

## ENOCH PRECISION MACHINING

### Terms and Conditions of Sale-Limits of Liability

1. **Terms of Quotes:** Quotations are open for acceptance and issuance of valid customer purchase order for 30 days from date of issuance. After 30 days, prices terms and conditions are subject to change without notice.
2. **Procedures for Purchase and Payment Terms:**
  - a. **Purchase Orders:** To purchase products, Customer must issue a complete and accurate purchase order to Enoch signed by an authorized representative of the customer company. Within ten (10) business days of receipt of a purchase order, Enoch shall notify customer if it rejects the purchase order for any reason. If no notification is made this will be deemed acceptance of the purchase order. With acceptance of the purchase order, the parties agree to perform under the terms and conditions of the purchase order, subject to the terms and conditions set forth in this agreement, which if in conflict with customer purchase order will supersede any conflicting items on the customer purchase order. In the event Enoch rejects the purchase order, such purchase order shall have no force or effect and neither of the parties shall have any obligations or liabilities under the purchase order. Any changes to the purchase order shall require written consent of an authorized party for each company.
  - b. **Payment Terms:** Standard payment terms are Net 30 days from date of invoice/shipment unless otherwise specified in writing. Amounts not paid when due will accrue interest at 18% per annum until paid in full. Customer will be responsible for all costs incurred by Enoch in collecting past due amounts, including reasonable attorney fees and costs.
3. **Delivery: Acceptance and Rejection, Misc:**
  - a. **Delivery:** Shipping terms shall be FOB Enoch. Title to products purchased hereunder and risk of loss and damage shall transfer to Customer upon delivery to carrier at the FOB point. Seller shall not be liable for damages for default or delay in production or delivery for causes beyond its control including breakdown of equipment, labor disputes, embargoes, acts of God, supplier delays, government restrictions, riot or carrier delays. Bulk packaging is standard. Customer shall bear expense of all other packaging.
  - b. **Acceptance and Rejection:** Customer shall have thirty (30) business days after receipt of a shipment of Products to perform such inspections and tests on such Products as Customer desires to perform (the "**Inspection Period**"). Customer shall only be entitled to reject Products if Customer reasonably and in good faith determines that they do not substantially conform to the express representations of Enoch set forth in this Agreement to meet the specifications of the order. In order to reject non-conforming Products, Customer must deliver written notice of rejection to Enoch prior to the expiration of the Inspection Period (the "**Rejection Notice**"). The Rejection Notice shall specify the exact Products being rejected, on an individualized basis (the "**Rejected Products**"), as well as a detailed explanation as to why each of the Rejected Products are non-conforming. If Customer fails for any reason to provide the Rejection Notice to Enoch prior to the expiration of the Inspection Period, Customer shall be conclusively deemed to have accepted all Products in the shipment. In addition, Products not specified as Rejected Products in a Rejection Notice shall be conclusively deemed to be accepted by Customer. Customer at its expense shall be responsible for promptly returning Rejected Products to Enoch.
  - c. **Enoch Right to Contest Rejection:** If Enoch believes that Customer is not entitled to reject Products, Enoch may require that the issue be submitted to arbitration pursuant to "Arbitration" section below.
  - d. **Remedy:** With respect to any properly Rejected Products, Enoch may, in its sole and absolute discretion, elect to do any of the following: (a) accept the return of the Rejected Products and refund any amounts that Customer has paid for such Rejected Products; or (b) repair or replace such Rejected Products such that they conform to the express representations of Enoch set forth in this Agreement, in which event Customer will accept such Products (provided that they are conforming) and make full payment for them pursuant to an applicable invoice. The foregoing is Customer's sole and exclusive remedy with respect to Rejected Products.
  - e. **Effect of Acceptance on Warranties.** Upon express or deemed acceptance of Products, all warranties relating to such Products shall automatically expire and be of no further force or effect.
4. **Sales, Use or Transaction Taxes:** If any sales, use, value added, privilege or other tax or charge is now or hereafter imposed or assessed by any governmental entity upon the sale of the products, Customer agrees to pay all such taxes within 30 days of receipt of invoice from Enoch.
5. **Quantities:** Customer agrees to accept over/under runs not to exceed 10% of ordered quantity on each line item. Closer control of quantity requires special arrangements in writing with Enoch from the customer, and may be

assessed additional fees. Any or all excess inventory within the 10% threshold can be shipped and invoiced on the final release/shipment of the item on the purchase order.

