



TELMAR NETWORK TECHNOLOGY STANDARD TERMS & CONDITIONS OF SALES

If you have any questions concerning any of our terms and conditions of sales, please call your Telmar Network Technology's account representative for clarifications.

PRICES, DISCOUNTS AND QUOTATIONS

Upon acceptance by the purchaser ("Customer") of any quotation, purchase order or shipment of products or services ("Goods") provided by Telmar Network Technology, Inc. ("Telmar") hereunder, Customer shall be bound by the provisions of these Standard Terms & Conditions of Sale (the "Agreement"), including all provisions set forth on the face of any applicable purchase order, whether Customer acknowledges or otherwise signs this Agreement or the purchase order, unless Customer objects to such terms in writing prior to such acceptance. Goods shall be invoiced at prices in effect at time of order acceptance, provided that prices for any order with a requested ship date beyond sixty (60) days from the date that Telmar receives the order shall be negotiated at the time of written order acceptance by Telmar. All Telmar prices are exclusive of freight, federal, state or local taxes.

Prices published by Telmar are for estimation purposes only, are subject to change without notice and do not constitute quotations or an offer to sell. Quotations expire thirty (30) days after the date of the quote, unless otherwise specified in writing by Telmar. Quotations are subject to cancellation at any time prior to Telmar's written acceptance of Customer's purchase order.

PAYMENT TERMS

Unless otherwise agreed to in writing by Telmar, all invoices to Customer shall be paid net 30 days from the date of invoice. Customer must contact its Telmar sales representative for information regarding any Customer-specific payment terms. Overdue accounts may be billed a late charge of 1½% per month or the legal maximum allowed in the State in which Customer is located. Telmar reserves the right to withhold shipment or ship C.O.D. to Customers with past due balances.

ACCEPTANCE OF ORDERS

Telmar reserves the right to reject all orders prior to its written acceptance. Neither an order acknowledgment nor shipment of the Goods ordered shall constitute acceptance or confirmation of the terms contained on a Customer's purchase order. By submitting its purchase order Customer expressly agrees that in all cases, the terms and conditions contained in this Agreement shall prevail, unless otherwise agreed by Telmar in writing and signed by its duly authorized employee.

FREIGHT TERMS

The shipment of any Goods purchased hereunder shall be made F.O.B. Telmar's warehouse or, if shipment is made elsewhere, F.O.B. the point of origin, freight prepay and add to the purchase price. Shipping methods and routing shall be determined by the parties in writing at the time of order acceptance.

WAREHOUSE SHIPMENTS – All shipments from Telmar warehouses to points within the continental United States shall be made via surface carrier – prepay and add. Actual freight charges shall not be applicable on Customer pickups, which shall be F.O.B. serving warehouse.

DROP SHIPMENTS – All drop shipments from Telmar, directly to any of Customer's end users shall be made on a prepay and add basis unless third party billing is specified by Customer in its accepted purchase order.

PREMIUM SURFACE AND AIR SHIPMENTS – Published freight charges incurred by Telmar for premium surface and air shipments made at Customer's request shall be billed to Customer at cost.

EXPORT SHIPMENTS – For shipments made outside of the continental United States, freight charges shall be administered under the above policies to the specified point of export. From the export point, all freight costs shall be charged collect, F.O.B. Telmar's warehouse unless otherwise quoted. All special export packaging costs and broker fees shall be billed to Customer. Export of certain Goods may be subject to export licenses and government restrictions. Customer accepts responsibility for compliance with all applicable laws including all applicable export and import laws and regulations

MINIMUM ORDERS

Telmar requires a \$100.00 initial order amount for stock items from new Customers. A \$50.00 minimum amount per order is required for established Customers. Telmar reserves the right to waive minimum order requirements in its sole discretion.

CANCELLATION OF ORDERS

Orders that are cancelled by Customer after acceptance by Telmar are subject to a restocking charge of 15%, unless otherwise agreed to in writing by Telmar. Any Customer cancellations or order changes must be made with Telmar's written consent. Customer changes to delivery dates or the quantity of ordered Goods may result in additional charges to Customer.

DELIVERY INFORMATION

Shipping dates indicated by Telmar are estimates based on currently available stock and are subject to change upon notification to Customer. In all cases, Customer shall be prepared to accept shipment on the indicated date. If Customer is not prepared to accept shipment, it should notify Telmar in writing at least 48 hours before the scheduled ship date or special handling charges shall be assessed. Unless a specific later date is requested, all shipments shall be made as soon as the Goods are prepared by Telmar. All shipments are subject to and contingent upon timely receipt of orders from Customer and established Customer credit lines. Telmar shall not be liable for any failure to perform or delays in the performance of its obligations due to acts of nature, unavailability of products or materials from normal sources of supply, strikes and other labor difficulty, civil uproar, war, delay or default by a common carrier or any other cause beyond its reasonable control.

