



RENTAL TERMS AND CONDITIONS

1. RENTAL; ORDERING EQUIPMENT. Magnum Electronics, Inc. ("Magnum") hereby agrees to rent to Customer and Customer hereby agrees to rent from MAGNUM, the Equipment described on the Equipment Detail Sheet, or on any attached schedule (hereinafter, with all replacements, additions, and accessories, referred to as the Equipment").

2. WARRANTY / LIMITATIONS OF LIABILITY. If the Equipment does not perform according to the manufacturer's written specifications, Customer will receive either a replacement or a refund of rental payment made for specific non-performing pieces of Equipment, reflecting the period of time the Equipment does not perform to specifications. Any such refund shall be issued only after the specific Equipment is returned to the location specified by MAGNUM. Except in the case of personal injury, the above shall be Customer's sole and exclusive remedy for any action or inaction of MAGNUM hereunder regardless of the form of action, whether for breach of contract, warranty, negligence, strict liability in tort, or otherwise. THE WARRANTIES IN THIS MAGNUM RENTAL CONTRACT ARE GIVEN IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, WHICH ARE SPECIFICALLY EXCLUDED AS TO ANY MATTER WHATSOEVER, INCLUDING WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. MAGNUM SHALL NOT BE LIABLE FOR ANY DIRECT, INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY CHARACTER AS A RESULT OF ITS OBLIGATIONS ARISING HEREUNDER, INCLUDING BUT NOT LIMITED TO ANY DAMAGE CAUSED BY THE NORMAL INSTALLATION OR REMOVAL OF THE EQUIPMENT, OR FOR ANY INTERRUPTION OF SERVICE OR LOSS OF USE THEREOF OR FOR ANY LOSS OF PROFITS OR LOSS OF BUSINESS, WHETHER SUFFERED BY CUSTOMER OR ANY THIRD PARTY.

3. TERM. The "Rental Period" of the MAGNUM Rental Contract shall be the period of time between the Contract Start Date and the Contract End Date, as indicated on the attached Term Sheet. MAGNUM reserves the right to require a minimum Rental Period. If Customer wishes to retain the Equipment beyond the Contract End Date shown on the Term Sheet, Customer shall contact MAGNUM and MAGNUM, at its option, may agree, in writing, to a term extension. If Customer retains the Equipment beyond the original term without prior approval by MAGNUM, this MAGNUM Rental Contract will automatically renew for two (2) calendar weeks. If after three (3) automatic renewals of two (2) weeks each Customer does not return the Equipment, MAGNUM will invoice Customer for the Net User Price of the Equipment. Customer shall immediately pay the amount shown on the Term Sheet for any renewal periods or on the invoice for the Net User Price of any Equipment not returned within the aforementioned three (3) auto renewals. Any term extensions shall be governed by the MAGNUM Rental Contract, including these MAGNUM Rental Terms and Conditions. No credit shall be granted for units returned earlier than the Contract End Date.



4. PAYMENT TERMS. Unless otherwise specified by MAGNUM in writing, MAGNUM will issue an invoice for the total amount shown on the Term Sheet upon execution of the MAGNUM Rental Contract and Customer shall immediately pay the invoice. MAGNUM reserves the right to require a deposit on a case by case basis. In such cases, the deposit will be refunded to Customer upon fulfillment of Customer's obligations under the MAGNUM Rental Contract. Whenever any payment is not made by Customer when due hereunder, Customer agrees to pay to MAGNUM, no later than one month thereafter, a service charge of an amount calculated at the rate of one and one-half (1.5 %) percent per month for each delayed payment, or the maximum permitted by law. Such amount shall be in addition to any of the remedies available to MAGNUM at law or under this Contract. If Customer's internal processes require the issuance of a purchase order prior to payment of an invoice from MAGNUM, on every purchase order Customer will include language substantially similar to the following: "Pursuant to Section 9 of the MAGNUM Rental Contract, Customer agrees to pay MAGNUM the Net User Price of Equipment if such Equipment is stolen, lost, damaged, or destroyed and this purchase order shall constitute the purchase order for purposes of paying any such invoices from MAGNUM. Therefore, this purchase order has been submitted for 20% above the total MAGNUM Rental contract price."

