

## TERMS AND CONDITIONS OF SALE

All products of Monico Monitoring, Inc., ("Seller") are sold or delivered to Customer under the provisions of this Terms and Condition of Sales Agreement ("Agreement"). Receipt and use of any product of Seller shall constitute acceptance of and agreement with this Agreement. Except for the quantity and price of the product, this Agreement and the provisions of any credit application submitted by Customer constitute the entire contract between Seller and Customer and supersede all correspondence between parties, customer order form, purchase order, or confirmation, whether issued before or after this Agreement. Any shipment of products to Customer is done pursuant to this Agreement and, except as provided for below, cannot be changed, modified, amended or altered by the terms and conditions stated in any purchase order, correspondence or other request of Customer whether oral or written.

1. This Agreement shall become effective when either:
  - a. The Agreement has been accepted and executed by an officer, or other duly authorized representative of Seller and Customer, or
  - b. The products have been shipped to Customer.

Notice of acceptance is waived by Customer. Customer acknowledges receipt of a true and complete copy hereof. The acceptance of this Agreement, whether by execution or shipment of the products to customer, occurred and Customer acknowledges that it occurred in and was performed in Harris County, Texas.

2. Any software or other intellectual property of Seller is not included in any sale of the product but is licensed to Buyer under the terms and conditions of Seller's LIMITED LICENSE, LIMITED WARRANTY AND LIMITATION OF LIABILITY (the "License"), the terms of which are incorporated herein. If there is any conflict between the term of the License and this Agreement, the provisions more protective of Seller's intellectual property shall prevail and the provisions more restrictive of the liability of Seller to Buyer shall apply.

3. No modification or amendment of this Agreement and no waiver of any of its provisions or conditions shall be valid unless in writing, signed by the president of Seller and specifically identifying the provision herein that is modified or amended.

4. The terms of payment are in United States Dollars cash net date of invoice, F.O.B. Seller's warehouse. Transportation, storage, insurance, taxes and any other expenses are costs payable by Customer. Payment for all products sold to Customer must be made prior to or on delivery of the product unless a credit application from Customer has been accepted by Seller and Seller has approved other payment options. Customer acknowledges and agrees that Seller has the right to accelerate delivery.

5. Should Customer fail to make payment within thirty (30) days of the date of the invoice or should customer be or become insolvent or be or become a party to any bankruptcy or receivership proceeding prior to the payment in full, seller may, with or without written notification to Customer, declare and demand the entire unpaid balance immediately due and payable. Seller's right to receive full payment of the purchase price is in addition to all other remedies provided by law or equity. To the extent permitted by law, Customer agrees to pay all applicable costs and reasonable attorney's fees incurred by Seller in relation to any obligation of Customer to Seller under this Agreement.

6. CUSTOMER AGREES TO PAY A LATE PAYMENT CHARGE WITH RESPECT TO EACH INVOICE OR PORTION THEREOF IN DEFAULT MORE THAN THIRTY (30) DAYS FROM THE DATE OF THE INVOICE, COMPUTED AT THE RATE OF ONE PERCENT (1%) PER MONTH, OR THE LESSER OF THE MAXIMUM RATE OF INTEREST OR LATE PAYMENT CHARGE PERMITTED BY APPLICABLE LAW.

7. ANY CLAIMS BY CUSTOMER ARISING OUT OF THE SALE OR DELIVERY OF PRODUCTS SOLD TO CUSTOMER BY SELLER MUST BE MADE WITHIN TEN (10) DAYS OF RECEIPT OF THE

PRODUCTS. ANY CLAIM MUST BE MADE IN WRITING AND CUSTOMER MUST, IN SUCH WRITTEN NOTICE OF THE CLAIM, PROVIDE A DETAILED EXPLANATION OF THE FACTS AND CIRCUMSTANCES OF THE CLAIM AND THE AMOUNT OF THE CLAIM. Any and all claims under this Agreement are subject to a contractually agreed one (1) year statute of limitations or the minimum allowable by applicable law if one (1) year is not allowed in the applicable state. All claims not asserted within this contractual limitation period shall be waived and forever barred. Further, for clarification, the Parties hereby expressly waive any and all rights under Texas Civil Practice and Remedies Code Section 16.069 (and its successor) to bring any action or claim (specifically including any action or claim that arises outside of this Agreement) against the other Party that has passed this contractual limitation period.

8. CUSTOMER'S SOLE AND EXCLUSIVE REMEDY AND SELLER'S SOLE LIABILITY IN THE EVENT OF ANY DEFECT, LOSS OR DAMAGE CONCERNING OR RELATED TO ANY PRODUCT OF SELLER SHALL BE EXPRESSLY LIMITED TO EITHER THE REPLACEMENT OF THE PRODUCT OR REFUND OF THE PURCHASE PRICE ACTUALLY PAID TO SELLER. THE ELECTION OF WHETHER TO REPLACE THE PRODUCT OR TO REFUND THE PURCHASE PRICE SHALL BE EXCLUSIVELY SELLER'S.

