

THIS AGREEMENT WILL NOT BE BINDING UPON DEALER UNTIL EITHER (I) SIGNED BY ONE OF OUR MANAGERS OR (II) WE START TO MONITOR THE SYSTEM. IN THE EVENT OF DISAPPROVAL, OUR ONLY LIABILITY SHALL BE TO REFUND TO YOU THE AMOUNT THAT YOU PAID TO US UPON THE SIGNING OF THIS AGREEMENT.

THIS AGREEMENT HAS BEEN WRITTEN IN PLAIN LANGUAGE SO IT WILL BE EASY FOR YOU TO UNDERSTAND. DEALER IS SOMETIMES REFERRED TO AS "WE" OR "OUR" AND SUBSCRIBER IS SOMETIMES REFERRED TO AS "YOU". THE ALARM SYSTEM IS REFERRED TO AS "SYSTEM" UNLESS OTHERWISE INDICATED.

THE FIRST PAYMENT IS DUE WHEN SERVICE BEGINS AND WILL INCLUDE THE PRORATED AMOUNT FOR THE MONTH IN WHICH SERVICE BEGINS. WE MAY INCREASE THE MONITORING AT ANY TIME TO RECOVER ANY ADDITIONAL TAXES, FEES, LICENSES, OR OTHER CHARGES THAT MAY BE IMPOSED ON US BY ANY GOVERNMENTAL AGENCY OR UTILITY, AND YOU AGREE TO PAY THE SAME. IN ADDITION, WE MAY INCREASE THE MONITORING FEE BY NOT MORE THAN FIVE PERCENT (5%) OF THE THEN PREVAILING MONITORING FEE ON EACH ANNIVERSARY OF THE ORIGINAL TERM OR AT THE BEGINNING OF ANY RENEWAL PERIOD BY GIVING YOU THIRTY (30) DAYS PRIOR WRITTEN NOTICE OF THE INCREASE.

1. DELINQUENCY AND DEFAULT: IF YOU FAIL TO MAKE ANY PAYMENT WHEN DUE, WE MAY DISCONTINUE SERVICE, TERMINATE THIS AGREEMENT AND RECOVER ALL DAMAGES TO WHICH WE ARE ENTITLED INCLUDING, WITHOUT LIMITATION, THE VALUE OF THE WORK AND SERVICES PERFORMED. IN ADDITION, WE MAY IMPOSE A LATE CHARGE OF 1.5% PER MONTH (18% APR) ON ALL PAYMENTS MORE THAN 15 DAYS PAST DUE.

