SALES ORDER AGREEMENT
E-RATE

THIS SALES ORDER AGREEMENT ("Agreement") is made and entered into on March 4 2015, by and between AMS.NET, INC., a Delaware corporation ("AMS"), whose address is 502 Commerce Way, Livermore, CA 94551 and San Leandro Unified School District, an __Education___ ("Customer"), whose address is 14735 Juniper Street San Leandro, CA 94579.

1. **Confirmation of Sales Order.** Customer hereby agrees to purchase from AMS, and AMS hereby agrees to sell to Customer, the multi-service networking equipment and services specified in the AMS price quote, customer purchase order, or other documentation attached hereto and labeled **Exhibit A**, the terms of which are hereby incorporated and made a part of this Agreement.

   This agreement is contingent on E-rate funding.

   Customer understands the equipment that was quoted in the E-Rate contract is non-returnable once it has been ordered and received.

2. **Payment Terms and Taxes.** Upon written funding approval from the Schools and Libraries Division (SLD) of the **Universal Service Administrative Company** (USAC), a sum representing the total utilized project cost minus the discount applied by the SLD and any items that are determined not E-rate eligible, shall be due to AMS.NET . A PO is required representing these items. Subsequent billing invoices for equipment and services provided under this Agreement shall be sent to Customer concurrently with the delivery of equipment and/or the provision of services, as the case may be. Customer is required to complete, sign, and return service certification form sent by SLD within 10 business days. All billing invoices shall be due and payable in full sixty (60) days after the date of billing (i.e., net 30 day payment terms), with the date of billing being the date indicated on the billing invoice. Customer shall pay any and all taxes based on or in any way computed with reference to the equipment and services being provided under this Agreement, (minus the discount applied by SLD) including but not limited to sales taxes but excluding taxes based on AMS's net income. Customer understands that they are responsible for costs incurred due to any unforeseen sales tax increases.

3. **Installation Date.** The term "installation date" means the first business day on which installation of the system is complete. Minor omissions or variances in performance of the System that do not materially or adversely affect the operation of the system, shall not be deemed to have postponed the Installation Date. Seller shall use its best efforts to make timely delivery and installation. **HOWEVER, ALL STATED DELIVERY AND INSTALLATION DATES ARE APPROXIMATE AND EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, SELLER SHALL, UNDER NO CIRCUMSTANCE, BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL OR SPECIAL DAMAGES OR COMMERCIAL LOSS RESULTING FROM DELAYS IN DELIVERY OR INSTALLATION.**

4. **Change Management Procedures**. It may become necessary to amend this agreement for reasons including, but not limited to, the following:
   - Changes to scope of the work and/or specifications for the Services,
   - Changes to the Milestone Invoice Schedule,
   - Changes to the project schedule due to unavailability of resources which are beyond either party's control, and/or,
   - Environmental or architectural conditions not previously identified.

   In the event either party desires to change this SOW, the following procedures shall apply:

   i. The party requesting the change will deliver a "Change Request" to the other party (an example of which is provided in Appendix B). The Change Request will describe the nature of the change, the reason for the change, and the effect the change will have on the scope of work.
   ii. A change Request may be initiated either by Customer or by AMS for any changes to the SOW. The parties will evaluate the Change Request and negotiate in good faith the changes to the Services and additional fees, if required to implement the Change Request. If both parties agree to implement the Change Request, both parties will sign the Change Request, indicating the acceptance of the changes by the parties.
   iii. However, it is understood and agreed that no Change Request shall be effective or binding on Customer until it is approved by Customer's Board of Education
   iv. Upon Execution and approval by the Board of Education of the Change Request, said Change Request will be incorporated into, and made part of, this SOW.
   v. AMS is under no obligation to proceed with the Change Request until such time as the Change Request has been agreed upon in writing by both parties.

