



PARTNER AGREEMENT

WHEREAS, Teo Technologies, Inc. and Teo Communications Services, Inc. (together “Teo”) design, develop, manufacture, and sell superior quality telecommunications solutions, including unified communications products and services; and

WHEREAS, Partner as defined on cover page of Agreement wishes to be a Reseller of Teo Products and Services under the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Teo and Partner (the “Parties”) hereby agree as follows:

- 1) Definitions:
 - a) Agreement means this Partner Agreement.
 - b) Partner Start Date means the date of Teo’s acceptance of Partner’s application to resell the Teo Offering.
 - c) Teo Offering means Teo Product, and Teo Hosted Services, and Teo Professional Services.
 - d) Teo Product means hardware and software manufactured and developed by Teo.
 - e) Teo Hosted Services means hosted telecommunications services provided by Teo.
 - f) Territory means primary geographic area, as described on cover page of Agreement where Partner will be marketing Teo Offering.
 - g) End User means any person or entity that uses Teo Software for internal business purposes and not for distribution, subject to the terms of an End User License Agreement set forth in Exhibit A (as may be updated from time to time in Teo’s sole discretion).
- 2) Term and Termination
 - a) Agreement will commence on Partner Start Date and shall continue for one (1) year. Thereafter, Agreement will automatically renew for successive one (1) year terms, unless either Party provides to the other Party a written notice of non-renewal.
 - b) Teo may change any part of Teo offering, including Pricing, at any time with thirty (30) days’ notice to Partner.
 - c) If either Party materially defaults in the performance of any provision of this Agreement, then the non-defaulting Party may give written notice to the defaulting Party indicating that if the default is not cured within thirty (30) days of such written notice, this Agreement shall be terminated. If the default is not cured in the good faith judgment of the Party providing such written notice, this Agreement shall automatically terminate at the end of such specified period without further action.
 - d) Agreement shall terminate immediately, without notice, (i) upon the institution by Partner for insolvency, receivership, or bankruptcy proceedings; (ii) upon Partner making an assignment for the benefit of creditors; or (iii) upon Partner’s dissolution or cessation of business in the ordinary course.
 - e) Either Party may terminate this Agreement without cause upon providing ninety (90) days written notice to the other Party.
 - f) In the event of any termination, except as expressly provided for in this Agreement, neither Party shall be liable to the other for compensation, reimbursement or damages due to the loss of past or

prospective profits, or for expenditures or commitments in connection with the business or goodwill of Teo or Partner, or for any other reason whatsoever as a result of such termination.

3) Business Relationship

- a) Teo appoints Partner to resell Teo Offering in the Territory.
- b) Partner agrees that it will:
 - i) Provide Quarterly Forecast information for anticipated Teo offering sales to their designated Teo Partner contact.
 - ii) Designate sales and technical personnel to attend Teo webinar training and maintain a minimum number of certified personnel as jointly agreed by Teo and Partner.
 - iii) Identify itself as an “Authorized Partner” of Teo including in any marketing, advertising, promotional or related materials.
 - iv) Comply with Teo’s advertising policies with respect to the permitted and prohibited uses of Teo trademarks, service marks, trade names, and logos.
 - v) Abide by any and all federal, state and local laws and to conduct its business in an ethical and honest manner.
 - vi) Not make statements or claims which are not specifically reflected in Teo’s promotional literature or website,
 - vii) Not use Teo’s name or corporate logo for reasons other than described in section 3(b)(iv) above without the specific prior written agreement of Teo.
 - viii) Agree that Teo has not made any guarantees or financial commitments with respect to the amount of commissions or volume of business that Partner may achieve. Partner acknowledges and agrees that neither Teo nor its officers, directors, employees, representatives, or affiliates have made any written or oral representations or warranties regarding Partner’s sales performance under this Agreement
 - ix) Indemnify, defend and hold harmless Teo from and against any claims, damages and expenses arising act or omissions of Partner or its affiliates, or as a consequence of the termination of this Agreement.
 - x) Agree that it is an independent contractor and that Teo shall not be responsible in any way for any obligations or liability incurred or assumed by the Partner. Partner specifically agrees it shall have no power or authority to represent or bind Teo in any manner.
 - xi) Abide by federal communications regulations applicable to Teo regarding the protection of Customer Proprietary Network Information (CPNI). Partner agrees: (a) to use CPNI only for the purpose of fulfilling its obligations to Teo regarding communications related services for which that CPNI has been provided; (b) not to use, allow access to, or disclose the CPNI to any other party, unless required to make such disclosure under force of law; and (c) to have appropriate data security and other protections in place to ensure the ongoing confidentiality of customers’ CPNI.
- c) Teo agrees that it will:
 - i) Provide and maintain superior telecommunications products and services within the Teo Offering.
 - ii) Provide Warranty on Teo Products as described in Exhibit B and Replacement Services as described in Exhibit C.
 - iii) Provide Technical Support Services as described in Exhibit D.
 - iv) Provide the Teo System Assurance Service Plan as described in Exhibit E.
 - v) Create and maintain current Training programs for Partner sales and technical personnel.
 - vi) Develop and provide Partner with marketing literature and other technical information for Teo Offering.