2. RECEIPT OF COPY: YOU STATE THAT YOU HAVE RECEIVED A COPY OF THIS AGREEMENT.

3. OUR LIMITED LIABILITY: WE DO NOT REPRESENT OR WARRANT THAT THE SERVICE WILL PREVENT ANY LOSS OR INJURY DUE TO BURGLARY, HOLD-UP, FIRE, PERSONAL EMERGENCY, OR OTHERWISE, OR THAT THE SERVICE WILL IN ALL CASES PROVIDE THE PROTECTION FOR WHICH IT IS INTENDED. YOU ACKNOWLEDGE AND AGREE THAT: (A) WE HAVE MADE NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, NOR HAVE YOU RELIED ON ANY REPRESENTATIONS OR WARRANTIES EXPRESS OR IMPLIED; AND (B) YOU ASSUME ALL RISK OF LOSS OR DAMAGE TO YOUR PREMISES OR TO THE CONTENTS THEREOF. DEALER MAKES NO REPRESENTATION OR WARRANTY AS TO THE PROMPTNESS OF THE CENTER'S RESPONSE, AND DEALER HAS NO CONTROL OVER THE RESPONSE TIME OR CAPABILITY OF ANY AGENCY OR PERSON WHO MAY BE NOTIFIED AS A RESULT OF THE SYSTEM BEING USED. YOU FURTHER UNDERSTAND THAT WE OR THE CENTER MAY BE NEGLIGENT IN PROVIDING THE SERVICE, AND MAY FAIL TO PERSONALLY RESPOND TO RECEIPT OF AN ALARM SIGNAL FROM THE SYSTEM, OR THAT THE SYSTEM MAY FAIL TO FUNCTION PROPERLY. YOU AGREE THAT IF WE OR THE CENTER WERE TO HAVE ANY LIABILITY GREATER THAN THAT AGREED TO BY YOU PURSUANT TO SECTION 13 OF THE AGREEMENT, WE COULD NOT AND WOULD NOT PROVIDE THE SERVICE. YOU ACKNOWLEDGE THAT YOU SHOULD OBTAIN ANY LIFE, MEDICAL, OR DISABILITY INSURANCE FOR THE PROTECTION OF YOURSELF OR OTHERS WHO MAY USE THE SYSTEM. YOU UNDERSTAND THAT THERE ARE ALTERNATES AVAILABLE TO YOU SUCH AS 911 EMERGENCY TELEPHONE SERVICE, AND YOU HAVE SELECTED THIS SERVICE WITH A FULL UNDERSTANDING OF ITS LIMITATIONS AND THE LIMITATIONS OF THE CENTER'S AND OUR LIABILITY. YOU ACKNOWLEDGE THAT YOU HAVE READ AND UNDERSTOOD ALL OF THIS AGREEMENT, PARTICULARLY PARAGRAPHS 13 AND 14 WHICH SET FORTH OUR MAXIMUM LIABILITY IN THE EVENT OF ANY LOSS OR DAMAGE TO YOU OR ANYONE ELSE. YOU ACKNOWLEDGE THAT YOU HAVE THE OPPORTUNITY TO DISCUSS PARAGRAPH 13 WITH OUR REPRESENTATIVE AND UNDERSTAND THAT YOU MAY OBTAIN A HIGHER LIMITATION OF OUR LIMITED LIABILITY BY PAYING ADDITIONAL PERIODIC CHARGE.

4. CANCELLATION: YOU MAY CANCEL THIS AGREEMENT AT ANY TIME WITH A 30 DAY WRITTEN NOTICE UPON COMPLETION OF TERM. PENALTY SHALL BE EQUAL TO THE BALANCE OF THE MONTHLY AGREEMENT.

5. MONITORING SERVICE: THE SYSTEM WILL BE MONITORED BY AN APPROVED MONITORING STATION (THE "CENTER"). WE WILL PAY ALL MONITORING FEES CHARGED BY THE CENTER. IF REQUESTED TO DO SO, YOU WILL COMPLETE AND RETURN TO US OR THE CENTER, THE CENTER'S STANDARD SUBSCRIBER INFORMATION FORM. WHEN A BURGLARY, FIRE, OR HOLDUP SIGNAL FROM THE SYSTEM IS RECEIVED IN THE CENTER, IT WILL TRY TO TELEPHONE THE PROPER POLICE OR FIRE DEPARTMENT AND THE FIRST PERSON DESIGNATED ON THE SUBSCRIBER INFORMATION FORM YOU GIVE US. WHEN A PERSONAL EMERGENCY OR SUPERVISORY SIGNAL IS RECEIVED IN THE CENTER, IT WILL TRY TO NOTIFY THE PERSONS DESIGNATED ON YOUR INFORMATION FORM. TO AVOID FALSE ALARMS, THE CENTER WILL CALL YOUR PREMISES FIRST TO DETERMINE IF AN ACTUAL EMERGENCY EXISTS BEFORE CALLING ANY AUTHORITIES OR PERSONS ON YOUR INFORMATION. IF THE CENTER HAS REASON TO BELIEVE THAT NO ACTUAL EMERGENCY EXISTS, IT MAY CHOOSE NOT TO PLACE SUCH CALLS. WE MAY DISCONTINUE ANY PARTICULAR FORM OF RESPONSE IF REQUIRED TO DO SO BY ANY GOVERNMENTAL AUTHORITY OR INSURANCE INTEREST. YOU CONSENT TO THE TAPE RECORDING OF ALL TELEPHONIC COMMUNICATIONS BETWEEN OUR OFFICE OR THE CENTER AND YOUR PREMISES.

