

COASTAL CONNECTIONS TERMS AND CONDITIONS OF SALE

- 1. ACCEPTANCE:** The sales terms and conditions of sale contained herein apply to all quotations made and purchase orders accepted by coastal connections for the purchase and sale of fiber optic components. Some of the sales terms and conditions set out here may differ from those in customer's purchase order and some may be new. This acceptance is conditional on customer's assent to the sales terms set out here in lieu of those in customer's purchase order. Coastal Connections's failure to object to provisions contained in any communication from customer shall not be deemed a waiver of the provisions of this acceptance. Any changes in the sales terms contained herein must specifically be agreed to in writing by an authorized official of coastal connections before becoming binding on either coastal connections or customer. All orders must be approved and accepted by Coastal Connections.
- 2. SPECIFICATIONS:** Unless different specifications are established and agreed to in writing, the specifications for the Products are the written specifications issued by Coastal Connections for the part number assigned by Coastal Connections to the Products. Customer's part numbers are used for reference only. Coastal Connections may, without affecting the obligations of Customer, make insignificant changes to the specifications of the Products from time to time.
- 3. PRICES:** Prices are shown on the Quotation. If Customer does not purchase the entire quantity upon which these prices were based, Customer will pay the higher price specified by Coastal Connections for the quantity actually purchased. Prices do not include taxes and Customer will pay any tax Coastal Connections may be required to collect or pay upon the sale, use or delivery of the Products upon invoice.
- 4. PAYMENT:** Unless otherwise set forth on the Quotation payment Sales Terms are net 30 days from date of invoice with interest on all unpaid amounts at the rate of 1.5% per month or the highest lawful rate, whichever is less. Coastal Connections may change these credit Sales Terms if Customer's financial condition changes. Each shipment shall be considered a separate and independent transaction.
- 5. DELIVERY:** Delivery will be F.O.B Coastal Connections's location and will occur when the Products are ready for pickup by the carrier. In the absence of specific instructions, Coastal Connections will select a carrier. Coastal Connections does not assume any liability for the shipment. Customer will be responsible for all transportation and insurance charges, including those associated with warranty repairs. Delivery dates set forth on the Quotation are estimates only. Coastal Connections will use its best efforts to deliver in accordance with these dates but will not be responsible for failure to deliver as estimated.
- 6. INSPECTION:** Within 30 days after delivery Customer will inspect the Products and give written notice of rejection to Coastal Connections detailing the manner in which any Products do not conform to the specifications. Upon receiving authorization and shipping instructions from Coastal Connections, Customer may return rejected Products. If Customer retains the Products after their delivery without giving Coastal Connections such notice within the designated period, Customer will be deemed to have irrevocably accepted the Products. Customer's inspection and acceptance tests shall not exceed the inspection and test procedures customary in the industry for the Products and shall be at Customer's expense. Coastal Connections may charge to Customer any costs resulting from the testing, handling, and disposition of any Products returned by Customer which are not found by Coastal Connections to be non-conforming.
- 7. WARRANTY:** Coastal Connections warrants its products to the original purchaser for a period of ninety (90) days from the date of shipment to customer that the product will be free from defects in material and workmanship under normal use. Customer's sole and exclusive remedy and the entire liability of Coastal Connections for breach of this warranty is that Coastal Connections will either repair or replace, at its option, any product which fails during the warranty period, if promptly reported in writing. If Coastal Connections is unable to repair or replace, we will refund the purchase price of the product upon its return to Coastal Connections. This warranty does not apply to any product which has been subjected to misuse, abnormal service, or which has been altered or modified. The warranties set forth herein are in lieu of, and exclusive of, all other warranties, express or implied. **ALL EXPRESS AND IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR USE AND FITNESS FOR A PARTICULAR PURPOSE ARE SPECIFICALLY EXCLUDED.**
- 8. CANCELLATION AND RESCHEDULING:** Customer may by written notice to Coastal Connections reschedule any shipment of Products that is scheduled for delivery at least 30 days (unless a different time period is specified on the face hereof) from the time Coastal Connections receives Customer's notice. Coastal Connections may cancel this order or any portion in the event of Customer's default or a material adverse change in Customer's financial condition without affecting Coastal Connections's right and remedies. Except as otherwise provided herein orders accepted by Coastal Connections are firm and non-cancelable.
- 9. CONTINGENCIES:** Coastal Connections shall not be responsible for any failure to perform due to unforeseen circumstances or to causes beyond Coastal Connections's reasonable control. Examples of such causes are acts of God, war, riot, embargoes, and acts of civil or military authorities, fire, floods, accidents, strikes or shortages of transportation facilities, fuel, energy, labor or materials. Coastal Connections may defer delivery for a period equal to the delay caused by such contingency in the event of shortages for any reason whatsoever. Coastal Connections may allocate production among its customers.
- 10. LIMITATION OF LIABILITY:** Liability of Coastal Connections to Customer, if any, under this contract for breach of contract or warranty, negligence or otherwise shall in no event exceed the total contract price specified herein less the purchase price of any items delivered and accepted hereunder. In no event shall Coastal Connections be liable to Customer or others for special, incidental or consequential damages for breach of any of the provisions of this contract, including without limitation, provisions regarding warranties, guaranties, indemnities, and patent infringement, or based upon any claims, demands, settlements, or lawsuits arising from or in connection with, the Products sold hereunder, such damages including, but not limited to, costs of removal and reinstallation of items, loss of good will, loss of profits, or loss of use. Customer assumes all liability for any and all damages arising from or in connection with, the use or misuse of the Products by Customer, its employees, or others.

Coastal Connections is not liable for damage to Customer supplied components unless damage is caused by gross negligence. If a customer-supplied component is damaged by gross negligence Coastal Connections liability is limited to the consideration received for working on the Customer supplied component.

- 11. GENERAL:** This is the complete and exclusive statement of the agreement between the parties and supersedes all prior agreements and communications about the subject matter. Customer may assign neither this agreement nor individual transactions under it without the prior written consent of Coastal Connections. The laws of California shall govern this agreement and all transactions under it.