CLAIMS

SHIPMENT DAMAGE OR SHORTAGE – Goods damaged in shipment should not be returned to Telmar. All damage and shortage claims should be made by Customer upon receipt of the Goods and filed directly with the carrier handling the shipment. The carrier's agent should always be requested to make a notation on the freight bill specifying the damage or shortage. Telmar shall make every effort to assist Customer in presenting these claims to the carrier. However, collection of claims is the Customer's responsibility.

SHIPPING ERRORS – Goods shipped in error by Telmar may be returned by Customer only when accompanied by an approved Customer *return material authorization* ("RMA"), provided Customer submits claims for missing or incorrect Goods within 15 working days of freight bill receipt date.

RETURNS

RESTOCKING – All returns must be accompanied by a Telmar approved *Customer RMA*. Unauthorized returns shall not be accepted. Customer's requests concerning return merchandise should be directed to its Telmar account representative.

* Non-warranty related return requests may be submitted for approval within 30 days of shipment. However, Telmar reserves the right to accept or reject any return request for non-warranty reasons.

* Special ordered Goods returns are conditional and require written approval by Telmar.

* If a return is approved by Telmar, a restocking fee may apply.

* Non-warranty returns must be in the original, unopened packaging. All returns are subject to and *conditional* upon inspection by Telmar.

* All shipping charges remain the responsibility of the Customer unless otherwise agreed to by Telmar in writing.

* Credit for Goods returned due to a Telmar shipping error shall be issued against the original invoice for the Goods, freight and return freight.

* All shipments from Customer shall be made prepaid to Telmar's shipping warehouse.

* *RMAs* are valid for 45 days from the date of issuance.

* Any credits for returned Goods shall be issued only after the Goods have been received and inspected by Telmar.

WARRANTY

* Telmar's standard warranty for refurbished Goods sold to end users is three years for defects in material or workmanship. At Telmar's option, it shall replace, repair, or refund the purchase price of the equipment found to be defective.

* Refurbished Goods sold to resellers/brokers *carry* a reciprocal warranty equal to that provided to Telmar for purchases made from that reseller/broker and covers defects in material or workmanship. At Telmar's option, it shall replace, repair, or refund the purchase price of the Goods found to be defective.

* New Goods purchased from Telmar carry the manufacturers warranty and the return procedure is dependent upon the requirements of the manufacturer.

* Telmar's Repair and Exchange services carry a one year warranty from defects in material or workmanship. At Telmar's option, it shall replace, repair, or refund the price of the Goods found to be defective.

* Telmar's warranty can be voided, at Telmar's option, if the Telmar warranty sticker is removed from the Goods. Goods damaged by flood, tornado, lightning, customer negligence or use with equipment or software not provided by Telmar or not compatible with the product provided are not covered under Telmar's warranty policy.

TITLE & INSURANCE – All risk of loss and title to the Goods shall pass to Customer only upon delivery by Telmar, or its designated agent, to the original carrier. Customer's remedy against the carrier for loss during transit is limited to the carrier's legal liability, if any, for transit losses. If more coverage is desired, Customer should arrange for insurance through its insurance company.

SELLER'S RIGHTS OR POSSESSION – Until receipt of the applicable amounts due from Customer for the Goods, Customer grants to Telmar a continuing purchase money security interest in the Goods sold under this Agreement and agrees to support Telmar in the perfection of such interest. Customer hereby authorizes Telmar to file financing or continuation statements, including amendments thereto, relating to the Goods without the signature of Customer where permitted by law. A copy of this Agreement shall be sufficient as a financing statement and may be filed as a financing statement.

SEVERABILITY - If any provision of this Agreement shall be deemed to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

NEW ACCOUNTS

Telmar welcomes new accounts. In order to establish an account with Telmar, please send the following items to Telmar's credit manager:

* A complete Telmar credit application. (Please allow one week for processing.)

* Current financial statement, preferably audited, including both P & L and balance sheet information.

* If Customer claims tax exemption, a sales exempt certificate must be provided to Telmar.

TO EXPEDITE AN INITIAL ORDER, ONE OF THE FOLLOWING ACTIONS IS SUGGESTED:

* Wire transfer of funds

* Certified Check

* Letter of credit. (May require additional time) Please allow one week for processing.

* Credit Card. Mastercard/Visa

PRODUCT INSTALLATION

As a customer of Telmar, Customer assumes total responsibility for the proper selection, installation, operation, and maintenance of the Goods purchased. Customer agrees to indemnify Telmar and hold it harmless, except as specifically set forth in the warranty statement above, from any claims, liabilities, damages, losses and expenses, including attorneys' fees. In no circumstance shall Telmar be held liable for any consequential, contingent, special or incidental damages whatsoever.

GOVERNING LAWS

Unless otherwise agreed by Telmar in writing, all transactions with Telmar shall be governed by the laws of the State of California without regard to its conflict of law provisions. The jurisdiction and place of venue for any dispute between the parties hereunder, unless otherwise agreed upon in writing by the parties, shall be the state courts of the State of California.