

# MODERN SYSTEM CONCEPTS, INC.

## ALARM MONITORING AGREEMENT

This agreement made this 28<sup>th</sup> day of April 2011 between MODERN SYSTEM CONCEPTS, INC. or its assigns, hereinafter called the "Company" and A.M.I. representing the Home Owners Association, hereinafter called the "Subscriber", for MONITORING SERVICES of the residential burglar alarm system of each resident, hereinafter called resident(s), in the Villa Master Assn subdivision located at Harris County Texas, subject to any and all of the conditions as set forth in this agreement.

Type of Service

Monthly Discounted Rate

Local telephone alarm transmitter (dialer)

(Standard monitoring) monthly bill \$9.00 per residence

1. Company, or its sub-contractors will be the exclusive provider of this service (in this subdivisions) to all of the residences and will monitor signals received from all of the occupied residences for a charge as stated above.
2. The Subscriber agrees to pay the Company, or its assigns for all invoices submitted to the Subscriber within 30 days of billing dates. If any such invoices are in dispute, the Company is to be notified within 10 days of the billing date. The billing cycle may be changed by written request of the subscriber. All charges are payable in advance.
3. The term of this contract is for 36 thirty six months from the date of this contract and shall be renewable for periods of one year until written cancellation of service is received, 30 days in advance of the expiration date of this agreement.
4. The Company or it assigns may cancel this agreement for nonpayment of any and all invoices submitted to the subscriber, at which time the balance of the term of the contract becomes due and payable after 30 days notice and right to cure. Subscriber may also cancel for default on the part of the Company, after 30 days notice and right to cure.
5. It is understood that the Company, its assigns or sub-contractors do not own any of the equipment at each residence and is not responsible for the repair of the equipment. In addition, the Company is not responsible for the operation or non-operation of that equipment. It is understood that testing of the equipment is the responsibility of the individual resident and that the resident, must notify the Company, in writing (or fax), of the improper operation of any of the systems.
6. **COMPANY'S LIABILITY-DISCLAIMER OF WARRANTIES:** The Company, its assigns, or sub-contractors do not warranty or represent that the alarm systems, or control systems can not or may not be compromised or circumvented or that the systems will in any or all cases prevent any loss by burglary, hold-up, fire, medical alert, or otherwise; or that the systems will in all cases provide the protection for which it was installed or intended. The Subscriber acknowledges that the Company is not an insurer; that each resident will assume all risk for loss or damage to the any of the premises or to the contents of such; that the Company has made no representations or warranties, expressed or implied except, as set forth herein; and Subscriber acknowledges that it has read and understands all of this agreement. The Subscriber agrees to have each resident execute a waiver of liability (see addendum "A") at time of closing.
7. **INDEMNIFICATION:** Subscriber agrees to and shall indemnify and save harmless the Company, its assigns, employees and agents, for and against all third party claims, lawsuits and losses alleged to be caused by the Company's performance or failure to perform its obligations under this agreement, unless it is found to be caused by Company's willful misconduct or negligence.
8. **INCREASE IN MONTHLY SERVICE RATES:** In accordance with the terms and conditions set forth herein, after the expiration of the initial term of this agreement, the Company may at its option, increase the monthly service charge after giving the Subscriber 60 days notice of its intent to do so. In the event the Subscriber shall be unwilling to pay said increased monthly charge, the Subscriber may terminate this agreement with forty five (45) days notice to the Company, provided that the Subscriber shall not be in default of any of the terms and conditions of this agreement.
9. **ATTORNEY and COLLECTION FEES:** In the event it shall become necessary for the Company to institute legal proceedings to collect the monthly charge, monitoring fees or any other charges made payable herein, then, and in such proceedings, the Subscriber shall pay to the Company, its assigns, or sub-contractors, reasonable collection and/or attorney's fees, where permitted by law.
10. **NULLIFICATION and INTERPRETATION:** A judicial determination nullifying any clause or condition herein shall not be deemed to nullify the balance of this agreement, which shall remain in full force and effect. The sections, bold lettering and other headings used herein are for convenience only and are not to affect the construction of, or to be taken into consideration in interpreting this agreement. Unless the context otherwise requires, words in the singular include the plural and words in the plural include the singular, and use of gender shall be applicable to all genders.
11. **CANCELLATION or DEFAULT:** The subscriber agrees that cancellation or default of this contract, by the subscriber, for reasons other than Company default, during the term of the contract, may only be accomplished by accelerated payment of the balance of the term of the contract.

M.S.C. INC. REPRESENTATIVE Mark D. Popland SIGNATURE

John E. Devereux 5/11/11

SUBSCRIBER

APPROVED Modern System Concepts, Inc.

PRINT JOHN E. DEVEREUX

COMPANY

## ALARM REPAIR AND SERVICE AGREEMENT

MODERN SYSTEM CONCEPTS, INC.

