

Terms and Conditions

GENERAL TERMS FOR THE SALE OF GOODS

The supply and sale of goods by Waterfront Solutions, Inc. ("WFS") is subject to the following standard terms and conditions unless expressly modified in writing by WFS and Buyer (collectively the "Parties"). The final and entire agreement pertaining to the sale of goods to Buyer by WFS is set forth herein; any prior understandings, agreements, and representations, oral or written, shall be deemed superseded and merged in this contract. Any typographical, clerical, or other errors or omissions in any sales literature, catalogues, quotations, price lists, offers, invoices, manuals, or any other document issued by WFS shall be corrected without any liability to WFS. Agents and salespersons of WFS have no authority to make any representations not included herein. WFS hereby rejects any different or additional terms previously or hereafter proposed by Buyer, none of which shall be effective unless embodied in a writing signed by an authorized employee of WFS.

ORDERS

Quotes from WFS are invitations to tender and are valid for the time specified by Quote. All Orders are subject to acceptance by WFS. Customer may not change, cancel or reschedule Orders for standard Products without WFS's consent.

PRICE

The goods and other items or services covered by these term and conditions shall be sold and invoiced at WFS's prices and charges in effect at the time of each shipment of goods. WFS reserves the right to change, without notice, the published list prices referenced on any purchase order or the face of this contract. Prices do not include sales, excise, use, or other taxes

now in effect or hereafter levied by reason of this transaction. Buyer shall pay all such taxes.

PAYMENT TERMS

A. Payment terms are net thirty (30) days from date of invoice (or on such other terms as stated on Quote or Invoice). WFS reserves the right to require alternative payment terms, including, without limitation, Letter of Credit, or Payment in Advance. Buyer shall be liable for the price of all products substantially conforming to the contract, notwithstanding that Buyer may not have accepted, or may have revoked acceptance of those products.

B. If payment is not received by the due date; a service charge will be added at the rate of 1.5 % per month (18% per year) or the maximum legal rate, whichever is less, to unpaid invoices from the due date thereof.

CREDIT

WFS may, at any time, and in its sole discretion, limit or cancel the credit of Buyer as to time and amount and as a consequence may (1) demand payment in cash before delivery of any unfilled portion of this contract; and (2) demand assurance of Buyer's due performance. Upon making such demand, WFS may suspend production, shipment, and/or deliveries. If, within the period stated in such demand, but in no event longer than 30 (thirty) days, Buyer fails to agree and comply with such different terms of payment, and/or fails to give adequate assurance of due performance, WFS may (1) by notice to Buyer, treat such failure or refusal as a repudiation by Buyer of the portion of the contract not then fully performed, whereupon WFS may cancel all further deliveries and any amounts

unpaid hereunder shall immediately become due and payable; or (2) make shipments under reservation of a security interest and demand payment against tender of documents of title. If WFS retains a collection agency and/or attorney to collect overdue amounts, all collection costs, including attorney's fees, shall be payable by Buyer. Buyer hereby represents to WFS that Buyer is now solvent and agrees that each acceptance of delivery of the goods sold hereunder shall constitute reaffirmation of this representation at such time.

SEVERAL SHIPMENTS

WFS may make delivery in installments and may render a separate invoice for each installment, which shall be paid when due, without regard to subsequent deliveries. Each installment shall be deemed a separate sale. Delay in delivery of any installment shall not relieve Buyer of its obligation to accept delivery of remaining installments. Any delivery not in dispute shall be paid for on its due date, as provided in this contract, without offset defense or counterclaim and regardless of controversies relating to other deliveries or undelivered products.

TRANSPORTATION, TITLE, RISK OF LOSS, INSURANCE

Shipment shall be Ex Works (EXW) place of shipment (INCO terms). Title to each shipment of the goods sold hereunder and risk of loss thereon shall pass to Buyer when WFS or its agent delivers such shipment to a common carrier or licensed trucker consigned to Buyer, or his agent, but such shipment shall remain subject to WFS's rights of stoppage in transit and of reclamation

ACCEPTANCE

(1) Buyer shall accept any tender of the goods by WFS which substantially conform to the description of the goods set forth herein. (2) Buyer shall be deemed to have accepted any product

and buyer's right to cancel, reject, or claim any damages for breach of warranty or breach of WFS' obligation under this contract shall cease, unless Buyer gives WFS notice in writing of WFS' breach. (3) Buyer's acceptance of goods tendered under this contract shall be final and irrevocable.

