

General Terms and Conditions of Sale, Delivery and Lease

RIEDEL Communications, Inc.

These General Terms and Conditions of Sale, Delivery and Lease (these "Terms") of goods and services are applicable to all U.S. customers ("Customers" and each, individually, a "Customer") of RIEDEL Communications, Inc., a California corporation ("Company").

1. Terms and Conditions of Sale:

1.1. Company shall sell and deliver to Customer and Customer shall purchase and accept from Company the products (herein, the "Products") and services (the "Services") described on or in any confirmed order, agreement or quotation, or any combination thereof (the "Order"), pursuant to the terms and conditions of the Order and those specified below, which taken together shall constitute the entire agreement between Company and Customer regarding the Products (herein, this "Agreement").

1.2. No other terms or conditions shall be of any effect unless otherwise specifically agreed to by Company in a separate written agreement duly signed by an officer of Company. Customer will be deemed to have assented to all Terms if any part of the Products or Services is accepted by Customer. If Customer finds any Term not acceptable, Customer must so notify Company at once and must reject the Products delivered under this Agreement. Any additional or different terms or conditions contained in Customer's order or response hereto shall be deemed objected to by Company and shall be of no effect. No general terms and conditions of a Customer shall at any time form a part of the content of any contract or agreement between Customer and Company, even if they are not further expressly rejected by Company. If Company and Customer enter into a separate Service Level Agreement ("SLA") for a specific service or product, such as the RIEDEL CARE, or a different Cloud subscription service ("SaaS Agreement"), the terms and conditions of the SLA or/and the SaaS Agreement shall prevail over these Terms in case of conflict.

1.3. Unless otherwise agreed in writing, all quotations for Products or Services are non-binding. Subsequent modifications in quantity or quality, if such are requested by Customer, generally will cause a modification of the quoted price. Drawings and samples enclosed with any quotation remain the property of Company. All drawings and samples shall be treated confidentially by Customer and must be returned to Company after usage. Drawings, dimensions, weights, and other performance data stated in brochures, or any other information provided to the Customer are only binding if explicitly agreed in writing. Such specifications are no warranty of features, not even if they are standard specifications such as the DIN standard.

1.4. No Order is binding upon Company until the earlier of acceptance of the Order in writing or the delivery of the Products to Customer. Notwithstanding any prior acceptance of an Order by Company, Company shall have no obligation if Customer is in breach of any of its obligations hereunder, or any other agreement between Customer and Company, at the time Company's performance was due.

1.5. All verbal agreements concerning the terms of any Order, including agreements made by telephone, shall have no force and effect unless and until acknowledged by Company in writing.

1.6. Customer shall bear all costs associated with the cancellation or modification of the Order.

2. Prices:

2.1. All price quotations are FCA Santa Clarita, California (per Incoterms 2020) and do not include costs for insurance, unloading charges, destination terminal charges, import customs and duties or taxes (including withholding taxes), if any. Customer agrees to indemnify and hold Company harmless against any and all government orders and decrees by any State or jurisdiction where Customer performs his activities, as well as any judgment holding the Customer liable for withholding taxes on its payments. The Customer will indemnify Company against the full amount of the withholding taxes as well as any associated penalties or interest.

2.2. Products prices as well as pricing for Services will be governed by Company's current prices in effect from time to time or by special price quotes made to Customer in writing. A price list is only available on request if Customer agrees to sign a separate confidentiality and non-disclosure agreement with Company. Unless otherwise specified, Company's quotes are valid for a period of fifteen (15) days. Company may adjust the price by written notice, if there is material increase in production costs due to an increase in raw material costs, labor costs due to collective bargaining agreements and salary adjustments due to inflation and the increase occurs several months after acceptance of an offer or providing a quote. If the Customer does not terminate the contract, or purchase order within two weeks after receipt of the notice of adjustment (special right of termination), the price adjustment shall be deemed agreed.

2.3. Prices quoted in a currency other than United States Dollars are based on the official exchange rate on the date of the quote. Prices will be invoiced on the basis of the currency exchange rate in effect on the date of confirmation of any Order. In the event that the exchange rate varies after the date of confirmation and before delivery more than two percent (2%) to the disadvantage of Company, Company may adjust the invoice accordingly.

2.4. Company may without notice to Customer increase the price of the Products by the amount of any new or increased tax or duty (excluding franchise, net income, and excess profits taxes) which Company may be required to pay on the manufacture, sale, transportation, delivery, export, import or use of the Products or the materials required for their manufacture, or which affects the cost of such materials.

2.5 Subject to Section 2.3, if Company agrees as a gesture of good faith to accept the return of partial quantities of unused and originally packaged Products ordered by Customer in excess, Company shall be entitled to a restocking fee of fifteen percent (15%) of Company's current list price.

2.6 Unless already included in the Services as quoted, Customer agrees to reimburse Company for all reasonable travel and out-of-pocket expenses incurred by Company in connection with the performance of the Services.

3. Terms of Payment:

3.1. Unless Company and Customer agree otherwise in writing, payment is due and payable for the Products or performance of the Services as set forth in the Order confirmation and the Company's invoice. "Payment" generally consists of (i) a certain prepayment amount from the date of the Order confirmation, (ii) a certain percentage of down payment within certain net days of Customer's credit approval and (iii) payment of the outstanding amount as set forth in the invoice.

