

Reg # 245300
11/1/13 - 4/30/14



COMMERCIAL PURCHASE, LEASE AND SERVICES AGREEMENT

Local ASG Office
314 Ash Street
McAllen, Texas 78501

Customer Billing Information
HIDALGO COUNTY LOCATIONS



THIS AGREEMENT made this 23RD day of OCTOBER 2013, by and between Alarm Security Group LLC (ASG Security), hereinafter called the "Company" and HIDALGO COUNTY PRECINT 4, hereinafter called the "Client", at (site address) 1051 N DOOLITTLE EDINBURG, TX

1. **Agreement:** Company agrees to provide the system(s) ("System") and Monthly Services as described in section 1B, and in accordance with the Schedule of Protection (if applicable):

A. **Type of Transaction:** (check boxes that apply) System/Equipment Install/Purchase Company Owned System Monthly Services

B. **Services to be Provided:** (check all boxes that apply; amounts listed are represented in monthly charges)

- | | | | | | |
|--|---------|--|--------|--|--------|
| <input checked="" type="checkbox"/> Burglar Alarm Monitoring | \$16.80 | <input type="checkbox"/> Cellular/Radio Service | | <input type="checkbox"/> Fire Alarm Maint. (inc. Test&Ins) | |
| <input type="checkbox"/> Panic/Hold-Up Monitoring | | <input type="checkbox"/> DataLink | | <input type="checkbox"/> Sprinkler Alarm Maintenance | |
| <input type="checkbox"/> Fire Alarm Monitoring | | <input type="checkbox"/> Burglar Alarm Maintenance | | <input type="checkbox"/> Sprinkler Test & Inspect | |
| <input type="checkbox"/> Sprinkler Alarm Monitoring | | <input type="checkbox"/> Fire Alarm Maintenance | | <input type="checkbox"/> Fire Alarm Insp | |
| <input type="checkbox"/> Elevator Monitoring | | <input type="checkbox"/> Access Control Maintenance | | Billed: | |
| <input type="checkbox"/> ASG Connect | | <input type="checkbox"/> Video Surveillance System Maint. | | <input type="checkbox"/> FA Sens Test | |
| <input type="checkbox"/> ASG Video | | <input checked="" type="checkbox"/> Opening/Closing Log Only | \$5 60 | Billed: | |
| <input type="checkbox"/> ASG Managed Access | | <input type="checkbox"/> Opening/Closing w/Schedules | | <input type="checkbox"/> Other: | |
| | | <input type="checkbox"/> O/C Reports | | <input type="checkbox"/> Administration Fee* | \$3.99 |

(Complete 2A or 2B and/or 2C, as applicable)

2A. **System/Equipment Purchase:** The total price ("Price") of the equipment inclusive of the installation (if applicable) thereof shall be \$ _____ Dollars plus applicable taxes. The terms of payment are as follows: Deposit \$ _____ upon Equipment Delivery \$ _____ upon 100% completion \$ _____. In the event of changes in cost of the System if requested by the Customer or as required by local jurisdiction being supplied prior to the date of installation, Company reserves the right to adjust the price accordingly. Client shall be responsible for and shall pay to the Company the cost of any addition, changes and variances in the System, as herein contracted for or as installed, made at the request of or made necessary or required by Client's action, or which may be demanded by any governmental agency or insurance interests or inspection and rating bureaus that may be requested or required by or of the Client after the date of the execution of this Agreement. CLIENT ACKNOWLEDGES THAT CLIENT HAS CHOSEN THE SYSTEM AND THAT ADDITIONAL PROTECTION IS AVAILABLE AND MAY BE OBTAINED FROM COMPANY OVER AND ABOVE THAT PROVIDED HEREIN, AT AN ADDITIONAL COST TO CLIENT.

2B. **If Company Owned System:** (i) The Client hereby agrees to pay the Company, its agents or assigns the sum of \$ _____ for installation plus tax (if applicable) and the sum of \$ _____ per month plus tax (if applicable), payable monthly; quarterly; semi-annually; annually ("payment cycle") in advance on the first day of the said payment cycle, commencing with the payment cycle following completion of installation, for a period of five (5) years from the date service commences. The total monthly charge is subject to increase as set forth in subparagraphs (9.0). In addition, together with the first monthly payment, Client shall pay the pro rata share of the monthly charge for the month in which service commenced. (ii) At the expiration of the initial five (5) years period, this Agreement shall be automatically renewable for periods of two (2) years each, the first of such renewal periods to commence upon the date of the expiration of this Agreement, unless either party shall notify the other, in writing, not less than thirty (30) days prior to the expiration of the original agreement or the expiration of any renewal periods, of the desire to terminate this Agreement. Upon renewal, the Client shall continue to pay the current billing amount including any increases that may have occurred during the original term of this Agreement, according to the terms and conditions as set forth in this Agreement. *A monthly administration fee shall apply for both monthly and quarterly invoiced Clients (non-ACH or non-automatic credit card or bank draft payments).

2C. **Monthly Services:** (i) The Client hereby agrees to pay the Company, its agents or assigns the sum of \$ 25.00 Service/Monitoring Fee plus tax (if applicable) per month, payable monthly; quarterly; semi-annually; annually ("payment cycle"), in advance on the first day of the said payment cycle, commencing with the payment cycle following completion of the installation for a period of five (5) years from the date the service commences. The total monthly charge is subject to increase as set forth in subparagraphs (9.0), (9.1), (9.2) and (9.3). In addition, together with the first monthly payment, Client shall pay the pro rata share of the monthly charge for the month in which service commenced. (ii) At the expiration of the initial five (5) years period, this Agreement shall be automatically renewable for periods of two (2) years each, the first of such renewal periods to commence upon the date of the expiration of this Agreement, unless either party shall notify the other, in writing, not less than thirty (30) days prior to the expiration of the original agreement or the expiration of any renewal periods, of the desire to terminate this Agreement. Upon renewal, the Client shall continue to pay the current billing amount including any increases that may have occurred during the original term of this Agreement, according to the terms and conditions as set forth in this Agreement. A monthly administration fee shall apply for both monthly and quarterly invoiced Clients (non-ACH or non-automatic credit card or bank draft payments).

3. **Company's Liability/Disclaimer Warranties:** COMPANY DOES NOT REPRESENT OR WARRANT THAT THE SYSTEM MAY NOT BE COMPROMISED OR CIRCUMVENTED; OR THAT THE SYSTEM WILL PREVENT ANY LOSS BY BURGLARY, HOLDUP, FIRE, OR OTHERWISE, OR THAT THE SYSTEM WILL IN ALL CASES PROVIDE THE PROTECTION FOR WHICH IT IS INSTALLED OR INTENDED. CLIENT ACKNOWLEDGES AND AGREES THAT THE COMPANY HAS MADE NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING WITHOUT LIMITATION THE CONDITION OF EQUIPMENT, ITS MERCHANTABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, NOR HAS CLIENT RELIED ON ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED. CLIENT FURTHER ACKNOWLEDGES AND AGREES: THAT ANY AFFIRMATION OF FACT OR PROMISE SHALL NOT BE DEEMED TO CREATE AN EXPRESS WARRANTY, AND THAT THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE DESCRIPTION ON THE FACE HEREOF. CLIENT FURTHER ACKNOWLEDGES AND AGREES: THAT COMPANY IS NOT AN INSURER; THAT CLIENT ASSUMES ALL RISK OF LOSS OR DAMAGE TO CLIENT'S PREMISES OR TO THE CONTENTS THEREOF; AND THAT CLIENT HAS READ AND UNDERSTANDS ALL OF THIS AGREEMENT, PARTICULARLY PARAGRAPH 17 AND 18 WHICH SET FORTH LIMITATION OF LIABILITY AND INDEMNIFICATION PROVISIONS IN THE EVENT OF ANY LOSS OR DAMAGE TO CLIENT OR ANYONE ELSE.

Schedule of Equipment to be Installed	
See Attachment (If applicable) Schedule of Equipment and Pricing. SEE PG 3 FOR AMENDMENT TO AGREEMENT	
ASG SECURITY (Alarm Security Group LLC)	Accepted by:
Sales Representative (Print/Signature)	Client's Authorized Signature
Company Authorized Signature	HIDALGO COUNTY PRECINT 4
Title	Client's Name
Date	Printed Name
	Business Telephone
	Date

THIS AGREEMENT SHALL NOT BE BINDING UPON COMPANY UNLESS APPROVED IN WRITING BY AN AUTHORIZED SIGNATORY OF COMPANY. IN THE EVENT OF NON-APPROVAL, THE SOLE LIABILITY OF COMPANY SHALL BE TO REFUND THE CLIENT THE AMOUNT THAT HAS BEEN PAID TO COMPANY BY CLIENT UPON THE SIGNING OF THIS AGREEMENT.

AL: 13-1577 FL: E013000420 NC: NCASLB: 1961-CSA; 20653-SP-LV OK: 1036, TNT Security-1882 TX: B11182, ACE-3242, ECR-1767, ECR-410, San Angelo Security-B17807
 AR: E-M 20130041 GA: LVA202885 NJ: 948P0000500; 661309 OR: P5D57714 UT: 636217-6501
 CA: 7261 LA: F189, USA Fire & Burglar-71731 NM: 97983 PA: 94202390 VA: 11-3626, TFS 099253A
 DC: EC3901543 MA: 609C; SS CO 000966 NY: 11002099980 RI: 4820, TSC-1848 SC: BAC-13315 WV: WV043573
 DE: C2-71, PAL-0221, PAL-0286 MD: 107-714 OH: 23 89 1670 SD: BAC-13315 Other Licenses #:
 In the State of Texas, Company is licensed and regulated by the Texas Department of Public Safety, Private Security Bureau. Complaints may be directed to: 5881 North Lamar Blvd., Austin, TX 78757-4222, 312-736-7718.
 In the State of North Carolina, Company is licensed and regulated by the Alarm Systems Licensing Board. Complaints may be directed to: 4191 Glenwood Ave., Suite 206, Raleigh, NC 27612 919-780-3128.

