

TELNET NV

GENERAL TERMS AND CONDITIONS

(applicable to all relations established with TELNET NV)

The General terms and conditions of TELNET shall govern all agreements and understandings between TELNET and the individual or any legal entity ("Customer") that has agreed to obtain one or more of TELNET' products and services. Through signing of the agreement, of which these terms and conditions form an integral part of, the Customer agrees to the current terms and conditions and to all modified, altered and updated terms and conditions that may follow at the discretion of TELNET during any contract term or extension thereof.

1. **Validity:** All prices quoted, for services to be provided under the conditions listed, are only valid for 30 days from date of submission thereof to the Customer. Promotional prices are only valid for the promotion period and to those eligible under the promotion requirements.

2. **Rights and Obligations of Customer:** Customer shall fully comply, and remain in compliance, with all applicable laws, rules and regulations in connection with this Agreement, and shall secure and maintain all licenses and other authorizations relating to the performance of its obligations hereunder, including but not limited to those necessary to provide access to users. Customer shall be responsible for communicating with its own users of the Service, and for handling all complaints and trouble reports made by such users. The Customer shall safe and hold harmless TELNET against any and all claims that may derive from improper or untimely handled complaints of the Customers' users. Any and all legal fees in connection herewith incurred by TELNET shall be borne by the Customer.

3. **Equipment and Software:** Customer shall procure, install and maintain any equipment or software necessary to implement and facilitate the proper provision of the Service obtained from TELNET, at Customer's sole expense. Customer shall indemnify TELNET, its affiliates and contractors against any third party infringement claims or other claims arising out of the use of such equipment or software application for the Service. If such equipment or software or its application impairs the Service, the Customer remains liable for payment for the Service, and for any and all damages that may have been caused to the system through which the services are provided to TELNET. In the event such third party equipment is likely to cause hazard or service obstruction, Customer shall immediately eliminate such likelihood at TELNET 's request. Any failure in compliance may result in the service being suspended and/or terminated at TELNET sole discretion with notification to the Customer. In the event Customer provides any router to interface with the Service, Customer must cooperate with TELNET in configuring and management of such router(s) in order to implement and operate the Service in accordance with the standard set by TELNET.

4. **Acceptable Use Policy:** All use of the TELNET networks and the Service must comply with the then-current version of TELNET's Acceptable Use Policy (the "Policy") available at the following URL: www.sintmaarten.net policy. Customer agrees to indemnify TELNET and its affiliates from any losses, damages, costs or expenses resulting from any third party claim or allegation ("Claim") arising out of or relating to use of the Service, including but not limited to any Claim which, if true, would constitute a violation of the Policy.

5. **Warranty & Liability:** TELNET offers no warranty whether express or implied, and makes no representation with regards to any

merchandise, information, content, and services offered or made available or accessible on the digital facility and/or service. TELNET shall not be liable for Customer's reliance on, or use of such merchandise, information, content, and services offered.

TELNET is however entitled to restrict or (temporarily) close access to online resources or web destinations in all cases in which TELNET is regarded to do so in compliance with the law or in case TELNET is officially ordered to do so based on the application of the Criminal Code, or by the competent authorities.

TELNET shall not be liable for any failure of performance due to causes beyond its control, including, but not limited to, acts of God, fires, flood or other catastrophes; national emergencies, insurrections, riots or wars; strikes, lockouts, work stoppages or other labor difficulties; preemption of the Service in order to restore service; the failure of commercial power supplies, a failure in public network facilities to which the Service may be connected, or solar or atmospheric conditions (this last reason applicable to Service provided through satellite facilities); any action of any other telecommunications carrier; and any law, order, regulation or other action of any governing authority or agency thereof. TELNET shall not be liable for a lower actual throughput obtained by the Customer in comparison with the connectivity speed obtained by the Customer, as same may be the result of factors including but not limited to, the length and condition of Customers' phone lines/infrastructure, condition of wiring at the Customer premises, Customer equipment quality and configuration, Telephone- or Internet congestion, server and router speeds of websites accessed by the Customer through the use of the connectivity.

