

Quote Number: 17112

## FALMAT QUOTE

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**Customer:** OCE35  
**OCEAN INNOVATIONS**  
BROCK ROSENTHAL  
7416 Cabrillo Ave  
LA JOLLA CA 92037  
USA  
  
Phone: 858-454-4044  
Fax: 858-454-5775  
brock@o-vations.com

**Sales Person:** Anderson  
**Sales Rep:** OCEAN INNOVATIONS  
**Fax:** 858-454-5775  
brock@o-vations.com  
  
**Date:** 2/16/2017  
**Expires:** 3/16/2017  
  
**Terms:** NET 30  
**Ship Via:** TO BE DETERMINED  
**FOB:** FACTORY - SAN MARCOS, CA

| Line                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Part Number  | Rev         | Description                                                                                             |                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------|---------------------------------------------------------------------------------------------------------|-------------------|
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | FM021617AA-1 |             | 3-SM Fiber SS Tube, 2C-14awg, 1-TP 22awg, WB, Kevlar, PU<br><b><u>Lead Time</u></b> 8-9 wks to ship ARO |                   |
| <div><p><i>Custom Tether Cable consists of:</i><br/>3ea. Single Mode Fiber inside of Stainless Steel Tube<br/>2ea. 14awg Single conductors, 1,000 volts, 90C rated (Optional color coded)<br/>1ea. Twisted Pair 22awg conductor, 300 volts rated (Optional color coded)<br/>All components cabled together with Water Block in all interstices<br/>An overall Clear myla tape as a binder<br/>Kevlar strength member to provide 7,000 lbs of breaking strength.<br/>0.075" wall Polyurethane Jacket. (color to be advised)<br/>Finished diameter 0.440" nominal.<br/>Depth rating: &lt;= 400 meters</p><p><i>Lengths: 1 x 1,312 ft (400 meters) +/-10%. Unless, otherwise specified.</i></p><p><i>Shipping tolerance: +/-10%</i></p><p><i>F.O.B.; Origin</i></p><p><i>Quote valid for 30 days.</i></p></div> |              |             |                                                                                                         |                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |              | Quantity    | Unit Price                                                                                              | * Estimated Price |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |              | 1,312.00 FT | \$4.1000                                                                                                | \$5,379.20 USD    |
| * The Estimated total price is subject to change due to manufacturing/shipping variances and based on final cable lengths.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |              |             |                                                                                                         |                   |

\* The Estimated total price is subject to change due to manufacturing/shipping variances and based on final cable lengths.

Falmat reserves the right to decline any claims for improperly stored or negligent handling which could be caused by over-stressing, unsuitable handling systems and or operational conditions which were not brought to our attention at time of cable design.

