

Specific Terms and Conditions for Equipment Rental

1. Applicability

1.1 These specific terms and conditions of rental from *ViDOFON AG*, Ahornallee 3, 22529 Hamburg (hereafter "*ViDOFON*") are applicable and complement the general terms and conditions of "*ViDOFON*," which govern the present contractual relationship unless otherwise stipulated in these rental terms and conditions.

1.2 In accordance with the written agreement, *ViDOFON* rents out equipment to the customer (hereafter "Hirer.") The equipment and accessories (hereafter "Rental Item") are described in more detail in the agreement. *ViDOFON* releases them to the Hirer, including the stored and/or accompanying software in accordance with the terms and conditions outlined below. In general, the agreement becomes effective with a written confirmation of an order.

2. Delivery, Installation, Operational Conditions

2.1 The time, place, and delivery of the rental item by *ViDOFON* are set out in the agreement.

2.2 *ViDOFON* installs the rental item only if this is agreed upon specifically. Otherwise, the Hirer is responsible for the installation and activation of the rental item. Spatial, technical, and other requirements for installation and activation of the rental item can be found in the manufacturer's guide, the manual for that particular equipment or through instructions from *ViDOFON*. It is the Hirer's responsibility to comply with the requirements. In the event that *ViDOFON* carries out the installation, the Hirer is responsible for providing all the requirements for installation and activation before the scheduled date of installation and is obligated to follow all instructions from *ViDOFON* and clarify all remaining questions. Should the Hirer fail to do so, he will have to bear any additional costs, particularly those relating to a second installation attempt.

3. Transfer, Surrender of Right to Use to Third Party; Software

3.1 The transfer of the rental item takes place at the installation site as outlined in the agreement. *ViDOFON* has to be duly notified in writing of the transfer in a timely manner. Work can be effected by *ViDOFON* or *ViDOFON* may request that an appointed technician carry out the transfer and installation. The Hirer bears all expenses for the installation, as well as all follow-up costs.

3.2 The Hirer is not allowed to surrender the use of the rental item to a third party.

3.3 Copyright, trademark rights, and licensing terms of the software manufacturer and the trademark right holders are applicable for the software installed on the hardware. The Hirer is obligated to observe the trademark rights of third parties.

4. Rental Charges, Payment, Indemnity

4.1 The Hirer pays the rental charges stipulated in the agreement to *ViDOFON*, including VAT. The period for the rental charges begins on the day of delivery to the Hirer, according to the delivery note. For parts of the month, the rental charges are calculated on pro rata basis.

4.2 Rental charges are payable on the third business day of each month at the latest. In the event of a late payment, *ViDOFON* is authorized to charge interest in the amount of 8 % p.a. above the base rate. Assertion of damage caused by the delay that goes beyond that, as well as further rights are reserved.

4.3 Furthermore, payment terms are applicable, according to § 3 and § 20 of the General Terms and Conditions of *ViDOFON*.

5. Compulsory Insurance and Further Obligations on the Hirer

5.1 The Hirer shall insure the rental item against damage, malfunction, as well as loss through theft, burglary, robbery or pilferage.

5.2 The Hirer is responsible for the maintenance of the rental item in compliance with technical requirements and the user guide. The Hirer may do so by buying a service contract with *ViDOFON* or in another manner. In the event that no service contract has been signed with *ViDOFON*, *ViDOFON* is entitled to make further release of the rental item conditional upon the proof of adequate service contract. In such a case, the Hirer may not keep the rental item until the requisite proof has been provided.

5.3 The Hirer must report any rental item malfunction immediately.

5.4 The Hirer may not make any decisions regarding the rental item without prior written consent.

The Hirer shall immediately notify *ViDOFON* in writing of any access by a third party to the rental item and provide all necessary information and known circumstances to protect access. The Hirer bears the costs for all measures necessary to protect access, unless *ViDOFON* is responsible for access.

6. Condition of Rental Item

6.1 *ViDOFON* has to release the rental item in a condition that is suitable for use, and the item must be maintained in that condition during the rental period. The services to be carried out by the Hirer according to subparagraph 5.2 remain unaffected thereof.

6.2 *ViDOFON* fulfils its maintenance obligations beyond the services to be carried out by the Hirer on business days from Monday to Friday from 8 A.M. to 6 P.M. Maintenance may be carried out on telephone hotlines, as well as through remote operations and integrated functions. In the event that maintenance cannot be carried out in the aforementioned manner, repairs or other emergency maintenance is carried out at the *ViDOFON* business location (bring-in service). Such repairs and other emergency maintenance are carried out at the location mentioned in this agreement only if this is clearly set out in this agreement.

