

## **Sales Terms & Condition:**

This quotation is a solicitation for an offer to purchase the products, materials, goods, repairs, or services described (hereinafter collectively referred to as “goods”), but only subject to the terms and conditions set forth within this quotation. Any purchase order issued by Customer which is inconsistent with the provisions of this contract is superseded by the terms and conditions set forth herein. The issuance of a purchase order by Customer acknowledges that these terms and conditions are the sole terms and conditions under which Customer offers to purchase the goods described hereon from LJ Inc. (hereinafter called “LJ”), and, if any purchase order is accepted by LJ, the terms and conditions herein shall constitute the entire and sole agreement between it and Customer which may be modified and/or amended only in writing signed both by LJ and Customer.

## **Price:**

Unless otherwise specified in writing by LJ, prices for all goods or related services are those listed in LJ’s price quotation or catalog in effect on date of the Order. Unless otherwise specified in writing by LJ, prices shall remain valid for sixty (60) days from the date of the quotation. Goods availability is based on prior sale. Prices are exclusive of any transportation changes to destination(s) and any applicable taxes, duties, or other similar impositions as may be payable by LJ. All such additional charges are to be reimbursed to LJ by Customer unless otherwise stated in writing. LJ reserves the right to determine if items are repairable. LJ reserves the right to make any corrections in the prices quoted due to typographical or clerical errors. LJ reserves the right to re-quote pricing in cases where goods have been subjected to catastrophic failure conditions, severe environmental exposure (such as corrosion, heat/burn, and water damage), goods are not in “as-failed” condition, removed or missing parts, or other extreme failure modes. LJ reserves the right to return items quoted but not approved after 120 days to customer at customer expense. Billable service time includes travel time to and from the job site and all time LJ’s representatives are available for work and waiting (whether on or off the job site) to perform the services.

## **Payment Terms:**

All invoices are on open account and are due and payable as follows. Subject to credit approval and unless authorized in writing by an officer of LJ, all charges for goods, transportation charges, insurance costs and taxes as itemized in LJ's invoice(s) shall be due and payable NET 30 DAYS from date of invoice unless otherwise stated in our Proposal. Prompt payment of invoices at the time they are due shall be considered as being of the essence of this contract and any failure or delay in doing so shall be considered a material breach of the contract, entitling LJ to pursue any remedies available at law. Customer agrees to reimburse LJ for all costs, including actual attorney fees, incurred by it in any efforts to collect overdue payments. Overdue accounts shall be subject to a service charge of up to 1.5% per month on any outstanding balance at LJ's sole discretion. However, such service charge shall not exceed the maximum allowed by law.

## **Delivery Terms:**

Delivery terms are Ex Works with respect to shipping costs, risk of loss and title transfer, except that title to all LJ intellectual property rights associated with the Products remains with LJ (or its suppliers and licensors) and such Products are made available and licensed only for use by the customer pursuant to this agreement or other LJ license agreement. Acknowledged shipping dates are approximate only and based upon prompt receipt of all necessary information from the customer.

## **Packings & Marking:**

Customer-specified packing or marking may be subject to additional charges not otherwise included in the price of the goods.

## **Changes:**

Customer-requested order changes, including those affecting the identity, scope, and delivery of the goods, must be documented in writing and are subject to LJ's prior approval and adjustments in price, scheduling and other

affected terms and conditions. In any event, LJ reserves the right to reject any change that it deems unsafe, technically inadvisable, or inconsistent with established engineering or quality guidelines and standards or incompatible with LJ's repair or service capabilities.

## **Returns:**

Products returned under warranty must be properly packed and shipped to LJ-specified locations. Shipping containers must be clearly marked per LJ's instruction and shipped freight prepaid by the customer.

## **Order Cancellation:**

An order may be canceled by the customer prior to shipment only by written notice and upon payment to LJ of reasonable cancellation charges, including reimbursement for all direct costs, plus allowances for disruption.

