

Santa Monica Systems, Inc.
1514 17th Street
Suite 103
Santa Monica, CA 90404
(310) 395-5135

MAINTENANCE AGREEMENT

Santa Monica Systems, Inc., a California Corporation (hereinafter referred to as "SMS"), with offices located at 1514 17th Street, Suite 103, Santa Monica, California 90404 and _____, (hereinafter referred to as "Customer"), with offices located at _____, in consideration of the mutual covenants, agreements and undertakings set forth below, hereby agree as follows:

SMS hereby agrees to provide to Customer, and Customer hereby agrees to purchase from SMS, maintenance service for Units of Hardware listed on the attached Exhibit A upon the terms and conditions set below. Such Units of Hardware listed on any attached Exhibit shall be individually referred to as a Unit of Hardware, and all Units of Hardware collectively referred to as the Hardware.

1. EFFECTIVE DATE AND TERM

(a) This Maintenance Agreement shall become effective on the date it is accepted and executed by SMS and shall terminate on the date upon which the terms of maintenance service of all units of hardware have expired.

(b) The term of maintenance service for each Unit of Hardware shall commence on the day after the date on which that Unit of Hardware is installed in the designated premises of Customer (or if previously installed, upon the effective date of this Agreement), and shall continue for a period of twelve months from the date of commencement, and continue thereafter until terminated by either party upon thirty (30) days prior written notice to the other.

2. SCOPE OF MAINTENANCE SERVICE

(a) Maintenance service shall consist of all software installations, upgrades, hardware adjustments, repairs, and parts replacements necessary to keep the Hardware in or restore it to good working order, subject to the limitations, terms and conditions specified in this Maintenance Agreement. Service coverage is further expanded to include normal and routine lan maintenance, cell (smart) phone configuration.

(b) On-Site maintenance service shall be furnished between the hours of 9:00 a.m. and 6:00 p.m., Monday through Friday, excluding local holidays (which time is referred to as the "Principal Period of Maintenance").

(c) SMS shall make a good faith effort to respond to all requests for service on the same day requested, with the exception that service requested within two (2) hours of the end of the Principal Period of Maintenance will normally be performed the following business day. Service performed at the request of Customer at times outside of the Principal Period of Maintenance shall be billed at and paid by Customer at SMS's then current charges for such service. .

3. LOCATION

Maintenance services will be furnished to Customer only at the site location specified for each Unit of Hardware on the appropriate Exhibit. Customer shall grant SMS full and free access to the Hardware at all reasonable times. It shall be Customer's responsibility to furnish adequate space suitable for the Hardware and to provide and maintain the site(s). All SMS items stored at the Customer's site for the support of installed Hardware, including without limitation spare parts, reference media, test equipment documentation or tools shall remain the exclusive property of SMS and may be removed by SMS at any time, and at no cost to SMS.

4. NOTIFICATION

(a) Service Call Request Method: Customer can institute a service call by calling SMS's office. After normal business hours, SMS's answering service will notify the appropriate service personnel. In addition, Customer may send electronic mail to the appropriate address "technical.support@smsystems.com".

(b) Emergencies: Emergency calls should be reported using the same method as Service Calls except that the Customer should report that it is an emergency. SMS's answering service will then attempt to reach certain key personnel, if they cannot, for whatever reason, reach the field service personnel.

5. LIMITATIONS

(a) Services provided under this Maintenance Agreement are limited to those services required to maintain the Unit of Hardware described in each executed Exhibit in normal use for the purposes for which they were intended by the manufacturer, and expressly

exclude: (1) electrical work external to Hardware; (2) the providing of supplies, accessories, attachments or other devices; (3) replacement of parts or repair of damages resulting from cases other than ordinary use by the Customer such as, but not limited to, Customer negligence or misuse, fire, accident, failure of electrical power, or failure of air conditioning or humidity control; (4) service or repairs required to restore the Hardware to good working order as a result of maintenance, repairs or modifications having been performed by persons other than SMS representatives; (5) service or repairs required to restore the Hardware to good working order where the original manufacturers' warranty is still in effect; (6) where the reported problem is caused by equipment or software not supplied or installed by SMS; (7) programming support; and (8) any other service not required to keep the Hardware in good working order for normal uses.