6. REPAIR SERVICE: AFTER THE EXPIRATION OF ANY APPLICABLE WARRANTY FOR A SYSTEM WE SOLD TO YOU, OR FOR A NEW SUBSCRIBER TAKEOVER, WE WILL PROVIDE TIME AND MATERIAL REPAIR SERVICE. YOU WILL PAY OUR STANDARD PARTS AND LABOR CHARGES FOR ALL REPAIR COSTS. SERVICE IS NORMALLY MONDAY THROUGH FRIDAY BETWEEN THE HOURS OF 9:00 AM AND 5:00 PM EXCEPT FOR THE HOLIDAYS THAT WE OBSERVE. THERE IS A PREMIUM LABOR CHARGE FOR SERVICE PERFORMED AT OTHER TIMES.

7. TRANSMISSION LINES: YOU WILL PAY FOR ALL TELEPHONE CHARGES INCLUDING ANY INSTALLATION CHARGES FOR A SPECIAL JACK TO CONNECT THE SYSTEM TO YOUR TELEPHONE SERVICE. THE SYSTEM INCLUDES A COMMUNICATOR THAT SENDS SIGNALS TO THE CENTER OVER YOUR REGULAR TELEPHONE SERVICE, AND WE RECOMMEND THE USE OF AN RJ31X TELEPHONE JACK OR EQUIVALENT JACK TO GIVE THE SYSTEM PRIORITY OVER OTHER TELEPHONES ON YOUR PREMISES; HOWEVER, YOU WILL NOT BE ABLE TO USE YOUR TELEPHONE SERVICE TO MAKE OTHER CALLS (SUCH AS CALLS TO 911 EMERGENCY OPERATOR) WHEN THE SYSTEM IS ACTIVATED AND, THEREFORE, YOU MAY WISH TO HAVE THE SYSTEM CONNECTED TO A DIFFERENT TELEPHONE SERVICE. IF YOUR TELEPHONE IS OUT OF ORDER, PLACED ON VACATION STATUS, OR OTHERWISE NOT WORKING, SIGNALS CANNOT BE TRANSMITTED, AND WE WILL NOT KNOW OF THE TELEPHONE SERVICE PROBLEM. TRANSMISSION IS PROVIDED OVER TELEPHONE FACILITIES THAT ARE CONTROLLED AND MAINTAINED BY THE TELEPHONE COMPANY AND ARE BEYOND OUR CONTROL.

8. FALSE ALARMS: YOU AGREE THAT YOU AND OTHERS USING THE SYSTEMS WILL USE IT CAREFULLY SO AS TO AVOID FALSE ALARMS. FALSE ALARMS CAN BE CAUSED BY SEVERE WEATHER OR OTHER FORCES BEYOND OUR CONTROL. IF WE RECEIVE TOO MANY FALSE ALARMS, THAT WILL CONSTITUTE A BREACH OF CONTRACT BY YOU, AND WE MAY CANCEL MONITORING AND SERVICE, DISCONNECT THE SYSTEM FROM THE CENTER AND SEEK TO RECOVER DAMAGES. YOU WILL PAY ANY FALSE ALARM FINE, PENALTY OR FEE THAT IS CHARGED AGAINST YOU, AND IF A FALSE ALARM FINE, PENALTY, OR FEE IS CHARGED TO US BY ANY GOVERNMENTAL AGENCY, YOU WILL PAY US FOR THE CHARGE.