## **Warranty Provisions:**

Unless otherwise noted, LJ warrants its repairs and equipment to be free from defects in workmanship and material for a period of one (1) year from date of delivery. Repairs made to customer supplied robots will carry a one (1) year parts warranty only on the parts replaced by LJ unless otherwise quoted. LJ's sole obligation for any breach of warranty shall be to remedy any nonconformance. In the event there is a breach of warranty, LJ will, at its sole discretion, repair, correct or replace any defect to conform to this warranty or refund the payments received from Customer. LJ shall only warrant those repairs and/or services performed directly by it or its authorized representatives. Any warranty service (consisting of time, travel and expenses related to such services) performed at other than LJ's facilities or that of an LJ authorized representative will be at customer's expense. LJ warrants that Products comprised of services, including engineering and custom application programming services, whether provided on a fixed cost or time and material basis, will be performed in accordance with generally accepted industry practices to the extent such services are subject to written acceptance criteria agreed to in advance by LJ. All other warranties relative to provided services

are disclaimed. LJ shall only warrant those repairs and/or services performed directly by it or its authorized representatives.

## **Notice Of Defects:**

Promptly following receipt of goods or rendering of services, Customer shall inspect the same. Any claim for shortage must be made within five (5) days following the receipt of goods and prior to use or installation of the goods. All other claims, including claims for defects not discoverable until use of the goods, must be made in writing within ten (10) days after Customer first learns of the defect. All claims not made in conformity with the above provisions shall be deemed waived.

## **Limitations On Warranties:**

The warranties offered by LJ shall not apply if any of the following occur: (1) the goods are used for any reason or purpose other than their intended purpose; (2) the goods are not utilized under the conditions or in the manner recommended by LJ, the manufacturers specifications or other instructions; (3) the goods have been misused, abused or improperly used in any manner, or unauthorized repairs are attempted; (4) the alleged defects have been caused by neglect; improper installation, operation, maintenance, repair, storage, handling, calibration, alteration or modification; accident, or unusual deterioration or degradation of the goods or parts thereof due to physical environment or electrical or electromagnetic noise environment; or (5) prompt written notice is not provided in accordance with the provisions set forth above. Any alleged defective goods must be returned to the location designated by LJ. Transportation costs associated with the return of the goods shall be prepaid by Customer and any risk of loss during the transportation of the goods shall be borne by Customer. Any goods repaired or replaced by LJ pursuant to the terms of this warranty agreement shall only be warranted for the remainder of the original warranty period provided. At its sole discretion, LJ may extend the warranty period by the length of time necessary for repair or replacement of any defective goods. LJ makes no other warranties, covenants, or representations, either express or implied, beyond those set forth herein.

THERE IS NO WARRANTY OF MERCHANTABILITY AND THERE ARE NO WARRANTIES OF FITNESS FOR ANY PARTICULAR PURPOSE.

## **Limits Of Liability:**

Any legal action for breach of warranty or other cause related to goods or services provided by LJ must be commenced within one (1) year after the date of the initial delivery of the goods at issue. Otherwise, all actions shall be barred. LJ shall not be liable under any warranty to anyone other than Customer. In no event shall LJ be liable for any incidental, special, remote or consequential damages (including but not limited to the loss of revenue or profits of Customer or increased costs) arising from or caused by, directly or indirectly, a delay in delivery of the items, breach of warranty, use of items by Customer, breach of any obligation of LJ hereunder, its performance or failure to perform, or any other act or omission by LJ. In no event shall its liability exceed the price paid by Customer for the goods or services in dispute. Customer agrees to indemnify and hold LJ harmless for any claim or action brought against it for personal injuries alleged by any person resulting from the use or installation of LJ's goods or services, except for personal injuries conclusively determined to be caused by LJ's own gross negligence.

## **Excusable Delay:**

LJ will not be liable for delays in performance or a failure to perform hereunder due to unforeseen interruptive circumstances or causes beyond its control including, but not limited to, inability to obtain material, labor or manufacturing facilities, acts of God, acts of any government, wars, riots, fires, floods, accidents, strikes, embargoes, or delays of the part by LJ's suppliers for said reasons. In the event of such delays, the schedules shall be extended day-for-day or for such additional period of time as is determined to be equitable by the parties.

## **Export Control:**

Products and associated materials supplied under this agreement may be subject to various export laws and regulations. It is the responsibility of the exporter to comply with all such laws and regulations.

