



## Equipment Rental/Lease Terms of Services

### A. Equipment Rental/Lease

All rental equipment must have a corresponding Equipment Lease for the entire rental term ("agreement"). The Customer shall pay the charges or fees ("Rental Charges") corresponding to each device for the entire rental term.

#### 1. Term; Extension

(a) The initial term of this agreement may only three or five years and is equal to the term stated on the sales quote or Lease.

(b) The term will automatically renew and extend for the same term as the initial term unless the Customer provides notice of termination at least 30 days before the end of the term.

#### 2. Equipment Purchase

(a) If the Customer is current with all payments, the Customer may purchase the rental equipment for current retail price after paying all Rental Charges or Bundle Charges for the rental term.

(b) TELECLOUD hereby assigns title to the equipment to the Customer upon the Customer's full payment in accordance with paragraph (a).

#### 3. Returns

No later than 15 days after the date of this agreement, the Customer may terminate this agreement by giving notice of termination to TELECLOUD and paying a restocking fee equal to 25% of MSRP for the equipment.

#### 4. Billing

The Customer shall pay the Rental Charges or Bundle Charges for each rented handset in accordance with the billing provisions of the terms of service.

#### 5. Maintenance of Equipment

(a) The Customer shall keep the rental equipment in good working condition.

(b) If TELECLOUD determines the rental equipment is damaged through abuse or neglect, the Customer shall pay TELECLOUD an amount equal to the lesser of the cost to replace the equipment or the cost to repair the equipment.

(c) If the Customer fails to return the rental equipment within 10 days after the termination of the rental term, it shall pay TELECLOUD an amount equal to the retail price of the rental equipment.

(d) Sub-renting of Equipment. The Customer shall not pledge, encumber, sub-rent, or loan the rental equipment to any third party without TELECLOUD's written consent.

#### 6. Defective Equipment

TELECLOUD shall replace any rental equipment that fails during the rental term due to a manufacturer's defect. TELECLOUD will determine whether to repair or replace and may provide replacement equipment that has been previously used.

#### 7. Warranty Exclusions

TELECLOUD WILL ONLY OFFER THE EQUIPMENT MANUFACTURER WARRANTY. ALL OTHER WARRANTIES ARE HEREBY DISCLAIMED. TELECLOUD pass through of any manufacturer warranty does not extend to loss caused by beyond normal wear and tear, fire, water (liquid spillage or ingress, flood), theft, vermin or insect infestation.

Any warranty does not cover water damage to network equipment and devices where the water damage was caused by submersion of the equipment. Any warranty does not cover damage caused by:

- misuse or abusive use of all network equipment and devices, including physical abuse.
- incorrect operation or not following the operation instructions (as stated in the Product User Guide);
- improper installation.
- incorrect or improper maintenance or failure to maintain all network equipment and devices.
- failure to clean or improper cleaning of the product.
- incorrect voltage or non-authorized electrical connections.
- adverse external conditions such as power surges and dips, thunderstorm activity, acts of God, acts of terrorism, damage caused by vermin, or any other act or circumstance beyond TELECLOUD's control.
- exposure to excessive heat, moisture, or dampness.
- exposure to abnormally corrosive conditions.
- use of non-authorized/non-standard, defective, or incompatible parts.
- password setting/ resetting and computer virus; and
- repair, modification, or other work carried out on all network equipment and devices other than by Authorized TELECLOUD support Personnel.

#### 8. Binding Arbitration

If the parties are unable to resolve any dispute arising from this rental agreement by direct negotiation, they shall resolve the dispute through binding arbitration in New Jersey before a single arbitrator from the American Arbitration Association in accordance with its Commercial Arbitration Rules. The parties hereby waive any right to a jury trial in connection with any claim arising from this rental agreement.

#### 9. Termination

If Customer cancels all or any part of the Service for the applicable Service, except as may be expressly permitted by this Agreement, then Customer's liability for such cancellation shall be an amount equal to the remaining term of the agreement for all rental Charges, including recurring and non-recurring charges, third-party license fees or early termination fees or charges associated with any other Service such as installation fees.

#### 10. Attorneys' Fees

If any arbitration or legal proceeding is validly instituted to enforce the terms of this rental agreement, the prevailing party may recover its attorneys' fees and other costs.

**11. Governing Law; Personal Jurisdiction; Venue**

This rental agreement is governed by the laws of the State of New Jersey. If any litigation is validly instituted in connection with this agreement, the parties hereby consent to the exclusive personal jurisdiction of the courts in New Jersey and waive any objection as to venue or inconvenient forum.

**12. Waiver of Rights**

Failure to enforce a right or provision under this agreement does not constitute a waiver of that right or provision.

**13. Severability**

If any part of this rental agreement is declared unenforceable by a court, all other parts will remain enforceable.