3.2. Company may without notice change or withdraw extensions of credit at any time. If Company ceases to extend credit terms before shipment, Customer's sole remedy shall be cancellation of its order. If Customer does not receive notice before shipment, its sole remedy shall be rejection of the Products immediately upon delivery.

3.3. If Customer fails to make payment on or before the date required, Customer shall pay interest to Company at the rate of one and one-half percent (1 ½ %) per month or such lesser amount permitted by law. The specification or charging of interest shall not be deemed an agreement to extend credit. Company shall be entitled to suspend the delivery of any Products or performance of any Services if Customer fails to pay any amounts when due hereunder and such failure continues for seven (7) days following written notice thereof.

3.4. If Customer fails to observe these Terms or the terms of any other agreements between Company and Customer, or if Customer becomes insolvent, all balances then due and owing to Company shall become due immediately, notwithstanding any agreed upon payment periods. Any Orders that have been confirmed by Company but not yet filled shall in such cases become cancelable at the sole discretion of Company.

3.5. Customer does not enjoy a right of set-off under any circumstances. Company reserves the right to apply any of Customer's open credits and overpayments to the oldest invoices unless otherwise instructed.

3.6. Customer agrees to indemnify and hold Company harmless against any and all administrative or governmental action, judgments, claims, lawsuits, proceedings, costs, expenses, and liabilities, penalties and interest based on any withholding or other tax liabilities in any state or jurisdiction in which Customer conducts business.

3.7. This Agreement is made subject to any restrictions concerning the export of products or technical information from the United States or other countries that may be imposed on the parties from time to time. Customer agrees that it will not export, directly or indirectly, any technical information acquired from Company under this Agreement or any Products using such technical information to a location or in a manner that at the time of export requires an export license or other governmental approval, without first obtaining the written consent to do so from the appropriate agency or other governmental entity in accordance with applicable law.

4. Delivery Terms:

4.1. Except as otherwise specified in this Agreement, the Products shall be sold and delivered FCA Santa Clarita, California (per Incoterms 2020). FCA means hereunder that Company delivers and the risk of accidental loss and accidental deterioration of the goods as well as the risk of delay passes when Company hands the Products over to the freight forwarder, carrier or any other person or institution designated to carry out the shipment at Santa Clarita, California. The handover shall be deemed to have taken place when Customer or its carrier is in default of acceptance.

4.2. Any agreed Delivery Period commences on the day on which any Order and accompanying documents, such as drawings, have been reviewed by Company, but in any event no earlier than the written acceptance of any Order by Company. Sales which extend over a period of time and where quantities have not been fixed in advance shall be subject to separate agreements concerning the quantity and delivery period regarding each separate sales transaction and/or request for delivery made by a Customer. Delivery Periods determine the date of dispatch ex works. All delivery dates are approximate and are based upon the best information available at the time of quotation or acceptance of an order. All reasonable steps to meet delivery schedules will be taken by Company, however, if the delivery date may only be met by way of express delivery due to delayed commissioning by the Customer, any additional costs arising for such express delivery shall be borne by the Customer. The same applies if Company is only able to meet the agreed delivery time by way of express delivery due to unforeseen or inevitable difficulties, such as powers of nature, or strikes. Such additional costs will be billed separately.

4.3. If Customer is in default of acceptance, fails to cooperate or if the delivery or handover to customer is delayed by Company for other reasons caused by Customer, Company shall be entitled to demand compensation for the resulting damage, including additional expenses, including, without limitation, storage costs and insurance.

4.4. Customer, shall, subject to Company's available facilities at the shipping point, determine the type of transportation and shall notify Company thereof at the time Customer places each Order. In the event Customer has not requested any specific type of transport, Company shall, within its reasonable discretion, determine best method type of transportation. Company will make deliveries of the Products in the quantities ordered as near as reasonably feasible to Customer's requested delivery dates.

4.5. Company shall use its reasonable efforts to deliver the Products to Customer by the agreed upon date. However, except in cases of Company's willful misconduct or gross negligence, Company shall not be liable to Customer for delays in delivery or damage to Products while in transit, irrespective of whether Company or Customer determined the mode of transportation.

4.6. In cases of deliveries of Products manufactured to Customer's specification ("Special Orders"), Company reserves the right to deliver fifteen percent (15%) more or less of the quantity ordered.

4.7. Unless otherwise agreed to in writing, all tools, models, plans, blueprints or other devices and/or documents used and/or developed by Company (the "Tools") in order to fulfill any Order or Special Order are the property of Company, even if the cost of development and/or manufacturing of such tools, models, plans, blueprints or other devices and/or documents was wholly or partially borne by Customer.

5. Services.

5.1. With respect to the Services, Customer shall (i) cooperate with Company in all matters relating to the Services and provide such access to Customer's premises, and such office accommodation and other facilities as may reasonably be requested by Company, for the purposes of performing the Services; (ii) respond promptly to any Company request to provide direction, information, approvals, authorizations, or decisions that are reasonably necessary for Company to perform Services in accordance with the requirements of this Agreement; (iii) provide such customer materials or information as Company may reasonably request to carry out the Services in a timely manner and ensure that such customer materials or information are complete and accurate in all material respects; and (iv) obtain and maintain all necessary licenses and consents and comply with all applicable laws in relation to the Services before the date on which the Services are to start, and (v) provide the infrastructure required for Company to provide the Services, including but not limited to give access to installation/event sites, storage and work areas, power and water supplier, provide high speed internet. Customer shall take all necessary steps to ensure a safe and healthy environment when Company employees are present on Customer's site. Customer's site shall comply with all OSHA act guidelines as well all applicable federal and local laws regarding health and safety. Customer shall take all necessary precautions as outlined by the CDC to provide a safe environment to prevent the spread of Covid-19 and other pathogens. Should any customer employees or contractors have suspected or confirmed cases of Covid-19 or other pathogens, the Customer shall immediately notify the Company and its employees of the possible exposure.

