

RENTAL AGREEMENT
Terms and Conditions (Domestic Only)
Effective October 20, 2007

These terms and conditions form the Rental Agreement (the "Rental Agreement") between Customer ("Customer") and OPTELLENT, Inc., 4075 Evergreen Village Square, Ste 160, PMB 144; San Jose, CA 95135; U.S.A., and apply to all the Equipment rented by Customer. Customer is bound by the terms and conditions of this agreement including those on the Sales and Delivery Notice, and any applicable software license(s). **CUSTOMER SIGNATURE IS REQUIRED.**

"Equipment" means all types of Equipment or other supplies rented to Customer under the Rental Agreement, Rental Orders, and Delivery Notice, or Invoices.

1. **TERMS:**

This agreement is effective from the date the Equipment is shipped and shall remain in force until subject Equipment is received by OPTELLENT. The returned Equipment must be in the same condition as when it was shipped by OPTELLENT. Normal wear and tear is expected. Rentals may be subject to credit approval prior to shipment. The monthly rental rate is set forth on the OPTELLENT Rental Quote. Invoices are processed the day of shipment and re-invoiced upon the return receipt of the Equipment or every 28 days after the date of shipment, whichever comes first. Payment terms will be specified on the Rental Quote. Equipment Rental Rates are portal-to-portal starting the day of shipment and ending upon receipt of the rental Equipment at our location in San Jose, California. Past due payments are subject to late payment charge of the lesser of 1.5% per month or the highest rated permitted by applicable law. Equipment defects or rental discrepancies must be reported to OPTELLENT in writing (email to sales@optellent.com) within 48 hours after customer receives the Equipment, or it will be presumed the received Equipment is as ordered, was received in good condition, is accepted, and will be billed and paid for.

2. **RATES:**

MONTHLY: First month (first 4 weeks) and all full months thereafter, billed at 100% of monthly rate, the return month (partial month), prorated weekly at the rate of 1/4 of the monthly rate.
If Equipment is not received by the end of the rental period charges will continue to accrue at a weekly rate that is 1/4th of the monthly rate.

3. **BILLING PERIOD:**

The billing period shall commence on the day after OPTELLENT ships the equipment to the Customer and shall automatically extend on a month-to-month basis upon all the terms and conditions hereof and shall terminate at the end of the week during which the Equipment is returned to OPTELLENT. Customer shall pay OPTELLENT each month during the rental term the monthly rental fee as shown on the Sales and Delivery Notice for each item of equipment together with all sales and use taxes imposed.

4. **SHIPMENT:**

F.O.B. point is our location in San Jose, California. The Customer is responsible for both the outgoing and return shipping charges. OPTELLENT shall not be liable for transportation delays. Freight damage to the Equipment, or total loss of Equipment by a carrier shall be the sole responsibility of the Customer. It is the Customer's obligation to ensure the Equipment is properly returned and received by OPTELLENT at the end of the rental period. The rental fee will continue to be charged to the Customer until the Equipment is received at the OPTELLENT.

5. **AVAILABILITY:**

Equipment availability is subject to prior rental or sale unless reserved in advance. Provided all terms are met, reservations may not exceed 30 days in advance of desired ship date. For cancellation of a reservation, a charge of 25% of one (1) month's rent will be assessed.

6. **TAXES:**

Customer must pay all sales, use, or property taxes imposed as a result of his rental of the Equipment.

7. **PRICING:**

OPTELLENT reserves the right, at any time and without notice to, change published rates, prices, and terms.

8. **TITLE:**

Equipment Title remains with OPTELLENT at all times. The Customer is responsible to keep the Equipment free of all liens, levies, and encumbrances. Customer may not assign or pledge the Equipment.

