall not be responsible for any taxes imposed on, or with respect to, Seller's income, revenues, gross receipts, personnel or real or personal property or other assets.

3. **Payment:** All payments shall be made in U. S. dollars via ACH or check and in immediately available funds. Credit terms may be extended or revoked at the sole discretion of the Seller. However, pursuant to the following:

(a) If during the period of performance of an order, the financial condition of the Buyer is determined by Seller not to justify the terms of payment specified, Seller may demand that alternate payment terms be made.

(b) In the event of default in payment by Buyer: (i) Seller may suspend performance of its obligations; (ii) Buyer agrees to pay Seller's standard late charges plus interest on the delinquent payment from the due date thereof until such payment and all interest thereon is received at the rate of 1 ½ % per month; and (iii) in the event of litigation or collection activity arising out of Buyer's non-payment, Buyer will promptly pay the reasonable costs and expenses incurred by Seller including attorney's fees. Acceptance of any partial payment shall not constitute a waiver of Seller's right to payment in full amounts owing from Buyer or the waiver of any breach of these terms and conditions. Buyer shall not withhold payment of any amounts due and payable by reason of any set-off of any claim and waives any right to offset any claims by Buyer against Seller against any payment owed to Seller.

**4. Security Interest:** As collateral security for the payment of the purchase price of the products, Buyer hereby grants Seller a lien and purchase money security interest in and to all of the right, title, and interest of Buyer in, to and under all products obtained by Buyer pursuant to Buyer's order, wherever located, and whether now existing or hereafter arising or acquired from time to time, and in all accessions thereto and replacements or modifications thereof, and on all products and proceeds thereof, including, without limitation, accounts receivable, contract rights, deposit accounts and cash. The security interest granted under this provision constitutes a purchase money security interest under the California Commercial Code or analogous statute in all relevant jurisdictions and Buyer hereby authorizes Seller to file one or more financing statements recording such security interest and Seller shall have all rights of a secured party under the California Commercial Code or analogous statute in all relevant jurisdictions.

**5. Order Acceptance:** All purchase orders pursuant to Seller's quotation are subject to acceptance by Seller. Acceptance of any order issued to Seller by Buyer shall not be assumed. Seller may receive a purchase order and may acknowledge receipt of the document, but this does not indicate acceptance of the order. Acceptance of orders must be made in writing and must include the term "accept". Seller is bound by all U.S. laws, export regulations, restrictions, trade embargoes, etc. ("U.S. Government Action"); therefore, any order by a non-US Buyer to whom such sales are prohibited by such U.S. Government Action, will not be valid and will be deemed not accepted without any liability whatsoever to Seller.

**6. Cost of Materials:** The quotation is based on the present cost of materials at the time the quote is submitted. Seller shall confirm material cost and notify Buyer of any change to price at time of purchase order. If Buyer confirms updated material cost and Seller accepts the purchase order, Buyer is responsible to pay for the increase in cost of materials. Pricing of items quoted by Seller and accepted by Buyer is subject to re-negotiation if the cost of raw material, purchased

components and / or outside processing increases by more than 4% at any time during the fulfillment of the purchase order.

**7. Delivery; Quantity:**

(a) Unless otherwise specified in writing, delivery terms are Ex Works Seller facility. Any dates for delivery quoted by Seller or provided in an accepted order are approximations only. Seller is indemnified and held harmless for any damages incurred by the Buyer due to any delivery delay. Seller shall not be liable for any delays, loss, or damage in transit. Upon delivery to initial carrier, Buyer retains title to product and all risk of loss upon delivery. In the absence of instructions to the contrary, Seller, on behalf of the Buyer, will select the carrier but will not be deemed thereby to assume any liability in connection with the shipment nor will the carrier be construed to be an agent of Seller. Seller may, in its sole discretion, without liability or penalty, make partial shipments of products to Buyer. Each shipment will constitute a separate sale, and Buyer shall pay for the units shipped whether such shipment is in whole or partial fulfillment of Buyer's purchase order.

(b) If Seller delivers to Buyer a quantity of products of up to 5% more or less than the quantity set forth in Seller's written acceptance of the order, Buyer shall not be entitled to object to or reject the products or any portion of them by reason of the surplus or shortfall and shall pay for such products the price set forth in the quotation adjusted pro rata.

