

SALES BULLETIN #5

3rd Party WiMAX CPE Procurement - EION Obligation

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Dale Squires

This document defines EION's obligation regarding the interoperability of our StarMAX base stations with 3rd party CPE's (Customer Premise Equipment).

Three choices of CPE Procurement by the customer:

- **Option A:** Procurement of CPEs through EION that has gone through EION Interoperability testing and approved by EION.
- **Option B:** Procurement of CPEs directly with CPE vendors to procure products that are previously tested by EION for interoperability.
- **Option C:** Procurement of CPE's not previously tested by EION for interoperability.

Option A:

EION has completed interoperability testing with multiple CPE products and we provide those in a total network solution to our customers and partners. These are EION approved CPEs that are procured through EION. When procured in this manner from EION we stand behind the product warranties for both the base stations and the CPE devices and we also warranty the continued interoperability of those devices.

This includes ensuring that the selected CPE's in EION's portfolio continues to interoperate properly when base station software upgrades are developed and implemented. If necessary, we will deal with our approved CPE vendors to ensure that they make any required modifications to their products to provide this continued interoperability.

However, if a CPE Vendor discontinues the products we follow the same processes of giving manufacture discontinue notice to our customers as our CPE Vendor. In such situations, EION will not be responsible for any upgrades of CPEs.

Option B:

This is the case where customers deal directly with CPE vendors to procure products previously tested by EION for interoperability. In such situations, customers assume the full responsibility for any future network performance issues associated with software changes that are introduced by either EION or the CPE vendor(s) that causes those devices to no longer function properly when deployed together in the same network.

We feel that it extremely important to clarify this position to our customers given the potentially significant financial impact of the interoperability constraints imposed by these differing WiMAX implementation strategies.

To be perfectly clear, when customers opt to deal directly with CPE vendors to select and/or procure those devices, they also assume the responsibility to ensure they perform properly in their networks.

Option C:

This is the case where customers procure CPE's that are NOT previously tested by EION for interoperability. In such situations, customers assume the full responsibility for the performance of those products when deployed together with the EION base stations. To be precise, EION assumes NO responsibility to perform any IOT (Interoperability Tests) NOR will EION assume any responsibility to investigate or provide "fixes" for any degradation in performance associated with the resulting combination of products in the customer network deployment.

EION is committed to provide our customers with the best network solutions to meet and exceed their requirements; however, we can only accept responsibility for performance issues over which we have full control.