**Falmat, Inc.** 1873 Diamond Street San Marcos, CA 92078-5128 USA  
Phone: 760-471-5400 Fax: 760-471-4970



# GENERAL TERMS AND CONDITIONS OF SALE

1. **ENTIRE AGREEMENT** -Seller's acceptance of Buyer's order is expressly conditioned upon Buyer's agreement to and acceptance of the terms and conditions contained herein together with any special terms set forth on the face hereof by seller which constitute the entire final contract between the parties which may not be varied except by an express written modification signed by Seller's duly authorized representative. Seller shall not be bound by any terms or conditions contained in Buyer's forms which in any way alter the terms and conditions imposed in Seller's forms. Seller's failure to object to any provision contained in Buyer's forms shall not be deemed an acceptance by Seller or a waiver of the Seller's terms and conditions. The Seller's terms and conditions of sale included herein or stated on any of the Seller's forms or packages shall govern and control, regardless of whether Buyer's Purchase Order or any other forms precedes or succeeds this document and regardless of whether the Buyer's forms indicate that the terms and conditions therein contained are controlling and cannot be varied.
2. **CREDIT APPROVAL, INFORMATION AND ACCEPTANCE** -All orders are subject to approval of Buyer's credit and acceptance by Seller. As a condition of Sale, Buyer grants Seller the right to investigate Buyer's credit, to exchange credit information with others and to report to others on Buyer's account and relationship with Seller and Seller is released from any liability emanating there from.
3. **INCREASE IN PRICE** -Any prices quoted or charged to Buyer contemplate a reasonable and normal production and delivery schedule, and standardized and uniform shipment lengths, and shall be valid for only 30 days from the date of quotation or the acknowledgement of order, whichever is earlier. In the event of a blanket order, or if Buyer requests expedited, staggered or delayed production or delivery dates, or non-standard or non-uniform shipment lengths, Seller retains the right to increase the price to compensate for additional production, transportation or other costs, which amount Buyer agrees to pay upon receipt of an invoice therefore.
4. **TERMS OF PAYMENT** -All invoices are due upon presentation and shall be paid without deductions or set off in lawful money of the United States of America. Terms of payment are as noted on invoice. Net payment due in 30 days of date of invoice. No discount shall be allowed on transportation or insurance charges or taxes. Buyer shall not deduct credits without a credit memo first being issued by Seller. Seller shall have the right to retain a lien on all unshipped goods and goods recovered in transit until all of Buyer's indebtedness has been paid.
5. **BUYER TO PAY TAXES AND ADDITIONAL COSTS** -In addition to the purchase price the Buyer shall be obligated to pay for all sales, excise use privilege, ad valorem, customs and any other taxes, assessments, tariffs or similar charges imposed, levied or increased by authority of any local, county, state, federal, international or any other country's law, rule, ordinance or regulation concerning the goods or any parts, components or materials thereof, sold to Buyer including the importation, processing, manufacturing, distribution, sale or exportation of the raw materials, parts or manufactured goods. Additionally Buyer shall be liable for any additional costs incurred by Seller arising from any local, county, state, federal, international or any other country's laws regulating the hours and costs of labor for producing the goods. In the event Seller shall be required to pay such taxes, assessments, duties, tariffs or similar charges or incurs such additional costs, the Buyer upon demand shall immediately reimburse Seller for such amounts. Buyer shall furnish the Seller upon demand any appropriate tax exemption certificates.
6. **FREIGHT AND RISK OF LOSS** -All shipments are F.O.B. Seller's factory in San Marcos, California. Seller reserves the right to route the freight. Buyer assumes all risk of loss, shortage, delay or damage in transit once the goods are delivered to the carrier. Buyer shall be responsible for all freight, transportation, insurance, shipping, storage, handling, demurrage or similar charges and any charges for or increments thereof not set forth in the Quotation, Acknowledgement of Order or initial invoice to Buyer, shall be billed by Seller and immediately paid by Buyer.
7. **DELIVERY** -Any special delivery instructions must be given by Buyer prior to acceptance of the quoted price so that Seller has the opportunity to readjust its price and Buyer will assume any costs attributable to a variation in the delivery instructions or place of delivery. Buyer must make suitable arrangements for immediate receipt of the goods when delivered. Shipment and delivery dates indicated on Quotations and Acknowledgement of Orders are estimated and are not guaranteed unless specified. Seller shall not be liable for failure to fill any order or deliver the goods or for delay in delivering the goods due to any causes whatsoever beyond the Seller's control in the event of the curtailment of production or delay in delivery. Seller reserves the right to deliver on a prorated basis the goods which it produces for all customers for whom it may have orders and Buyer agrees to pay for such partial deliveries when invoiced.
