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SALES AGREEMENT Terms and Conditions

THIS AGREEMENT is made between Dencom Systems, Inc. ("DENCOM") and the Customer ("CUSTOMER") listed on the SCHEDULE 1 of this Agreement attached hereto. In consideration of the mutual covenants, agreements and conditions set forth herein, DENCOM agrees to sell to CUSTOMER and, subject to paragraph 3 hereof, CUSTOMER agrees to purchase from DENCOM, equipment ("EQUIPMENT"), subject to and in accordance with the following terms and conditions:

1. **INSTALLATION AND DELIVERY** - DENCOM shall deliver to and install at CUSTOMER's premises located at the address listed on SCHEDULE 1, those specific items of EQUIPMENT described in the SCHEDULE 1.

2. **PURCHASE OPTION** - Unless CUSTOMER shall exercise the lease option pursuant to and in strict accordance with the terms of paragraph 3 hereof, CUSTOMER shall purchase the EQUIPMENT from DENCOM and pay to DENCOM therefore the aggregate purchase price listed on the Schedule 1 which includes sales tax, if applicable. The purchase price shall be payable in accordance with the progress payment schedule described in Schedule 1. Time is of the essence with respect to each and every CUSTOMER obligation set forth in this paragraph.

3. **LEASE OPTION** - Instead of purchasing the EQUIPMENT from DENCOM, CUSTOMER may elect to lease the EQUIPMENT from a leasing company or financial institution ("LESSOR") satisfactory to DENCOM in its sole and absolute discretion. If CUSTOMER elects to exercise the Lease Option pursuant to this paragraph 3, CUSTOMER shall indicate by checking the appropriate box on the SCHEDULE 1. Upon such exercise, CUSTOMER acknowledges and agrees (a) CUSTOMER shall have ten (10) days from and after the date of this Agreement to enter into a lease agreement covering the EQUIPMENT, and to present a fully executed copy of said lease agreement to an officer of DENCOM for DENCOM's approval which approval may not be unreasonably withheld; (b) that CUSTOMER shall cause LESSOR to pay DENCOM the full amount of the purchase price in accordance with paragraph 2; (c) that Customer hereby indemnifies DENCOM against, and saves, defends and holds DENCOM free and harmless from any claims, damages, losses and other liabilities (including without limitation reasonable attorney's fees), to which DENCOM may be subject arising out of or relating to (i) the material breach by CUSTOMER of the terms of said lease agreement, or (ii) the failure of lessor to pay DENCOM the full amount of the purchase price in accordance with the terms of DENCOM invoice covering the EQUIPMENT and transmitted to LESSOR; (d) that DENCOM's cooperation and assistance in affording CUSTOMER the opportunity to lease EQUIPMENT pursuant to this paragraph 3 does not commit DENCOM to provide or arrange for any lease; (e) that DENCOM has apprised CUSTOMER that LESSOR is not under DENCOM's control and that CUSTOMER's credit worthiness must be approved independently by LESSOR; (f) notwithstanding any estimated installation date specified in this Agreement, DENCOM shall not be required to commence delivery or installation of EQUIPMENT, or any part thereof, until an officer of DENCOM has received and approved a copy of the lease agreement executed by CUSTOMER and LESSOR; and (g) notwithstanding any estimated installation date specified in this Agreement, DENCOM shall not be required to complete the installation of the EQUIPMENT until CUSTOMER shall have executed a Delivery and Acceptance document acceptable to the elected Lessor. CUSTOMER agrees that, in consideration of DENCOM proceeding with the installation schedule mutually agreed to, DENCOM may, at its option, request that the CUSTOMER deposit with DENCOM, progress payments according to the Purchase Option progress payment schedule described in the Schedule 1. At the time DENCOM receives full funding from the LESSOR, DENCOM shall refund to CUSTOMER all progress payments on deposit with DENCOM as of the date of funding. Time is of the essence with respect to each and every CUSTOMER obligation set forth in this paragraph.

4. **CUTOVER DATE; DELIVERY; RISK OF LOSS** - As used in this Agreement, the term "Cutover Date" shall mean the date on which CUSTOMER is notified in writing by DENCOM that the system is installed and functioning so as to provide service which the CUSTOMER may utilize. Omissions of certain items of EQUIPMENT from, or variances in performance of the EQUIPMENT shall not suspend or postpone the Cutover Date if the system is installed and is functioning so as to provide service which the CUSTOMER may utilize. Delivery of each item on Schedule 1 to Customer shall be deemed to have been made at the time each such item is first physically located at the Premises. Risk of loss for each item of EQUIPMENT shall be borne by CUSTOMER from and after delivery of such items, whether or not any additional EQUIPMENT shall therefore be installed.

