

EQUIPMENT SALES PRODUCT ANNEX

This Equipment Sales Product Annex ("**Annex**"), together with the applicable Sprint service agreement ("**Agreement**"), will govern Sprint's provision and Customer's receipt of customer premises equipment for wireline Services ("**Equipment**") and associated materials and labor, if applicable.

1. PRICING

- 1.1. **Price.** Customer will pay the total price invoiced as specified in the Order. If Customer wants to change an Order, Customer will notify Sprint in writing of such change and Sprint may change the price listed on the Order to conform to Customer's specifications. Sprint will base any additional charges on time and material costs Sprint incurs.
- 1.2. **Additional Charges and Discounts.** Prices for installation and other Products and Services not specified in the Order but requested by Customer or necessary to complete the Order will be provided at Sprint's standard time and materials rates or at prices that the parties' authorized representatives mutually agree upon in writing. Discounts applied to any individual Order will not apply to subsequent Orders.
- 1.3. **Equipment as Part of a Bundle.** Under certain configurations, Sprint will furnish Equipment to Customer as part of a bundle with Services ("**Bundled Service**"). Sprint will apply a fixed portion of the Bundled Service monthly recurring charge toward the purchase price of the Equipment. If Customer terminates the Bundled Service before the end of the applicable Order Term for the Bundled Service, then Customer may be liable for early termination fees as set forth in the Agreement.
- 1.4. **Equipment Provided at No Cost.** Under certain promotions, Sprint will furnish Installed Equipment (as defined below) to Customer at no cost in exchange for an Order Term for Service ("**No Cost Equipment**"). If Customer receives No Cost Equipment and Customer terminates the corresponding Services before the end of the applicable Order Term, then Sprint may charge Customer a pro rata installation fee (based on Sprint's time and materials costs as of the installation date), and a pro rata equipment purchase fee based on Sprint's list price for the Installed Equipment at the time of installation, in addition to any other early termination fees for the Services as set forth in the Agreement.

2. PROVISIONING AND RETURNS

- 2.1. **Shipping.** Sprint, or Sprint's designated third party, will ship Equipment to the delivery location specified in the Order. Risk of loss to the Equipment passes to Customer upon the Equipment's arrival at the delivery location. Sprint may charge a shipping fee to Customer based on the quantity and type of Equipment purchased and the shipping method used.
- 2.2. **Title.** Title to the Equipment will pass to Customer upon Sprint's receipt of payment in full for the Equipment. Notwithstanding the foregoing, if Customer purchases Equipment as part of a Bundled Service, or if Customer receives No Cost Equipment, then title to the Equipment will pass to Customer upon the Equipment's installation and Customer's acceptance.
- 2.3. **Acceptance.** If Customer does not notify Sprint that Customer is rejecting Equipment within the applicable inspection period set forth below, Customer will be deemed to have accepted the Equipment as of the end of the inspection period ("**Acceptance Date**").
 - A. For Equipment that Sprint installs ("**Installed Equipment**"), Customer will have seven days after installation to notify Sprint in writing of any material deficiencies in the Order. If Customer timely rejects the Order due to a material deficiency, Sprint will use commercially reasonable efforts to cure the deficiency.
 - B. For Equipment that Sprint will not be installing ("**Drop Ship Equipment**"), Customer may only reject an Order due to Sprint errors in Order processing or for defects in the Drop Ship Equipment. Customer will have 15 days from the date of delivery to contact Sprint and receive a return authorization number ("**Call Tag Number**") in order for Sprint to process the return of the rejected Drop Ship Equipment.
- 2.4. **Returns.** With Sprint's prior written approval and in compliance with Sprint's specific shipping instructions, Customer may return Equipment that was not rejected under Section 2.3. For any Equipment Customer returns to Sprint for any reason, including rejection, Customer is responsible for any damage to the Equipment that occurs during return shipment.
- 2.5. **Restock Charge.** In addition to all other applicable charges, Customer will pay Sprint a restock charge upon the return of Equipment if: (A) the return is due to a Customer ordering error or Customer's late cancellation or rejection of an Order; or (B) the applicable Equipment vendor assesses a restock charge.