- 4) Financial Terms
 - a) Pricing
 - i) Teo Pricing to Partner is described in Exhibit F.
 - ii) Partner has full discretion as to price to be paid by Customer, and Teo's published pricing is limited to Suggested Retail terms.
 - b) Taxes
 - i) Partner will pay to Teo any applicable federal, state or local sales, use, excise, gross receipts, communications or similar taxes imposed by any governmental authority or regulatory body. Partner will also pay to Teo any other regulatory surcharges or fees which Teo is required or permitted to invoice to Partner. Such fees include any surcharges to meet government obligations, governmental fees or assessments (including surcharges and fees established or caused by the government, by a support or subsidy program administrator, or by Teo intended to address costs of governmental programs, such as universal service fund (USF), E911, disability access, or administration funds).
 - ii) Teo will invoice Partner for all applicable taxes, surcharges or fees and such amounts are payable by Partner unless Partner produces to Teo a valid resale certificate or other similar documentation legally sufficient, in Teo's sole discretion, to establish an exemption from such taxes, surcharges or fees.
 - iii) Partner shall be solely responsible for the payment of all federal, state and local income, payroll, self-employment, social security and all other taxes.
 - c) Partner Commissions
 - i) Partner commissions are set forth on Exhibit F attached.
- 5) End User License Agreement
 - a) Teo Software, whether as stand-alone products or installed on Teo hardware products, is subject to license and not sale. Partner shall notify its prospective End Users that its use is subject to the End User License Agreement that accompanies the Teo Software, a copy of which is provided in Exhibit A.
 - b) Partner will not allow any third party to access Teo Software unless they are informed of Teo's End User License Agreement terms and provisions and obligated to comply with such terms and provisions.
 - c) Partner shall not consent to any End User License Agreements on behalf of any End User.
- 6) Further Representations of the Parties and Limitation of Liability
 - a) During the term of Agreement and for a period of two (2) years after termination, Partner agrees not to disclose to any person, any information concerning customers or markets or the composition, manufacture, or development of any component of the Teo Offering that is not otherwise publicly available. Partner further agrees that it is not disclosing any information to Teo that is confidential or proprietary to Partner.
 - b) In no event shall Teo be liable for any special, incidental, indirect or consequential damages, including but not limited to loss of data, loss of revenue or loss of profits, arising out of this agreement or in connection with the use or inability to use Teo's service or equipment, whether due to a breach of contract, breach of warranty, the negligence of Teo or otherwise.
- 7) Resolution of Disputes
 - a) Agreement, and all disputes arising out of or related to it or to Teo shall be governed by and construed under the laws of the State of Washington without reference to conflict of laws principles. All such disputes shall be subject to the exclusive jurisdiction of the state and federal courts located in Snohomish County, Washington, and the Parties agree and submit to the personal and exclusive jurisdiction and venue of these courts.

- b) All claims and disputes arising under or relating to Agreement are to be settled by binding arbitration in the state of Washington. The arbitration shall be conducted on a confidential basis pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Prevailing Party shall be entitled to recover the costs, including without limitation, attorney fees.
- c) Any notice hereunder shall be delivered by registered or certified mail, return receipt requested, delivered by a recognized international express courier service (such as UPS or Federal Express), or delivered by hand to the address of the other Party set forth below. Such notice shall be deemed effective when delivered.

To Teo:

Teo Technologies, Inc.

11609 49th Place West

Mukilteo, WA 98275-4255

Attn: Chief Executive Officer

To Partner:

8) General Legal

- a) Agreement is the entire agreement between Teo and Partner with respect to the subject matter hereof and supersedes all other agreements, representations, and statements between the Parties.
- b) Agreement may not be assigned or transferred in whole or in part by Partner without the written consent of Teo, which shall not be unreasonably withheld.
- c) If any part of this Agreement shall be found to be invalid or unenforceable then the rest of Agreement will be construed as though that part had been omitted. It will not affect the validity or enforceability of Agreement as a whole.
- d) Any failure by Teo to exercise or enforce any rights under Agreement shall not be deemed to be a waiver of any such right.
- e) The following provisions shall survive termination of this Agreement: Sections 3(b)(ix), 3(b)(x), 5(b) and 6, and any commission provisions that are intended to survive as expressly provided in this Agreement.

The Parties have executed this Agreement on the date indicated below.

TEO

PARTNER

By: _____
(Signature)

By: _____
(Signature)

Name: _____
(Print)

Name: _____
(print)

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT A

END USER LICENSE AGREEMENT

IMPORTANT—READ CAREFULLY: This End User License Agreement (“Software License Terms”) governs the use of Teo Software (as defined in Section 1 below) and third-party proprietary software provided by Teo Technologies, Inc. (hereinafter referred to as “Teo”). Read these software license terms carefully, in their entirety, before installing, downloading or using Teo Software. By installing, downloading or using Teo Software, or authorizing others to do so, you, on behalf of yourself and the entity for whom you are doing so (hereinafter referred to interchangeably as “You” and “End User”), agree to these Software License Terms and create a binding contract between You and Teo. If you are accepting these software license terms on behalf of a company or other legal entity, you represent that you have the authority to bind such entity to these Software License Terms. If you do not have such authority or do not wish to be bound by these software license terms, you must return or delete the software within ten (10) days of delivery for a refund of the fee, if any, you paid for the license, or if Teo Software was downloaded electronically, select the "Decline" button at the end of these Software License Terms.

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These Software License Terms govern your use of Teo Software and/or Documentation except to the extent that 1) you have a separate signed agreement with Teo governing your use of Teo Software, 2) Teo Software is accompanied by a “Click-to-Accept” License, or 3) the Software is governed by Third Party Terms. If you have a separate signed purchase agreement with Teo governing your use of Teo Software, such agreement shall take precedence over these Software License Terms to the extent of any conflict. With respect to third party elements subject to a “Click-to-Accept” License or other Third Party Terms, the “Click-to-Accept” License or other Third Party Terms shall take precedence over any signed Agreement with Teo and these Software License Terms to the extent of any conflict.

“**Teo Software**” means computer programs in object code, provided by Teo or a Teo Channel Partner, whether as stand-alone products or pre-installed on hardware products, and any upgrades, updates, bug fixes, or modified versions thereto, or backup copies of any of the foregoing. Teo Software may include open source software components, which are not licensed by Teo.

“**Teo Hardware**” means any physical product provided by Teo, including, but not limited to, servers, circuit cards, gateways, and telephones.

“**Teo UC System**” means the combination of Teo Software installed on Teo Hardware, with associated softphone applications and telephone devices, to provide a Unified Communication System.

“**Documentation**” means information published by Teo in varying mediums which may include product information, administration and operating instructions, and performance specifications that Teo generally makes available to users of its products. Documentation does not include website or marketing materials.

2. **LICENSE GRANT.** Teo grants you a personal, non-sublicensable, non-exclusive, non-transferable license to use Teo Software and associated Documentation obtained from Teo or a Teo Channel Partner and for which applicable fees have been paid for your internal business purposes at the indicated capacity and features and within the scope of the applicable license type and at locations where Teo Software is initially installed. Documentation shall be used only in support of the authorized use of the associated Teo Software. Teo Software installed on mobile devices and clients, such as a laptop or mobile phone, may be used outside of the country where the software was originally installed, provided that such use is on a temporary basis only.

End User's license to use Teo Software shall be limited to, and End User shall not use Teo Software in excess of, a single Teo Hardware device, mobile device, server or computer, or such other limitations as are set forth in the applicable Supplemental License Agreement or in the applicable purchase order which has been accepted by Teo or a Teo Channel Partner and for which End User has paid the required license fee.