5.2. Both during the performance of the Services and for a period of two (2) years after the completion of the Services, Customer shall be prohibited from poaching employees of Company or attempting to do so, from inciting third parties to poach them or from assisting them in poaching activities. Each individual poaching attempt against each individual employee is considered an independent breach. If Customer breaches its non-poaching covenant under this Section 5.2 (the "Customer Breach"), Customer shall pay to Company an amount equal to three (3) gross monthly salaries of the poached employee for each poaching attempt (the "Liquidated Damages"). The parties intend that the Liquidated Damages constitute compensation, and not a penalty. The parties acknowledge and agree that the Company's harm caused by a Customer Breach would be impossible or very difficult to accurately estimate, and that the Liquidated Damages are a reasonable estimate of the anticipated or actual harm that might arise from a Customer Breach. The Customer's payment of the Liquidated Damages is the Customer's sole liability and entire obligation and the Company's exclusive remedy for any Customer Breach.

5.3. Any information provided by Company in an offer respectively the order confirmation regarding expenses for personnel and material depend on the timeline set forth in either the offer or order confirmation. The Customer is aware that any changes may lead to an adjustment of personnel and material costs.

5.4 The daily regular pay rate for personnel covers eight (8) hours in a workday, including any travel and break times. Overtime hours are billed separately.

6. Security Interest:

6.1. As security for the timely payment and performance of all Customer's indebtedness to Company, Customer hereby grants to Lender a first priority security interest in the Products following delivery thereof to Customer ("Collateral"). Such Interest shall remain in force until payment in full of the entire purchase price for the Products and any other amounts due to Company by Customer.

6.2. If so requested by Company, Customer shall deliver to Company, in form and substance satisfactory to Company, and duly executed as required by Company, financing statements and other security interest perfection documentation in form and substance satisfactory to Company, duly filed under the Uniform Commercial Code ("UCC") in all jurisdictions as may be necessary, or in Company's opinion, desirable, to perfect Company's security interest and lien in the Collateral, in order to establish, perfect, preserve and protect Company's security interest as a legal, valid and enforceable security interest and lien, and all property or documents of title, in cases in which possession is required for the perfection of Company's security interest.

7. Warranty and Limitations:

7.1. Company warrants solely to the original purchaser of the Products that for the Warranty Period (as defined below), the Products will be free from material defects in materials and workmanship under normal use and will conform to Company's published specifications of the Products. The foregoing warranty is subject to the proper storage, transportation, and use of the Products. All warranty claims must be made by Customer to Company in writing within eight (8) days of the commencement of use of the Products and prior to the end of the Warranty Period. Company's sole obligation under the foregoing warranty is, at Company's option, to repair, replace or correct any such covered defect or non-conformity. Upon repair or replacement of defective or non-conforming Products, Company shall have no further obligation to Customer with respect to such defect or non-conformity. Unless expressly warranted in Company's Order confirmation, Company makes no warranty that the Products comply with applicable law, regulations, or specifications in any jurisdiction in which the Products may be sold or marketed in any jurisdiction. Any governmental or other approvals necessary in connection with the resale, marketing, distribution, or use of the Products shall be the sole responsibility of Customer.

7.2. With respect to Special Orders, Company makes no warranty that the Products manufactured under a Special Order do not infringe the intellectual property or other proprietary rights of any third party and Customer is solely responsible for assuring that Special Order Products do not so infringe.

7.3. The "Warranty Period" begins on the date the Products are delivered as provided for in Section 6 and continues for twenty-four (24) months for Products of the Company brand, and six (6) months for all other Products. Notwithstanding the foregoing, in the event of (i) the sale of SimplyLive Products the Warranty Period shall be two (2) years from the date of delivery of the Products and (ii) the sale of consumable Products, including, but not limited to batteries and headsets, the Warranty Period shall be ninety (90) days from the date of delivery of the Products to Customer. Notwithstanding the foregoing further, in the event of the sale of used Products the Warranty Period shall be (i) two (2) years from the date of delivery for Products that are one (1) to two (2) years old; (ii) one (1) year warranty from the date of delivery for Products that are two (2) to four (4) years old and (iii) no warranty shall be provided for Products older than five (5) years. In the event of Products or parts thereof that are subject to wear and tear, the Warranty Period shall only be one (1) year from the date of delivery. Excluded from the foregoing warranty set forth in Section 6.1 are problems due to accidents, negligence, misuse, misapplication, storage damage or modification to, the Products.

7.4. Company warrants to Customer that it shall perform the Services using personnel of required skill, experience, and qualifications and in a professional and workmanlike manner in accordance with generally recognized industry standards for similar services and shall devote adequate resources to meet its obligations under this Agreement.

7.5. Company does not authorize any person or party to assume or create for it any other obligation or liability in connection with the Products except as set forth herein.

