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## TERMS AND CONDITIONS

1. **DEFINITIONS.** The term "CMI" or "Seller" refers to California Manufacturing, Inc. The term "Buyer" means the individual, corporation, or other legal entity submitting an order to CMI as identified on the Sales Order Acknowledgment. The term "Terms" means these Terms and Conditions. The term "Purchase Order" or "Order" means Buyer's expressed desire, whether written or oral, to purchase Goods from CMI. The term "Goods" means all of the products, materials, and related services that the Buyer desires to purchase from CMI. The sales of the Goods that are subject of this Order will be governed by and subject to (a) CMI's quotation, order acknowledgment, or a separate written agreement signed by an authorized representative of CMI, as applicable, and (b) these Terms and Conditions, whether or not they are specifically referenced in or incorporated by CMI's quotation, order acknowledgment, or a separate written and signed agreement. Any irreconcilable conflict between these Terms and Conditions and any terms in CMI's quotation, order acknowledgment, or separate written and signed agreement shall be resolved in favor of these Terms and Conditions. CMI's acceptance of Buyer's purchase order or commencement of performance shall not constitute acceptance of any Buyer's terms and conditions. **TERMS ADDITIONAL TO OR DIFFERENT FROM THESE TERMS AND CONDITIONS, INCLUDING BUT NOT LIMITED TO TERMS CONTAINED IN BUYER'S PURCHASE ORDER OR BUYER'S STANDARD TERMS AND CONDITIONS OF PURCHASE, ARE DEEMED MATERIAL AND HEREBY REJECTED UNLESS OTHERWISE ACCEPTED BY CMI IN WRITING.**
2. **BUYER'S ASSENT TO THESE TERMS AND CONDITIONS.** Buyer's assent to these terms and conditions shall be conclusively presumed from Buyer's (1) receipt of CMI's order acknowledgment without written objection sent to CMI within five (5) days after receipt of the order acknowledgment, (2) instructions to CMI to begin work or ship any of the Goods after receipt of CMI's order acknowledgment, (3) acceptance of or payment for all or any part of the Goods, or (4) taking any other action evidencing Buyer's acceptance of the benefits of the agreement between the parties. CMI may commence performance in reliance upon Buyer's acceptance of these terms and conditions, and CMI will not be obligated to fulfill an order or request for the Goods unless CMI affirmatively acknowledges the order. Customer may not revoke, terminate, suspend, or change an accepted order without the written consent of CMI on terms that will compensate our costs and expenses associated therewith and will indemnify us against all losses related thereto. Notwithstanding any revocation, termination, suspension, or change in accordance with these Terms, customer shall pay CMI for all work done up to and including the date of such revocation, suspension, or termination, costs, and expenses, and shall in addition indemnify CMI against any resulting loss damage or expense incurred by CMI in connection with such revocation, suspension, termination, or change. **BUYER AND CMI AGREE THAT THESE TERMS AND CONDITIONS ARE ACCEPTED IN GOOD FAITH BY BOTH PARTIES AS THE CONTROLLING AND FINAL TERMS AND CONDITIONS.**
3. **ENTIRE AGREEMENT.** This agreement (hereinafter, to be referred to as "Agreement"), together with CMI's quotation, order acknowledgment, or a separate written and signed agreement, constitutes the entire agreement between the parties and supersedes and extinguishes all previous drafts, agreements, arrangements and understandings between them, whether written or oral, relating to this subject matter. No other terms, conditions, or understandings shall be binding upon CMI hereafter unless made in writing and signed by an authorized representative of CMI.
4. **VERBAL, QUOTED AND P.O. LEAD TIME.** Verbal, quoted and P.O. lead times are estimates only and are not guaranteed. The time for completion of any Goods shall be extended by a reasonable period if completion of the Goods is delayed as a result of the nature or lack of instructions from customer, or by any other cause beyond CMI's control.
5. **PRICE.** The purchase price of the Goods shall be as stated in CMI's quotation, order acknowledgment, or separate written agreement signed by an authorized representative of CMI, as applicable. Unless agreed by CMI in writing, the purchase price does not include shipment costs. If the Goods are shipped freight prepaid, the charge for the freight shall be added to the invoice. Prices are based on and assume Buyer's compliance with the terms and conditions of this Agreement, including a promise by Buyer to purchase a particular mix of goods, a certain quantity of goods, or a certain percentage of Buyer's requirements for the goods. CMI may adjust prices, in its sole discretion, if the circumstances does not coincide with the forgoing assumptions. In addition, CMI may at any time adjust prices based on changes to energy costs, raw material costs, labor costs and exchange rates.
6. **ADDITIONAL CHARGES.** Unless otherwise specified in writing signed by CMI, prices are based on our latest quote. Whenever applicable, taxes will be added to customer's invoice as a separate charge to be paid for by the customer. Any special requirements of the order must be disclosed at the time of quote, nondisclosed special requirements will be subject to additional charges. Nondisclosed special requirements include FAI report requirement, Special shipping/handling requirements, External test reports, and all other nondisclosed special requirements not disclosed at the time of quotation and order.