Unless otherwise expressly provided in the Documentation or any applicable Supplemental License Agreement, End User shall use Teo Software solely as embedded application for execution on Teo Hardware, or (where the applicable Documentation permits installation on non-Teo equipment) for communication with Teo-provided hosted services, or with Teo Hardware owned or leased by End User and used for End User's internal business purposes. No other licenses are granted by implication, estoppel or otherwise.

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 - ii. alter, modify or create any derivative works or enhancements, adaptations, or translations of Teo Software or Documentation, or encourage or assist third parties in doing so;
 - iii. bypass or delete any licensing or copyright protection methods that are for preventing unauthorized copying or use of Teo Software;
 - iv. sell, sublicense, lease, rent, loan, assign, convey or otherwise transfer Teo Software or Documentation except as expressly authorized by Teo in writing;

- v. distribute, disclose or allow use of Teo Software or Documentation, in any format, through any timesharing service, service bureau, virtual machine environment, network or by any other similar means except as expressly authorized by Teo in writing;
- vi. allow any service provider or other third party, with the exception of Teo or its authorized maintenance providers who are acting solely on behalf of and for the benefit of End User, to use or execute any software commands that facilitate the maintenance or repair of any product;
- vii. gain access to or use of any Teo Software or part thereof without authorization from Teo;
- viii. enable or activate, or cause, permit or allow others to enable or activate any logins reserved for use by Teo or Teo's authorized maintenance providers;
- ix. publish the results of any tests run on Teo Software, or use or allow the use of such results for competing software development activities;
- x. disclose, provide, or otherwise make available to any third party any trade secrets contained in Teo Software or Documentation; nor
- xi. permit or encourage any third party to do any of the foregoing.

End User agrees not to allow anyone other than its authorized employees, agents or representatives who have a need to use Teo Software or Documentation to have access to Teo Software or Documentation. End User agrees to inform any third party to whom you give access to Teo Software or Documentation of these Software License Terms and shall obligate such third party to comply with such terms and provisions. End User shall be responsible for any third party's failure to comply with these Software License Terms and shall indemnify Teo for any damages, loss, expenses or costs, including attorneys' fees and costs of suit, incurred by Teo as a result of non-compliance with this Section 4.

If Teo Software is rightfully located in a member state of the European Union and End User needs information about Teo Software in order to achieve interoperability of an independently created software program with Teo Software, End User will first request such information from Teo. Teo may charge End User a reasonable fee for the provision of such information. End User shall maintain such information in strict confidence using no less than the same care it uses to protect its own confidential information and shall use such information only in accordance with the terms and conditions under which Teo provides such information. To the extent that the End User is expressly permitted by applicable mandatory law to undertake any activities related to achieving interoperability of an independently created software program with Teo Software, End User will not exercise those rights until End User has given Teo twenty (20) days written notice of its intent to exercise any such rights.

- 5. SOFTWARE, UPGRADES AND ADDITIONAL COPIES.** Notwithstanding any other provision of the agreement: (1) End User has no license or right to make or use any additional copies or upgrades unless End User, at the time of making or acquiring such copy or upgrade, already holds a valid license to the original software and has paid the applicable fee to Teo or a Teo Channel Partner for the upgrade or additional copies; (2) use of upgrades is limited to Teo Hardware supplied by Teo or a Teo Channel Partner for which End User is the original end user purchaser or lessee or otherwise holds a valid license to use Teo Software which is being upgraded; and (3) the making and use of additional copies is limited to necessary backup purposes only.
- 6. PROPRIETARY NOTICES.** End User agrees to maintain and reproduce all copyright, proprietary, and other notices on all copies, in any form, of any software distributed by Teo (Teo Software and Open Source Software) in the same form and manner that such copyright and other proprietary

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8. **TERM AND TERMINATION.** The Agreement and the license granted herein shall remain effective until terminated. End User may terminate the Agreement and the license at any time by destroying all copies of Teo Software and any Documentation. End User's rights under the Agreement will terminate immediately without notice from Teo if End User fails to comply with any provision of the Agreement. Upon termination, End User shall destroy all copies of Teo Software and Documentation in its possession or control and, upon Teo's request, certify such destruction in writing. The provisions concerning confidentiality, the protection of trade secrets and proprietary rights, indemnity, license restrictions, export control, and all limitations of liability and disclaimers and restrictions of warranty (as well as any other terms which, by their nature, are intended to survive termination) will survive any termination or expiration of this Agreement.
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11. **LIMITED WARRANTY.** Subject to the limitations and conditions set forth herein, Teo warrants that commencing from the date of shipment to End User (but in case of resale by Teo or a Teo Channel Partner other than Teo, commencing not more than ninety (90) days after original shipment by Teo), and continuing for a period of the longer of (a) ninety (90) days or (b) the warranty period (if any) expressly set forth as applicable specifically to Teo Software accompanying the Teo Hardware of which Teo Software is a part: (a) the media on which Teo Software is furnished will be free of defects in materials and workmanship under normal use; and (b) Teo Software substantially conforms to the Documentation. The date of shipment of Teo Hardware by Teo is set forth on the packaging material in which Teo Products are shipped. Except for the foregoing, Teo Software is provided "AS

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If, during the Warranty Period, Teo Software shall fail to perform substantially in accordance with the Documentation in a way that materially affects service and/or prevents beneficial use of the software, Teo will use commercially reasonable efforts to correct the problem within a reasonable period of time, subject to the condition that any error or defect constituting a breach of this limited warranty is reported to the Teo or a Teo Channel Partner supplying Teo Software within the warranty period. If Teo is unable to resolve the problem, Teo will in its sole discretion, either: (a) replace Teo Software, (b) install a new release of Teo Software when it becomes generally available, (c) return Teo Software to a prior release, or (d) refund the purchase price of Teo Software. The foregoing is Teo's entire liability and your sole and exclusive remedy under the above Limited Warranty. Teo may, at its option, require return of Teo Software and/or Documentation as a condition to the remedy.

In no event does Teo warrant that Teo Software is error free or that End User will be able to operate Teo Software without problems or interruptions, or that all defects will be corrected. In addition, due to the continual development of new techniques for intruding upon and attacking networks, Teo does not warrant that Teo Software or any equipment, system or network on which Teo Software is used will be free of vulnerability to intrusion or attack.

