

SECURITY SYSTEM AND SERVICES AGREEMENT



Alarm Company ("Alarm Co"):
Alarm Detection Systems, Inc.
1111 Church Road · Aurora, IL 60505-1905
630.844.6300 · IL License #27-000143

Subscriber ("Sub"):

Alarm Co agrees to furnish Sub with installation as described and services as checked, and provide any other Alarm Co services upon request at established rates. Radio transmitting equipment, CPU chip, software, data, passcode to the software and the transmitting and receiving equipment necessary for monitoring service remains the property of Alarm Co. Title and ownership of all other equipment, wiring and apparatus shall remain with Alarm Co, or transfer to Sub upon full payment of the purchase price.

MONITOR: BURGLAR ALARM FIRE ALARM HOLDUP OTHER _____

AT CENTRAL MONITORING STATION ("CS") ALARM CO UL/FM CS OTHER CS _____

SIGNALING FROM SUB TO CS IS: DIGITAL INTERNET RADIO CELLULAR OTHER _____

OPENING/CLOSING CONTROL OF SYSTEM OPENING/CLOSING, LOG ONLY SUB ACCESS TO ACTIVITY REPORTS

PARTS AND LABOR REPAIR SERVICE: BURGLAR FIRE CCTV CARD ACCESS OTHER _____

BILLABLE T & M REPAIR SERVICE ON REQUEST: BURGLAR FIRE CCTV CARD ACCESS OTHER _____

FIRE TESTING: MO. QTRLY SEMI-ANNUAL ANNUAL RUNNER SERVICE INSTALL ONLY

Sub shall pay Alarm Co the sum of (\$ _____) Dollars, of which 1/2 is to be paid upon signing of this Agreement or when billed to Sub shortly thereafter, and the unpaid amount is to be paid upon substantial completion of installation, and shall pay, in addition, for ongoing services the sum of (\$ _____) Dollars per month, payable quarterly in advance. A late payment charge of 1 1/2% per month may be added to all amounts that remain unpaid for more than thirty (30) days, which is an Annual Percentage Rate of 19.56%. Monthly charges may be prorated to coincide with standard periods.