7. **DELIVERY AND DELAYS.** CMI will use reasonable efforts to fill customer's order in accordance to customer contract; however, CMI shall not be responsible for any delay to late delivery caused by circumstances beyond its reasonable control including, but not limited to, events describe in Force Majeure.
8. **LOST OPPORTUNITY AND THE RIGHT TO EXPECTANCY DAMAGES.** Buyer recognizes and acknowledges that by undertaking this agreement to manufacture or offer shop services, CMI will have lost the opportunity to accept other contracts and perform other work by designating personnel and dedicating resources to the preparation for and engagement of the work in question. In the event Buyer decided to breach this agreement, CMI shall be entitled to the full measure of the cost of manufacture of parts, fees, taxes, services, and charges, including charges for material tooling and/or external provider services, expected to be paid in the

performance of this agreement, together with interest accruing at the statutory rate or as authorized by state law from the date of breach.

9. **INDEMNIFICATION.** Buyer agrees to indemnify, defend and hold harmless CMI, its directors, officers, employees, agents, successors and assigns from and against any and all damages, losses, expenses, costs (including, without limitation, reasonable attorney's and accountant's fees), claims, suits, actions, judgments or other liability asserted against or incurred by CMI arising out of (a) Buyer's breach of its obligations hereunder, (b) Buyer's negligence or misconduct, or (c) Buyer's misuse or misapplication of the Goods or damage to the Goods caused by Buyer or its employees, agents or customers.
10. **FORCE MAJEURE.** CMI shall not be responsible for cancellation or delay in delivery or performance resulting, in whole or in part, from causes beyond its reasonable control, including, but not limited to: acts of God; acts or omissions of Buyer; strikers or other labor disturbances regardless of whether or not CMI is capable of settling such strike or disturbance; accidents; shortages of labor, materials, fuel or power; fires; priorities required, requested, or granted for the benefit of the national or local government; restrictions imposed by national or local legislation or regulations; or any cause, whether similar to those enumerated in this section, including without limitation cease of production/operation by the company due to economic hardship, which is beyond the control of CMI.
11. **WARRANTIES.** Goods are warranted for labor defects that don't conform to the requirements of the supplied technical data found on the drawings for a period of 90 days from the date of invoice or until parts are installed in the next assembly. No goods shall be returned to CMI without CMI issuing a written Returned Material Authorization number. EXCEPT FOR THE WARRANTY SET FORTH HEREIN, SELLER MAKES NO WARRANTY WHATSOEVER WITH RESPECT TO THE GOODS, INCLUDING ANY (a) WARRANTY OF MERCHANTABILITY; (b) WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; OR (c) WARRANTY AGAINST INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS OF A THIRD PARTY; WHETHER EXPRESSED OR IMPLIED BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE OR OTHERWISE. THE REMEDIES SET FORTH IN THIS SECTION SHALL BE THE BUYER'S SOLE AND EXCLUSIVE REMEDY AND SELLER'S ENTIRE LIABILITY FOR ANY BREACH OF THE LIMITED WARRANTY SET FORTH IN THIS SECTION.
12. **LIMITATION OF LIABILITY.** SELLER'S EXCLUSIVE LIABILITY AND BUYER'S EXCLUSIVE REMEDY FOR THE BREACH OF ANY WARRANTIES HEREIN SHALL BE THE SELLER'S SOLE OPTION TO EITHER (i) REPLACE NON-CONFORMING GOODS AT THE ORIGINAL POINT OF DELIVERY; (ii) TO REPAIR NON-CONFORMING GOODS; OR (iii) TO REFUND THE BUYER'S PURCHASE PRICE FOR THE NON-CONFORMING GOODS. WHICHEVER OPTION SELLER SELECTS, SELLER'S LIABILITY FOR ANY LOSS OR DAMAGE ARISING OUT OF OR RESULTING FROM IN ANY WAY CONNECTED WITH THIS ORDER SHALL NOT EXCEED BUYER'S PURCHASE PRICE FOR THE PARTICULAR GOOD UPON WHICH SUCH LIABILITY IS BASED, REGARDLESS OF WHETHER SUCH LIABILITY ARISES IN CONTRACT (INCLUDING, BUT NOT LIMITED TO FAILURE OR DELAY IN PERFORMANCE OR DELIVERY DUE TO ANY CAUSE WHATSOEVER), TORT (INCLUDING, BUT NOT LIMITED TO, NEGLIGENCE OR STRICT LIABILITY) OR OTHER. IN NO EVENT SHALL SELLER BE LIABLE TO BUYER FOR LOSS OF PROFITS OR REVENUE OR FOR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL, OR PUNITIVE DAMAGES, REGARDLESS OF PRIOR DEALINGS. ANY CLAIM BY BUYER SHALL BE WAIVED UNLESS PRESENTED IN WRITING TO SELLER WITHIN 60 DAYS FORM THE DATE OF DELIVERY OR WITHIN SUCH OTHER TIME PERIOD AS SELLER MAY HAVE PROVIDED IN WRITING. CMI DISCLAIMS ALL LIABILITY FOR AND IS NOT RESPONSIBLE FOR ANY DAMAGES OR COSTS THAT MAY RESULT FROM IMPROPER INSTALLATION OF ITS GOODS.