12. RESTRICTIONS. This warranty does not apply if Teo Software, Teo Hardware, or any other equipment upon which Teo Software is authorized to be used (a) has been altered, except by Teo or its authorized representative, (b) has not been installed, operated, repaired, or maintained in accordance with instructions supplied by Teo, (c) has been subjected to abnormal physical or electrical stress, abnormal environmental conditions, misuse, negligence, or accident; or (d) is licensed for beta, evaluation, testing or demonstration purposes. This warranty also does not apply to (e) any temporary Software modules; (f) any Software not supplied by Teo; (g) Open Source Software; (h) any Software that Teo expressly provides on an "AS IS" basis; (i) any Software for which Teo or a Teo Channel Partner does not receive a license fee; and (j) Software supplied by any third party that is not Teo or a Teo Channel Partner.

13. DISCLAIMER OF WARRANTY. EXCEPT AS SPECIFIED IN SECTION 11, ALL EXPRESS OR IMPLIED CONDITIONS, REPRESENTATIONS, AND WARRANTIES INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OR CONDITION OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, SATISFACTORY QUALITY, NON-INTERFERENCE, ACCURACY OF INFORMATIONAL CONTENT, OR ARISING FROM A COURSE OF DEALING, LAW, USAGE, OR TRADE PRACTICE, ARE HEREBY EXCLUDED TO THE EXTENT ALLOWED BY APPLICABLE LAW AND ARE EXPRESSLY DISCLAIMED BY TEO, ITS SUPPLIERS AND LICENSORS. TO THE EXTENT THAT ANY OF THE SAME CANNOT BE EXCLUDED, SUCH IMPLIED CONDITION, REPRESENTATION AND/OR WARRANTY IS LIMITED IN DURATION TO THE EXPRESS WARRANTY PERIOD REFERRED TO IN THE "LIMITED WARRANTY" SECTION 11. BECAUSE SOME STATES OR JURISDICTIONS DO NOT ALLOW LIMITATIONS ON HOW LONG AN IMPLIED WARRANTY LASTS, THE ABOVE LIMITATION MAY NOT APPLY IN SUCH STATES. THIS WARRANTY GIVES END USER SPECIFIC LEGAL RIGHTS, AND END USER MAY ALSO HAVE OTHER RIGHTS WHICH VARY FROM JURISDICTION TO JURISDICTION.

This disclaimer and exclusion shall apply even if the express warranty set forth above fails of its essential purpose.

14. LIMITATION OF LIABILITY. EXCEPT FOR PERSONAL INJURY CLAIMS OR WILLFUL MISCONDUCT AND TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, NEITHER TEO, ITS SUPPLIERS, NOR ANY OF THEIR DIRECTORS, OFFICERS, EMPLOYEES, OR AGENTS SHALL BE LIABLE FOR (i) ANY INCIDENTAL, SPECIAL, PUNITIVE, EXEMPLARY, STATUTORY, INDIRECT OR CONSEQUENTIAL DAMAGES, (ii) ANY LOSS OF PROFITS, REVENUE, OR DATA, TOLL FRAUD, OR COST OF COVER OR (iii) ANY DIRECT DAMAGES ARISING UNDER THESE SOFTWARE LICENSE TERMS IN EXCESS OF THE FEES PAID FOR THE SOFTWARE GIVING RISE TO THE CLAIM. REGARDLESS OF WHETHER THEY WERE ADVISED, HAD OTHER REASON TO KNOW, OR IN FACT KNEW OF THE POSSIBILITY THEREOF. THE LIMITATIONS OF LIABILITY IN THIS SECTION 14 WILL APPLY TO ANY DAMAGES, HOWEVER CAUSED, AND ON ANY THEORY OF LIABILITY, WHETHER FOR BREACH OF CONTRACT, TORT (INCLUDING, BUT NOT LIMITED TO, NEGLIGENCE), OR OTHERWISE.

15. PROTECTION OF SOFTWARE AND DOCUMENTATION. End User acknowledges that Teo Software and Documentation are confidential information of Teo and its suppliers and contain trade secrets of Teo and its suppliers. End User agrees at all times to protect and preserve in strict confidence Teo Software and Documentation using no less than the level of care End User uses to protect its own information of a confidential nature and to implement reasonable security measures to protect the trade secrets of Teo and its suppliers.

16. PERSONAL DATA. The download or use of Teo Software may require the processing of personal data (including, but not limited to contact name, company address, company phone or fax, or company email) pertaining to your company or to your company's personnel. Such data will be used by Teo for communication, administrative, and operational purposes related to Teo Software, including but not limited to tracking Software activations, communicating regarding trouble tickets and alarms, and providing Software updates. Personal data required to download or use Teo Software must be submitted to Teo. Failing the submission of such data, the download or use of Teo Software may not be possible. You or your personnel have a right to access and correct erroneous personal data pertaining to you or your personnel and to object for legitimate reasons to the processing and transfer of this data. You can exercise this right by contacting Teo in writing.

17. HIGH RISK ACTIVITIES. Teo Software is not fault-tolerant and is not designed, manufactured or intended for any use in any environment that requires fail-safe performance in which the failure of Teo Software could lead to death, personal injury or significant property damage ("High Risk Activities"). Such environments include, among others, control systems in a nuclear, chemical, biological or other hazardous facility, aircraft navigation and communications, air traffic control, and life support systems in a healthcare facility. End User assumes the risks for its use of Teo Software in any such High Risk Activities.

18. E911 CONSIDERATIONS. E911 service provided by VoIP-based systems such as the Teo UC System work differently than traditional wire line 911 emergency services. These characteristics may make E911 services unsuitable for some customers. Because circumstances vary widely, End Users should carefully evaluate their own circumstances when deciding whether to rely solely upon the Teo E911 service. End User acknowledges that it is their responsibility to determine the technology or combination of technologies best suited to meet End User's emergency calling needs, and to make the necessary provisions for access to emergency calling services.

18.1. Limited Availability. End User acknowledges that VoIP-based E911 service will not function in all conditions, including but not limited to the following:

- i. **Configuration and Availability.** E911 service will not function if an End User's phone, their UC system, or network components lose power, fail, or are not configured correctly, or if network services are not functioning for any reason. After the fault is corrected, End

User may be required to reset or reconfigure network equipment before being able to use E911 service.