System Description

ADDITIONAL TERMS AND CONDITIONS ON FOLLOWING PAGES

ADDITIONAL TERMS AND CONDITIONS

1. Alarm Co assumes no liability for interruption of service or installation due to labor disputes, floods, riots, fires, interruptions in communication services, acts of God, or any causes beyond the control of Alarm Co, and Alarm Co is not required to supply service to Sub while such interruptions exist. Sub has the affirmative duty to inform Alarm Co, prior to beginning of installation, of every location at the premises where Alarm Co should not (because of concealed obstructions or hazards such as pipes, wires, or asbestos) enter or drill holes. Unless so notified, Alarm Co will determine where to drill holes and place equipment. Alarm Co will take reasonable precautions to avoid concealed obstructions, but has no means of determining with certainty if they exist. If asbestos or other health hazardous material is encountered during installation, Alarm Co will cease work until Sub has, at Sub's sole expense, obtained clearance from a licensed asbestos removal or hazardous material contractor that continuation of work will not pose danger to personnel. Costs incurred to repair pipes, wire, or other obstructions, and any resulting damaged walls, ceilings, floors or furnishings shall be Sub's sole expense and responsibility. In no case shall Alarm Co be liable for discovery or exposure of hidden asbestos or other hazardous material.
2. Sub will provide access to premises to Alarm Co for installation of System or service. Sub understands Alarm Co may use subcontractors to provide installation, repair, monitoring and other services and agrees that installation of System does not create a fixture to Sub's premises. In the event Sub is not the owner of premises, Sub warrants that they have obtained the written consent of owner for the installation and removal of System. Alarm Co will have the right to install transmitting and receiving equipment in the telephone or mechanical equipment room and on the roof or top of Sub's buildings or structures. Sub agrees to furnish necessary continuous 110 volt non-switched dedicated electrical circuits and outlets at Sub's expense for Alarm Co equipment. Sub will provide adequate lighting for any CCTV system and otherwise provide the proper environment for the System per manufacturer specifications or as Alarm Co may reasonably request. Sub also agrees to allow surface wiring as needed and understands that any requirement for (A) plenum wire, (B) conduit, (C) a non-standard business hour schedule, (D) union workers, or (E) prevailing wage rates will be at an additional charge unless specified in Agreement.
3. Alarm Co agrees, in accordance with repair services chosen by Sub as checked or as provided, to repair System during the term of Agreement. Alarm Co shall make any necessary repairs as soon after receipt of notice from Sub as is reasonably practical. Sub agrees that while Alarm Co's duty to service System is subject to the availability of the original part or equipment from original manufacturer, Alarm Co may elect to use new or refurbished substitute components or replacement parts of similar operational intent. Required Service: Police agencies require repair of Systems which cause false dispatches. When Alarm Co takes over rendering services to Sub in whole or in part at the request of Sub, or as a result of the acquisition of Sub from another alarm company, Alarm Co shall have no duty to test signaling unless Alarm Co reprograms or installs new monitoring equipment. Alarm Co will then test one signal of each type to be monitored (e.g., burglar, hold up, fire alarm, fire trouble, fire supervisory). Unless specifically requested to do so in writing by Sub, Sub has no expectation and Alarm Co has no duty to (A) perform a partial or complete System test during any service visit, whether to reprogram control, repair a defect or at any other time, or (B) re-engineer System or verify its compliance to current code even when System of Sub, through the passing of time, changes in the code or otherwise, is not code compliant. Sub also acknowledges that defects or deficiencies noted on Alarm Co service or test reports not covered by Alarm Co repair service agreement will not be repaired unless specifically requested to do so by Sub in writing. Sub agrees that all changes to System necessitated by a change in telephone service, including dialing pattern or area code changes, and all repair services to System caused by remodeling, code requirements, corrosive atmosphere, improper use of System, misuse, abuse, vandalism, lightning or any other act of God are billable even when Sub has a repair service agreement in force.
4. Sub understands that the System and transmitting equipment are not infallible and may fail to generate the intended signals and, irrespective of the communications equipment or service used, the communication of data from the System may be interrupted, cut off, circumvented or otherwise compromised. During an outage, signals will not be received by the CS nor will CS have any reliable notification that such outage exists. Internet, cellular or radio service used as a primary or secondary communications path are all subject to transmission interruptions. Cellular or radio signaling may be interrupted by atmospheric conditions or jamming and Internet service may be adversely affected by line cut, internet traffic, computer maintenance or other conditions beyond the control of Alarm Co which may prevent or delay alarm signal transmission to CS. Sub further understands that all communication services are probabilistic by their nature, and acknowledges that multiple types of communications equipment and redundant services are available at additional cost to increase system reliability and the likelihood of signals being successfully communicated to CS. It is Sub's sole responsibility to (A) routinely test and confirm that the Sub's communications equipment and services used to transmit data to CS remain functional with System, especially when there are any changes to such communications equipment or services; (B) immediately after the installation of DSL, Voice over Internet (VOIP) or other broadband service, test the System's signal transmission with CS because such change may prevent the System from sending alarm signals to CS, and (C) test the System, including testing any motion detectors, any other electronic equipment, the communications equipment and service periodically, at least monthly, and Sub shall immediately report to Alarm Co any problem with System. When standard telephone service is used for signaling to CS and the System is activated, Sub may be unable to use their telephone to make other calls (such as calls to the 911 emergency operators) during the transmission of alarm data and therefore Sub may wish to have System connected to a second telephone line.
5. Sub acknowledges and agrees that both Sub and Alarm Co are required to comply with all laws, rules and regulations regarding monitoring and alarm response enacted or adopted by the AHJ. The CS may modify or discontinue any particular response service due to governmental or insurance requirements by giving Sub notice. If alarm signal is transmitted to an Other CS, policies and procedures are determined by that entity. Upon receipt of an alarm signal at Alarm Co CS from Sub's premises, CS will first make calls to Sub or its representatives to attempt to verify whether or not an emergency condition exists. If CS believes that an emergency condition may exist, CS will then make a reasonable effort to notify police, sheriff, fire department or other authority having jurisdiction (AHJ). CS shall make a reasonable effort to notify Sub or its designated representative by telephone or other means unless runner service or private runner is provided or CS has been instructed to do otherwise by Sub. Should Sub's representative fail to respond within thirty (30) minutes to an alarm with an outside ringer which is causing a disturbance, or an alarm which is constantly transmitting signals to the CS, Sub authorizes Alarm Co to use its discretion to gain entry to building with whatever method is required, including forcible entry, and remedy malfunction on behalf of Sub. Furthermore, Sub agrees to pay Alarm Co for such service at then current rates for such call. If AHJ has a physical on-site verification requirement, upon receipt of alarm signal, CS will not notify the AHJ and shall only attempt to notify Sub's designated representative or, if subscribed to by Sub, a private responder in accordance with written instructions from Sub. If private responder notifies CS that an emergency condition has been observed, CS will then notify the AHJ.

6. If runner service is provided, CS will dispatch Alarm Co runner responder or runner subcontractor to the Sub premises when available. Runner will meet and provide access to the Sub premises for the owner's representative or responding police or fire authorities if Alarm Co has keys for the premises. Runner is not providing an armed or unarmed guard or policing function and has no duty to attempt to apprehend unauthorized people.

7. Sub hereby agrees that Alarm Co shall have the right to modify the charges at any time or times beginning six (6) months after the date of this Agreement by giving Sub written notice a minimum of sixty (60) days in advance of the effective date of such change. If Sub is unwilling to pay such increase and notifies Alarm Co in writing by certified mail, return receipt requested at least thirty (30) days prior to the effective date of such increase, Alarm Co shall be permitted, at its sole option, upon written notice to Sub, to terminate this Agreement as if the term had expired or, in the alternative, to continue the prior rate and allow this Agreement to remain in full force and effect without further notice. Failure to notify Alarm Co in writing at least thirty (30) days prior to the effective date of increase will constitute Sub's consent to the increase, and all other terms and conditions of this Agreement shall remain in full force and effect.