6.3 The Hirer assumes the costs incurred by *ViDOFON* for emergency maintenance or repairs according to *ViDOFON*'s current price list for malfunctions or repairs for the following reasons: faulty assembly, installation or activation by the Hirer, handling errors, non-observance of technical requirements or improper handling and technical intervention by the Hirer or a third party, electrical surges, or data line fluctuations or by other factors, for which *ViDOFON* is not directly responsible.

In case of doubt, *ViDOFON* is entitled to assign an expert to seek clarification for the reason for the malfunction, as well as the party that is the cost-bearer. Any expenses incurred shall be borne by the party the expert shall name as cost-bearer. The Hirer may not withhold payment of rental charges until the expert opinion is

provided. In the event that the expert determines that *ViDOFON* is the cost-bearer, *ViDOFON* shall pay the rental charges for the aforementioned period to the Hirer.

7. Liability of ViDOFON

7.1 *ViDOFON* is liable without limitation for intent or gross negligence.

7.2 *ViDOFON* is liable for damages caused by the non-existence of possible warranted features to the extent of the Hirer's interest in capital that was covered for the purpose of warranty and was foreseeable by *ViDOFON* at the warranty of the features. Foreseeable damages, shall, on no account, with respect to the features and possible applications exceed rental charges for one contract year or the duration of the contract at the most.

7.3 In the event of negligent breach of fundamental contractual obligations, which are essential for the purpose of the contract, and the strict observance of which the Hirer should be able to count on, *ViDOFON* is liable with limitation for up to € 5,000 for such contract-related damages foreseeable by *ViDOFON* at the time of the signing of the contract, in accordance with the law.

7.4 Liability of *ViDOFON* on any legal grounds is excluded.

7.5 Forementioned limitations of liabilities do not apply insofar as *ViDOFON* has liability protection or is liable according to the Product Liability Law or in the event of intentional or negligent damages due to injury to life, body or health.

8. Duration of Contract, Return of Rental Item, Cancellation Privileges of the Hirer

8.1 The agreement sets out the duration of the contract.

8.2 Unless otherwise agreed upon, the contract period commences as soon as the rental item is delivered or on the first attempt at installation by *ViDOFON*. This is applicable even when *ViDOFON* has not yet delivered some component parts of the rental item which are non-essential for service delivery.

8.3 A tacit extension of the contract period in the event of undisputed continued use of the rental item is not allowed.

8.4 If no contract period is determined, either party may duly terminate the agreement in accordance with the provision of the law. Termination for cause remains unaffected thereof.

8.5 Any termination has to be effected in writing; termination for cause has to be effected in writing and the reasons stated.

8.6 The Hirer shall return the rental item immediately after termination of the agreement. The rental item shall be duly returned in the same packaging provided at delivery. The return of the rental item is effected by sending it to *ViDOFON* at the Hirer's risk and expense. In the event of a tardy return, *ViDOFON* reserves the right to seek payment of rental charges until delivery of rental item to *ViDOFON* and/or claim compensation.

8.7 The Hirer may cancel the agreement until the return of the rental item. In the event that a cancellation occurs less than 15 days before the agreed return time, the Hirer shall pay the following compensation: in the event of cancellation up to and including two days before return, 40 % of rental charges; in the event of cancellation up to and including 24 hours before return, 60 % of rental charges, and in the event of cancellation up to and including less than 24 hours before return, 70 % of rental charges. The basis of calculation is the rental charge for one year. In the case of a shorter period, the compensation is assessed on the basis of the rental charge for the contract period.

8.8 In the event of exceptional termination of agreement, *ViDOFON* is entitled to a general compensation claim of 70 % of the stipulated rental charges for the remainder of the contract period.

8.9 In the event of cancellation or early termination, (See No. 8.8 and 8.9) the compensation is payable immediately and in full upon termination of the agreement

9. Place of General Jurisdiction, Applicable Law

Hamburg is appointed sole place of general jurisdiction insofar as the Hirer is a merchant in accordance with the German Commercial Code, and the agreement forms part of his business operations or in the event that the Hirer has no abode or habitual residence in Germany when filing a lawsuit, *ViDOFON* is entitled to seek redress at any other legal court in place of the aforementioned, appointed place of general jurisdiction.

10. Miscellaneous

10.1 Amendments and revisions to the terms and conditions of the present agreement shall be made in writing.

10.2 In the event that a clause of the agreement is or becomes null and void, the validity of all the other terms of the agreement remains unaffected thereof. In such a case, the contracting parties are obligated to work together to create legally enforceable terms as viably as possible in place of the invalid clause.

Effective: October 2008