(b) The performance by SMS of any of the specifically excluded services enumerated in Section 5 (a), above, upon Customer's request, shall be at the sole discretion of SMS, and the Customer agrees to pay for such services at SMS's applicable labor and material rates then in effect. The performance of such service shall be governed by the terms and conditions of this Maintenance Agreement.

6. CHARGES

(a) Customer agrees to pay the Monthly Maintenance Charge for each Unit of Hardware, as specified in the appropriate Exhibit. Charges continue during the term of this maintenance agreement.

(b) At any time after the last day of the term of maintenance service for the first Unit of Hardware to go on service, SMS may, upon thirty (30) days prior written notice to Customer, increase the Monthly Maintenance Charges for the Hardware, and for any add-on, upgrade or replacement equipment ordered or installed on or with the Hardware, provided that such new Monthly Maintenance Charges shall not exceed the then current list charges of SMS for comparable maintenance service. In the event of such an increase, Customer may elect, by written notice to SMS, within thirty (30) days of the date of such notice of increase, to terminate the maintenance of the Equipment, on the effective date of such increases.

(c) The attached Units of Hardware exhibit shall provide the basis for the Service Agreement charges with the following caveats: (1) Units of Hardware, whose existence is known at time of signing, and which have been expressly excluded from Exhibit, shall be excluded from coverage herein throughout the term of this Agreement; (2) Units of Hardware which are purchased by Customer after signing of this Agreement shall be included in coverage at the current monthly Unit of Hardware maintenance charge, through the remainder of this Agreement; (3) The monthly charge for Maintenance Plan, based on a monthly billable rate and due upon acceptance of this agreement, is working.

7. INVOICES

(a) Monthly maintenance charges will be invoiced monthly in advance, with a two month initial charge due and payable on the acceptance of this agreement by SMS.

8. WARRANTY EXCLUSION

SMS MAKES NO WARRANTY OF ANY KIND, WRITTEN OR ORAL, STATUTORY, EXPRESS OR IMPLIED, WITH RESPECT TO ANY PARTS PROVIDED IN CONNECTION WITH THIS AGREEMENT INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OR MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ALL PARTS BEING PROVIDED "AS IS".

9. FORCE MAJEURE

SMS shall not be responsible for delays or failures in performance resulting from acts beyond the control of SMS which may not be overcome by due diligence. Such acts shall include, but not be limited to, acts of Nature, strikes, labor disturbances, lockout, materials shortage, riots, acts of war, governmental regulations imposed after the fact, fire, earthquakes and other natural disasters. The obligations of SMS, so far as affected by such occurrence, shall be suspended during the continuance of any inability so caused and such inability shall not be a breach of this Agreement.

10. DEFAULT

(a) Any of the following will constitute an act of default hereunder: (1) The failure to pay, when due and payable, any charge, cost or other payment provided for in this agreement; (2) the failure of either party to perform any other term, condition or covenant of this Agreement and such failure has not been corrected within thirty (30) days of the date of written notice of such non-performance given to it by the other party; or (3) should Customer be or become insolvent, or a party of any bankrupt or receivership proceeding or any similar action affecting the financial condition or property of Customer and such proceeding has not been dissolved within thirty (30) days, or make a general assignment for the benefit of creditors, or cease doing business in the normal course.

(b) In the event an act of Default shall occur, the party not in default shall have the right to and may elect any or all of the following remedies which shall be cumulative and not exclusive: (1) Declare this Agreement to be immediate terminated; (2) declare, at its option, all charges incurred but unpaid to be immediate due and payable; and (3) pursue each and every other remedy available at law and equity.