THIS IS A CONTRACT - READ ALL PAGES CAREFULLY

- 4. Change to the System; Cost of Repair; Additional Protection; Risk of Loss:** The cost of any additions, changes and variations in the system, as herein contracted for or as originally installed, made at the request of or made necessary or required by Client's action, including any government agency or insurance adjuster or inspection and rating bureau, shall be paid by Client. CLIENT'S ACCEPTANCE OF THESE TERMS AND CONDITIONS SHALL CONSTITUTE ACCEPTANCE OF THE SYSTEM AND THAT ADDITIONAL PROTECTION IS AVAILABLE AND MAY BE OBTAINED FROM COMPANY OVER AND ABOVE THAT PROVIDED HEREIN, AT AN ADDITIONAL COST TO CLIENT. All risk of loss or damage to the system shall be borne exclusively by Client whose obligations hereunder shall not be diminished by any such loss or damage.
- 5. Permit to Operate System:** Client acknowledges that in some local areas it is a requirement to obtain a permit or license to operate a system (intrusion, fire, access control, CCTV). Client agrees to obtain any permit that might be required, and the Client acknowledges that the cost, if any of the permit or license will be that of the Client along with any additional charges that might be imposed on the Client. Client acknowledges that if a permit or license is not obtained, or the permit or license number is not provided to the Company, no dispatch to an emergency signal may be the result, and/or a fine from the local response agency may apply, which will be at the sole cost to the Client. Client agrees to maintain any permit or license during the term of this Agreement and for any automatic renewals of this Agreement.
- 6. Installation of System; Delay of Installation; Interruption of Service:** Client authorizes and empowers Company to install or cause to be installed the protective system summarized on the Schedule of Protection. Client agrees that the work of installation shall be performed on weekdays only between the hours of 9:00 a.m. and 5:00 p.m., unless the Client directs otherwise, in which case, the Client hereby agrees to pay Company any resulting increased cost for installation. Should Company be forced to interrupt any portion of the installation due to any such necessary delays, the Client agrees to pay the cost of the delay to the Company, and to pay the cost of any necessary repairs and/or equipment to the Company. Client agrees to pay for any delay in the completion or installation of the system must be called to the attention of the Company, in writing, within thirty (30) days after completion of installation. Otherwise, the installation shall be deemed totally satisfactory to and accepted by Client. Company assumes no liability for delay in installation of the equipment, or for interruption of service due to strikes, riots, floods, storms, earthquakes, fires, power failures, insurrection, interception or unavailability of telephone service to Client while interruption of service due to any such cause may continue.
- 7A. Service Interruptions; Cost of Repair:** Client authorizes and empowers Company to maintain and service the aforesaid system to make any necessary inspections, tests and repairs as required. In the case of fire alarm protection, Client will notify Company in writing of any change in fire alarm system or agency. If maintenance or service has been contracted for, repairs made by ordinary wear and tear shall be at Company's expense including battery changes, damage caused by the Client or third party by Acts of God (lightning, power surges, water damage or similar non-equipment failure), which shall be performed as soon as reasonably possible after receipt of notice by Company from Client. Client shall be responsible for testing system monthly and informing Company of any needed repairs. If time and material service has been requested, any necessary repairs shall be charged to Client at the then prevailing local and market rates. All necessary inspections, tests, or service calls which may be required on the part of the Company shall be performed between the hours of 9:00 am and 5:00 pm on normal business days. Client acknowledges the Company's obligation hereunder relates solely to the maintenance or repair of the specified system and that Company is in no way obligated to ensure the operation of the system or to maintain or service Client's property or the property of others to which Company's system is connected. Client is responsible for paying all local, municipal and governmental false alarm fines. This charge may be applicable for both maintenance and non-maintenance claims.
- 7B. Limited Warranty System Protection:** Company warrants the System to be free from defects in material and/or workmanship for a period of ninety (90) days from the date of original installation. Upon expiration of such warranty period, or extension, replacement, alteration, improvement or other operation contrary to prime contract, this warranty shall terminate immediately. Client acknowledges that the warranty shall not apply to any damage caused by fire, theft, or any other cause not covered by the warranty. If within the period of such warranty, the Client promptly notifies the Company of any claimed defect and it appears to Company that such part or parts are defective, Company will at its option repair such defective part or parts or replace the same with like or similar part or parts. The Company shall be responsible for all transportation and labor charges relating to installation of any replacement part or material of a defective part. It is expressly understood that the replacement of such defective part or parts by Company shall constitute the sole remedy of Client and the sole liability of Company, whether on warranty, contract, or negligence, and that Company shall not be liable for any other expense, injury, loss or damage, whether direct, incidental or consequential. No representative of Company has any authority to waive, alter, vary, or add to the terms hereof without prior approval in writing accepted by an authorized representative of Company. All implied warranties including implied warranties of merchantability or fitness for a particular purpose, shall not exceed in duration the term of this limited warranty. SOME STATES DO NOT ALLOW LIMITATIONS ON HOW LONG AN IMPLIED WARRANTY LASTS OR THE EXCLUSION OR THE LIMITATION OF INCIDENTAL OR CONSEQUENTIAL DAMAGES, SO THE ABOVE LIMITATIONS MAY NOT APPLY TO YOU. THIS WARRANTY GIVES YOU SPECIFIC LEGAL RIGHTS AND YOU MAY ALSO HAVE OTHER RIGHTS WHICH MAY VARY FROM STATE TO STATE.
- 8. Response to Alarm Signals; Telephone Line Requirements and System Testing:**
- (a) **Central Station Alarm:** If Company has installed a central station alarm, Company or its designee, shall, without warranty, make every reasonable effort to do the following: (1) Upon receipt of a burglar alarm signal, transmit the alarm to headquarters of the local police authority and notify the Client or his designated representative by calling the telephone number supplied to Company in writing by Client; (2) Upon receipt of holdup alarm signal, transmit the alarm to headquarters of the local police authority; (3) Upon receipt of manual, water flow, smoke or extraneous fire alarm signal, transmit the alarm to local fire authority and notify Client or his designated representative by calling the telephone number supplied to Company in writing by Client; (4) Upon receipt of a monitoring signal, notify Client or his designated representative by calling the telephone number supplied to Company in writing by Client; (5) Upon receipt of an audio signal indicating an unauthorized entry into Client's premises, Company's operator will make every reasonable effort to identify the sound, when warranted transmit notice of said signal to the local police authority and notify the Client or his designated representative by calling the telephone number supplied in writing by Client. In some cases the order or sequence of calls made to the Client or Client's designee may be subject to the requirements of local or state jurisdiction governing the Client's site, or the Company.
- (b) **Police and Fire Department Connected Alarms:** Client acknowledges that if the signals transmitted from Client premises will be monitored in municipal police and/or fire departments or other locations, that the personnel of such municipal police and/or fire department or other location that are not agents of Company, the Company shall not assume any responsibility for the manner in which signals are received or the response, if any to such signals.
- (c) **Standard Telephone Line/Signal Interruption:** Client acknowledges that if the system is designed to operate over a standard "Analog" (POTS) telephone line, and in the event the Client's telephone service is out of order, disconnected, transferred to any form of VoIP or other digital, fiber optic or other "non-standard" telephone service or in any other way interrupted, signals from the Client's system may not be received by the Company; and that interruption will not be known by the Company, who shall not be responsible for failure to receive such signals. Client bears responsibility for providing a standard Analog phone line in working order or to notify the Company in the event of transferring phone service to any other non-standard Analog service. Client acknowledges that if a non-standard Analog phone service is established thereby requiring additional monitoring equipment and enhanced communication service, additional installation and monthly monitoring charges will apply in order to modify the Client's system.
- (d) **System Testing:** It is recommended that the Client test the operation of their system which includes transmitting a test signal to the central station at a minimum of every thirty (30) days. Failure to do so could result in the Company being unaware of a phone line interruption which could result in alarm signals not being received at the central station. This monthly test is not a substitute for a specifically designed phone line backup system, but is recommended ensuring a long-term phone line outage or system malfunctions do not occur.
- (e) **Cellular/Radio/GSM (Wireless) Signal Transmission:** Client acknowledges that if Wireless Signal Transmission is utilized as the primary, secondary or exclusive signal transmission, and the Cellular/Radio service is in any way disrupted, no signal transmission will be received from the Client's site. Additionally, unless "Opening/Closing" services are selected by the Client, the Client's system is designed to only transmit signals in the event of an emergency (alarm) event. Without the enabling of "Opening/Closing" services, neither the Client nor the Company will be notified of the Client's system in the event of a non-emergency (alarm) signal event from the Client's site address.
- 9. Increase in Monthly Charges:** Company shall have the right, at any time, to apply monthly administrative billing fees (for non non-payment Clients) and/or increase the monthly charges provided herein to reflect increases in federal, state and local taxes, utility charges including telephone company line charges, and municipal fees and charges, which hereinafter are imposed on Company and which relate to the services provided under this Agreement; and Client agrees to pay such increased monthly charges.
- 9.1** In addition, to the increases set forth above, but no more often than once during any twelve month period Company shall also have the right to increase the monthly charges called for during the term of this agreement by a percentage equal to 1.5 times the percentage increase in the Department of Labor Consumer Price Index, (all items), since the effective date of this Agreement or since the date of the last such increase pursuant to this sub-paragraph (9.1), whichever date is later; and Client agrees to pay such increased monthly charges.
- 9.2** As an alternative to sub-paragraph (9.1), but not more than once during any twelve month period, the Company shall have the option to increase the monthly charges provided herein by a percentage set to exceed 20% per year since the date of the last such increase pursuant to this paragraph (9.2). Said 20% per year increase shall be in lieu of all other increases in this year (including an administration fee) provided for in sub-paragraph (9.1). If Client objects in writing within thirty (30) days from the effective date of the increase being imposed pursuant to this sub-paragraph (9.2), the Company shall have forty-five (45) days to respond following receipt of such written objection. If Company fails to respond to the Client within forty-five (45) days from the Client's written objection, the Client may terminate this Agreement. If the Client elects to accept the increase in charges, the Company may choose to increase the increase in accordance with sub-paragraph (9.1), which Client agrees to pay. Client's failure to object in writing within this thirty (30) day period from the increase pursuant to this sub-paragraph (9.2) shall constitute the Client's acceptance of the increase.
- 10. Authorized Personnel; Opening & Closing Schedules:** Client agrees to furnish forthwith a written list of the names, titles, residence and cellular telephone numbers of all persons authorized to arrange an unworked event and/or authorized to enter or remain on the premises of Client during the regularly scheduled closed period, and/or notified in the event of an alarm. Client agrees to keep such call list current. If Opening and Closing Schedules are included in the Client's service, the Client shall furnish the Company with a written daily/weekly and holiday Opening and Closing Schedule. All changes, revisions and modifications to the above shall be supplied to Company in writing. Failure by the Client to provide the Company with Opening and Closing Schedules shall remove the Client from this service and the only obligation of the Company shall be the refund of the specific charges for this service for up to six (6) months.
- 11. Title to Equipment; Removal of System (Company Owned System):** Client acknowledges and agrees that this Agreement is for the providing of service and that except as hereinafter provided, the major components installed hereunder, including but not limited to transmitters, detection services, bell boxes and controls shall at all times remain the sole property of Company. Upon the expiration of this Agreement or upon any default as herein set forth, Company is authorized to cover upon premises of Client and to remove all of the Company owned equipment. Removal of Company owned equipment shall be without prejudice to the collection of any and all sums due under the entire contract or extension or renewal thereof. Client shall, in such event, return the said Company owned equipment to Company in good condition, reasonable wear and tear excepted. If the Client requests for the Company owned equipment to remain in place or refuses to allow the Company to remove the Company owned equipment, the Client acknowledges there will be a charge applied (equipment charge) equal to the current market value for all major components, and the Client agrees to these charges. Upon completion of the installation, title to all of the non-recoverable equipment, materials, supplies including but not limited to, wire, cable, foil, conduit, screens and the labor for the installation of the system shall vest in the Client. Notwithstanding the foregoing, during the term of this Agreement, Client will not damage, encumber, temper with or dispose of any portion of this system, permit the system to be damaged, unencumbered, taken from the premises, tampered with or repaired by anyone who is not an authorized agent of Company. In the event of loss or damage to any portion of this system, whether owned by the Company or Client, Client agrees to pay Company the reasonable value for the replacement or repair of the Company owned equipment or the installation of the system as the Client prevails. In the event of loss or damage to the Company owned equipment that the Client prevails, the Client shall be responsible for the replacement of the system from Client's premises. The Client acknowledges that a Company Owned System does not include maintenance/repair service; if required/requested it is available for an additional monthly charge.
- 12. Suspension or Cancellation of this System/Service:** This Agreement may be suspended or cancelled, without notice at the option of Company, if Company's or Client's premises or equipment is destroyed by fire or other catastrophe, or so substantially damaged that it is impractical to continue service, or in the event Company is unable to render service as a result of any action by any governmental agency.
- 13. Delinquency & Remedial Charges; Interest Charges:** In the event the payment due hereunder is more than ten (10) days delinquent, Company may impose and collect a delinquency charge of 1.50% per month (18% per annum), or the highest amount under law, whichever is less, of the amount of the delinquency. Client acknowledges and agrees that the delinquent payment or nonpayment of the amounts due hereunder may be deemed by the Company to be a material breach of contract on the part of Client, and, in Company's option, in addition to all other legal remedies available, shall entitle it from further performance under this Agreement, upon the giving of ten (10) days written notice to Client. Company's course from performance shall not affect its right to recover all amounts owing from any police or fire departments should the police or fire departments be dispatched as a result of a signal being received or a false alarm. Client agrees to pay for the maintenance of the equipment from Client's premises. Client agrees to pay in advance in Company a recoupment charge to be fixed by Company in reasonable amount.
- 14. Change in Ownership of Client's Premises:** Client acknowledges that the sale or transfer of Client's premises shall not relieve Client of his duties and obligations under this Agreement. Client may not assign this Agreement or permit anyone to take subject to this Agreement without written consent of the Company.
- 15. Assignment/Transfer of Contract:** Company shall have the right to assign this Agreement to any other person, firm or corporation without notice to Client and shall have the further right to subcontract any installation and/or services, including monitoring, which it may perform. Client acknowledges that this Agreement, and particularly those paragraphs relating to Company's disclaimer of warranties, maximum liability, limitation of liability, and third party indemnification, inure to the benefit of and are applicable to any assignee and/or subcontractors, and they bind Client with respect to said assignee and/or subcontractors with the same force and effect as they bind Client to Company.
- 16. Default by Client:** If the Client fails to make any payment as agreed herein, or becomes insolvent, or makes an assignment for the benefit of creditors, or a petition is filed by or against the Client under the Bankruptcy Act or any amendment thereto, including a petition for reorganization, arrangement or extension, or if any representation, warranty or financial information made or submitted by Client shall be untrue or performed in any material respect, or if Client defaults hereunder in any other respect, the entire amount due under this Agreement for the balance of the Agreement period shall become immediately due and payable. In the case of a Company Owned System, the Client hereby consents, in the event of default or non-payment of this Agreement, to the Company immediately entering the aforesaid premises or any other premises where the property of said Client may be located for the purpose of removing the equipment belonging to the Company. Upon the expiration of this Agreement or any renewal thereof, or upon the happening of any other contingency set forth herein, the Company may immediately enter said premises and remove the equipment with or without process of law and without liability for damage to person or property arising out of such entry or taking of possession. Removal of the equipment by the Company shall not be considered to constitute a waiver of any of its rights under the terms of this Agreement, nor shall the Company be liable for any actual damage caused to the premises by installation or removal of its equipment. Client acknowledges and agrees that the equipment of which the system is composed is intrinsically interchangeable with Company's inventory, and therefore the Company has no obligation to place or use said equipment in any other system before using any of its other inventory, nor any obligation to account for or credit Client with an value of use of any such equipment that is not being replaced by the Company. Client shall be responsible for the maintenance of the system from Client's premises.
- 17. Company is Not an Insurer; Limitation of Liability:** It is understood and agreed that Company is not an insurer, that insurance, if any, shall be obtained by Client, that the payments provided for herein are based on the value of the service as set forth herein and are not intended to be the value of the Client's property or the property of others located on the Client's premises, that Company makes no warranty, including any implied warranty of merchantability or fitness that the equipment or services supplied will prevent or prevent occurrence or the consequences therefrom which the system or service is designed to detect or avert. Client acknowledges that it is impractical and extremely difficult to fix the actual damages, if any, which may proximately result from a failure to perform any of the obligations herein, including, but not limited to installation, service, maintenance or monitoring or the failure of the system to properly operate with resulting loss to Client because of, among other things: (a) the uncertain amount of or value of the Client's property or the property of others located on the premises which may be lost, stolen, destroyed, damaged or otherwise affected by occurrence which the system or service is designed to detect or avert; (b) the uncertainty of the amount due under this Agreement for the balance of the Agreement period shall become immediately due and payable. (c) the inability to ascertain what portion, if any of any loss would be proximately caused by Company's failure to perform or by its equipment to properly operate; (d) the nature of the service to be performed by Company. Client understands and agrees that if Company should be found liable for personal injury or property loss or damage from failure of Company to perform any of Company's obligations herein, including, but not limited to, installation, maintenance, monitoring, service or the failure or malfunction of the system or equipment in any respect whatsoever, Company's liability shall be limited to a sum equal to the total of six (6) monthly payments or Two Hundred Fifty (\$250) Dollars, whichever is lesser, and this liability shall be exclusive; and that the provisions of this Section shall apply if loss or damage, irrespective of cause or origin, results directly or indirectly to persons or property from performance or nonperformance of any obligation imposed by this contract or from negligence, active or otherwise of Company, its agents, servants, assigns or employees.
- 18. Third Party Injuries:** In the event any person, not a party to this Agreement, shall make any claim, or file any lawsuit against Company for any reason relating to Company's duties and obligations pursuant to this Agreement, including but not limited to the design, installation, maintenance, operation or non-operation of the system, Client agrees to indemnify, defend and hold Company harmless from any and all claims and lawsuits, including the payment of all damages, expenses, costs and attorney's fees, whether these claims be based upon alleged intentional conduct, active or passive negligence, express or implied contract or warranty, contribution or indemnification, or strict or product liability on the part of Company, its agents, servants, assigns or employees. This Agreement by Client to indemnify Company against third party claims as hereinabove set forth shall not apply to losses, damages and liability resulting in injury or death to third persons, which losses, damages and liability occur while an employee of Company is on Client's premises and which losses, damages and liability are solely and directly caused by the acts of said employee.
- 19. Hazardous Activities:** You have the affirmative duty to inform us, prior to beginning installation, of every location at the premises where we should not (because of concealed obstructions or hazards such as pipes, wires or asbestos) enter or drill holes. Unless so notified, we will determine where to drill holes and place equipment. We will take reasonable precautions to avoid concealed obstructions, but we have no means of determining with certainty if they exist. If asbestos or other health hazardous material is encountered during installation, we will cease work until you have, at your sole expense, obtained clearance from a licensed asbestos removal or hazardous material contractor that continuation of work will not pose any danger to our personnel. In no case shall we be liable for discovery or exposure of hidden asbestos or other hazardous materials.
- 20. Client Purchase Order:** Client acknowledges that if there is any conflict between the Agreement and Client's purchase order or any other document, the Agreement will govern, whether such purchase order or other document is prior or subsequent to this Agreement.
- 21. Attorney's Fees:** In the event it shall become necessary for Company to institute legal proceedings to collect the cost of installation or the monthly service charge as set forth herein, then in such proceeding the unsuccessful party shall pay to the successful party reasonable attorney's fees where permitted by law.
- 22. Invalid Provisions:** In the event any of the terms or provisions of this Agreement shall be deemed to be invalid or unenforceable, all of the remaining terms and provisions shall remain in full force and effect.
- 23. Notices:** All notices to be given hereunder shall be in writing and may be served, either personally or by mail, postage prepaid.
- 24. Gender:** Whenever the context requires in this Agreement, the masculine gender herein used shall include the feminine and the singular shall include the plural.
- 25. Paragraph Headings:** The paragraph titles used herein are for the convenience of the parties only and shall not be considered in construing the provisions of this Agreement.
- 26. Prior Agreements:** Client warrants and represents that the Client is not under any enforceable agreement with any other party concerning systems of any kind and description installed at the premises and furthermore Client agrees to indemnify and save harmless Company against all claims, demands, suits, expenses and damages by judgment or otherwise, which may now and hereafter be incurred as a result of or arising out of any agreement that Client may have entered into or any party concerning any such systems of any kind and description. Client will pay all sums, including reasonable attorney's fees, for the defense of such claims or suits and reasonable attorney's fees incurred in the enforcement of this indemnity provision.
- 27. Entire Integrated Agreement; Modifications; Arbitration; Waiver:** This writing is intended by the parties as a final expression of their Agreement and as a complete and exclusive statement of the terms thereof. This signed Agreement supersedes all prior representations, understandings or agreements of the parties both written and verbal and the parties rely only upon the contents of this Agreement in carrying it. This Agreement can only be modified by a writing signed by the parties or their duly authorized agents. No writ or of a breach of any term or condition of this Agreement shall be construed to be a waiver of any succeeding terms. Any modifications or alterations to the standard terms and conditions contained herein must be initiated and acknowledged by both parties.

STANDARD PURCHASE ORDER TERMS AND CONDITIONS
PURCHASING DEPARTMENT
COUNTY OF HIDALGO, TEXAS

1. *Terms and acceptance.* This order becomes a contract (1) when a signed acknowledgment of the order is received by Buyer, or (2) when shipment according to schedule of all or any portion of the goods covered by this order shall be made, or (3) when Buyer gives Seller written approval of the price and delivery schedule of the goods as stated by Seller if Seller's written acknowledgment of this order contains either: (a) a different price or delivery schedule or a different type of item, or (b) no price or no delivery schedule for the item or items to which Buyer's approval applies. Except as provided in the preceding sentence, it is a condition of this order that any provisions printed or otherwise contained in any acknowledgment hereof, inconsistent with or in addition to the terms and conditions herein stated, and any alteration in this purchase order, shall have no force or effect, and that Seller by such acknowledgment thereby agrees that any such provisions therein or any such alterations in this order shall not constitute any part of this contract of purchase and sale. Except where this order is made pursuant to a competitive bid awarded under the County Purchasing Act, this contract contains the entire agreement of the parties, and failure of either party to enforce any of its rights hereunder shall not constitute a waiver of such rights or of any other rights hereunder; where this order is made pursuant to a competitive bid awarded under the County Purchasing Act, the specifications, bid, and this contract contain the entire agreement of the parties, and failure of either party to enforce any of its rights hereunder shall not constitute a waiver of such rights or of any other rights hereunder, and the specifications and bid are incorporated herein by reference to the same extent as if fully set forth herein.
2. *Inspection, warranty.* Goods delivered (whether paid for or not) are subject to inspection, testing, and approval by Buyer before acceptance. Seller expressly warrants that all articles, materials, and work will conform to the applicable drawings, specifications, samples, or other descriptions given in all respects, and that the goods delivered hereunder will be of good quality, material, and workmanship, merchantable and free from defects. This warranty shall survive any inspection, delivery, acceptance, or payment by Buyer of the goods or services.
3. *Nonconforming goods.* All goods not fully up to standard and not in compliance with the specifications hereof, or shipped contrary to instructions, or in excess of the quantities herein provided, or substituted for goods described, or not shipped in containers conforming to Buyer's specifications (or, in the absence of such specifications, in recognized standard containers), or allegedly violating any statute, ordinance, or administrative order, rule, or regulation, may be rejected by Buyer and returned or held at Seller's expense and risk. Buyer may charge to Seller all expense of inspecting, unpacking, examining, repacking, storing, and reshipping any goods rejected as aforesaid. The remedies hereinabove afforded to Buyer shall not be exclusive, but Buyer may hold Seller liable for any and all damages arising from any breach or default hereinabove set forth.
4. *Product warranty.* Seller shall not limit or exclude any implied or expressed warranties and any attempt to do so shall render this contract void ab initio at the option of the Buyer. Seller warrants that the goods furnished will conform to the specifications, drawings, and descriptions listed in the bid invitation, or request for quotes, and to the sample(s) furnished by Seller, if any. In the event of a conflict between the specifications, drawings, and descriptions, the specifications shall govern.
5. *Safety warranty.* Seller warrants that the product sold to Buyer shall conform to the standards promulgated by the U.S. Department of Labor under the Occupational Safety and Health Act of 1970 (OSHA). In the event the product does not conform to OSHA standards, Buyer may return the product for correction or replacement at the Seller's expense. In the event Seller fails to make the appropriate correction within a reasonable time, the correction made by Buyer will be at Seller's expense.
6. *Price warranty.* The price to be paid by Buyer shall be that contained in Seller's bid or quote, and is not subject to increase. No additional amounts shall be chargeable to Buyer because of taxes or excises in accordance with State law regarding sales taxes and excise taxes or any other tax, presently or hereafter levied on Seller. If Seller's quoted prices for the goods covered by this order are reduced (whether in the form of a price reduction, close-out, rebate, allowances, or additional discounts offered to anyone) at time of any shipment, Seller agrees that the price to Buyer for such goods will be reduced accordingly, and that Buyer will be billed at such reduced prices. If price includes taxes or excises, and if such taxes or excises or any part thereof are hereafter refunded to Seller, Seller shall immediately pay Buyer the amount of such refund. Seller warrants that the prices herein are not higher than prices being charged to other organizations and public entities purchasing identical goods in smaller quantities at this particular time and do not discriminate against purchaser. The Seller warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for commission, kickback, bribe, percentage, brokerage, or contingent fee excepting bona fide employees of bona fide established commercial or selling agencies maintained by the Seller for the purpose of securing business. For breach or violation of this warranty, the Buyer shall have the right in addition to any other right or rights to cancel this contract without liability and to deduct from the contract price, or otherwise recover the full amount of such commission, kickback, bribe, percentage, brokerage or contingent fee.
7. *Invoices and Payments.* A new Seller must provide a completed Bidder/Vendor Application and completed W-9 with initial invoice or delivery ticket. These forms are required by the Hidalgo County Auditor's Office to set up new vendors prior to the issuance of the initial purchase order.
 - a. *Invoicing:* Seller shall submit a separate invoice for each purchase order filled. Seller must indicate the purchase order, and the supply agreement number, if applicable. Invoices shall be itemized and transportation charge(s), if any, shall be listed separately on the invoice(s). No federal excise, state or city sales tax should be included. A copy of Hidalgo County's exemption certificate will be provided upon request; original invoice(s), delivery ticket(s), bill(s) of lading, freight bill(s), and other proof of delivery must be sent or provided to the user department(s) for verification and approval. Seller shall keep the Purchasing Department and the user department(s) informed of any changes in address(es) and business status.
 - b. *Payment:* Payment is contingent upon the statutory auditing and approval of invoices and claims by the Office of the County Auditor, and also approval by the Commissioners' Court at a regular scheduled public meeting. Seller must notify the County Auditor's Office of any changes in address(es) and business status.
8. *Gratuities:* The Buyer may, by written notice to Seller, cancel this contract without liability to Seller, if it is determined by Buyer that gratuities, kickbacks or bribes, in the form of entertainment, gifts, or otherwise, were offered or given by Seller, or any agent or representative of Seller, to any officer or employee of the County of Hidalgo with a view toward securing a contract or securing favorable treatment with respect to the awarding or amending, or the making of any determinations with respect to the performing of such a contract. In the event this contract is canceled by Buyer pursuant to this provision, Buyer shall be entitled, in addition to any other rights and remedies, to recover or withhold the amount of the cost incurred by Seller in providing such gratuities.
9. *Special tools and test equipment.* If the price stated on the face hereof includes the cost of any special tooling or special test equipment fabricated or required by Seller for the purpose of filling this order, such special tooling equipment and any process sheets related thereto shall become the property of Buyer and to the extent feasible shall be identified by Seller as such.
10. *Delivery time of essence.* Buyer's schedules are based upon the agreement that the goods will be delivered to Buyer by the dates specified on the face of the purchase order. Time is therefore of the essence and if goods are not delivered within the time specified hereon, Buyer may reject such goods and cancel order. The acceptance of later or defective deliveries shall not be deemed a waiver by Buyer of its right to cancel this order, or to refuse to accept further deliveries.
11. *Seller to package goods.* Seller will package goods in accordance with good commercial practice. Each shipping container shall be clearly and permanently marked as follows: (a) Seller's name and address; (b) consignee's name, address and purchase order or purchase release number and the supply agreement number, if applicable; (c) container number and total number of containers (e.g., box 1 of 4 boxes); and (d) the number of the container bearing the packing slip. Seller shall bear the cost of packaging unless otherwise provided. Goods shall be suitably packed to carriers and any applicable specifications. Buyer's count or weight shall be final and conclusive on shipments not accompanied by packing list.
12. *Shipment under reservation prohibited.* Seller is not authorized to ship the goods under reservation and no tender of a bill of lading will operate as a tender of goods.
13. *Title and risk of loss.* The title and risk of loss of the goods shall not pass to Buyer until Buyer actually receives and takes possession of the goods at the point or points of delivery.
14. *Delivery terms and transportation charges.* F.O.B. Destination Freight Prepaid unless delivery terms are specified otherwise in bid or quote. Buyer agrees to pay the actual costs, if the quoted delivery terms do not include transportation costs, provided Buyer shall have the right to designate what method of transportation shall be used to ship the goods.
15. *Place of delivery.* The place of delivery shall be that set forth in the block on the purchase order or purchase release entitled "Receiving Agency." Any change thereto shall be effected by modification as provided for in paragraph 22, "Modification", hereof. The terms of this agreement are "no arrival, no sale."
16. *Warranty against infringement.* Seller warrants that the sale or use of goods of Seller's design or Seller's patents covered by this order either alone, or in combination with other materials, will not infringe or contribute to the infringement of any patents or trademarks or copyrights either in the U.S.A. or foreign countries, and Seller shall defend every suit which shall be brought against Buyer or any party selling or using Buyer's products for any alleged infringements of any patents, trademarks or copyrights, by reason of the sale or use of said materials either alone, or in combination with other materials and to pay all expenses and fees of counsel which shall be incurred in and about defending every such suit and all costs, damages, and profits recoverable in every such suit.
17. *Compliance with law.* The performance of any work pursuant to this order is and shall be subject in all respects to and in compliance with all laws, rules, regulations, and ordinances, proclamations, demands, directives, executive orders, or other requirements of the municipal, state, and federal governments and all subdivisions thereof which now govern or may hereafter govern the manufacture, sale, or delivery of the parts, supplies, and goods, contemplated by this order, including, but not limited to the provisions of the Fair Labor Standards Act of 1938, the Walsh Healy Act, the Federal Food, Drug, and Cosmetics Act, and any other applicable laws.
18. *Indemnification by Seller.* Seller will indemnify, hold harmless, and defend Buyer from all liability for loss, damage, or injury to person or property in any manner arising out of or incident to the performance of the contract.
19. *Taxes.* Seller accepts liability for payment of all payroll and Social Security taxes and all other federal, state, or local taxes now or hereinafter imposed by any governmental authority.
20. *Conflicting terms.* If terms on this order do not appear on or agree with Seller's invoice as rendered, Seller agrees that Buyer may change invoice to conform to this order and make payment accordingly.
21. *Delegation, assignment.* Seller shall not delegate or assign any duties or claims under this order without Buyer's prior written consent. Any such delegation or assignment attempted without Buyer's previous written consent shall effect, at Buyer's option, a cancellation of all of Buyer's obligation hereunder. All claims for moneys due or to become due from Buyer shall be subject to deduction by Buyer, for any setoff or counterclaim arising out of this or any other of Buyer's orders with Seller, whether such setoff or counterclaim arose before or after any such assignment by Seller.
22. *Modification.* Buyer shall have the right to make, from time to time, and without notice to any sureties or assignees, changes as to packing, testing, destination, specifications, designs, and delivery schedule. Seller shall immediately notify Buyer of any increases or decreases in costs caused by such changes and an equitable adjustment of prices or other terms hereof shall be agreed upon in a written amendment to this order.
23. *Cancellation.* Buyer reserves the right at any time and from time to time without cause, to cancel all or any part of the undelivered portion of this order by notice to Seller. In the event of such cancellation, Buyer shall not be liable to Seller for loss of anticipatory profits. The provisions of this paragraph shall not limit or affect Buyer's right to terminate this purchase order for default of Seller.
24. *Waiver of liens.* Seller hereby waives and relinquishes all liens and claims statutory or otherwise which Seller now has or may hereafter have as a result of labor done and materials furnished by Seller or Buyer in performance of the within order.
25. *Default.* Upon the happening of any one or more of the following events, Buyer shall forthwith have the unrestricted right to cancel and terminate the within contract without cost or liability to the Buyer: (1) Seller's insolvency or inability to meet obligations as they become due; (2) filing of voluntary or involuntary petition of bankruptcy by or against Seller; (3) institution of legal proceedings against Seller by creditors or stockholders; (4) appointment of a receiver for Seller by any court of competent jurisdiction. The acceptance of goods or performance after the occurrence of any of the events above enumerated shall not affect the right of the Buyer to cancel its additional obligations.
26. *Interpretation - Parol Evidence.* This writing is intended by the parties as a final expression of their agreement and is intended also as a complete and exclusive statement of the terms of their agreement. No course of prior dealings between the parties and no usage of the trade shall be relevant to supplement or explain any term used in this agreement. Acceptance or acquiescence in a course of performance rendered under this agreement shall not be relevant to determine the meaning of this agreement even though the accepting or acquiescing party has knowledge of the performance and opportunity for objection. Whenever a term defined by the Uniform Commercial Code (UCC) is used in this agreement, the definition contained in the UCC is to control.
27. *Applicable law.* This order shall be governed by the Uniform Commercial Code. Whenever the term "Uniform Commercial Code" is used, it shall be construed as meaning the Uniform Commercial Code as adopted in the State of Texas as effective and in force on the date of this order.
28. *Advertising.* Seller shall not advertise or publish, without Buyer's prior consent, the fact that Buyer has entered into this order, except to the extent necessary to comply with proper requests for information from an authorized representative of the federal, state or local government.
29. *Right to assurance.* Whenever one party to this contract in good faith has reason to question the other party's intent to perform, it may demand that the other party give written assurance of his intent to perform. In the event that a demand is made and no assurance is given within five (5) days, the demanding party may treat this failure as an anticipatory repudiation of the contract.
30. *Venue.* Both parties agree that venue for any litigation arising from this contract shall lie in Hidalgo County, Texas.
31. *Prohibition against personal interest in contracts.* No elected official, officer or employee of the County of Hidalgo shall have a financial interest, direct or indirect, in any contract with the County, or shall be financially interested, directly or indirectly, in the sale to the County of any land, materials, supplies or services, except on behalf of the County as an officer or employee. Any willful violation of this paragraph shall constitute malfeasance in office, and any officer or employee guilty thereof shall be subject to removal from his office or position. Any violation of this paragraph, with the knowledge, express or implied, of the person or corporation contracting with the County shall render the contract voidable by the County Commissioners' Court. Any request for exceptions to this shall be accompanied by a letter from the District Attorney indicating that there will not be a violation of local, state and federal law.
32. *Miscellaneous.*
 - a. The seller shall cooperate with any internal audit or any independent audit and provide documentation and/or confirmation of any transaction between the County of Hidalgo and the Seller.
 - b. If components of a single unit are itemized, the invoice must include a statement sufficient to indicate that the components comprise a single unit.
 - c. If the Seller receives a request to describe items in an invoice which is inconsistent with the correct description, the Seller should request that a written request be made. It shall be the Seller's responsibility to notify the County Auditor of such requests and provide all related information.
 - d. The Seller shall not use the County's purchasing account to sell personal items to employees of the County. The Seller shall notify the County Auditor of such requests and provide all related information.
 - e. Invoices submitted to the County must indicate whether there are multiple pages and the pages must be numbered.