9. SUBSCRIBER'S DUTIES: YOU WILL INSTRUCT ALL OTHER PERSONS WHO MAY USE THE SYSTEM OF ITS PROPER USE. YOU WILL TEST THE SYSTEM'S PROTECTIVE DEVICES AND SEND TEST SIGNALS TO THE CENTER IN ACCORDANCE WITH OUR INSTRUCTIONS. IF THE SYSTEM INCLUDES SPACE PROTECTION (I.E. INFRARED, MICROWAVE, PHOTO BEAMS, OR OTHER SUCH DETECTORS), YOU WILL TURN OFF, CONTROL, RELOCATE, OR REMOVE ALL THINGS SUCH AS AIR CONDITIONING AND HEATING SYSTEMS, INVENTORY, FURNITURE AND PETS THAT MIGHT INTERFERE WITH SUCH DEVICES WHEN THEY ARE TURNED ON. IF A PROBLEM IN THE SYSTEM OCCURS, YOU WILL NOTIFY US. YOU WILL OBTAIN AND KEEP IN EFFECT, AT YOUR SOLE EXPENSE, ALL PERMITS OR LICENSE THAT MAY BE REQUIRED FOR THE MONITORING AND OPERATION OF THE SYSTEM. YOU WILL COMPLETE AND GIVE US A SUBSCRIBER INFORMATION FORM WHICH WILL INCLUDE THE NAME, TELEPHONE NUMBER, AND RELATIONSHIP OF EACH PERSON WE MAY CALL IN THE EVENT WE BELIEVE THERE IS AN EMERGENCY AT YOUR PREMISES, AND OTHER INFORMATION WE MAY REQUIRE. YOU WILL NOTIFY US IN WRITING OF ANY CHANGES IN THE INFORMATION SET FORTH ON THE FORM. YOU AGREE THAT WE MAY DISCLOSE THE INFORMATION ON THE FORM TO ANY GOVERNMENTAL AGENCY HAVING JURISDICTION OVER THE USE AND OPERATION OF THE SYSTEM.

10. SUSPENSION OR CANCELLATION OF THIS AGREEMENT: YOU UNDERSTAND THAT DEALER MAY STOP OR SUSPEND MONITORING AND REPAIR SERVICE IF (A) STRIKES, SEVERE WEATHER, EARTHQUAKES, OR OTHER SUCH EVENTS BEYOND OUR CONTROL AFFECT THE OPERATION OF OUR FACILITIES, INCLUDING THE CENTER, OR SO SEVERELY DAMAGE YOUR PREMISES THAT CONTINUING SERVICE WOULD BE IMPRACTICAL; (B) THERE IS AN INTERRUPTION OR UNAVAILABILITY OF THE TELEPHONE SERVICE BETWEEN THE SYSTEM AND THE CENTER; (C) YOU DO NOT PAY THE SERVICE DUE TO US, AFTER WE HAVE GIVEN YOU TEN DAYS NOTICE THAT WE ARE CANCELING SERVICE BECAUSE OF NON-PAYMENT. WE MAY CHARGE A RECONNECTION FEE IF SERVICE IS SUSPENDED FOR NON-PAYMENT; (D) WE ARE UNABLE TO PROVIDE SERVICE BECAUSE OF SOME ACTION OR RULING BY ANY GOVERNMENTAL AUTHORITY; (E) YOU BECOME A DEBTOR IN A BANKRUPTCY PROCEEDING.

11. TERMINATION, REMOVAL OF CERTAIN EQUIPMENT: AT THE EXPIRATION OF THIS AGREEMENT OR IN THE EVENT OF YOUR DEFAULT, YOU AUTHORIZE US TO CANCEL MONITORING BY REMOTELY DISCONNECTING THE SYSTEM FROM THE MONITORING FACILITIES AT THE CENTER, AND ENTER UPON YOUR PREMISES TO REMOVE ALL OUR SIGNALS, DECALS, AND COMMUNICATION PROM CHIP AND COMMUNICATIONS SOFTWARE. SUCH DISCONNECTION AND REMOVAL OF EQUIPMENT SHALL BE WITHOUT PREJUDICE TO THE COLLECTION OF ANY AND ALL SUMS DUE UNDER THE ENTIRE CONTRACT OR EXTENSIONS OR RENEWALS THEREOF, AND FOR RECOVERY OF THE AMOUNT DUE FOR ANY UNEXPIRED TERM OF THIS AGREEMENT. IF YOU DO NOT PERMIT US TO DISCONNECT THE COMMUNICATOR, IT IS POSSIBLE THAT THE COMMUNICATOR MAY INTERFERE WITH YOUR TELEPHONE SERVICE EVEN THOUGH SIGNALS ARE NOT BEING PROCESSED AT THE CENTER.

12. ASSIGNEES AND SUBCONTRACTORS: WE MAY USE SUBCONTRACTORS (INCLUDING THE CENTER) TO PROVIDE MONITORING, REPAIRS OR SERVICE. THIS AGREEMENT, AND PARTICULARLY SECTIONS 13 AND 14, SHALL APPLY TO AND PROTECT OUR ASSIGNEES AND SUBCONTRACTORS IN THE SAME MANNER AS IT APPLIES TO AND PROTECTS US.

13. DEALER AND CENTER ARE NOT INSURERS: LIMITATION OF LIABILITY: YOU UNDERSTAND THAT: (A) WE AND THE CENTER ARE NOT INSURERS OF YOUR PROPERTY OR THE PERSONAL SAFETY OF PERSONS IN YOUR PREMISES; (B) YOU WILL PROVIDE ANY INSURANCE ON YOUR PREMISES AND ITS CONTENTS; (C) THE AMOUNT YOU PAY TO US IS BASED ONLY ON THE VALUE OF THE SYSTEM AND SERVICE PROVIDED AND NOT THE VALUE OF YOUR PREMISES OR ITS CONTENT; (D) ALARM SYSTEMS AND THE MONITORING AND REPAIR SERVICE MAY NOT ALWAYS OPERATE PROPERLY FOR VARIOUS REASONS; (E) IT IS DIFFICULT TO DETERMINE IN ADVANCE THE VALUE OF YOUR PROPERTY THAT MAY BE LOST, STOLEN OR DESTROYED IF THE SYSTEM OR SERVICE FAIL TO OPERATE PROPERLY; (F) IT IS DIFFICULT TO DETERMINE HOW FAST THE POLICE OR FIRE DEPARTMENT OR OTHERS WOULD RESPOND TO AN ALARM SIGNAL; (G) IT IS DIFFICULT TO DETERMINE WHAT PORTION, IF ANY, OF ANY PROPERTY LOSS, PERSONAL INJURY, OR DEATH WOULD BE APPROXIMATELY CAUSED BY OUR OR THE CENTER'S FAILURE TO PERFORM, OUR OR THE CENTER'S ACTIVITY, PASSIVE OR GROSS NEGLIGENCE, OR A FAILURE OF THE SYSTEM.

THEREFORE YOU AGREE:

EVEN IF A COURT DECIDES THAT A FAILURE OF THE SYSTEM, OR OUR OR THE CENTER'S NEGLIGENCE, OR A FAILURE OF ANY REPAIR WORK, MONITORING OR OTHER SERVICE CAUSED OR ALLOWED ANY HARM OR DAMAGE (PROPERTY DAMAGE, PERSONAL INJURY, OR DEATH) TO YOU OR ANYONE IN HER PREMISES, YOU AGREE THAT OUR AND THE CENTER'S TOTAL COMBINED LIABILITY SHALL BE LIMITED TO THE LESSER OF \$250.00 OR SIX TIMES THE MONTHLY MONITORING FEE, AND THIS SHALL BE YOUR ONLY REMEDY REGARDLESS OF WHAT LEGAL THEORY IS USED TO DETERMINE THAT DEALER AND/OR THE CENTER WERE LIABLE FOR INJURY OR LOSS.