11. LIMITATION OF LIABILITY

IN NO EVENT WILL SMS BE LIABLE FOR ANY DAMAGES CAUSED BY THE CUSTOMER'S FAILURE TO PERFORM THE CUSTOMER'S RESPONSIBILITIES, OR FOR ANY FINANCIAL LOSS, PROFITS OR OTHER INDIRECT, SPECIAL OR

CONSEQUENTIAL DAMAGES, EVEN IF SMS HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, OR FOR ANY CLAIM LOST AGAINST THE CUSTOMER BY ANY OTHER PARTY.

12. ALTERATIONS AND ATTACHMENTS

Notwithstanding anything contained elsewhere herein, if Customer shall make any physical alterations or add attachments to the Hardware or any Unit of Hardware, or cause or permit such alterations and attachments to be made other than by SMS, and SMS shall in its discretion determine that such alteration or attachment will interfere with the normal maintenance or satisfactory operation of the Unit of Hardware or render its obligation to maintain the Unit of Hardware or the Hardware more difficult, SMS shall have the right upon written notice to Customer to terminate its obligation to maintain such Unit of Hardware and all other Units of Hardware affected thereby without penalty.

13. ASSIGNMENTS

Neither party may assign its rights or obligations under this Agreement without the prior written consent of the other, except that SMS may appoint an authorized service agency to perform some or all of the service specified in this Agreement, provided that SMS shall remain responsible for that agent's performance.

14. GENERAL

(a) THIS AGREEMENT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES WITH RESPECT TO THE SUBJECT MATTER AND SHALL SUPERSEDE ANY AND ALL PREVIOUS REPRESENTATIONS, PROPOSALS, AGREEMENTS, NEGOTIATIONS, STATEMENTS OR UNDERSTANDINGS, WHETHER ORAL OR WRITTEN.

(b) Customer acknowledges that the use of the Hardware will be under Customer's exclusive management and control and the Customer shall be responsible for assuring its proper use.

(c) No provision of this Agreement shall be deemed waived, amended or modified by either party unless such waiver, amendment or modification is in writing and signed by the party against whom it is sought to enforce the waiver, amendment or modification.

(d) The waiver of one default under this Agreement by either party shall not constitute a waiver of subsequent defaults.

(e) This Agreement shall be governed by the laws of the State of California

(f) Should either party hereto bring a suit or other action to enforce the terms of this agreement, the party prevailing shall be entitled to reasonable attorney's fees.

(g) This Agreement shall inure to the benefit of and be binding upon the respective successors and assigns, if any, of the parties.

(h) No action, regardless of form, arising out of the transactions under this Agreement may be brought by either party more than two years after the cause of action has accrued.

(i) By execution hereof, the signer hereby certifies that he or she has read this Agreement and that he or she is duly authorized to execute same on behalf of Customer.

(j) In the event that any of the terms of this Agreement be or become or is declared to be invalid or void by any court or tribunal of competent jurisdiction, such term or terms shall be null and void and shall be deemed deleted from this Agreement, and all remaining terms of the Agreement shall remain in full force and effect.

(k) Unless changed by written notice, all notices required to be given to SMS shall be mailed to SMS's address shown on the first page of this Agreement, and all notices required to be given to Customer shall be mailed to the address of Customer shown on the first page of this Agreement.

THE CUSTOMER ACKNOWLEDGES THAT IT HAS READ THIS AGREEMENT, UNDERSTANDS IT AND AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS.

Accepted by: _____

CUSTOMER NAME (Type or Print)

Authorized signature

Date

Title

Accepted by:
SMS

Name (Type or Print)

Authorized signature

Date

Title



Service Agreement

(REVISED FINAL)

Exhibit A

10/01/2012

It is understood at the time of agreement, that the SA will include (X) servers,
and (X) permanent users (computer/workstation/laptops). Temporary use

computers are covered at no additional cost.

It is further understood that the units of hardware will adjust periodically as employees' needs change, and that the SA will not change in its monthly rate unless there is a material change in either server or employee count.

Material change for servers is deemed to be above 1 additional.

Increments above will be charged at an additional monthly rate of 250.00

Material change for employees is deemed to be above 10%.

Increments above, deemed to be a permanent change, will be charged at an additional monthly rate of 100.00

Service Location: