

## COASTAL ENVIRONMENTAL SYSTEMS SALES TERMS AND CONDITIONS

1. **GENERAL:** The following terms and conditions (this "Agreement") constitute the sole and entire agreement between the parties. Any different or additional terms or conditions are not binding unless accepted in writing by Coastal Environmental Systems (Coastal). This Agreement may not be varied, modified, altered, or amended except in writing. Buyer's rights, duties, agreements or obligations hereunder may not be assigned or transferred without the prior written consent of Coastal. The obligations of Buyer shall be binding on its successors and assigns.
2. **PRICE AND PAYMENT:** Quoted prices shall apply only for the period specified in the proposal or quotation. If no period is specified, the quoted prices shall apply for thirty (30) days from the date of the proposal or quotation. Unless otherwise indicated in writing, payment terms shall be net thirty (30) days. Past due payments are subject to a service charge of 1.5% per month (18% annual) on the unpaid balance or the maximum legal rate permitted by state law, whichever is lower. Buyer shall pay for Coastal's legal costs in the event that collection becomes necessary. Coastal reserves the right at any time to revoke any credit extended to the Buyer because of the Buyer's failure to pay for any goods when due or for any other reason deemed good and sufficient by Coastal, and in such event, all subsequent shipments shall be paid for on delivery. Shipping and transportation charges, and applicable taxes, if any, are additional unless otherwise specified in the proposal or quotation.
3. **DELIVERY AND TITLE:** All shipments of products by Coastal are FOB Seattle, Washington (or other place of shipment, at Coastal's sole discretion) and all transportation charges shall be paid by Buyer in addition to the price of the products. Insurance, if desired by Buyer, shall be the responsibility of Buyer. Coastal may, at Coastal's discretion, add insurance to the delivery method and include its costs in shipping costs. Subject to Coastal's right of stoppage in transit, delivery of the products to the carrier shall constitute delivery to Buyer, and title and risk of loss shall thereupon pass to Buyer. Buyer acknowledges that any delivery dates provided by Coastal are estimates only and that Coastal is not liable for a carrier's failure to deliver on such dates. Coastal reserves the right to make deliveries in installments. Delivery of a quantity that varies from the quantity specified shall not relieve Buyer of the obligation to accept delivery and pay for the products delivered. Delay in delivery of one installment shall not entitle Buyer to cancel other installments.
4. **DELAYS CAUSED BY BUYER:** Delays in shipping equipment or completing other work caused by the Buyer that exceed 30 days will be subject to invoicing for the equipment and the work performed up to that point prior to shipping the order and/or prior to resolution of the particular issue.
5. **ACCEPTANCE OF PRODUCTS AND PRODUCT RETURNS:** Inspection and acceptance of products shall be Buyer's responsibility. Buyer is deemed to have accepted the products unless written notice of rejection is received by Coastal within thirty (30) days after delivery of the products. Buyer shall report any discrepancy in shipment quantity or damage within thirty (30) days after delivery. No return of products shall be accepted by Coastal without a Return Material Authorization ("RMA") number, which may be issued by Coastal in its sole discretion. Returned products must be in original manufacturer's shipping cartons complete with all packing materials. All products for return shall be returned freight prepaid in the manner specified in the RMA. Buyer is subject to a 25% restocking fee for returns of *standard products*. *Non-standard or custom products* may not be returned.
6. **CANCELLATION:** *Standard products:* Upon written notice of cancellation for Buyer's convenience of an order for standard products only, charges will be as follows: after delivery: 25% of purchase price; within thirty (30) days of scheduled delivery: 15% of purchase price. *Non-standard or custom products:* Upon written notice of cancellation for Buyer's convenience of an order for non-standard or custom products only, charges will be as follows: after delivery: 100% of purchase price; after placement of order but before delivery: 50% of purchase price.
7. **FORCE MAJEURE:** Coastal shall not be liable for failure to fulfill its obligations herein or for delays in delivery due to causes beyond its reasonable control, including but not limited to acts of God, natural disasters, acts or omissions of other parties, acts or omissions of civil or military authority, government priorities, changes in law, material shortages, fire, strikes, floods, epidemics, quarantine restrictions, riots, war, acts of terrorism, delays in transportation or inability to obtain labor or materials through its regular sources. Coastal's time for performance of any such obligation shall be extended for the time period of such delay or

Coastal may, at its option, cancel any order or remaining part thereof without liability by giving notice of such cancellation to Buyer.