## **Substitutions And Modifications:**

LJ reserves the right at any time before delivery or acceptance of Customers purchase order, whichever is later, to modify, replace or substitute parts procured from its suppliers, provided that such modification, replacement or substitution does not adversely affect the operational requirements or performance or maintenance of the particular part or repair to be delivered and will not result in additional charges to Customer.

## **Severability:**

If any language herein shall be invalidated for any reason, that language shall be considered deleted and the remainder shall be unaffected and shall continue in full force and effect.

## **Choice Of Law / Venue:**

The terms and conditions of this quotation and any contract between LJ and Customer shall be construed in accordance with the laws of the State of Michigan. In the event there is any legal action arising between LJ and Customer, venue shall lie in the appropriate court located within Genesee County, Michigan or the United States District Court for the Eastern District of Michigan.

# **PURCHASE ORDER TERMS AND CONDITIONS**

## **1 – ACKNOWLEDGMENT AND ACCEPTANCE OF ORDER:**

Any order (an “Order”) issued by LJ Inc. (“Buyer”) for materials, items, products, components or services (“Materials”), constitutes an offer by Buyer to purchase pursuant to these Terms and Conditions. All exhibits, attachments,

technical specifications, drawings, notes, instructions, or information referenced in an Order are incorporated herein by reference.

## **2 – CHANGE ORDER AND CANCELLATIONS:**

Buyer shall have the right at any time prior to shipment of any Materials, to change the Order issued to the Vendor (a “Change Order”) or to cancel the Order. If there is a Change Order or cancellation, there shall be an equitable adjustment to the contract price and/or delivery schedule, or both. Vendor shall submit any adjustments to the Order arising out of the Change Order or cancellation, to the Buyer within ten (10) days of its receipt of the Change Order.

## **3 – DELIVERY/FORCE MAJEURE:**

If an Order is not fulfilled by the date specified in an Order, Buyer may cancel the Order and purchase substitute Materials and charge the Vendor for any loss incurred. Provisions for delivery by installments shall not be construed as making the obligations of the Vendor severable. Buyer may refuse deliveries made more than one week in advance of any delivery scheduled in an Order. Vendor shall notify Buyer promptly of any delays to the timely performance of an Order. If Vendor is unable to complete performance at the time specified in the Order for reasons beyond the Vendor’s reasonable control, Buyer, at its option, may elect to take delivery of Materials in their then current state and pay that proportion of the contract price as the completed work bears to the total work contemplated in the Order, and Buyer may then cancel the remaining portion of the Order without liability as to the balance.

## **4 – TITLE AND RISK OF LOSS:**

Terms of shipping are F.O.B. the Buyer’s delivery location.

## **5 – PRICE/TAXES:**

Prices stated in an Order are firm and include all charges for Materials, including but not limited to inspection and packaging. Prices are exclusive of applicable sales, use, excise, value-added or similar taxes.

## **6 – WARRANTIES:**

Vendor warrants that Materials shall conform to the generally recognized manufacturing and safety standards of the Vendor's industry in the United States and shall meet or exceed the specifications in an Order. Vendor warrants that the Materials furnished pursuant to an Order will be: (a) free from defects in title, workmanship and material; (b) free from defects in design except to the extent that such items comply with detailed designs provided by Buyer; (c) of merchantable quality and suitable for the purposes for which they are intended, and (d) free and clear of all liens and encumbrances. These warranties shall survive Vendor's fulfillment of the Order and any shall extend to Buyer, its successors, assigns, and users of the Materials.

## **7 – INSPECTION OF MATERIALS:**

All Materials covered by an Order may be inspected and tested by Buyer or its designee. Vendor shall provide without charge, all reasonable facilities and assistance for such inspection and test. Any inspection records relating to Materials shall be available to Buyer for a minimum of one (1) year after delivery to Buyer. No inspection (including source inspection) test, approval (including design approval) or acceptance of Materials shall relieve the Vendor from its obligations hereunder or be deemed acceptance of the Materials.

## **8 – PROPERTY IN SELLER'S POSSESSION:**

Any item furnished to Vendor by Buyer, including but not limited to all drawings, manuals, specifications, products or equipment of any customer of Buyer or of Buyer itself, shall be the property of Buyer; shall be subject to removal at any time upon Buyer's demand, shall be used only in filling orders for Buyer; shall be maintained in good order and condition and shall be clearly identified as the property of Buyer. The Vendor assumes all liability for loss or damage to such property.