DELIVERY

WFS will use every reasonable effort to effect shipment on or before the date indicated. WFS shall not be liable, directly or indirectly, for any delay or failure in performance or delivery or inability to perform or delivery where such delay, failure, or inability arises or results from any cause beyond WFS's control or beyond the control of WFS's suppliers or contractors, including, but not limited to, strike, boycott, or other labor disputes, embargo, governmental regulation, inability or delay in obtaining materials. In no event shall WFS, in the event of delays, or otherwise, be liable to Buyer or any third parties for any consequential, special, or contingent damages. In the event of any such delay or failure in performance, WFS shall have such additional time within which to perform its obligations hereunder as may reasonably be necessary under the circumstances.

RETURNS

WE CANNOT ACCEPT ANY RETURNS WITHOUT PRIOR AUTHORIZATION. To arrange for a return, simply call WFS. The following conditions must be complied with:

All returns must be accompanied by a copy of your invoice and a reason for the return. Merchandise must be returned in its original container, unmarked, and properly packaged.

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Returned products must have been purchased within the previous thirty (30) days. Any returns past thirty (30) days are subject to a restocking fee.

Shortages or errors in shipments must be reported within seven (7) days of invoice date to issue credit (if applicable).

Shipping charges will apply on all returns. LIABILITY

If Buyer gives timely notification to WFS under the terms hereof (which notice shall be in writing sent by email and documented mail) of a claimed defect, Buyer shall concurrently in writing offer WFS opportunity to investigate the claim and to inspect the allegedly defective goods. If WFS determines that Buyer's claim is valid, WFS may repair the defective goods or replace the defective goods with conforming goods at the point specified in this contract. Failure to offer WFS such opportunity shall constitute acceptance by Buyer and waiver of all claims for defects. WFS'S LIABILITY FOR DAMAGES ON ACCOUNT OF A CLAIMED DEFECT IN ANY PRODUCT DELIVERED BY WFS SHALL IN NO EVENT EXCEED THE PURCHASE PRICE OF THE PRODUCT ON WHICH THE CLAIM IS BASED. REPLACEMENT OF DEFECTIVE GOODS OR REPAYMENT OF THE PURCHASE PRICE FOR ANY SUCH PRODUCT WILL BE MADE ONLY UPON RETURN OF THE DEFECTIVE PRODUCT. SPECIFICALLY, AND WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, WFS SHALL NOT BE RESPONSIBLE OR LIABLE TO BUYER OR TO ANY THIRD PARTY FOR ANY LOST PROFITS, OR INCIDENTAL, CONSEQUENTIAL, INDIRECT, SPECIAL, OR CONTINGENT DAMAGES FOR ANY BREACH OF WARRANTY OR OTHER BREACH OF WFS'S OBLIGATIONS UNDER THIS CONTRACT. WFS SHALL NOT BE LIABLE FOR DAMAGES RELATING TO ANY INSTRUMENT, EQUIPMENT, OR APPARATUS WITH WHICH THE PRODUCT SOLD UNDER THIS AGREEMENT IS USED.

REMEDIES

If Buyer fails, with or without cause, to furnish WFS with specifications and/or instructions for, or refuses to accept deliveries of, any of the products sold under this contract, or is otherwise in default under or in repudiation of this contract or any other contract with WFS or fails to pay when due any invoice under this contract, then in addition to any and all remedies allowed by law, WFS without notice may (1) bill and declare due and payable all undelivered products under this or any other contract between WFS and Buyer; and/or (2) defer shipment under this or any other contract between Buyer and WFS until such default, breach, or repudiation is removed; and/or (3) may cancel any undelivered portion of this and/or any other contract in whole or in part (with Buyer remaining liable for damages.)