8. **INSTALLATION:** Coastal strongly recommends that all equipment supplied by Coastal be properly installed by Coastal employees or by a contractor approved by Coastal. These installation services can be separately quoted if requested. Installation by our employees or approved contractors provides that your system will be properly installed and grounded (also refer to Section 9). If you damage equipment during the installation process due to mishandling of equipment or improper connection of components the damage will not be covered under your warranty.

9. **GROUNDING AND LIGHTNING PROTECTION:** Grounding of all components is a particular aspect of installation that requires expert care. Upon request, Coastal will supply generic lightning protection designed to protect system components under typical circumstances. Coastal recommends for all customers to consult a local lightning or grounding protection expert for the design of lightning protection specifically to handle local weather conditions, soil composition and integration with existing structures. Grounding protection cannot be construed as a guarantee from the occurrence of a direct or proximity lightning strike and the grounding methods referred to above are intended to reduce the risk of damage associated with lightning strikes. All lightning damage is considered an 'act of God' and is not covered by any warranty as stated in paragraph 7 of Coastal Environmental Systems' Sales Terms and Conditions.

10. **COMMUNICATIONS EQUIPMENT:** Coastal Environmental Systems, Inc. provides expert support in designing and installing various types of communications systems (cell modem, radio, satellite, etc.). However, communication devices are subject to issues in regard to functionality in the field at the customer's site that may not be within the control of Coastal to resolve without additional engineering effort, third party support, or equipment changes not included with the original work ordered by the customer. Where issues of this type arise and there is a need for additional engineering support, services or equipment beyond what was originally included with the order, the customer will be billed for the additional work.

11. **NETWORK SECURITY:** Coastal does not warrant that the buyers equipment, system or network on which Coastal's products will be used will be free of vulnerability to cyber intrusion or attack. It is the buyers responsibility to maintain device, application, database, platform, system and network security that conforms to generally recognized industry standards and best practices for personnel and information security.

12. **WARRANTIES:** *In lieu of any and all implied warranties, all of which are expressly disclaimed, and as its sole and exclusive warranty, Coastal hereby warrants for a period of twelve (12) months from the delivery date of products (the "Warranty Period") that the products manufactured and supplied by Coastal and purchased by Buyer shall be free from defects in material and workmanship.* EXCEPT AS EXPRESSLY SET FORTH IN THIS SECTION, COASTAL MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESSED OR IMPLIED, WRITTEN OR ORAL, WITH RESPECT TO THE PRODUCTS, INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY, TITLE, OR FITNESS FOR A PARTICULAR PURPOSE. COASTAL MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESSED OR IMPLIED, WRITTEN OR ORAL, WITH RESPECT TO THOSE COMPONENTS MANUFACTURED BY THIRD PARTIES, INCLUDING WITHOUT LIMITATION MERCHANTABILITY, TITLE, OR FITNESS FOR A PARTICULAR PURPOSE. Upon shipment of the products, Coastal assigns to Buyer, to the extent assignable, and Buyer may have the benefit of, any and all manufacturer's warranties, service agreements and patent indemnities, if any, with respect to those components of the products manufactured by third parties. Buyer's sole remedy for breach of any such third-party warranty shall be against such third party and not against Coastal, nor shall such breach have any effect whatsoever on the rights and obligations of either party with respect to this Agreement. Buyer understands and agrees that this coverage will not necessarily coincide with Coastal's warranty of products manufactured by Coastal, and Coastal warrants only those products manufactured by Coastal. All warranty claims shall be subject to Coastal's determination, in its sole discretion, that the products are subject to this warranty and are defective in material or workmanship. Upon Coastal's positive determination thereof, Coastal at its option after receiving from Buyer the defective products, will either (1) deliver to Buyer products of like quality, or (ii) repair the defective products, or (iii) refund to Buyer the total sales price paid for the defective products. THIS EXPRESS LIMITED WARRANTY IS THE SOLE AND EXCLUSIVE WARRANTY OF COASTAL, AND ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, ORAL OR WRITTEN, ARE EXPRESSLY DISCLAIMED BY COASTAL.