- ii. **Internet Access.** Outside Public Switched Telephone Network (PSTN) access, including E911 service may not function if there is an interruption of End User's broadband, wireless, or high-speed Internet access service.
 - iii. **PSTN Access.** E911 calls may be routed through gateways, SIP trunks or other Public Switched Telephone Network access providers. If the PSTN access provider or gateway device is unable to route the call for any reason, a 911 call may not be completed.
 - iv. **Network Issues.** Due to technical factors in network design, in the event of network congestion or denial-of-service attacks, there is a possibility that a 911 call will produce a busy signal or will experience unexpected delay times and/or take longer to answer than standard 911 calls placed via traditional, legacy, circuit-switched telephone networks.
 - v. **Other Applications and Services.** Teo E911 Alerting Notifications may use email, text messaging, or other network-based alerting methods that rely on other applications and services. If these services are incorrectly configured or fail, or if receiving applications are not operational for any reason, or if network connectivity is interrupted, Teo E911 Alerting Notification messages may not be received.
 - vi. **Non-Voice Systems.** VoIP service and E911 service may not function with auto-dialing systems including home security systems, medical monitoring equipment, TTY equipment, and entertainment or satellite television systems.
- 18.2. **Physical Location.** End Users who subscribe to E911 service must register the physical location associated with each outbound caller ID number with a 911 Service Provider and agree to update the location information whenever new numbers are added, or the physical location of existing numbers change. The only mechanism for routing E911 calls to the correct Public Safety Answering Point (PSAP) is the physical location currently registered for the outbound caller ID number.

It is the End User's responsibility to ensure that the correct outbound caller ID number has been assigned to each extension and that the correct physical location has been configured for each outbound caller ID number. End User acknowledges and understands that any enhanced location information passed to the PSAP by a Teo UC System will be based upon the physical location associated with the caller's outbound caller ID number, which is maintained in the E911 Automatic Location Information (ALI) database by the 911 Service Provider. There may be some delay before updated ALI data is available to the local PSAP.

Softphone applications installed on laptops and mobile devices present a fixed outbound caller ID number that may not represent the current location of the caller. **UNLESS THE SOFTPHONE IS USED IN A FIXED LOCATION ASSOCIATED WITH AN OUTBOUND CALLER ID NUMBER THAT IS REGISTERED IN THE ALI DATABASE, IT SHOULD NOT BE USED TO CALL 911.** It is End User's sole responsibility to notify end users of this restriction and enforce this policy.

In the event that the physical location of any phone device assigned to an extension has not been updated, or is incorrect or incomplete in the ALI database, a 911 call may be routed to the wrong PSAP, or incorrect location information could be provided to the 911 call taker, which could prevent or delay emergency response.

Traditional multi-line telephone systems, such as PBX or Key systems, ordinarily only transmit the same, generic location information for all 911 calls placed from within the business. For example, in the case of a business with telephone extensions in multiple buildings with multiple floors in each building, the 911 call taker would only see the main telephone number and billing location that the End User has identified for the business, regardless of which extension was used to place the call. They would not be given any information that might identify the specific building or floor where the 911 call originated. If End User does not take action as described below, fire, police and other emergency responders may be delayed or even prevented from reaching the caller's location in response to a 911 call.

With the Teo UC System, an End User can designate a location for each Direct Inward Dialed (DID) number or assign groups of extensions to Emergency Response Location (ERL) zones within its premises. These ERL zones can be uniquely identified to the 911 call taker, indicating a specific floor, building, or other identifying information that could assist emergency responders to more quickly reach the appropriate emergency location. ERL zones minimize the number of records that must be maintained in the ALI database and allow for more convenient management of moves, adds, and changes within the system. With ERL zones, the Teo UC System can also provide on-site alerting, via screen pops, text messages, or email to End User-designated personnel.

To use ERL zones, each extension in the Teo UC System must be assigned to an ERL zone with a designated Emergency Location Identification Number (ELIN). ELINs must be configured in the ALI database with specific location information for each ERL zone, exactly as it should appear to the 911 call taker. This ELIN number is also used as a callback number for the 911 call taker. The End User is solely responsible for assigning individual extensions to ERL zones in their system, submitting accurate location information to their 911 Service Provider for each ELIN, ensuring an answering point for ERL zone callback numbers, configuring alerting methods for End User-designated personnel, and for updating their Teo UC System and their 911 Service Provider as necessary to reflect moves, adds, or changes within the system.

Many states now require businesses with more than 7,000 square feet or multiple floors or buildings to program their systems to transmit specific location information for 911 calls. ERL zones should, at a minimum, provide the building and floor location of the 911 caller. End User acknowledges and understands that it, and not Teo, bears sole responsibility to ensure that it identifies and complies with all such applicable laws. End User represents, warrants, and covenants that it will utilize the Emergency Location Information Numbers described above, at least to the extent required by law, and that End User does not require other features not currently offered by the Teo UC System in order to comply with applicable laws.

End User must work with their service provider to assign correct location information to each of their Emergency Location Information Numbers in the 911 Service Provider ALI database as set forth above. End User must notify their 911 Service Provider prior to moving or establishing an ERL zone or DID number in a different location. End User acknowledges that if they move locations prior to providing such notice, or if End User does not promptly update ERL zone assignments within their system to account for internal moves, adds or changes, a 911 call may be routed to the wrong PSAP, or the 911 call taker may see incorrect or incomplete location information and the caller may need to confirm their actual location information to the 911 call taker.

- 18.3. **Testing.** After configuration, End User is responsible for making test calls to 911 from multiple extensions to verify that the 911 call taker receives the desired location information and is able to call back each telephone number they receive to confirm it rings to the assigned station within the ERL zone. Before making 911 test calls, End User agrees to obtain prior approval from the relevant emergency communications center and assumes all responsibility for the placement of such calls.
- 18.4. **Backup Requirements.** YOU SHOULD PROVIDE A BACKUP MEANS OF ACCESSING TRADITIONAL 911 SERVICES, EITHER WIRELESS OR WIRE LINE, THAT IS CAPABLE OF SUPPORTING 911 OR E911 CALLING AND IS AVAILABLE AS AN ALTERNATIVE AT ALL TIMES IN CASE OF AN EMERGENCY. NOTE THAT SOME FORMS OF WIRELESS SERVICE DO NOT SUPPORT AUTOMATIC LOCATION IDENTIFICATION AND MAY HAVE OTHER E911 CALLING LIMITATIONS.
- 18.5. **E911 Acknowledgement.** The Teo UC System does not support 911 emergency dialing or other emergency functions in the same way that traditional wire line 911 services operate. The differences are detailed in this Section 18, and you agree to notify any potential user of your Teo UC System, who may place calls using your telephone/communication system(s), of the E911 limitations described herein. You hereby acknowledge that you have been advised of the circumstances under which E911 service may not be available or may be limited in comparison to traditional 911 emergency dialing, you are responsible for ensuring that your 911 location information is correct in the ALI database, and you will verify that your 911 service is working properly.
- 18.6. **E911 Limitation of Liability and Indemnification.** END USER ACKNOWLEDGES AND AGREES THAT NEITHER TEO NOR ITS ASSOCIATED PARTIES WILL BE LIABLE FOR ANY SERVICE OUTAGE, INABILITY TO DIAL 911 USING THE TEO UC SYSTEM, INABILITY TO ACCESS EMERGENCY SERVICE PERSONNEL, AND/OR INABILITY OF E911 SERVICE PROVIDER TO DETERMINE THE CORRECT PHYSICAL LOCATION OF THE 911 CALLER. END USER AGREES TO DEFEND, INDEMNIFY, AND HOLD HARMLESS TEO AND ITS ASSOCIATED PARTIES FROM ANY AND ALL CLAIMS, LOSSES, DAMAGES, FINES, PENALTIES, COSTS, AND EXPENSES (INCLUDING BUT NOT LIMITED TO ATTORNEY FEES) BY, OR ON BEHALF OF, END USER OR ANY THIRD PARTY OR USER OF THE TEO UC SYSTEM RELATING TO THE FAILURE OR OUTAGE OF THE TEO UC SYSTEM, INCLUDING THOSE RELATED TO 911/E911.
- 19. Export Control.** Teo Software is of U.S. origin and subject to the U.S. Export Administration Regulations (EAR). Teo Software also may be subject to applicable local laws and regulations. Diversion contrary to U.S. and/ or applicable local country law and/ or regulation is prohibited. You agree not to directly or indirectly export, re-export, import, download, or transmit Teo Software to any country, end user or for any use that is contrary to applicable U.S. and/ or local country regulation or statute (including but not limited to those countries embargoed by the U.S. government). You represent that neither the U.S. Bureau of Industry and Security (BIS) nor any other governmental agency has issued sanctions against End User or otherwise suspended, revoked or denied End User's export privileges. You agree not to use or transfer Teo Software for any use relating to nuclear, chemical or biological weapons, or missile technology, unless authorized by the U.S. and applicable local government by regulation or specific written license. Additionally, you are advised that Teo Software may contain encryption algorithms or source code that may not be exported to government or military end users without a license issued by the U.S. BIS and any other country's governmental agencies, where applicable.

- 20. U.S. GOVERNMENT END USER PURCHASERS.** Teo Software and Documentation qualify as "commercial items," as that term is defined at Federal Acquisition Regulation ("FAR") (48 C.F.R.) 2.101, consisting of "commercial computer software" and "commercial computer software documentation" as such terms are used in FAR 12.212. Consistent with FAR 12.212 and DoD FAR Supp. 227.7202-1 through 227.7202-4, and notwithstanding any other FAR or other contractual clause to the contrary in any agreement into which the Agreement may be incorporated, U.S. Government Purchaser may provide to Government End User or, if the Agreement is direct, Government End User will acquire, Teo Software and Documentation with only those rights set forth in the Agreement. Use of either Teo Software or Documentation or both constitutes agreement by the Government that Teo Software and Documentation are "commercial computer software" and "commercial computer software documentation," and constitutes acceptance of the rights and restrictions herein.
- 21. IDENTIFIED COMPONENTS; ADDITIONAL TERMS.** Teo Software may contain or be delivered with one or more components, which may include third-party components, identified by Teo in the Documentation, readme.txt file, third-party Click-to-Accept or elsewhere (e.g. on www.teotech.com/support) (the "Identified Component(s)") as being subject to different license agreement terms, disclaimers of warranties, limited warranties or other terms and conditions (collectively, "Additional Terms") than those set forth herein. You agree to the applicable Additional Terms for any such Identified Component(s).
- 22. ACKNOWLEDGEMENT.** End User acknowledges that certain Software may contain programming that: (i) restricts, limits and/or disables access to certain features, functionality or capacity of such Software subject to the End User making payment for licenses to such features, functionality or capacity; or (ii) periodically deletes or archives user data (including error logs, call logs, call recordings, and voicemail) stored on the applicable storage device if not backed up on an alternative storage medium after a certain period of time.
- 23. GOVERNING LAW, JURISDICTION.** This End User License Agreement and warranties ("Warranties") are controlled by and construed under the laws of the State of Washington, United States of America, notwithstanding any conflicts of law provisions; and the State and Federal courts of Washington shall have exclusive jurisdiction over any claim arising under the Agreement or Warranties.
- 24. SEVERABILITY; RIGHT TO ENFORCE.** If any provision of these Software License Terms is determined to be unenforceable or invalid, these Software License Terms will not be rendered unenforceable or invalid as a whole, and the provision will be changed and interpreted so as to best accomplish the objectives of the original provision within the limits of applicable law. The failure to assert any rights under the Software License Terms, including, but not limited to, the right to terminate in the event of breach or default, will not be deemed to constitute a waiver of the right to enforce each and every provision of the Software License Terms in accordance with their terms. If you move any Teo Software or Teo Hardware, and as a result of such move, a jurisdiction imposes a duty, tax, levy or fee (including withholding taxes, fees, customs or other duties for the import and export of any such Software or Hardware), then you are solely liable for, and agree to pay, any such duty, taxes, levy or other fees.
- 25. ENTIRE AGREEMENT.** Except as expressly provided herein, the Agreement constitutes the entire agreement between the parties with respect to the license of Teo Software and Documentation and supersedes any conflicting or additional terms contained in any Purchase Order or elsewhere, all of which terms are excluded. The Agreement has been written in the English language, and the parties agree that the English version will govern.

End User hereby agrees to and accepts the terms of this End User License Agreement. If you are accepting these terms on behalf of a company or other legal entity, you represent that you have the authority to bind such entity to this Agreement.

END USER:

Entity: _____

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT B

TEO PRODUCT WARRANTY

For a period of one year from date of purchase, Teo Technologies, Inc. (Teo) warrants its Products to be free from defects in material and workmanship under conditions of normal use and service. Teo shall, at its option, repair or replace any defective Product which, in its opinion, has not been misused, damaged, or improperly installed. Extension periods of this warranty for certain Products may be available for purchase upon request.