5. SHIPMENT. Customer shall return Equipment in its original packaging, using the original packing material, and following any other packing instructions provided by MAGNUM. Customer is responsible for any damage to Equipment caused by inappropriate packaging.

6. TITLE. MAGNUM shall at all times retain title to the Equipment. Customer shall at all times keep the Equipment free from any legal process or encumbrance whatsoever and shall give MAGNUM immediate written notice thereof and shall indemnify MAGNUM from any loss caused thereby.

7. CARE AND USE OF THE EQUIPMENT. Customer shall: (i) maintain the Equipment in good operating condition and appearance; (ii) protect Equipment from damage, abuse or deterioration, other than normal wear and tear; and (iii) use the Equipment only in the regular course of Customer's business within its normal capacity. Upon return of the Equipment, Customer will be issued an invoice for any required repair, replacement, or cleaning of the Equipment and Customer shall pay such invoice within thirty (30) days of receipt. Customer is strictly prohibited from making any modification, alteration, marking or addition (i.e. stickers) to the Equipment without the prior written consent of MAGNUM. Notwithstanding, all modifications, alterations or additions to the Equipment shall immediately become property of MAGNUM.

8. APPLICABLE LAWS. Customer shall comply with all laws, ordinances, regulations, requirements and rules with respect to the use and operation of the Equipment, including but not limited to FCC regulations. Customer will obtain, at its own expense, any applicable FCC licenses required for use of the Equipment. Customer will not ship Equipment outside of the



United States without the prior written approval of MAGNUM. If MAGNUM approves shipment of Equipment outside of the United States, Customer shall comply with all applicable import and export rules and regulations and be responsible for any customs procedures associated with such shipment.

9. RISK OF LOSS. Customer shall bear the entire risk of loss, theft, damage or destruction to the Equipment from every cause whatsoever during the entire term of the MAGNUM Rental Contract or until the Equipment is returned to the location specified by MAGNUM. Notwithstanding, MAGNUM will bear the risk of loss during shipment within the United States, provided that such loss is not caused by Customer's use of inappropriate packaging. In the event of loss, damage or destruction to the Equipment, Customer, at its expense, except to the extent MAGNUM receives any proceeds from insurance, shall pay MAGNUM the then current MAGNUM Net User Price for the Equipment. Any loss, theft, damage or destruction to the Equipment shall not relieve Customer from any obligation under this Agreement Contract including, but not limited to, the obligation to make payments of rent.

10. NET CONTRACT; TAXES. Customer intends the rental payments hereunder to be net to MAGNUM, and Customer shall pay all sales, use, excise, and ad valorem taxes, license and registration fees, assessments, fines, penalties, and similar charges imposed on the possession or use of the Equipment or the rental payment therefore during the term of this MAGNUM Rental Contract; and shall reimburse MAGNUM upon demand for any taxes paid by or advanced by MAGNUM. MAGNUM shall file all personal property tax returns with respect to the Equipment. Customer shall bear any export and/or import fees, costs, or duties when Equipment is shipped outside of the United States.

11. INDEMNITY. Customer shall and does hereby agree to indemnify and hold MAGNUM, its agents, successors, and assigns harmless from any and all liability, damages or loss, including reasonable attorneys' fees arising out of the ownership, selection, possession, rental, operation, use, condition (including but not limited to latent and other defects, whether or not discoverable by Customer), maintenance and return of the Equipment. The indemnities and obligations herein provided shall continue in full force and effect notwithstanding the termination or expiration of this Contract.