8. Sub authorizes Alarm Co to investigate its credit, employment, income history and references. Upon Sub's failure to pay any sums due Alarm Co under this Agreement, or upon termination of service by Sub or Alarm Co, Alarm Co may terminate its obligations under this Agreement and remove any Alarm Co owned radio equipment, wiring and apparatus from Sub's premises or alternately abandon all or any portion of the System. If Sub does not permit Alarm Co to recover all Alarm Co owned radio, equipment, wire and apparatus, monthly charges will be continued solely as a rental fee for such equipment (with no other services to be provided by Alarm Co) until Alarm Co is allowed to recover its equipment. Alarm Co will have no obligation to repair or redecorate any portion of Sub's premises due to the removal of Alarm Co's System. At such time, all charges incurred under the terms of this Agreement, up to cancellation date, shall immediately become due and payable. In addition, the parties agree that it would be very difficult, if not impossible, to ascertain actual damages for any breach of Agreement by Sub, and the parties agree that Sub shall immediately pay to Alarm Co, upon any breach, or upon premature cancellation of service by Sub, as and for liquidated damages, the sum of seventy-five percent (75%) of any charges remaining to be paid under the terms and life of this Agreement. The parties further agree that Sub shall pay all court costs, collection fees and reasonable attorney's fees of thirty-three and one-third percent (33 1/3%) of all monies remaining to be paid under this Agreement, if Alarm Co places this Agreement in the hands of an attorney for collection.

9. If Alarm Co incurs any new or increased charges for use of telephone or other communication lines or services, or if any new or increased taxes or license fees shall be incurred by Alarm Co which increase Alarm Co's cost of performing this Agreement, the proportional share of such costs shall be payable by Sub in increased monthly charges. Sub gives Alarm Co its consent to order an access connection on Sub's line from a telephone or cable company to provide monitoring service. Sub agrees to pay any false alarm fines or assessments, permits, taxes, fees or other charges relating to the installation or services provided under this Agreement charged by any governmental body.

10. Sub shall not permit any person or persons to attach any device, contrivance or apparatus to the lines, wires or equipment of Alarm Co System, or to alter, remove or tamper with any software, data, access codes or System equipment, except the authorized agents of Alarm Co, without the written permission of Alarm Co. Sub warrants and represents that Sub is not under any enforceable agreement with any other party for any service, repair, monitoring or other work that Alarm Co is providing under this Agreement.

11. LIMITATION OF LIABILITY It is understood and agreed: That Alarm Co and its directors, officers, shareholders, agents, assigns, employees, or independent contractors providing portions of the installation or services for Sub (including, but not limited to, signal carriers, telephone companies, municipal agencies, monitoring providers), all hereinafter referred to as "Others," are not an insurer; that insurance covering all loss, damage, and expense arising out of or from, in connection with, related to, as a consequence of or resulting from this Agreement, shall be obtained and continuously maintained by Sub; that payments provided for herein are based solely on the value of System and services as set forth herein and are unrelated to the value of Sub's property or property of others located on Sub's premises; that Alarm Co and Others make no guarantee, representation or warranty, including any implied warranty of merchantability or fitness that System or services supplied may not be compromised or circumvented, or that System or services will in all cases provide signaling, monitoring and response for which it was intended; that Sub is not relying on Alarm Co's skill or judgment in selecting or furnishing a System or service suitable for any particular purpose.

Sub understands and agrees that the liability of Alarm Co and Others for all loss, damage or expense which may occur prior to, contemporaneously with, or subsequent to execution of this Agreement due to improper installation, operation or non-operation of System or services (including, without limitation or example, communications equipment or services necessary to transmit to or receive any data at the CS) is expressly limited as set forth herein. Should there arise any liability on the part of Alarm Co or Others for any damages of any kind, including, without limitation, economic losses, personal injury, death, or property damage (real or personal) which is in connection with, arises out of or from, results from, is related to or is a consequence of the active or passive sole, joint or several negligence of any kind or degree (including gross negligence) of Alarm Co or Others including, without limitation, acts, errors or omissions which occur prior to, contemporaneously with or subsequent to execution of this Agreement, or breach of this Agreement, or any claim brought in product or strict liability, subrogation, contribution or indemnification, whether in contract, tort or equity, including, without limitation, any general, direct, special, incidental, exemplary, punitive, statutory or consequential damages, irrespective of cause, such liability shall be limited to the maximum sum of 10% of the annual service charge or \$2,000.00, whichever is greater, collectively for Alarm Co and Others, as liquidated damages and not as a penalty as Sub's exclusive remedy.

In the event that Sub wishes Alarm Co or Others to assume greater liability, Sub may, as a matter of right, obtain from Alarm Co a higher limit by paying an additional amount proportionate to the increase in exposure assumed by the Alarm Co, but Sub expressly and explicitly acknowledges that such additional sum(s) paid and obligation(s) undertaken shall in no event make Alarm Co or Others insurers. This limitation of liability covers all Alarm Co supplied equipment and services, including monitoring, at all of Sub's locations. Sub acknowledges that additional premises protection and a higher level of security for alarm signal transmission to the CS is available at additional cost to Sub.

