



## TERMS OF CONTRACT

Whereas, Megahertz Technology Inc., a Texas Corporation (MTI) is engaged in providing private mobile radio service as authorized by the Federal Communications Commission and, as such, shall own, operate and maintain the Trunking system at the location given on the reverse side hereof and is willing to contract for the provision of said service, and

Whereas Client identified on the reverse side wishes to obtain the service provided by MTI and acknowledges that MTI has no legal obligation to provide such service except as provided by this Contract,

Now therefore, MTI and Client agree as follows:

1. **Payment, Term and Renewal.** During the initial term and each successive term of this Contract, Client agrees to pay for the Service (in advance) by making timely payment of each monthly installment of the User Charge provided for on the front side hereof. The payment date for payments to be made shall be made on or before the date on which the initial term or any successive term commences hereunder ("commencement date"). Client understands that, subject to prior termination hereunder, the commencement of each term or successive term obligates Client to make all payments due hereunder during the remaining term. The initial term of this Contract is the period of months as specified on the first page of this contract following the commencement date.
  2. **Change of User Charge/Prior Termination.** MTI may increase, prospectively, the user charge payable hereunder for the Service, at any time and from time to time, provided MTI gives Client at least sixty (60) days' notice ("change notice") stating the new user charge and the date upon which it will become effective ("change date"). If Client receives a change notice hereunder, Client may thereafter terminate this Contract as of the date immediately prior to the change date, provided Client gives MTI notice, at least thirty (30) days prior to the change date, of Client's intent to terminate this Contract by reason of the change notice. MTI may, at any time and from time to time, either terminate this Contract or temporarily discontinue the Service, without incurring liability or obligation to Client, provided MTI gives Client notice ("termination notice") of its intent to take such action and of the date ("termination date") on which the action will take effect. If MTI terminates this Contract for a breach of this Contract and MTI ("for cause"), such termination shall terminate and relieve MTI of its obligation to provide the Service after the termination date, but shall neither terminate nor relieve Client of its obligation to make payments thereafter due hereunder through the end of the term in effect on the termination date. In the event of a prior termination of this Contract by MTI (other than for cause) or by Client, MTI shall refund to Client any user charges prepaid by Client for and attributable to the time period after the change date or the termination date, as applicable. In the event of a prior termination of this Contract by MTI for cause, MTI shall have no obligation to refund to Client any user charges prepaid by Client for and attributable to the time period after the termination and may enforce any and all other remedies against Client as are available under this Contract or otherwise.
  3. **Modifications.** Client must notify MTI of any additional units and an add-on contract will be executed.
  4. **Assign; Subcontract.** This Contract is a privilege for the personal benefit of Client and may not be assigned in whole or in part by Client to any other person. MTI reserves the right to subcontract any of its obligations hereunder.
  5. **System Access Codes/Unauthorized Use.** MTI owns and shall retain the exclusive right to issue, modify, withdraw or remove, with or without cause, all or any of the codes used to gain access to the Service ("System Access Codes"). Client shall not have (and expressly disclaims) any present or future right or claim of right with respect to System Access Codes, and no such right or claim of right shall be implied or otherwise arise as a result of this Contract. Client agrees to make all units available for modification, change, withdrawal or removal of System Access Codes at any time requested (verbally or in writing), and immediately after being requested, by MTI.
  6. **Client Covenants.** Client agrees (a) to observe and abide by all applicable statutes, laws, ordinances, rules and regulations, including those imposed by the Federal Communications Commission; (b) to operate its equipment so as not to cause undue interference with any other Clients using the Trunking system (the "system") identified on the reverse side; (c) not to use more units on the system than the number of units (the "authorized units") specifically authorized on the reverse side, or make any other use of the system not specifically authorized by MTI hereunder ("unauthorized use"); (d) to not permit any person or entity under its control, employ, or with whom it is in a contractual or other relationship, to use more than the authorized units on, or to engage in any unauthorized use of, the system; (e) to abide by all instructions, rules, policies, and restrictions set forth by MTI from time to time regarding the usage of the system; (f) if Client learns of any such over-usage or other form of unauthorized use of the system by any person or entity, to notify MTI immediately of the circumstances thereof; and (g) Client is responsible for the proper operation of its radio equipment on the system. Any repair or service work MTI may perform on client's radio equipment from time to time shall be at Client's sole expense and shall be invoiced to client at MTI's then current repair or service rates.