7.6. The Customer shall not, directly or indirectly: (a) disassemble, decompile or reverse engineer, or allow a third party to reverse disassemble, decompile or reverse engineer the whole or any part of the Product, equipment or any Software used or supplied with the Product or otherwise attempt or allow any other party to obtain the algorithms by which the Product perform their functions except as and to the extent that the Customer is authorized to do so under these Terms; nor (b) combine, incorporate or use any item of the Product, equipment or Software in connection with the Product or services in any way other than where approved in writing by Company.

7.7. THE WARRANTY SET FORTH IN SECTION 7.1 and 7.4 IS MADE IN LIEU OF ALL OTHER WARRANTIES (WHETHER EXPRESS OR IMPLIED), RIGHTS OR CONDITIONS, AND CUSTOMER ACKNOWLEDGES THAT EXCEPT FOR SUCH LIMITED WARRANTY, THE PRODUCTS AND SERVICES ARE PROVIDED "AS IS." COMPANY SPECIFICALLY DISCLAIMS, WITHOUT LIMITATION, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, OF ANY KIND, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, AND THOSE WARRANTIES ARISING FROM A COURSE OF PERFORMANCE, A COURSE OF DEALING OR TRADE USAGE.

8. Extended Warranty in case of system integrators, distributors, and other intermediaries

8.1. The Warranty provided under Section 7.3 above, as well as any other additional warranty for goods regulated in an SLA, SaaS agreement or otherwise agreed to between Company and Customer in writing (together "Manufacturer's Warranty") shall be passed through to customers of system integrators, distributors, or other intermediaries ("End Customers").

8.2. Warranty claims under the Manufacturer's Warranty may only be asserted against Company itself, but not against such Customers of Company who do not directly use the Products and Software themselves for their intended purpose but integrate them into systems for further distribution or otherwise independently further distribute or sell them (e.g., system integrators, distributors or other intermediaries; together "Intermediaries").

8.3. The warranty set forth in Section 7.3 above, is conditioned upon the End Customer's compliance with the requirements of Section 7. The warranty period of the Manufacturer's Warranty shall commence with the delivery of the goods to the respective intermediary; for the End Customers, the warranty period set forth set forth in Section 7.3 shall be extended by an additional three months' period as a courtesy.

8.4. The Intermediary shall inform the End Customer in due time about the Manufacturer's Warranty and its conditions (e.g. on time limits, exclusion, assertion). The Intermediary shall notify Company without delay as soon as an End Customer asserts the Manufacturer's Warranty against the Intermediary and provide Company with all information necessary for processing the warranty claim (including contact information of the End Customer, on the product, on the asserted defect, time of delivery of the product to the Intermediary). The Intermediary may forward the End Customer's request directly to Company. The Manufacturer's Warranty does not apply to the Intermediary but is only granted to the End Customers.

9. Limitation of Liability:

9.1. Every effort will be taken to ensure the proper operation of each system during installation and commissioning. Company shall not be liable for wireless service problems caused by conditions beyond Company's control, including atmospheric or geographic conditions, the failure or interference of other service providers or wireless Product, a public safety emergency, or coverage or capacity limitations. IN NO EVENT SHALL COMPANY BE LIABLE FOR ANY INDIRECT, INCIDENTAL, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO DAMAGES FOR LOSS OF PROFITS, REVENUE, GOODWILL, OR USE, INCURRED BY CUSTOMER OR ANY THIRD PARTY, WHETHER IN AN ACTION IN CONTRACT, TORT, STRICT LIABILITY, OR IMPOSED BY STATUTE, OR OTHERWISE, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. COMPANY'S LIABILITY FOR DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT SHALL IN NO EVENT EXCEED THE PURCHASE PRICE OF THE PRODUCTS. IT IS AGREED AND ACKNOWLEDGED THAT THE PROVISIONS OF THIS AGREEMENT ALLOCATE THE RISKS BETWEEN COMPANY AND CUSTOMER, THAT COMPANY'S PRICING REFLECTS THIS ALLOCATION OF RISK, AND BUT FOR THIS ALLOCATION AND LIMITATION OF LIABILITY, COMPANY WOULD NOT HAVE ENTERED INTO THIS AGREEMENT.

9.2. IN JURISDICTIONS THAT LIMIT THE SCOPE OF OR PRECLUDE LIMITATIONS OR EXCLUSION OF REMEDIES OR DAMAGES, OR OF LIABILITY, SUCH AS LIABILITY FOR GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OR DO NOT ALLOW IMPLIED WARRANTIES TO BE EXCLUDED. THE LIMITATION OR EXCLUSION OF WARRANTIES, REMEDIES, DAMAGES OR LIABILITY SET FORTH ABOVE ARE INTENDED TO APPLY TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW. CUSTOMER MAY ALSO HAVE OTHER RIGHTS THAT VARY BY PROVINCE, STATE, COUNTRY, OR OTHER JURISDICTION.

10. Use of Software:

10.1. "Software" shall be defined as machine-readable code or firmware, which is licensed to Customer on a limited, worldwide, revocable, non-exclusive, and non-transferable basis. Customer shall not be authorized to reproduce, copy, modify, repair, decompile, reverse engineer, disassemble, reverse translate, or in any manner decode the Software. The Software may include open-source code provided by third parties and Company expressly disclaims all warranties and guarantees with respect to any third-party Software.

10.2. The Purchase Order and/or any other document issued by Company will identify whether the Software is embedded as a component of a Device (as defined in the EULA) provided by Company, is being sold separately as a perpetual license or if it is a durational Software license. Any Software provided by Company shall be provided in accordance with the applicable software license terms, as amended from time to time (EULA). Company expressly disclaims all implied warranties of merchantability and fitness for a particular purpose. Furthermore, the limited Software warranty and disclaimer, as set forth in the EULA, will apply.

10.3. TO THE EXTENT ALLOWED BY APPLICABLE LAW, NEITHER COMPANY NOR ITS VENDORS NOR LICENSORS SHALL BE LIABLE FOR SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT OR CONSEQUENTIAL DAMAGES ARISING FROM THIS AGREEMENT OR THE SOFTWARE, INCLUDING BUT NOT LIMITED TO LOST PROFITS, LOST SAVINGS, OR DAMAGES ARISING FROM LOSS OF DATA OR LOSS OF USE, EVEN IF COMPANY OR ITS VENDORS OR LICENSORS HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE MAXIMUM LIABILITY OF COMPANY AND ITS VENDORS AND LICENSORS ARISING OUT OF THIS AGREEMENT OR THE LICENSE OF THE SOFTWARE OR THE USE THEREOF, WHETHER BASED UPON WARRANTY, CONTRACT, TORT OR OTHERWISE, SHALL NOT EXCEED THE ACTUAL PAYMENT MADE BY LICENSEE TO COMPANY DURING THE LAST TWELVE (12) MONTHS FOR THE SOFTWARE PRECEDING THE EVENT GIVING RISE TO THE CLAIM. THIS LIMITATION DOES NOT APPLY TO LIABILITY FOR DEATH OR PERSONAL INJURY FROM THE GROSS NEGLIGENCE OF COMPANY, ITS VENDORS, OR ITS LICENSORS WHERE APPLICABLE LAW PROHIBITS SUCH LIMITATION.

11. Force Majeure:

11.1. Company shall not be liable to Customer or any other person for any failure or delay in the performance of any obligation under this Agreement caused directly by events beyond its reasonable control, without Company's fault or negligence and that by its nature could not have been foreseen by Company or, if it could have been foreseen, was unavoidable, including, but not limited to, (i) a public health emergency or communicable disease outbreak, pandemic or epidemic, resulting in, among others, shelter-in-place orders, quarantines, Government shutdowns, Government or administrative action or changes in laws or regulations, substantial interruption to air travel, substantial interruptions in supply chains, and other economic effects caused by the response to an epidemic, a pandemic and/or public health emergency or communicable disease outbreak, (ii) trade embargos, a change in export control regulations as well as other sanctions; (iii) fire, storm, flood, earthquake, other natural catastrophes, (iv) explosion, (v) accident, (vi) acts of the public enemy, wars, riots and public disorder, (vii) sabotage, strikes, lockouts, labor disputes, labor shortages, work slowdown, stoppages or delays, (viii) shortages or failures or delays of energy, materials, supplies or equipment, (ix) transportation embargoes or delays, (x) acts of God, (xi) breakdown in machinery or equipment, (xii) water ingress, (xiii) power blackouts, (xiv) disconnection or destruction of data-carrying conductions, (xv) except as otherwise set forth in this Agreement, acts or regulations or priorities of the federal, state or local governments and (xvi) any other events beyond Company's reasonable control.

11.2. When the event operating to excuse performance by either party shall cease, this Agreement shall continue in full force until all deliveries have been completed. Notwithstanding the foregoing, Company shall be entitled to terminate the Agreement in the event (i) the performance of the Agreement is rendered permanently impossible (ii) the continuation of the performance of the Agreement would impose a substantial and significant financial burden upon Company which applies in the event that Company's cost of performance increases by at least ten percent (10%) which was not foreseeable at the time of entering into the Agreement and which shall include, but not be limited to supply shortages for which the Company is not responsible (iii) failure of sub-suppliers to honor their delivery obligations (iv) the performance of the Agreement is in violation of applicable unfair trade or antitrust laws or otherwise would constitute a legal violation.

12. Miscellaneous Terms:

12.1. Any controversy or claim arising out of or relating to this Agreement, or the negotiation or breach thereof, shall be exclusively settled by arbitration in accordance with the International Arbitration Rules of the American Arbitration Association ("AAA"). The award shall be final and binding. Judgment upon the award rendered by the arbitrator or the arbitrators may be entered in any court having jurisdiction thereof. The place of arbitration shall be Los Angeles County, California. The language of arbitration shall be English. The arbitration shall be conducted (i) if the amount in dispute is less than \$250,000, before a single arbitrator mutually agreeable, or if no agreement can be reached, then selected by the AAA, or (ii) if the amount in dispute is \$250,000 or more, before three (3) arbitrators. The arbitrator(s) shall make detailed findings of fact and law in writing in support of his, her or their decision, and shall award reimbursement of attorney's fees and other costs of arbitration to the prevailing party, in such manner as the arbitrator shall deem appropriate. In addition, the losing party shall reimburse the prevailing party for reasonable attorneys' fees and disbursements, the costs of the arbitration (including but not limited to the fees and expenses of the arbitrator and expert witnesses) and the costs incurred by the prevailing party in successfully seeking any preliminary equitable relief or judicially enforcing any arbitration award.

12.2. This Agreement shall be governed by and construed in accordance with the law of the State of California, without giving effect to principles of conflict of laws.

12.3. If any provision contained in this Agreement is held to be invalid, illegal, or unenforceable, such invalid, illegal or unenforceable provision shall be severed from the remainder of this Agreement, and the remainder of this Agreement shall be enforced. In addition, the invalid, illegal or unenforceable provision shall be deemed to be automatically modified, and, as so modified, to be included in this Agreement, such modification being made to the minimum extent necessary to render the provision valid, legal and enforceable. Notwithstanding the foregoing, however, if the severed or modified provision concerns all or a portion of the essential consideration to be delivered under this Agreement by one party to the other, the remaining provisions of this Agreement shall also be modified to the extent necessary to equitably adjust the parties' respective rights and obligations hereunder.

12.4. In the event of a violation or threatened violation of Company's proprietary rights, Company shall have the right, in addition to such other remedies as may be available pursuant to law or this Agreement, to temporary or permanent injunctive relief enjoining such act or threatened act. The parties acknowledge and agree that legal remedies for such violations or threatened violations are inadequate and that Company would suffer irreparable harm.

12.5. The parties hereto are independent contractors and nothing in this Agreement will be construed as creating a joint venture, employment, or agency relationship between the parties.

12.6. This Agreement, including any Schedules attached hereto, contains the entire agreement of the parties with respect to the subject matter of this Agreement, and supersedes all prior agreements between them, whether oral or written, of any nature whatsoever with respect to the subject matter hereof. This Agreement is binding upon the parties hereto, their successors and permitted assigns.

RIEDEL SUPPORT INFORMATION

Riedel Communications, Inc.
25702 Rye Canyon Rd, Suite A
Santa Clarita, CA 91355
USA
Main Phone: 818 559 6900
Support Phone: 818 559 6930
Fax: 818 558 5927
Email: sales-us@Riedel.net

Special Provisions Applicable to Leases:

The Terms of this Agreement shall equally apply to the lease of equipment (hereinafter "Leased Equipment"), if applicable under the respective Order Confirmation, unless the following provisions say otherwise:

13. Terms and Conditions of Lease

13.1. Company reserves the right to provide Customer with a functionally equivalent Leased Equipment instead of the ordered Leased Equipment.

14. Careful Handling of Leased Equipment

14.1. Customer shall treat the Leased Equipment diligently and carefully and shall retain the original case used for delivery of the Leased Equipment. During the term of the Lease Customer shall keep the Leased Equipment in good operating condition. Customer shall not be responsible for reasonable wear and tear of the Leased Equipment during the term. In the event the Leased Equipment is damaged beyond reasonable wear and tear and/or destroyed in whole or in part during the term, Company shall not be responsible for any repair or replacement of the Leased Equipment. Occurrence of any such loss or damage shall not relieve Customer of any obligation imposed under the Lease (as defined below).

14.2. Customer is only entitled to sublet, assign, mortgage, encumber or transfer the Leased Equipment, whole or in part, or grant a license or concession in connection therewith, to any third party with the prior written consent of Company. Even if such consent has been obtained, Customer remains responsible for any fraudulent or negligent behavior of the third party when using the Leased Equipment.

14.3. Repairs by Customer or his authorized representative regarding the Leased Equipment are only allowed upon prior written consent of Company.

14.4. Customer shall not be allowed to carry out modifications or alterations of any kind to the Leased Equipment or to break it open. In case of an alteration any costs for restoration to the original Leased Equipment shall be borne by Customer.

15. Device-Specific Provisions

15.1. If the Leased Equipment is in connection with radio equipment these radio sets will be delivered with pre-selected frequency unless otherwise agreed. In the event that Customer relocates such aforementioned Leased Equipment to another different location, Customer shall solely be responsible of complying with any applicable laws and local frequency guidelines. Customer and Company may, however, agree in writing that Company will update such Leased Equipment to adhere to applicable laws and local frequency guidelines for an additional charge.

15.2. Fees and costs according to the fulfilment of governmental requirements shall be borne Customer.

15.3. Customer shall be responsible for all aspects of an event where the Leased Equipment is used and shall obtain all necessary official approvals if required.

16. Term of Lease and Return of Leased Equipment

16.1. The term of the lease contract (the "Lease") is stipulated in the Order confirmation.

16.2. Either party may terminate the Lease with immediate effect only for cause in writing to the respective other party. An event of default (each, an "Event of Default") by Customer occurs, particularly, in the following cases:

- 16.2.1. Failure of Customer to pay any monthly installments within ten (10) days of the monthly installment due date;
- 16.2.2. Any breach or failure of Customer to observe or perform any of its other obligations under the Lease, which shall continue for fifteen (15) days after notice in writing to Customer of the existence of such default;
- 16.2.3. Abandonment of the Leased Equipment;
- 16.2.4. Dissolution, liquidation, or termination of the business of Customer; insolvency or failure of Customer to pay its debts as they mature in the ordinary course of business; the making of an assignment for the benefit of the creditors of Customer; the filing of a voluntary petition in bankruptcy by Customer; the filing of a petition or answer by Customer seeking a reorganization, arrangement, composition, readjustment, liquidation, or other relief of the same or different kind under any provisions of the federal bankruptcy laws or any other provisions of the federal bankruptcy laws or any other applicable insolvency law or statute; the adjudication of Customer as a bankrupt or insolvent; the appointment of a trustee, receiver, guardian, conservator or liquidator of Customer with respect to all or substantially all of its property; the filing of an involuntary petition in bankruptcy against Customer, or the filing of a petition against Customer seeking a reorganization arrangement, composition, readjustment, liquidation, or other relief of the same or different kind under any provision of the bankruptcy laws or any applicable insolvency law or statute, and the failure of Customer in good faith to commence promptly and pursue diligently action to dismiss such petition;
- 16.2.5. The taking by any party of the Leased Equipment, or any part thereof, upon foreclosure, levy, execution, attachment or other process of law or equity enforced against Customer; or
- 16.2.6. If, in Company's reasonable opinion, Customer has neglected, abused, or misused the Leased Equipment in any way during the term of the Lease.