12. DEFAULT; REMEDIES. If a) Customer fails to pay any rental or any other payment for thirty (30) days beyond payment due date; or b) Customer breaches any term, covenant or condition of this Contract and fails to cure such breach within thirty (30) days of receipt of notice from MAGNUM; or (c) a petition is filed by or against Customer under the Bankruptcy Code or any amendment thereto, or under any other insolvency law or laws providing for the relief of debtors, then to the extent permitted by applicable law, MAGNUM may, as applicable and at its option, i) enter Customer's premises during normal business hours for the sole purpose of retrieving the Equipment from Customer's premises; (ii) demand and recover from Customer all rents and other charges due and owing until the Equipment is recovered by MAGNUM; or (iii) demand and



recover the MAGNUM Net User Price for Equipment in accordance with Section 3. Customer's rights to use the Equipment shall terminate immediately upon recovery of the Equipment. Customer shall also pay to MAGNUM all expenses incurred by MAGNUM in connection with the enforcement of any of MAGNUM's remedies, including, but not limited to all expenses of repossession of the Equipment and MAGNUM's reasonable attorneys' fees. All remedies of MAGNUM hereunder are cumulative, are in addition to any other remedies provided by law, and may, to the extent permitted by law, be exercised concurrently or separately. The exercise of any remedy shall not be deemed to be an election of such remedy or to preclude the exercise of any other remedy. No failure on the part of MAGNUM to exercise and no delay in exercising any right or remedy shall operate as a waiver thereof or modify the terms of the Contract. In the event the MAGNUM Rental Contract is determined to be a security agreement, MAGNUM's recovery shall in no event exceed the maximum permitted by law.

13. CANCELLATION. Customer understands and acknowledges that MAGNUM is required to make certain adjustments to its inventory in order to have such inventory available for rent by Customer. If Customer cancels the Contract within five (5) business days or less of the scheduled ship date, Customer will pay a cancellation fee of ten percent (10%) of the total Contract amount. If the Contract is cancelled by Customer after shipment of the Equipment, Customer will pay round trip shipment charges and the lesser of rental charges for twenty (20) business days or the total rental charges for the Rental Period. Notwithstanding, MAGNUM will issue an invoice to Customer for any such cancellation fees.

14. OPTIONS AT EXPIRATION. Upon expiration of the Rental Period of this MAGNUM Rental Contract, Customer shall return the Equipment to MAGNUM, at an address designated by MAGNUM, in good working order and condition, normal wear and tear excepted. If Customer returns the Equipment in a damaged condition, Customer shall pay to MAGNUM, pursuant to paragraph 7, for such damage.

15. DISPUTE RESOLUTION. MAGNUM and Customer will attempt to settle any claim or controversy arising from this MAGNUM Rental Contract through consultation and negotiation in good faith and a spirit of mutual cooperation. The respective relationship managers will confer and attempt to settle a dispute. The dispute will be escalated to appropriate higher-level managers of the parties, if necessary. If cooperative efforts fail, the dispute will be mediated by a mediator chosen jointly by MAGNUM and Supplier within thirty (30) days after notice by one of the parties demanding non-binding mediation. MAGNUM and Supplier will not unreasonably withhold consent to the selection of a mediator, and they will share the cost of the mediation equally. The parties may postpone mediation until they have completed some specified but limited discovery about the dispute. The parties may also replace mediation with some other form of non-binding alternative dispute resolution ("ADR"). Any claim that cannot be resolved between the parties through negotiation or mediation within two (2) months after the date of the initial demand for non-binding mediation as described above shall then be submitted by either party to a court of competent jurisdiction. Each party consents to jurisdiction over it by such a



court. The use of ADR procedures will not be considered under the doctrine of laches, waiver, or estoppel to affect adversely the rights of either party. Either party may resort to the judicial proceedings described in this section before the expiration of the two-month ADR period if (i) good faith efforts to resolve the dispute under these procedures have been unsuccessful; or (ii) interim relief from the court is necessary to prevent serious and irreparable injury to such party or any of its affiliates, agents, employees, customers, suppliers, or subcontractors. Unless otherwise agreed, performance by the parties under this Contract shall not be suspended during the pending of any dispute unless the parties otherwise agree.