5. **COOPERATION AND BEST EFFORTS REGARDING INSTALLATION** - DENCOM will use its best efforts to make timely delivery and installation of the EQUIPMENT. CUSTOMER agrees not to delay installation for any time or reason whatsoever. In the event there is a delay in DENCOM's performance, which delay is not wholly caused by DENCOM, DENCOM in its sole discretion may accelerate the payment schedule set forth in Schedule 1, such that all unpaid payments thereunder shall be made on the date that DENCOM notifies CUSTOMER of such delay. CUSTOMER agrees to obtain all necessary consents and waivers in connection with such installation, including without limitation, the consent and waiver of the owner of the Premises, and further agrees to supply all supplemental EQUIPMENT necessary for such installation including without limitation, conduits, back boxes and high voltage electrical outlets. Anything to the contrary notwithstanding, all stated delivery or installation dates are estimates only, and under no circumstances shall DENCOM be liable for damages, whether special, consequential or otherwise, for any delay in delivery or installation.

6. **TITLE TO EQUIPMENT** - Anything herein to the contrary notwithstanding, title to the EQUIPMENT shall not pass to CUSTOMER, and CUSTOMER shall not be deemed to be lawfully in possession of any such EQUIPMENT until all amounts due and owing DENCOM under this Agreement shall have been paid in full.



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7. WARRANTY;DISCLAIMER;LIMITATION OF DAMAGES - DENCOM hereby expressly agrees to perform the installation of the EQUIPMENT in a good workmanlike manner, EXCEPT THAT in no event shall DENCOM be liable for damages to the Premises not caused by DENCOM's own negligence. DENCOM expressly warrants the EQUIPMENT against defective parts and workmanship for one (1) year from and after installation date, EXCEPT THAT CUSTOMER acknowledges and agrees that DENCOM shall not be required to discharge its obligations to CUSTOMER under this Paragraph until DENCOM shall have first received the full amount of the balance of the Purchase Price due DENCOM from CUSTOMER. THE EXPRESS WARRANTIES CONTAINED IN THIS PARAGRAPH ARE IN LIEU OF, AND DENCOM HEREBY EXPRESSLY DISCLAIMS ANY OTHER WARRANTY, WHETHER EXPRESSED OR IMPLIED, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND, EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH IN THIS PARAGRAPH THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED, WHICH EXTEND THE FOREGOING EXPRESS WARRANTY. DENCOM'S OBLIGATION FOR BREACH OF ANY ALLEGED WARRANTY SHALL BE LIMITED SOLELY TO THE REPAIR OR REPLACEMENT, WHICHEVER DENCOM SHALL CHOSE IN ITS SOLE DISCRETION, OF THE EQUIPMENT WHICH SHALL BE THE CUSTOMER'S SOLE AND EXCLUSIVE REMEDY. UNDER NO CIRCUMSTANCES SHALL DENCOM BE LIABLE FOR ANY LOSS, DAMAGE OR EXPENSE DIRECTLY OR INDIRECTLY RELATING TO OR ARISING OUT OF CUSTOMER'S INABILITY TO USE ANY EQUIPMENT, EITHER SEPARATELY OR IN COMBINATION WITH ANY OTHER EQUIPMENT. UNDER NO CIRCUMSTANCES SHALL DENCOM BE LIABLE FOR CONSEQUENTIAL DAMAGES, PERSONAL INJURY OR COMMERCIAL LOSS INCURRED BY CUSTOMER AS A RESULT OF ANY ALLEGED BREACH BY DENCOM. THE EXPRESS WARRANTIES SET FORTH HEREIN SHALL BE VOID AS TO EQUIPMENT DAMAGED OR RENDERED UNSERVICEABLE BY NEGLIGENCE, BY CONNECTION OF EQUIPMENT TO DIRECT ELECTRICAL CURRENT, MISUSE, THEFT, VANDALISM, FIRE, WATER, OR BY WIRING, REPAIR, RELOCATIONS OR ALTERATION BY PERSONS OTHER THAN DENCOM. Repairs necessitated by any cause other than normal use, but not limited to the causes set forth in the preceding sentence shall be made by DENCOM, and the reasonable cost of labor and materials relative to such repairs shall be paid to DENCOM by CUSTOMER on presentation of invoices.

