

ACCEPTANCE OF ORDERS

All orders are subject to acceptance by our sales and credit departments. TekTone® will not be responsible for any errors caused by verbal orders. Claims for errors can only be made on written orders.

TERMS

Net cash unless otherwise specified. A service charge of 1.5% per month (18% yearly) will be charged on any invoices over 30 days old. All deliveries of equipment and processing of orders presently in house will be withheld from any customer having any invoices 45 days old, or older, until credit is re-established.

Any purchase order pursuant to the accompanying quotations will not become a binding contract until it is accepted and acknowledged by seller at seller's office.

FREIGHT

F.O.B. shipping point, packing included—unless otherwise arranged. Unless otherwise specified, at our option we will ship common carrier collect. Shipping, handling and tax are additional unless otherwise expressly indicated at the time of sale. Title to products passes from TekTone to the customer upon shipment to the customer. Claims should be made to the transportation company. Shipment should be inspected for damage upon arrival and damage should be noted on packing slip by freight or express agent to press claim. Claims of short shipment must be made within seven (7) days of receipt of equipment. Failure to do so deprives us of the ability to substantiate accuracy of shipment and therefore nullifies any claim against us.

MINIMUM ORDER

Due to the cost of handling small orders, TekTone will not accept orders of less than \$125 list. Any combination of TekTone products may be used to qualify for the \$125 minimum. Please contact your area TekTone stocking distributor for small orders.

PRICING

The prices quoted on the lists attached are not intended as an offer to sell at such price, but merely as a preliminary indication of the price at which such goods are selling or will sell. All prices are subject to change without notice! Prices will be determined at time of shipment unless there is a signed contract or quotation to the contrary. Errors or omissions in billing are subject to correction.

The illustrations do not necessarily show standard colors, materials and equipment.

TekTone reserves the right to make changes at any time without notice, in price, colors, materials, equipment specifications, models; to discontinue models; and to limit sales of raw good kits. This right may be exercised without incurring any responsibility with regard to products previously sold.

Any tax imposed by Federal, State or other governmental authority on the sale of the merchandise and service referred to in a quotation shall be paid by buyer in addition to the quoted purchase price.

New product announcements will be sent to you at regular intervals. Please help us by informing us of any change in your email or mailing addresses. All products contained in this list are described in greater detail in our engineering specification sheets. These sheets are available to you upon request at no charge.

DELIVERY

Dates of delivery are determined from the date of seller's acceptance of any order or orders by buyer; and are estimates of approximate dates of delivery, not a guarantee of a particular day of delivery. Sellers shall not be liable for failure or delay in shipping goods hereunder if such failure or delay is due to an act of God, war, labor difficulties, accident, inability to obtain containers or raw materials, or any other causes of any kind beyond the control of seller.

ORDER CANCELLATION

Bona fide orders accepted by us cannot be canceled without written consent. If granted, any expenses incurred by us must be absorbed by the buyer. Custom products and certain small-volume products will require completion of a "No Cancellation—No Return" form prior to order acceptance. Orders for apartment house lobby panels, special order merchandise, customized, modified, or altered equipment may not be canceled once manufacture begins.

BACK ORDER POLICY

Unless we are instructed to ship an order complete, we may partial ship and back-order the balance of the order.

PRODUCT LIFE

TekTone makes no official statement in regards to the longevity of any of its products. TekTone products are produced in accordance with market trends and firm customer purchase orders. Generally speaking, our products do not carry a specific production life cycle, and are produced in accordance within the aforementioned criteria. However, TekTone will support and maintain any viable and ongoing business opportunity that is mutually beneficial to both TekTone and its customer(s).

RETURN GOODS POLICY

(Procedure for handling in-warranty products and authorization for return of other merchandise.) An RMA number must be requested before returning any merchandise for credit or repairs. TekTone requires item and quantity, plus purchase order for repair RMAs, prior to issuing an RMA number. All merchandise must be returned to us freight prepaid. TekTone will return in-warranty merchandise freight prepaid.