9. **RESTRICTIONS ON THE USE OF EQUIPMENT:**

Equipment may be used in the United States only, unless otherwise specifically agreed in writing. Customer will take all necessary precautions in regard to the use of the Equipment to protect all persons and property from injury or damage. The equipment leased shall be used only by Customer's employees or agents qualified to use such equipment. Customer hereby agrees to strictly comply with the laws of the State in which the equipment is transported and/or used as well as all federal and local laws, regulations and ordinances pertaining to the transportation and use of such equipment. Customer warrants and represents that it is fully aware of any and all dangers and risks, patent as well as latent, involved in the use, transportation and handling of the equipment leased. The Equipment consists of delicate electronic hardware, and as such, must be handled with care by trained personnel. Damage can occur due to dropping, misuse, water or moisture exposure, and excessive forces. Customer shall use the equipment in a careful manner and shall comply with all laws relating to its possession, use or maintenance.

Customer may not remove or cover over any serial numbers, tags, nameplates, or identifying logos on the Equipment showing ownership by OPTELLENT.

Customer shall not make any alterations, additions or improvements to the Equipment. Customer shall not reverse-engineer the Equipment.

10. WARRANTY:

OPTELLENT warrants the rental Equipment to be in good operating condition at the time of shipment. If the Equipment is not functional upon receipt by customer, OPTELLENT must be notified in writing within 48 hours of receipt. Rental charges will continue to accrue if OPTELLENT is not so notified. If the Equipment fails due to no fault of the Customer, OPTELLENT will, at its option, either repair the Equipment or supply replacement Equipment on an expedited basis, subject to Equipment availability.

The foregoing warranty is exclusive and in lieu of all other warranties, written or oral, implied or statutory, UNLESS EXPRESSLY AGREED IN WRITING. OPTELLENT does not warrant the marketability of the Equipment or the fitness or suitability of the rented Equipment for any specific application.

11. LIMITATION OF LIABILITY:

In no event, whether as a result of breach of contract, warranty, tort (including negligence), or otherwise, shall OPTELLENT be liable for any consequential, incidental, or exemplary damages, including but not limited to, loss of profit or revenue, loss of use of the products, or any associated Equipment, cost of substituted products, facility, services, or replacement power, down time costs, or claims of the Customer's for such damages. The foregoing WARRANTY shall constitute the sole remedy of the Customer and the sole liability of OPTELLENT.

12. CUSTOMER LIABILITY:

The Customer shall not assign or sublet the Equipment or any of his rights under this rental agreement. It is the Customer's responsibility to return Equipment to OPTELLENT in the same condition as shipped. Normal wear and tear is expected. Damage, whether by abuse, misuse, neglect, or exposure of the Equipment to adverse environmental and/or operating condition(s) will obligate the Customer to pay the cost of restoring the Equipment to its condition at the beginning of the rental, or to replace the Equipment. The Customer is responsible for the repair or replacement of Equipment damaged while in his possession or in shipment. Customer is obligated to pay immediately to OPTELLENT the full value of any Equipment lost.

Instruction books, accessories, or other associated ancillary items, not returned, will be billed to the Customer at current replacement cost.

13. DEFAULT:

In the event any invoice is not paid for a period of 30 days or more after becoming due, or the Customer is otherwise in default under the terms hereof, OPTELLENT may take possession of the rented Equipment with or without demand or further notice.

In the event a petition, under the Federal Bankruptcy Act, is filed by or against the Customer, or the Customer makes an assignment for the benefit of creditors, or a Receiver for the Customer is appointed or applied for, or the Customer ceases to function as a going concern, OPTELLENT may declare the Customer to be in default and immediately take possession of the rented Equipment and exercise any other remedies or rights that OPTELLENT may have at law or in equity. In the event a petition, under the Federal Bankruptcy Act, is filed by or against the Customer, or the Customer makes an assignment for the benefit of creditors, or a Receiver for the Customer is appointed or applied for, or the Customer ceases to function as a going concern, OPTELLENT may declare the Customer to be in default and immediately take possession of the rented Equipment and exercise any other remedies or rights that OPTELLENT may have at law or in equity.

I have read and agreed to all the terms and conditions of this contract:

By: _____

Title: _____

Signature: _____

Date Signed: _____

Company Name: _____