

**Precision Fiber Products, Inc.
STANDARD TERMS & CONDITIONS OF SALE
(As revised and effective from 01/01/2004)**

The following terms and conditions (the "Terms and Conditions") apply to all quotations and sales of fiber optic and optoelectronic components and other products (collectively, the "Products") by Precision Fiber Products, Inc. ("PFP") to its customers (each a "Customer" or "Buyer" or "Customer/Buyer"). References to a "Party" or to the "Parties" herein shall mean either PFP or CUSTOMER/BUYER or each of them together. By ordering or accepting any Products from PFP, CUSTOMER/BUYER agrees to be legally bound as follows: Prices/Quotations: Unless otherwise specified in a written statement signed by PFP, no price quote (Quotation) by PFP, including, without limitation, a budgetary quote rendered in connection with any preliminary request for information, shall be binding. Any binding price quote given by PFP shall be effective for thirty (30) days, unless otherwise specified in a written statement signed by PFP. Prices are otherwise subject to change without notice and do not include installation, freight or taxes. Further, prices quoted relate only to the goods referenced and do not include intellectual property, industrial property, or patent rights of any kind, nor shall they include any additional product testing or certification other than PFP's standard tests and/or certification. Terms of Payment: PFP will invoice CUSTOMER for Products upon shipment. All payments owed by CUSTOMER to PFP including, without limitation, payment for the purchase price of Products purchased, applicable taxes, applicable freight charges, cancellation charges and price adjustments for failure to purchase forecasted quantities of Products are payable in US Dollars and will be due thirty (30) days after the invoice date unless other arrangements have been made and agreed to in writing by a duly authorized officer of PFP. Service Fee: If payment is not timely, PFP shall be entitled, in addition to other legal rights and to the rights and to the extent permissible by applicable law, to a service fee of 1-1/2% per month (18% per annum) on any unpaid balances to cover additional administrative costs of collecting such balances. Taxes: Prices are exclusive of any taxes. BUYER agrees to pay any applicable taxes, duty surcharges, fees or similar charges however imposed. Cancellation or Change: The Buyer may cancel or change its order for standard product(s) within sixty (60) days prior to the scheduled ship date by written notice to, and written agreement from, PFP and only if orders are cancelled or changed before being converted into finished product. Orders for products which are not listed in PFP's current catalogue (including but not limited to, semi-custom application specific products, or other semi-custom product(s), or other semicustom product(s) which have special markings or which have received special testing or which are specially made for Buyer) may not be cancelled or returned except under the provisions of a prior written agreement between PFP and Buyer which will set forth the cancellation charges to be paid by Buyer in the event of such cancellation. If such agreement is not in place, the charges shall be payment of PFP's cancellation charges and all outstanding invoices (including service charges, inventory charges, etc). Buyer may be liable for all costs of raw materials ordered by PFP for this process and other orders made by PFP at the time of cancellation plus an overhead charge of not more than (40%) forty percent of the cost of said raw materials, any existing work in process for this order, plus a minimum administrative fee of (20%) twenty percent of the selling price of any unshipped parts ("cancellation charges"). Deductions and Late Payments: BUYER shall not make deductions of any kind from any payments due PFP, unless a credit memorandum has been issued by PFP to BUYER. PFP may accept any partial payment without prejudice to its right to recover any remaining balance or to pursue any other remedy provided herein, in any agreement executed by the parties, or under applicable law. No payment by BUYER to PFP of any lesser amount than that due to PFP shall be deemed to be other than a payment on account, and no endorsement or statement on any check or on any letter or other writing shall create an accord and satisfaction or create any right of any kind in favor of BUYER. Acceptance of Orders: All orders are subject to approval and acceptance by PFP. Orders will be accepted only upon the understanding that the terms and conditions herein shall be applicable. Unless PFP so agrees in writing, any terms and conditions appearing in BUYER's order contrary to those stated herein are deemed waived by BUYER. After an order has been accepted, it may be modified or canceled only upon the written agreement of PFP. Credit Approval: BUYER's orders will be accepted subject to credit investigation and approval, and delivery may be withheld on accepted orders without any liability on the part of PFP if, in its opinion, the BUYER's ability to pay for the products on these terms and condition is in doubt. Any remittance received from or for the account of BUYER may be accepted or applied by PFP against any indebtedness owing by BUYER without prejudice to or the discharge of the remainder of such indebtedness, regardless of any conditions, provisions or notations appearing on such remittance. After delivery, if PFP brings legal action to collect amounts due and owing by BUYER, BUYER agrees to pay for all attorneys' fees and costs incurred by PFP in such action. Shipment Delivery: All delivery, shipment and/or freight terms for the goods referenced in this agreement are F.O.B. PFP's warehouse. Delivery to the carrier shall constitute delivery to the BUYER; all products are shipped at BUYER's risk. When BUYER does not provide specific shipping instructions, PFP will use its discretion as to routing of shipment, based on the lowest rate medium of transportation. No freight allowances will be given on special express shipments without prior written consent of PFP. PFP will not be liable to BUYER for damages of any kind or character by reason of any failure to fill orders, delay in shipment or delivery or any error in the filling of orders regardless of the cause thereof. Partial Shipments: Unless otherwise specified, PFP may make partial shipments and each shipment shall be deemed a separate sale. BUYER shall accept and pay for each shipment regardless of any prior or subsequent failure to deliver any other shipment. Shipping Weights: Shipping weights are approximate, are shown for BUYER's convenience only, and are not guaranteed. Allocation: In the event of product shortages, PFP shall have the right to allocate the available supply to its customers on a case-by-case basis in a manner deemed equitable by PFP under the particular circumstances. PFP shall have the right, at its option, to cancel any back orders (even if they have been accepted previously by acknowledgment, partial shipment or otherwise), provided the same have been outstanding for a minimum of thirty (30) days. Any resubmitted orders shall be subject to PFP's then current pricing. Acceptance: BUYER shall diligently inspect product upon arrival at specified destination and shall within five (5) business days notify PFP as to any conditions which exist, that prevent BUYER's acceptance of product. Failure to notify PFP of any such condition shall result in acceptance of the products by BUYER. Damage In Transit: All products are shipped at BUYER's risk. PFP's responsibility ceases upon the delivery of the products in good order to the carrier. Claims against the carrier are to be filed by the BUYER. Substitution: PFP reserves the right at any time to replace or substitute products and packaging provided such replacement or substitution will not result in additional cost to BUYER and will not adversely affect operational performance of products.

End of Standard Terms & Conditions of Sale.