



Digital Lullaby System Program Lease Terms and Conditions

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- Purpose:** The Lullaby Program Lease is a subscription to the Cotronix Digital Lullaby System (DLS) program, customized for each facility, executed between Cotronix and Client, allowing the client to broadcast prerecorded messages such as lullabies, as they see fit over their existing campus public address system.
- Permission:** Client may continue to operate the DLS as long as a trial period or lease is in effect. Any changes to this Terms and Conditions document are void unless mutually executed. Unauthorized use outside the parameters of these terms, including any use after Cotronix requests that the equipment be returned to Cotronix, shall be billed at double rate. Client is responsible for immediately updating Cotronix with any pertinent changes such as activation rates or average birth rates; client, receivables, or billing contact information; or required purchase orders or purchase order numbers. Cotronix may communicate account status information on invoices. It shall be assumed and expected that any staff handling invoices can comprehend, communicate, and pass on information appropriately and reasonably. All printed correspondence, including checks and stubs, shall be written in English.
- Shipping:** Cotronix shall cover all shipping to the client and the client shall cover all shipping to Cotronix.
- Billing:** The Current Rate is \$45 per month (base rate) plus \$1.00 per birth (activation rate) per program system. The current rate may increase at any time. Client may lock in their Existing Rate at any time for any amount of time if this form is resubmitted before the account's Term expires. If client does not choose a lease duration before their expiration date, the agreement will enter a month-to-month status, making the account susceptible to potential rate increases, but allowing the client to end the lease with a 30-day notice. The account is charged the base rate regardless of the number of activations, or status of the equipment or its installation. Charges begin the first day of the month following any trial period, and end the day Cotronix receives the DLS hardware back from the client, provided all contracts are satisfied. Any existing forwarded balance will be displayed on each invoice. Cotronix distributes invoices via email or USPS (client's choice) at the end of each calendar quarter for the previous quarter. The balance is due by the end of the second month following each billing period (Net 60), even if the invoice never reaches its destination. Client is responsible for any local sales tax (MN TIN 4484829). Cotronix is not subject to backup withholding (Fed TIN 393804535). A billing period comprises all the days of each of the three months of each calendar quarter from the first through the last. Patient rotation reminders, preprogrammed announcements, or other DLS uses reflect special rates. Invoices will always display the most recent PO number (if any) that has been offered to Cotronix. Expired PO numbers shall not constitute an excuse for non-payment.
- Payment:** Any outstanding account balance due will be stated on every invoice. Payments will be applied only to accounts specified with payment. Any payment made on behalf of the account will be first applied to the oldest portion of any outstanding balance due. Client is responsible for timely payments per contract and may not hide behind third-party payers. Cotronix will not respond to any third-party or corporate requests for payment or any type of authorization. Only requests from the originator or from an agent of the originator client on record will be accepted and acted upon. Any overpayment will be subsequently shown as an account credit. There shall be no cash back transactions. Cotronix will neither reimburse nor charge the Client for any account credit balances, or changes due to birth rates or other statistics of the past. Client AP may combine payments among accounts until or unless any account becomes delinquent. Any account shall not influence any other account in terms of payments made or balances due. All payments to Cotronix shall be in the form of mailed paper checks. No electronic payments will be accepted until further notice.
- Default:** Any lease client account 120 days or more in arrears will have the choice of returning the hardware and paying off the lease balance, or reaching and retaining six months prepayment thereafter. Overdue lease accounts will include a \$29.00 monthly late fee, and will also default to the Current Rate. Cotronix may end any contract due to non-payment and require the immediate return of our equipment. Accounts ignoring our billing will enter collections, and in addition to any lease balance due, will be charged the buyout cost value for the equipment, which is currently \$3,731.00 plus \$1.00 per birth over the previous 365 days. In addition, where allowed by law, the account in default will be charged collections losses incurred on the account. Cotronix also reserves the right to charge an additional collections fee of 29% of the principal balance due, as well as charge for any accumulated lease costs at the time of turnover to collections due to non-payment. After 12 months of client default, lack of any payment, and lack of response to five or more of our inquiries, Cotronix may exercise repossession laws to retrieve our equipment. This includes but is not limited to our agent entering the premises and removing our property unannounced. Any uncooperative client at this point will be charged with theft. Client may also be sent a 1099-C, which requires Cotronix to halt collections efforts, and turning the balance due into taxable income for the client.
- Nexus:** Cotronix is located in the State of Minnesota and has no physical presence in any state or territory outside of Minnesota.
- Warranty:** Client's signature below obligates Cotronix to provide immediate and complete technical assistance throughout installation, trial, and lease periods as requested by signer or the signer's staff. If the DLS stops working properly, the client must contact Cotronix as soon as possible. The DLS is warrantied against defects other than those resulting from abuse, misuse, catastrophe, or accidental damage for as long as the trial period or lease is in effect. This warranty allows specific legal rights. The client may have additional rights according to their State statutes.
- Damages:** Cotronix shall not be held responsible for personal, property, or consequential damage resulting from any use of the DLS.
- Termination:** Client may terminate this agreement at the end of any Lease Duration period, or immediately if a month-to-month account, with a 30-day or greater notice, full payment of the balance due, and return of all announcement program equipment. The account will close when all these are accomplished.
- Licensing:** Cotronix covers all ASCAP, BMI, SESAC, etc., performance licensing and publisher dues for the use of any lullaby tune we offer. Client is responsible for any necessary licensing for any copyrighted song segments broadcast in the client facility for patient rotation or any other use. All DLS programming, design specs, software & hardware remain the sole property of Cotronix indefinitely.
- Compliance:** Cotronix has no need for access to patient information. Cotronix will not respond to third-party requests of any kind.
- Plant Interface:** Client shall provide a protected 15- or 20-amp 120-volt outlet, activation closure, and paging amplifier input at the installation site.
- Remorse:** These Terms are void if Cotronix receives all DLS hardware back from the client in satisfactory condition within 60 days of shipping date.
- Lease Duration:** A Lease Duration allows the client to expect no rate increase for the indicated choice. It also obligates the client to pay at minimum the base rate throughout the indicated period. Expired or past-due lease accounts default to a month-to-month status and the Current Rate. Indicate your desired Lease Duration, applicable only if you decide to continue the program beyond any offered trial period (default=month-to-month):