6. **Cancellations:** Orders may be canceled only upon the condition that the customer assumes immediate liability and makes payment for all work completed and in process. Such charges shall include raw material, unamortized tooling, engineering, handling, overhead, and production costs. Such charges will be determined and invoiced at time of cancellation along with a 10% cancellation penalty. Customer requests to defer delivery from originally scheduled delivery dates can be denied by Enoch, or if accepted will carry a 10% handling charge on the quantities being deferred. No delivery can be deferred more than 120 days one time, and requests beyond that threshold will be considered cancelled with above terms and conditions applied.
7. **Price Changes:** Enoch reserves the right in the event of raw material and/or sublet (plating, heat treatment, etc.) increases beyond its control by more than 10% from the costs used at the time of original quote, to notify the customer of new pricing to be in effect with the next production run, even if part of original purchase order if run has not yet started. Customer can at that time either accept the new pricing in writing, or notify Enoch of intent to cease purchase of the part in question. In the event customer does not accept the new price, they will assume the standard liability listed above for a cancellation with regards finished good, work in process, etc. per the terms of this agreement.
8. **Claims:** All claims from customer for shortages, repair and/or inspection require customer notify Enoch in writing within 30 days of receipt of shipment. Returns, charges for repair, inspection or other requests without prior authorization by Enoch cannot be honored. Parts altered in any way by customer are not eligible for any form of claim.
9. **Tools and Dies:** Tools, Dies, gages, fixtures are an integral part of the manufacturing process and included in engineering charges. As a proprietary item payment by the customer whether quoted separately or not, conveys neither ownership nor right of removal from the seller's plant.
10. **Patents:** The products hereunder are manufactured in accordance with the Customer's specifications and design. Accordingly, the Customer shall defend and save harmless Enoch from all damages, claims, actions or suits based upon actual or alleged infringement of any patent registered in the US or elsewhere. Indemnity shall include attorney's fees and other costs Enoch may incur in defending such claim.
11. **Effect of Agreement:** The terms and conditions of this agreement shall control all sales of products from Enoch to the Customer, and shall supersede any inconsistent terms in Purchase Orders or other documents from the customer.
12. **Warranties of Enoch.** ENOCH WARRANTS THAT THE PRODUCTS WILL SUBSTANTIALLY CONFORM TO WRITTEN SPECIFICATIONS PROVIDED TO ENOCH BY CUSTOMER AND ACCEPTED IN WRITING BY ENOCH. ALL PARTS WILL BE WARRANTIED TO HAVE NO GREATER THAN 500 DPM UNLESS OTHERWISE AGREED TO IN WRITING BY ENOCH. ENOCH MAKES NO OTHER WARRANTIES AND EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY, INFRINGEMENT OR FITNESS FOR A PARTICULAR PURPOSE. THE EXPRESS WARRANTIES SET FORTH ABOVE ARE NOT ASSIGNABLE, EXTEND ONLY TO CUSTOMER, AND DO NOT EXTEND TO SUBSEQUENT OWNERS OF THE PRODUCTS OR OF GOODS INCORPORATING THE PRODUCTS.
13. **Limitation of Liability.** THE LIABILITY OF ENOCH AND ITS AFFILIATES UNDER THIS AGREEMENT SHALL BE LIMITED AS PROVIDED IN THE REMEDY PROVISIONS OF SECTION 3(e) ABOVE, AND IN NO EVENT SHALL ENOCH OR ITS AFFILIATES HAVE MONETARY LIABILITY IN EXCESS OF AMOUNTS THAT HAVE ACTUALLY BEEN PAID TO ENOCH FOR REJECTED PRODUCTS. ENOCH AND ITS AFFILIATES SHALL NOT BE LIABLE FOR CONSEQUENTIAL, INDIRECT, SPECIAL OR INCIDENTAL DAMAGES UNDER ANY CIRCUMSTANCES, EVEN IF ADVISED IN ADVANCE OF THE POSSIBILITY OF SUCH DAMAGES.
14. **Indemnification.** Customer shall defend, indemnify, and hold harmless Enoch and its affiliates from and against all damages, liabilities, costs and expenses (including attorney's fees and costs) arising out of or resulting in any way from (i) a breach of this Agreement by Enoch; or (ii) any claims made by (a) distributors, retailers or other sellers of the Products (or goods incorporating the Products), or (b) purchasers or other end users of the Products (or goods incorporating the Products).

15. **Confidentiality.** The terms and conditions of this Agreement will be considered confidential. Neither party will disclose the existence of this Agreement or these terms and conditions to any third party without the prior written consent of the other party.
16. **Independent Contractors.** The parties to this Agreement are independent contractors. No party is an agent, representative or employee of any other party. Except as may be provided in other agreements, no party will have any right, power or authority to enter into any agreement for or on behalf of, or incur any obligation or liability of, or otherwise bind any other party. This Agreement will not be interpreted or construed to create an association, agency, joint venture or partnership between the parties or impose any liability attributable to such a relationship by any party. No party will make any statement, whether on such party's site or otherwise that would reasonably contradict anything in this paragraph.
17. **Arbitration.** In the event any dispute between the parties arises concerning their respective rights or duties hereunder, the parties agree to notify the other party immediately and to first attempt to resolve the matter by negotiation. If no mutually agreeable resolution is reached after fourteen (14) days, a party may demand arbitration. Any arbitration shall be held under the rules of Arbitration Services of Portland, Inc. One arbitrator shall conduct the arbitration and decide the matter. The decision of the arbitrator shall be binding. Judgment on any award may be entered and enforced in any court of competent jurisdiction.
18. **Insurance.** Customer agrees to maintain customary Workers Compensation, Commercial General Liability and Vendor's Broad Form insurance with limits not less than \$1,000,000 per occurrence and \$3,000,000 in the aggregate covering its obligations under this agreement; naming Enoch, its employees, officials and agents as additional insured's with respect to work or services performed under this agreement.
19. **Miscellaneous.** This Agreement will be governed by and construed in accordance with the laws of the State of Oregon, without giving effect to principles of conflicts of law. This Agreement may be amended only by a written agreement executed by both parties. This Agreement shall supersede any and all other agreements, whether written or oral, between the parties pertaining to the subject matter hereof (except that any confidentiality agreement between the parties shall survive). Any waiver of rights under this Agreement must be in a writing signed by the party waiving its rights. Neither party may assign this Agreement or any rights or obligations hereunder without the prior written consent of the other party, except that Enoch may freely assign this Agreement to a successor by merger or acquisition. As used in this Agreement, the term "affiliates" shall include all subsidiaries, officers, directors and owners of a party. This Agreement may be executed in counterparts, each of which will be deemed an original. A signature provided via facsimile or e-mail by a party shall constitute due execution of this Agreement by such party. All headings used in this Agreement are for reference purposes only and shall not be deemed to constitute a part of this Agreement. Any exhibits attached hereto are a part of this Agreement as if fully set forth in this Agreement.