**8. Importing Expenses, Licensing & Regulations:** For shipments outside the United States, Buyer assumes all responsibility for shipments of products requiring any government import clearance and Buyer is solely responsible for payment of any and all import expenses, duties, satisfaction of the respective licensing requirements, and compliance with all U.S. Government Action and all other applicable laws, regulations and standards, which are required by any governmental authority to whose jurisdiction Buyer is subject or which has jurisdiction over the place to which products are shipped, including export or import laws. Seller may terminate any order if any governmental authority imposes antidumping or countervailing duties or any other duties or penalties on the products.

**9. Raw Materials Availability:** This contract is contingent upon the availability of raw materials required for the manufacture of the products. Seller shall not be deemed in breach of these terms and conditions for delay in manufacture or delivery where such raw materials are unavailable. In such cases, Seller may, at its option, cancel an order or deliver to Buyer its pro-rata share of production.

**10. Buyer's Request for Changes:**

(a) Following acceptance of any order, any technical changes and / or changes to quantity, delivery or other requested by Buyer shall be in writing and shall be construed as a request to renegotiate the accepted order without prejudice to the rights of Seller hereunder. When an order is placed on hold the Buyer shall be notified by Seller via phone, e-mail and / or fax. Buyer acknowledges that when an order is placed on hold, Seller will not perform any work until the discrepancy is resolved and the hold status is removed.

(b) Any order received by Seller and not yet accepted may be placed on hold, in Seller's sole discretion, if there are any differences between the quoted price, delivery, quantity, instructions, or any other factor that was not agreed to in writing at the time of the quotation.

**11. Special Tooling:** Unless otherwise specifically provided in Seller's quotation, special tooling developed by Seller to complete a purchase order shall be the property of Seller and Seller shall have no duty of care with respect thereto. Special tooling supplied by Buyer shall be maintained by Seller with commercially reasonable care at Buyer's risk of loss or damage, and Seller shall have no liability in the event of any loss or damage thereto. Buyer is encouraged to provide its own insurance against such loss or damage. In the event Buyer does not claim such special tooling within one year after completion of Seller's deliveries under a purchase order, then Seller shall have the right, following 30 days' written notice to Buyer, to dispose of such special tooling without liability.

**12. Cancellation by Buyer:** In the event Buyer desires to cancel a purchase order following acceptance by Seller, Buyer agrees to pay Seller the greater of: (a) 2% of the purchase order amount, or (b) Seller's expenditures for raw material, tooling, labor incurred, handling and overhead, and for all work completed to date and in progress but not yet delivered to Buyer, plus a cancellation charge of 5% of the total purchase order dollar value, however, if the products are complete at the time of the cancellation then the Buyer is responsible to pay Seller the full agreed upon contract price. This is in addition and without prejudice to such other and additional rights and remedies as are available to Seller under the law.

**13. Nonconforming Products:** It shall be assumed that product delivered to Buyer conforms to the contract, and product shall be deemed accepted by Buyer unless Buyer notifies Seller in writing of any claim of nonconformance within thirty (30) business days after delivery to Buyer. If Buyer determines that product supplied by Seller should be returned due to a defect, Buyer must obtain a Return Materials Authorization (RMA) number from Seller prior to returning the items. All returns shall state the specific reason for such return. Seller may elect not to accept any returns that do not reference an RMA number. Unless otherwise agreed to in writing by Seller, Buyer assumes the full risk and expense of returning products to Seller, including but not limited to damage arising from Buyer's improper packaging. Seller reserves the right to repair or replace nonconforming products in lieu of monetary refund at Seller's sole discretion. Buyer

acknowledges and agrees that the remedies set forth in this section are Buyer's exclusive remedies for the delivery of nonconforming products. Except as provided in this section, all sales of products to Buyer are made on a one-way basis and Buyer has no right to return products purchased hereunder to Seller.

**14. International Traffic in Arms Regulation (ITAR):** All product that Seller manufactures for Buyer are considered Commercial and Non-Military (not subject to requirements and regulations of ITAR) unless Buyer discloses to Seller that the items are in fact intended for Military / Defense use.

**15. Limitation of Warranties:**

(a) The Seller warrants to Buyer that, for a period of one year from the date of shipment of the products ("Warranty Period"), the products sold to Buyer hereunder will conform to the specifications provided by Buyer and will be free from material defects in workmanship, and no other express or implied warranties are made by Seller. THIS WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

(b) Buyer has furnished Seller with the drawings and specifications for the products and Buyer is not relying on Seller to select products or engineering designs. Buyer shall indemnify Seller from, and defend and hold Seller harmless from and against any liability, loss, cost, damage, expense (including reasonable attorney's fees) suffered, incurred or sustained by Seller or to which Seller becomes subject, resulting from, arising out of or relating to any claim: (i) that the products infringe upon the proprietary or other rights of any third party (except as may have been caused by a modification by Seller); and (ii) of loss or damage resulting from the products and the use thereof.

(c) Seller shall not be liable for a breach of the warranty set forth in Section 15(a) unless: (i) Buyer gives written notice of the defect, reasonably described, to Seller within 30 days of the time when Buyer discovers or ought to have discovered the defect; (ii) Seller is given a reasonable opportunity after receiving the notice to examine such products and Buyer (if requested to do so by Seller) returns such products to Seller's place of business at Seller's cost for the examination to take place there; and (iii) Seller reasonably verifies Buyer's claim that the products are defective.

(d) Seller shall not be liable for a breach of the warranty set forth in Section 15(a) if: (i) Buyer makes any further use of such products after giving such notice; (ii) the defect arises because Buyer failed to follow Seller's oral or written instructions as to the storage, installation,

commissioning, use or maintenance of the products; or (iii) Buyer alters or repairs such products without the prior written consent of Seller.

(e) Subject to Section 15(c) and Section 15(d) above, with respect to any such products during the Warranty Period, Seller shall, in its sole discretion, either: (i) repair or replace such products (or the defective part) or (ii) credit or refund the price of such products at the pro rata contract rate provided that, if Seller so requests, Buyer shall, at Seller's expense, return such products to Seller. THE REMEDIES SET FORTH IN THIS SECTION 15(E) SHALL BE THE BUYER'S SOLE AND EXCLUSIVE REMEDY AND SELLER'S ENTIRE LIABILITY FOR ANY BREACH OF THE LIMITED WARRANTY SET FORTH IN SECTION 15(A).

**16. Limitation on Liability:** SELLER'S LIABILITY, IF ANY, WHETHER ARISING FROM BREACH OF WARRANTY, CONTRACT, NEGLIGENCE, INDEMNITY, STRICT LIABILITY OR OTHER TORT, OR OTHERWISE WITH RESPECT TO ITS PRODUCTS IS LIMITED TO AN AMOUNT NOT TO EXCEED THE PRICE OF THE PARTICULAR PRODUCTS GIVING RISE TO THE LIABILITY. IN NO EVENT SHALL SELLER BE LIABLE FOR ANY INDIRECT, INCIDENTAL, LOST PROFITS, LOSS OF GOODWILL, LOST BUSINESS, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR SPECIAL DAMAGES, WHETHER FORESEEABLE OR NOT, HOWEVER CHARACTERIZED AND/OR FROM ANY OTHER CAUSE WHATSOEVER.

**17. Force Majeure:** Seller is not liable, nor shall be deemed to have defaulted hereunder, for any delay or failure in performance resulting from labor disputes, war, riot, insurrection, fire, flood, accident, storm, act of God, epidemic, pandemic, government order, embargoes, blockades, or other causes beyond its control, or from Seller's good-faith compliance with any foreign or domestic governmental law, rule, order or regulation, whether or not it later is held invalid.

**18. Buyer's Assumption of Risk, Covenants and Indemnity:** Buyer assumes all risk, liability and responsibility for any loss, damage, cost and expense arising out of or resulting from the handling, use, storage, disposal, or application of the products ordered hereby. Buyer hereby assumes and agrees to indemnify, defend, and hold Seller and its officers, owners, employees and agents harmless from and against all liability, loss, cost, damage, expense (including reasonable attorney's fees) arising out of or in connection with claims by Buyer, its employees, customers, independent contractors, and any third parties based upon or resulting from the handling, use, storage, disposal, or application of the products ordered hereby. Buyer warrants that the products ordered hereby shall not be resold, transferred, exported, or reused in any way by Buyer in violation of any U.S. Government Action. Buyer shall comply with all applicable laws, regulations, and ordinances. Buyer shall maintain in effect all the licenses, permissions,

authorizations, consents, and permits that it needs to carry out its obligations hereunder. Buyer will indemnify, defend and hold Seller harmless, including reasonable attorney's fees, court costs, and costs of investigation and defense, from any harm or damages or liability caused to Seller by any breach of the foregoing warranty or for the failure to comply with any laws or regulations, including without limitations, U.S. Government Action.