16. SOFTWARE LICENSE AGREEMENT: MAGNUM's standard commercial Software License Agreement is incorporated by reference into this agreement and provides the renting party a license to use the external or embedded software with the rental product. Section 6 (Limited Warranty) of the software License Agreement is subject to the warranty provisions of section 2 (Warranty/Limitation of Liability) of the Rental Agreement.

17. MISCELLANEOUS. The MAGNUM Rental Contract shall be binding when accepted in writing by MAGNUM and shall be governed by the laws of the State of Delaware. MAGNUM and Customer intend the MAGNUM Rental Contract to be a valid and subsisting legal instrument, and agree that if any provision of the Contract is deemed unenforceable it shall in no way invalidate any other provision or provisions of the Contract, all of which shall remain in full force and effect. The MAGNUM Rental Contract shall be binding upon the parties, their successors, legal representatives and assigns. Service of all notices under the Contract shall be sufficient if given personally or mailed to the party involved at the respective address shown on the Term Sheet.

18. U.S. GOVERNMENT PROVISIONS. In the event that the Lessor is the United States Government or a United States Government agency, then the provisions of this Subsection also apply. The following clauses from the Federal Acquisition Regulation ("FAR") are incorporated by reference as indicated. To the extent the provisions of this Rental Agreement are deemed to be in conflict to the requirements of the below referenced FAR clauses, the later are deemed to take precedence. FAR 52.212-4 is incorporated herein, subject to the following clarifications: (a) Inspection and Acceptance - The Government shall have the right to inspect and/or test rented items upon delivery to the specified destinations. (c) Changes: In no event shall any additional, supplemental or alternative terms and conditions found on any of the Government's orders, acknowledgments or other forms be considered an amendment or modification of this Agreement. (g) Invoices: Because our MAGNUM has an automated invoicing system based on shipment of equipment, and its administrative office and place of shipment or services are not at the same location, MAGNUM will be unable to ensure inclusion of the contract line item numbers and a point of contact's title on the invoices. (h) Patent Indemnity: MAGNUM shall indemnify the Government and its officers, employees and agents against liability, including costs, for direct infringement of any United States patent arising out of MAGNUM's provision (or the Government's use) of MAGNUM's commercially available off-the-shelf items during the