8. **INSTALLMENT DELIVERIES** -Seller reserves the right to make deliveries in installments. All installments will be separately invoiced and must be paid as billed without regard to subsequent deliveries. Delay in delivery of any installment shall not relieve Buyer of its obligation to accept and pay for any previous and remaining installments. Seller reserves the right to refuse to make further deliveries if Buyer fails to pay for any installments when due.
9. **NO CANCELLATION** -The Buyer may not cancel this order without written authorization from Seller. In the event Seller authorizes a cancellation, Buyer shall be liable for payment of a cancellation charge equal to twenty-five (25%) percent of the value of the order cancelled plus the costs of all materials ordered by Seller to complete Buyer's order, which amount Buyer agrees is a fair and reasonable liquidated damage and agrees to pay to Seller upon receipt of an invoice therefore.
10. **RETURNS** -Buyer may not return goods unless written authorization is received from Seller. In the event Seller authorizes a return, Buyer shall be liable for payment of a restocking charge equal to twenty-five (25%) percent of the value of the returned goods. Any returns accepted will be for credit only, transportation costs to be a Buyer's expense, and Seller retains the sole discretion to determine the value at which the returned goods will be credited. Seller reserves the right to dispose of any unauthorized returns of materials without affording credit. Any oral instructions must be confirmed in writing by Seller to be valid. All returns must be in the lengths shipped or no credit will be allowed by Seller.
11. **SERVICE CHARGES, EXPENSES AND FEES OF COLLECTION** -A service charge of 1 1/2% per month (18% per annum) will be charged on all invoices not paid within 30 days of date of invoice. In any jurisdiction where a service charge of 18% per annum is deemed usurious then the amount of the service charge shall be deemed decreased to the maximum allowable rate in such jurisdiction. In the event Seller is obliged to refer Buyer's account for collection or to retain counsel to enforce its right against Buyer, then whether or not suit is instituted, Buyer agrees to pay to Seller in addition to moneys due on invoices, service and cancellation charges of Seller's costs and expenses, including, but not by way of limitation, court costs and attorney's fees in the amount of twenty-five (25%) percent of the total outstanding amount due which Buyer agrees is reasonable.
12. **VARIATION ON QUANTITY SHIPPED** -Seller reserves the right to ship and bill Buyer ten (10%) percent more or less than the exact quantity ordered and all documents shall be deemed modified to comport with such charge without the necessity of further writing. Unless specific lengths are expressly made a part of this agreement, Seller shall have the right to vary the lengths of the merchandise shipped.
13. **RIGHT TO SUBCONTRACT** -Seller shall have the right to purchase from other sources or to subcontract the manufacturing of the goods being sold to Buyer.
14. **RIGHT OF SUBSTITUTION** -Seller reserves the right to substitute materials or goods of equal or better quality and specification than the goods ordered from Seller.
15. **BUYER'S REPRESENTATION AND ASSUMPTION OF RISK** -Buyer represents to Seller that it is purchasing the goods for industrial or commercial use for resale for such business purposes and not for personal or consumer purposes. Buyer further represents that it is knowledgeable with respect to the type of merchandise sold by Seller and that Buyer, based solely on its own expertise, has selected the merchandise purchased from Seller and has determined that same is suitable for Buyer's intended purposes. Buyer hereby assumes all responsibility and risk of loss and damage if the merchandise purchased from Seller fails to meet Buyer's intended uses.
16. **EXCLUSION OF WARRANTIES** -THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE DESCRIPTION ON THE FACE OF THIS DOCUMENT AND SELLER EXPRESSLY AND SPECIFICALLY DISCLAIMS AND EXCLUDES ANY OTHER REPRESENTATIONS, GUARANTEES OR WARRANTIES, WHETHER ORAL OR WRITTEN, STATUTORY, COMMON LAW, OR CONTRACTUAL, EXPRESS OR IMPLIED, SUCH AS, BUT NOT BY WAY OF LIMITATION, ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR USE, FITNESS FOR A PARTICULAR PURPOSE OR QUALITY. In no event shall Seller have any liability after the expiration of twelve (12) months from the initial date of delivery of the goods.
17. **NO LIABILITY FOR DAMAGES** -Seller shall not be liable for any compensatory, indirect, incidental, consequential, general, special, exemplary or punitive damages, losses, costs, expenses, or attorney's fees, including, but not by way of limitation, Buyer's additional manufacturing expenses, costs of cover, loss or profit or goodwill, or Buyer's costs and expenses of defending any claim or suit or damages or judgments sustained thereby resulting from the transportation, receipt, inspection, custody, purchase, sale, resale, handling, use of or inability to use Seller's goods for any purpose whatsoever.