13. **NON-CONFORMING GOODS.** No claim for damages for non-conforming Goods will be allowed unless Buyer provides CMI with written notice of the claim within sixty (60) days of the date of the Goods being delivered to Buyer. To assert such a claim, Buyer must (a) at CMI's request, return to CMI 100% or, if agreed by CMI, a lesser but still statistically relevant percentage of the Goods claimed to be non-conforming, and (b) provide reasonable evidence to support the claim, including, if requested by CMI, results of diagnostic tests, evaluations and investigations performed by Buyer or Buyer's customer. Goods for which damages are claimed shall not be returned, repaired, or discarded without CMI's prior written consent. If requested by CMI, the non-conforming Goods must be returned to CMI at Buyer's expense within ten (10) days of CMI's request. No goods shall be returned to CMI without CMI issuing a written Returned Material Authorization number. No claims, rejections or returns for non-conforming Goods will be permitted unless Buyer cooperates in full with CMI's technical personnel to determine the cause of the non-conformance.
14. **PAYMENT.** Payment terms are Net 30 days from date of billing. CMI will establish a credit limit and periodically evaluate account status. Buyer agrees to pay amount shown on invoices within the 30-day period without any right of set-off unless otherwise mutually agreed, in writing, and signed by customer and an authorized representative of CMI prior to the time the Services are rendered. CMI reserves the right on any past due accounts to (i) place past due accounts on C.O.D. status, (ii) suspend performance of any order for the Buyer and/or withhold delivery of any of the Buyer's Goods, (iii) exercise other remedies provided herein, by credit agreements between Buyer and CMI, if any, and/or as otherwise permitted by law, and/or (iv) to charge interest at the lesser of the maximum legal rate permitted by law or 18% per year until paid in full. Additionally, CMI shall be entitled to recover its costs, including reasonable attorney fees, to collect any amounts owed by the customer and for any action brought to enforce or interpret the terms hereof.
15. **CONFIDENTIALITY.** The parties undertake to maintain in confidence and not disclose or use (for any other purposes than for the proper fulfillment of the Agreement), during and after the term of the Agreement, all terms and conditions contained in the Agreement, any confidential or proprietary information provided by the other, including but not limited to, technical and/or commercial information relating to its business, employees, contractors, clients, facilities, products, computer programs, samples of any kind, documentation, concepts, ideas, business plans, data and all other confidential information, including without limitation, proprietary rights however acquired (hereinafter "Confidential Information"). Provided, however, the parties may provide a copy of this Agreement to their financial and legal advisors on a "need to know" basis only. Further, notwithstanding anything herein to the contrary, neither party hereto shall have liability to the other with regard to any Confidential Information which the disclosing party can prove was disclosed pursuant to the order or requirement of a court, administrative agency, or other governmental body. This clause shall survive the termination of the Agreement by either party.
16. **GOVERNING LAW, VENUE AND WAIVER OF JURY TRIAL:** The laws of the State of California shall govern the interpretation and enforcement of these Terms, exclusive of its choice of law provisions. Any dispute arising out of these Terms or in relation to any Services may be brought in the federal or state courts located in Los Angeles, California, and both parties expressly consent to the personal jurisdiction of such courts and waive any objection to the jurisdiction and venue thereof. FOR ALL DISPUTES WHICH EXCEED \$10,000 IN VALUE, THE PARTIES EXPRESSLY WAIVE THEIR RIGHT TO A JURY TRIAL. THE DISPUTE SHALL BE SUBMITTED TO BINDING ARBITRATION IN THE COUNTY OF ORANGE, CALIFORNIA BEFORE ADR SERVICES, INC. ALL DISPUTES IN AMOUNTS LESS THAN \$10,000 SHALL BE SUBMITTED TO SMALL CLAIMS COURT IN THE ORANGE COUNTY, CALIFORNIA.
17. **NOTICE:** Any notice required or otherwise given pursuant to this Agreement shall be in writing and mailed certified return receipt requested, postage prepaid, or delivered by overnight delivery service at the following address: 1290 North Miller Street, Anaheim, CA 92806.
18. **PREVAILING PARTY ATTORNEYS' FEES.** In the event of any legal action by the parties arising out of this Agreement, or the relationship between the parties hereto, the prevailing party shall be entitled to reimbursement of its reasonable attorneys' fees and costs, in addition to all other relief.