**19. Construction, Modification:** These terms and conditions and accompanying quotation are the entire understanding of the parties with respect to this subject matter and supersedes all previous representations or understandings relating thereto. These terms and conditions and accompanying quotation may not be modified orally, but only in writing, signed by the party to be charged.

**20. Governing Law; Submission to Jurisdiction.** These terms and conditions and accompanying quotation shall be construed in accordance with the laws of the State of California, without giving effect to any choice or conflict of law provision or rule (whether of the State of California or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than those of the State of California. Any legal suit, action, or proceeding arising out of or relating to these terms and conditions or accompanying quotation shall be instituted in the federal courts of the United States of America or the courts of the State of California in each case located in the City of San Diego and County of San Diego, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action, or proceeding.

**21. Confidential Information.** All non-public, confidential or proprietary information of Seller, including but not limited to specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts or rebates, disclosed by Seller to Buyer, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as "confidential" in connection with these terms and conditions or accompanying quotation is confidential, solely for the use of performance hereunder and may not be disclosed or copied unless authorized in advance by Seller in writing. Upon Seller's request, Buyer shall promptly return all documents and other materials received from Seller. Seller shall be entitled to injunctive relief for any violation of this Section. This Section does not apply to information that is: (a) in the public domain; (b) known to Buyer at the time of disclosure; or (c) rightfully obtained by Buyer on a non-confidential basis from a third party.

**22. Waiver.** No waiver by Seller of any of the provisions of these terms and conditions or accompanying quotation is effective unless explicitly set forth in writing and signed by Seller. No failure to exercise, or delay in exercising, any right, remedy, power or privilege hereunder operates, or may be construed, as a waiver thereof. No single or partial exercise of any right, remedy, power or privilege hereunder precludes any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.

**23. Assignment.** Buyer shall not assign any of its rights or delegate any of its obligations hereunder without the prior written consent of Seller. Any purported assignment or delegation in violation of this Section is null and void. No assignment or delegation relieves Buyer of any of its obligations hereunder.

**24. Relationship of the Parties.** The relationship between the parties is that of independent contractors. Nothing contained herein shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever.

**25. No Third-Party Beneficiaries.** These terms and conditions are for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of these terms and conditions.

**26. Notices.** All notices, requests, consents, claims, demands, waivers, and other communications hereunder (each, a "Notice") shall be in writing and addressed to the parties at the addresses set forth on the face of the quotation or to such other address that may be designated by the receiving party in writing. All Notices shall be delivered by personal delivery, nationally recognized overnight courier (with all fees pre-paid), email, or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided hereunder, a Notice is effective only (a) upon receipt of the receiving party, and (b) if the party giving the Notice has complied with the requirements of this Section.

**27. Severability.** If any term or provision of hereunder is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision hereunder or invalidate or render unenforceable such term or provision in any other jurisdiction.

**28. Termination.** In addition to any remedies that may be provided under these terms and conditions, Seller may terminate these terms and conditions and accompanying quotation with immediate effect upon written notice to Buyer, if Buyer: (a) fails to pay any amount when due hereunder; (b) has not otherwise performed or complied with any of these terms and conditions, in whole or in part; or (c) becomes insolvent, files a petition for bankruptcy or commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization, or assignment for the benefit of creditors.

**29. Survival.** Provisions of these terms and conditions which by their nature should apply beyond their terms will remain in force after any termination or expiration of this these terms and conditions or accompanying quotation including, but not limited to, the following provisions: Importing Expenses, Licensing & Regulations, Buyer's Assumption of Risk, Covenants and Indemnity, Confidential Information, Governing Law; Submission to Jurisdiction and Survival.