18. **BUYER'S DUTY TO INSPECT AND LIMITATION ON SELLER'S RESPONSIBILITY** -Buyer must examine the goods carefully and fully upon receipt and before using, cutting or reselling the same and any claim for defective or non-conforming goods must be immediately reported in detail to the Seller in writing. Buyer's failure to give such detailed written notice to Seller within 10 days of Buyer's receipt of Seller's special goods made to order within 30 days of its receipt of Seller's stock shall constitute an unqualified acceptance of the goods and a release and waiver of all claims. Seller, at its discretion, must be afforded and opportunity to inspect any non-conforming or defective goods and to cure any problems and Seller shall have the right to require Buyer to assemble and return any defective or non-conforming goods before Seller incurs any liability to Buyer. Seller's sole liability to Buyer and Buyer's sole recourse shall be expressly limited to Seller, at Seller's sole options, either replacing any defective goods or reimbursing Buyer for the original price charged for said goods. In no event shall Seller's liability exceed the original price charged for the goods.
19. **OWNERSHIP OF TOOLING AND INDEMNIFICATION** -Any special materials, tools, molds, dies, jugs, gauges, patterns, fixtures and equipment, and any replacements thereof or charges, additions or accessories thereto (hereinafter "tooling") shall become and remain the property of Seller regardless of whether the Buyer paid for same, the charge therefore only representing a portion of the cost thereof and the Buyer hereby grants to Seller a non-exclusive irrevocable license without charge or royalty to use same and any improvements, ideas, procedures or innovations created, conceived or arising during the manufacturing of the goods being sold to Buyer. The Buyer agrees to indemnify and save Seller harmless from all claims, judgments, decrees, damages, costs and expenses, including attorney's fees, arising from any claim of infringement of any United States patent, registration, trademark or logo in connection with the production, use of sale of the tooling or the goods sold to Buyer to the extent that such infringement arises from the design, specification or instructions furnished by Buyer or undertaken at Buyer's suggestion or request.
20. **BUYER'S DEFAULT** -In addition to any rights reserved to Seller under law or these terms of sale, in the event that Buyer becomes insolvent, or if any insolvency petition is filed by or against Buyer, or an assignment for the benefit of creditors filed by Buyer, or a trustee receiver, fiscal agent or other court officer appointed for Buyer, or if Buyer makes fraudulent transfers or preferential payments, or in the event Buyer refuses to accept conforming goods or otherwise breaches its obligations to Seller, or repudiates any agreement with Seller, or in the event that Seller in its sole discretion deems itself insecure or feels that Buyer's financial condition is impaired or does not justify continuance of production or shipment on the terms agreed upon herein, Seller reserves the right to cancel the order or to refuse to continue production and/or deliveries until it receives full payment in advance or satisfactory security and guarantee that payment will be made when due. In the event of non-payment for any delivery made, installment or otherwise, Seller may suspend future deliveries due until full payment is made, or may cancel the agreement. Notwithstanding Seller's actions, however, Buyer shall remain liable for all moneys due to Seller under the agreement for the goods as well as for any costs and expenses incurred by Seller due to Buyer's default, including all cancellation charges, court costs and attorney's fees.
21. **NO WAIVER OF RIGHTS** -Seller's failure to exercise or enforce any of its rights under this agreement or under law shall not constitute a waiver of Seller's rights.
22. **NO ASSIGNMENT BY BUYER** -Buyer shall not be allowed to assign its contract with Seller.
23. **CORRECTION OF ERRORS** -Seller shall have the right to correct any stenographic, clerical, typographical, or patent errors contained in this document or any of the documents relating to the transaction between the parties.
24. **GOVERNING LAW AND JURISDICTION** -The agreement between the parties shall be deemed to be made in California and shall be governed by the laws of California and specifically the Uniform Commercial Code (hereafter "Code") in effect in California as of the date of this document. By accepting this document, Buyer hereby submits to the jurisdiction of the Courts of California for any purposes dealing with this document or any subsequent agreement between Buyer and Seller or of the breach of or the enforcement thereof or for any purposes for Seller enforcing any of its rights against the Buyer. Whenever a term defined by said Code is used in this instrument, the definitions in the Code shall control its meanings. The parties submit to the jurisdiction of the courts of California which shall be the only forum for litigating any disputes arising under this agreement. In the event that any provision of this agreement shall be invalid under the laws of any jurisdiction, such invalidity shall not affect the other provisions of this agreement which shall remain in full force and effect.
25. **CAPTIONS** -The captions to the clauses contained herein are for identification only and shall not be construed as being a substantive part of the agreement nor as having any independent meaning.

FRM-064 Rev - 02.04.09

*Falmat reserves the right to decline any claims for improperly stored or negligent handling which could be caused by over-stressing, unsuitable handling systems and/or operational conditions which were not brought to our attention at time of cable design.*

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