~~5. **Warranties.** AMS warrants to Customer that it has good title to the equipment being sold to Customer under this Agreement, and the right to sell such equipment to Customer free of liens or encumbrances. AMS further warrants to Customer that the equipment being sold to Customer hereunder shall be free from defects and workmanship for a warranty period of thirty (30) days commencing on the later of the date the equipment is delivered to Customer or the date upon which AMS completes performance of the services to be performed under this Agreement (this warranty being hereinafter referred to as an "Installation Warranty"). EXCEPT AS EXPRESSLY SET FORTH IN THIS PARAGRAPH, AMS DOES NOT MAKE, AND HEREBY DISCLAIMS, ANY AND ALL REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, WITH RESPECT TO THE EQUIPMENT OR SERVICES BEING PROVIDED UNDER THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, SATISFACTORY QUALITY, AGAINST INFRINGEMENT, OR ARISING FROM A COURSE OF DEALING, USAGE OR TRADE PRACTICE. AMS shall reasonably cooperate and assist Customer in enforcing any manufacturer warranties with respect to the equipment being sold to Customer under this Agreement. AMS hereby advises Customer, and Customer acknowledges that in the event Customer desires to procure from AMS any warranty protection beyond the warranty of title and the Installation Warranty provided under this Paragraph, Customer may do so by entering into a separate Service Agreement with AMS.~~

   ~~Manufacturer's warranty that is guaranteed is whatever is published by the manufacturer at the time of purchase.~~

~~6. **Return for Credit Policy.** Merchandise must be returned within 30 days in unopened original packaging. An RMA~~

~~number must be requested prior to the return and accompany the equipment when it is received.~~

7. **Limitation of Liability.** In no event shall AMS be liable to Customer for:
   a. Any indirect, special or consequential damages or lost profits arising out of or related to this Agreement or AMS's performance or breach thereof, even if AMS has been advised of the possibility of any such damages or losses; or.
   ~~b. Any damages resulting from or related to any failure or delay of AMS in the delivery or installation of equipment or the performance of installation or maintenance services (if any).~~
   ~~c. Notwithstanding any other provision of this Agreement, all liability of AMS and its suppliers under this Agreement or otherwise shall be limited to the money paid to AMS under this Agreement. This limitation of liability is cumulative and not per incident.~~

8. **Attorneys' Fees.** If any legal action is necessary to enforce terms of this Agreement, the prevailing party shall be entitled to recover from the other party its reasonable attorneys' fees and costs in addition to any other relief to which the prevailing party may be entitled.

9. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California.

10. **Entire Agreement.** This Agreement, together with any price quotes or purchase orders attached hereto as **Exhibit A**, is the complete and exclusive statement of the mutual understanding of the parties with respect to the subject matter of this Agreement, supersedes and cancels any prior understanding, communications or agreements of the parties with respect to the subject matter of this Agreement, and may be amended or supplemented only by a writing signed by both parties.

~~11. **Risk of loss.** Seller shall bear all risk of loss or damage to components of the system while they are in transit to the Customer and until deliver to the premises. Thereafter, such risk of loss shall be done by Customer, except for loss caused by the negligence of Seller or its employees~~

12. **Default.** If Customer shall fail to pay or cause payment of any sum owing to Seller hereunder when due, then seller shall have all remedies available to Seller at law or equity or under other provisions of this Agreement.

    Should either party institute legal action to enforce its rights under this agreement, the venue shall be in Alameda County, State of California, and the prevailing party in such action shall be entitled to recover reasonable attorney fees and costs.

13. **Force majeure.** The obligations of Seller hereunder shall be suspended to the extent and for the period of time that is hindered or prevented from performing because of labor disturbances, strikes and lockouts, acts of God, fires, storms, water, unreasonable delays in transportation, governmental action, and or any other cause beyond Seller's control.

14. **Assignment.** With the written consent of Customer, Seller shall have the right to assign Sellers obligations; however, Seller shall remain liable to Customer for the performance of Seller's obligations under the terms of this agreement.

15. **Customer to provide.** Customer shall, as specified by Seller provide appropriate environmental conditions, necessary commercial power and facilities for the System, access to the premises, and if required by local law, conduit and or special fire retarding cabling. Customer shall pay all charges for telephone trunk lines, in the room system is to be installed, if applicable as well as extensions and equipment for the installation of the system.