THE FOREGOING PROVISIONS OF THIS SECTION STATE THE ENTIRE LIABILITY AND OBLIGATIONS OF SELLER, AND THE EXCLUSIVE REMEDY OF CUSTOMER, IF ANY, WITH RESPECT TO ANY ACTUAL OR ALLEGED DAMAGE, INCLUDING INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHTS BY ALL PRODUCTS, DESIGN TECHNIQUES AND DOCUMENTATION PROVIDED HEREUNDER.

9. EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT, SELLER SHALL AT NO TIME AND IN NO EVENT BE LIABLE TO CUSTOMER, OR TO ANYONE CLAIMING THROUGH OR TO CUSTOMER, FOR LOSS OR DAMAGES OF ANY KIND, INCLUDING BUT NOT LIMITED TO DIRECT, INDIRECT, SPECIAL, COVER, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES OR LOSS OF PROFITS OR INCREASED COSTS OR EXPENSES RESULTING FROM ANY CAUSE WHATSOEVER, INCLUDING BUT NOT LIMITED TO ANY ACT, ERROR, OMISSION, NEGLIGENCE, STRICT LIABILITY, TORT, PRODUCT LIABILITY, OR OTHERWISE OF SELLER, OR OF ITS EMPLOYEES OR SUBCONTRACTORS, OR INJURY TO THIRD PERSONS. FURTHER, SELLER SHALL NOT BE RESPONSIBLE FOR FAILURES, SUBSEQUENT TO DELIVERY, CAUSED BY DAMAGE CAUSED BY CUSTOMER OR THIRD PARTIES OR NORMAL WEAR AND TEAR OR BY ANY CONNECTION OF THE PRODUCT WITH ANY OTHER EQUIPMENT OR THE COMMUNICATION, ELECTRONIC OR OTHERWISE, BETWEEN SELLER'S PRODUCT AND ANY OTHER ITEM. SELLER SHALL NOT BE LIABLE FOR ANY DAMAGES CAUSED BY DELAY IN SHIPMENT OR THE MANUFACTURING OF THE PRODUCTS SOLD.

10. **Arbitration Agreement:** Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, except for a claim concerning the non-payment of an invoice, shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The place of arbitration shall be the City of Houston, Texas. This Agreement shall be governed by the laws of Texas. Each party shall bear its own costs and expenses and an equal share of the arbitrators' and administrative fees of arbitration. The arbitrators will have no authority to award punitive or other damages not measured by the prevailing party's actual damages, except as may be required by statute. Except as may be required by law, neither a party nor an arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of both parties.

11. SELLER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE EXCEPT FOR THE LIMITED WARRANTY, IF ANY, PROVIDED SEPARATELY IN WRITING BY SELLER TO CUSTOMER.

12. CUSTOMER AGREES AND UNDERSTANDS THAT THE PRICE STATED FOR ANY PRODUCT INCLUDES CONSIDERATION IN LIMITING SELLER'S WARRANTIES AND LIABILITIES. ANY

DESCRIPTION OR USE OF A SAMPLE IS FOR THE SOLE PURPOSE OF IDENTIFYING OR ILLUSTRATION THE PRODUCT; IT IS NOT A PART OF THE BASIS OF THE BARGAIN AND DOES NOT CONSTITUTE A WARRANTY THAT THE PRODUCT SHALL CONFORM TO THE SPECIFICATION, DESCRIPTION OR SAMPLE.

13. Seller's commitment hereunder is subject to delay or cancellation due to causes beyond Seller's control, such as and including, but not limited to, acts of God, strikes, fires, accidents, Government restrictions, Government actions, Government contracts and priorities, delay in delivery, inability to obtain product or product at prices reasonable anticipated by Seller at the time of its acceptance of this Agreement.

14. Seller is not obligated to accept any returns of any product. However, if Seller agrees to accept a return of any product, Customer shall be obligated to pay a return fee of twenty percent (20%) of the purchase price of the product returned and accepted by Seller. This return fee shall be due and payable with the return of the product. Any product returned to Seller shall be delivered, at customer's expense, to Seller's warehouse.

15. If any provision of the agreement is invalid, illegal or unenforceable, then the remainder of this Agreement shall not be affected.

16. Customer may not assign its rights or obligations hereunder without written permission of Seller.

17. This Agreement is performable, in whole or in part, in Houston, Harris County, Texas. The parties agree that this Agreement and any dispute related to the provisions or subject matter of this Agreement shall be governed by the laws of the State of Texas (regardless of the laws that might otherwise govern under Texas conflicts of law statutes or laws) as to all matters, including, but not limited to, matters of validity, construction, effect, performance and remedies. All disputes and controversies arising out of or in connection with this Agreement shall be resolved exclusively by courts of competent jurisdiction in Harris County, Texas, USA. Each party hereto agrees to submit to the jurisdiction thereof and agrees that jurisdiction and venue shall lie exclusively therewith to the exclusion of all others.

Dated this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

CUSTOMER:

\_\_\_\_\_  
Full legal name of Customer

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Title/Position

SELLER:

MONICO MONITORING, INC.

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Title/Position