14. THIRD PARTY INDEMNIFICATION AND SUBROGATION: IF ANYONE OTHER THAN YOU ASKS DEALER OR THE CENTER TO PAY FOR ANY HARM OR DAMAGES (INCLUDING PROPERTY DAMAGE, PERSONAL INJURY OR DEATH) CONNECTED WITH OR RESULTING FROM (I) A FAILURE OF THE ALARM SYSTEM OR SERVICES, (II) THE CENTER'S OR OUR NEGLIGENCE, (III) ANY OTHER IMPROPER OR CARELESS ACTIVITY OF THE CENTER OR DEALER IN PROVIDING THE ALARM SYSTEM OR SERVICES OR (IV) A CLAIM FOR INDEMNIFICATION OR CONTRIBUTION, YOU WILL PAY TO THE CENTER OR DEALER (A) ANY AMOUNT WHICH A COURT ORDERS THE CENTER OR US OR WHICH WE OR THE CENTER REASONABLY AGREE TO PAY, AND (B) THE AMOUNT OF THE CENTER'S AND OUR REASONABLE ATTORNEY'S FEES AND ANY OTHER LOSSES AND COSTS THAT THE CENTER OR WE MAY IN CONNECTION WITH THE HARM OR DAMAGES. YOUR OBLIGATION TO PAY DEALER OR THE CENTER FOR SUCH HARM OR DAMAGES SHALL NOT APPLY IF THE HARM OR DAMAGES HAPPEN WHILE ONE OF OUR EMPLOYEES OR SUBCONTRACTORS IS IN OR ABOUT YOUR PREMISES, AND SUCH HARM OR DAMAGES IS DIRECTLY AND SOLELY CAUSED BY THAT EMPLOYEE OR SUBCONTRACTOR. UNLESS PROHIBITED BY YOUR PROPERTY INSURANCE POLICY, YOU AGREE TO RELEASE DEALER AND THE CENTER FROM ANY CLAIMS OF ANY PARTIES SUING THROUGH YOUR AUTHORITY OR IN YOUR NAME, SUCH AS YOUR INSURANCE COMPANY, AND YOU AGREE TO DEFEND THE CENTER AND US AGAINST ANY SUCH CLAIM. YOU WILL NOTIFY YOUR INSURANCE COMPANY OF THIS RELEASE.

15. LIMITATIONS OF LAW SUITS; WAIVER OF JURY TRIAL: BOTH DEALER AND SUBSCRIBER AGREE THAT NO LAW SUIT OR ANY OTHER LEGAL PROCEEDING CONNECTED WITH THIS AGREEMENT SHALL BE BROUGHT OR FILED MORE THAN ONE YEAR AFTER INCIDENT GIVING RISE TO THE CLAIM OCCURRED. IN ADDITION, ANY SUCH LEGAL PROCEEDINGS SHALL NOT BE HEARD BEFORE A JURY. EACH PARTY GIVES US ANY RIGHT TO A JURY TRIAL.

16. ENTIRE AGREEMENT: THE ENTIRE AND ONLY AGREEMENT BETWEEN YOU AND DEALER IS WRITTEN IN THIS AGREEMENT. IT REPLACES ANY EARLIER ORAL OR WRITTEN UNDERSTANDING OR AGREEMENT. IT MAY ONLY BE CHANGED BY A WRITTEN AGREEMENT SIGNED BY YOU AND US. IF YOU HAVE GIVEN OR EVER GIVE US A PURCHASE ORDER FOR THE SYSTEM OR SERVICE WHICH PROVIDES FOR DIFFERENT TERMS THAN THIS AGREEMENT, THIS AGREEMENT WILL GOVERN AND BE CONTROLLING. IF ANY PROVISION OF THIS AGREEMENT IS FOUND TO BE INVALID OR ILLEGAL BY A COURT, THE BALANCE OF THE AGREEMENT SHALL REMAIN IN FORCE.