16. **Representation of Customer.** Customer warrants and represents that Customer has been duly authorized by all necessary corporate and other action of Customer and Customer's execution of this Agreement will not violate any provision of law or its Articles of Incorporation or Bylaws, or result in the breach of any agreement to which Customer is a party.

17. **Notices.** All notices required or permitted to be given under the Agreement may be given by either party to the other by depositing same in the United States Mail with first class postage prepaid or by fax. Until changed by written notice, such notices shall be direct to Seller at the address that appears at the beginning of this Agreement and Customer at the premises.

18. **No Interference with normal operations.** AMS understands that Customer is a school district and that many of the operations, service and work that AMS is to provide and perform under this Agreement are to be provided and performed on operation school facilities. Therefore, AMS understands and agrees that it is to comply with the rules and regulations of such school facilities, that it shall confine its operations, service and work to areas permitted by law and ordinance, and it shall not interfere with the operations of such school facilities.

19. **Education Code § 42125.1.** AMS shall comply with the requirements of Education Code Section 45125.1 with respect to fingerprinting of employees who may have contact with the Customer's pupils. AMS shall also ensure that its subcontractors and consultants that go onto Customer's school facilities also comply with the requirements of Education Code Section 45125. AMS also agrees to comply, and ensure that all of its employees comply with all other operational requirements of Customer, as may be revised from time to time, including but not limited to, any obligations relating to vaccination or testing for infectious diseases.

20. **Insurance.** AMS will maintain a minimum of $1,000,000 in both general and automotive liability coverage and coverage as mandated by statute for Workers Compensation for the duration of this Agreement. Customer, and its respective elected and appointed Board of Education, officers, officials, employees and volunteers are to be covered as additional insureds (collectively, "addition insureds") as respect to liability arising out of activities and/or services AMS performs. The coverage shall contain no special limitations on the scope of protection afforded to additional insureds.

21. It is understood and agreed that all "Terms and Conditions" attached to, or incorporate in, a Price Quote are deleted in their entirety.

IN WITNESS WHEREOF, AMS and Customer have executed this Agreement as of the date first set forth above.

"AMS:"	"Customer:"
AMS.NET, Inc., a Delaware Corporation	San Leandro Unified School District, a

By: _____
Robert M. Tocci, President

By: _____
Its: _____

EXHIBIT A

Quote Number	Description	Total $
90154	E-Rate 18 Singlemode Fiber Cabling District Office	$8,490.90
90156	E-Rate 18 Singlemode Fiber Cabling San Leandro HS	$100,005.52
90157	E-Rate 18 Singlemode Fiber Cabling Adult Ed Center	$8,936.64
90159	E-Rate 18 Singlemode Fiber Cabling Bancroft	$36,154.81
90160	E-Rate 18 Singlemode Fiber Cabling Garfield	$16,837.94
90162	E-Rate 18 Singlemode Fiber Cabling Jefferson	$8,936.64
90163	E-Rate 18 Singlemode Fiber Cabling Korematsu	$8,490.90
90164	E-Rate 18 Singlemode Fiber Cabling Lincoln High	$9,828.12
90155	E-Rate 18 Singlemode Fiber Cabling Madison	$12,496.26
90168	E-Rate 18 Singlemode Fiber Cabling Maintenance / Lighthouse	$6,846.17
90169	E-Rate 18 Singlemode Fiber Cabling McKinley	$14,123.59
90165	E-Rate 18 Singlemode Fiber Cabling Monroe	$12,755.44
90173	E-Rate 18 Singlemode Fiber Cabling John Muir	$40,162.07
90170	E-Rate 18 Singlemode Fiber Cabling Roosevelt	$21,325.35
90175	E-Rate 18 Singlemode Fiber Cabling Washington	$9,159.51
90172	E-Rate 18 Singlemode Fiber Cabling Wilson	$19,319.52

Total Investment $333,869.38

Customer Initials