performance of this contract, provided that MAGNUM is reasonably notified of such claims and proceedings and provided further that the claim of infringement is directed solely toward MAGNUM's items alone. The Government authorizes and consents to all use and manufacture of any invention described in and covered by a United States patent in the performance of this contract or any subcontract at any tier. (j) Risk of Loss: Customer shall bear the entire risk of loss, theft, damage or destruction to the Equipment from every cause whatsoever during the entire term of the Agreement and thereafter or until the Equipment is returned. In the event of loss, damage or destruction to the Equipment, Customer shall promptly notify MAGNUM of such event, and, at its expense, except to the extent MAGNUM receives any proceeds from insurance, shall at MAGNUM's option either repair the Equipment or pay MAGNUM the unit price(s) identified on the Equipment Detail Sheet provided with the MAGNUM Radio Rental contract. Any loss, theft, damage or destruction to the Equipment shall not relieve Customer from any obligation of Customer under this Agreement including, but not limited to, the obligation to make payments of rent. (n) Title: MAGNUM shall at all times retain title to the Equipment. Customer shall at all times keep the Equipment free from any legal process or encumbrance whatsoever and shall give MAGNUM immediate written notice thereof and shall indemnify MAGNUM from any loss caused thereby. (o) Warranty. If the Equipment does not perform according to the manufacturer's written specifications, Seller will, at its discretion, either (i) replace the defective equipment or (ii) issue a pro-rated refund for any rental payment made on the specific pieces of Equipment not performing for the period the Equipment is not performing to specifications unless the Equipment failure is due to customer induced damage. Such refund shall commence only after the specific Equipment is returned to the location it was rented from initially. THESE WARRANTIES ARE OFFERED IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, WHICH ARE SPECIFICALLY EXCLUDED, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. EXCEPT IN THE CASE OF PERSONAL INJURY OR DEATH, THE ABOVE SHALL BE CUSTOMER'S SOLE AND EXCLUSIVE REMEDY FOR ANY ACTION OR INACTION OF MAGNUM HEREUNDER REGARDLESS OF THE FORM OF ACTION, WHETHER FOR BREACH OF CONTRACT, WARRANTY, NEGLIGENCE, STRICT LIABILITY IN TORT, OR OTHERWISE. MAGNUM AND ITS SUBSIDIARIES SHALL NOT BE LIABLE FOR ANY DIRECT, INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY CHARACTER AS A RESULT OF ITS OBLIGATIONS ARISING HEREUNDER, INCLUDING BUT NOT LIMITED TO ANY DAMAGE CAUSED BY THE NORMAL INSTALLATION OR REMOVAL OF THE EQUIPMENT, OR FOR ANY INTERRUPTION OF SERVICE OR LOSS OF USE THEREOF OR FOR ANY LOSS OF PROFITS OR LOSS OF BUSINESS, WHETHER SUFFERED BY CUSTOMER OR ANY THIRD PARTY. SELLER'S TOTAL LIABILITY UNDER THIS AGREEMENT SHALL BE LIMITED TO THE VALUE OF THE SPECIFICALLY RELATED RENTAL CONTRACT. In addition, the following FAR clauses specified in FAR 52.212-5 (OCT 2003) shall apply, in lieu of any others, subject to the following: Paragraph (a), 52.233-3, Protest after Award Paragraph (b) (1), 52.203-6, Restrictions on Subcontractor Sales to the Government, with Alternate I (41 U.S.C. 253g and 10 U.S.C. 2402) Paragraph (b) (7), 52.219-8, Utilization of Small Business Concerns



Paragraph (b) (13), 52.222-3, Convict Labor (E.O. 11755) Paragraph (b) (14), 52.222-19, Child Labor - Cooperation with Authorities and Remedies Paragraph (b) (15), 52.222-21, Prohibition of Segregated Facilities Paragraph (b) (16), 52.222-26, Equal Opportunity (E.O. 11246) Paragraph (b) (17), 52.222-35, Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (38 U.S.C. 4212) Paragraph (b) (18), 52.222-36, Affirmative Action for Workers with Disabilities (29 U.S.C. 793) Paragraph (b) (19), 52.222-37, Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (38 U.S.C. 4212) No other FAR or FAR Supplement provisions are accepted by MAGNUM unless agreed upon in writing by MAGNUM's Contracts Department prior to order acceptance or initiation of performance. Buyer represents that there is no requirement for cost or pricing data or price support information from MAGNUM. MAGNUM does not represent that any ordered items necessarily meet new material requirements. MAGNUM may provide product replacements for ordered parts and accessories for currently manufactured radios as long as the replaced item is the same or better technology and sold at the same price. The invoice will reflect either the actual product shipped or the product ordered and no order modification is required. When replacement parts and accessories are needed for radio products no longer being manufactured, MAGNUM cannot guarantee that an equivalent or better part or accessory will always be available or that the replacement item found can be sold at the same price. MAGNUM reserves the right to cancel the ordered item without penalty if the ordered item is no longer available or if MAGNUM offers the item at a higher price and mutual agreement on price cannot be reached. To affect administrative savings to the Government, Finance Offices are instructed to make payments in accordance with this paragraph without requiring an order modification for replacement products sold at the same price.

19. ENTIRE AGREEMENT; CHANGES. The Term Sheet, the Equipment Detail Sheet, the MAGNUM Rental Terms and Conditions, and any other attached schedule that has been agreed upon by the parties, comprise the MAGNUM Rental Contract and is the entire agreement between MAGNUM and Customer. The MAGNUM Rental Contract may not be altered, amended, modified, terminated or otherwise changed except in writing by an authorized representative of MAGNUM and a representative of Customer