3. CUSTOMER RESPONSIBILITIES.

- 3.1. **Preparation of Site.** For Installed Equipment, Customer will, at its own expense, Customer will prepare its site(s) to comply with the manufacturer's or Sprint's installation and maintenance specifications. Customer warrants that its sites are free of asbestos (whether encapsulated or exposed) and other hazardous materials as defined by federal or state law. If this warranty cannot be made prior to placing an Order for Installed Equipment, Sprint may, in addition to any other legal or equitable remedies: (A) decline to install any Equipment in areas known or suspected of containing hazardous materials; or (B) unilaterally make an adjustment to the purchase price to reflect any increased costs of performance because of known or suspected hazardous materials on the premises.
- 3.2. **Permits.** Customer will obtain necessary consents, approvals, licenses, and permits for installation of the Installed Equipment. Customer will provide access to Sprint during all hours consistent with the requirements of installation.
- 3.3. **Electrical Wiring.** Customer acknowledges that foreign voltages and lightning effects on Equipment can be significant during electrical storms. Accordingly, Customer is responsible, at its expense, for all ground wire connections to Customer's premises. In addition, Customer will ensure that a separate electric source, circuits and power with suitable outlets is available for Installed Equipment. Customer is responsible for ensuring Sprint's access to concealed wiring and for making AC power available to the Installed Equipment. Unless otherwise stated in the Order, Customer will pay the cost of electricians or conduit if required for the Installed Equipment.
- 3.4. **Physical Access to Facilities.** Customer will provide Sprint with the floor plan(s) or print(s) showing the installation location for the Installed Equipment. During the installation and warranty periods for Installed Equipment, Customer will provide Sprint with the necessary openings and ducts for cable and conductors in floors and walls, and floor plans and/or prints showing the location of the openings and ducts.
- 3.5. **Proper Use.** Customer will properly use the Installed Equipment and will not, nor will it permit or assist others to, use Installed Equipment for any purpose other than its intended purpose, fail to maintain a suitable environment according to the manufacturer's specifications, or tamper with Installed Equipment. If Customer fails to comply, Customer will release Sprint from its performance and liability obligations (including any warranty or indemnity obligations) to Customer under the Agreement and Customer will pay Sprint all costs or damages Sprint incurs as a result of Customer's breach.
- 3.6. **Non-Sprint Equipment.** CUSTOMER IS SOLELY RESPONSIBLE FOR THE COMPATIBILITY AND NON-INFRINGEMENT USE OF ANY EQUIPMENT NOT ACQUIRED FROM SPRINT THAT IS ADDED TO, OR OTHERWISE USED IN CONJUNCTION WITH, INSTALLED EQUIPMENT. CUSTOMER'S USE OR COMBINATION OF NON-COMPATIBLE OR INFRINGING EQUIPMENT WILL, AT SPRINT'S OPTION, VOID ANY REMAINING WARRANTY AS TO ANY ITEM OF INSTALLED EQUIPMENT THAT IS ADVERSELY AFFECTED.

4. WARRANTIES.

- 4.1. **Installed Equipment.** Unless otherwise agreed to by the parties in writing, all data/internetworking Equipment (including routers, switches and hubs) is warranted against defects in design, material and workmanship under normal and proper use for a period of 90 days from the Acceptance Date. The warranty for all other Installed Equipment is one year from the installation date. Customer's sole remedy under this provision is repair or replacement of defective Installed Equipment, at Sprint's discretion. Sprint will provide warranty service for Installed Equipment at the installation location consistent with Sprint's customary equipment maintenance policies for Customer's location and the type of Installed Equipment. Warranty service excludes replacement of lost or stolen parts, damage due to negligence, parts or items consumed under normal use, acts of God, or causes other than normal use, including modifications by Customer or maintenance performed by anyone not pre-approved in writing by Sprint.
- 4.2. **Drop Ship Equipment.** The warranty for Drop Ship Equipment is limited to the manufacturer's warranty, if any. During the warranty period, Sprint will replace defective parts only on an exchange basis. Customer must contact Sprint to receive a Call Tag Number with specific instructions prior to shipping the Drop Ship Equipment back to Sprint. Customer will pay the costs of packing, shipping and insuring defective Drop Ship Equipment returned to Sprint. Sprint will ship replacement part(s) or Drop Ship Equipment back to Customer if the Equipment is under warranty. If Sprint determines that the warranty has expired, Customer may (A) accept the return of the defective part or Drop Ship Equipment as is; (B) request that the defective part or Drop Ship Equipment be repaired at Customer's expense; or (C) request that a replacement part or Drop Ship Equipment be shipped to Customer at Customer's expense. If Customer requests a site visit by Sprint for repair, Customer will be billed for all parts (if out of warranty) and labor associated with the repair.

4.3. Software. Any software associated with Equipment is warranted for a period of 90 days from the date of (A) installation for Installed Equipment, or (B) shipment for Drop Ship Equipment.

5. SECURITY INTEREST. Customer grants Sprint a purchase money security interest in the Equipment, together with all replacements, parts, additions, repairs and accessories incorporated in or affixed to the Equipment, and all proceeds of the sale of the Equipment, until all charges (including interest, if any) are paid in full. Customer will not pledge or otherwise encumber the Equipment until all such charges are paid in full. Customer will sign and deliver any documents reasonably requested by Sprint for the purposes of perfecting the security interest created by this Annex. The parties agree that the Equipment will remain personal property, not a part of the land or building, regardless of the manner of installation.

6. CUSTOMER'S FAILURE TO PERFORM

6.1. Pre-Delivery. If (A) Customer cancels an Order prior to delivery of the Equipment, or (B) Sprint is unable to install Installed Equipment due to Customer's breach of the obligations as set forth in Section 3 above, then Customer will pay Sprint as liquidated damages, and not as a penalty, the greater of (i) 25% of the Equipment purchase price, or (ii) the third party costs Sprint incurs as a result of Customer's cancellation or breach.

6.2. Post-Delivery. If Customer breaches the obligations set forth in Section 3 above after delivery of the Equipment, Sprint may, in addition to any other remedies available to Sprint: (A) declare all sums due for the Installed Equipment are payable immediately; (B) discontinue discounts related to Installed Equipment; (C) cease installation or disconnect and deactivate Installed Equipment until amounts due are paid; or (D) retake possession of Installed Equipment and retain all sums paid by Customer as a setoff against expenses incurred.

6.3. Indemnity. Customer will defend, indemnify and hold harmless Sprint, together with its officers, agents and employees, against all damages, claims, liabilities or expenses (including reasonable attorneys' fees, court costs, and allocated in-house counsel legal expenses) arising out of or resulting in any way from Customer's breach of Sections 3.1 or 3.2 above.