16.3. Customer shall return at his own expense the Leased Equipment cleaned, in original condition (except minus reasonable wear and tear) and in the original case in which the Leased Equipment was initially delivered, after the end of the Lease term. The return is only possible during Company's business hours.

16.4. If Customer does not return the Leased Equipment upon the end of the Lease, Company reserves the right to claim an amount equal to the unpaid balance due and to become due under the Lease.

16.5. If Customer loses or breaks the Leased Equipment or for any other reason is not able to return it to Company upon the end of the Lease, Company will invoice the applicable list price to Customer. In the event the Leased Equipment has no applicable list price, Company will invoice five (5) times the annual Lease amount, as set forth in the Lease.

17. Company's Remedies Upon Event of Default

17.1. Upon the occurrence of any Event of Default, Company may, at its option, in addition to any other remedy or right it has hereunder or by law:

- 17.1.1. Declare the entire amount due hereunder immediately due and payable without notice or demand to Customer;
- 17.1.2. Recover from Customer an amount equal to the unpaid balance due and to become due under the Lease;
- 17.1.3. Cause Customer, at Customer's expense, to return the Leased Equipment to Company, as set forth in Section 16.3. herein, or Company, through its employees, agents or attorneys, may enter upon the premises where the Leased Equipment is located and take immediate possession of the same without demand or legal process, in which case Customer authorizes Company or its agents to enter upon any premises where the Leased Equipment may be found for the purpose of repossessing the same, and Customer specifically waives any right of action it might otherwise have arising out of such entry and repossession, whereupon all rights of Customer in the Leased Equipment shall terminate immediately. No such retaking of possession shall constitute a termination of the Lease unless Company so notifies Customer in writing;
- 17.1.4. Terminate the Lease and retain all prior payments of a down payment, if any, and/or the monthly installments and retake possession of the Leased Equipment as hereinbefore provided; or
- 17.1.5. Pursue any other remedy it may have at law or equity.

18. Legal Consequences in the Event of Termination from the Lease or Cancellation prior to the Commencement of the Lease Term

18.1. Customer shall bear the risk of the execution of the Lease or for achieving Customer's particular purpose beyond the terms of the Lease (with the exception of the services that Company must provide or is responsible for under the Lease). Company is particularly not responsible for any services actually used by Customer beyond the agreed upon terms of the Lease as well as

for any external circumstances beyond the Company's responsible control that could make the implementation of the Lease difficult or even impossible, including, but not limited to, any force majeure events as referenced in section 11.

18.2. Unless it is a force majeure event, as referenced in section 11, Customer shall only be entitled to terminate from the Lease if Company is at fault and therefore caused the termination by Customer (e.g. because it is impossible for Company to provide the service or the Leased Equipment has deteriorated, so that Customer cannot use the Leased Equipment as set forth in the Lease) or Customer's right to withdraw ("Cancellation") has been agreed in writing by the parties. Cancellation shall be precluded after commencement of the Lease period.

18.3. In case the parties have agreed to an explicit right of Cancellation, Customer shall pay the following lump sums (unless otherwise agreed upon in the Order confirmation), whereby Customer shall have the right to prove that Company has incurred no or less damage than the lump sums, as set forth below. In the event of the parties agreed in the Lease to a right of Cancellation, the price owed by the Customer for the calculation of the lump sums (in the absence of deviating provisions in the Order confirmation) shall include all components of the Order price such as lease price and services or work (e.g. for preparation of the Leased Equipment, configuration, installation, etc.) as well as any third-party services already contracted for.

18.3.1 Up to three (3) months before the commencement of the Lease term or provision of the services, the obligation to pay the Lease price shall be waived, with the exception of costs and expenses incurred by Company up to this point in time.

18.3.2. Between three (3) months and one (1) month before the commencement of the Lease term, 50 percent (50%) of the originally agreed Lease price must be paid by Customer.

18.3.3. Between one (1) month and ten (10) days before the commencement of the Lease term, 80 percent (80%) of the originally agreed Lease price must be paid by Customer.

18.3.4. From ten (10) days before the commencement of the Lease period, a Cancellation by Customer is in any case precluded and the full Lease price must be paid.

18.3.4. Company shall make reasonable efforts to reduce the price to be paid by Customer in the cases specified in section 18.3. Therefore, Company shall attempt, to the extent possible and reasonable, to terminate contracts with third parties and to use the Leased Equipment/Services already ordered or prepared or which can no longer be cancelled or be used for other events or other Customers.

19. Condition of the Leased Equipment

19.1. Customer shall immediately, but in any event no later than two (2) business days following delivery of the Leased Equipment, inspect the Leased Equipment for conformity and visible defects. Customer shall give Company immediate written notice of any non-conformities or visible defects regarding the Leased Equipment. In the event that Customer fails to provide Company within two (2) business days following delivery of the Leased Equipment with notice of any non-conformities or visible defects, any warranty claims in this regard shall be deemed waived.