In-warranty merchandise will be repaired or replaced (at our option) and returned to you on a no-charge basis. Missing or damaged accessories will be billed to you. Non-current merchandise that may still be in warranty will be repaired and returned to you in the packaging in which it was received, since new cartons and packaging are generally not available for non-current merchandise. In-warranty merchandise that has been marred, relabeled, written on, or otherwise damaged cannot be replaced with new merchandise and can only be repaired and returned.

If approval is granted to return merchandise for credit, the return is subject to the following conditions: (1) Merchandise must be unused and in new condition, and returned freight prepaid in its original packaging, including any unopened bags. (2) Credit will be issued at current published prices, or at original billing price, whichever is lower. (3) A minimum of 25% restocking charge will be deducted from the credit to cover the cost of handling, billing adjustment, re-inspection, re-testing, etc.

Any custom-made, modified, or altered equipment is not subject to return for credit or exchange. Since all apartment house lobby panels are custom made, they are not subject to return for credit or exchange. Non-current merchandise and/or goods shipped a year or more before will not be accepted for credit or exchange.

All non-warranty repairs, regardless of selling price, shall incur a minimum charge of \$125 list per RMA or \$62.50 list per item, whichever is greater. Fees for non-warranty repairs are as follows:

US List Price (Per Item)	Repair Fee (Per Item)
Less than \$500	50% of list price, minimum of \$62.50
\$500—\$749.99	\$312.50
\$750—\$999.99	\$375.00
\$1000—\$1249.99	\$437.50
\$1250—\$1499.99	\$500.00
\$1500—\$1999.99	\$625.00
\$2000—\$2499.99	\$750.00
\$2500—\$4999.99	\$1,000.00
\$5000—\$7499.99	\$1,250.00
\$7500—\$9999.99	\$1,500.00
\$10000 or more	By Quote

For all other merchandise, TekTone shall, upon request, provide a repair estimate to the customer for approval. Discontinued items require an estimate before repair. The charge for the repair estimate is \$125 list, which shall be waived if the customer chooses to repair the merchandise.

If an item cannot be repaired, it shall incur a minimum charge of \$125 list per RMA or \$62.50 list per item, whichever is greater.

REFURBISHED/SERVICE STOCK POLICY

This policy is intended for "system down" incidents, where specific TekTone parts are required to return a TekTone system to a functional state. This policy does not cover replacement of large numbers of peripherals caused by catastrophic events, such as lightning damage, voltage surges, etc.

First, the customer must contact our technical support department. If a replacement part is deemed necessary, the customer must obtain both the part number of the needed item and the Tech Call log number from the technical support staff, and then contact our sales department to order a refurbished replacement part (or new, if refurbished is not available).

The customer must supply our sales department with: the part number of the part required, the Tech Call log number, the job name, the approximate date of initial installation, and a standard company purchase order. A verbal purchase order number will be sufficient only if followed up with a faxed or electronic copy. The purchase order must acknowledge that the part being ordered is a refurbished part, either within the part description or by a statement of acknowledgment. The refurbished part number will be denoted with the suffix "R." If a refurbished part is not available, a new part may be ordered. TekTone will make every effort to ship the part within 24 hours of order.

To return the original part, the customer must obtain an RMA number from our sales department that refers to the replacement part invoice number. If the original part is returned within 30 days, TekTone will issue full credit, less shipping charges. Please refer to our Limited Warranty for details. Customer pays all shipping charges. If the original part has suffered damage that voids the warranty, or is beyond the warranty time period, the cost of repair will be deducted from the credit.

LIMITED WARRANTY

TekTone warrants its products to be free from defects of material and workmanship under normal use and service for a period of one year from date of delivery. TekTone warrants its repaired RMAs to be free from defects of material and workmanship under normal use and service for a period of 90 days from date of repair, or for the balance of the original warranty period, whichever is greater.

TekTone warrants its Tek-CARE400 equipment to be free from defects of material and workmanship under normal use and service for a period of five years from date of delivery (except for paging equipment, call cords, pillow speakers, the Tek-CARE Appliance Server, and refurbished equipment, which have a one-year warranty), provided the installation is performed by factory-certified technicians and an inspection of the installation is done by a person designated by TekTone.