8. DEFAULT - If CUSTOMER fails to pay to DENCOM promptly, when due, all amounts owing DENCOM under this Agreement, or if CUSTOMER breaches any other provision hereof, CUSTOMER shall be deemed to be in default of this Agreement, and all unpaid amounts due DENCOM shall at DENCOM's option become immediately due and payable. In addition, CUSTOMER agrees to pay DENCOM an administrative fee equal to ten percent (10%) of such unpaid amount outstanding as of the date of acceleration, which fee is acknowledged by CUSTOMER and DENCOM to represent DENCOM's reasonable costs in processing and attempting to collect CUSTOMER's delinquent payment. Upon CUSTOMER's default, DENCOM shall have the rights and remedies of a secured party under the Uniform Commercial Code, as shall be in effect from time to time, and/or any other applicable laws, including the right to recover any delinquent payments. As to all such delinquent payments, CUSTOMER agrees to remain fully liable. No remedy of DENCOM hereunder shall be exclusive of any other remedy herein provided by law, but shall be cumulative and in addition to every other remedy.

9. SUSPENSION OF OBLIGATIONS - Anything herein to the contrary, DENCOM's failure or inability to deliver to, install and/or service the EQUIPMENT upon the Premises on the estimated installation date or thereafter, due directly to strike, work stoppage or slowdown, flood, fire, riot or similar events of FORCE MAJEURE shall not constitute a breach of this Agreement by DENCOM and shall not subject DENCOM to damages, whether actual, special, consequential or otherwise as a result thereof.

10. SEPARABILITY - If any provision of this Agreement, or any portion thereof, is held to be illegal, or unenforceable, such provision or the portion thereof shall be deemed separate from all other provisions and all such other provisions shall remain in full force and effect as if such illegal or unenforceable provision were not a part of this agreement.

11. COSTS OF ENFORCEMENT - CUSTOMER agrees to reimburse DENCOM for all costs, including but not limited to attorney fees, incurred by DENCOM in enforcing any provision hereof or in exercising any of its rights or remedies hereunder.

12. NO MODIFICATION - DENCOM and CUSTOMER represent and warrant that each has the full power and authority to execute and deliver this Agreement and to perform its duties hereunder, and that this Agreement constitutes the valid and binding obligation of each of the parties hereto in accordance with its terms. No modification, amendment, supplement, waiver, or termination of this Agreement, or any provision hereof, will be effective except by a written instrument signed by a duly authorized representative of CUSTOMER and DENCOM.

13. SCHEDULES - All Schedules attached to this Agreement are an integral part hereof as is fully set forth herein.

14. NO ASSIGNMENT - CUSTOMER may neither assign nor delegate any of its respective rights and/or duties hereunder to any other person or entity unless DENCOM shall have given its written consent prior to any such delegation or assignment.

15. SUCCESSORS - This Agreement shall be binding upon, and shall inure to the benefit of the parties hereto and their respective permitted transferees, successors and assigns.

16. PARAGRAPH HEADINGS - The Paragraph headings used in this agreement are solely for the convenience of the parties hereto; are not intended to be full or accurate descriptions of the contents of said Paragraph; and shall not be used or considered in construing or interpreting any of the provisions hereof.

17. GOVERNING LAW - This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of California.

18. AGREEMENT ACCEPTANCE - This Agreement shall not be valid and binding upon DENCOM until accepted and executed by an officer of Dencom Systems, Inc.

19. ENTIRE AGREEMENT AND UNDERSTANDING - This Agreement consists of the foregoing terms and conditions, and all Schedules attached hereto, and sets forth the entire agreement and understanding between DENCOM and CUSTOMER with respect to the purchase or lease and installation of the EQUIPMENT upon the Premises. CUSTOMER represents that if or a duly authorized officer thereof has carefully read all provisions of this Agreement of the Parties and consents to this Agreement. All prior or contemporaneous written or oral agreements and/or understandings by and between the parties, whether expressed or implied, are superseded by the terms hereof, and there are no representations, either oral or written, not herein contained.