13. **LIMITATION OF LIABILITY:** COASTAL SHALL NOT BE LIABLE TO BUYER, BUYER'S CUSTOMERS, OR ANY OTHER PARTY FOR ANY LOSS, DAMAGE, OR INJURY THAT RESULTS FROM THE USE OR

APPLICATION BY BUYER, BUYER'S CUSTOMERS, OR ANY OTHER PARTY, OF COASTAL PRODUCTS DELIVERED TO BUYER, UNLESS THE LOSS OR DAMAGE RESULTS DIRECTLY FROM THE INTENTIONALLY TORTUOUS OR FRAUDULENT ACTS OR OMISSIONS OF COASTAL. IN NO EVENT SHALL COASTAL BE LIABLE TO BUYER OR ANY OTHER PARTY FOR LOSS, DAMAGE, OR INJURY OF ANY KIND OR NATURE ARISING OUT OF OR IN CONNECTION WITH THESE TERMS AND CONDITIONS, OR ANY AGREEMENT INTO WHICH THEY ARE INCORPORATED, OR ANY PERFORMANCE OR NONPERFORMANCE UNDER THESE TERMS AND CONDITIONS BY COASTAL, ITS EMPLOYEES, AGENTS, OR SUBCONTRACTORS, IN EXCESS OF THE NET PURCHASE PRICE OF THE PRODUCTS OR SERVICES ACTUALLY DELIVERED TO AND PAID FOR BY BUYER HEREUNDER. IN NO EVENT SHALL COASTAL BE LIABLE TO BUYER OR ANY OTHER PARTY FOR INDIRECT, SPECIAL, OR CONSEQUENTIAL DAMAGES, INCLUDING, BUT NOT LIMITED TO LOSS OF GOODWILL, LOSS OF ANTICIPATED PROFITS, OR OTHER ECONOMIC LOSS ARISING OUT OF OR IN CONNECTION WITH COASTAL'S BREACH OF, OR FAILURE TO PERFORM IN ACCORDANCE WITH ANY OF THESE TERMS AND CONDITIONS, OR THE FURNISHING, INSTALLATION, SERVICING, USE OR PERFORMANCE OF ANY PRODUCTS OR INFORMATION COASTAL SHALL PROVIDE HEREUNDER, EVEN IF NOTIFICATION HAS BEEN GIVEN AS TO THE POSSIBILITY OF SUCH DAMAGES. BUYER EXPRESSLY WAIVES ANY AND ALL CLAIMS FOR SUCH DAMAGES. IN NO EVENT SHALL COASTAL HAVE ANY LIABILITY FOR ANY PRODUCTS USED FOR AVIATION OR HAZARDOUS MATERIAL MANAGEMENT APPLICATIONS.

**14. INTELLECTUAL PROPERTY:** Buyer agrees and acknowledges that it is not acquiring any ownership or other interest of any kind whatsoever in any of Coastal's trademarks, trade names, patents, copyrights, registrations or applications for registration of any of the foregoing, know-how, unpatented inventions, trade secrets, common law rights in any of the foregoing, computer software (including all documentation and source codes) or any other intellectual property of any kind whatsoever or the goodwill associated or which may become associated therewith. Coastal provides the products to Buyer subject to the terms and conditions of any standard end-user license agreement of which a copy is provided to Buyer with the products. Buyer may not sublicense, sell, rent, lend, or give away the products to others. Buyer may not copy, alter, modify, or adapt the products, nor create any derivative works based on them. Nothing herein shall be construed to grant any rights or license to use any software or other intellectual property in any manner or for any purpose not expressly permitted by such license agreement. Buyer further acknowledges and agrees that the sale of products to Buyer does not convey any license express or implied, other than as expressly stated herein, and Buyer shall not manufacture, modify, reverse engineer, duplicate, otherwise copy or reproduce any of the products or any part thereof.