## **9 – INDEMNITY:**

Vendor will indemnify, defend and hold harmless Buyer, its affiliates, and its and their respective officers, directors, employees, independent contractors, agents, successors and assigns (collectively, the “Indemnified Parties”), from and against any and all liabilities, losses, costs, expenses, claims and proceedings which any of the Indemnified Parties may suffer or for which any of the Indemnified Parties may become liable and which arise out of any of the following:

- Vendor’s breach of any provision of these Terms and Conditions or any other agreement between Buyer and Vendor:
- The manufacture or delivery of the Materials or any defect in the Materials, workmanship or otherwise;
- Any act or omission of the Vendor
- Any actual or alleged infringements of any intellectual property right of any other party, resulting from any sale, use or manufacture of any Material delivered hereunder;
- Vendor’s failure to comply with any federal, state, county or local laws, ordinance, regulations and codes; and
- Any and all actions, suits, proceedings, demands, assessments, judgments, costs, and expenses, including reasonable attorneys’ and consultants’ fees incident to any of the foregoing. If there is a claim against Buyer arising out of the foregoing, Vendor will have the right, at its option and expense, to defend any such proceeding, claim or demand. If Vendor defends such claim, Buyer shall still have the right, at its cost and expense, to participate in the defense with counsel of its own choosing. Buyer may retain counsel and conduct the defense of the proceeding, claim or demand in question as it may deem proper in its sole discretion, at the sole cost and expense of Vendor. Vendor may not settle any such proceeding, claim or demand without Buyer’s consent (which consent shall not be unreasonably withheld).

## **10 – PROPRIETARY INFORMATION / TITLE TO SPECIFICATIONS:**

All written information obtained by the Vendor from Buyer (including, but not limited to, any specifications, drawings, blueprints and software programs) shall be presumed to be the confidential information of Buyer, shall remain the property of Buyer, shall be used by the Vendor only to the extent necessary for

performance of any Order, and shall not be disclosed to any third parties without prior written consent of Buyer.

### **11 – SHIPPING, PACKAGING AND LABELING:**

All goods purchased hereunder must be packaged to ensure its safe delivery in accordance with Buyer's packaging requirements. The Vendor shall mark on all containers handling and loading instructions, shipping information, purchase order number, and the names and addresses of the Vendor and Buyer. An itemized packing list must accompany each shipment. Each packing list shall include: the related Order number, quantity, item description, order date, shipping date, and delivery address. The packing list shall not include any pricing information.

### **12 – INVOICING AND PAYMENTS:**

Vendor shall send duplicate invoices including item number to Buyer's Accounts Payable Department. Buyer shall have right at any time to set-off any amounts due to the Vendor (or any of its affiliates) against any amounts owed by Buyer to Vendor (or any of its affiliates).

### **13 – INSURANCE:**

Vendor shall maintain public liability, personal injury, and property damage insurance and employer's liability and worker's compensation insurance, in amounts specified by Buyer. Vendor shall produce evidence of such insurance upon request by Buyer.

### **14 – HAZARDOUS MATERIALS:**

Vendor shall notify Buyer of any inherent hazard related to any Materials which could be exposed during handling, transportation, storage, use, resale, disposal or scrap. Said notice shall be sent to the Buyer's Director of Operations and shall specify the product name and part number, the nature of the hazard, proper precautions that must be undertaken by Buyer or others to

protect against the hazard, and any additional information necessary to protect its interest.

#### **15 – COMPLIANCE WITH LAWS:**

Vendor shall comply with all other applicable federal, state, county, and local laws, ordinances, regulations and codes.

#### **16 – GOVERNMENT CONTRACTS:**

If a governmental contract number is shown on the face of an Order, clauses contained in the then current issue of the Federal Acquisition Regulations (FAR) and supplements thereto, which the government makes mandatory for a contractor under a government contract to include in its subcontracts thereunder, will apply to the Order.