- None (month to month)
 1 year
 2 years
 3 years
 4 years
 5 years
 6 years

16. Tunes: Several Digital Lullaby Program Tunes are available. Listed here are the most popular. Please preview additional Tunes at Cotronix.com. Indicate the desired Program Tune(s) (default=random module on hand):

- 12 second Giggle/Brahms Musicbox
 10 second Brahms Musicbox
 16 second Brahms Musicbox
 13 second Giggle/Brahms/Giggle
 12 second Giggle/Brahms Flute
 10 second Brahms Flute
 19 second Brahms Flute
 15 second Brahms Harp
 19 second Brahms Harp
 19 second Brahms Clarinet
 11 second God Loves Me
 12 second He's Got The Whole World In His Hands
 19 second He's Got The Whole World In His Hands
 5 second Jesus Loves The Little Children
 11 second Jesus Loves The Little Children
 8 second Jesus Loves Me Musicbox
 Custom Tune or Other (Please mail CD/SD Card, or attach sample file to email, or contact us)

I understand these Terms and Conditions. I am completing this form for the purpose of extending our existing lease.

I understand these Terms and Conditions. I authorize Cotronix to ship 1 (one) DLS to the following facility:

Name of facility _____

Shipping address _____

City, State & Zip _____

Contact person & department _____

Authorized signature _____

Email address _____

Telephone and extension _____

AP email address _____

PO number (if none is provided, none is required) _____ Date signed _____

Average number of monthly births _____ and/or monthly custom announcements _____

Orders arrive seven to ten business days after we receive this completed document via fax or email. Please contact us with any questions or comments.

Notes: