

Customer Premise Equipment Terms & Conditions

Equipments Leased from VTX

VTX leases to Customer, and Customer rents from VTX, certain customer premise equipment (hereinafter referred to as the "Customer Premise CPE" or "CPE"), including but not limited to routers, switches, IP Phones, ATAs, any VoIP devices or accessories, video encoders/decoders, or any other media broadcasting equipments, more specifically set forth in Customer Sales Order Agreement ("SOA").

The term of this lease shall be for the amount listed on the Customer executed signed SOA, commencing on the date of installation, which is the date upon which VTX shall ship the CPE to Customer, and continuing thereafter on a month-to-month basis. After equipment lease term, either party may terminate this Lease at any time and for any reason upon 30 days notice, delivered in the manner set forth in paragraph 4.1.

1.0 Delivery; Inspection; Return

VTX shall arrange for shipment of the CPE to Customer at Customer's address specified on the signature page hereof, or to such other address as may be agreed upon by both parties. All costs of shipment shall be paid by Customer in addition to and at the same time as the first monthly rental installment.

Customer shall inspect the CPE upon delivery to Customer. If the Customer does not report any visible defects to the CPE to VTX within 10 days from the date of delivery of the CPE, then such visible defects shall have been waived.

No CPE may be returned by Customer for any reason without the prior approval of VTX. All returns shall be in original packaging or equivalent. Customer shall be responsible for all costs related to shipping to VTX any CPE that is being returned.

Upon termination of the Lease, Customer shall arrange for the return of the CPE to VTX or may purchase the CPE at cost per unit associated on the equipment lease program within the customer executed SOA. All costs of returning the CPE to VTX shall be paid by Customer in addition to and at the same time as the final monthly rental installment. Any CPE returned to VTX without prior authorization for its return or proper packaging may be refused.

Upon termination of the Lease, Customer must immediately return to VTX any CPE provided or leased hereunder, undamaged and in good working condition, in its original packaging and with its original content or otherwise will be immediately responsible for paying to VTX an amount equal to the fair retail price of the CPE. If Customer terminates the Lease prior to the end of the Lease, the Customer may be charged a 25% restocking fee of the purchase price of the CPE along with other termination charges.

2.0 Assignment

Customer shall not part with possession of nor enter into any sale, transfer, or sublease with respect to the CPE or any part thereof nor assign this Lease or its rights hereunder nor delegate the performance of its duties under the Lease without the prior written consent of VTX.

3.0 Conforming Use

Customer shall use the CPE only for the purposes and in the manner set forth in the operator's manual, directions for use, or any other applicable manuals or written instructions from VTX (collectively, the "Manuals"). Customer shall allow the CPE to be operated by competent and duly qualified personnel only.

4.0 Care, Repair and Storage of CPE

Customer, at its own cost and expense, shall keep the CPE in good repair, condition, and working order, and shall furnish any and all parts and labor required for that purpose. Customer shall store the CPE in the manner prescribed in the Manuals, or in any other manner prescribed or approved by VTX.

Customer shall not make any material alterations to or replacements of the CPE without VTX's prior consent. All equipment, accessories, parts, and replacements which are added to or become attached to the CPE shall immediately become VTX's

property and shall be deemed incorporated in the CPE and subject to the terms of this Lease as if originally leased hereunder.

5.0 Warranty

VTX MAKES NO REPRESENTATIONS OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO THE CUSTOMER PREMISE EQUIPMENT, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE. VTX SHALL HAVE NO LIABILITY FOR STRICT LIABILITY, PRODUCTS LIABILITY OR NEGLIGENCE, WHETHER ACTIVE OR PASSIVE.

6.0 Manufacturer's Warranty

Customer acknowledges that any manufacturer's or supplier's warranties with respect to the CPE are passed on to Customer by VTX, to the extent assignable.

7.0 Limitation of Remedies

Customer's exclusive remedy for any defective CPE for which VTX is responsible is limited to the repair or replacement of the defective CPE, if Customer notifies VTX within 10 days of receipt of the CPE.

8.0 Limitation of Liability

Even if VTX cannot or does not repair or replace any defective CPE for which VTX is responsible and Customer's exclusive remedy fails of its essential purpose, VTX's entire liability shall in no event exceed the purchase price for the defective CPE. VTX shall have no liability for general, consequential, incidental or special damages arising from a defect in any CPE. This warranty shall not cover damage to the CPE caused by unauthorized maintenance or by use of the CPE for a purpose or in a manner contrary to the terms of this Lease.

9.0 Title

Title to the CPE shall at all times remain in VTX, and Customer, at its own cost and expense, shall protect and defend the title of VTX. Customer shall at all times keep the CPE free and clear from all levies, attachments, liens, security interests, encumbrances, and charges or other judicial process of every kind whatsoever, shall give VTX immediate notice thereof, and shall indemnify and hold VTX harmless from any loss or damage caused thereby. Customer will cooperate with VTX, and take whatever action may be necessary, to enable VTX to file, register or record, and refile, re-register or re-record, this lease or a financing statement in such offices as VTX may determine and wherever required or permitted by law, for the proper protection of VTX's title to the CPE.

10.0 Loss or Damage.

Customer assumes and shall bear all risk of loss of and damage to the CPE from any and every cause whatsoever, unless otherwise noted under this Lease. In the event of loss or damage to the CPE, Customer at its option shall either:

- 10.1. Pay VTX to repair the CPE at VTX's standard repair rates, and continue with the lease under the terms of this Lease; or
- 10.2. Pay VTX for the CPE market price for replacement, in addition to the lease term payment.

11.0 Default.

If Customer shall default in the payment of any rent or in the performance of any other covenant herein contained for a period of 10 days after notice in writing specifying such default, then, if and to the extent permitted by applicable law, VTX shall have the right to require Customer to return the CPE to VTX at Customer's expense, and to pay all rent due on the CPE up to the date on which the CPE is returned. VTX shall retain the right to pursue any other remedy available to VTX at law or in equity. Customer agrees to pay any and all reasonable attorney fees incurred by VTX in connection with curing a default of or enforcing any remedy to this Lease. Termination fees as provided in the Sales Order Agreement.

12.0 CPE Replacement Costs.

- 12.1 VTX IP Phone Basic \$175 each, VTX IP Phone Deluxe \$250 each
- 12.2 VTX Fax line ATA \$75 each
- 12.3 VTX POE Switch 24 ports \$400 each