AGREEMENT made this 28<sup>th</sup> day of April, 2011 by and between: MODERN SYSTEM CONCEPTS, INC. hereinafter referred to as the Company and Association Management as the management company for The Villas Master Association, H.O.A. hereinafter referred to as the Subscriber, representing all of the monitored residents covered under the "Alarm Monitoring Agreement" in the following Subdivision The Villas Master Association, Inc. located in: City Pearland County Harris Zip 77581

(1) **ALARM REPAIR and SERVICE:** The company, its assigns or sub-contractors will repair and service all of the Subscriber (residents) owned ALARM equipment, that are monitored by MODERN at each of the resident addresses for a special discounted charge as stated below, subject to the terms and conditions of this agreement. All charges to each resident, is payable at the time service is rendered, unless previous arrangements have been made. Repairs to the equipment, is our only duty. We will warranty all repairs made for a period of 90 Days. Excluded from warranty are items damaged as a result of acts of God (such as lightning and flooding), man-made damage, power surges, misuse, fire, negligence, accident, and equipment not serviced, or programmed by this company. No other warranty expressed or implied is made as to the product or service.

(2) **ALARM REPAIR AND SERVICE FEES:** Repairs will be provided during normal business hours, Monday-Friday 8:00AM to 4:00PM. The company will endeavor to provide service outside normal business hours, although our prevailing discounted Premium Trip and Labor rate will be charged.

STANDARD: Trip charge \$65.00 which includes the trip and the first one half hour of the service.

STANDARD: Hourly rate will be at \$65.00 (per Hour) and clocked in fifteen-minute increments

PREMIUM: Trip charge \$95.00 which includes the trip and the first one half hour of the service

PREMIUM: Hourly rate will be at \$95.00 (per Hour) and clocked in fifteen-minute increments

(3) **DEVICES:** The Company agrees at the request of the Subscriber or each resident, to repair only ALARM devices and not additional ancillary equipment which might be added to the alarm, such as lighting controls, automation devices, computer equipment, I.P. phones etc... which are not subject to the terms and conditions (discounted rates) of this agreement. Company is not and will not accept responsibility for the repair of alarm communications methods such as telephone lines, radio back-up, cellular or other communications devices. Alarm devices and equipment used by company will be "off the shelf equipment" of similar quality. Equipment will be priced at a 20% discount from our published parts pricing.

(4) **TERM AND DEFAULT:** The term of this contract is for 3 year (s) from the date of this agreement and shall be renewable for periods of one year until written cancellation is received, 30 days in advance of the expiration date of this agreement. After the initial term of this agreement, at renewal, the Company may at its option, increase the FEES after giving Subscriber 30 days notice of its intent to do so.

(a) Should a resident not pay for services rendered, then the subscriber agrees to pay the company invoices submitted within 30 days of the billing dates. If any such invoices are in dispute, the Company is to be notified within 10 days of the billing date. The company or its assigns may cancel this agreement immediately for nonpayment of any and all invoices submitted to the subscriber, at which time any outstanding balance is immediately due and payable. It is expressly agreed that if this contract is placed in the hands of an attorney for collection or for any other legal action, the Subscriber agrees to pay the Company, in addition to all other sums, a reasonable amount as attorney's fees.

(5) **DELAYS IN REPAIRS:** It is expressly agreed that the Company shall bear no responsibility nor shall it be liable for any delays in scheduled repairs, the reasons for which are beyond the Company's control. Any errors of whatever nature in the repairs of the equipment shall be brought to the attention of the Company within five (5) days after completion. Failure to notify the Company in the time and manner specified shall constitute acceptance by the Subscriber of the repairs.

(6) **COMPANY'S LIABILITY-DISCLAIMER OF WARRANTIES:** The company, its assigns, or subcontractors do not warranty or represent that the alarm system(s), can not or may not be compromised or circumvented or that the system(s) will in any or all cases prevent loss by burglary, hold up, fire, medical alert, or otherwise; or that the system(s) will in all cases provide the detection for which it was installed or intended. The subscriber acknowledges that the Company is not an insurer; that the individual resident assumes all risk for loss or damage to the premises or to its contents; that the Company has made no representations or warranties, expressed or implied except, as set forth herein; and Subscriber acknowledges that he has read and understands all of this agreement.

(7) **APPROVAL BY OFFICER OF COMPANY:** This agreement is subject to approval by a Company officer and remains wholly un-executed until approved by an officer of the Company.