  7. **Coverage.** Client acknowledges 100 percent coverage of any area at all times is improbable. Experience with actual field conditions and from tests made indicate adverse propagation conditions, such as short term unpredictable meteorological effects and sky wave interference from distant stations, can interrupt service at times. Other causes beyond reasonable control of MTI are motor ignition, and other electrical noise that could be minimized by corrective devices at Client's expense. Satisfactory communication performance is generally viewed as intelligible reception over rolling terrain approximately 90 percent of the time. Any surveys, if provided, are to indicate general parameters of expected coverage, subject to previous mentioned conditions, and are not binding as an exact representation of coverage.
  8. **Disputes.** If Client disputes any service charges, Client must pay the entire amount set forth on the invoice and submit a written explanation of Client's dispute within forty-five (45) days from the date of the invoice. If Company determines that an error was made, Company shall credit the Client's account in the amount of the error.
  9. **Liability; Indemnification; Interruption of Service; Force Majeure.** Except for its own acts of gross negligence or willful misconduct, MTI shall not be liable to Client or any other person for any loss or damage, regardless of cause or negligence on MTI's part. MTI does not assume and shall have no liability under this Contract for failure to provide, or delay in providing, service due directly or indirectly to causes beyond the control and without the fault or negligence of MTI or its subcontractors, including, but not restricted to, acts of God, of governmental entities, or of the public enemy, strikes, or unusually severe weather conditions. CLIENT'S SOLE REMEDY FOR ANY SUCH FAILURE OR DELAY SHALL BE LIMITED TO A PRO RATA ALLOWANCE BASED ON THE USER CHARGE FOR THE TIME SUCH FAILURE OR DELAY IS ATTRIBUTABLE TO THE FAULT OF MTI OR ITS SUBCONTRACTORS. CLIENT AGREES, HOWEVER, THAT NO ALLOWANCE WILL BE GIVEN IF SUCH SINGLE FAILURE OR DELAY DOES NOT EXCEED 72 HOURS. Client will indemnify and hold MTI harmless from any loss, damage or liability, consequential or otherwise, occasioned by, growing out of or arising from any act or failure to act by Client, its agents or employees.
- IN NO EVENT SHALL MTI BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES. CLIENT AGREES THAT ANY LIABILITY OF MTI UNDER ANY CIRCUMSTANCES SHALL BE LIMITED TO THE AMOUNT OF THE FEES CLIENT HAS ACTUALLY PAID TO MTI.***
10. **Amendment.** No revision of this Contract shall be valid unless made in writing and signed by an officer of MTI and an authorized agent of Client.
  11. **Entire Contract.** This Contract constitutes the entire contract of the parties and shall supersede all prior offers, negotiations and contracts.
  12. **No Waiver.** Failure or delay on the part of MTI to exercise any right, remedy, power or privilege (collectively, "remedy") shall not operate as a waiver thereof or of any other remedy, not shall any exercise or failure or delay in exercising any such remedy by MTI with respect to a default hereunder be deemed or construed as a waiver of future defaults of the same or similar nature.
  13. **Severability.** If any provision of this Contract or the application thereof to any person or circumstance shall, at any time or to any extent, be invalid or unenforceable, the remainder of this Contract shall not be affected thereby.
  14. **Governing Law.** The laws of the state of Texas shall govern the validity, interpretation and performance of this contract and any claim or cause of action arising therefrom or related thereto, save and except any such law of the state of Texas that would apply the laws of any other state or jurisdiction.
  15. **Expenses of Enforcement.** If Client is in default, Client shall pay to MTI all costs and expenses, including court costs and reasonable attorneys' fees, incurred by MTI in exercising any of its rights or remedies hereunder or enforcing any of the provisions hereof.
  16. **Headings.** The headings used herein are solely for the purposes of reference.
  17. **Notice.** Any notice or demand required or permitted to be given or made hereunder shall be given or made by certified or registered mail or overnight mail to the addresses given on the reverse side. MTI or Client may from time to time designate any other address for this purpose by written notice to the other party.

CLIENT INITIALS \_\_\_\_\_