#### **17 – VENDOR AS INDEPENDENT CONTRACTOR:**

The Vendor shall perform the obligations of an Order as an independent contractor and under no circumstances shall it be considered an agent or employee of Buyer. The Terms and Conditions of an Order shall not be construed as to create a partnership or any other kind of joint undertaking or venture between the parties hereto.

#### **18 – SEVERABILITY:**

If any language herein shall be invalidated for any reason, that language shall be considered deleted and the remainder shall be unaffected and shall continue in full force and effect to the fullest extent permitted by law.

#### **19 – CHOICE OF LAW / VENUE:**

These Terms and Conditions and the terms of any Order issued by Buyer shall be construed in accordance with the laws of the State of Michigan. In the event there is any legal action arising between Buyer and Vendor, venue shall lie in

the appropriate court located within Genesee County, Michigan or the United States District Court for the Eastern District of Michigan.

### **20 – WAIVER:**

The failure of Buyer to insist in any instance upon the strict performance of any provision of any Order, or to exercise any right or privilege granted to Buyer hereunder, shall not constitute or be construed as a waiver of any such provision or right and the same shall continue in full force and effect.

### **21 – ENTIRE AGREEMENT / INCONSISTENCIES:**

This Agreement contains all the covenants, promises, agreements, conditions, representations and understandings between the parties hereto, and supersedes any prior agreements between the parties hereto, with respect to the subject matter hereof. However, if there are any inconsistencies between these Terms and Conditions and the terms of any Order or Master Purchase Agreement signed by Buyer, the terms of such Order or Master Purchase Agreement, as applicable, shall control.

### **22 – NOTICES, STATEMENTS, ETC:**

All notices, statements or other communications which are required or contemplated hereunder shall be in writing and shall be either personally served at or mailed to the last known mailing address of the person entitled thereto. All such notices, statements and other communications (or copies thereof) shall be deemed furnished to the person entitled thereto (a) on the date of service, if personally served at the last known mailing address of such person, or (b) on the date on received, if mailed to such person in accordance with the terms of this Section. For purposes hereof, an item shall be considered mailed if the sender can establish that it was sent by means including, but not limited to, the following: (i) by United States Postal Service, postage prepaid; (ii) by air courier service (Federal Express or the like); or (iii) by telefax or other means of electronic communication.

### **23 – LIMITS OF LIABILITY:**

Any legal action against Buyer by Vendor based on any Order issued to Vendor must be initiated within seven (7) months after the date the Order was issued to Vendor. Any legal action initiated against Buyer after that time period shall be barred. In no event shall Buyer be liable for any incidental, special, remote or consequential damages arising from or caused by, directly or indirectly, any alleged breach of any obligation by Buyer to Vendor. Further, Vendor is hereby advised and placed on notice that the materials, items, products, or components (collectively referred to as "Goods") sent to Vendor by Buyer for service for repair may have originated from or are the property of a third party and are being outsourced to Vendor by Buyer. In all such instances Buyer's liability to Vendor for any service or repair performed on any outsourced Goods shall be limited to the amount of any payment(s) Buyer has received from the third party for the work performed by Vendor.

#### **24 – SURVIVAL:**

The parties acknowledge and agree that this Agreement contains substantial terms and provisions which are intended to govern the rights, duties and obligations of the parties following the closing. Accordingly, this Agreement shall survive and shall not be deemed merged into, the execution or delivery of any Materials.

#### **25 – WAIVER OF BREACH:**

A waiver by any party of a breach of any provision of these Terms and Conditions by any party shall not operate or be construed (a) as continuing, (b) as a bar to, or a waiver or release of, any subsequent right, remedy, or recourse as to a subsequent event, or (c) as a waiver of any subsequent breach by the non-breaching party.

#### **26 – CUMULATIVE REMEDIES:**

Nothing herein shall limit Buyer's rights in law or equity for damages resulting from the delivery of any Materials. The remedies provided herein are cumulative and are in addition to any other remedies provided at law, or in equity, and nothing herein shall be construed as prohibiting Buyer from

pursuing any other remedies at law or in equity available to it for any breach or threatened breach of these Terms and Conditions, all of such remedies being cumulative in every respect. No waiver of any breach or violation hereof shall be implied from forbearance or failure by Employer to take action thereon.

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