**15. DEFAULT AND TERMINATION:** Either party hereto may terminate this Agreement upon written notice to the other following any material breach or omission by the other with respect to any term, representation, warranty, condition, or covenant hereof and the failure of such other party to cure such material breach or omission within ten (10) days of notice of such breach or omission. Upon such termination, Coastal shall have the right to repossess all products delivered to Buyer under this Agreement. Costs of repossession will be paid by Buyer if Buyer is the defaulting party. Termination under this paragraph does not relieve Buyer from its payment obligations under this Agreement.

**16. U.S. GOVERNMENT CONTRACTS:** If the products are to be used in the performance of a U.S. Government contract or subcontract and a U.S. Government contract number shall appear on Buyer's purchase order, those clauses of the applicable U.S. Government procurement regulation which are required by Federal statute to be included in U.S. Government subcontracts shall be incorporated herein by reference.

**17. RESALE AND ASSIGNMENT:** Buyer agrees that it will not assign its rights under these terms and conditions to any third party and will not sell any products unless explicitly authorized to do so in writing by Coastal.

**18. COMPLIANCE WITH U.S. EXPORT LAW:** If Buyer delivers the products to its customer who may use the products outside of the United States, Buyer acknowledges and shall advise its customer that the products are controlled for export by the U.S. Department of Commerce and the products may require authorization prior to export from the United States or re-export. Buyer agrees that it will not export, re-export, or otherwise distribute products, or direct products thereof, in violation of any export control laws or regulations of the United States.

**19. APPLICABLE LAW:** This Agreement and the performance of the parties hereunder shall be construed in accordance and governed by the law, including the Uniform Commercial Code, as enacted in the State of

Washington under the exclusive jurisdiction and venue of the state and federal courts sitting in Seattle, Washington.

20. **ATTORNEYS' FEES AND COSTS:** In any dispute concerning or arising under this Agreement or any transaction relating hereto, the prevailing party shall be entitled to reasonable attorneys' fees and costs, including, without limitation, costs and fees incurred on appeal or in a bankruptcy or similar action.

21. **NOTICE:** Notice may be delivered to Buyer and process served by certified mail or by any nationally recognized delivery service that provides proof of delivery, addressed to any of the Buyer's addresses on Buyer's Purchase Order, or as authorized by applicable law or court rule.

22. **SEVERABILITY:** If any term of this Agreement or the application thereof to any person, entity or circumstance shall at any time or to any extent be determined to be invalid or unenforceable under any provision of applicable law, to the full extent the applicable law may be waived, it is hereby waived. To the extent such law cannot be waived, the invalid or unenforceable term shall be replaced by a valid term which comes closest to the intentions of the parties to this Agreement. In case such replacement term cannot be agreed upon, the invalidity of the term in question shall not affect the validity of any other term or this Agreement as a whole, unless the invalid term is of such essential importance that it can be reasonably assumed that the parties would not have entered into this Agreement without the invalid term.

23. **TAXES, DUTIES, FEES:** For US Domestic sales, Coastal will pay and Buyer will reimburse Coastal for any federal, state, or local sales, use excise, or similar tax on all orders applicable to this Agreement. For foreign sales, Buyer will pay their country's taxes, duties or other fees associated with the purchase.

24. **WAIVERS:** A waiver of any breach or default under this Agreement will not constitute a waiver of any other or subsequent breach or default. The failure of either party to enforce any term of this Agreement will not constitute a waiver of such party's rights to subsequently enforce the term.

25. **CAPTIONS:** The headings, subheadings, and other captions in this Agreement are for convenience and reference only and shall not be used in interpreting, construing or enforcing any of the terms of this Agreement.