TekTone warrants all Tek-CARE120/160 equipment to be free from defects of material and workmanship under normal use and service for a period of one year from date of delivery. Provided that the installation is performed by factory-certified technicians recognized by the TEP program and an inspection of the installation is done by a person designated by TekTone, TekTone warrants its Tek-CARE120/160 equipment to be free from defects of material and workmanship under normal use and service for a period of three years from date of delivery (except for paging equipment, call cords, the Tek-CARE Appliance Server, and refurbished equipment, which maintain a one-year warranty).

TekTone will repair or replace (at our option), free of charge, any unit that is found to be defective and returned to us under warranty. Buyer's exclusive remedy and seller's limit of liability for any and all losses resulting from nonconforming goods or tender, or from any other cause, shall be for the contract price of the particular goods with respect to which the losses or damages occurred. This warranty shall not apply to any water, fire, lightning, paint, or to use in violation of instructions furnished, nor be extended to units which have been repaired or altered outside of the factory. This warranty does not cover batteries, bulbs, picture tubes (CRT), or fuses, or damage caused by batteries used in connection with the product. TekTone reserves the right to make the final decision whether there is a defect in materials or workmanship and whether or not the product returned is within the warranty. This warranty covers bench repairs only. All claims under this warranty are based on delivery of equipment to an authorized warranty station or offices of the company, transportation charges prepaid. TekTone will not be responsible for any costs incurred involving on-site service calls. Repair or replacement by others, fire, transportation and labor charges, indemnity, etc., are not covered by this warranty and no responsibility for same will be assumed by us. There are no obligations or liabilities on the part of TekTone for consequential damages arising out of, or in connection with, the use or performance of the product, or other indirect damages with respect to property damage, or loss of revenue, profit, inconvenience, life or health.

All TekTone communication equipment is fully tested and inspected before leaving our warehouse. After this inspection, a warranty label is affixed to the product showing a serial number. This label is used to determine the date a piece of equipment is manufactured. Any altering, tampering or removing of this label voids all warranties expressed or implied.

SOFTWARE WARRANTY / DEPRECIATION SCHEDULE

While TekTone has long been a proponent of offering software at reasonable prices and with no annual fees, the pace with which software and hardware is changing has made this position untenable for the future. TekTone continues to invest heavily in software development and we no longer have the ability to maintain previous versions of software on our newly released hardware. This software break will allow us to move forward with a stronger platform that offers significantly more features and speed to customers. As we look towards the future, we anticipate this trend to continue with a requirement to upgrade hardware on a more frequent basis and allow the software to evolve with the hardware. As part of this process, TekTone has formalized our software depreciation schedule.

Software products offered by TekTone shall have a one year warranty.

After 12 months, software will have a decreasing residual value.

- 12 – 24 months 75% of purchase value
- 24 – 36 months 50% of purchase value
- 36 – 48 months 25% of purchase value
- 48+ months no residual value

SPECIFIC PACKAGING

Buyers shall, in respect of goods packaged by seller in accordance with designs, processes or formulas supplied, determined or requested by buyer, defend seller at buyer's expense and pay costs and damages awarded at any suit brought against seller for infringement of any letters patent by reason of use of such designs, processes, or formulas, provided seller promptly notifies buyer of any claim of or suit for infringement and tenders defense thereof to buyer. Seller is entitled to be represented in any suit at its own expense.

VENUE AND STATUTE OF LIMITATIONS

Any claims against Seller shall be brought in state court in Macon County, North Carolina. Such claims must be made, pursuant to Chapter 25 of the General Statutes of North Carolina, within one year from the date of the accrual of any cause of action.

GENERAL

There are no provisions with respect to a quotation which are not specified herein. If buyer places an order with seller based on a quotation, whether in writing or orally, then this quotation and buyer's order and seller's acceptance and confirmation will constitute the entire contract between buyer and seller with respect to the subject matter of this quotation. Any agreement so made shall be governed by the laws of the State of North Carolina.