In no event shall TELNET be liable to the Customer for consequential, special, or indirect losses or damages sustained by the Customer or any third parties in using the service howsoever arising and whether under contract, tort or otherwise (including without limitation, third party claims, loss of profits, loss of customers, or damage to reputation or goodwill).

In no event shall TELNET's liability for service credits exceed the corresponding monthly fees for said period of service outage. The duration of the service outage period will be determined at the sole discretion of TELNET based on TELNET's internal records. Granting of service outage credits is contingent upon Customer having, within 24 hours after the particular incident of service outage occurs, send an official complaint letter.

6. **Delivery time & Service:** Delivery time of offered products and services can be accomplished, within the time frame indicated on the application agreement for the service and after payment from Customer for installation. In consultation with the customer, delivery date can be decided. TELNET will do its utmost to comply with delivery date, with the exception of circumstances beyond its control. No failure or omission by TELNET to carry out or observe any of the terms and conditions of this agreement by TELNET shall give rise to any claim against TELNET or be deemed a breach of this agreement if such failure or omission arises from a cause of force majeure, an act of God or any other cause beyond the reasonable control of TELNET

7. **Prices:** All pricing is subject to change to the availability of local, inter-island and/or international Telecommunication pricing.

TELNET has the right to adapt its pricing during contract period if above mentioned Telecommunication prices change. Changes in the pricing will be forwarded on to the customer, by means of a notification testifying to the fact that pricing as has been altered, the reason for the alteration and the date the new pricing will go into effect, as well as the service it will pertain to and affect.

8. **Taxes:** All above-mentioned prices exclude Government taxes. If Customer provides TELNET with a duly authorized exemption certificate, TELNET will exempt Customer in accordance with law, effective on the date TELNET receives the certificate. If Customer does not give TELNET written and substantiated notice of a dispute with respect to the application of Taxes within six months of the date of an invoice, the application of Taxes shall be deemed correct and binding on Customer. Any issued notice of dispute will be dealt with within 14 days of receipt thereof, after which a decision on the merit of the dispute will be forwarded to the Customer, also containing if any new applicable pricing structure.

9. **Charges:** Customer agrees to pay all applicable Charges for the Service ordered pursuant to this Agreement. Monthly Recurring Charges shall be invoiced monthly in advance and are due within fourteen (14) calendar days of the date of the invoice. Payment shall be made by check or by bank transfer to the bank account designated on the invoice. At TELNET 's request, Customer shall provide a security deposit to ensure proper compliance with the terms and conditions ruling parties relationship and timely payment of charges due. TELNET may elect to use a billing agent for the invoicing of its Products and Services.

TELNET shall be entitled, at its sole discretion, to offset any amounts owed by Customer (or any of its affiliates) to TELNET (or any of its affiliates) pursuant to this Agreement or any other agreement between the parties (or their affiliates) against any amounts payable by TELNET (or any of its affiliates) to Customer (or any of its affiliates) pursuant to existing settlement procedures between TELNET, Customer and their affiliates.

9. **Confidentiality:** During the course of performance of this Agreement, each party may disclose to the other certain business, technology, research, customer, and other business information, which the disclosing party treats as confidential information ("Confidential Information"). Each party shall maintain the other party's Confidential Information in confidence, shall protect it with the same degree of protection, which it uses to protect its own Confidential Information, shall not disclose it to any third party, and shall use it for the sole purpose of performing under this Agreement. At the conclusion of this Agreement, each party shall either return or destroy the other's Confidential Information in its possession (including all copies). For purposes of this Section, the term "Confidential Information" shall not include any information which: (a) enters the public domain following disclosure through no fault of the receiving party; (b) is disclosed to the receiving party with no obligation of confidentiality by a third party having the right to disclose it; or (c) is independently developed by the receiving party without reference to the disclosing party's Confidential Information; provided that the receiving party can clearly demonstrate such independent development through independent contemporaneous records showing such development. Either party may disclose the other party's Confidential Information upon the order of any competent court or law enforcement agency; provided, that prior to disclosure the receiving party shall inform the disclosing party of such order.

A Party to this Agreement that makes Confidential Information available to any third party, including without limitation as permitted pursuant to this Section, shall remain liable for the handling by the recipient of the received Confidential Information in conformity with

the requirements of this Agreement and for the breach by any such recipient of such requirements. In the event that either Party becomes aware of an un-permitted third party disclosure of Confidential Information hereunder, such Party shall promptly notify the other Party of such disclosure.

Any violation with the aforementioned confidentiality articles will result in a penalty of USD 1,000.00, per violation, immediately due and payable by the party committing the violation.

10. **Transfer & Usage:** The Customer may not assign or transfer its rights and/or obligations under this agreement without the prior written consent of TELNET. TELNET may assign or transfer the service agreement to any affiliated entity or successor in interest of TELNET whether by merger, consolidation, transfer of all its assets or otherwise. The Customer will be notified in writing 30 days prior to such assignment or transfer.

11. **Term:** The Term of the agreement with the Customer shall be mentioned in the agreement under the respective heading, If no term is mentioned these general terms will apply and the term of the agreement shall be for one (1) year commencing as of the installation date. Thereafter, this agreement shall automatically be extended for an additional period of one (1) year unless terminated by either party through a written notice of termination issued six (6) weeks prior to the expiration date of any term of the agreement or extension thereof.

TELNET, without prejudice to its other rights at law or in equity, may terminate, even during the first year, this Agreement and all other services provided by TELNET immediately and without notice in the event of any of the following:

- If Customer is in default of payment and formal notice was given in this regard.
- If any representation or warranty made herein by Customer shall prove at any time to be materially incorrect.
- If Customer is declared bankrupt or judicially determined to be insolvent or fallen into a situation of suspension of payments.

In the case of early termination of this agreement prior to the expiration of the *Term* stated by TELNET or by Customer for any reason other than a material breach solely attributable to TELNET, which breach has not been cured and for which TELNET has not commenced reasonable efforts to effect a cure, Customer shall remain liable to pay TELNET for the monthly fee for the remainder of the then-current Term.

12. Applicable Laws:

The service agreement, the services there under and these terms and conditions shall be governed, construed and interpreted in all respects in accordance with Netherlands Antilles law and shall be subject to the exclusive jurisdiction of the courts of (Netherlands Antilles).

13. Requirements:

All customers (being legal entities) must upon entry of any agreement with TELNET, submit a recent copy of customers registration at the Chamber of Commerce, not older than 6 months, and a copy of a current and valid Photo ID. Customers acting as sole proprietors must submit upon entry of any agreement a current Utility and Telephone Bill, and a copy of a current and valid photo ID.

Apart from the aforementioned requirements, the Customer must also submit a bank reference letter.

14. Legal-and collections fees and Interest charges.

The agreed upon interest that may apply on charges due and payable yet outstanding is 18 % per annum.

The agreed upon collection charges due and payable by the customer for the collections effort in the event of any default are set at 20 % of the total sum due and payable including the agreed upon interest. The Customer will remain obligated to cover all reasonable legal fees incurred by TELNET in the events mentioned afore.

In the event the conditions in the agreement have been omitted for whatsoever reason these general terms and conditions of TELNET will dictate the relationship of parties and prevail. The General Terms and Conditions shall at all times serve to supplement and complement Service agreements established by TELNET with its Customers.

TELNET reserves the right to adjust, amend, alter and compliment these general terms and conditions as it may so deem required, at any given time. Such Terms and Conditions shall be deposited at the Chamber of Commerce and Trade on St. Maarten upon its implementation.

Deposited at the Chamber of Commerce and Trade on St. Maarten on
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