Repair or replacement under this warranty will be performed at Teo's factory. Authorization must be obtained from Teo prior to returning a Product for repair. Freight must be prepaid for all units returned to Teo. Units repaired under warranty will be shipped UPS Ground (or equivalent), freight prepaid by Teo.

Products that are older than the warranty period, but less than 7 years old, or still manufactured by Teo may be repaired at the factory for a flat rate charge. Repaired out-of-warranty units are warranted for 90 days from the date of repair.

The repair or replacement of a Product under this warranty represents the entire obligation of Teo; Teo shall not be liable for any special or consequential damages resulting from or caused by any defect, failure, incapacity or malfunction of any of its Products.

The foregoing express warranty is in lieu of all other warranties, express or implied, including but not limited to any implied warranty of merchantability, fitness, or adequacy for any purpose or use, quality, productiveness or capacity; Teo, to the extent permitted by law, hereby disclaims all such other warranties.

EXHIBIT C

TEO REPAIR AND ADVANCE REPLACEMENT SERVICES

Products manufactured by Teo are serviced in the field by replacing complete assemblies or circuit board assemblies. Component level repairs are performed at Teo's factory in Mukilteo, Washington. No other repair facility is authorized to repair Teo Products manufactured by Teo. Any unauthorized repair or modification of a Teo Product will automatically void the warranty.

Teo has designed two programs to service their customers and the equipment they manufacture: Repair Service and Advanced Replacement Service.

Repair Service

Repair Service is provided to perform component level repairs for Teo Products. In-shop turnaround time is expected to be less than 30 days from the date Teo receives a unit for repair.

Under the repair service program, Teo Products are repaired or replaced with refurbished units and updated to the latest applicable revision level. Out-of-warranty replacement units may have minor cosmetic flaws. All repaired or refurbished units are put through a comprehensive final test before they are returned to the customer.

A Return Material Authorization (RMA) number must be obtained from Teo before any Teo Product may be returned for repair. Call Teo Technical Support at (800) 524-0024, Monday through Friday, between 6:00 AM and 4:00 PM Pacific Time to receive an RMA number. Teo Products that are more than seven years old and no longer manufactured by Teo may not be repairable.

Teo Products that have failed within the warranty period will be repaired free of charge. In-warranty Teo Products returned for repair that have no defect found will be assessed a flat-rate service charge for testing, repackaging, and UPS Ground (or equivalent) shipping. Repairable out-of-warranty units are assessed flat-rate repair and refurbishing charges. Current repair rates are available from our Technical Support Department.

In-warranty Teo Products returned for repair will be warranted for the balance of the new equipment warranty, or 90 days, whichever is longer. Out-of-warranty units returned for repair will be warranted for 90 days from the date of repair.

Freight must be prepaid for all units returned to Teo for repair. Repaired units will be shipped UPS Ground (or equivalent) unless otherwise requested. Freight charges for out-of-warranty units will be billed to the customer. Defective in-warranty units will not be assessed a freight charge, unless a shipping method other than UPS Ground is requested.

Shipments to non-established accounts may be sent C.O.D. or charged to a credit card. To establish an open account with Teo, a credit application must be completed, approved and processed.

Any units returned for repair which are determined to have failed due to physical abuse, electrical abuse, improper installation, or contain unauthorized modifications may be returned as non-repairable. Units that are repairable under these conditions will be charged the normal repair charge, regardless of warranty status. An explanation of this will be sent with the returned unit.

Some low cost modules are not repairable. Defective units under valid warranty will be replaced free of charge.

Advance Replacement Service

For out-of-service situations, defective units may be replaced with advance replacement units without waiting for normal repair service turn-around from the factory. On-site troubleshooting to verify power, wiring, and programming must be accomplished before advance replacements will be authorized. Teo Technical Support Engineers are available at (800) 524-0024 to assist in troubleshooting and to approve advance replacements if necessary. Please call from the installation site to facilitate troubleshooting.

Same-day advance replacement units may be requested from Teo Technical Support Monday through Friday, from 6:00 AM until 2:00 PM Pacific Time. Advance replacements requested at other times will normally ship the next business day. Availability is subject to stock on hand at the factory.

In-warranty advance replacement units may be shipped free of charge via UPS Ground (or equivalent). Other shipping methods are available at additional cost. Shipping and repair charges for out-of-warranty units are billed to the customer. Advance replacements to non-established accounts may be shipped C.O.D. or charged to a credit card.

Advance replacements are warranted for the balance of the new equipment warranty or 90 days, whichever is longer.

Defective units must be received at Teo within 14 days after the advance replacement unit is delivered. Freight must be prepaid. If the defective unit is not returned within 14 days, the customer will be billed for the current new equipment price of the advance replacement unit. In-warranty Teo Products returned for repair that have no defect found will be assessed a flat-rate service charge to cover testing, repackaging, and UPS Ground (or equivalent) shipping.

Returned units that have failed due to physical abuse, electrical abuse, improper installation, or contain unauthorized modifications may be deemed non-repairable. Non-repairable units (regardless of warranty status) will be assessed the current new equipment price for the advance replacement. Units that are still repairable under these conditions will be assessed normal shipping and repair charges, regardless of warranty status. An explanation of this determination will be sent with the invoice.

EXHIBIT D

TEO TECHNICAL SUPPORT

Teo factory-based telephone technical support is available on business days between 6:00 AM and 4:00 PM Pacific Time by calling (800) 524-0024 or emailing helpdesk@teotech.com. After-hours call-back support for out-of-service emergencies is available between 4:00 PM and 12:00 AM Pacific on business days (Monday-Friday), and 6:00 AM to 12:00 AM Pacific on weekends and US holidays.

On-site customer support can be contracted on a time-and-expenses basis. Contact our Customer Support Department for a quote.

EXHIBIT E

TEO SYSTEM AND SOFTWARE ASSURANCE SERVICE PLANS

Partners that sell Teo Products may resell Teo System Assurance Service Plan coverage for systems that were originally purchased by its Customers. Partner may add their own services to enhance the Service Plan offered to its Customers. Teo System Assurance Service Plans are not available for Teo Hosted Services, Teo-Financed Equipment, and Teo-Supported Equipment; these services and equipment are covered under the Teo Hosted Services Agreement.

Teo System Assurance Service Plans are available in one-year term increments. First year coverage is included with new system purchases. Additional Service Plan terms may be purchased in advance, or on an annual renewal basis.