EXPORT CONTROL

Buyer agrees to obtain any necessary export license or other documentation prior to the exportation or re-exportation of any product acquired from WFS under this contract. Accordingly, Buyer shall not sell, export, re-export, transfer, divert or obtaining any such product from Buyer with the intention of exportation. Each party shall secure, at its own expense, such licenses and export and import documents as are necessary for each respective party to fulfill its obligations under this contract. If government approvals cannot be obtaining obtained, WFS may terminate, cancel or otherwise be excused from performing any obligations it may have under this contract.

WARRANTIES

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WFS warrants that its products will conform either to WFS's published specifications for such product or other mutually agreed upon written specifications signed by an authorized WFS representative. For transceiver products, this warranty lasts for five (5) years after the date WFS ships such products to Buyer. Notwithstanding the foregoing, WFS shall not be liable for any defects that are caused by neglect, misuse or mistreatment by an entity other than WFS, including improper installation or testing, or for any products that have been altered or modified in any way by an entity other than WFS. Moreover, WFS shall not be liable for any defects that result from Buyer's design, specifications or instructions for such products.

If any WFS products fail to conform to the warranty set forth above, WFS's sole liability shall be at its option to repair or replace such products, or credit Buyer's account for such products. WFS's liability under this warranty shall be limited to products that are returned during the warranty period to the address designated by WFS and that are determined by WFS not to conform to such warranty. If WFS elects to repair or replace such products, WFS shall have a reasonable time to repair such products or provide replacements. Repaired products shall be warranted for the remainder of the original warranty period. Replaced products shall be warranted for a new full warranty period.

WAIVER

Waiver by WFS of any provision of this contract or of a breach by Buyer of any provision of this contract shall not be deemed a waiver of future compliance with this contract, and such provision, as well as all other provisions of this contract, shall remain in full force and effect.

U.S. Government Contracts

If the products are to be used in a U.S. Government contract or subcontract, those mandatory clauses, except as noted below, of the applicable U.S. Government procurement regulations shall be incorporated by reference.

INDEMNIFICATION

If an infringement claim is made against Buyer alleging that a product furnished under these General Terms for the Sale of Goods infringes a patent or copyright of the United States, WFS may, at its option and expense, (1) replace or modify the product so that it becomes noninfringing; or (2) procure for Buyer the right to continue using the product; or (3) require the return of the product and refund to Buyer the including price paid less a reasonable allowance for use. Buyer must: (1) notify WFS promptly in writing of the action and (2) provide WFS all reasonable information and assistance to settle or defend the action. If Buyer furnishes specifications to WFS, Buyer agrees to hold WFS harmless against any claim that arises out of compliance with the specifications. Any description of the goods contained in this contract is for the sole purpose of identifying the goods, is not part of the basis of the bargain, and does not constitute a warranty that the goods shall conform to that description. Any sample or model used in connection with this contract is for illustrative purposes only, is not part of the basis of the bargain, and is not to be construed as a warranty that the goods will conform to the sample or model.

Buyer shall indemnify and hold WFS harmless from any claim, loss, damage, suit, liability, fees or expenses (reasonable attorney's fees) which may be suffered by WFS on account of: (1) the use of components or goods not supplied by WFS; (2) the modified goods which become infringing as a consequence of the modification; (3) the use of the goods in infringing combinations or systems or

apparatuses; (4) the use of the goods in infringing processes; and (5) the use of the goods in association with third parties trademarks or distinctive signs.

GOVERNING LAW

These General Terms for the Sale of Goods shall be governed by and construed in accordance with Washington law. Unless Parties expressly agree in writing upon an arbitration clause, Parties agree to submit all disputes arising out of or in connection with the contracts herein to the exclusive jurisdiction of the competent Court of the place where WFS has its registered office.

These General Terms for the Sale of Goods supersede and invalidate all other commitments and warranties relating to the subject matter hereof which may have been made by the Parties either orally or in writing prior to the date hereof, and which shall become null and void. All the contracts regulated by the present General Terms for the Sale of Goods shall not be transferred or assigned by Buyer without WFS's written consent. Parties are responsible for all their own legal, accountancy or other costs and expenses incurred in the performance of their obligations arising from these General Terms for the Sale of Goods. The invalidity of any one of the provisions contained in the present General Terms for the Sale of Goods, or the invalidity of any provision contained in any other contractual document intended to regulate the relationships between Parties, shall not undermine the validity of any of the other conditions contained herein.