20. Warranty in Connection with Leased Equipment

20.1. If a defect in the Leased Equipment becomes apparent beyond the inspection period stated in section 19, Customer must notify Company immediately in writing. In any case, obvious or non-visible defects must be reported in writing within two (2) business days from the time of discovery.

20.2. If Customer fails to properly report defects, Company's liability for defects not reported, not reported in time, or not reported properly is excluded and any warranty claims shall be deemed waived.

20.3. The "Warranty Period" begins on the date the Leased Equipment is delivered to Customer and continues for the term of the Lease.

20.4. Unless otherwise specified in this section 20, sections 7, 8, 9 and 10 expressly apply to the Leased Equipment. Notwithstanding the above, in lieu of "Purchase Price," the agreed upon Order price, as set forth in the Lease, shall apply.

21. Use and Compliance with Applicable Laws

21.1.1. Customer shall use the Leased Equipment in a careful and proper manner until the end of the term of the Lease. Customer shall not use the Leased Equipment in violation of any foreign, federal, state, territorial, or municipal law or regulation, including any export control or U.S. sanction laws and shall be solely responsible for any fines, penalties, or forfeitures occasioned by any violation thereof while using the Leased Equipment until the end of the term. Nothing herein shall authorize Customer or any other person to operate the Leased Equipment, or to incur any liability or obligation, on behalf of Company.

22. Risk of Loss

22.1. Customer hereby assumes and shall bear the entire risk of loss, theft, destruction, and damage to the Leased Equipment from the delivery of the Leased Equipment on and while in its possession, from any cause whatsoever. Occurrence of any such loss or damage shall not relieve Customer of any obligation imposed under the Lease.

23. Insurance

23.1. Customer shall secure and maintain in effect throughout the term hereof insurance covering the Leased Equipment and insuring the Leased Equipment against all risk of loss or damage from every cause whatsoever for not less than the full replacement value thereof as determined by Company. All of such insurance shall be in the form and amounts and with companies approved by Company, and shall name of Company as additional insured. Customer shall pay the premium therefor and shall deliver said policies, or duplicates thereof, to Company. Each insurer shall agree, by endorsement on the policy issued by it or by independent instrument furnished to Company, that it will give Company thirty (30) days written notice before the policy in question shall be altered or cancelled.

24. Taxes

24.1. During the term of the Lease Customer shall keep the Leased Equipment free and clear of all levies, liens, and encumbrances and shall pay any and all taxes, assessments, license fees, registration fees, and similar charges on or relating to the Leased Equipment, including without limitation, any and all sales taxes, use taxes, excise taxes, personal property taxes, assessments and other governmental fees and charges on or relating to the Leased Equipment, including all such taxes, assessments, fees, and charges upon Company by reason of the ownership of the Leased Equipment, and all such taxes, assessments, fees, and charges on the use, shipment, transportation, delivery, or operation of the Leased Equipment excepting, however, federal, state, and local net income taxes.

24.2. In the event Customer fails to secure and maintain adequate insurance coverage, or to pay taxes, assessments, licenses, fees, or other similar charges, all as hereinabove specified, Company may, at its option, effect such insurance, or pay such taxes, assessments, licenses, fees, or other similar charges, as the case may be. In such event, the cost thereof shall be payable by Customer to Company as additional payment with the next installment.

25. Customer's Indemnification

25.1. Customer agrees as part of the consideration for the Lease, to indemnify and hold harmless Company and its successors and assigns from and against any and all loss, damage, claims, demands and liability of every nature, including reasonable attorney's fees, arising directly or indirectly from or in connection with Customer's possession, use or operation of the Leased

Equipment, including actions or claims for negligence or strict liability in tort but excluding losses, damages, claims, demands, or liabilities arising out of Company's intentional or grossly negligent acts.

26. Rights of Use

26.1. Company and/or its group of companies, respectively, are and shall be, the sole and exclusive owner(s) of all right, title, and interest throughout the world in and to all the Intellectual Property of the Leased Equipment, including but not limited to all patents, copyrights, copyrightable works including computer programs, software, firmware or source code; patents and inventions; trade secrets and know-how; database rights, drawings, trademarks, trade secrets, and other intellectual property rights (collectively "Intellectual Property Rights") therein.

26.2. Customer shall not use Company's Intellectual Property beyond the agreed upon scope of the Lease and only in connection with the purpose of the Leased Equipment. Upon an Event of Default, termination by Customer/Company, or Cancellation, any of Customer's rights to use the Company's Intellectual Property in connection with the Leased Equipment shall immediately cease.

26.3. Customer hereby agrees that all inventions, improvements, discoveries or development (collectively, "Work Product") which it may make or conceive, either solely or jointly with others, whether arising from its own efforts or suggestions received from any other source, which arises out of its engagement or its exposure to the Intellectual Property of Company and/or the Leased Equipment in connection therewith shall be the exclusive property of Company, free from any claim or retention of rights thereto by Customer including for the purposes of copyright. In addition to the foregoing, and other than where the Work Product is considered a work made for hire, Customer further agrees to fully disclose and assign to Company, exclusively and absolutely, all such Work Product and, at the request and expense of Company, to execute all instruments and documents and to do all things which may be reasonably necessary to protect the rights of Company and vest in Company all such Work Products without charge.