Teo System Assurance Service Plans include:

- Software Updates
- Extended Teo Product Hardware Warranty
- Telephone Technical Support

Software Updates. Software Updates may be installed by Teo, upon Customer request, during the Service Plan term at a mutually agreed upon time. Software Updates include major, minor, and bug fix production software releases. Teo provides remote support only; Customer must provide Teo with remote network access to their system to install Software Updates.

Extended Teo Product Hardware Warranty. During the term of the Teo System Assurance Service Plan, Teo warrants its covered products to be free from defects in material and workmanship under conditions of normal use and service. Teo shall, at its option, repair or replace any defective product which, in its opinion, has not been misused, damaged, or improperly installed.

Teo does not provide any onsite services under this warranty. Repair or replacement of products will be performed at Teo's factory. On-site troubleshooting by Customer or a Teo Channel Partner to verify product failure must be certified by Teo before warranty service will be authorized. Please call Teo Technical Support from the installation site to facilitate troubleshooting. Teo Products returned for repair without authorization that have no defect found will be assessed a flat -rate service charge to cover testing, repackaging, and shipping.

Defective units will be replaced with factory-reconditioned advance replacement units without waiting for normal repair service turn-around from the factory. Same-day advance replacement units may be requested from Teo Technical Support on business days from 6:00 AM until 2:00 PM Pacific Time. Advance replacements requested at other times will normally ship the next business day. Availability is subject to stock on hand at the factory.

Advance replacement units will be shipped to Customer via UPS Ground (or equivalent service), with freight prepaid by Teo. Other shipping methods are available at additional cost. A prepaid return shipping label will be included for return of the defective unit. Defective units must be appropriately packaged and returned to Teo within 14 days after an advance replacement unit is delivered. If the defective unit is not returned within 14 days, Customer will be billed for the current new equipment price of the advance replacement unit.

Returned products that have failed due to physical abuse, electrical abuse, improper installation, or contain unauthorized modifications may be deemed non-repairable. Non-repairable units (regardless of warranty status) will be assessed the current new equipment price for the replacement product. Units that are still repairable under these conditions will be assessed shipping and repair charges, regardless of warranty status. An explanation of this determination will be sent with the invoice.

The repair or replacement of a product under this warranty represents the entire obligation of Teo; Teo shall not be liable for any special or consequential damages resulting from or caused by any defect, failure, incapacity or malfunction of any of its products.

The foregoing express warranty is in lieu of all other warranties, express or implied, including but not limited to any implied warranty of merchantability, fitness, or adequacy for any purpose or use, quality, productiveness or capacity; Teo, to the extent permitted by law, hereby disclaims all such other warranties.

Eligibility. A complete system (including all Teo Hardware and Teo Software) must be covered by a Teo System Assurance Service Plan to be eligible for Teo Software updates, firmware updates, Extended Teo Product Hardware Warranty, and Teo support. Partial system Service Plans and Individual Software updates cannot be purchased. Teo System Assurance Service Plans are not available for systems that were resold or were not purchased through authorized Teo sales channels, unless specifically authorized by Teo.

Lapsed Coverage. To be eligible for Teo System Assurance Service Plan coverage, continuous enrollment must be maintained. If a Service Plan has expired without renewal, it may only be renewed by either:

- (a) paying 10% of the current total system purchase price for each year not covered; or
- (b) paying 50% of the current total new system purchase price.

EXHIBIT F

TEO PRICING AND COMMISSION PLAN

Partner Tier designation is determined by annual sales volume and brand loyalty. To achieve Premier Tier Level, a partner must meet or exceed the annual sales volume as indicated in the table below. Secondly, the partner must demonstrate willingness to lead with the Teo product line when prospecting for unified communications sales. A Select Tier Level does not require a minimum sales level or the requirement to lead with the Teo brand.

Partner Tier Level	Total Annual Teo Sales
Select	Less than \$250,000
Premier	Greater than \$250,000

Total annual Teo sales is determined by the value of all Teo equipment, license, the total contract value of hosted services and system and software assurance plans. For new Partners, sales attainment for the first year is prorated by quarter. Partner tier levels are re-evaluated semi-annually during scheduled business reviews with your Partner Relationship Manager.

Teo Hosted Services are sold through the Partners and billed directly to the Partner end-user customer. The Partner earns a monthly commission based on the monthly billings of the Partners customers. The commission percentage is determined based on the aggregate monthly billings of all Partner customers and Partner tier level.

Teo Hosted Services	Aggregate Monthly Billed Revenue	Select Commission	Premier Commission
Monthly Hosted Services Level One	\$0 to \$25,000	15%	20%
Monthly Hosted Services Level Two	\$25,001 to \$50,000	20%	20%
Monthly Hosted Services Level Three	greater than \$50,001	25%	25%

Authorized Partners will continue to receive monthly commission payments as long as their customers make monthly Hosted Service payments to Teo. Partners that become de-authorized will no longer receive commission payments for customers that are beyond their initial contract period; commissions during this period will be paid at the Select Level (15%) for customers that are within their initial contract period.

No commissions are paid for non-recurring charges, such as one-time charges, usage charges, setup, provisioning, and porting charges, nor for government taxes, fees, and regulatory cost recovery charges collected by Teo. If a Customer incentive program includes a period of free service, no commissions are paid for the duration of free service.

Teo Equipment and Licenses are purchased by the Partners at a percentage discount off MSRP depending on Partner tier level. The Partner resells Teo Equipment and Licenses to end-user customers. The retail price to the end-user customer is determined at the sole discretion of the Partner.

Teo Product Sales	Select MSRP Discount	Premier MSRP Discount
Equipment and License	30%	35%

Teo System and Software Assurance Plans are purchased by the Partners and resold to the Partners end-user customer as a percentage off the total purchase price of the equipment and license. The Partner is incentivized to sell longer term plans with term discounts applied to the total purchase price of the original equipment and license sale.

Teo System and Software Assurance Plans	Select Pricing	Premier Pricing
System and Software Assurance - 1 Year Term	10%	10%
System and Software Assurance - 2 Year Term	8%	8%
System and Software Assurance - 3 Year Term	6%	6%

The following table is a sample of the discount incentives applied to the term lengths for the Teo System and Software Assurance Plans. In this example, the original sales price is \$100,000 for the equipment and license.

Assurance Plan Length	Percentage of Equipment and License Value	Assurance Plan Price per Year	Total Assurance Plan Price to Partner for Contract Length
1 Year	10%	\$10,000	\$10,000
2 Year	8%	\$8,000	\$16,000
3 Year	6%	\$6,000	\$18,000