**(8) LIQUIDATED DAMAGES:** IT IS AGREED THAT THE COMPANY IS NOT AN INSURER. IT IS NOT THE INTENTION OF THE PARTIES THAT THE COMPANY ASSUME RESPONSIBILITY FOR ANY LOSS OCCASIONED BY MALFEASANCE OR MISFEASANCE IN THE PERFORMANCE OF THE SERVICES UNDER THIS CONTRACT OR FOR ANY LOSS OR DAMAGE SUSTAINED THROUGH BURGLARY, THEFT, ROBBERY, FIRE OR OTHER CAUSE OF ANY LIABILITY ON THE PART OF THE COMPANY BY VIRTUE OF THIS AGREEMENT OR BECAUSE OF THE RELATION HEREBY ESTABLISHED. IF THERE SHALL, NOTWITHSTANDING THE ABOVE PROVISIONS, AT ANY TIME BE OR ARISE ANY LIABILITY ON THE PART OF THE COMPANY BY VIRTUE OF THIS AGREEMENT OR BECAUSE OF THE RELATION HEREBY ESTABLISHED, WHETHER DUE TO THE NEGLIGENCE OF THE COMPANY OR OTHERWISE, SUCH LIABILITY IS AND SHALL BE LIMITED TO A SUM OF \$250.00 AS LIQUIDATED DAMAGES. SUCH LIABILITY AS HEREIN SET FORTH IS FIXED AS LIQUIDATED DAMAGES AND NOT AS A PENALTY AND THIS LIABILITY SHALL BE COMPLETE AND EXCLUSIVE. THE PROVISIONS OF THIS SECTION SHALL APPLY, IF LOSS OR DAMAGE, IRRESPECTIVE OF CAUSE OF ORIGIN, RESULTS DIRECTLY OR INDIRECTLY TO PERSONS OR PROPERTY FROM PERFORMANCE OR NON PERFORMANCE OF THE OBLIGATIONS IMPOSED BY THIS CONTRACT, OR FROM NEGLIGENCE OR OTHER TORT, ACTIVE OR OTHERWISE OF THE COMPANY ITS AGENTS, ASSIGNS, EMPLOYEES, OR SUB-CONTRACTORS.

**(9) SUBROGATION:** If the Subscriber desires the Company to assume greater liability or responsibility than that set forth herein to either the Subscriber or resident or their insurance carrier by way of subrogation, then a request in writing must be made to the Company. Upon Company review and approval an additional price will be quoted to assume the greater liability, this price must be paid in full and in advance. The Subscriber does hereby, for himself, his insurance carrier, and all parties claiming under him, release and discharge the Company, its assigns, or sub-contractors, from and against all hazards covered by the Subscriber or resident's insurance, it being expressly understood and agreed that no insurance company or insurer will have any right of subrogation against the Company. In the event any persons, or party to this agreement shall file any claim against the Company, its assigns, or sub-contractors, for any reason whatsoever, arising out of or related to the performance of this agreement, included but not limited to the installation, maintenance, operation or non-operation of the system(s), the Subscriber agrees to indemnify, defend and hold the Company, its assigns, or its sub-contractors harmless from any and all claims including, but not limited to, the payment of damages, expenses, costs and attorneys fees.

**(10) INDEMNIFICATION:** In the event any persons, not a party to this agreement, but related to this agreement, including the Subscriber or resident's insurance carrier, shall make any claim or file any law suit against the Company, its assigns, or its subcontractors for any reason whatsoever, including but not limited to the installation, maintenance, operation or non-operation or monitoring of the alarm system(s), Subscriber agrees to indemnify, defend and hold the Company, its assigns, or its sub-contractors, harmless from any and all claims and law suits, including the payment of all damages, expenses, costs, and attorney fees whether these claims be based on alleged intentional conduct, active or passive negligence, or strict product liability, on the part of the Company, its assigns, agents, servants, employees, or sub-contractors.

**(11) NULLIFICATION and INTERPRETATION:** A judicial determination nullifying any clause or condition herein shall not be deemed to nullify the balance of this agreement, which shall remain in full force and effect. The sections, bold lettering and other headings used herein are for convenience only and are not to affect the construction of, or to be taken into consideration in interpreting, this agreement. Unless the context otherwise requires, words in the singular include the plural and words in the plural include the singular, and use of any gender shall be applicable to all genders.

**(12) THE PARTIES ACKNOWLEDGE BY THEIR SIGNATURES THAT THIS AGREEMENT WAS COMPLETE AT THE TIME EXECUTED, THAT THIS CONTRACT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES RELATING TO A REPAIR SERVICE AGREEMENT, THAT NO OTHER AGREEMENT, WRITTEN OR ORAL, EXISTS BETWEEN THEM REGARDING REPAIRS, AND SUBSCRIBER ACKNOWLEDGES RECEIVING AN EXACT COPY OF THE ORIGINAL, OF THIS DOCUMENT.**

EXECUTED this 28<sup>th</sup> day of April, 2011 at Harris County, Texas.

APPROVED:  
MODERN SYSTEM CONCEPTS, INC.

mal d. P. [Signature]

John E Devereux  
SIGNATURE

JOHN E DEVEREUX PRESIDENT VM HOA  
PRINT NAME AND TITLE

Executed May 11, 2011